

**DECEMBER 12, 2022, 6:30 P.M.
TELECONFERENCE MEETING**

On March 3, 2020, Governor Newsom proclaimed a State of Emergency due to the COVID-19 pandemic that remains in effect. This meeting will be held remotely consistent with Executive Order N-29-20 and Assembly Bill 361, modifying provisions of the Brown Act to allow teleconference meetings at the current time. Members of the public are encouraged to participate remotely via Zoom or telephone pursuant to the information and link below. The Council will take public comment by email or by speaking at the meeting. Members of the public are entitled to provide public comment once on each agenda item when it is called. Those who wish to comment on an agenda item during the meeting should use the “raise hand” function or should write “I wish to make a public comment” in the chat section. If you have called into the meeting and wish to speak, please press *9. Council will not entertain comments made in the chat function. Upon being recognized by the Mayor, please limit your oral statement to no more than three minutes.

The public may also submit comments in advance of the meeting by emailing the City Clerk at: clerk@cityofbelvedere.org. Please write “Public Comment” in the subject line. Comments submitted one hour prior to the commencement of the meeting will be presented to the City Council and included in the public record for the meeting.

City of Belvedere is inviting you to a scheduled Zoom meeting.

Topic: Belvedere Regular City Council Meeting

Time: December 12, 2022, 6:30 P.M.

Join Zoom Meeting:

<https://us02web.zoom.us/j/89867894639?pwd=OTdlMkY0aUJzQWhlZ0Uvdz09>

Webinar ID: 898 6789 4639

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AGENDA – REGULAR MEETING

**BELVEDERE CITY COUNCIL
DECEMBER 12, 2022, 6:30 P.M.
TELECONFERENCE MEETING**

COMMENTS ON AGENDA ITEMS BY MEMBERS OF THE AUDIENCE

*Members of the public are encouraged to participate remotely via Zoom or telephone. The Council will take public comment by email or by speaking at the meeting. Members of the public are entitled to provide public comment once on each agenda item when it is called. Those who wish to comment on an agenda item during the meeting should use the “raise hand” function or should write “I wish to make a public comment” in the chat section. If you have called into the meeting and wish to speak, please press *9. Council will not entertain comments made in the chat function. Upon being recognized by the Mayor, please limit your oral statement to no more than three minutes. The Council welcomes comments raised by interested citizens but typically does not respond during the comment period.*

6:30 PM CALL TO ORDER

OPEN FORUM

This is an opportunity for any citizen to briefly address the City Council on any matter that does not appear on this agenda. Upon being recognized by the Mayor, please limit your oral statement to no more than three minutes. Matters that appear to warrant a more lengthy presentation or Council consideration may be placed on the agenda for further discussion at a later meeting.

DECLARE ELECTION RESULTS

1. Adopt Resolution 2022-57 Reciting the Facts of the Belvedere General Election Held on November 8, 2022, Declaring the Results, and Such other Matters as Provided by Law.
2. Swearing in of Councilmembers Beginning New Terms.
3. City Council Reorganization.
 - a. Acknowledgment of Councilmember Campbell
 - b. Election of Mayor
 - c. Election of Vice Mayor
 - d. Acknowledgment of outgoing Mayor Sally Wilkinson

REPORTS & PRESENTATIONS

4. City Council Reports.
5. City Manager Report.

CONSENT CALENDAR

The Consent Calendar consists of items that the City Council considers to be routine, or Council has discussed previously and do not require further discussion. Unless any item is specifically removed by any member of the City Council, staff, or the public, the Consent Calendar will be adopted by one motion. Items removed will be considered in the sequence as they appear below. If any member of the public wishes to have an item removed, please raise your hand when called and indicate the item.

6. Approve Minutes of the October 20, 2022, Special Joint Meeting of the City Council & Planning Commission.
7. Approve the Warrants for October 2022.
8. Adopt Resolution 2022-58 Authorizing the Continuation of Teleconference Public Meetings Pursuant to Government Code section 54953(e) (Assembly Bill 361).
9. Approve the Fiscal Year 2021-22 Financial Audit.
10. Adoption on Second Reading of Ordinance No. 2022-09 of the City of Belvedere Amending Chapter 2.08 - City Council - of Title 2 of the Belvedere Municipal Code by Amending Sections 2.08.010 and 2.08, Repealing Sections 2.08.020 and 2.08.050, and Renumbering Existing Sections Consistent with the Amendments.
11. Adopt Resolution 2022-59 amending Administrative Policy Manual section 6.2 to change the timing of the annual report provided by that the Parks, Open Space and Lanes Committee.
12. Waive Further Reading and Authorize Introduction and/or Adoption of Resolutions and Ordinances by Title Only (Standard procedural item – no backup information provided).

PUBLIC HEARING

13. Introduction & First Reading of an Ordinance of the City of Belvedere to Amend Sections 18.08.040 (L) (Former) 19.04.020, and Add Sections 18.04.040(L)(New), 19.04.035, 10.08.527, Chapter 18.27 and Chapter 19.77 to the City of Belvedere Municipal Code, all to comply with Senate Bill 9.
14. Consideration and Possible Adoption of Resolution 2022-60 Approving Changes to the Master Schedule of Fees for Road Closures and Encroachment Permits.

OTHER SCHEDULED ITEMS

15. Consideration and Possible Adoption of a Resolution 2022-61 Amending Sections 5.2. of the Belvedere Administrative Policy Manual (APM) City Operations.

Staff Recommendation: Adopt the Resolution as presented.
16. Consideration of a Pilot Program For the Marking and Identification of Aggressive Coyotes.

Staff Recommendation: Approve the pilot program.
17. Discussion and Appointment of Council Members to Various Regional Boards and Committees.

ADJOURN

NOTICE: WHERE TO VIEW AGENDA MATERIALS

Staff reports and other materials distributed to the City Council are available for public inspection at the following locations:

- Online at www.cityofbelvedere.org/archive.aspx
- Belvedere City Hall, 450 San Rafael Avenue, Belvedere. *(Materials distributed to the City Council after the Thursday before the meeting are available for public inspection at this location only.)*
- Belvedere-Tiburon Library, 1501 Tiburon Boulevard, Tiburon.

To request automatic mailing of agenda materials, please contact the City Clerk at (415) 435-3838.

NOTICE: AMERICANS WITH DISABILITIES ACT

The following accommodations will be provided, upon request, to persons with a disability: agendas and/or agenda packet materials in alternate formats and special assistance needed to attend or participate in this meeting. Please make your request at the Office of the City Clerk or by calling 415/435-3838. Whenever possible, please make your request four working days in advance.

DECLARE ELECTION RESULTS

**BELVEDERE CITY COUNCIL
DECEMBER 12, 2022**

To: Mayor and City Council

From: Leticia Miguel, City Clerk

Subject: Adopt resolution reciting the facts of the Belvedere general election held on November 8, 2022, declaring the results, and such other matters as provided by law.

Recommended Motion/Item Description

That the City Council adopt the resolution as presented.

Background

State law requires that the Council adopt a resolution reciting the facts of the contested election for three Council seats.

Findings

The official vote count in the Certificate of Canvass of Vote by the Marin County Registrar of Voters is:

Belvedere City Council

Peter E. Mark	676
Jane Cooper	662
Brian Davis	524
Richard N. Snyder	370

Belvedere City Council, Short Term

Sally Wilkinson	740
Carolyn Lund	452

Measure D

Yes	560
No	708

The number of residents registered to vote in Belvedere was 1,647; 1304 ballots were cast with a 79.17% voter turnout.

Attachment

Proposed resolution.

CITY OF BELVEDERE

RESOLUTION NO. 2022-57

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELVEDERE,
RECITING THE FACTS OF THE CONSOLIDATED MUNICIPAL ELECTION HELD
ON NOVEMBER 8, 2022, DECLARING THE RESULT, AND SUCH OTHER MATTERS
AS PROVIDED BY LAW**

WHEREAS, a Consolidated Municipal Election was held and conducted in the City of Belvedere, California, on Tuesday, November 8, 2022, as required by law; and

WHEREAS, that in all respects the election was held and conducted and the votes were cast, received and canvassed and the returns made and declared in time, form and manner as required by the provisions of the Elections Code of the State of California for the holding of consolidated elections in general law cities; and

WHEREAS, pursuant to Resolution No. 2022-30, adopted June 13, 2022, the County Registrar of Voters canvassed the returns of the election and has certified the results to this City Council, the results are received, attached and made a part hereof as Exhibit “A”.

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

SECTION 1. That the whole number of ballots cast in the City was 1304.

SECTION 2. That the names of the persons voted for at the election for Member of the City Council, Full Term were Peter E. Mark, Jane Cooper, Brian Davis, Richard N. Snyder, and that the names of the persons voted for at the election for Member of the City Council, Short Term were Sally Wilkinson and Carolyn Lund.

SECTION 3. That the measures voted upon at the election were as follows:

<i>To advance public safety; strengthen infrastructure against earthquakes; support fire suppression; safeguard water, sewer and other utilities; secure evacuation routes; and provide other general services, shall the measure establishing Belvedere as a Charter City and enacting a real estate property transfer tax of \$8 per \$1,000 to be paid by buyers or sellers of real property, providing \$1,600,000 annually, to end in 30 years or less, with audits and citizen oversight, benefiting Belvedere, be adopted?</i>	YES
	NO

SECTION 3. That the number of votes given in the City to each of the persons above named for the respective offices for which the persons were candidates and for and against the measure are as listed in Exhibit A, attached.

SECTION 4. The City Council does declare and determine that: Peter E. Mark and Jane Cooper were elected as Members of the City Council for the full term of four years, and Sally Wilkinson was elected as a Member of the City Council for the short term of two years.

SECTION 5. The City Council does declare and determine that: As a result of the election, a simple majority of the voters on the measure (Measure D) did not vote in favor of the measure and that this measure did not pass.

SECTION 6. The City Clerk shall enter on the records of the City Council of the City a statement of the result of the election, showing: (a) The whole number of votes cast in the City; (b) The names of the persons voted for; (c) For what office each person was voted for; (d) The measures voted upon; (e) The number of votes given in the City's single precinct to each person and for and against each measure.

SECTION 7. That the City Elections Official shall immediately sign and deliver to each of the persons so elected a Certificate of Election signed by the City Elections Official and authenticated. That the City Elections Official shall also administer to each person elected the Oath of Office prescribed in the Constitution of the State of California.

SECTION 8. That the City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Belvedere on December 12, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED: _____

Sally Wilkinson, Mayor

ATTEST: _____

Leticia Miguel, City Clerk

CONSENT CALENDAR

**BELVEDERE CITY COUNCIL
December 12, 2022**

To: Mayor and City Council

From: Harrison Tregenza, Interim City Clerk.

Reviewed by: Robert Zadnik, City Manager

Subject: Approve minutes of the October 20, 2022 joint City Council/Planning Commission meeting.

Recommended Motion/Item Description

That the City Council approve the minutes as part of the Consent Calendar.

Attachments

Draft Minutes.

**CITY OF BELVEDERE WORKSHOP
JOINT CITY COUNCIL & PLANNING COMMISSION
OCTOBER 20, 2022, 6:00 P.M.
REMOTE VIA ZOOM**

MINUTES

COUNCIL PRESENT: James Campbell, Nancy Kemnitzer, Peter Mark, and Sally Wilkinson

COUNCIL ABSENT: James Lynch

COMMISSION PRESENT: Kevin Burke, Patricia Carapiet, Ashley Johnson, Marsha Lasky, Larry Stoehr

COMMISSION ABSENT: Nena Hart and Claire Slaymaker

STAFF PRESENT: City Manager Robert Zadnik, Director of Planning and Building Irene Borba, Assistant City Attorney Ann Danforth, Associate Planner Samie Malakiman

These minutes are intended to reflect the general content of the regular meeting. An audio file of the meeting is available: <https://www.cityofbelvedere.org/agendacenter>.

CALL TO ORDER IN REMOTE OPEN SESSION

The meeting was called to order by Chair Carapiet at 6:01 P.M. via remote Zoom meeting.

Director of Planning and Building Irene Borba read the COVID-19 notice and public participation instructions.

Director of Planning and Building Irene Borba took roll call.

SCHEDULED ITEMS

1. Housing Element Update Overview

Director of Planning and Building Irene Borba introduced the item. Assistant City Attorney Ann Danforth gave a verbal report on the Housing Element update, summarizing new State laws, new changes and requirements, and new reporting and enforcement provisions. EMC Planning Group Principal Planner Ande Flower gave a presentation on the 6th Cycle Housing Element, going over the background of the update, the general roles for housing production, the Regional Housing Needs Allocation (RHNA), RHNA for the 6th Cycle Housing Element, and income variations within affordability categories.

2. Sites Analysis Overview

EMC Planning Group Principal Planner Ande Flower continued his presentation, reviewing the sites analysis. Mr. Flower's presentation covered reasonable sites for future housing, how the sites were selected, the Belvedere inventory of sites, who owns the inventory list sites, accessory dwelling units (ADUs), secondary housing units, Senate Bill 9 (SB-9), and Senate Bill 10 (SB-10).

3. Policy Overview

EMC Planning Group Principal Planner Ande Flower continued his presentation, giving an overview of policy. Mr. Flower's presentation covered existing housing conditions and policy goals.

4. AFFH – Affirmatively Furthering Fair Housing

EMC Planning Group Principal Planner Ande Flower continued his presentation, summarizing Affirmatively Furthering Fair Housing (AFFH). Mr. Flower's presentation covered Assembly Bill 686 (AB 686), the definition of AFFH, the goals of AFFH, the demographic data, and California State guidance for AFFH.

5. **Providing Feedback**

EMC Planning Group Principal Planner Ande Flower provided information on how the public can submit feedback to the City of Belvedere on the Housing Element.

6. **Q&A Session**

EMC Planning Group Principal Planner Ande Flower and Director of Planning and Building Irene Borba introduced the item.

Chair Carapiet asked for feedback on the Housing Element from each member of the City Council and Planning Commission.

Councilmember Campbell asked when Belvedere would hear out from the California Department of Housing & Community Development (HCD) whether the Housing Element was accepted.

Mr. Flower replied that 45 days after submitting, Belvedere should hear from their reviewer at HCD and start receiving feedback.

Councilmember Kemnitzer asked if Belvedere is on target to meet the deadline without asking for an extension, or if staff anticipates asking for an extension.

Mr. Flower replied that he does not anticipate Belvedere receiving a 'ready to certify' letter at the end of the 90-day window. Mr. Flower added that whether or not an Environmental Impact Report (EIR) is necessary will also determine Belvedere's ability to meet the deadline.

Councilmember Kemnitzer asked Mr. Flower to clarify the difference between a commitment to build an ADU and a letter of interest to build an ADU.

Mr. Flower replied that a letter of interest is not binding.

Councilmember Mark asked if Mr. Flower is looking for 'big picture' comments or specific site comments at this meeting.

Mr. Flower replied that this meeting's goal is to inform the public so they can make comments on the Housing Element and added that receiving written comments is the preferred method of feedback.

Councilmember Mark commented that he would like Belvedere to have hard copies of the draft Housing Element available at City Hall for the public to view. Councilmember Mark commented that there is a discrepancy between the Housing Element's affordability allocation and current development projects. He and asked Mr. Flower how Belvedere could address the discrepancy.

Mr. Flower replied that Belvedere could address this discrepancy by becoming a 'pro-housing community' which would help Belvedere receive grants that would increase the likelihood of meeting its affordability goals.

Mayor Wilkinson commented that the 44% buffer compared to 160 targets units is high compared to other communities and asked where Mr. Flower hopes the buffer will land.

Mr. Flower replied that the buffer is at the discretion of the City Council and that he would recommend 20%.

Mayor Wilkinson asked if HCD has provided pushback to communities that have relied heavily on ADUs in their Housing Elements.

Mr. Flower replied that HCD is reticent to allow any Housing Element with a ADU usage Above 200%. And recommended that Belvedere does not attempt more than 200% ADUs.

Mayor Wilkinson asked if HCD weighs certain sized units differently.

Mr. Flower replied that HCD gives equal weight to all units, regardless of size.

Commissioner Johnson asked if there would be repercussions for Belvedere if it meets the 160, but not the affordability quotient.

Mr. Flower replied that there are consequences for cities that do not meet their affordability levels.

Commissioner Johnson asked if Belvedere has any other avenues to require developers to hit a certain percentage of lower affordability brackets, outside of becoming a ‘pro-housing community’.

Mr. Flower replied in the negative.

Commissioner Stoehr asked if Mr. Flower considered net acreage rather than total lot acreage when calculating the potential number of units for sites.

Mr. Flower replied that he has directed his staff to calculate net acreage instead of gross acreage for lots that are adjacent to the Belvedere Lagoon.

Commissioner Stoehr asked Mr. Flower to review the house and ADU on the lot at 447 Belvedere Ave.

Commissioner Burke asked Mr. Flower to provide more information on the policy changes that led to the requirement that Belvedere go above 21 ADUs.

Mr. Flower replied that the housing numbers were calculated based on past performance and using the 30-30-30-10 model.

Commissioner Burke asked if additional units referenced in Chloe Byruck’s August 18, 2022 letter to Irene Borba were not included in the 235 total additional capacity units calculation.

Mr. Flower replied that the additional units in Ms. Byruck’s letter are included in the 235 total additional capacity units calculation.

Commissioner Burke asked if Mr. Flower is recommending the 120% contingency for all income groups.

Mr. Flower replied in the affirmative.

Commissioner Lasky asked about the maximum of number of ADU’s Belvedere is allowed.

Mr. Flower replied that the maximum amount is 200%, which would be 42 ADU’s.

In response to a chat question asking if ADUs not currently accounted for can be counted in the next RHNA cycle, Mr. Flower replied in the affirmative.

Councilmember Campbell asked if Belvedere can claim ADUs that aren’t registered, or if that process needs to be done through the ADU’s owner.

Director of Planning and Building Irene Borba replied that the process is undertaken when the ADU’s owner fills out an application with Belvedere.

Commissioner Stoehr asked how the income group gets established for newly built ADUs.

Mr. Flower replied that Belvedere does not keep an inventory of ADUs, so the income group is established following the 30-30-30-10 model.

Councilmember Mark commented that he would hesitate to let a private developer dictate Belvedere's Housing Element.

Mr. Flower replied that Belvedere is having challenges coming up with sites and sees a private developer as an ally in reaching the baseline numbers.

Councilmember Mark asked why the Boardwalk site would need to be re-zoned.

Director of Planning and Building Irene Borba replied that the current zoning ordinance only allows mixed use with a conditional use permit.

Mayor Wilkinson asked if Belvedere will need an EIR if it is determined that rezoning is necessary.

Mr. Flower replied that rezoning is the primary reason for an EIR, but that there may be other reasons to undertake one.

Assistant City Attorney Ann Danforth clarified that if the Housing Element increases density or facilitates development that causes environmental impacts that were not studied in a previous EIR, then a new EIR would be required.

Mayor Wilkinson asked if certified Housing Elements in other cities are receiving pushback from their communities in the form of litigation.

Mr. Flower replied that some communities are opting for a categorical exemption, and so far, have not been challenged in court.

Commissioner Carapiet asked if removing the conditional use permit aspect of the C-1 district zoning ordinance would count as rezoning.

Mr. Flower replied that making that change would not be cause for an EIR.

Assistant City Attorney Ann Danforth added that making this change would require a zoning ordinance amendment, but not every zoning ordinance amendment requires an EIR.

Commissioner Carapiet asked if the current height code is being used to calculate the unit count.

Mr. Flower replied that the unit count was calculated using density allowed, rather than height.

Commissioner Carapiet commented that it would be helpful to have a printed copy of the Housing Element available at City Hall for residents to read. Commissioner Carapiet commented that it would be helpful to have information on the Belvedere website about the purpose of a 'pro-housing community'.

Mr. Flower replied that the 'pro-housing community' designation is based on a criteria system and that HCD would look favorably upon Belvedere qualifying for as many criteria as possible, even if it does not get enough for the official designation.

Commissioner Carapiet asked if the discrepancy between acreage and net acreage has been fixed in the Housing Element.

Mr. Flower replied in the affirmative.

Commissioner Carapiet then opened up the item for public comment.

Nonviolent Communication Santa Cruz (NVC Santa Cruz) Core Team Member Kristin Masters and be diversity Founder Lee Robinson set ground rules for providing feedback on the Housing Element.

David Sandrich commented that there should be an emphasis in the Housing Element on public safety issues due to natural

disasters. Mr. Sandrich commented that there should be clear communication on what changes have been made to the Housing Element. Mr. Sandrich asked if Tom Price Park is no longer on the list.

Commissioner Carapiet replied in the affirmative.

Mr. Sandrich asked if Mr. Flower said in his presentation that Belvedere would not miss its RHNA deadlines.

Mr. Flower replied that it is Belvedere's goal to meet the deadline, but it is very likely that they will have to ask HCD for an extension.

Mr. Sandrich asked if the Housing Element will be submitted to HCD before January 31, 2023.

Mr. Flower replied in the affirmative.

Mr. Sandrich commented that the changes to the Housing Element should be published in the Ark Newspaper. Mr. Sandrich commented that the City Council needs to be more vocal about fighting HCD's requirements.

Mr. Flower replied that there is information on public safety issues in Appendix C of the Housing Element.

Andrew Barnett asked if Belvedere can frontload easily developed properties early in the cycle and prioritize the properties that are more difficult to be developed later in the cycle.

Mr. Flower replied that there is a legal barrier that prevents Belvedere from mandating sites to be developed at certain affordable levels.

Mr. Barnett asked why Belvedere can't take the affordability numbers and put them into the requirements for certain developments.

Mr. Flower replied that Belvedere has an inclusionary law that requires a financial analysis if the development goes above a 15% requirement.

Aging Action Initiative (AAI) Program Director Linda Jackson commented that Belvedere is a naturally occurring retirement community (NORC). Ms. Jackson commented that 87% of older residents want to age in their own home. Ms. Jackson advocated for Belvedere to build ADUs and support homeowners to build ADU's and multi-family housing.

Jim Allen asked if Belvedere will be checking to determine if developers are renting out units at below market rate.

Commissioner Carapiet replied that she agrees with Mr. Allen and would like to discuss how oversight can be implemented into the Housing Element.

Mr. Allen commented that some seniors in Belvedere may not be able to live in below market rate units because their income is too high.

Greenbelt Alliance Resilience Manager Jordan Grimes commented that increasing density and making it easier to build multi-family housing are important climate resilience actions. Mr. Grimes shared his concern that the density for certain sites is too low and that the Housing Element doesn't meet HCD's standard for providing significant evidence of the suitability of non-vacant sites. Mr. Grimes encouraged Belvedere to not stray from HCD's formula of 21 ADU's in the Housing Element, as it will then be rejected by HCD. Mr. Grimes encouraged Belvedere to review possible constraints on development because that is what HCD is looking for.

Jenny Silva asked how the Belvedere Land Company will build additional units if Belvedere doesn't undertake any rezoning. Ms. Silva commented that the Housing Element programs are vague and don't provide milestones. She recommended that

Belvedere put together a rental registry. Ms. Silva commented that community resistance to certain developments should be addressed in the Housing Element.

Sandra Donnell asked if the Belvedere building fees or public utility charges will set rates to encourage or discourage the fulfillment of Belvedere's RHNA numbers.

Councilmember Mark commented that addressing the affordability of multi-unit housing is a topic Belvedere is going to think about.

Marin Environmental Housing Collaboration (MEHC) Board Member Bob Pendoley commented that the Housing Element is missing a basic inclusionary affordable housing requirement. Mr. Pendoley commented that the Housing Element is missing incentives for providing affordable housing. Mr. Pendoley commented that the Belvedere Land Company is asking for a height limit increase and floor area ratio (FAR) increase, and that their request should be seriously considered by Belvedere. Mr. Pendoley commented it would be helpful if Belvedere discussed their experience with ADUs thus far. Mr. Pendoley commented that it would be helpful if the Housing Element explained how the R-15 district works and how it facilitates both ADUs and junior accessory dwelling units (JADUs). Mr. Pendoley encouraged Belvedere to go forward with the Thompson Dorfman project.

Mr. Allen commented that traffic on the Tiburon Peninsula must be solved and that it will require a cultural shift away from cars.

Commissioner Carapiet asked the City Council and Planning Commission members to share any comments they have regarding the public comment.

Councilmember Mark commented that Mr. Sandrich's comments on public safety are significant.

Councilmember Kemnitzer responded to Mr. Sandrich's comments by stating that the Housing Element does take public safety into account. Councilmember Kemnitzer commented that she would like the conclusion of the Housing Element to incorporate Belvedere's aspirations and the efforts that Belvedere is making on this issue.

Mayor Wilkinson advocated for elevating the issues of public safety and transportation into the Housing Element. Mayor Wilkinson commented that getting the Housing Element certified is the Belvedere's priority right now.

Commissioner Lasky commented that it would be advantageous to concentrate housing in a district that already has multi-family housing and in the Boardwalk shopping center.

Commissioner Johnson commented that the Planning Commission is balancing between maintaining the character of Belvedere and addressing the need for more housing.

Commissioner Burke commented that he thinks it's important to receive more input from the Belvedere community and encouraged those in the meeting to reach out and engage with their neighbors on this issue.

Commissioner Stoehr commented that it would be helpful if the Housing Element included more information on Belvedere's options to reach the mandated distribution of affordable income housing.

Commissioner Carapiet commented that her priority is to have a Housing Element that respects the current community and meets the requirements set forth by HCD.

Councilmember Mark asked via Zoom chat if there is going to be another public meeting on the Housing Element in the future.

Mr. Flower replied they will be hosting a public meeting to hear from those who would like to live in Belvedere.

CONSENT CALENDAR

**BELVEDERE CITY COUNCIL
DECEMBER 12, 2022**

To: Mayor and City Council
From: Helga Cotter, Administrative Services Director
Subject: **Approve Warrants of October 2022**

Recommended Motion/Item Description

That the City Council approve the October 2022 warrants as part of the Consent Calendar.

Attachments

Warrants.

CITY OF BELVEDERE
WARRANTS REPORT
OCTOBER 2022
BANK ACCOUNT 1000
OPERATING CHECKING ACCOUNT

Check Number	Check Date	Vendor # (Name)	Net Amount	Check Description
27693	10/11/2022	AMMI PUBLISHING COMP. INC	920.00	Automatic Generated Check
27694	10/11/2022	AT&T	338.46	Automatic Generated Check
27695	10/11/2022	AT&T MOBILITY	216.55	Automatic Generated Check
27696	10/11/2022	BROC BUILT CONSTRUCTION	9.90	Automatic Generated Check
27697	10/11/2022	CALIFORNIA BUILDING STAND	171.42	Automatic Generated Check
27698	10/11/2022	CODE PUBLISHING LLC	99.30	Automatic Generated Check
27699	10/11/2022	COMCAST	135.87	Automatic Generated Check
27700	10/11/2022	COUNTY OF MARIN-MARIN.ORG	4,574.58	Automatic Generated Check
27701	10/11/2022	DEPT. OF CONSERVATION	523.08	Automatic Generated Check
27702	10/11/2022	ELIZABETH MITCHELL	5,433.93	Automatic Generated Check
27703	10/11/2022	FLYERS ENERGY, LLC	1,860.88	Automatic Generated Check
27704	10/11/2022	GOLDFARB LIPMAN ATTORNEYS	3,434.00	Automatic Generated Check
27705	10/11/2022	GOODMAN BUILDING SUPPLY	204.30	Automatic Generated Check
27706	10/11/2022	GROVES ASSOCIATES	510.00	Automatic Generated Check
27707	10/11/2022	JACKSON'S	294.28	Automatic Generated Check
27708	10/11/2022	SAN FRANCISCO YACHT CLUB	101.00	Automatic Generated Check
27709	10/11/2022	STERICYCLE INC	140.95	Automatic Generated Check
27710	10/11/2022	VERIZON	132.78	Automatic Generated Check
27711	10/11/2022	VERIZON	603.96	Automatic Generated Check
27712	10/11/2022	WAGeworks INC.	200.00	Automatic Generated Check
27713	10/11/2022	WELLS FARGO VENDOR FINANCIAL SERVICES LLC	147.95	Automatic Generated Check
27714	10/11/2022	WESTERN EXTERMINATOR COMPANY	600.00	Automatic Generated Check
27715	10/13/2022	CITY OF NOVATO	55.00	Automatic Generated Check
A-1211	10/3/2022	GLOBAL PAYMENTS	302.99	Electronic Payment
A-1212	10/4/2022	CALPERS	32,825.78	Electronic Payment
A-1213	10/6/2022	EFTPS	18,066.65	Electronic Payment
A-1214	10/6/2022	CA EDD	5,859.11	Electronic Payment
A-1215	10/7/2022	CALPERS	18,136.30	Electronic Payment
A-1216	10/6/2022	PITNEY BOWES	500.00	Electronic Payment
A-1217	10/11/2022	PACIFIC GAS & ELECTRIC	2,957.95	Electronic Payment
A-1218	10/12/2022	TAKE CARE/WAGE WORKS	312.00	Electronic Payment
A-1219	10/12/2022	TAKE CARE/WAGE WORKS	50.00	Electronic Payment
A-1220	10/18/2022	WESTAMERICA BANK	285.99	Electronic Payment
A-1221	10/18/2022	COMCAST	48.85	Electronic Payment
A-1222	10/19/2022	CONNECT YOUR CARE	13.32	Electronic Payment
A-1223	10/20/2022	EFTPS	14,477.40	Electronic Payment
A-1224	10/21/2022	CA EDD	4,726.57	Electronic Payment
A-1225	10/21/2022	CALPERS	17,760.27	Electronic Payment
A-1226	10/21/2022	DELTA DENTAL	2,955.16	Electronic Payment
A-1227	10/21/2022	AT&T	69.72	Electronic Payment
A-1228	10/24/2022	RELIANT STANDARD LIFE/ADD	315.92	Electronic Payment
A-1229	10/26/2022	LINCOLN LTD	612.37	Electronic Payment
A-1230	10/27/2022	AFLAC INSURANCE CO	181.42	Electronic Payment
A-1231	10/28/2022	PITNEY BOWES	169.98	Electronic Payment
AP101122-01	10/11/2022	ALHAMBRA & SIERRA SPRINGS	48.92	Electronic Payment
AP101122-02	10/11/2022	ARBORSCIENCE	900.00	Electronic Payment

CITY OF BELVEDERE
WARRANTS REPORT
OCTOBER 2022
BANK ACCOUNT 1000
OPERATING CHECKING ACCOUNT

Check Number	Check Date	Vendor # (Name)	Net Amount	Check Description
AP101122-03	10/11/2022	BAY ALARM COMPANY	350.73	Electronic Payment
AP101122-04	10/11/2022	CARBONITE INC.	390.72	Electronic Payment
AP101122-05	10/11/2022	CIRA	24,523.00	Electronic Payment
AP101122-06	10/11/2022	DC ELECTRIC GROUP, INC.	311.10	Electronic Payment
AP101122-07	10/11/2022	ECORP CONSULTING INC.	882.50	Electronic Payment
AP101122-08	10/11/2022	EDMUND H. SAN DIEGO	614.88	Electronic Payment
AP101122-09	10/11/2022	GENARO MUNIZ	28.48	Electronic Payment
AP101122-10	10/11/2022	JESUS ARGUELLES	738.25	Electronic Payment
AP101122-11	10/11/2022	JESUS ARGUELLES	960.30	Electronic Payment
AP101122-12	10/11/2022	JOANNE OHEHIR	393.75	Electronic Payment
AP101122-13	10/11/2022	MARY NEILAN	614.88	Electronic Payment
AP101122-14	10/11/2022	MCNABB CONSTRUCTION INC	101,121.56	Electronic Payment
AP101122-15	10/11/2022	MEYERS NAVE	1,930.50	Electronic Payment
AP101122-16	10/11/2022	PARISI TRANSPORTATION CONSULTING INC.	1,800.00	Electronic Payment
AP101122-17	10/11/2022	PARISI TRANSPORTATION CONSULTING INC.	5,770.00	Electronic Payment
AP101122-18	10/11/2022	PORAC RETIREE MEDICAL TRU	2,100.00	Electronic Payment
AP101122-19	10/11/2022	WILLDAN FINANCIAL SERVICE	8,388.79	Electronic Payment
AP101122-20	10/11/2022	WILLDAN FINANCIAL SERVICE	<u>7,559.95</u>	Electronic Payment
Total for Bank Account 1000 ----->			<u>300,764.25</u>	

CITY OF BELVEDERE
WARRANTS REPORT
OCTOBER 2022
BANK ACCOUNT 1010
PAYROLL CHECKING ACCOUNT

Check Number	Check Date	Vendor # (Name)	Net Amount	Check Description
147	10/5/2022	DIRECT DEPOSIT	72,751.63	Electronic Payment
148	10/18/2022	DIRECT DEPOSIT	65,774.95	Electronic Payment
P-210	10/5/2022	MASS MUTUAL	527.21	Electronic Payment
P-211	10/18/2022	MASS MUTUAL	527.21	Electronic Payment
PR100622-01	10/5/2022	BPOA	92.30	Electronic Payment
PR100622-02	10/5/2022	ICMA-RC	4,768.55	Electronic Payment
PR100622-03	10/5/2022	GARNISHMENT	692.31	Electronic Payment
PR102022-01	10/18/2022	BPOA	92.30	Electronic Payment
PR102022-02	10/18/2022	ICMA-RC	4,613.94	Electronic Payment
PR102022-03	10/18/2022	GARNISHMENT	<u>692.31</u>	Electronic Payment
Total for Bank Account 1010 ----->			<u>150,532.71</u>	
Grand Total of all Bank Accounts ----->			<u>451,296.96</u>	

To: Mayor and City Council

From: Robert Zadnik, City Manager

Subject: A Resolution Authorizing the Continuation of Teleconference Public Meetings Pursuant to Government Code section 54953(e) (Assembly Bill 361)

RECOMMENDATION

That the City Council adopt a Resolution authorizing the continued use of teleconference meetings pursuant to Assembly Bill 361 and give direction to staff as necessary.

BACKGROUND

In September 2021, the Ralph M. Brown Act (Brown Act) was amended by Assembly Bill 361 to allow teleconference meetings during a state of emergency. AB 361 amends Government Code section 54953 to allow virtual board meetings through December 31, 2023 in any of the following circumstances:

1. The legislative body holds a meeting during a proclaimed state of emergency and state or local officials have imposed or recommended measures to promote social distancing.
2. The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.
3. The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

To continue to hold virtual meetings while California’s state of emergency remains active, the body must make findings every 30 days that: 1) the body has reconsidered the circumstances of the state of emergency and 2) that the state of emergency continues to directly impact the ability of the members to meet safely in person or state and state or local officials continue to impose or recommend measures to promote social distancing.

The attached resolution makes the findings to confirm the conditions still exist to allow the continuation of teleconference public meetings pursuant to AB 361 for the City Council and on behalf all lower legislative bodies in the City.

ENVIRONMENTAL DETERMINATION

A meeting format determination under AB 361 is not a “project” under the California Environmental Quality Act, because it does not involve an activity that has the potential to cause a direct or reasonably foreseeable indirect physical change in the environment. (Pub. Res. Code § 21065)

CORRESPONDENCE

As of the writing of this report, no correspondence has been received regarding this agenda item.

RECOMMENDED ACTIONs

That the City Council adopt the Resolution authorizing the continued use of teleconference meetings pursuant to Assembly Bill 361 and give direction to staff as necessary.

ATTACHMENT

1. Resolution.

CITY OF BELVEDERE

RESOLUTION NO. 2022-58

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELVEDERE AUTHORIZING
TELECONFERENCE MEETINGS PURSUANT TO GOVERNMENT CODE SECTION 5953(e)
(ASSEMBLY BILL 361)**

WHEREAS, the City of Belvedere is committed to preserving public access and participation in the meetings of the City Council; and

WHEREAS, all meetings of the City of Belvedere’s legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code §§ 54950 – 54963), so that any member of the public may attend, participate, and watch the City’s legislative bodies conduct their business; and

WHEREAS, on March 4, 2020 Governor Newsom declared a State of Emergency pursuant to Government Code section 8625 due to the COVID-19 pandemic, which State of Emergency remains in effect; and

WHEREAS, State Executive Orders N-25-20 and N-29-20, suspended certain provisions of the Brown Act (Gov. Code, §§ 54950 *et seq.*) to allow public meetings to be held virtually without opening a physical space to the public, which provisions expired September 30, 2021; and

WHEREAS, effective September 16, 2021, Assembly Bill 361 allows local agencies to continue to hold remote public meetings through December 31, 2023 when there is a State-declared emergency, and when state or local officials have imposed or recommended measures to promote social distancing or as a result of the declared emergency, meeting in-person would result in an imminent risk to the health or safety of attendees; and

WHEREAS, the Government Code section 8625 State of Emergency remains in effect; and

WHEREAS, on July 28, 2021, the California Department of Public Health issued guidance calling for the use of face coverings and stating that the Delta Variant is two times as contagious as early COVID-19 variants, leading to increasing infections, the Delta Variant accounts for over 80% of cases sequenced, and cases and hospitalizations of COVID-19 are rising throughout the state; and

To: Mayor and City Council

From: Helga Cotter, Administrative Services Director
Robert Zadnik, City Manager

Subject: Audited Financial Statements – FY2021-22

Recommended Motion/Item Description

It is recommended that the City Council receive and file the Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022.

Background

An independent audit was performed by the CPA firm, Maze & Associates. The goal of a financial statement audit is to provide users with a reasonable assurance from an independent source that the information presented in the statements is reliable. The attached Annual Comprehensive Financial Report (ACFR) was deemed neutral, consistent, and clear in the opinion of the City’s auditor. The Memorandum on Internal Control prepared by the auditor indicated that there were no deficiencies in internal control to report.

The ACFR is being submitted to the Government Finance Officers Association (GFOA) for consideration as part of the Certificate for Excellence in Financial Reporting program. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting. The City has received the GFOA certification for the past eight years and believes that the recent ACFR meets the requirements to again merit GFOA recognition.

The City’s Finance Committee met on November 10, 2022, to review the financial statements with the auditor. After suggesting some minor edits, the committee unanimously recommended that the City Council accept the audited ACFR for FY2021-22.

Fiscal Impact

No fiscal impact occurs as a result of the City Council’s acceptance of these reports. The FY2021-22 ACFR and related reports are presented as the actual results of the City’s financial activities for the year.

Attachments

1. FY2021-22 Annual Comprehensive Financial Report
2. Auditor's Memorandum on Internal Control
3. Auditor's Required Communications Letter
4. Auditor's Report on Gann Limit

WHEREAS, on January 5, 2022, the California Department of Public Health issued guidance again requiring universal masking indoors and stating that the Omicron Variant is more contagious than early COVID-19 variants and the Delta Variant, and has increased the seven-day average case rate more than sixfold and doubled COVID-19 hospitalization rates; and

WHEREAS, the universal masking requirements in all indoor public settings, social distancing guidance, vaccination availabilities and the increase in knowledge about protections against COVID-19 variant exposure or transmission led the CDPH to amend their masking guidance to allow the universal indoor masking requirement to expire on February 15, 2022; and

WHEREAS, the requirement for unvaccinated persons to mask in indoor public settings and businesses was replaced on March 1, 2022 by a strong recommendation that all persons, regardless of vaccine status, mask in indoor public settings and businesses; and

WHEREAS, the Delta and Omicron Variants have caused, and will continue to cause, conditions of imminent peril to the health safety of persons within the City; and

WHEREAS, public meetings involve many people in shared indoor spaces, in close proximity for hours, and City meetings rooms have limited mechanical and natural ventilation, creating a health risk for members of the public at this time;

WHEREAS, as a result of the continuing declared emergency, public meetings in-person would result in an imminent risk to the health or safety of attendees; and

WHEREAS, the City provides in the public notices and agendas for all public meetings the online and telephone options for participation in public meetings, protecting the right of the public to address their local officials and to participate in public meetings, and posts this information on the City's website, including instructions on how to access the public meeting remotely; now, therefore be it; and

WHEREAS, a meeting format determination under AB 361 is not a "project" under the California Environmental Quality Act, because it does not involve an activity that has the potential to cause a direct

or reasonably foreseeable indirect physical change in the environment. (Pub. Res. Code § 21065.)

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Belvedere, based on the findings set forth above and incorporated herein, that public meetings of the City's legislative bodies shall be held using remote technology in compliance with the requirements of Government Code section 54953(e) and all other applicable laws for thirty (30) days following the date of adoption of this Resolution.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Belvedere on November 14, 2022, by the following vote:

AYES: COOPER, KEMNITZER, LYNCH, MARK, WILKINSON

NOES:

ABSENT:

RECUSED:

APPROVED:_____

, Mayor

ATTEST:_____

Leticia Miguel, City Clerk



— CITY OF BELVEDERE, CALIFORNIA —

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

PREPARED BY THE
FINANCE DEPARTMENT

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— CITY OF BELVEDERE, CALIFORNIA —

INTRODUCTORY

SECTION

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CITY OF BELVEDERE, CALIFORNIA

**Annual Comprehensive Financial Report
For the Year Ended June 30, 2022**

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CITY OF BELVEDERE, CALIFORNIA

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CITY OF BELVEDERE, CALIFORNIA

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CITY of BELVEDERE

450 San Rafael Avenue • Belvedere CA 94920-2399
Tel: 415/435-3838 • Fax: 415/435-0430

November 10, 2022

Honorable Mayor, Members of the City Council
and Citizens of the City of Belvedere

The City, consistent with its responsibility to fully disclose its financial information and to ensure compliance with all state and federal regulations, publishes a complete set of audited financial statements within six months after the close of each fiscal year. The Annual Comprehensive Financial Report of the City of Belvedere fulfills that requirement for the fiscal year ended June 30, 2022. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included. City management assumes full responsibility for the accuracy, completeness and reliability of the information contained in this report.

The City's financial statements have been audited by Maze & Associates Accountancy Corporation, a firm of certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2022 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified ("clean") opinion that the City's financial statements for the fiscal year ended June 30, 2022, are fairly presented in conformity with generally accepted accounting principles ("GAAP"). The independent auditors' report is presented as the first component of the financial section of this report.

Generally accepted accounting principles ("GAAP") require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Government Profile

The City of Belvedere is a residential community located on the Tiburon Peninsula in Marin County, California. Belvedere is 2.4 square miles in size and is surrounded on three sides by the waters of the San Francisco Bay. The town is situated on two "islands" (Belvedere Island and Corinthian Island) and a lagoon area with adjacent residential properties. Belvedere affords its residents with amazing views in every direction. San Francisco, the Golden Gate Bridge, Sausalito, Angel Island and Mt. Tamalpais can be seen from Belvedere. The population of Belvedere is just under 2,100. A small fraction of the land area in Belvedere is devoted to commercial uses, including offices, services and retail establishments.

Incorporated in 1896, Belvedere has a Council/Manager form of government. Policy-making and legislative authority are vested in the governing city council, which consists of a mayor, vice-mayor and three council members. Council members are elected on a non-partisan basis to overlapping four-year terms. The council members select the Mayor and Vice Mayor each year. The Council is responsible for passing ordinances, adopting the budget, appointing commission and board members, and hiring the City Manager and City Attorney. The City Manager is responsible for assuring compliance with all ordinances, implementing the policies and direction of the City Council, appointing department heads, hiring employees, and managing the daily operations of the City.

The City provides a range of municipal services including law enforcement, planning, building code compliance, construction and maintenance of city infrastructure and park maintenance. Contract fire services are provided by the Tiburon Fire Protection District. Library and Recreation services are provided through joint powers agreements with the Town of Tiburon.

The annual budget serves as the foundation for the City of Belvedere's financial planning and control system. The City's departments are required to submit requests for appropriation to the City Manager each year. The City Manager uses these requests as the starting point for developing the proposed budget. In May of each year, the City Manager submits to the City Council a proposed operating budget for review. The Council holds a public hearing, and a final budget is adopted by June 30th each year.

The budget is adopted by fund, department and account classification. The City Manager may transfer budgeted amounts within any fund. Only the City Council can approve additional appropriations. The City Council is given a financial report and a comprehensive budget review at mid-year.

Economic Outlook

The City is primarily residential, and the majority of general fund revenue received (79%) is from local property taxes. Current Secured Property Tax revenue increased 4.6% (or \$232,874) in fiscal year 2022 and is estimated to increase 6.7% (or \$359,000) in fiscal year 2022. At the end of October 2022, there were 17 homes for sale in Belvedere with sale prices ranging from \$4.5 to \$39.5 million with an average list price of \$16.5 million, and a median list price of \$13.9 million.

Belvedere's revenues are somewhat insulated from economic downturns because only a small percentage of revenue received is from sales tax and there are no hotels in the city. In the ten years ranging from fiscal year 2013 through fiscal year 2022, overall property tax revenues increased an average of 5.8% per year.

Long-Term Financial Planning

Cities across the nation began reopening and loosening their restrictions related to COVID-19 virus in Spring of 2022. Belvedere's unique reliance on property tax revenue places Belvedere in a relatively positive economic outlook compared to the beginning and middle stages of the pandemic. The City did see an increase in the second half of the fiscal year in both planning and building related workloads which were close to pre-pandemic levels.

The five-year forecast assumes increases in property tax revenue from 4.5% to 5% over the time period, and continued contributions to the new Section 115 Pension Trust Fund to hedge against rising pension liabilities. Operating and capital expenditures have been forecasted just below pre-pandemic levels.

The City has identified \$3.74 million in capital projects to be completed over the next five fiscal years. Capital projects included are:

- \$1,960,000 for street improvements,
- \$609,000 for infrastructure improvements – including the continuation of the seawall stabilization project,
- \$380,000 for improvements to Belvedere’s lanes,
- \$74,000 for parks and open space projects,
- \$274,000 for community building upgrades, and
- \$446,000 for miscellaneous uncategorized projects.

Funding for street-related projects will come from various sources, including Road Impact Fee revenue; which is collected at the time a construction permit is issued; State Gas Tax revenue; and Marin County Measure A sales tax revenue.

On November 3, 2021, the Council considered updated project designs for a project that has been under serious consideration for several years. The project, the “Critical Infrastructure Project,” is a comprehensive approach to protecting the City from current and future threats. By strengthening key access routes and utility arteries and providing additional protections against storm surges and waves, the project would not only ensure resilience of public assets but would also add value to every property in Belvedere. The project has been divided into two phases with an estimated cost of the entire project of \$28 million and will likely be funded through a combination of grant funding and a potential voter-approved tax initiative.

The City’s General Fund Reserve Policy was revised at its meeting on December 13, 2021, to require that the City maintain an end-of-year General Fund Reserve that totals one half of the projected fiscal year’s General Fund expenditures, plus one half of the General Fund transfer to the Fire Fund, plus one half of annual debt service payments. The projected expenditures from the 2nd year of the 5-year budget are used for this calculation. The General Fund reserve was fully funded at the end of fiscal year 2022 and is anticipated to be fully funded in each of the next five fiscal years.

Also, as part of the updates to the Reserve Policy, at the end of each fiscal year, any unassigned funds that remain in the City’s General Fund after all other funds have been classified in accordance with GAAP and City Policy, will be transferred to the Critical Infrastructure Reserve and classified as assigned.

Financial Information

The City's management is responsible for establishing and maintaining internal controls to ensure that the City's assets are adequately protected from loss, theft or misuse. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. It is management's belief that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance that financial transactions are properly recorded.

This report was completed with contributions from Robert Zadnik, City Manager and Bob McCaskill, Finance Committee Chair.

The Government Finance Officers Association of the United States and Canada ("GFOA") award for Certificate of Achievement for Excellence in Financial Reporting to the City of Belvedere for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021 has been applied for, but not yet received. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility.

Sincerely,



Robert Zadnik
City Manager



Helga Cotter
Administrative Services Director

PRINCIPAL OFFICERS

CITY OF BELVEDERE

JUNE 30, 2022

CITY COUNCIL

Mayor	Sally Wilkinson
Vice Mayor	Jim Lynch
Councilmember	James Campbell
Councilmember	Nancy Kemnitzer
Councilmember	Peter Mark

COUNCIL APPOINTEES

City Manager	Robert Zadnik
City Attorney	Amy Ackerman

DEPARTMENT MANAGERS

City Clerk	Beth Haener
Admin Services Director	Helga Cotter
City Planner	Irene Borba
Police Chief	Jason Wu
Director of Public Works	Vacant
Building Official	Brian Van Son



Belvedere Residents

City Council

Sally Wilkinson, Mayor
City Councilors: James Campbell, Nancy Kemnitzner, James Lynch, Peter Mark

City Attorney

Renne Public Law Group
Contract for Services

City Manager

Robert Zadnik

Public Safety

Police Chief
Jason Wu

Tiburon Fire Protection District
Contract for Services

Police Sergeants
Tom Sabido
Andrew Rosas

Police Officers
Jeremy Clark, Brandon Novotny,
Caitlin Cullen
(1 deferred vacancy)

Planning & Building

Director of Planning & Building
Irene Borba

Building Official
Brian Van Son

Building Inspector II
Genaro Muniz

Senior Planner
Vacant

Building & Planning Technician
Nancy Miller

Administration

Mgmt Analyst/ City Clerk
Beth Haener

Administrative Services Director
Helga Cotter

Office Coordinator
Christina Cook

IT Coordinator
SPTJ Consulting
Contract for Services

Public Works

Director of Public Works/Emergency Services Manager
Vacant

Maintenance Supervisor
Gerhard Laufer

Maintenance Workers II
Alberto Carranza
Roy DeMartini

Associate Engineer
Chris Barry

City Engineer
Moe Engineering
Contract for Services

CITY OF BELVEDERE



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— CITY OF BELVEDERE, CALIFORNIA —

**FINANCIAL
SECTION**

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the City Council
of the City of Belvedere, California

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Belvedere, California, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management's for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the City's June 30, 2021 financial statements and we expressed unmodified audit opinions on those audited financial statements in our report dated December 1, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other required supplementary information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Supplementary Information, as listed in the Table of Contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Statistical Section listed in the Table of Contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



Pleasant Hill, California
November 10, 2022

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CITY OF BELVEDERE, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

As management of the City of Belvedere (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with the City's financial statements, which follow this discussion and analysis.

FINANCIAL HIGHLIGHTS

- The City's total assets plus deferred outflows on a Government-wide basis exceeded its liabilities plus deferred inflows at the close of the most recent fiscal year for a net position of \$15.82 million.
- The City's Government-wide *net position* increased by \$7.17 million at the close of FY 2021-22 as compared to FY2020-21, primarily due to revenues in excess of expenditures, plus favorable changes to the City's long-term inflows and outflows of resources.
- At the close of the current fiscal year, the City's Governmental funds, on a current financial resource basis, reported a combined ending fund balance of \$8.07 million. This represents an increase of \$.53 million over the prior fiscal year.
- The General Fund balance is \$5.24 million, of which \$3.57 million is assigned to the General Fund Reserve in compliance with City policy, \$1.59 million is restricted for the City's pension liabilities, \$.06 million is assigned for the Insurance and Legal Reserve and \$.02 million is nonspendable.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other required and non-required supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the four components reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position and condition of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

CITY OF BELVEDERE, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS

Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., earned but unused vacation leave).

The governmental activities of the City include general government, public safety, planning and development, public works, recreation, and non-departmental. The City does not conduct any business-type activities (such as water or sewer).

The government-wide financial statements include only the City because the City has no component unit relationships with any other agency. The government-wide financial statements can be found on pages 16 and 17 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Funds of governmental entities are divided into three categories: governmental funds, proprietary funds, and fiduciary funds. The City does not have any proprietary funds.

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on (1) short-term inflows and outflows of spendable resources and (2) the remaining year-end balances available for spending. This information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental fund financial statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide a reconciliation to assist the reader with this comparison between governmental funds and governmental activities.

The City maintains 7 individual governmental funds. In the governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances, information is presented separately for the following funds considered to be major funds:

- General Fund
- Fire Protection Fund
- General Capital Improvements
- Critical Infrastructure Fund

CITY OF BELVEDERE, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statements because those resources are not available to support the City's own programs. The City uses fiduciary funds to account for the undergrounding assessment district funds and the Library fund. The basic fiduciary fund financial statements can be found on page 28 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are part of the basic financial statements and can be found on pages 31 to 67 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. One section includes budgetary comparison statements for the major funds (general, fire protection, and general capital improvements). The other section is a schedule of funding progress for PERS and OPEB. Required supplementary information can be found on pages 73 to 78 of this report. Other supplementary information as noted in the table of contents can be found on pages 80 to 88 of this report.

CITY OF BELVEDERE, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's overall financial condition and position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$15.82 million at the close of the most recent fiscal year. The following table summarizes the net position for governmental activities as of June 30, 2022, 2021 and 2020:

Net Position
June 30, 2022, 2021 and 2020
(thousands)

	Governmental Activities			Total Primary Government				
	2022	2021	2020	2022	2021	2022-2021 Increase (Decrease)	2020	2021-2020 Increase (Decrease)
Current and other assets	\$ 11,838	\$ 8,843	\$ 7,168	\$ 11,838	\$ 8,843	\$ 2,995	\$ 7,168	\$ 1,675
Capital assets	7,931	7,122	7,078	7,931	7,122	809	7,078	45
Total assets	19,769	15,965	14,246	19,769	15,965	3,804	14,246	1,719
Deferred outflows related to OPEB & Pension	2,773	1,070	961	2,773	1,070	1,703	961	109
Total deferred outflows	2,773	1,070	961	2,773	1,070	1,703	961	109
Current liabilities	1,750	1,369	1,194	1,750	1,369	380	1,194	174
Noncurrent liabilities	3,668	5,285	4,771	3,668	5,285	(1,616)	4,771	514
Total liabilities	5,418	6,653	5,965	5,418	6,653	(1,236)	5,965	688
Deferred inflows related to OPEB & Pension	1,594	1,731	2,443	1,594	1,731	(137)	2,443	(712)
Total deferred inflows	1,594	1,731	2,443	1,594	1,731	(137)	2,443	(712)
Net position:								
Net investment in capital assets	7,931	7,122	7,078	7,931	7,122	809	7,078	45
Restricted	1,787	592	1,261	1,787	592	1,194	1,261	(670)
Unrestricted	6,102	937	(1,539)	6,102	937	5,165	(1,539)	2,476
Total net position	\$ 15,819	\$ 8,651	\$ 6,800	\$ 15,819	\$ 8,651	\$ 7,168	\$ 6,800	\$ 1,851

- Current assets increased by \$3.0 million, attributable to total revenues in excess of program expenses in the reported year, net pension asset for the fiscal year and increase in restricted investments due to contributions made to the Section 115 trust.
- Capital assets increased by \$.81 million, net of accumulated depreciation, largely due to additions of various infrastructure projects in progress during the year.
- Liabilities related to short term obligations increased by \$.38 million, due to modest increases in accounts payable, refundable deposits, and bonds payable within one year.
- Liabilities related to long term obligations decreased by \$1.62 million but were offset by an increase to deferred outflows of \$1.70 million, and a decrease to deferred inflows of \$.14 million mostly attributable to the change in net pension for the fiscal year.

CITY OF BELVEDERE, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS

Statement of Activities and Changes in Net Position

The Statement of Activities and Changes in Net Position provides information regarding the City's revenue and expenses. The following table summarizes the revenues, expenditures and changes in net position as of June 30, 2022, 2021 and 2020:

Statement of Activities and Changes in Net Position
For the Fiscal Years Ended June 30, 2022, 2021, and 2020
(thousands)

	Governmental Activities			Total Primary Government				
	2022	2021	2020	2022	2021	2022-2021 Increase (Decrease)	2020	2021-2020 Increase (Decrease)
Revenues:								
Program revenues:								
Charges for services	\$ 1,210	\$ 979	\$1,167	\$ 1,210	\$ 979	\$ 230	\$1,167	\$ (188)
Operating grants and contributions	412	57	-	412	57	355	-	57
Capital grants	266	229	137	266	229	37	137	92
General revenues:								
Taxes	7,701	7,280	6,961	7,701	7,280	421	6,961	319
Franchise and other taxes	389	345	190	389	345	45	190	155
Earnings on investment	(127)	104	135	(127)	104	(231)	135	(31)
Revenues from other agencies	403	577	402	403	577	(174)	402	175
Other revenue	61	45	35	61	45	16	35	10
Total revenues	10,313	9,615	9,027	10,313	9,615	697	9,027	588
Program expenses:								
General government	760	1,025	1,011	760	1,025	(264)	1,011	14
Police	(936)	1,481	1,387	(936)	1,481	(2,417)	1,387	93
Fire	1,855	1,749	1,690	1,855	1,749	106	1,690	59
Planning and development	(176)	1,146	883	(176)	1,146	(1,323)	883	262
Public works	834	1,760	1,576	834	1,760	(926)	1,576	185
Non Departmental	698	389	452	698	389	310	452	(63)
Community services	53	66	75	53	66	(12)	75	(9)
Interest on long-term debt	56	150	108	56	150	(93)	108	40
Unallocated depreciation expense	-	-	-	-	-	-	-	-
Total program expenses	3,144	7,764	7,182	3,145	7,764	(4,618)	7,182	579
Transfers:								
	-	-	-	-	-	-	-	-
Change in net position	7,168	1,852	1,845	7,167	1,852	5,317	1,845	7
Net position, as previously reported	-	-	-	-	-	-	-	-
Restatement for GASB 75	-	-	-	-	-	-	-	-
Net position, beginning of year	8,651	6,800	4,954	8,651	6,800	1,852	4,954	1,847
Net position, end of year	\$ 15,819	\$8,651	\$6,800	\$ 15,819	\$8,651	\$ 7,168	\$6,800	\$ 1,851

CITY OF BELVEDERE, CALIFORNIA
MANAGEMENT’S DISCUSSION AND ANALYSIS

Governmental activities net position increased by \$7.17 million. Key elements of the change in net position are as follows:

- Program revenue, charges for services reflected an increase of \$.23 million over the prior year, primarily due to the easing of COVID-related restrictions mid-year and an increase in building and planning activity in the last half of the fiscal year.
- Operating grants reflect an increase of \$.36 million, primarily due to the ARPA funds the City received during the fiscal year.
- Overall property taxes (including current secured property taxes) reflected an increase of \$.42 million over the prior year.
- Program expenses reflected a decrease of \$4.62 million over the prior year. This significant change is mostly due to the investment rate of return for CalPERS for the period ending 6/30/21 of 21.3% which resulted in a negative mark-to-market pension expense of \$5.37M that is allocated across the City’s departments. This change also incorporates modest changes to both compensated absences and depreciable assets expense.

FUND FINANCIAL STATEMENTS

The focus of the City’s governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the City’s financing requirements. In particular, unassigned fund balances may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

Activity of the Governmental Funds is summarized in the following table:

Governmental Funds								
Revenues, Expenditures and Other Changes in Fund Balances								
For the Fiscal Years Ended June 30, 2022, 2021 and 2020 (thousands)								
	2022			2021		2020		
	General Fund	Other Major Funds	Other Funds	Total Gov. Funds	Total Gov. Funds	<i>2022-2021 Increase (Decrease)</i>	Total Gov. Funds	<i>2021-2020 Increase (Decrease)</i>
Revenues	\$ 8,490	\$ 1,469	\$ 93	\$ 10,052	\$ 9,458	\$ 594	\$ 9,027	\$ 431
Current expenditures	5,989	1,855	250	8,094	7,425	669	6,894	531
Capital outlay	-	1,418	14	1,432	706	725	1,043	(337)
	<u>5,989</u>	<u>3,272</u>	<u>264</u>	<u>9,526</u>	<u>8,131</u>	<u>1,393</u>	<u>7,937</u>	<u>194</u>
Capital Lease, net of repayment	-	3,082	250	3,332	73	3,259	-	73
Net transfers	(3,239)	-	(93)	(3,332)	-	(3,332)	-	-
	<u>(3,239)</u>	<u>3,082</u>	<u>157</u>	<u>0</u>	<u>73</u>	<u>(73)</u>	<u>-</u>	<u>73</u>
Net change in fund balances	(738)	1,278	(14)	527	1,399	(872)	1,090	310
Fund balances, beginning of year	5,978	1,519	43	7,540	6,141	1,399	5,050	1,091
Fund balances, end of year	<u>\$ 5,240</u>	<u>\$ 2,797</u>	<u>\$ 29</u>	<u>\$ 8,067</u>	<u>\$ 7,540</u>	<u>\$ 527</u>	<u>\$ 6,141</u>	<u>\$ 1,399</u>

CITY OF BELVEDERE, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS

General Fund

- General fund revenues of \$8.49 million reflected an increase of approximately \$.62 million when compared to the prior year.
- General fund expenditures of \$5.99 million increased by \$.63 million over the previous fiscal year.
- Net transfers out of \$3.24 million consist of transfers out for capital improvement, critical infrastructure, equipment replacement, fire protection, and debt service.
- The General Fund balance at fiscal year-end was \$5.24 million.

Other Major Funds - Fire Protection Fund

- Revenues in the Fire Protection Fund, which were generated from a Citywide Parcel Tax, were \$.99 million an increase of \$.50 million over the previous fiscal year. Expenses were \$1.85 million, an increase of \$.11 million over the previous year.

General Fund Budgetary Highlights

In the General Fund, there were no significant changes to appropriations as a result of amending the original budget.

Also in the General Fund, differences between the adopted budget and the actual amounts for revenues, expenditures, and other financing source and uses resulted in a positive net variance of just over \$1.00 million. General fund revenues accounted for a positive variance of \$.87 million, resulting primarily from a positive variance of \$.43 million in property taxes and \$.29 million in intergovernmental revenues. General fund expenditures were under budget by \$.13 million (or 2% of the budgeted expenditures), which is considered a reasonable fluctuation and not due to any one particular cause.

CITY OF BELVEDERE, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's net investment in capital assets for its governmental activities as of June 30, 2022, was \$7.93 million. This investment in capital assets includes: infrastructure, construction-in-progress, buildings and improvements, equipment, vehicles, streets and roads, storm drains, and parks. Infrastructure assets are items that are normally immovable and of value to the City, such as roads, levees, streets and sidewalks, drainage systems, and similar items (Note 5).

Net investment in capital assets is presented below to illustrate changes from the prior year:

Capital Assets at Year-end

	<u>2022</u>	<u>2021</u>	<u>Net Change</u>
Construction-in-progress	\$ 1,238,639	\$ 344,746	\$ 893,893
Buildings & Improvements	3,994,410	3,979,129	15,281
Equipment	298,702	298,702	-
Vehicles	672,922	662,801	10,121
Infrastructure	9,564,070	9,057,479	506,591
Less accumulated depreciation	(7,838,191)	(7,220,677)	(617,514)
	<u>\$ 7,930,552</u>	<u>\$ 7,122,180</u>	<u>\$ 808,372</u>

Debt Administration

The City's sole debt issuance is discussed in detail in Note 6 to the financial statements. On June 30, 2022, the City's long-term debt is comprised of a Lease Revenue bond bearing an interest rate of 2.55%, as follows:

Outstanding Debt

	<u>Balance</u> <u>June 30, 2022</u>	<u>Balance</u> <u>June 30, 2021</u>	<u>Net Change</u>
Governmental Activity Debt			
Lease Revenue Bonds	\$ 2,034,000	\$ 2,228,000	\$ (194,000)
Total Debt	<u>\$ 2,034,000</u>	<u>\$ 2,228,000</u>	<u>\$ (194,000)</u>

CITY OF BELVEDERE, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS

PENSION AND OTHER POST EMPLOYMENT BENEFITS

The City offers pension and Other Post-Employment Benefits (OPEB) to its employees. The primary pension plan is administered by the California Public Employees' Retirement System (CalPERS). Council has continued to be concerned about the impacts of rising pension cost on the City's budgets, and its potential for creating shortfalls in budgetary resources needed to fund city services and important capital projects. Recognizing that Belvedere needed a more comprehensive proactive strategy for dealing with the pension challenge, the City created in 2020 an ad hoc Taskforce on Pensions and OPEB. The Taskforce developed and proposed a strategy that would establish a City commitment to plan for and fund pension costs based on realistic assumptions, and to develop a mechanism by which future adjustments to the funding formula could be made in 3–5-year increments. The City Council approved this strategy at its April 2021 meeting, and staff implemented the strategy right away.

As a result, the City has begun accumulating restricted funds that can only be used for pension liabilities and is well positioned to meet its pension commitments to past, present, and future City employees (Note 8D).

The City previously offered an additional defined benefit plan to long-time employees; it does not offer this plan to employees hired after January 1, 2012. The plan is administered by the Public Agency Retirement System (PARS). It is a supplement to the CalPERS plan and has more stringent qualification requirements than the CalPERS plan.

The City also offers OPEB health benefits to employees who meet CalPERS vesting requirements. The benefit provided to City retirees is the minimum amount allowable under the CalPERS health plan, with the exception of certain City Manager retirees, who receive a more generous benefit.

ECONOMIC OUTLOOK AND NEXT YEAR'S BUDGET

- Property tax revenue is the primary source of revenue for the City, and continues to show steady growth, thanks to a stable real estate market and the City's favorable inventory of homes.
- The City has been insulated from dramatic economic impacts thus far as a result of the COVID-19 pandemic and continues to proceed reasonably conservatively with regards to revenue projections and expenditure plans.
- Creation of a Section 115 pension trust and continual funding towards the trust means the City is well positioned for inevitable volatility in its future pension liabilities.
- Prudent fiscal management has resulted in a strong general fund reserve balance of 50% of projected General Fund expenditures plus Fire Fund transfer, plus the debt-service payments. Consequently, the City is well positioned to face unanticipated fiscal emergencies, such as catastrophic events or budget stabilization.

CITY OF BELVEDERE, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, creditors and government regulators with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Below is the contact address for questions about this report or requests for additional financial information.

City of Belvedere
Finance Department
450 San Rafael Ave.
Belvedere, CA 94920
Ph: 415-435-3838

<p style="text-align: center;">STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES</p>

The Statement of Net Position and the Statement of Activities summarize the entire City's financial activities and financial position. They are prepared on the same basis as is used by most businesses, which means they include all the City's assets, all its deferred inflows/outflows of resources and all its liabilities, as well as all its revenues and expenses. This is known as the full accrual basis—the effect of all the City's transactions is taken into account, regardless of whether or when cash changes hands, but all material internal transactions between City funds have been eliminated.

The Statement of Net Position reports the difference between the City's total assets and deferred outflows of resources and the City's total liabilities and deferred inflows of resources, including all the City's capital assets and all its long-term debt. The Statement of Net Position presents information in a way that focuses the reader on the composition of the City's net position, by subtracting total liabilities and deferred inflows of resources from total assets and deferred outflows of resources.

The Statement of Net Position summarizes the financial position of all of the City's Governmental Activities in a single column. The City's Governmental Activities include the activities of its General Fund, along with all its Special Revenue, Capital Projects and Debt Service Funds that present the financial position of the primary government. This column is followed by a column that displays the discretely presented component unit.

The Statement of Activities reports increases and decreases in the City's net position. It is also prepared on the full accrual basis, which means it includes all the City's revenues and all its expenses, regardless of when cash changes hands. This differs from the “modified accrual” basis used in the Fund financial statements, which reflect only current assets, current liabilities, available revenues and measurable expenditures.

The Statement of Activities presents the City's expenses first, listed by program. Program revenues—that is, revenues which are generated directly by these programs—are then deducted from program expenses to arrive at the net expense of each governmental program. The City's general revenues are then listed in the Governmental Activities or discretely presented component unit and the Change in Net Position is computed and reconciled with the Statement of Net Position.

Both these Statements include the financial activities of the City and the Belvedere Public Financing Authority.

CITY OF BELVEDERE
STATEMENT OF NET POSITION
JUNE 30, 2022
WITH SUMMARIZED INFORMATION AS OF JUNE 30, 2021

	Governmental Activities	
ASSETS	2022	2021
Cash and cash equivalents (Note 3)	\$7,543,548	\$7,845,530
Restricted cash and investments (Note 3)	1,597,000	201,913
Accounts and interest receivable	860,522	586,530
Prepays and deposits	17,692	208,972
Net pension asset (Note 8)	1,819,655	
Capital assets (Note 5):		
Non-depreciable capital assets	1,238,639	344,746
Depreciable, net of accumulated depreciation	6,691,913	6,777,434
Total Assets	19,768,969	15,965,125
DEFERRED OUTFLOWS OF RESOURCES		
Pension-related (Note 8)	2,773,236	776,019
Other Post Employment Benefits-related (Note 9)	288,969	294,286
Total Deferred Outflows of Resources	3,062,205	1,070,305
LIABILITIES		
Accounts payable and other liabilities	658,080	409,231
Refundable deposits	876,193	736,137
Compensated absences (Note 1K):		
Due within one year	23,517	29,195
Due in more than one year	211,653	262,754
Bonds payable (Note 6):		
Due within one year	192,000	194,000
Due in more than one year	1,842,000	2,034,000
Collective net pension liability, due in more than one year (Note 8)		1,378,273
Net Other Post Employment Benefits liability, due in more than one year (Note 9)	1,614,197	1,609,699
Total Liabilities	5,417,640	6,653,289
DEFERRED INFLOWS OF RESOURCES		
Pension-related (Note 8)	1,491,291	1,674,614
Other Post Employment Benefits-related (Note 9)	102,813	56,286
Total Deferred Inflows of Resources	1,594,104	1,730,900
NET POSITION (Note 7)		
Net investment in capital assets	7,930,552	7,122,180
Restricted for pension funding	1,597,000	201,913
Restricted for road projects	189,654	390,351
Unrestricted	6,102,224	936,797
Total Net Position	\$15,819,430	\$8,651,241

See accompanying notes to basic financial statements

CITY OF BELVEDERE
STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022
WITH SUMMARIZED INFORMATION FOR THE YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants	2022	2021
Primary Government:						
Governmental Activities:						
General government	\$760,337	\$66,435	\$251,661		(\$442,241)	(\$939,879)
Public safety:						
Police services	(936,072)	5,342			941,414	(1,469,840)
Fire services	1,854,651				(1,854,651)	(1,748,530)
Planning and development	(176,464)	814,648	160,000		1,151,112	(469,314)
Public works	833,901	323,206		\$265,538	(245,157)	(1,267,429)
Recreation	53,468				(53,468)	(65,740)
Non-departmental	698,372				(698,372)	(388,591)
Interest on long-term debt	56,169				(56,169)	(149,521)
Total Governmental Activities	<u>\$3,144,362</u>	<u>\$1,209,631</u>	<u>\$411,661</u>	<u>\$265,538</u>	<u>(1,257,532)</u>	<u>(6,498,844)</u>
General revenues:						
Taxes:						
Property taxes					7,700,541	7,279,753
Other taxes					190,124	159,401
Use of money and property					(127,405)	104,067
Intergovernmental					402,966	576,865
Franchise taxes					198,901	185,776
Miscellaneous					60,594	44,804
Total General Revenues					<u>8,425,721</u>	<u>8,350,666</u>
Changes in Net Position					7,168,189	1,851,822
Net Position-Beginning					<u>8,651,241</u>	<u>6,799,419</u>
Net Position-Ending					<u>\$15,819,430</u>	<u>\$8,651,241</u>

See accompanying notes to basic financial statements

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FUND FINANCIAL STATEMENTS

Major funds are defined generally as having significant activities or balances in the current year.

The General Fund, Fire Protection Special Revenue Fund, General Capital Improvements Fund and Critical Infrastructure Capital Projects Fund were determined to be Major Funds by the City for fiscal 2022. Individual non-major funds may be found in the Supplemental Section.

**CITY OF BELVEDERE
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2022
WITH SUMMARIZED AMOUNTS AS OF JUNE 30, 2021**

	General Fund	Fire Protection Fund	General Capital Improvements	Critical Infrastructure	Other Governmental Funds
ASSETS					
Cash and investments (Note 3)	\$4,620,221		\$1,303,837	\$1,590,057	\$29,433
Restricted cash and investments (Note 3)	1,597,000				
Accounts receivable, net	436,079	\$5,989	413,954		4,500
Due from other funds (Note 4A)	10,489				
Prepaid items and other current assets	17,692				
Total Assets	<u>\$6,681,481</u>	<u>\$5,989</u>	<u>\$1,717,791</u>	<u>\$1,590,057</u>	<u>\$33,933</u>
LIABILITIES					
Accounts payable and other liabilities	\$385,504		\$272,576		
Due to other funds (Note 4A)		\$5,989			\$4,500
Refundable deposits	876,193				
Total Liabilities	<u>1,261,697</u>	<u>5,989</u>	<u>272,576</u>		<u>4,500</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - grants	179,913		238,044		
Total Deferred Inflows of Resources	<u>179,913</u>		<u>238,044</u>		
FUND BALANCES (Note 7)					
Nonspendable	17,692				
Restricted	1,597,000		189,654		
Committed					
Assigned	3,625,179		1,017,517	\$1,590,057	29,433
Unassigned					
Total Fund Balances	<u>5,239,871</u>		<u>1,207,171</u>	<u>1,590,057</u>	<u>29,433</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$6,681,481</u>	<u>\$5,989</u>	<u>\$1,717,791</u>	<u>\$1,590,057</u>	<u>\$33,933</u>

See accompanying notes to basic financial statements

Totals

<u>2022</u>	<u>2021</u>
\$7,543,548	\$7,845,530
1,597,000	201,913
860,522	586,530
10,489	164,073
17,692	208,972
<u>\$10,029,251</u>	<u>\$9,007,018</u>
\$658,080	\$409,231
10,489	164,073
876,193	736,137
<u>1,544,762</u>	<u>1,309,441</u>
<u>417,957</u>	<u>157,567</u>
<u>417,957</u>	<u>157,567</u>
17,692	54,621
1,786,654	592,264
	1,300,000
6,262,186	4,431,341
<u> </u>	<u>1,161,784</u>
<u>8,066,532</u>	<u>7,540,010</u>
<u>\$10,029,251</u>	<u>\$9,007,018</u>

CITY OF BELVEDERE
RECONCILIATION OF THE GOVERNMENTAL FUNDS - BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2022
WITH COMPARATIVE AMOUNTS AS OF JUNE 30, 2021

	2022	2021
Total Fund Balances - Governmental Funds Balance Sheet	\$8,066,532	\$7,540,010
<p>Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds above because of the following:</p>		
CAPITAL ASSETS		
Capital assets used in Governmental Activities are not current assets or financial resources. Therefore, they are not reported in the Governmental Funds Balance Sheet.	7,930,552	7,122,180
DEFERRED INFLOWS AND OUTFLOWS		
Unavailable revenues - grants	417,957	157,567
Deferred outflows related to pension	2,773,236	776,019
Deferred outflows related to OPEB	288,969	294,286
Deferred inflows related to pension	(1,491,291)	(1,674,614)
Deferred inflows related to OPEB	(102,813)	(56,286)
LONG-TERM LIABILITIES		
<p>Long-term liabilities are not due and payable in the current period and, therefore are not reported in the Governmental Funds Balance Sheet.</p>		
Compensated absences	(235,170)	(291,949)
Bonds payable	(2,034,000)	(2,228,000)
Net OPEB liability	(1,614,197)	(1,609,699)
Net pension asset (liability)	1,819,655	(1,378,273)
Net Position of Governmental Activities	\$15,819,430	\$8,651,241

See accompanying notes to basic financial statements.

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CITY OF BELVEDERE
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2022
WITH SUMMARIZED AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	<u>General Fund</u>	<u>Fire Protection Fund</u>	<u>General Capital Improvements</u>	<u>Critical Infrastructure</u>	<u>Other Governmental Funds</u>
REVENUES					
Property taxes	\$6,704,180	\$996,361			
Other taxes	190,124				
Licenses and permits	571,146				
Fines and forfeitures	2,663				
Use of money and property	(129,536)		\$1,828		\$303
Intergovernmental revenues	459,662		267,106		93,007
Charges for services	432,336		203,486		
Franchise fees	198,901				
Other revenues	60,594				
Total Revenues	<u>8,490,070</u>	<u>996,361</u>	<u>472,420</u>		<u>93,310</u>
EXPENDITURES					
Current:					
General government	1,269,828				
Public safety:					
Police	1,573,346				
Fire		1,854,651			
Planning and development	1,306,190				
Public works	1,087,852				
Recreation (The Ranch)	53,468				
Non-Departmental	698,372				
Debt service:					
Principal					194,000
Interest and fiscal charges					56,169
Capital outlay			1,417,813		13,950
Total Expenditures	<u>5,989,056</u>	<u>1,854,651</u>	<u>1,417,813</u>		<u>264,119</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>2,501,014</u>	<u>(858,290)</u>	<u>(945,393)</u>		<u>(170,809)</u>
OTHER FINANCING SOURCES (USES)					
Capital lease proceeds					
Repayment of capital lease					
Transfers in (Note 4B)		858,290	633,788	\$1,590,057	250,170
Transfers (out) (Note 4B)	(3,239,376)				(92,929)
Total Other Financing Sources (Uses)	<u>(3,239,376)</u>	<u>858,290</u>	<u>633,788</u>	<u>1,590,057</u>	<u>157,241</u>
NET CHANGES IN FUND BALANCES	<u>(738,362)</u>		<u>(311,605)</u>	<u>1,590,057</u>	<u>(13,568)</u>
BEGINNING FUND BALANCES	<u>5,978,233</u>		<u>1,518,776</u>		<u>43,001</u>
ENDING FUND BALANCES	<u>\$5,239,871</u>		<u>\$1,207,171</u>	<u>\$1,590,057</u>	<u>\$29,433</u>

See accompanying notes to basic financial statements

Totals	
2022	2021
\$7,700,541	\$7,279,753
190,124	159,401
571,146	483,331
2,663	864
(127,405)	104,067
819,775	715,613
635,822	495,006
198,901	185,776
60,594	33,997
10,052,161	9,457,808
1,269,828	934,099
1,573,346	1,583,418
1,854,651	1,748,530
1,306,190	1,173,665
1,087,852	1,211,592
53,468	65,740
698,372	388,591
194,000	170,000
56,169	149,521
1,431,763	706,330
9,525,639	8,131,486
526,522	1,326,322
	2,323,000
	(2,250,000)
3,332,305	1,476,394
(3,332,305)	(1,476,394)
	73,000
526,522	1,399,322
7,540,010	6,140,688
\$8,066,532	\$7,540,010

CITY OF BELVEDERE
RECONCILIATION OF THE GOVERNMENTAL FUNDS - STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Position of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

	2022	2021
Net changes in fund balances - total governmental funds	\$526,522	\$1,399,322
Amounts reported for Governmental Activities in the Statement of Activities and Changes in Net Position are different because:		
CAPITAL ASSETS TRANSACTIONS		
Governmental funds report capital outlays as expenditures. However, the Statement of Activities and Changes in Net Position, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capitalized expenditures are therefore added back to fund balance	1,425,886	638,195
Depreciation expense is deducted from fund balance	(617,514)	(593,552)
LONG-TERM DEBT TRANSACTIONS		
Repayment of capital lease principal is added back to fund balance	194,000	170,000
Net refinancing of capital lease		(73,000)
ACCRUAL OF NON-CURRENT ITEMS		
The amounts below included in the Statement of Activities do not provide or require the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds (net change):		
Compensated absences	56,779	(75,034)
Unavailable grant revenues	260,390	157,567
Net OPEB liability and deferred outflows/inflows related to OPEB	(56,342)	(45,391)
Net pension liability and deferred outflows/inflows related to pension	5,378,468	273,715
Total Changes in Net Position of Governmental Activities	\$7,168,189	\$1,851,822

See accompanying notes to basic financial statements.

FIDUCIARY FUNDS

These funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the City-wide financial statements, but are presented in separate Fiduciary Fund financial statements.

CITY OF BELVEDERE
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022

	Custodial Funds
ASSETS:	
Cash and investments (Note 3)	\$568,468
Accounts receivable	26,949
Total Assets	595,417
LIABILITIES:	
Accounts payable	47,067
Total Liabilities	47,067
NET POSITION	
Restricted for Bondholders	530,016
Restricted for Other Agency	18,334
Total Net Position	\$548,350

See accompanying notes to basic financial statements

CITY OF BELVEDERE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Custodial Funds
ADDITIONS:	
Property taxes	\$927,154
Intergovernmental revenues	826,109
Investment income	1,528
Total Additions	1,754,791
DEDUCTIONS:	
Distributions to Library	908,820
Payments to bondholders	418,594
Interest and fiscal charges	441,911
Total Deductions	1,769,325
Change in net position	(14,534)
Net Position - Beginning	562,884
Net Position - Ending	\$548,350

See accompanying notes to basic financial statements

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CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Belvedere (the “City”) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental agencies. The Governmental Accounting Standards Boards (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting principles are described below.

A. Reporting Entity

The City is a municipal corporation governed by an elected five-member Council. As required by accounting principles generally accepted in the United States of America, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations and so data from these units are combined with data of the primary government. At June 30, 2022, the City did not have any component units that met this criterion.

B. Description of Funds

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows/outflows of resources, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The minimum number of funds is maintained consistent with legal and managerial expectations.

C. Government-Wide Financial Statements

The City’s government-wide financial statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of Governmental Activities for the City. These financial statements include the financial activities of the overall City government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Governmental activities are financed generally through taxes, intergovernmental revenues, and other nonexchange transactions.

The Statement of Activities and Changes in Net Position presents a comparison between direct expenses and program revenues for each function of the City’s governmental activities. Direct expenses are those that are specifically associated with a program or function and therefore are clearly identifiable to a particular function. Program revenues include three categories: (1) charges for services, (2) operating grants and contributions and (3) capital grants and contributions. Revenues that are not classified as program revenues, including all taxes are presented as general revenues.

Certain eliminations have been made as prescribed by Governmental Accounting Standards Board No. 34, *Basic Financial Statements-and Management’s Discussion and Analysis-for State and Local Governments* (“GASB 34”) in regard to interfund activities, payables and receivables.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. Accompanying schedules are presented to reconcile and explain the differences in net fund balance as presented in these fund statements to the net position presented in the government-wide financial statements.

GASB 34 defines major funds and requires that the City’s major governmental funds be identified and presented separately in the Fund financial statements. All other governmental funds, called non-major funds, are combined and reported in a single column, regardless of their fund-type.

Major funds are defined as governmental funds which have either assets, liabilities, revenues or expenditures equal to ten percent of their fund-type total or five percent of the grand total. The General Fund is always a major fund. The City may select other governmental funds it believes should be presented as major funds. No such funds were selected in fiscal 2022.

The major governmental funds of the City are:

- **General Fund** – The General Fund is used to account for the resources to carry out basic governmental activities of the City such as general government, public safety, public works, and parks and recreation, which are not required to be accounted for in another fund.
- **Fire Protection Fund** – This fund was established to receive and expend revenue from Measure C, the fire and emergency services special tax levy. This revenue, along with transfers from other funds, funds the cost of services provided by the Tiburon Fire Protection District.
- **General Capital Improvements Fund** – This fund accounts for most capital improvement projects in the City that have various funding sources. Revenues received from various sources are used for related project costs.
- **Critical Infrastructure Fund** – This fund accounts for funds set aside for potential future critical infrastructure capital projects, both planned and emergency repair.

E. Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The City’s fiduciary funds represent custodial funds. Custodial funds report resources, not in a trust, that are held by the City for other parties outside of the City’s reporting entity.

Custodial Funds – These funds were created to account for all of the Assessment District Bonds, which includes the 2016 Avenue Assessment District, the Acacia/Laurel Undergrounding Utility District and the Golden Gate Undergrounding Utility District, as well as property taxes received on behalf of the Belvedere-Tiburon Library Agency. Special assessments received are used to meet the debt service requirements and to pay for the administrative costs.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Basis of Accounting

The City-wide and Fiduciary Fund financial statements required by GASB 34 are reported using the “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all of the City’s assets and liabilities, including capital assets and long-term liabilities, if any, are included in the accompanying Statement of Net Position. The Statement of Activities and Changes in Net Position presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

The Governmental Fund financial statements are accounted for on a spending or “*current financial resources*” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and liabilities (except for long-term advances from the City) are included in the Balance Sheet, and the Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after fiscal year end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property taxes, sales taxes, intergovernmental revenues, other taxes and investment earnings. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the City may fund certain programs with a combination of cost-reimbursement grants, categorical block grants and general revenues. Thus both restricted and unrestricted net position may be available to finance program expenditures. The City’s policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

Non-exchange transactions, in which the City gives or receives value without directly receiving or giving value in exchange, include taxes, grants, entitlements and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The City applies all Government Accounting Standards Board (GASB) pronouncements (including all NCGA Statements and Interpretations in effect).

The reconciliations of the Fund Financial Statements to the Government-Wide Financial Statements are provided to explain the differences created by the integrated approach of GASB No. 34.

G. Use of Restricted/Unrestricted Net Position

When an expense is incurred for purposes for which both restricted and unrestricted net positions are available, the City’s policy is to apply restricted net position first.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Interfund Balances

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans).

Long-term advances between funds are offset by a fund balance reserve account in applicable governmental funds to indicate they are not in a spendable form and are not expendable available financial resources. The City does not have any long-term advances between funds.

I. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items using the purchases method in both the Government-Wide and Fund Financial statements. Inventories and prepaid items, as reported in the Fund Financial Statements, are offset by a nonspendable fund balance for noncurrent assets in governmental funds to indicate that these resources are not in spendable form.

J. Capital Assets

The City's assets are capitalized at historical cost or estimated historical cost. City policy has set the capitalization threshold for reporting capital assets at \$5,000. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. Depreciation of capital assets is charged as an expense each year and the total amount of depreciation taken over the years, accumulated depreciation, is reported on the Statement of Net Position as a reduction in the book value of capital assets. The City has assigned the useful lives listed below to capital assets: Buildings and improvements (20-30 years); Transportation equipment (10-15 years); Furniture and Equipment (3-20 years); and Infrastructure (20 years).

K. Compensated Absences

City employees accrue vacation, sick, holiday, executive leave and compensatory time off benefits. Vacation may not accrue beyond 320 hours or as provided in the employee's memorandum of understanding ("MOU") and the current Salary and Benefits Resolution. Cash compensation is payable for accrued vacation upon separation of service and also payable each year when the accrual balance exceeds the maximum allowed on December 31. No cash payment is made for accrued sick leave upon separation of service. Upon retirement, eligible employees may convert sick leave to years of service credit as provided for in the City's contract with PERS. In lieu of overtime, it is the City's policy to allow employees to accumulate compensatory time to limits provided for in the MOU. This accumulation may subsequently be converted to cash up to limits provided for in their MOU or converted to cash upon separation of service.

All vacation pay is accrued when incurred in the Government-Wide financial statements. A liability for these amounts is reported in the governmental funds financial statements only when they have matured (such as vacation time, estimated to be paid upon retirement in the next fiscal year with expendable available financial resources).

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated absences for governmental activities are primarily liquidated by the General Fund. The change in compensated absences was as follows:

Beginning Balance	\$291,949
Additions	37,678
Payments	<u>(94,457)</u>
Ending Balance	<u><u>\$235,170</u></u>
Current Portion	<u><u>\$23,517</u></u>

L. Unearned Revenue

Government-Wide Financial Statements – Unearned revenue is recognized for transactions for which revenue has not yet been earned. Typical transactions recorded as unearned revenues in the Government-Wide Financial Statements are unearned grants and prepaid charges for services.

Fund Financial Statements – Unavailable revenue is recorded when transactions have not yet met the revenue recognition criteria based on the modified accrual basis of accounting. The City records unavailable revenue for transactions for which funds are not available to meet current financial obligations. Typical transactions for which unavailable revenue is recorded are grants received but not yet earned or available, interest on interfund advances receivable and long-term loans receivable.

M. Property Tax Revenues

State Constitution Article 13 provides for a maximum general property tax rate statewide of \$1.00 per \$100 of assessed value. Assessed value is calculated at 100% of market value as defined by the above-referenced Article 13. The State Legislature has determined the method of distribution of receipts from the \$1.00 tax levy among the counties, cities, school districts and other districts. Counties, cities and school districts may levy such additional tax rate as is necessary to provide for voter approved debt service. The County of Marin assesses properties and bills for and collects property taxes according to the schedules that follow:

	Secured	Unsecured
Valuation dates	March 1	March 1
Lien/levy dates	July 1	July 1
Due dates	50% on November 1 50% on February 1	July 1
Delinquent as of	December 10 and April 10	August 31

The term “Unsecured” refers to taxes on personal property other than land and buildings. These taxes are secured by liens on the property being taxed. Property tax revenues are recognized in the fiscal year for which the taxes have been levied.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and governmental funds balance sheet sometimes reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has two items that qualify for reporting in this category related to pensions and OPEB as discussed in Notes 8 and 9.

In addition to liabilities, the statement of net position and governmental funds balance sheet report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has deferred inflows of resources related to pensions and OPEB on the statement of net position as discussed in Notes 8 and 9. The City also has deferred inflows related to unavailable grant revenues reported in the governmental fund balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

O. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses/expenditures. Actual results could differ from those estimates.

P. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Implementation of Governmental Accounting Standards Board (GASB) Pronouncements

GASB 87 – Leases - In June 2017, GASB issued Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Statement is effective for the reporting periods beginning after June 15, 2021, or fiscal year 2021-22. As part of the implementation of this Statement, the City established a threshold for reporting leases of \$100,000 and determined that none of its leases were required to be recorded.

R. New Fund

During fiscal year ended June 30, 2022, the City established the Critical Infrastructure Capital Projects Fund.

S. Prior Fiscal Year Summarized Comparative Information

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended June 30, 2021, from which summarized information was derived.

NOTE 2 – BUDGETS

A. Budget Policy

The City operates under the general laws of the State of California ("State") and annually adopts a budget to be effective July 1 of the ensuing fiscal year. The City adopts an annual budget for General, Special Revenue and Capital Projects Funds, except for the Gas Tax Special Revenue Fund. The legal level of budgetary control has been established at the fund level. Budgets are subject to a public hearing before they are adopted by the City Council. Budgets are prepared on the cash basis and are not materially different from budgets prepared under accounting principles generally accepted in the United States of America.

With the exception of Capital and Equipment budget which are budgeted by project, all annual appropriations lapse at fiscal year-end. Budgets submitted to the City Council include both proposed appropriations and the means of financing them. The City Council approves total appropriations on a fund-by-fund basis.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2022

NOTE 2 – BUDGETS (Continued)

The City Manager is authorized to transfer budget appropriations within the same fund in conformance with the adopted policies set by the City Council. Additional appropriations or interfund transfers not included in the original budget resolutions require approval by the City Council. Budgeted amounts shown reflect the annual operating budget as originally passed. Encumbrance accounting, a method of recording purchase commitments, is not used by the City.

For the year ended June 30, 2022, the Fire Protection Fund had expenditures that exceeded budget by \$2,197.

NOTE 3 – CASH AND INVESTMENTS

The City pools cash from all sources and all funds so that it can be invested at the maximum yield consistent with safety and liquidity, while individual funds can make expenditures at any time.

A. Policies

California Law requires banks and savings and loan institutions to pledge government securities with market value of 110% of the City's cash on deposit, or first trust deed mortgage notes with a market value of 150% of the deposit, as collateral for these deposits. Under California Law this collateral is held in a separate investment pool by another institution in the City's name and places the City ahead of general creditors of the institution.

The City and its fiscal agents invest in individual investments and in investment pools. Individual investments are evidenced by specific identifiable *securities instruments*, or by an electronic entry registering the owner in the records of the institution issuing the security, called the *book entry* system.

On April 12, 2021, the City Council adopted a resolution approving the adoption of the California Employers' Pension Prefunding Trust (CEPPT) Fund administered by CalPERS. The Trust is an irrevocable trust and qualifies as an Internal Revenue Section 115 trust. This trust will assist the City in mitigating the CalPERS contribution rate volatility. Investments of funds held in Trust are governed by the Investment Guideline Document for the investment account and by the agreement for administrative services with CalPERS, rather than the general provisions of the California Government Code or the City's investment policy. The City elected the CEPPT Strategy 1 option. The assets in the Trust will eventually be used to fund pension plan obligations.

The City's investments are carried at fair value, as required by generally accepted accounting principles. The City adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2022

NOTE 3 – CASH AND INVESTMENTS (Continued)

B. Classification

Cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of debt instruments or agency agreements.

Governmental Activities	
Cash and investments	\$7,543,548
Restricted investments	1,597,000
Total Governmental Activities Cash and Investments	9,140,548
Fiduciary Funds	
Cash and investments	568,468
Total Cash and Investments	\$9,709,016

C. Investments Authorized by the California Government Code and the City’s Investment Policy

The City’s Investment Policy allows the City to invest in the Local Agency Investment Fund (LAIF), the CalPERS Section 115 California Employers’ Pension Prefunding Trust Fund or hold cash on deposit at FDIC insured banks. Investments of reserve funds in other instruments may be considered if recommended by the Finance Committee to the City Manager for action by the City Council and provided that any such investments should only be undertaken if the likelihood of the City needing to deploy these funds in the near term is low.

D. Interest Rate Risk

Interest rate risk is the risk that potential future changes in market interest rates will adversely affect the fair market value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the investments by maturity or earliest call date:

Investment Type	12 Months or less	Total
California Local Agency Investment Fund	\$7,513,524	\$7,513,524
CalPERS Section 115 CEPPT	1,597,000	1,597,000
Total Investments	\$9,110,524	9,110,524
Cash in banks and on hand		598,492
Total Cash and Investments		\$9,709,016

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2022

NOTE 3 – CASH AND INVESTMENTS (Continued)

The City is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the authority of the Treasurer of the State of California and is not registered with the Securities and Exchange Commission as an investment company. The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2022, the average maturity was 311 days.

E. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The California Local Agency Investment Fund and the CalPERS Section 115 CEPPT are not rated.

F. Cash Deposits with Financial Institutions – Custodial Credit Risk on Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of June 30, 2022, the City's bank balance was \$655,186 and \$405,186 of that amount was exposed to custodial credit risk because it was uninsured, however they are collateralized with securities held by the pledging or financial institution's trust department or agent.

G. Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The California Local Agency Investment Fund, reported at amortized cost, and the CalPERS Section 115 CEPPT, reported at Net Asset Value, are not subject to the fair value reporting requirements. Fair value is defined as the quoted market value on the last trading day of the period.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2022

NOTE 4 – INTERFUND TRANSACTIONS

A. Current Interfund Balances

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. At June 30, 2022, current interfund balances are as follows:

<u>Fund Making Loan</u>	<u>Fund Receiving Loan</u>	<u>Amount</u>
General Fund	Fire Protection Special Revenue Fund	\$5,989
	Gas Tax Special Revenue Fund	<u>4,500</u>
	Total	<u><u>\$10,489</u></u>

B. Transfers Between Funds

With Council approval, resources may be transferred from one City fund to another. Transfers In/Out for the year ended June 30, 2022 were as follows:

<u>Fund Making Transfer</u>	<u>Fund Receiving Transfer</u>	<u>Amount</u>
General Fund	Fire Protection Special Revenue Fund	\$858,290 (A)
	General Capital Improvements Capital Projects Fund	540,859 (A)
	Critical Infrastructure Capital Projects Fund	1,590,057 (D)
	Lease Revenue Bonds Debt Service Fund	250,170 (B)
Gas Tax Special Revenue Fund	General Capital Improvements Capital Projects Fund	<u>92,929 (C)</u>
	Total	<u><u>\$3,332,305</u></u>

(A) To cover fund deficits.

(B) To cover debt service payments.

(C) To fund eligible projects.

(D) To set aside funds for planned and emergency capital projects.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2022

NOTE 5 – CAPITAL ASSETS

All capital assets are valued at historical cost or estimated cost if actual historical cost is not available. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value.

GASB 34 requires that all capital assets with limited useful lives be depreciated over their estimated useful lives. The purpose of the depreciation is to spread the cost of the capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro-rata share of the cost of the capital assets. Depreciation is provided using the straight-line method over its expected useful life.

Governmental capital asset activity for the fiscal year was as follows:

	Balance June 30, 2021	Additions	Retirements	Balance June 30, 2022
Governmental Activities				
Non-Depreciable Capital Assets:				
Construction-in-progress	\$344,746	\$893,893		\$1,238,639
Total capital assets not being depreciated	344,746	893,893		1,238,639
Depreciable Capital Assets:				
City Hall & Community Center				
Buildings and building improvements	3,706,278	5,681		3,711,959
Corporation yard improvements	272,851	9,600		282,451
Office furniture & equipment	298,702			298,702
Transportation/other- Yard	413,128	10,121		423,249
Transportation/other- Police	249,673			249,673
Infrastructure	9,057,479	506,591		9,564,070
Total capital assets being depreciated	13,998,111	531,993		14,530,104
Less accumulated depreciation for:				
City Hall & Community Center				
Buildings and building improvements	2,392,038	77,029		2,469,067
Corporation yard improvements	200,786	10,014		210,800
Office furniture & equipment	163,145	30,283		193,428
Transportation/other- Yard	320,547	14,741		335,288
Transportation/other- Police	182,208	36,792		219,000
Infrastructure	3,961,953	448,655		4,410,608
Total accumulated depreciation	7,220,677	617,514		7,838,191
Net depreciable assets	6,777,434	(85,521)		6,691,913
Governmental activities capital assets, net	\$7,122,180	\$808,372		\$7,930,552

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2022

NOTE 5 – CAPITAL ASSETS (Continued)

Construction in progress consisted of the following projects at June 30, 2022:

Project	Amount
Lane Projects	\$40,911
Lagoon Road Repairs	29,085
Playground Study	315,799
Undergrounding Projects	122,193
City Hall Renovations	157,873
Seawall	508,821
Miscellaneous Improvements	63,957
Total	\$1,238,639

Depreciation expense for governmental activities was charged to each expense function as follows:

Governmental Activities	
General Government	\$49,540
Police	56,050
Planning & Building	19,257
Public Works	24,755
Community Center (General Government)	19,257
Infrastructure (Public Works)	448,655
Total Governmental Activities	\$617,514

NOTE 6 – LONG-TERM DEBT

A. City Debt

The following is a summary of long-term debt transactions of the governmental activities for the year ended June 30, 2022:

Direct Borrowings	Balance at June 30, 2021	Retirements	Balance at June 30, 2022
2020 Refunding Lease Bonds, due 09/01/31	\$2,228,000	(\$194,000)	\$2,034,000
	\$2,228,000	(\$194,000)	2,034,000
		Amount due within one year	(192,000)
		Amount due in more than one year	\$1,842,000

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2022

NOTE 6 – LONG-TERM DEBT (Continued)

Debt service requirements are shown below for the bonds:

Year ending June 30	Direct Borrowings		Total
	Principal	Interest	
2023	\$192,000	\$50,668	\$242,668
2024	195,000	45,722	240,722
2025	207,000	40,711	247,711
2026	205,000	35,445	240,445
2027	207,000	30,166	237,166
2028-2032	1,028,000	66,325	1,094,325
Total	<u>\$2,034,000</u>	<u>\$269,037</u>	<u>\$2,303,037</u>

In August 2017, the City entered into a site and facility lease with the Belvedere Public Financing Authority (Authority) whereby the City leased its corporation yard and adjacent parking lot to the Authority, and the Authority, in turn, leased the property back to the City where the City agreed to make semi-annual lease payments to the Authority. The Authority subsequently assigned the lease to a third party financial institution, that paid the Authority \$2,655,000, which the Authority remitted to the City as an advance rental on the lease agreement, for the City to use to refinance a portion of its unfunded actuarial accrued liability with respect to the City’s pension obligations, and to pay for costs related to the preparation, execution and delivery of the lease agreement, site and facility lease and the assignment agreement.

On October 1, 2020, the City entered into the 2020 Refunding Lease Agreement. The proceeds from the 2020 Refunding Lease Bonds (2020 Bonds) of \$2,323,000 were used to refinance the remaining 2017 Lease Revenue Bonds, that were part of the agreement discussed above. As part of the new agreement, the Authority assigned certain of its rights under the Site Lease and Lease Agreement, including the right to receive and enforce payment of the Lease Payments, to Capital One Public Funding, LLC. The 2020 Bonds bear interest at 2.55% per annum, and principal and interest payments are due semi-annually on March 1 and September 1 through September 1, 2031. The lease payments are payable from general funds of the City.

B. Local Improvement District Debt with no City Commitment

Local Improvement Districts (LID’s) are established in various parts of the City to provide improvements to properties located in those districts. Properties in these districts are assessed for the cost of improvements; these assessments are payable over the term of the debt issued to finance the improvements and must be sufficient to repay this debt. The City acts solely as the collecting and paying agent for the Districts’ debt which is not included in the general debt of the City.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2022

NOTE 6 – LONG-TERM DEBT (Continued)

The following table summarizes the outstanding balance of the LID debt with no City commitment:

	Balance at June 30, 2021	Retirements	Balance at June 30, 2022	Due Within One Year	Due in More Than One Year
2016 Revenue Bonds, due serially to 2043	\$7,650,000	(\$385,000)	\$7,265,000	\$385,000	\$6,880,000
2018 Revenue Bonds, due serially to 2048	2,640,000	(60,000)	2,580,000	60,000	2,520,000
2019 Revenue Bonds, due serially to 2050	650,000	(15,000)	635,000	15,000	620,000
	<u>\$10,940,000</u>	<u>(\$460,000)</u>	<u>\$10,480,000</u>	<u>\$460,000</u>	<u>\$10,020,000</u>

2016 Underground Assessment District – 2016 Revenue Bonds: In August 2016, the City’s seven utility undergrounding assessment districts (Upper Beach Road; Madrona, Bella Vista and Oak; San Rafael; Lower Belvedere; Bayview/Bella Vista Avenues; Mid San Rafael Avenue; and Pine Avenue) were consolidated and refinanced with lower interest rates in order to reduce payments for participating property owners. This District was formed to finance certain public improvements, including the relocation of utility services (electricity, telephone and cable television) to underground locations and the elimination of all existing utility poles and overhead wires in the same area.

The Belvedere Public Financing Authority Revenue Bonds, 2016 Consolidated Utility Undergrounding Reassessment and Refunding District, were issued in the amount of \$9,475,000, representing the unpaid assessments from the outstanding limited obligation bonds from the seven previous underground assessment districts of \$9,011,209, plus fees pursuant to the provisions of the Refunding Act of 1984 for 1915 Improvement Act Bonds. The revenue bonds bear annual interest ranging from 0.75% to 3.05%, and are due semi-annually commencing March 2, 2017. Principal payments are due annually on September 2 until they mature on September 2, 2034.

2018 Acacia/Laurel Utility Undergrounding Assessment District – 2018 Revenue Bonds: This District was formed to finance certain public improvements, including the relocation of utility services (electricity, telephone and cable television) to underground locations and the elimination of all existing utility poles and overhead wires in the same area. The Belvedere Public Financing Authority Revenue Bonds, 2018 Acacia/Laurel Utility Undergrounding Assessment District, were issued in the amount of \$2,810,000. Concurrently, the City issued one series of assessment bonds for the Acacia/Laurel Utility Undergrounding Assessment District in the amount of \$2,673,056.80 pursuant to the Municipal Improvement Act of 1913. The assessment bonds were purchased by the Public Financing Authority, and secure and provide the stream of revenues to pay debt service on the Revenue Bonds. The assessment bonds are payable from the unpaid assessments levied and collected within the assessment district. The revenue bonds bear annual interest ranging from 2.10% to 4.30%, and are due semi-annually commencing March 2, 2019. Principal payments are due annually on September 2 until they mature on September 2, 2048.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2022

NOTE 6 – LONG-TERM DEBT (Continued)

2019 Golden Gate/Belvedere Utility Undergrounding Assessment District – 2019 Revenue Bonds:

This District was formed to finance certain public improvements, including the relocation of utility services (electricity, telephone and cable television) to underground locations and the elimination of all existing utility poles and overhead wires in the same area. The Belvedere Public Financing Authority Revenue Bonds, 2019 Golden Gate/Belvedere Utility Undergrounding Assessment District, were issued in the amount of \$665,000. The assessment bonds were purchased by the Public Financing Authority, and secure and provide the stream of revenues to pay debt service on the Revenue Bonds. The assessment bonds are payable from the unpaid assessments levied and collected within the assessment district. The revenue bonds bear annual interest ranging from 2.65% to 5.00%, and are due semi-annually commencing March 2, 2020. Principal payments are due annually on September 2 until they mature on September 2, 2049.

NOTE 7 – NET POSITION AND FUND BALANCES

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund’s cash and receivables, less its liabilities.

Net Position is measured on the full accrual basis while Fund Balance is measured on the modified accrual basis, as explained in Note 1.

A. Net Position

Government-Wide Net Position consists of the following:

Net investment in capital assets – This amount consists of capital assets, net of accumulated depreciation and reduced by outstanding debt that was attributed to the acquisition, construction or improvement of the assets.

Restricted net position – This amount is restricted by external creditors, grantors, contributors or laws or regulations of other governments.

Unrestricted net position – This amount consists of net position that does not meet the definition of “net investment in capital assets” or “restricted net position.”

B. Fund Balances

The City has adopted the provisions of GASB Statement No. 54, *Fund Balance and Governmental Fund Type Definitions*. GASB 54 establishes Fund Balance classifications based largely upon the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The Governmental Fund statements conform to this new classification.

The Fund Financial Statements consist of Nonspendable, Restricted, Committed, Assigned and Unassigned amounts as described below:

Nonspendable: Items that cannot be spent because they are not in spendable form, such as prepaid items, or items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan fund.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2022

NOTE 7 – NET POSITION AND FUND BALANCES (Continued)

Restricted: Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation.

Committed: Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the government imposes upon itself at its highest level of decision making (normally the governing body) and that remain binding unless removed in the same manner. The City Council is considered the highest authority for the City and can commit funds through resolutions.

Assigned: Assigned fund balances encompass the portion of net fund resources reflecting the government's intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. The City Council has the authority to assign funds in Belvedere and can assign funds through the budgetary process.

Unassigned: This category is for any balances that have no restrictions placed upon them. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

C. Governmental Fund Type Definitions

General Fund: The general fund is be used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue: Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term *proceeds of specific revenue sources* establishes that one or more specific restricted or committed revenues is the foundation for a special revenue fund. The description of each major special revenue fund is discussed in *Note 1 - Summary of significant accounting policies*.

Capital Projects Fund: Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2022

NOTE 7 – NET POSITION AND FUND BALANCES (Continued)

D. Spending Policy

The City’s policy is to spend restricted fund balances first, before spending unrestricted fund balances, for expenditures incurred for purposes for which both restricted and unrestricted fund balances are available. The City does not have a formal policy for its use of unrestricted fund balance amounts. The City will reduce committed amounts first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. The City typically uses unassigned general funds to liquidate the liability for compensated absences and to liquidate the net pension liability or net postemployment benefit obligation when necessary.

E. Investment Earnings

Investment earnings follow the classification of the revenues invested.

F. Minimum Fund Balance Policy

The Council has established a policy to maintain a General Fund Reserve equal to half of the projected fiscal year’s General Fund expenditures, plus one half of the General Fund transfer to the Fire Protection Fund, plus one half of the annual debt service payments. The projected expenditures from the 2nd year of the 5-year budget are used for this calculation. Transfers to the City’s 115 Pension Trust and/or any additional discretionary payments made to CalPERS will not be included in this calculation because they are discretionary in nature. At June 30, 2022, the amount in reserve is \$3.57 million, which complies with this policy.

G. Fund Balance Classifications

Fund balances classifications at June 30, 2022 were:

Fund Balance Classifications	General Fund	General Capital Improvements	Critical Infrastructure	Other Governmental Funds	Total
Nonspendable:					
Items not in spendable form:					
Prepays and deposits	\$17,692				\$17,692
Total Nonspendable Fund Balances	<u>17,692</u>				<u>17,692</u>
Restricted for:					
Pension benefits	1,597,000				1,597,000
Street maintenance		\$189,654			189,654
Total Restricted Fund Balances	<u>1,597,000</u>	<u>189,654</u>			<u>1,786,654</u>
Assigned to:					
General Fund Reserve	3,567,850				3,567,850
Insurance Reserve	57,329				57,329
Critical Infrastructure			\$1,590,057		1,590,057
Capital Projects		1,017,517			1,017,517
Equipment Replacement				\$29,433	29,433
Total Assigned Fund Balances	<u>3,625,179</u>	<u>1,017,517</u>	<u>1,590,057</u>	<u>29,433</u>	<u>6,262,186</u>
Total Fund Balances	<u>\$5,239,871</u>	<u>\$1,207,171</u>	<u>\$1,590,057</u>	<u>\$29,433</u>	<u>\$8,066,532</u>

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2022

NOTE 8 – PENSION PLANS

A. Plan Descriptions and Summary of Balances by Plan

Plan Descriptions – The City has three defined benefit pension plans, a Miscellaneous Plan, a Safety (Police) Plan, and a Retirement Enhancement Plan (REP). The Miscellaneous Plan and the Safety Plan are Cost-Sharing Multiple Employer Plans administered by the California Public Employees’ Retirement System (CalPERS). The Retirement Enhancement Plan is an Agent-Multiple Employer Plan administered by the Public Agency Retirement System (PARS). Benefit provisions under the Plans are established by State statute and City Ordinance. The PARS Plan is closed to new participants.

CalPERS Plans - All qualified employees are eligible to participate in the City’s following cost-sharing multiple employer defined benefit pension plans (“Plans”):

- City Miscellaneous (Classic) Plan
- City Miscellaneous (PEPRA) Plan
- City Safety (Classic) Plan
- City Safety (PEPRA) Plan

The Plans are administered by the California Public Employees’ Retirement System (“CalPERS”). Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

PARS Retirement Enhancement Plan (“REP”) – This plan was implemented July 1, 2003 and closed to new participants hired after January 1, 2012. This plan is separate from CalPERS and is established as a 401(a) Defined Benefit Plan. The REP is administered by PARS, and is an Agent-Multiple Employer Plan.

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Miscellaneous and Safety Plans and additions to/deductions from the Plans’ fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office or PARS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Below is a summary of the deferred outflows of resources, net pension liabilities and deferred inflows of resources by Plan:

Plan	Deferred Outflows of Resources	Net Pension Liability (Asset)/Proportionate Share of Net Pension Liability	Deferred Inflows of Resources
CalPERS Plans:			
Miscellaneous	\$1,639,675	(\$1,133,591)	\$744,138
Safety - Police	1,062,455	(820,176)	743,503
PARS Retirement Enhancement Plan	71,106	134,112	3,650
	<u>\$2,773,236</u>	<u>(\$1,819,655)</u>	<u>\$1,491,291</u>

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2022

NOTE 8 – PENSION PLANS (Continued)

Pension liabilities are liquidated by the funds that have recorded the liability. The long-term portion of the governmental activities pension liabilities are liquidated primarily by the General Fund. For the year ended June 30, 2022, the City recognized negative pension expense of \$5,378,468 including amounts contributed to the CalPERS and PARS REP plans.

Each Plan is discussed in detail below.

B. CalPERS Plans (Miscellaneous and Safety)

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

Funding Policy – Active plan members in the Plan are required to contribute 6.75% or 7% of their covered salary for the miscellaneous plans and 11.5% or 9% for public safety members. The City is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The contribution requirements of plan members are established by State statute and the employer contribution is established and may be amended by CalPERS.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2022

NOTE 8 – PENSION PLANS (Continued)

The Plans' provisions and benefits in effect at June 30, 2022, are summarized as follows:

	Miscellaneous	
	<u>Classic</u>	<u>PEPRA</u>
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-67	52 - 67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	7%	6.75%
Required employer contribution rates	10.880%	7.59%
	Safety	
	<u>Classic</u>	<u>PEPRA</u>
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-55	50 - 57
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	2.0% to 2.7%
Required employee contribution rates	9%	13%
Required employer contribution rates	18.170%	13.13%

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2022, the contributions recognized as part of pension expense for each Plan were as follows:

	<u>Employer Contributions</u>
CalPERS:	
Miscellaneous	\$146,624
Safety	105,271
	<u>\$251,895</u>

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2022

NOTE 8 – PENSION PLANS (Continued)

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability (UAL). The dollar amounts are billed on a monthly basis. The City's required contributions for the unfunded liability in the Miscellaneous and Safety Plans were \$64,913 and \$51,865, respectively.

Pension Liabilities (Assets), Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - As of June 30, 2022, the City reported net pension liabilities (assets) for its proportionate shares of the net pension liability of each Plan as follows:

	Proportionate Share of Net Pension (Asset)
Miscellaneous	(\$1,133,591)
Safety	(820,176)
Total Net Pension (Asset)	(\$1,953,767)

The City's net pension liability (asset) for each Plan is measured as the proportionate share of the net pension liability. The net pension liability (asset) of each of the Plans is measured as of June 30, 2021, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for each Plan as of June 30, 2020 and 2021 was as follows:

	Miscellaneous
Proportion - June 30, 2020	0.01832%
Proportion - June 30, 2021	-0.05970%
Change - Increase (Decrease)	-0.07802%
	Safety
Proportion - June 30, 2020	0.00948%
Proportion - June 30, 2021	-0.02337%
Change - Increase (Decrease)	-0.03285%

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2022

NOTE 8 – PENSION PLANS (Continued)

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to the Miscellaneous Plan from the following sources:

	Miscellaneous	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$146,624	
Differences between actual and expected experience		(\$127,120)
Changes in assumptions		
Net differences between projected and actual earnings on plan investments	989,565	
Net difference in actual contribution and proportion contributions		(617,018)
Adjustment due to differences in proportions	503,486	
Total	\$1,639,675	(\$744,138)

\$146,624 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Annual Amortization
2023	\$88,798
2024	159,466
2025	227,184
2026	273,465
Total	\$748,913

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to the Safety Plan from the following sources:

	Safety	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$105,271	
Differences between actual and expected experience		(\$140,126)
Changes in assumptions		
Net differences between projected and actual earnings on plan investments	488,162	
Net difference in actual contribution and proportion contributions		(603,377)
Adjustment due to differences in proportions	469,022	
Total	\$1,062,455	(\$743,503)

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2022

NOTE 8 – PENSION PLANS (Continued)

\$105,271 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Annual Amortization
2023	(\$39,823)
2024	21,479
2025	97,690
2026	134,335
Total	<u>\$213,681</u>

Actuarial Assumptions – For the measurement period ended June 30, 2021, the total pension liability was determined by rolling forward the June 30, 2020 total pension liability. The June 30, 2020 total pension liabilities were based on the following actuarial methods and assumptions for all benefit tiers:

	CalPERS
Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost in accordance with the requirements of GASB Statement No.68
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	3.00%
Projected Salary Increase	Varies by Entry Age and Service
Mortality	Derived using CalPERS Membership Data for all Funds (1)
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on purchasing power applies

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability for the Plan was 7.15%. The projection of cash flows used to determine the discount rate for the Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2022

NOTE 8 – PENSION PLANS (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected rate of returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund (Public Employees' Retirement Fund) cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated. The expected nominal rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects the expected real rate of return by asset class.

Asset Class (a)	Assumed Asset Allocation	Real Return Years 1 - 10(b)	Real Return Years 11+(c)
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%		-0.92%
Total	<u>100%</u>		

(a) In the CalPERS ACFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(b) An expected inflation of 2.0% used for this period.

(c) An expected inflation of 2.92% used for this period.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2022

NOTE 8 – PENSION PLANS (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the City’s proportionate share of the net pension liability for each Plan, calculated using the discount rate 7.15%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Miscellaneous	Safety	Total
1% Decrease	6.15%	6.15%	6.15%
Net Pension Liability (Asset)	\$803,827	\$630,595	\$1,434,422
Current Discount Rate	7.15%	7.15%	7.15%
Net Pension Liability (Asset)	(\$1,133,591)	(\$820,176)	(\$1,953,767)
1% Increase	8.15%	8.15%	8.15%
Net Pension Liability (Asset)	(\$2,735,227)	(\$2,011,805)	(\$4,747,032)

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

Subsequent Event – Reduction of CalPERS Discount Rate – On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy approved by the CalPERS Board in 2015, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the CalPERS Board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense, but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the CalPERS Board. These new assumptions will be reflected in the CalPERS GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

C. PARS Retirement Enhancement Plan (REP)

Benefits Provided – Effective July 1, 2003, the City contracted with the Public Agency Retirement System (PARS) to sponsor a supplemental Retirement Enhancement Plan created in accordance with IRC Section 401(a), which is a qualified defined benefit pension plan covering all eligible employees of the City. The Retirement Enhancement Plan is an Agent-Multiple Employer Plan administered by the PARS. Eligibility for the benefit is defined as reaching age 55, completing fifteen years of full-time City service, and retiring concurrently from both the City and CalPERS after leaving City employment. The Plan was closed to new participants effective January 1, 2012. The REP provides a benefit equal to 0.5% of final average compensation for all service while employed at the City of Belvedere.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2022

NOTE 8 – PENSION PLANS (Continued)

Contributions – The City makes all contributions necessary to fund the benefits available under the REP. Employees are not permitted to make any contributions. Contributions during the fiscal year ended June 30, 2022 totaled \$71,106.

Net Pension Liability (Asset) – The City’s net pension liability (asset) for the Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability (asset) of the Plan is measured as of June 30, 2022 using an annual actuarial valuation. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions – For the measurement period ended June 30, 2022, the total pension liability was determined using an actuarial valuation as of June 30, 2021. The June 30, 2022 total pension liability was based on the following actuarial methods and assumptions:

	PARS REP
Valuation Date	June 30, 2020
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal
Actuarial Assumptions:	
Discount Rate	6.50%
Inflation	2.50%
Payroll Growth	2.75%
Cost of Living Adjustments	2.00%
Projected Salary Increase	Consistent with the rates used to value Miscellaneous Public Agency CalPERS Pension Plans for employees with an entry age of 30 years.
Mortality	Pre-Retirement: Consistent with the Non-Industrial rates used to value the Miscellaneous Public Agency CalPERS Pension Plans. Post-Retirement: Consistent with the Non-Industrial rates used to value the Miscellaneous Public Agency CalPERS Pension Plans.
Post Retirement Benefit Increase	Tier I: The retirement rates are consistent with those used to value the Miscellaneous Public Agency CalPERS Pension Plans "2.5% at age 55." The rates used are those for retirees with 20 years of service. Tier II: The retirement rates are consistent with those used to value the Safety (Police) Public Agency CalPERS Pension Plans "3.0% at age 50." The rates used are those for retirees with 25 years of service.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2022

NOTE 8 – PENSION PLANS (Continued)

Discount Rate - The discount rate used to measure the total pension liability for the Plan was 6.50%. The Plan's long-term expected rate of return was determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation based upon the investment of all assets in PARS' diversified Moderately Conservative portfolio.

Changes in the Net Pension Liability - The changes in the Net Pension Liability for the Plan as of the June 30, 2021 Measurement Date follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/ (Asset)
Balance at June 30, 2021	\$849,503	\$876,083	(\$26,580)
Changes in the year:			
Service cost	7,398		7,398
Interest on the total pension liability	54,425		54,425
Effect of economic/demographic gains or losses			
Effect of assumptions changes or inputs			
Benefit payments	(39,816)	(39,816)	
Contributions - employer		25,241	(25,241)
Member contributions			
Net investment income		(119,775)	119,775
Administrative expenses		(4,335)	4,335
Net changes	<u>22,007</u>	<u>(138,685)</u>	<u>160,692</u>
Balance at June 30, 2022	<u>\$871,510</u>	<u>\$737,398</u>	<u>\$134,112</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the City for the Plan, calculated using the discount rate for the Plan, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	PARS REP
1% Decrease	5.50%
Net Pension Liability	\$237,994
Current Discount Rate	6.50%
Net Pension Liability	\$134,112
1% Increase	7.50%
Net Pension Liability	\$46,565

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2022

NOTE 8 – PENSION PLANS (Continued)

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued PARS financial report.

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
U.S. Cash	9.48%	0.21%	0.20%
U.S. Core Fixed Income	35.00%	1.95%	1.84%
U.S. Equity Market	44.50%	5.70%	4.10%
Foreign Developed Equity	5.43%	6.99%	5.25%
Emerging Markets Equity	3.64%	9.44%	5.97%
US REITs	1.95%	6.27%	4.11%
Total	<u>100%</u>		

Deferred Outflows/Inflows of Resources Related to Pensions – At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions for the Plan from the following sources:

	PARS REP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience		(\$3,650)
Changes in assumptions		
Net differences between projected and actual earnings on plan investments	\$71,106	
Total	<u>\$71,106</u>	<u>(\$3,650)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Annual Amortization
2023	\$10,451
2024	13,762
2025	7,991
2026	35,252
Total	<u>\$67,456</u>

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2022

NOTE 8 – PENSION PLANS (Continued)

D. Section 115 Pension Trust Fund

In April 2021, the City established a Section 115 irrevocable trust with the California Employers' Pension Prefunding Trust (CEPPT) fund. The Council approved an initial deposit of \$1.5 million in level payments over a 15-month period in General Fund proceeds into the Strategy 1 sub-account of the City's CEPPT account. The Trust Account allows more control and flexibility in investment allocations compared to the City's portfolio, which is restricted by State regulations to fixed income instruments. Beginning July 1, 2021, the City will proactively contribute to the Section 115 irrevocable trust amounts reflective of what retirement costs would be if the normal cost of contributions were budgeted at a 6.0% discount rate. During the fiscal year ended June 30, 2022, the City contributed \$1,600,000 to the CEPPT account. As of June 30, 2022, the City reported the account balance of \$1,597,000 as restricted investments in the General Fund.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2022

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

A. General Information about the City’s Other Post Employment Benefit (OPEB) Plan

Plan Description – The City’s Post Employment Benefit Plan is a single-employer plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board Statement No. 75.

Benefits Provided –The following is a summary of Plan benefits by employee group as of June 30, 2022:

	<u>Miscellaneous</u>	<u>Safety</u>	<u>City Manager</u>
Eligibility:			
Age & Service Retirement	50 & 5 years CalPERS service	50 & 5 years CalPERS service	50 & 5 years CalPERS service; City Manager employees only
Industrial Disability Retirement	Yes	Yes	Yes
Duty Death	Yes	Yes	Yes
Health Benefit Plan:			
Employee only	Premium for Kaiser Permanente or Public Employee's Medical Hospital Care Act (PEMHCA) minimum only	Premium for Kaiser Permanente or Public Employee's Medical Hospital Care Act (PEMHCA) minimum only	Amount not to exceed 60% of Kaiser Basic rate for 2-party coverage
Employee + one dependent	Premium for Kaiser Permanente or Public Employee's Medical Hospital Care Act (PEMHCA) minimum only	Premium for Kaiser Permanente or Public Employee's Medical Hospital Care Act (PEMHCA) minimum only	Amount not to exceed 60% of Kaiser Basic rate for 2-party coverage
Employee + two or more dependents	Premium for Kaiser Permanente or Public Employee's Medical Hospital Care Act (PEMHCA) minimum only	Premium for Kaiser Permanente or Public Employee's Medical Hospital Care Act (PEMHCA) minimum only	Amount not to exceed 60% of Kaiser Basic rate for 2-party coverage
Surviving Spouse of Retiree	Premium for Kaiser Permanente or Public Employee's Medical Hospital Care Act (PEMHCA) minimum only	Premium for Kaiser Permanente or Public Employee's Medical Hospital Care Act (PEMHCA) minimum only	Amount not to exceed 60% of Kaiser Basic rate for 2-party coverage

Note: PEMHCA Minimum Rate: \$143/month as of 2021 and \$149/month as of 2022

Kaiser 2-party rate: up to \$976.37/month as of 2021 and \$1,028.47/month as of 2022

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2022

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Employees Covered by Benefit Terms – Membership in the plan consisted of the following at the measurement date of June 30, 2021:

	Count
Inactive employees currently receiving benefits	14
Inactive employees entitled to benefit payments	6
Active employees	20
Total	40

B. Total OPEB Liability

Actuarial Methods and Assumptions – The City’s total OPEB liability was measured as of June 30, 2021, and the total OPEB liability was determined by an actuarial valuation dated June 30, 2020, to determine the \$1,614,197 total OPEB liability as of June 30, 2022, based on the following actuarial methods and assumptions:

Actuarial Assumptions:	Miscellaneous
Actuarial Valuation Date	June 30, 2021
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	2.16%
Inflation Rate	2.50%
Payroll Growth	2.75%
Mortality, Retirement, Disability & Termination Rate	CalPERS 2000-2019 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2021
Healthcare Cost Trend Rate	Non-Medicare: 6.50% for 2023, and trending down to an ultimate rate of 3.75% in 2076
	Medicare (Non-Kaiser): 5.65% in 2023, trending down to 3.75% in 2076
	Medicare (Kaiser): 4.6% for 2023, decreasing to an ultimate rate of 3.75% in 2076
	PEMHCA minimum: increase by 4% annually after 2021

The discount rate was based on the Bond Buyer 20 Index.

The underlying mortality assumptions were based on the CalPERS 1997-2015 Experience Study and all other actuarial assumptions used in the June 30, 2021, valuation were based on the results of a June 30, 2021 actuarial experience study for the period July 1, 2021 to June 30, 2022.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2022

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

C. Changes in Total OPEB Liability

The changes in the total OPEB liability follows:

	Increase (Decrease)
	Total OPEB Liability
Balance at June 30, 2021	\$1,609,699
Changes for the year:	
Service Cost	64,779
Interest on the Total OPEB Liability	36,318
Differences between Expected and Actual	
Experience	69,315
Assumption changes	(103,610)
Benefit payments	(62,304)
Administrative Expense	
Net changes	4,498
Balance at June 30, 2022	\$1,614,197

The long-term portion of the Governmental Activities Net OPEB Liability is liquidated primarily by the General Fund.

D. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16%) or 1-percentage-point higher (3.16%) than the current discount rate:

1% Decrease	1.16%
Net OPEB Liability	\$1,853,905
Current Discount Rate	2.16%
Net OPEB Liability	\$1,614,197
1% Increase	3.16%
Net OPEB Liability	\$1,421,673

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2022

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (7.0%) or 1-percentage-point higher (9%) than the current healthcare cost trend rates:

1% Decrease	7.00%
Net OPEB Liability	\$1,409,259
Trend Rate	8.00%
Net Pension Liability	\$1,614,197
1% Increase	9.00%
Net Pension Liability	\$1,869,812

E. OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the City recognized OPEB expense of \$56,342. At June 30, 2022, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$54,567	\$18,248
Changes of assumptions	163,002	84,565
Employer contributions made subsequent to the measurement date	71,400	
Total	\$288,969	\$102,813

\$71,400 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as part of OPEB expense as follows:

Fiscal Year Ended June 30	Annual Amorization
2023	\$44,336
2024	48,795
2025	26,732
2026	(5,107)
Total	\$114,756

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2022

NOTE 10 – JOINT VENTURES AND POOLS

The City is involved in multiple joint ventures and pools. The following are cited as they are entities for which the City has a material ongoing financial interest and/or material ongoing financial responsibilities.

A. *Belvedere Parking Authority and Belvedere Public Financing Authority*

The Belvedere Parking Authority (“Parking Authority”) was established in May 2016 for the purpose of being the second entity in a joint powers authority with the City to establish a financing authority.

The Belvedere Public Financing Authority (the “Financing Authority”) was established in May 2016 as a joint powers authority between the City and the Financing Authority. The Financing Authority was established to execute refunding agreements for the outstanding limited obligation bonds of the underground assessment districts, fund the reserve fund, pay for the costs of issuance, and pay debt service payments.

B. *Belvedere-Tiburon Library Agency*

The Belvedere-Tiburon Library Agency (the “Agency”) was established in May 1995 to construct, own, operate, and maintain a new public library, servicing the residents of Belvedere and Tiburon. Each member of the Agency has three (3) representatives on the Library Board which governs the management and financing of its activities and an at large member appointed by the Reed School District. Participating agencies at June 30, 2020 were the Town of Tiburon and the City of Belvedere. The City receives tax receipts, relating to the Belvedere-Tiburon Library, from the County of Marin. The City disburses all of those receipts to the Library (\$927,154 for fiscal 2022), which utilizes the funds for ordinary operations. The financial results of the Agency are not included in the accompanying financial statements because the City does not have oversight authority.

Financial statements for the Belvedere-Tiburon Library Agency can be obtained at 1501 Tiburon Blvd., Tiburon, CA 94920.

C. *Belvedere-Tiburon Joint Recreation Committee*

The Belvedere-Tiburon Joint Recreation Committee (the Committee, commonly referred to as “The Ranch”) was formed under a joint powers agreement between the City of Belvedere and the Town of Tiburon. The Town Council of the Town of Tiburon and City Council of the City of Belvedere each select and appoint three citizens and one Council Member to serve on The Ranch Board. The ninth member is designated an 'at-large' member and to the extent possible is appointed by the Reed Union School District. The purpose of the Committee is to formulate, administer and operate recreation and education programs and facilities for the residents of the Tiburon Peninsula. The Committee operates as a special district, a legal entity separate and distinct from the City of Belvedere. The Committee does not receive any ongoing funding from the City, however, the Committee does use City facilities for many of its recreational programs.

Financial statements for the Belvedere-Tiburon Joint Recreation Committee can be obtained at 600 Neds Way, Tiburon, CA 94920.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2022

NOTE 10 – JOINT VENTURES AND POOLS (Continued)

D. California Intergovernmental Risk Authority (CIRA)

The City of Belvedere is a member of the California Intergovernmental Risk Authority (CIRA), formerly known as the Public Agency Risk Sharing Authority of California (PARSAC), for liability and workers' compensation risk coverage. Property insurance is covered through CIRA's partner agency, Public Risk Innovation Solutions, and Management (PRISM). CIRA is a statewide joint powers authority providing risk sharing services to California public entities that provide a municipal service. CIRA is governed by a Board of Directors and member agencies are entitled to representation on the board. Upon termination of the joint powers authority agreements, all property of CIRA would be returned to the respective parties that transferred the property to CIRA and any surplus of funds and assets would be returned to the parties in proportion to actual balances of each entity. Complete financial information for CIRA is available at 1525 Response Road, Sacramento, CA 95815.

Coverage Type	Deductible	Coverage Limits
General & Auto Liability	\$25,000	\$40,000,000
Employment Practices Liability	25,000	40,000,000
Workers' Compensation	100,000	Statutory Limits
Pollution Insurance	250,000	10,000,000
Property Insurance	10,000	600,000,000
Employee Dishonesty	2,500	10,000,000
Forgery & Alteration	2,500	10,000,000
Theft, Disappearance, Destruction	2,500	10,000,000
Robbery & Safe Burglary	2,500	10,000,000
Computer Fraud	2,500	10,000,000
Money Orders and Counterfeit Paper Currency	2,500	10,000,000
Deadly Weapons Response	10,000	500,000

Liabilities of the City are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). There were no material unpaid and uninsured claims outstanding at the beginning or end of the last two fiscal years.

Amounts of settlements did not exceed insurance coverage for the last three years.

E. Richardson Bay Regional Agency (RBRA)

The Richardson Bay Regional Agency ("RBRA") was formed under a joint powers agreement between the County of Marin and the Cities of Belvedere, Mill Valley, Sausalito and Tiburon. The governing body of RBRA consists of five members, one appointee from each member entity. The purpose of the RBRA is to perform mutual exercise of certain functions within the waters of Richardson Bay to the benefit of all parties. The City contributes 7.5% of the operating costs of the RBRA each year.

Financial statements for the Richardson Bay Regional Agency can be obtained at 3501 Civic Center Drive, Room 308, San Rafael, CA 94903.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2022

NOTE 10 – JOINT VENTURES AND POOLS (Continued)

F. Marin Emergency Radio Authority (MERA)

The City participates in a joint powers agreement through the Marin Emergency Radio Authority (“MERA”) under an operating agreement dated February 1, 1999. MERA was created July 1, 1997 by an agreement between certain public agencies in Marin County to provide a public safety radio system to its members. The members have agreed to assign a portion of their property tax revenues and make annual payments, on a pro rata basis, to cover the costs of debt financing and operating the system.

G. County of Marin

The City along with certain other cities entered into joint venture and pooling contracts with the County of Marin to provide dispatch services and a 911 public safety answering point for member cities.

Financial information on the joint ventures and pools can be obtained from the City at:

450 San Rafael Avenue
Belvedere, California 94920

NOTE 11 – COMMITMENTS AND CONTINGENCIES

The City is subject to litigation arising in the normal course of business. In the opinion of the City's attorney, there is no pending litigation which is likely to have a material adverse effect on the financial position of the City.

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— CITY OF BELVEDERE, CALIFORNIA —

REQUIRED SUPPLEMENTARY INFORMATION

SECTION

**CITY OF BELVEDERE
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$6,272,254	\$6,272,254	\$6,704,180	\$431,926
Other taxes	136,379	136,379	190,124	53,745
Licenses and permits	469,935	469,935	571,146	101,211
Fines and forfeitures	1,057	1,057	2,663	1,606
Use of money and property	70,171	70,171	(129,536)	(199,707)
Intergovernmental revenues	172,485	172,485	459,662	287,177
Charges for services	278,117	278,117	432,336	154,219
Franchise fees	182,500	182,500	198,901	16,401
Other revenues	37,000	37,000	60,594	23,594
Total Revenues	<u>7,619,898</u>	<u>7,619,898</u>	<u>8,490,070</u>	<u>870,172</u>
Expenditures				
Current:				
General government	1,055,484	1,055,484	1,269,828	(214,344)
Public safety:				
Police	1,706,704	1,706,704	1,573,346	133,358
Planning and development	1,150,330	1,410,330	1,306,190	104,140
Public works	1,267,467	1,307,467	1,087,852	219,615
Recreation (The Ranch)	63,450	63,450	53,468	9,982
Non-Departmental	577,499	577,499	698,372	(120,873)
Total Expenditures	<u>5,820,934</u>	<u>6,120,934</u>	<u>5,989,056</u>	<u>131,878</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,573,633</u>	<u>1,498,964</u>	<u>2,501,014</u>	<u>1,002,050</u>
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	<u>(2,481,862)</u>	<u>(2,481,862)</u>	<u>(3,239,376)</u>	<u>(757,514)</u>
Total other financing sources (uses)	<u>(2,481,862)</u>	<u>(2,481,862)</u>	<u>(3,239,376)</u>	<u>(757,514)</u>
NET CHANGE IN FUND BALANCE	<u>\$1,573,633</u>	<u>(\$982,898)</u>	<u>(738,362)</u>	<u>\$244,536</u>
FUND BALANCE AT BEGINNING OF YEAR			<u>5,978,233</u>	
FUND BALANCE AT END OF YEAR			<u>\$5,239,871</u>	

CITY OF BELVEDERE
BUDGETARY COMPARISON SCHEDULE
FIRE PROTECTION SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$997,888	\$997,888	\$996,361	(\$1,527)
Total revenues	<u>997,888</u>	<u>997,888</u>	<u>996,361</u>	<u>(1,527)</u>
Expenditures				
Current				
Public safety:				
Fire	1,852,454	1,852,454	1,854,651	(2,197)
Total expenditures	<u>1,852,454</u>	<u>1,852,454</u>	<u>1,854,651</u>	<u>(2,197)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(854,566)</u>	<u>(854,566)</u>	<u>(858,290)</u>	<u>(3,724)</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds			858,290	858,290
Total other financing sources (uses)			<u>858,290</u>	<u>858,290</u>
NET CHANGE IN FUND BALANCE	<u>(\$854,566)</u>	<u>(\$854,566)</u>		<u>\$854,566</u>
FUND BALANCE AT BEGINNING OF YEAR				
FUND BALANCE AT END OF YEAR				

CITY OF BELVEDERE, CALIFORNIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1 - Budgets and Budgetary Accounting

The City operates under the general laws of the State of California ("State") and annually adopts a budget to be effective July 1 of the ensuing fiscal year. The City adopts an annual budget for General, Special Revenue and Capital Projects Funds, except for the Gas Tax Special Revenue Fund. The legal level of budgetary control has been established at the fund level. Budgets are subject to a public hearing before they are adopted by the City Council. Budgets are prepared on the cash basis and are not materially different from budgets prepared under accounting principles generally accepted in the United States of America. The Budgetary Comparison Schedule – General Fund does not include other funds combined with the General Fund for financial statement purposes. Budgetary comparison schedules for these funds have been included with the nonmajor budgetary comparison schedules as appropriate.

All annual appropriations lapse at fiscal year-end. Budgets submitted to the City Council include both proposed appropriations and the means of financing them. The City Council approves total appropriations on a fund-by-fund basis.

The City Manager is authorized to transfer budget appropriations within the same fund in conformance with the adopted policies set by the City Council. Additional appropriations or interfund transfers not included in the original budget resolutions require approval by the City Council. Budgeted amounts shown reflect the annual operating budget as originally passed and include an additional appropriation for equipment replacement made in mid-year. Encumbrance accounting, a method of recording purchase commitments, is not used by the City.

**CITY OF BELVEDERE
REQUIRED SUPPLEMENTARY INFORMATION**

Miscellaneous and Safety Cost-Sharing Multiple-Employer Defined Benefit Pension Plans
Last 10 Years*

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AND RELATED RATIOS AS OF THE MEASUREMENT DATE**

Measurement Date	Miscellaneous Plan							
	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021
Plan's proportion of the Net Pension Liability (Asset)	0.02786%	0.06454%	0.07071%	0.06844%	0.00851%	0.01253%	0.01832%	-0.02337%
Plan's proportion share of the Net Pension Liability (Asset)	\$1,733,750	\$1,770,555	\$2,456,235	\$2,698,048	\$320,725	\$501,791	\$772,929	(\$1,133,591)
Plan's Covered Payroll	\$1,394,430	\$1,413,982	\$1,479,351	\$1,370,946	\$1,405,882	\$1,459,265	\$1,523,406	\$1,664,549
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	124.33%	125.22%	166.03%	196.80%	22.81%	34.39%	50.74%	-68.10%
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	79.82%	78.40%	74.06%	73.31%	75.26%	75.26%	75.10%	88.29%
Measurement Date	Safety Plan							
	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021
Plan's proportion of the Net Pension Liability (Asset)	0.01748%	0.02760%	0.03112%	0.02967%	0.00448%	0.00612%	0.00948%	-0.05970%
Plan's proportion share of the Net Pension Liability (Asset)	\$1,087,923	\$1,137,147	\$1,611,595	\$1,772,636	\$262,953	\$382,318	\$631,924	(\$820,176)
Plan's Covered Payroll	\$700,977	\$645,791	\$842,368	\$708,177	\$802,683	\$683,660	\$575,460	\$759,119
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	155.20%	176.09%	191.32%	250.31%	32.76%	55.92%	109.81%	-108.04%
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	79.82%	78.40%	74.06%	73.31%	75.26%	75.26%	75.10%	88.29%

* Fiscal year 2015 was the first year of implementation, therefore only eight years are shown.

**CITY OF BELVEDERE
REQUIRED SUPPLEMENTARY INFORMATION**

Miscellaneous and Safety Cost-Sharing Multiple-Employer Defined Benefit Pension Plans
Last 10 Years*

SCHEDULE OF CONTRIBUTIONS AND NOTES TO SCHEDULE

Fiscal Year Ended June 30	Miscellaneous Plan							
	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contribution (actuarially determined)	\$149,613	\$180,795	\$162,841	\$110,838	\$180,028	\$173,606	\$154,767	\$146,624
Contributions in relation to the actuarially determined contributions	<u>(149,613)</u>	<u>(180,795)</u>	<u>(162,841)</u>	<u>(110,838)</u>	<u>(180,028)</u>	<u>(173,606)</u>	<u>(154,767)</u>	<u>(146,624)</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Covered payroll	\$1,413,982	\$1,479,351	\$1,370,946	\$1,405,882	\$1,459,265	\$1,523,406	\$1,664,549	\$1,600,385
Contributions as a percentage of covered payroll	10.58%	12.22%	11.88%	7.88%	12.34%	11.40%	9.30%	9.16%
Fiscal Year Ended June 30	Safety Plan							
	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contribution (actuarially determined)	\$131,200	\$147,021	\$190,912	\$114,373	\$149,411	\$120,306	\$108,867	\$105,271
Contributions in relation to the actuarially determined contributions	<u>(131,200)</u>	<u>(147,021)</u>	<u>(190,912)</u>	<u>(114,373)</u>	<u>(149,411)</u>	<u>(120,306)</u>	<u>(108,867)</u>	<u>(105,271)</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Covered payroll	\$645,791	\$842,368	\$708,177	\$802,683	\$683,660	\$575,460	\$759,119	\$753,732
Contributions as a percentage of covered payroll	20.32%	17.45%	26.96%	14.25%	21.85%	20.91%	14.34%	13.97%

Notes to Schedule Contributions

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method Entry-Age Normal Cost in accordance with the requirements of GASB Statement No. 68

Actual Assumptions:

Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	3.00%
Investment Rate of Return	7.15% (1)
Mortality	Derived using CalPERS Membership Data for all Funds (2)

(1) Net of pension plan investment expenses, including inflation

(2) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

* Fiscal year 2015 was the first year of implementation, therefore only eight years are shown.

CITY OF BELVEDERE
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

Miscellaneous Plan - Agent Multiple-Employer Defined Pension Plan

Last 10 Years*

Measurement Date	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022
Total Pension Liability					
Service Cost	\$22,887	\$13,075	\$13,435	\$7,200	\$7,398
Interest	51,821	52,857	55,473	57,518	54,425
Effect of economic/ demographic gains or loses	(13,640)			(76,642)	
Changes in assumptions	42,116				
Changes in benefits					
Benefit payments, including refunds of employee contributions	(19,173)	(21,829)	(30,420)	(32,019)	(39,816)
Net change in total pension liability	84,011	44,103	38,488	(43,943)	22,007
Total pension liability - beginning	726,844	810,855	854,958	893,446	849,503
Total pension liability - ending (a)	<u>\$810,855</u>	<u>\$854,958</u>	<u>\$893,446</u>	<u>\$849,503</u>	<u>\$871,510</u>
Plan fiduciary net position					
Contributions - employer	\$30,305	\$26,737	\$36,042	\$36,042	\$25,241
Contributions - employee					
Net investment income	43,289	39,677	15,207	181,819	(119,775)
Benefit payments, including refunds of employee contributions	(19,173)	(21,829)	(30,420)	(32,019)	(39,816)
Plan to Plan Resource Movement					
Administrative Expense	(3,120)	(3,233)	(3,457)	(4,024)	(4,335)
Net change in plan fiduciary net position	51,301	41,352	17,372	181,818	(138,685)
Plan fiduciary net position - beginning	584,240	635,541	676,893	694,265	876,083
Plan fiduciary net position - ending (b)	<u>\$635,541</u>	<u>\$676,893</u>	<u>\$694,265</u>	<u>\$876,083</u>	<u>\$737,398</u>
Net pension liability - ending (a)-(b)	<u>\$175,314</u>	<u>\$178,065</u>	<u>\$199,181</u>	<u>(\$26,580)</u>	<u>\$134,112</u>
Plan fiduciary net position as a percentage of the total pension liability	78.38%	79.17%	77.71%	103.13%	84.61%
Covered payroll	\$921,592	\$946,933	\$972,977	\$578,643	\$389,989
Net pension liability as percentage of covered payroll	19.02%	18.80%	20.47%	-4.59%	34.39%

* Fiscal year 2015 was the first year of implementation, however, data for fiscal years 2015 thru 2017 are not currently available.

CITY OF BELVEDERE
REQUIRED SUPPLEMENTARY INFORMATION

PARS Retirement Enhance Plan (REP) Defined Benefit Pension Plan
Last 10 Years*

SCHEDULE OF CONTRIBUTIONS

Fiscal Year Ended June 30	PARS REP							
	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially determined contribution	\$44,240	\$37,546	\$32,350	\$27,648	\$27,648	\$36,078	\$21,456	\$25,460
Contribution in relation to the actuarially determined contributions	(44,240)	(37,546)	(32,350)	(30,305)	(26,737)	(36,042)	(36,042)	(25,241)
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$2,657)</u>	<u>\$911</u>	<u>\$36</u>	<u>(\$14,586)</u>	<u>\$219</u>
Covered Payroll	\$1,436,349	\$1,219,022	\$1,078,340	\$921,592	\$946,936	\$972,977	\$578,643	\$389,989
Contributions as a percentage of covered payroll	3.08%	3.08%	3.00%	3.29%	2.82%	3.70%	6.23%	6.47%
Notes to Schedule								
Valuation date	6/30/2014	6/30/2015	6/30/2016	6/30/2018	6/30/2018	6/30/2018	6/30/2020	6/30/2020
Methods and assumptions used to determine contribution rates:								
Actuarial cost method	Entry Age Normal							
Amortization method	Level dollar of payroll, closed							
Remaining amortization period	12 years							
Asset valuation method	None							
Inflation	2.50%							
Salary increases	Consistent with the rates used to value Miscellaneous Public Agency CalPERS Pension Plans for employees with an entry age of 30.							
Investment rate of return	6.50%							
Payroll growth	2.75%							
Retirement	Tier I: The retirement rates are consistent with those used to value the Miscellaneous Public Agency CalPERS Pension Plans "2.5% at age 55." The rates used are those for retirees with 20 years of service. Tier II: The retirement rates are consistent with those used to value Public Agency Police CalPERS Pension Plan "3.0% at age 50." The rates used are those for retirees with 25 years of service.							
Mortality	Consistent with the Non-Industrial rates used to value the Miscellaneous Public Agency CalPERS Pension Plans for both Pre-Retirement & Post-Retirement.							

*Fiscal year 2015 was the first year of implementation, therefore only eight years are shown.

CITY OF BELVEDERE
REQUIRED SUPPLEMENTARY INFORMATION

City of Belvedere Single-Employer OPEB Plan
SCHEDULE OF CHANGES IN THE CITY'S NET OPEB LIABILITY AND RELATED RATIOS
For the measurement year ending June 30
Last 10 Years*

Measurement Date- June 30	2017	2018	2019	2020	2021
Total OPEB Liability					
Service Cost	\$72,000	\$63,000	\$61,217	\$46,470	\$64,779
Interest	38,000	45,000	50,048	46,568	36,318
Differences between actual and expected experience	-	-	(60,362)	-	69,315
Assumption Changes	(126,000)	(47,000)	51,401	260,897	(103,610)
Benefit payments including refunds	(29,000)	(36,000)	(44,000)	(56,540)	(62,304)
Changes of benefit terms	-	-	-	-	-
Net change in total OPEB liability	(45,000)	25,000	58,304	297,395	4,498
Total OPEB liability - (beginning of year)	1,274,000	1,229,000	1,254,000	1,312,304	1,609,699
Total OPEB liability - (end of year)	\$1,229,000	\$1,254,000	\$1,312,304	\$1,609,699	\$1,614,197
Covered Payroll	\$2,263,000	\$2,209,000	\$2,032,500	\$2,495,104	\$2,498,209
Net OPEB liability as percentage of covered payroll	54.31%	56.77%	64.57%	64.51%	64.61%

Notes to Schedule:

* Fiscal year 2018 was the 1st year of implementation, therefore, only five years are shown.

**CITY OF BELVEDERE
REQUIRED SUPPLEMENTARY INFORMATION**

City of Belvedere Single-Employer OPEB Plan
For the fiscal year ending June 30, 2022
Last 10 Years*

SCHEDULE OF CONTRIBUTIONS

Fiscal Year Ending	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Employer required contributions	\$32,432	\$42,658	\$56,873	\$62,613	\$71,400
Contributions in relation to the actuarially determined contributions	<u>(32,432)</u>	<u>(42,658)</u>	<u>(56,873)</u>	<u>(62,613)</u>	<u>(71,400)</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Covered payroll	\$2,209,000	\$2,032,500	\$2,495,104	\$2,498,209	\$2,679,527
Contributions as a percentage of covered payroll	1.47%	2.10%	2.28%	2.51%	2.66%
Notes to Schedule					
Valuation date:	6/30/2017	6/30/2017	6/30/2019	6/30/2019	6/30/2021
Methods and assumptions used to determine contribution rates:					
Actuarial cost method	Entry age normal, level percent of pay				
Inflation	2.50%				
Assumed Rate of Payroll Growth	2.75%				
Healthcare trend rates	Non-Medicare: 6.50% for 2023, and trending down to an ultimate rate of 3.75% in 2076 and beyond Medicare: 5.65% in 2023, trending down to 3.75% in 2076 and beyond				
PEMHCA trend rate	4% annually after 2019				
Retirement Age	Age 50 and 5 years of service				
Mortality rate	CalPERS Rates (1)				

(1) Mortality rate is based on assumption data of 20 years of projected on-going mortality improvement using Society of Actuaries Scale BB in June 30, 2016, CalPERS actuarial valuation.

* Fiscal year 2018 was the 1st year of implementation, therefore, only five years are shown.



— CITY OF BELVEDERE, CALIFORNIA —

SUPPLEMENTARY INFORMATION

**CITY OF BELVEDERE
 BUDGETARY COMPARISON SCHEDULE
 GENERAL CAPITAL IMPROVEMENT FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Use of money and property			\$1,828	\$1,828
Intergovernmental revenues	\$287,250	\$589,100	267,106	(321,994)
Charges for services	<u>175,750</u>	<u>175,750</u>	<u>203,486</u>	<u>27,736</u>
Total Revenues	<u>463,000</u>	<u>764,850</u>	<u>472,420</u>	<u>(292,430)</u>
Expenditures				
Capital outlay	<u>805,750</u>	<u>2,552,831</u>	<u>1,417,813</u>	<u>1,135,018</u>
Total Expenditures	<u>805,750</u>	<u>2,552,831</u>	<u>1,417,813</u>	<u>1,135,018</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(342,750)</u>	<u>(1,787,981)</u>	<u>(945,393)</u>	<u>842,588</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds			<u>633,788</u>	<u>633,788</u>
Total other financing sources (uses)			<u>633,788</u>	<u>633,788</u>
NET CHANGE IN FUND BALANCE	<u>(\$342,750)</u>	<u>(\$1,787,981)</u>	<u>(311,605)</u>	<u>\$1,476,376</u>
FUND BALANCE AT BEGINNING OF YEAR			<u>1,518,776</u>	
FUND BALANCE AT END OF YEAR			<u>\$1,207,171</u>	

**CITY OF BELVEDERE
GENERAL FUND
COMBINING BALANCE SHEET
JUNE 30, 2022**

	General Fund	SLESF Fund	Insurance Reserve Fund	Pension Trust Fund	Total General Fund
ASSETS					
Cash and investments	\$4,563,153	(\$261)	\$57,329		\$4,620,221
Restricted cash and investments				\$1,597,000	1,597,000
Accounts receivable, net	435,818	261			436,079
Due from other funds	10,489				10,489
Prepaid items and other current assets	17,692				17,692
Total Assets	<u>\$5,027,152</u>	<u></u>	<u>\$57,329</u>	<u>\$1,597,000</u>	<u>\$6,681,481</u>
LIABILITIES					
Accounts payable and other liabilities	\$385,504				\$385,504
Refundable deposits	876,193				876,193
Total Liabilities	<u>1,261,697</u>	<u></u>	<u></u>	<u></u>	<u>1,261,697</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - grants	179,913				179,913
Total Deferred Inflows of Resources	<u>179,913</u>	<u></u>	<u></u>	<u></u>	<u>179,913</u>
FUND BALANCES					
Nonspendable	17,692				17,692
Restricted				\$1,597,000	1,597,000
Assigned	3,567,850		\$57,329		3,625,179
Unassigned					
Total Fund Balances	<u>3,585,542</u>	<u></u>	<u>57,329</u>	<u>1,597,000</u>	<u>5,239,871</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$5,027,152</u>	<u></u>	<u>\$57,329</u>	<u>\$1,597,000</u>	<u>\$6,681,481</u>

**CITY OF BELVEDERE
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2022**

	General Fund	SLESF Fund	Insurance Reserve Fund	Pension Trust Fund	Total General Fund
REVENUES					
Property taxes	\$6,704,180				\$6,704,180
Other taxes	190,124				190,124
Licenses and permits	571,146				571,146
Fines and forfeitures	2,663				2,663
Use of money & property	72,267	\$611		(\$202,414)	(129,536)
Intergovernmental revenues	290,564	169,098			459,662
Charges for services	432,336				432,336
Franchise fees	198,901				198,901
Other revenues	60,594				60,594
Total Revenues	8,522,775	169,709		(202,414)	8,490,070
EXPENDITURES					
Current:					
General government	1,267,329			2,499	1,269,828
Public safety:					
Police	1,573,346				1,573,346
Planning & development	1,306,190				1,306,190
Public works	1,087,852				1,087,852
Recreation (The Ranch)	53,468				53,468
Non-departmental	698,372				698,372
Total Expenditures	5,986,557			2,499	5,989,056
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,536,218	169,709		(204,913)	2,501,014
OTHER FINANCING SOURCES (USES)					
Transfers in	169,709			1,600,000	1,769,709
Transfers out	(4,839,376)	(169,709)			(5,009,085)
Total other financing sources (uses)	(4,669,667)	(169,709)		1,600,000	(3,239,376)
NET CHANGE IN FUND BALANCES	(2,133,449)			1,395,087	(738,362)
BEGINNING FUND BALANCES	5,718,991		\$57,329	201,913	5,978,233
ENDING FUND BALANCES	\$3,585,542		\$57,329	\$1,597,000	\$5,239,871

NON-MAJOR GOVERNMENTAL FUNDS

CITY OF BELVEDERE
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2022

	<u>Gas Tax</u>	<u>Equipment Replacement Fund</u>	<u>Lease Revenue Bonds Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS				
Cash and cash equivalents		\$29,432	\$1	\$29,433
Accounts receivable, net	\$4,500			4,500
Total Assets	<u>\$4,500</u>	<u>\$29,432</u>	<u>\$1</u>	<u>\$33,933</u>
LIABILITIES				
Accounts payable				
Due to other funds	\$4,500			\$4,500
Total Liabilities	<u>4,500</u>			<u>4,500</u>
FUND BALANCES				
Assigned		\$29,432	\$1	29,433
Total Fund Balances		<u>29,432</u>	<u>1</u>	<u>29,433</u>
Total Liabilities and Fund Balances	<u>\$4,500</u>	<u>\$29,432</u>	<u>\$1</u>	<u>\$33,933</u>

**CITY OF BELVEDERE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2022**

	Gas Tax Special Revenue Fund	Equipment Replacement Fund	2017 Lease Revenue Bonds Debt Service Fund	Total Nonmajor Governmental Funds
REVENUES				
Use of money and property	\$303			\$303
Intergovernmental revenues	92,626	\$381		93,007
Total Revenues	92,929	381		93,310
EXPENDITURES				
Debt service:				
Principal			\$194,000	194,000
Interest and fiscal charges			56,169	56,169
Capital outlay		13,950		13,950
Total Expenditures		13,950	250,169	264,119
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	92,929	(13,569)	(250,169)	(170,809)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds			250,170	250,170
Transfers to other funds	(92,929)			(92,929)
Total other financing sources (uses)	(92,929)		250,170	157,241
NET CHANGE IN FUND BALANCES		(13,569)	1	(13,568)
BEGINNING FUND BALANCES		43,001		43,001
ENDING FUND BALANCES		\$29,432	\$1	\$29,433

**CITY OF BELVEDERE
 BUDGETARY COMPARISON SCHEDULE
 EQUIPMENT REPLACEMENT FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final-Positive (Negative)</u>
Revenues			
Use of money and property			
Intergovernmental revenues	<u>\$1,000</u>	<u>\$381</u>	<u>\$619</u>
Total Revenues	<u>1,000</u>	<u>381</u>	<u>619</u>
Expenditures			
Capital outlay	<u>80,000</u>	<u>13,950</u>	<u>66,050</u>
Total Expenditures	<u>80,000</u>	<u>13,950</u>	<u>66,050</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(79,000)</u>	<u>(13,569)</u>	<u>65,431</u>
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	<u> </u>	<u> </u>	<u> </u>
Total Other Financing Sources (Uses)	<u> </u>	<u> </u>	<u> </u>
NET CHANGE IN FUND BALANCE	<u><u>(\$79,000)</u></u>	<u>(13,569)</u>	<u><u>(\$65,431)</u></u>
FUND BALANCE AT BEGINNING OF YEAR		<u>43,001</u>	
FUND BALANCE AT END OF YEAR		<u><u>\$29,432</u></u>	

**CITY OF BELVEDERE
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 JUNE 30, 2022**

	Assessment Districts	Belvedere- Tiburon Library Agency	Total
Assets:			
Cash and investments	\$531,444	\$37,024	\$568,468
Accounts receivable	5,778	21,171	26,949
Total Assets	537,222	58,195	595,417
Liabilities:			
Accounts payable	7,206	39,861	47,067
Total Liabilities	7,206	39,861	47,067
Net Position:			
Restricted for:			
Bondholders	530,016		530,016
Other Agency		18,334	18,334
Total Net Position	\$530,016	\$18,334	\$548,350

**CITY OF BELVEDERE
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Assessment Districts</u>	<u>Belvedere- Tiburon Library Agency</u>	<u>Total</u>
Additions			
Property taxes		\$927,154	\$927,154
Intergovernmental revenues	\$826,109		826,109
Investment income	1,528		1,528
Total Additions	<u>827,637</u>	<u>927,154</u>	<u>1,754,791</u>
Deductions			
Distributions to Library		908,820	908,820
Payments to bondholders	418,594		418,594
Interest and fiscal charges	441,911		441,911
Total Deductions	<u>860,505</u>	<u>908,820</u>	<u>1,769,325</u>
Change in net position	(32,868)	18,334	(14,534)
Net Position - Beginning	<u>562,884</u>		<u>562,884</u>
Total Net Position	<u><u>\$530,016</u></u>	<u><u>\$18,334</u></u>	<u><u>\$548,350</u></u>

STATISTICAL SECTION

This part of the City's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. In contrast to the financial section, the statistical section information is not subject to independent audit.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and wellbeing have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.

Operating Information

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

Sources

Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

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City of Belvedere
Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental activities										
Net investment in capital assets	\$ 7,930,552	\$ 7,122,180	\$ 7,077,537	\$ 6,639,246	\$ 6,069,846	\$ 6,157,925	\$ 6,338,137	\$ 6,423,791	\$ 6,290,687	\$ 6,391,231
Restricted	1,786,654	592,264	324,857	941,270	395,508	-	-	-	-	-
Unrestricted	6,102,224	936,797	(602,975)	(2,626,949)	(3,231,241)	(708,477)	(660,496)	(1,082,881)	2,228,375	2,748,028
Total governmental activities net position	\$ 15,819,430	\$ 8,651,241	\$ 6,799,419	\$ 4,953,567	\$ 3,234,113	\$ 5,449,448	\$ 5,677,641	\$ 5,340,910	\$ 8,519,062	\$ 9,139,259
Business-type activities										
Net investment in capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-	-	-	-
Total business-type activities net position	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Primary government										
Net investment in capital assets	\$ 7,930,552	\$ 7,122,180	\$ 7,077,537	\$ 6,639,246	\$ 6,069,846	\$ 6,157,925	\$ 6,338,137	\$ 6,423,791	\$ 6,290,687	\$ 6,391,231
Restricted	1,786,654	592,264	324,857	941,270	395,508	-	-	-	-	-
Unrestricted	6,102,224	936,797	(602,975)	(2,626,949)	(3,231,241)	(708,477)	(660,496)	(1,082,881)	2,228,375	2,748,028
Total primary government net position	\$ 15,819,430	\$ 8,651,241	\$ 6,799,419	\$ 4,953,567	\$ 3,234,113	\$ 5,449,448	\$ 5,677,641	\$ 5,340,910	\$ 8,519,062	\$ 9,139,259

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2004.

Source: City Finance Department

City of Belvedere
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses										
Governmental activities:										
General government	\$ 760,337	\$ 1,024,585	\$ 1,010,668	\$ 846,917	\$ 676,830	\$ 984,634	\$ 681,073	\$ 839,551	\$ 1,028,858	\$ 1,238,851
Public safety	918,579	3,229,244	3,076,802	3,054,707	3,121,632	3,412,474	3,245,388	2,957,115	3,148,198	2,934,211
Planning and development	(176,464)	1,145,680	883,231	932,726	1,047,057	1,155,093	1,122,216	1,082,995	1,565,998	1,578,591
Public works	833,901	1,760,192	1,575,517	1,347,896	1,498,256	879,207	960,194	916,263	1,083,090	873,506
Recreation (The Ranch)	53,468	65,740	75,107	53,902	52,364	82,528	81,833	99,253	74,807	346,405
Library*					737,549	706,667	631,726	600,217	596,645	545,294
Non-departmental	698,372	388,591	451,929	472,211	3,946,407	637,224	371,348	401,903	-	261,670
Interest on long-term debt	56,169	149,521	108,044	114,176	114,535	-	-	-	-	-
Unallocated depreciation expense	-	-	-	-	-	380,138	310,089	294,135	273,435	-
Total governmental activities expenses	\$ 3,144,362	\$ 7,763,553	\$ 7,181,298	\$ 6,822,535	\$ 11,194,630	\$ 8,237,965	\$ 7,403,867	\$ 7,191,432	\$ 7,771,031	\$ 7,778,528
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 66,435	\$ 27,983	\$ 25,602	\$ 22,388	\$ 22,246	\$ 18,106	\$ 15,058	\$ 12,523	\$ 28,748	\$ 23,101
Public safety	5,342	10,874	16,676	15,259	124,752	120,445	112,626	53,245	19,933	11,822
Planning and development	814,648	676,366	793,681	764,018	1,024,348	717,054	726,619	981,766	572,953	725,821
Public works	323,206	263,978	331,384	267,460	322,032	274,710	262,117	160,412	234,795	269,865
Community Center	-	-	-	-	-	-	-	-	-	-
Library	-	-	-	-	-	-	-	-	-	-
Non-departmental	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	411,661	56,723	-	27,329	10,143	-	-	-	-	-
Capital grants and contributions	265,538	228,785	137,110	20,259	131,058	-	-	-	-	-
Total governmental activities program revenues	\$ 1,886,830	\$ 1,264,709	\$ 1,304,453	\$ 1,116,713	\$ 1,634,579	\$ 1,130,315	\$ 1,116,420	\$ 1,207,946	\$ 856,429	\$ 1,030,609
Total primary government program revenues	\$ 1,886,830	\$ 1,264,709	\$ 1,304,453	\$ 1,116,713	\$ 1,634,579	\$ 1,130,315	\$ 1,116,420	\$ 1,207,946	\$ 856,429	\$ 1,030,609

City of Belvedere
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Net (Expense)/Revenue										
Governmental activities	\$ (1,257,532)	\$ (6,498,844)	\$ (5,876,845)	\$ (5,705,822)	\$ (9,560,051)	\$ (7,107,650)	\$ (6,287,447)	\$ (5,983,486)	\$ (6,914,602)	\$ (6,747,919)
Total primary government net expense	\$ (1,257,532)	\$ (6,498,844)	\$ (5,876,845)	\$ (5,705,822)	\$ (9,560,051)	\$ (7,107,650)	\$ (6,287,447)	\$ (5,983,486)	\$ (6,914,602)	\$ (6,747,919)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 7,700,541	\$ 7,279,753	\$ 6,798,394	\$ 6,600,347	\$ 6,129,401	\$ 5,888,358	\$ 5,350,001	\$ 4,993,837	\$ 4,858,173	\$ 4,501,805
Other taxes	190,124	159,401	162,236	194,637	200,676	161,677	142,479	115,208	199,457	247,757
Use of money/property	(127,405)	104,067	135,333	113,366	84,183	62,463	49,006	44,630	42,091	54,201
Intergovernmental revenues	402,966	576,865	402,096	309,413	1,030,510	1,011,073	872,228	841,403	885,324	825,388
Franchise fees	198,901	185,776	189,601	171,312	188,760	163,322	170,673	152,253	158,671	169,881
Other	60,594	44,804	35,038	36,201	80,777	36,245	153,889	119,985	150,689	68,561
Transfers	-	-	-	-	-	-	-	-	-	107,224
Total governmental activities	8,425,721	8,350,666	7,722,698	7,425,276	7,714,307	7,323,138	6,738,276	6,267,316	6,294,405	5,974,817
Total primary government	\$ 8,425,721	\$ 8,350,666	\$ 7,722,698	\$ 7,425,276	\$ 7,714,307	\$ 7,323,138	\$ 6,738,276	\$ 6,267,316	\$ 6,294,405	\$ 5,974,817
Change in Net Position										
Governmental activities	\$ 7,168,189	\$ 1,851,822	\$ 1,845,853	\$ 1,719,454	\$ (1,845,744)	\$ 215,488	\$ 450,829	\$ 283,830	\$ (620,197)	\$ (773,102)
Total primary government	\$ 7,168,189	\$ 1,851,822	\$ 1,845,853	\$ 1,719,454	\$ (1,845,744)	\$ 215,488	\$ 450,829	\$ 283,830	\$ (620,197)	\$ (773,102)

Source: City Finance Department

City of Belvedere
Program Revenues by Function/Program,
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Function/Program										
Governmental activities:										
General government	\$ 66,435	\$ 27,983	\$ 25,602	\$ 22,388	\$ 22,246	\$ 18,106	\$ 15,058	\$ 12,523	\$ 28,748	\$ 23,101
Public safety	5,342	10,874	16,676	15,259	124,752	120,445	112,626	53,245	19,933	11,822
Planning and development	814,648	676,366	793,681	764,018	1,024,348	717,054	726,619	981,766	572,953	725,821
Public works	323,206	263,978	331,384	267,460	322,032	274,710	262,117	160,412	234,795	269,865
Other	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>1,209,631</u>	<u>979,201</u>	<u>1,167,343</u>	<u>1,069,125</u>	<u>1,493,378</u>	<u>1,130,315</u>	<u>1,116,420</u>	<u>1,207,946</u>	<u>856,429</u>	<u>1,030,609</u>
Total primary government	<u>\$ 1,209,631</u>	<u>\$ 979,201</u>	<u>\$ 1,167,343</u>	<u>\$ 1,069,125</u>	<u>\$ 1,493,378</u>	<u>\$ 1,130,315</u>	<u>\$ 1,116,420</u>	<u>\$ 1,207,946</u>	<u>\$ 856,429</u>	<u>\$ 1,030,609</u>

Source: City Finance Department

City of Belvedere
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Fund										
Nonspendable	\$ 17,692	\$ 54,621	\$ 320,788	\$ 304,711	\$ 293,304	\$ 26,910	\$ 31,422	\$ 16,150	\$ 10,476	\$ 9,923
Restricted	1,597,000	201,913	-	-	-	101,510	98,995	77,808	61,322	53,831
Committed	-	1,300,000	-	-	-	-	-	-	-	-
Assigned*	3,625,179	3,259,915	3,238,517	3,042,646	2,771,480	56,279	257,592	157,592	58,839	-
Unassigned	-	1,161,784	1,295,513	737,254	778,944	3,464,347	2,535,633	2,120,184	2,047,647	2,438,174
Total general fund	\$ 5,239,871	\$ 5,978,233	\$ 4,854,818	\$ 4,084,611	\$ 3,843,728	\$ 3,649,046	\$ 2,923,642	\$ 2,371,734	\$ 2,178,284	\$ 2,501,928
All Other Governmental Funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	189,654	390,351	1,260,870	941,270	395,508	150,000	314,064	307,737	402,903	414,209
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	2,637,007	1,171,426	25,000	25,000	469,184	346,696	202,340	223,100	49,790	170,271
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 2,826,661	\$ 1,561,777	\$ 1,285,870	\$ 966,270	\$ 864,692	\$ 496,696	\$ 516,404	\$ 530,837	\$ 452,693	\$ 584,480

* In 2018, the City implemented a new policy to classify the General Fund reserve as assigned.

Source: City Finance Department

City of Belvedere
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues										
Property taxes	\$ 7,700,541	\$ 7,279,752	\$ 6,798,394	\$ 6,600,347	\$ 6,129,401	\$ 5,888,358	\$ 5,350,001	\$ 4,993,837	\$ 4,858,173	\$ 4,501,805
Other taxes	190,124	159,401	162,236	194,637	199,533	161,677	142,479	115,208	199,457	247,757
Licenses and permits	571,146	483,331	539,126	458,873	585,449	443,611	453,404	367,059	411,600	442,153
Fines and forfeitures	2,663	864	36,416	33,636	152,589	23,123	21,786	368,789	22,925	122,770
Use of money/property	(127,405)	104,068	135,333	113,366	84,183	62,463	49,006	44,630	42,091	54,201
Intergovernmental	819,775	715,613	539,205	357,001	1,172,854	1,011,073	872,228	841,403	885,324	825,388
Charges for services	635,822	495,005	591,801	576,616	755,340	1,011,073	641,228	472,098	421,905	465,686
Franchise fees	198,901	185,776	189,601	171,312	188,760	163,322	170,673	152,553	158,671	169,881
Other revenues	60,594	33,997	35,038	36,201	80,777	36,245	153,889	119,985	150,689	68,561
Total revenues	10,052,161	9,457,807	9,027,150	8,541,989	9,348,886	8,453,453	7,854,694	7,475,262	7,150,835	6,898,202
Expenditures										
General government	1,269,828	934,099	972,064	807,507	764,731	1,400,066	1,094,516	1,155,569	967,926	1,182,562
Public safety	3,427,997	3,331,948	3,145,371	3,365,842	3,184,101	3,284,846	3,167,024	2,864,729	3,092,280	2,860,949
Planning and development	1,306,190	1,173,665	934,615	1,084,628	1,012,727	1,095,007	1,064,239	1,029,395	1,501,913	1,551,205
Public works	1,087,852	1,211,592	1,076,890	941,347	923,184	815,975	828,348	769,864	862,315	756,043
Community Center	53,468	65,740	75,107	53,902	52,364	53,682	53,019	70,380	46,141	317,976
Non Departmental	698,372	388,591	451,929	472,211	3,946,407	-	-	-	-	-
Library	-	-	-	-	737,549	706,667	631,726	600,217	596,645	545,294
Capital outlay	1,431,763	706,330	1,043,323	1,219,915	645,610	391,514	478,347	713,514	539,046	418,652
Debt service	-	-	-	-	-	-	-	-	-	-
Interest	56,169	149,521	108,044	114,176	114,535	-	-	-	-	-
Principal	194,000	170,000	130,000	140,000	60,000	-	-	-	-	-
Total expenditures	9,525,639	8,131,486	7,937,343	8,199,528	11,441,208	7,747,757	7,317,219	7,203,668	7,606,266	7,632,681
Excess of revenues over (under) expenditures	526,522	1,326,321	1,089,807	342,461	(2,092,322)	705,696	537,475	271,594	(455,431)	(734,479)
Other Financing Sources (Uses)										
Capital Lease	-	2,323,000	-	-	2,655,000	-	-	-	-	-
Repayment of capital lease	-	(2,250,000)	-	-	-	-	-	-	-	-
Transfers in	3,332,305	1,562,619	1,848,762	1,955,198	1,303,514	931,088	908,952	1,015,062	513,794	717,043
Transfers out	(3,332,305)	(1,562,619)	(1,848,762)	(1,955,198)	(1,303,514)	(931,088)	(908,952)	(1,015,062)	(513,794)	(609,819)
Total other financing sources (uses)	-	73,000	-	-	2,655,000	-	-	-	-	107,224
Net change in fund balances	\$ 526,522	\$ 1,399,321	\$ 1,089,807	\$ 342,461	\$ 562,678	\$ 705,696	\$ 537,475	\$ 271,594	\$ (455,431)	\$ (627,255)
Debt service as a percentage of noncapital expenditures	3.1%	4.3%	3.5%	3.6%	1.6%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: City Finance Department

**City of Belvedere
Taxable Property by Use Code, City-Wide
Last Ten Fiscal Years**

Category	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Residential	\$1,539,081,839	\$1,612,430,131	\$1,685,572,954	\$1,823,642,530	\$2,011,175,049	\$2,107,497,991	\$2,239,363,669	\$2,361,648,965	\$2,451,925,084	\$2,559,026,083
Miscellaneous	7,603,569	7,751,260	7,504,772	7,540,624	19,758,398	23,607,696	30,973,539	31,376,677	37,297,111	31,928,659
Vacant	12,192,997	12,979,676	13,033,407	13,431,328	22,089,668	21,413,425	21,617,159	31,086,259	27,163,483	28,961,087
Commercial	12,598,426	12,807,652	12,888,797	13,182,251	13,498,200	16,613,844	16,947,764	16,313,202	24,287,069	23,532,156
Unknown	18,757,000	20,231,500	21,117,416	10,324,956	1,986	2,026	-	-	-	-
Gross Secured Value	1,590,233,831	1,666,200,219	1,740,117,346	1,868,121,689	2,066,523,301	2,169,134,982	2,308,902,131	2,440,425,103	2,540,672,747	2,540,672,747
Unsecured	18,037,450	16,706,550	16,933,816	18,944,702	17,940,291	18,413,219	15,721,130	21,593,854	25,837,056	25,970,421
Less Exemptions	11,197,876	10,871,256	11,124,656	10,787,692	10,858,866	10,965,406	11,026,344	11,197,170	11,047,106	11,108,954
Net Taxable Value	\$1,597,073,405	\$1,672,035,513	\$1,745,926,506	\$1,876,278,699	\$2,073,604,726	\$2,176,582,795	\$2,313,596,917	\$2,450,821,787	\$2,555,462,697	\$2,555,462,697

Source: Marin County Assessor data, Avenu Insights & Analytics
Use code categories are based on Marin County Assessor's data.

**City of Belvedere
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years**

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Basic City and County Levy										
COUNTY GENERAL FUND	0.185000	0.185000	0.185000	0.185000	0.185000	0.185000	0.185000	0.185000	0.185000	0.185000
CITY OF BELVEDERE	0.207000	0.207000	0.207000	0.207000	0.207000	0.207000	0.207000	0.207000	0.207000	0.207000
ALL OTHER COUNTY ENTITIES	0.608000	0.608000	0.608000	0.608000	0.608000	0.608000	0.608000	0.608000	0.608000	0.608000
TOTAL	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
Override Assessments										
TAM UNION HIGH SCH BONDS										
2001 Series	0.005100	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
2006 Series	0.016700	0.016000	0.014800	0.006300	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
2010 Refunding bond	0.010200	0.012800	0.011700	0.010600	0.009900	0.009400	0.008800	0.008200	0.011600	0.000000
MARIN COM COLLEGE	0.017800	0.020400	0.018000	0.014700	0.010100	0.022800	0.027700	0.021800	0.000000	0.000000
REED SCHOOL BONDS 2002	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
REED UNION SCH BONDS 2004	0.007100	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
REED UNION SCH- 2011 REFUNDING	0.029200	0.034000	0.031200	0.029000	0.027200	0.022300	0.022400	0.020200	0.009300	0.009400
REED UNION SCH- 2012 REFUNDING	0.000000	0.006300	0.010700	0.009500	0.009100	0.008600	0.006800	0.007900	0.007600	0.007300
REED UNION SCH- 2016 REFUNDING	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.001900	0.003000	0.013000	0.011800
REED ELEM SCH BD'06	0.013400	0.004300	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
TAMALPAIS USHD GO BOND FUND 2011	0.005100	0.009800	0.008700	0.008000	0.007100	0.007100	0.006800	0.006200	0.004100	0.000000
TAMALPAIS UHSD 2014 REFUNDING	0.000000	0.000000	0.000000	0.006400	0.011800	0.010400	0.010200	0.009500	0.009400	0.005000
TAMALPAIS UHSD 2019 REFUNDING	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.009100	0.007900
TAMALPAIS UHSD 2021 REFUNDING	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.007000
MARIN COM COLLEGE 2004 REFUNDING	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.002100
MARIN COM COLLEGE 2015 REFUNDING	0.000000	0.000000	0.000000	0.001800	0.001800	0.001800	0.001700	0.003400	0.003300	0.002100
MARIN COM COLLEGE 2016 REFUNDING	0.000000	0.000000	0.000000	0.000000	0.002300	0.003200	0.001900	0.001700	0.001800	0.003000
MARIN COM COLLEGE 2017 REFUNDING	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.001700	0.001000	0.002800
MARIN COM COLLEGE 2016 BOND SERIES B	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.009600	0.008800	0.011500
MARIN COM COLLEGE 2021 REFUNDING	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.006300
MARIN HEALTHCARE-MEASURE	0.000000	0.000000	0.000000	0.023500	0.009300	0.020100	0.019000	0.017500	0.021800	0.021800
TOTAL	0.104600	0.103600	0.095100	0.109800	0.088600	0.115200	0.109800	0.099400	0.100800	0.098700
TOTAL TAX RATE	1.104600	1.103600	1.095100	1.109800	1.088600	1.115200	1.109800	1.099400	1.100800	1.098700

Source: Marin County Auditor data, Avenu Insights & Analytics
TRA 001-000 is represented for this report.

City of Belvedere
Principal Property Tax Payers
Last Fiscal Year and Nine Years Ago

Taxpayer	2021-22		2012-13	
	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Taxable Value (\$)	Percent of Total City Taxable Value (%)
Golden Gate Holdings LLC	51,947,425	1.95%		
Belvedere Land Company Partner	42,008,709	1.58%	38,940,607	2.44%
MWNNNWM	29,331,445	1.10%		
Pampalone Trust	27,745,760	1.04%		
Cliff Partners LLC	21,696,838	0.82%		
Mallard Pointe 1951 LLC	20,644,200	0.78%		
101 Belvedere LLC	16,951,265	0.64%		
Winslow Clark & Sharon Living	16,013,000	0.60%		
345 Golden Gate Ave Ca LLC	14,979,172	0.56%		
INJ LLC	14,417,245	0.54%		
Koogle/Scott Joint Trust	13,899,834	0.52%		
Grand Stephen & Nancy J Joint	13,582,760	0.51%		
Drebes Lawrence T Jr Tr	13,287,693	0.50%	11,451,225	0.72%
Dillard Family Trust 2003	12,742,732	0.48%		
Yen Hui-Hsien Bert	11,658,150	0.44%		
Silberstein Stephen M Revoc Tr	11,651,150	0.44%		
Kawishiwi Partners Revocable T	11,421,178	0.43%	7,898,000	0.49%
San Francisco Yacht Club	11,172,399	0.42%	6,299,392	0.39%
Golden Gate Belvedere LLC	10,948,349	0.41%		
27 Bellevue LLC	10,807,390	0.41%		
Allocca Steven M	10,758,322	0.40%		
Burillo Javier Tr	10,568,910	0.40%	9,001,659	0.56%
39 Belvedere LLC	10,455,135	0.39%		
Hyman Family Trust	10,175,000	0.38%		
Cana Properties LLC	9,931,633	0.37%		
425 Belvedere Associates LLC			21,512,536	1.35%
Koogle Timothy A			18,633,685	1.17%
Winslow Clark J			12,500,000	0.78%
Settling Ltd.			11,340,000	0.71%
Faithfort Entrps Inc.			10,307,000	0.65%
Murphy Glenn K			8,602,500	0.54%
Schneider James A			8,419,305	0.53%
Kahn Philippe R			8,298,946	0.52%
Syman Gary A			8,204,288	0.51%
Scully Irene S			8,065,224	0.51%
Dixon William R Jr			7,916,440	0.50%
Janney Daniel S			7,898,001	0.49%
Friedman Gerald L			7,282,800	0.46%
Hilpert Dale W			7,113,860	0.45%
De Somma Leonard B			6,797,000	0.43%
Mc Neil Robert A			6,399,573	0.40%
Du Molin James R			6,293,000	0.39%
Brown Janet			6,253,000	0.39%
Jacaell LLC			6,159,500	0.39%
Friedman Gary			6,036,465	0.38%
Total Top 25 Taxpayers	<u>428,795,694</u>	<u>16.13%</u>	<u>257,624,006</u>	<u>16.13%</u>
Total Taxable Value	<u>2,658,309,452</u>	<u>100.00%</u>	<u>1,597,073,405</u>	<u>100.00%</u>

Source: Marin County Assessor data, Avenu Insights & Analytics

City of Belvedere
Principal Sales Tax Producers
Last Fiscal Year and Nine Years Ago

2021-22		2012-13	
Taxpayer	Business Type	Taxpayer	Business Type
Arthur Leeper Asian Art	Miscellaneous Retail	Agins Interiors	Miscellaneous Retail
Collected Studio	Miscellaneous Retail	Audio & Video Consultants	Office Equipment
Corinne Matthews Wiley	Furniture/Appliance	Bayside Garden Center	Miscellaneous Retail
Corinthian Yacht Club	Restaurants	Beauvoir Interior Design	Miscellaneous Retail
Cuthrell & Daughter	Miscellaneous Retail	Christies	Miscellaneous Other
Deikel Design & Development	Miscellaneous Retail	Corinne Matthews Wiley	Furniture/Appliance
Ground	Miscellaneous Retail	Corinthian Yacht Club	Miscellaneous Retail
Hot Foot America	Chemical Products	Cottage Coastal Store	Furniture/Appliance
Katharine Whittaker	Miscellaneous Retail	Custom House Ii	Miscellaneous Retail
Katherine Hill	Miscellaneous Retail	Cuthrell & Daughter	Miscellaneous Retail
Kathy Best Design	Furniture/Appliance	Gwen Price Interiors	Miscellaneous Retail
Laura Smith Blair	Business Services	Hot Foot America	Chemical Products
Lynn Morgan Design	Miscellaneous Retail	Jm Interiors	Miscellaneous Retail
Mh Design	Miscellaneous Retail	Kara Warrin Design	Miscellaneous Retail
Michelle Friend	Miscellaneous Retail	Karen Johnson Designs	Apparel Stores
Mixxy Products	Light Industry	Katherine Ferguson Interior Design	Miscellaneous Retail
Nature'S Images	Miscellaneous Retail	Katherine Hill	Miscellaneous Retail
P.J.Svanfeldt	Office Equipment	Linda Applewhite & Associates	Business Services
Purple Monkey Hair	Apparel Stores	Ming'S Chinese Restaurant	Restaurants
Rustic Bakery	Restaurants	Nancy Freed Interiors	Miscellaneous Retail
S Federman Int. Design	Miscellaneous Retail	P.J.Svanfeldt	Office Equipment
Sharon D. Paster	Miscellaneous Retail	R & S Service	Miscellaneous Retail
Spindler Textiles	Miscellaneous Other	Smith Bio-Medical	Office Equipment
The San Francisco Yacht Club	Miscellaneous Retail	Spindler Textiles	Miscellaneous Retail
Wolkin & Blum Interiors	Miscellaneous Retail	The San Francisco Yacht Club	Miscellaneous Retail

Source: Avenu Insights & Analytics

City of Belvedere
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$ 3,121,274	\$ 3,121,274	100 %	\$ -	\$ 3,121,274	100 %
2014	3,296,437	3,296,437	100 %	-	3,296,437	100 %
2015	3,448,212	3,448,212	100 %	-	3,448,212	100 %
2016	3,720,091	3,720,091	100 %	-	3,720,091	100 %
2017	4,113,119	4,113,119	100 %	-	4,113,119	100 %
2018	4,340,484	4,340,484	100 %	-	4,340,484	100 %
2019	4,657,434	4,657,434	100 %	-	4,657,434	100 %
2020	4,848,606	4,848,606	100 %	-	4,848,606	100 %
2021	5,085,230	5,085,230	100 %	-	5,085,230	100 %
2022	5,318,104	5,318,104	100 %	-	5,318,104	100 %

Sources: City Finance Department

City of Belvedere
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Personal Income	Debt Per Capita
	Tax Allocation Bonds	Certificates of Participation/ Lease Revenue Bonds	Assessment Bonds			
2013	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -
2014	-	-	-	-	0.00%	-
2015	-	-	-	-	0.00%	-
2016	-	-	-	-	0.00%	-
2017	-	-	-	-	0.00%	-
2018	-	2,595,000	-	2,595,000	0.89%	1,215
2019	-	2,455,000	-	2,455,000	0.80%	1,143
2020	-	2,325,000	-	2,325,000	0.73%	1,095
2021	-	2,228,000	-	2,228,000	0.67%	1,078
2022	-	2,034,000	-	2,034,000	0.53%	978

Source: City of Belvedere Finance Department, Avenu Insights & Analytics, U.S. Census Bureau, 2010 American Community Survey.

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

**City of Belvedere
 Computation of Direct and Overlapping Debt
 June 30, 2022**

2021-22 Assessed Valuation: \$2,661,517,141

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt 6/30/22	% Applicable (1)	City's Share of Debt 6/30/22
Marin Community College District	\$584,795,000	2.971%	\$17,374,259
Tamalpais Union High School District	84,535,000	4.972	4,203,080
Reed Union School District	17,470,000	25.599	4,472,145
Marin Healthcare District	365,425,000	3.557	12,998,167
Belvedere-Tiburon Library Community Facilities District No. 95-1	500,000	29.502	147,510
Marin County Open Space Community Facilities District No. 1993-1	1,108,160	35.193	389,995
Marin County Open Space Community Facilities District No. 1997-1	1,108,160	35.193	389,995
City of Belvedere 1915 Act Bonds	10,383,332	100.	10,383,332
Marin Emergency Radio Authority Parcel Tax Obligations	28,020,000	2.966	831,073
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$51,189,556
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Marin County General Fund Obligations	\$76,250,000	2.966%	\$2,261,575
Marin County Pension Obligation Bonds	61,840,000	2.966	1,834,174
Marin Community College District General Fund Obligations	11,913,179	2.971	353,941
City of Belvedere General Fund Obligations	2,034,000	100.	2,034,000
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$6,483,690
TOTAL DIRECT DEBT			\$2,034,000
TOTAL OVERLAPPING DEBT			\$55,639,246
COMBINED TOTAL DEBT			\$57,673,246 (2)

- (1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to Assessed Valuation:

Total Overlapping Tax and Assessment Debt	1.92%
Total Direct Debt (\$2,034,000)	0.08%
Combined Total Debt.....	2.17%

Source: Avenu Insights & Analytics
 California Municipal Statistics, Inc.

**City of Belvedere
Demographic and Economic Statistics
Last Ten Fiscal Years**

Fiscal Year	Population (1)	Personal Income (2)	Per Capita	Median Age (5)	**Public School Enrollment	County	City	County Population (1)
			Personal Income (2)			Unemployment Rate (%) (3)	Unemployment Rate (%) (4)	
2012-13	2,086	\$ 242,681,214	\$ 116,338	54.0	5,415	6.3%	6.9%	254,007
2013-14	2,094	264,608,310	126,365	55.2	5,616	5.0%	3.9%	255,846
2014-15	2,121	284,498,617	134,134	56.8	5,711	3.3%	3.9%	258,927
2015-16	2,162	263,709,928	121,975	56.1	6,023	3.5%	3.9%	262,274
2016-17	2,172	277,680,404	127,845	57.7	6,223	3.2%	3.5%	263,604
2017-18	2,135	290,334,145	135,988	56.7	6,272	2.3%	3.5%	263,886
2018-19	2,148	308,104,867	143,438	53.5	6,407	1.9%	2.3%	262,879
2019-20	2,124	316,867,644	149,184	52.6	6,431	10.3%	2.5%	260,831
2020-21	2,066	332,684,860	161,028	50.7	6,371	6.7%	4.8%	257,774
2021-22	2,080	384,717,216	184,960	49.3	6,082	1.8%	4.8%	257,135

Source: Avenu Insights & Analytics, U.S. Census Bureau, 2010 American Community Survey.

The California Department of Finance demographics estimates now incorporate 2010 Census counts as the benchmark.

- 1.) Population Projections are provided by the California Department of Finance Projections.
- 2.) Income Data is provided by the U.S. Census Bureau, 2010 American Community Survey.
- 3.) County Unemployment Data is provided by the EDD's Bureau of Labor Statistics Department.
- 4.) City Unemployment Data is provided by the Sperling's BestPlaces.
- 5.) Median Age reflects the U.S. Census data estimation table.

**Student Enrollment reflects the total number of students enrolled in the Reed Union Elem & Tamalpais Union High School Districts.

City of Belvedere
Principal Employers

The City of Belvedere is primarily residential; this table is not applicable to our community.

**City of Belvedere
Full-time-Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years**

<u>Function/Program</u>	Full-time-Equivalent Employees as of June 30									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General government										
City Manager's Office	2	2	2	2	2	2	2	2	2	3
Finance	2	2	2	2	1	1	1	1	1	1
Planning	1.5	2.5	2.5	2.5	3	3	4	4	4	3
Public Safety										
Officers	6	6	5	5	7	7	7	6	6	7
Civilians	-	-	-	-	1	1	1	1	1	1
Building Inspection	2.5	2.5	2.5	2.5	3	2	3	3	3	3
Public Works										
Engineering	1	1	1	-	-	-	-	-	-	-
Public Works	3	4	4	4	4	4	4	4	4	4
Total	18	20	19	18	21	20	22	21	21	22

Source: City Finance Department

**City of Belvedere
Operating Indicators by Function/Program
Last Ten Fiscal Years**

<u>Function/Program</u>	Fiscal year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General government										
Building permits issued	280	297	230	239	268	284	205	267	287	292
Building inspections conducted	2,573	2,375	1,946	2,325	2,607	2,320	2,551	2,568	2,196	1,869
Police										
Physical arrests	5	1	7	4	8	10	15	10	10	18
Parking violations	20	23	113	200	270	386	571	427	232	236
Traffic violations	4	1	22	40	12	47	56	82	98	86
Public Works										
Encroachment permits issued	692	608	486	334	534	606	560	528	584	651
Road closures	97	75	56	40	44	44	35	27	57	160
Planning Department										
Applications received	333	316	436	377	537	460	264	433	420	470
Applications approved	297	271	389	313	428	455	230	339	425	334

Source: City Finance Department

**City of Belvedere
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years**

<u>Function/Program</u>	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol officers	6	6	6	7	7	7	7	7	7	7
Other public works										
Streets (miles)	13	13	13	13	13	13	13	13	13	13
Lanes	17	17	17	17	17	17	17	17	17	17
Storm drain inlets	250	250	250	250	250	250	250	250	250	250
Parks and recreation										
Acreage	2	2	2	2	2	2	2	2	2	2
Playgrounds	1	1	1	1	1	1	1	1	1	1
Tennis courts	1	1	1	1	1	1	1	1	1	1

Source: City Finance Department

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CITY OF BELVEDERE
MEMORANDUM ON INTERNAL CONTROL
FOR THE YEAR ENDED JUNE 30, 2022

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**CITY OF BELVEDERE
MEMORANDUM ON INTERNAL CONTROL**

For the Year Ended June 30, 2022

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MEMORANDUM ON INTERNAL CONTROL

To the City Council of
the City of Belvedere, California

In planning and performing our audit of the basic financial statements of the City of Belvedere (City) as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Included in the Schedule of Other Matters are recommendations not meeting the above definitions that we believe are opportunities for strengthening internal controls and operating efficiency.

This communication is intended solely for the information and use of management, City Council, others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads 'Maze & Associates'.

Pleasant Hill, California
November 10, 2022

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**CITY OF BELVEDERE
MEMORANDUM ON INTERNAL CONTROL
SCHEDULE OF OTHER MATTERS**

NEW GASB PRONOUNCEMENTS OR PRONOUNCEMENTS NOT YET EFFECTIVE

The following comment represents new pronouncements taking affect in the next few years. We cite them here to keep you informed of developments:

EFFECTIVE FISCAL YEARS 2022, 2023 and 2024:

GASB 99 – Omnibus 2022

The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are as follows:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument
- Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset
- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short term SBITA, and recognition and measurement of a subscription liability
- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP)
- Disclosures related to nonmonetary transactions
- Pledges of future revenues when resources are not received by the pledging government
- Clarification of provisions in Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statements
- Terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*

**CITY OF BELVEDERE
MEMORANDUM ON INTERNAL CONTROL
SCHEDULE OF OTHER MATTERS**

GASB 99 – Omnibus 2022 (Continued)

- Terminology used in Statement 53 to refer to resource flows statements.

The Requirements of this Statement are Effective as Follows:

The requirements in paragraphs 26–32 related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.

The requirements in paragraphs 11–25 related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

The requirements in paragraphs 4–10 related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

Earlier application is encouraged and is permitted by individual topic.

How the Changes in This Statement Will Improve Financial Reporting

The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to more easily locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements.

**CITY OF BELVEDERE
MEMORANDUM ON INTERNAL CONTROL
SCHEDULE OF OTHER MATTERS**

EFFECTIVE FISCAL YEAR 2022/23:

GASB 91 – Conduit Debt Obligations

The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

A conduit debt obligation is defined as a debt instrument having *all* of the following characteristics:

- There are at least three parties involved:
 - (1) an issuer
 - (2) a third-party obligor, and
 - (3) a debt holder or a debt trustee.
- The issuer and the third-party obligor are not within the same financial reporting entity.
- The debt obligation is not a parity bond of the issuer, nor is it cross-collateralized with other debt of the issuer.
- The third-party obligor or its agent, not the issuer, ultimately receives the proceeds from the debt issuance.
- The third-party obligor, not the issuer, is primarily obligated for the payment of all amounts associated with the debt obligation (debt service payments).

All conduit debt obligations involve the issuer making a limited commitment. Some issuers extend additional commitments or voluntary commitments to support debt service in the event the third party is, or will be, unable to do so.

An issuer should not recognize a conduit debt obligation as a liability. However, an issuer should recognize a liability associated with an additional commitment or a voluntary commitment to support debt service if certain recognition criteria are met. As long as a conduit debt obligation is outstanding, an issuer that has made an additional commitment should evaluate at least annually whether those criteria are met. An issuer that has made only a limited commitment should evaluate whether those criteria are met when an event occurs that causes the issuer to reevaluate its willingness or ability to support the obligor's debt service through a voluntary commitment.

CITY OF BELVEDERE
MEMORANDUM ON INTERNAL CONTROL
SCHEDULE OF OTHER MATTERS

GASB 91 – Conduit Debt Obligations (Continued)

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

Issuers should not report those arrangements as leases, nor should they recognize a liability for the related conduit debt obligations or a receivable for the payments related to those arrangements. In addition, the following provisions apply:

- If the title passes to the third-party obligor at the end of the arrangement, an issuer should not recognize a capital asset.
- If the title does not pass to the third-party obligor and the third party has exclusive use of the entire capital asset during the arrangement, the issuer should not recognize a capital asset until the arrangement ends.
- If the title does not pass to the third-party obligor and the third party has exclusive use of only portions of the capital asset during the arrangement, the issuer, at the inception of the arrangement, should recognize the entire capital asset and a deferred inflow of resources. The deferred inflow of resources should be reduced, and an inflow recognized, in a systematic and rational manner over the term of the arrangement.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

How the Changes in this Statement will Improve Financial Reporting

The requirements of this Statement will improve financial reporting by eliminating the existing option for issuers to report conduit debt obligations as their own liabilities, thereby ending significant diversity in practice. The clarified definition will resolve stakeholders' uncertainty as to whether a given financing is, in fact, a conduit debt obligation. Requiring issuers to recognize liabilities associated with additional commitments extended by issuers and to recognize assets and deferred inflows of resources related to certain arrangements associated with conduit debt obligations also will eliminate diversity, thereby improving comparability in reporting by issuers. Revised disclosure requirements will provide financial statement users with better information regarding the commitments issuers extend and the likelihood that they will fulfill those commitments. That information will inform users of the potential impact of such commitments on the financial resources of issuers and help users assess issuers' roles in conduit debt obligations.

CITY OF BELVEDERE
MEMORANDUM ON INTERNAL CONTROL
SCHEDULE OF OTHER MATTERS

GASB 94 – Public-Private and Public-Public Partnerships and Availability Payment Arrangements

The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

PPPs – This Statement requires that PPPs that meet the definition of a lease apply the guidance in Statement No. 87, Leases, as amended, if existing assets of the transferor that are not required to be improved by the operator as part of the PPP arrangement are the only underlying PPP assets and the PPP does not meet the definition of an SCA. This Statement provides accounting and financial reporting requirements for all other PPPs: those that either (1) meet the definition of an SCA or (2) are not within the scope of Statement 87, as amended (as clarified by this Statement). The PPP term is defined as the period during which an operator has a noncancelable right to use an underlying PPP asset, plus, if applicable, certain periods if it is reasonably certain, based on all relevant factors, that the transferor or the operator either will exercise an option to extend the PPP or will not exercise an option to terminate the PPP.

A transferor generally should recognize an underlying PPP asset as an asset in financial statements prepared using the economic resources measurement focus. However, in the case of an underlying PPP asset that is not owned by the transferor or is not the underlying asset of an SCA, a transferor should recognize a receivable measured based on the operator's estimated carrying value of the underlying PPP asset as of the expected date of the transfer in ownership. In addition, a transferor should recognize a receivable for installment payments, if any, to be received from the operator in relation to the PPP. Measurement of a receivable for installment payments should be at the present value of the payments expected to be received during the PPP term. A transferor also should recognize a deferred inflow of resources for the consideration received or to be received by the transferor as part of the PPP. Revenue should be recognized by a transferor in a systematic and rational manner over the PPP term.

This Statement requires a transferor to recognize a receivable for installment payments and a deferred inflow of resources to account for a PPP in financial statements prepared using the current financial resources measurement focus. Governmental fund revenue would be recognized in a systematic and rational manner over the PPP term.

CITY OF BELVEDERE
MEMORANDUM ON INTERNAL CONTROL
SCHEDULE OF OTHER MATTERS

GASB 94 – Public-Private and Public-Public Partnerships and Availability Payment Arrangements
(Continued)

This Statement also provides specific guidance in financial statements prepared using the economic resources measurement focus for a government that is an operator in a PPP that either (1) meets the definition of an SCA or (2) is not within the scope of Statement 87, as amended (as clarified in this Statement). An operator should report an intangible right-to-use asset related to an underlying PPP asset that either is owned by the transferor or is the underlying asset of an SCA. Measurement of the right-to-use asset should be the amount of consideration to be provided to the transferor, plus any payments made to the transferor at or before the commencement of the PPP term, and certain direct costs. For an underlying PPP asset that is not owned by the transferor and is not the underlying asset of an SCA, an operator should recognize a liability measured based on the estimated carrying value of the underlying PPP asset as of the expected date of the transfer in ownership. In addition, an operator should recognize a liability for installment payments, if any, to be made to the transferor in relation to the PPP. Measurement of a liability for installment payments should be at the present value of the payments expected to be made during the PPP term. An operator also should recognize a deferred outflow of resources for the consideration provided or to be provided to the transferor as part of the PPP. Expense should be recognized by an operator in a systematic and rational manner over the PPP term.

This Statement also requires a government to account for PPP and non-PPP components of a PPP as separate contracts. If a PPP involves multiple underlying assets, a transferor and an operator in certain cases should account for each underlying PPP asset as a separate PPP. To allocate the contract price to different components, a transferor and an operator should use contract prices for individual components as long as they do not appear to be unreasonable based on professional judgment or use professional judgment to determine their best estimate if there are no stated prices or if stated prices appear to be unreasonable. If determining the best estimate is not practicable, multiple components in a PPP should be accounted for as a single PPP.

This Statement also requires an amendment to a PPP to be considered a PPP modification, unless the operator's right to use the underlying PPP asset decreases, in which case it should be considered a partial or full PPP termination. A PPP termination should be accounted for by a transferor by reducing, as applicable, any receivable for installment payments or any receivable related to the transfer of ownership of the underlying PPP asset and by reducing the related deferred inflow of resources. An operator should account for a termination by reducing the carrying value of the right-to-use asset and, as applicable, any liability for installment payments or liability to transfer ownership of the underlying PPP asset. A PPP modification that does not qualify as a separate PPP should be accounted for by remeasuring PPP assets and liabilities.

APAs – An APA that is related to designing, constructing, and financing a nonfinancial asset in which ownership of the asset transfers by the end of the contract should be accounted for by a government as a financed purchase of the underlying nonfinancial asset. This Statement requires a government that engaged in an APA that contains multiple components to recognize each component as a separate arrangement. An APA that is related to operating or maintaining a nonfinancial asset should be reported by a government as an outflow of resources in the period to which payments relate.

CITY OF BELVEDERE
MEMORANDUM ON INTERNAL CONTROL
SCHEDULE OF OTHER MATTERS

GASB 96 – Subscription-Based Information Technology Arrangements

This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

The subscription term includes the period during which a government has a noncancelable right to use the underlying IT assets. The subscription term also includes periods covered by an option to extend (if it is reasonably certain that the government or SBITA vendor will exercise that option) or to terminate (if it is reasonably certain that the government or SBITA vendor will not exercise that option).

Under this Statement, a government generally should recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. A government should recognize the subscription liability at the commencement of the subscription term, —which is when the subscription asset is placed into service. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments should be discounted using the interest rate the SBITA vendor charges the government, which may be implicit, or the government's incremental borrowing rate if the interest rate is not readily determinable. A government should recognize amortization of the discount on the subscription liability as an outflow of resources (for example, interest expense) in subsequent financial reporting periods.

The subscription asset should be initially measured as the sum of (1) the initial subscription liability amount, (2) payments made to the SBITA vendor before commencement of the subscription term, and (3) capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. A government should recognize amortization of the subscription asset as an outflow of resources over the subscription term.

Activities associated with a SBITA, other than making subscription payments, should be grouped into the following three stages, and their costs should be accounted for accordingly:

- Preliminary Project Stage, including activities such as evaluating alternatives, determining needed technology, and selecting a SBITA vendor. Outlays in this stage should be expensed as incurred.
- Initial Implementation Stage, including all ancillary charges necessary to place the subscription asset into service. Outlays in this stage generally should be capitalized as an addition to the subscription asset.
- Operation and Additional Implementation Stage, including activities such as subsequent implementation activities, maintenance, and other activities for a government's ongoing operations related to a SBITA. Outlays in this stage should be expensed as incurred unless they meet specific capitalization criteria.

CITY OF BELVEDERE
MEMORANDUM ON INTERNAL CONTROL
SCHEDULE OF OTHER MATTERS

GASB 96 – Subscription-Based Information Technology Arrangements (Continued)

In classifying certain outlays into the appropriate stage, the nature of the activity should be the determining factor. Training costs should be expensed as incurred, regardless of the stage in which they are incurred.

If a SBITA contract contains multiple components, a government should account for each component as a separate SBITA or nonsubscription component and allocate the contract price to the different components. If it is not practicable to determine a best estimate for price allocation for some or all components in the contract, a government should account for those components as a single SBITA.

This Statement provides an exception for short-term SBITAs. Short-term SBITAs have a maximum possible term under the SBITA contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. Subscription payments for short-term SBITAs should be recognized as outflows of resources.

This Statement requires a government to disclose descriptive information about its SBITAs other than short-term SBITAs, such as the amount of the subscription asset, accumulated amortization, other payments not included in the measurement of a subscription liability, principal and interest requirements for the subscription liability, and other essential information.

How the Changes in this Statement will Improve Financial Reporting

The requirements of this Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.

**CITY OF BELVEDERE
MEMORANDUM ON INTERNAL CONTROL
SCHEDULE OF OTHER MATTERS**

EFFECTIVE FISCAL YEAR 2023/24:

GASB 100 – Accounting for Changes and Error Corrections

The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability

This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements.

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated.

Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles.

CITY OF BELVEDERE
MEMORANDUM ON INTERNAL CONTROL
SCHEDULE OF OTHER MATTERS

EFFECTIVE FISCAL YEAR 2024/25:

GASB 101 – Compensated Absences

The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

Recognition And Measurement

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee’s pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

Notes To Financial Statements

This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

CITY OF BELVEDERE
MEMORANDUM ON INTERNAL CONTROL
SCHEDULE OF OTHER MATTERS

GASB 101 – Compensated Absences (Continued)

How the Changes in this Statement Will Improve Financial Reporting

The unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave.

The model also will result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences.

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CITY OF BELVEDERE
REQUIRED COMMUNICATIONS
FOR THE YEAR ENDED JUNE 30, 2022

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**CITY OF BELVEDERE
REQUIRED COMMUNICATIONS**

For The Year Ended June 30, 2022

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REQUIRED COMMUNICATIONS

To the City Council of
the City of Belvedere, California

We have audited the basic financial statements of the City of Belvedere, California, for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information via email to the Finance Committee members on September 15, 2022. Professional standards also require that we communicate to you the following information related to our audit:

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Accounting Policies - Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year, except as follows:

GASB 87 – Leases

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the leases guidance, unless specifically excluded in this Statement.

The pronouncement became effective, and as disclosed in Note 1Q to the financial statements, the City established a threshold for reporting leases of \$100,000 and determined that none of its leases were required to be recorded.

GASB 99 – Omnibus 2022

The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The Statement contains provisions that are to be implemented in phases over three fiscal years. The practice issues addressed by this Statement that are effective in fiscal year 2022 are as follows:

- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP)
- Disclosures related to nonmonetary transactions
- Pledges of future revenues when resources are not received by the pledging government
- Clarification of provisions in Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statements
- Terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*
- Terminology used in Statement 53 to refer to resource flows statements.

The requirements in paragraphs 26-32 of the pronouncement became effective, but did not have a material effect on the financial statements.

The following pronouncements became effective, but did not have a material effect on the financial statements:

GASB 89 – *Accounting for Interest Cost Incurred before the End of a Construction Period*

GASB 90 – *Majority Equity Interests (an amendment of GASB Statements No. 14 and No. 61)*

GASB 92 – *Omnibus 2020*

GASB 93 – *Replacement of Interbank Offered Rates*

GASB 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*

Unusual Transactions, Controversial or Emerging Areas – We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates – Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City’s financial statements were:

Estimated Net Pension Liabilities (Assets) and Pension-Related Deferred Outflows and Inflows of Resources: Management's estimate of the net pension liabilities (assets) and deferred outflows/inflows of resources are disclosed in Note 8 to the financial statements and are based on accounting valuations determined by the California Public Employees Retirement System and the PARS Retirement Enhancement Plan, which are based on the experience of the City. We evaluated the key factors and assumptions used to develop the estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole.

Estimated Net OPEB Liabilities and OPEB-Related Deferred Outflows and Inflows of Resources: Management's estimate of the net OPEB liabilities and deferred outflows/inflows of resources are disclosed in Note 9 to the financial statements and are based on actuarial studies determined by a consultant, which are based on the experience of the City. We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Estimate of Depreciation: Management's estimate of the depreciation is based on useful lives determined by management. These lives have been determined by management based on the expected useful life of assets as disclosed in Note 1J to the financial statements. We evaluated the key factors and assumptions used to develop the depreciation estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Estimate of Compensated Absences: Accrued compensated absences which are comprised of accrued vacation, holiday, and certain other compensating time is estimated using accumulated unpaid leave hours and hourly pay rates in effect at the end of the fiscal year as disclosed in Note 1K to the financial statements. We evaluated the key factors and assumptions used to develop the accrued compensated absences and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Disclosures – The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Professional standards require us to accumulate all known and likely uncorrected misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We have no such misstatements to report to the City Council.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in a management representation letter dated November 10, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the City’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information that accompanies and supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the required supplementary information and do not express an opinion or provide any assurance on the required supplementary information.

We were engaged to report on the supplementary information that accompanies the financial statements, but is not required supplementary information. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the Introductory and Statistical Sections included as part of the Annual Comprehensive Financial Report, but are not required supplementary information. We did not audit or perform other procedures on this other information, and we do not express an opinion or provide any assurance on them.

This report is intended solely for the information and use of the Finance Committee, City Council, and management and is not intended to be and should not be used by anyone other than these specified parties.



Pleasant Hill, California
November 10, 2022

**INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED UPON PROCEDURES FOR
COMPLIANCE WITH THE PROPOSITION 111
2021-2022 APPROPRIATIONS LIMIT INCREMENT**

Honorable Mayor and Members of the City Council
City of Belvedere, California

We have performed the procedures enumerated below on the Appropriations Limit Worksheet (Worksheet) of the City of Belvedere, California, for the year ended June 30, 2022. The City's management is responsible for the Worksheet.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of these procedures, which were suggested by the League of California Cities and presented in their Article XIII B Appropriations Limitation Uniform Guidelines, were performed solely to assist you in meeting the requirements of Section 1.5 of Article XIII B of the California Constitution. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings were as follows:

- A. We obtained the Appropriations Limit Worksheet (Worksheet) and determined that the 2021-2022 Appropriations Limit of \$4,501,589 was adopted by Resolution 2021-23 of the City Council. We also determined that the population and inflation option were selected by a recorded vote of the City Council.
- B. We computed the 2021-2022 Appropriations Limit by first reducing the 2020-2021 Prior Year Appropriations Limit by \$997,888 of Fire Levy. We then multiplied the amount by the total growth factor. We recomputed the Total Growth Factor by multiplying the population option by the inflation option.
- C. For the Worksheet, we agreed the Per Capita Income Factor, City Population Factor and County Population Factor to California State Department of Finance Worksheets.

We were engaged by the City to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Worksheet. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of management and the City Council and is not intended to be and should not be used by anyone other than those specified parties; however, this restriction is not intended to limit the distribution of this report, which is a matter of public record.

A handwritten signature in black ink that reads 'Maze & Associates'.

Pleasant Hill, California
November 10, 2022

Accountancy Corporation
3478 Buskirk Avenue, Suite 215
Pleasant Hill, CA 94523

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E maze@mazeassociates.com
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To: Mayor and City Council

From: Robert Zadnik, City Manager

Reviewed By: Amy Ackerman, City Attorney

Subject: Second Reading of Ordinance No. 2022-09 of the City of Belvedere amending Chapter 2.08 - City Council - of Title 2 of the Belvedere Municipal Code by amending sections 2.08.010 and 2.08, repealing sections 2.08.020 and 2.08.050, and renumbering existing sections consistent with the amendments.

Recommendation

Approve the second reading and adoption of Ordinance No. 2022-09.

Discussion

A public hearing was held on November 14, 2022, at which time no negative comments were received from the public, and members of the City Council present at the meeting voted unanimously to approve the first reading and introduction.

Background

Removing state law provision from Belvedere’s Municipal Code is necessary to improve the efficiency of City operations by ensuring City Council meetings operate according to the state law, as required, and alleviates the City’s need to amend its Municipal Code each time the Legislature amends the Brown Act. To accomplish this, the attached Ordinance amends certain parts of Title 2 Chapter 2.08 of the Belvedere Municipal Code, specifically:

- Section 2.08.010 - Time and Place of Meetings.
- Section 2.08.030 - Cancellation.
- Section 2.08.040 - Mayor.
- Section 2.08.040 - Conduct of Meetings.

Fiscal Impact

These revisions are procedural and will not generate an increase in the city’s long-term budget.

Environmental Review

The proposed Ordinance does not constitute a “project” under the California Environmental Quality Act because it does not involve an activity that has the potential to cause a direct or reasonably foreseeable indirect physical change in the environment.

Recommendation

Approve the second reading and adoption of Ordinance No. 2022-09.

Attachments

Resolution and Proposed Ordinance

CITY OF BELVEDERE
ORDINANCE NO. 2022-09

**AN ORDINANCE OF THE CITY OF BELVEDERE AMENDING CHAPTER 2.08 -
CITY COUNCIL- OF TITLE 2 OF THE BELVEDERE MUNICIPAL CODE BY
AMENDING SECTIONS 2.08.010 AND 2.08, REPEALING SECTIONS 2.08.020
AND 2.08.050, AND RENUMBERING EXISTING SECTIONS CONSISTENT WITH
THE AMENDMENTS.**

Note: Additions to Code are underlined.
Deletions to Code are in strike-through text.

WHEREAS, the meetings of the Belvedere City Council are governed by the Ralph M. Brown Act (Government Code section 54950 et. seq.)

WHEREAS, Chapter 2.08 of Belvedere's Municipal Code contains provisions relating to meetings that are duplicative of the Brown Act.

WHEREAS, the Brown Act is amended frequently by the State Legislature.

WHEREAS, removing state law provisions from Belvedere's Municipal Code improves the efficiency of City operations by ensuring City Council meetings operate according to the state law, as required, and alleviates the City of the need to amend its Municipal Code each time the Legislature amends the Brown Act.

Now, therefore, the City Council of the City of Belvedere does ordain as follows:

SECTION 1. Findings. The above recitals are true and correct and are incorporated as findings herein.

SECTION 2. Amendment. Belvedere Municipal Code Chapter 2.08 is hereby amended as follows:

Title 2 Chapter 2.08 City Council

Section 2.08.010 - Time and Place of Meetings.

Section 2.08.030 - Cancellation.

Section 2.08.040 - Mayor.

Section 2.08.040 - Conduct of Meetings.

Section 2.08.010 - Time and Place of Meetings.

The City Council shall hold one regular meeting each calendar month. These meetings shall be held on the dates, at the times, and in such locations as specified by the City Council by resolution in accordance with California Government Code Section 36805. When the day for any

regular meeting of the City Council falls on a legal holiday, no meeting shall be held on such holiday, but such meeting shall be held at the same hour on the next succeeding day which is not a holiday, or at such time and date agreed to by a majority of the City Council. The City Council may hold other meetings as necessary, consistent with the provisions of the Ralph M. Brown Act (Government Code section 54950 et seq.)

~~Section 2.08.020 Other Meetings:~~

~~A. Special meetings may be called at any time by the Mayor or by determination of the majority of the City Council. Written notice of any such meeting must be given to all members of the City Council and to all newspapers, radio stations, television stations, or other media who have previously requested same in accordance with applicable provisions of the Government Code. Such notice may be given either personally or by mail, but must be received at least twenty four (24) hours before the time set for the special meeting. Such notice is not necessary for any member who submits a written waiver of notice to the City Clerk at or before the time set for the meeting, or for any member who is actually present at the special meeting~~

~~B. *Adjournment—adjourned meetings.* The Council may adjourn any regular, adjourned regular, special or adjourned special meeting to a time and place specified in the order of adjournment. If a quorum is not present, less than a quorum may so adjourn. If all members are absent from any regular or adjourned regular meeting, the City Clerk may declare the meeting adjourned to a stated time and place and shall cause a written notice of the adjournment to be delivered personally to each Council member at least three hours before the adjourned meeting. A copy of the order or notice of adjournment shall be conspicuously posted on or near the door of the place where the regular, adjourned regular, special or adjourned special meeting was held within twenty-four hours after the time of adjournment. When a regular or adjourned regular meeting is adjourned as provided in this rule, the resulting adjourned regular meeting is a regular meeting for all purposes. When an order of adjournment of any meeting fails to state the hour at which the adjourned meeting is to be held, it shall be held at the hour specified for regular meetings.~~

~~C. A special emergency meeting may be called by the Mayor or by a majority of the City Council where there exists:~~

- ~~1. A work stoppage, crippling disaster or other activity which severely impairs public health or safety; or~~
- ~~2. Such other circumstance specified by State law as authorizing the conduct of an emergency meeting.~~

~~Any special emergency meeting shall be called, noticed and conducted only in accordance with the procedures set forth in State law.~~

~~D. *Closed sessions.* The Council may hold closed sessions during a regular or special meeting, or at any time otherwise authorized by law, to consider or hear any matter which it is authorized by State law to hear or consider in closed session. If a closed session is included on the agenda, the description of the item shall be in substantial compliance with applicable State law. During closed session, the City Council may exclude any person or persons which it is authorized by State law to exclude from closed sessions. No minutes of the proceedings of the City Council during a closed session are required. There shall be no closed session during any special emergency meeting. (Ord. 2006-5 § 2, 2006; Ord. 92-5 § 1, 1992.)~~

Section ~~2.08.020~~ ~~2.08.030~~ Cancellation.

Any meeting of the Council may be cancelled in advance by a majority vote of the Council. The Mayor may cancel a meeting in the case of an emergency or when a majority of members have confirmed in writing their unavailability to attend a meeting.

Section ~~2.08.030~~ ~~2.08.040~~ – Mayor.

The Mayor shall preside over all Council meetings. In his/her absence, the Vice-Mayor shall serve as presiding officer.

Section ~~2.08.050~~ Attendance by the Public.

~~Except as specifically provided by law for closed sessions, all meetings of the Council shall be open and public. All persons desiring to attend shall be permitted to attend any meeting. In the event any meeting is willfully interrupted by a group or groups of persons so as to render the orderly conduct of the meeting unfeasible, and order cannot be restored by removal of the offending individual or individuals, the Council may order the meeting room cleared and continue in session. In such event, only matters appearing on the agenda may be considered during such session. Representatives of the press, unless participants in the disturbance, shall be allowed to attend such session, and nothing shall prohibit the Council from readmitting individuals not responsible for the disturbance.~~

Section ~~2.08.040~~ ~~2.08.060~~ – Conduct of Meetings. ~~Order of business and rules of conduct.~~

The meetings conducted by the City Council of the City shall be in accordance with the Ralph M. Brown Act (Government Code section 54950 et seq.) and Council rules and procedures as established by resolution. ~~with Robert's Rules of Order as modified by the City Council by resolution relating to order of business and rules of conduct.~~

SECTION 3. Severability. If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance, or any part thereof, is for any reason held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance irrespective of the fact that one or more sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases be declared unconstitutional or invalid or effective. To this end the provisions of this Ordinance are declared to be severable.

SECTION 4. Effective Date. This Ordinance shall take effect and be in force thirty (30) days after the date of its passage. Within fifteen (15) days following its passage, a summary of the Ordinance shall be published with the names of those City Council members voting for and against the Ordinance and the City Clerk shall post in the office of the City Clerk a certified copy of the full text of the adopted Ordinance along with the names of the members voting for and against the Ordinance.

INTRODUCED AT A PUBLIC HEARING at a regular meeting of the Belvedere City Council on November 14, 2022 and adopted at a regular meeting of the Belvedere City Council on December 12, 2022 by the following vote:

AYES: Cooper, Kemnitzer, Mark, Wilkinson, Lynch

NOES: None

ABSENT: None

ABSTAIN: None

APPROVED: _____

Jim Lynch, Mayor

ATTEST: _____

Beth Haener, Interim City Clerk

To: Mayor and City Council

From: Antony Boyd, Public Works Director

Reviewed by: Robert Zadnik, City Manager

Subject: Amendment to Administrative Policy Manual Section 6.2 Parks, Open Spaces and Lanes Committee Operations

Recommended Motion/Item Description

Adopt a resolution approving an amendment to the Administrative Policy Manual (APM) Section 6.2 Parks, Open Spaces and Lanes Committee Operations, changing the date of the Committee’s “annual recommendation on priorities for measures to improve or protect Belvedere’s Parks, Open Spaces and Lanes” from December 31 to January 31.

Background

Policy 6.2 of the Administrative Policy Manual establishes the operating procedures of the Parks, Open Spaces and Lanes Committee. This includes section 6.2.3 Reporting, which details the annual reporting requirements of the Committee, including the dates by which two annual reports be submitted. Under the current charter, the “annual recommendation” report outlining the Committee’s project priorities and budget requests is required to be submitted by December 31 of each year.

Discussion


In drafting and finalizing this report of the Committee, it is expected that an opportunity for comment, discussion and deliberation will require a meeting. The schedule of regular meetings is defined in Section 6.2.5 of the Committee Charter as “four times each year during the third week of each fiscal quarter.” The most recent meeting was held on October 20, 2022, and the next meeting will be in the third week of January 2023.

This year, for the timely completion of the report, a special meeting would be required. To generate a final report by December 31st, it is anticipated by staff that a special meeting will likely be required every year.

Staff recommends that the date by which the “annual recommendation on priorities for measures to improve or protect Belvedere’s Parks, Open Spaces and Lanes” is completed, be revised from December 31 to January 31 each year. This would align the due date of the report with the timing of the regular meeting in January.

Attachments

1. Resolution to Amend Administrative Policy Manual Section 6.2 Parks, Open Spaces and Lanes Committee Operations
2. Exhibit A – Administrative Policy Manual Section 6.2 Parks, Open Spaces and Lanes Committee Operations, showing proposed amendment in red.

	CITY OF BELVEDERE – ADMINISTRATIVE POLICY MANUAL POLICY 6.2 PARKS, OPEN SPACES & LANES COMMITTEE OPERATIONS		
	Adoption Date:	11/14/2011	Adopted by:
Revised Date:	3/11/2019 3/22/2022	Revised by:	City Council Resolution No. 2019-04 City Council Resolution No. 2022-16
Authority:	City Council		

6.2.1 PURPOSE

The Parks, Open Spaces and Lanes (the “Committee”) is established to study and provide community input into measures to protect Belvedere’s Parks, Open Spaces and Lanes and to develop Belvedere’s Parks, Open Spaces and Lanes in a manner consistent with Belvedere’s General Plan and the best interests of the citizens of Belvedere. For purposes of this Charter, the term “Parks, Open Spaces and Lanes” shall include city-owned parks, open spaces, lanes, and other areas of interest that are included in Exhibit 6 to the Belvedere General Plan and entitled: [PARKS, RECREATION AND OPEN SPACE MAP CITY OF BELVEDERE](#).

6.2.2 DUTIES

In furtherance of this mission, the Committee shall carry out the following duties only:

- (1) Provide a set of recommendations to staff and Belvedere City Council each year prioritizing measures to improve or protect Belvedere’s Parks, Open Spaces and Lanes during each of the subsequent 5 fiscal years;
- (2) Provide a report to the Belvedere City staff and to Belvedere City Council regarding the status of measures taken to address the priorities adopted by the Belvedere City Council for Belvedere’s Parks, Open Spaces and Lanes during the preceding fiscal year;
- (3) Provide recommendations to the Belvedere Planning Commission with respect to any proposed project directly effecting Belvedere’s Parks, Open Spaces and Lanes;
- (4) Undertake such additional studies and reporting as the Belvedere City Council or the Belvedere City staff may request from time to time regarding measures to improve or protect Belvedere’s Parks, Open Spaces and Lanes.

6.2.3 REPORTING

The Committee shall report its annual recommendation on priorities for measures to improve or protect Belvedere's Parks, Open Spaces and Lanes not later than ~~December 31~~ **January 31** of each year.

The Committee shall make its annual report on the status and progress of the City's measures to protect and improve Belvedere's Parks, Open Spaces and Lanes not later than August 30 of each year.

The Committee shall provide any comment described in Section 6.3.3 of the Belvedere Administrative Policy Manual relating to an application for entitlement affecting Belvedere's Parks, Open Spaces and Lanes to the Belvedere Planning Commission not later than 72 hours before the Planning Commission hearing at which such objection shall be heard;

The Committee shall make such additional reports as requested from time to time by the Belvedere City staff and the Belvedere City Council on a schedule that shall be specified together with such requests.

6.2.4 Duration

The Committee shall be a Standing Committee and shall continue in operation until such time as this charter is revoked by the Belvedere City Council.

6.2.5 Meetings

The Committee shall meet four times each year during the third week of each fiscal quarter and at such additional times as requested by the Belvedere City Council and Belvedere City staff. A special meeting may be called by the Chair of the Committee upon receipt of notice that an entitlement has been requested relating that has a significant impact on Belvedere's Parks, Open Spaces and Lanes.

6.2.6 MEMBERS; TERM OF OFFICE

Non-Voting Council Liaisons:

The Committee shall have one Belvedere City Council liaison and one Council liaison alternate both of whom shall be charged with guiding the committee's deliberations.

Public Members:

The Council shall appoint five members from the public who shall have a demonstrated interest in the City's Parks and Open Spaces (the "Public Members"). Public members shall be appointed for a term of four years. The Belvedere City Council shall appoint members to the committee on a staggered basis so that not more than three committee members' terms expire in any given year. Preference for appointments shall generally be given to Master Gardeners, parents with

young children, and volunteers from community environmental organizations such as Broom Busters and the Richardson Bay Audubon Society. Public Members may be removed from the Committee by the Belvedere City Council.

Non-voting Ex-Officio:

The Belvedere City Manager

The Belvedere City Director of Public Works

6.2.7 PROCEDURE

The Committee shall follow Rosenberg's Rules of Order except as modified by this charter.

6.2.8 REORGANIZATION

The Committee shall reorganize under this charter at the next meeting contemplated by this Charter and shall include only such existing members of the Belvedere Parks and Open Space Committee who have the longest time remaining in their respective terms of office. The reorganized committee shall elect new officers at its next meeting. Notwithstanding Section 6.2.7 of this Charter, the Committee may elect its existing officers to a new term.

6.2.9 QUORUM

A quorum shall require a majority of the Public Members.

6.2.10 OFFICERS

The Committee shall elect Public Members as a Chair and a Vice-chair and such officers shall serve for a term of one year. Public Members may serve for more than one term of office provided that no two such terms may be consecutive. The Belvedere City Manager shall appoint a Secretary to serve on an Ex-Officio basis.

6.2.11 SUBCOMMITTEES

The Chair of the Committee shall be empowered to appoint, upon prior notice to and consultation with the Mayor, *ad hoc* sub-committees to assist in the Committee's deliberations.

6.2.12 NO IMPLIED AUTHORITY

The duties and authorities set forth in this Charter imply no additional authorities or duties. Any independent unauthorized actions including but not limited to contracting with third parties and undertaking public opinion polls are *ultra vires*, expressly forbidden by the Belvedere City Council.

6.2.13 BROWN ACT COMMITTEE

The Committee is subject to the open meeting requirements of the Brown Act (Govt. Code sec. 54950).

CITY OF BELVEDERE

RESOLUTION NO. 2022-59

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELVEDERE
AMENDING BELVEDERE ADMINISTRATIVE POLICY MANUAL,
POLICY 6.2 “PARKS, OPEN SPACES AND LANES COMMITTEE OPERATIONS”**

WHEREAS, Belvedere Administrative Policy Manual Section 6.2 “Parks, Open Spaces and Lanes Committee Operations” provides policies establishing operating procedures for the Parks, Open Spaces and Lanes Committee; and

WHEREAS, on December 12, 2022, the City Council held a public meeting to consider Administrative Policy Amendments; and

WHEREAS, the City Council finds that the Administrative Policy Amendments are categorically exempt from the California Environmental Quality Act (“CEQA”) under CEQA Guideline section 15061(b)(3) (the “common sense exemption”) as it can be seen with certainty that there is no possibility of a significant adverse environmental effect.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Belvedere that Part 6, Committees, Commissions and Boards, of the City of Belvedere Administrative Policy Manual, Section 6.2 is hereby adopted as set forth in Exhibit A.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Belvedere on December 12, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED: _____

,Mayor

ATTEST: _____

,City Clerk

Resolution No. 2022-59

Belvedere City Council

Page 2

TO: City of Belvedere City Council

FROM: Irene Borba, Director of Planning and Building

REVIEWED BY: Ann Danforth, Assistant City Attorney
Robert Zadnik, City Manager

SUBJECT: **Introduction & First Reading of an Ordinance of the City of Belvedere to Amend Sections 18.08.040 (L) (Former) 19.04.020, and Add Sections 18.04.040(L)(New), 19.04.035, 10.08.527, Chapter 18.27 and Chapter 19.77 to the City of Belvedere Municipal Code, all to comply with Senate Bill 9**

RECOMMENDATION

Staff recommends after review of all information, presentations, and public testimony that:

1. That the City Council conduct the public hearing.
2. Motion to read the Ordinance by Title only. The City Clerk will read aloud the full title of the Ordinance.
3. Motion to approve the first reading of the Ordinance and waive future readings of the Ordinance in its entirety.

BACKGROUND INFORMATION

On September 16, 2021, California Governor Gavin Newsom signed SB 9. That bill included California Government Code Sections 65852.21 and 66411.7, which effectively ended single family residential zoning in the State of California. The most significant component of this bill is that it requires *ministerial* approval of a one-time, two-lot subdivision and up to two (2) units per lot. The proposed subdivision or development project must be considered ministerially, without discretionary review or hearing, if the proposal meets certain requirements. Local agencies can apply additional objective zoning, subdivision, and design review standards if those standards would not physically preclude the construction of two primary residential units of at least 800 square feet on each lot. The bill does allow local ordinances to authorize, up to four units on one existing single-family lot that has not been subdivided (two primary units and two ADUs) and/or units of more than 800 feet using the SB 9 process.

City Council - January & February 2022

Staff prepared an interim Urgency Ordinance to implement regulations for SB 9 projects city wide. The City Council adopted the Urgency Ordinance (Ordinance 2022-01) on January 10, 2022, establishing standards and regulations for development and subdivisions for such projects under SB9. An Urgency Ordinance has an initial term of 45-days. On February 14, 2022, the City

Council adopted an extension of the Urgency Ordinance (Ordinance 2022-02) which extended the term of the Urgency Ordinance for one-year from the adoption date of Ordinance 2022-01.

Council staff report and attachments of January 10, 2022 can be found here at the following link: https://www.cityofbelvedere.org/AgendaCenter/ViewFile/Agenda/_01102022-616?html=true

Council staff report and attachments of February 14, 2022 can be found here at the following link: https://www.cityofbelvedere.org/AgendaCenter/ViewFile/Agenda/_02142022-625?html=true

Planning Commission – November 2022

The Planning Commission considered a formal Ordinance for SB 9 at its regular meeting of November 15, 2022. The Planning Commission staff report and attachments can be found here:

https://www.cityofbelvedere.org/AgendaCenter/ViewFile/Agenda/_11152022-690?html=true

The SB 9 Ordinance considered by the Planning Commission in November is substantially the same as the Urgency Ordinance adopted earlier this year with the following exceptions:

- Minor clean-up of ordinance language and or language for consistency with the model SB9 Ordinance.

For example: Section 18.27.040 B & 19.77.040 (B) – changed “The parcel being subdivided is not being located on a site that is any of the following:” is replaced with “The parcel satisfies the requirements specified in subparagraphs (B) to (K), inclusive, of paragraph (6) of subsection (a) of Section 65913.4.”

The draft ordinance as prepared also provided an opportunity for discussion of several issues that the Urgency Ordinance did not address. Staff sought direction from the Commission/Council on the following items:

1. **Refer to Exhibit B:** Section 19.77.040 (J) of the current draft ordinance provides the following: “Two primary dwelling units *only* may be located on any lot created through an Urban Lot Split that utilized the Two-Unit Development provision, accessory dwelling units and junior accessory dwelling units *are not* permitted on these lots.”

State law does not require local agencies to allow ADUs or JADUs on parcels that utilize both the Urban Lot Split and the Two-Unit Development provisions. Accordingly, the current draft does not allow such units. Note that this provision does not apply to SB 9 projects unless the parcel involved resulted from an Urban Lot Split.

State law does allow local jurisdictions the *option* of allowing additional units, likely ADU’s and JADU’s, on these lots. Jurisdictions *can* consider this for large lots or in exchange for the applicant’s agreement to record a covenant restricting sale or rental of the ADU/JADU to moderate or lower-income households. Staff suggested to the Commission that the additional units would be beneficial as additional units and would count towards our RHNA allocation as new units, and it would be an added benefit if some of those units could be restricted through the recorded covenant for moderate or lower-income households if rented or sold.

The second item for discussion with the Commission included the following:

2. **Refer to Exhibit B:** Section 19.77.050 (B) of the current draft includes the following Objective Design Standard for Two-Unit Developments. : “The

maximum floor area of a unit in a Two-Unit Development shall be 800 square feet if the unit does not meet all development standards contained in the underlying zoning district.”

Staff suggested to the Commission may want to consider and provide direction to staff to allow larger unit sizes in return for larger setbacks or other design compromises. Allowing for larger unit sizes may provide an added interest for property owners to do a Two-Unit Development as well as provide greater setbacks for structures.

The Planning Commission discussed the above two options at its November meeting and decided to recommend that the formal SB 9 Ordinance be adopted as written, with the exception of some minor language clean up, as suggested by Commissioner Stoehr. The Commission thought the discussion raised by staff merited a more detailed discussion that should be revisited later; the Commission wanted to move the SB 9 Ordinance along to Council for formal adoption given the Urgency Ordinance expires early in 2023.

DISCUSSION/ANALYSIS

SB 9 was signed by Governor Newsom on September 16, 2021, and took effect on January 1, 2022. The full text of SB 9 can be found here:

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB9 .

Attached is a summary of SB 9 from the law firm of Goldfarb & Lipman as well as some frequently asked questions provided by the Association of Bay Area Governments (ABAG).

This bill requires a proposed urban lot split or housing development containing no more than two primary residential units on a lot within a single-family residential zone to be considered ministerially, without discretionary review or hearing, if the proposed housing development meets certain requirements. Requirements include, among others:

- That the urban lot split or proposed housing development would not require demolition or alteration of housing that is subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of moderate, low, or very low income;
- That the urban lot split or proposed housing development would not require demolition or alteration of housing that has been occupied by a tenant in the last three years;
- That the urban lot split or proposed housing development does not allow for the demolition of more than 25% of the existing exterior structural walls (unless a local ordinance so allows, or the site has not been occupied by a tenant in the last three years); and
- That the urban lot split or proposed development is not located within a historic district, it is not included on the state historic resources inventory or is not within a site that is designated or listed as a City landmark or historic property or district.

SB 9 allows a local agency to impose objective zoning, design, and subdivision standards unless those standards would have the effect the physically precluding the construction of two primary residential units on either of the resulting parcels or physically precluding either of the two units from being at least 800 square feet in floor area.

The bill also requires that any units developed under these regulations be rented for more than 30 consecutive days and applicants for urban lot splits must sign an affidavit stating that they intend

to occupy one of the housing units as their principal residence for a minimum of three years from the date of the approval of the urban lot split. The proposed ordinance includes these requirements.

Proposed Ordinance Amendments

If approved, proposed amendments to the Belvedere Municipal Code, Titles 18 & 19, would formally implement the state law citywide.

Similar to recent legislation concerning accessory dwelling units (ADU's), SB 9 contains directive language regarding certain aspects of urban lot splits and two-unit developments and allows local agencies to adopt objective standards to regulate the other aspects as long as those standards do not conflict with new Government Code Sections 65852.21 and 66422.7. The following highlights some of the more notable objective standards applicable to Urban Lot Splits and SB 9 dwelling units.

- Lot splits and new SB 9 dwelling units are allowed in all single-family zoning districts; including R-15, R1-L, R1-W, and R1-C, but not in multifamily districts.
- Lot splits can create no more than two new parcels of approximately equal lot area, provided that one parcel shall not be smaller than 40% of the lot area of the original parcel proposed for subdivision.
- A parcel created by an Urban Lot split is not eligible for an additional Urban Lot Split.
- In no instance shall any resulting lot be smaller than 1200 square feet in area.
- Lot splits and new SB 9 dwellings are not permitted on sites located within historic districts or historic resources designated by ordinance.
- Lot splits and new SB 9 dwellings are not permitted on sites located within a high sensitivity area for prehistoric resources, which are designated as historic properties.
- No alteration of existing housing is allowed if it has been occupied by tenants for the last three years.
- New dwelling units are limited to 800 square feet of floor area and 16 feet in height if they do not meet all the development standards in the underlying zoning.
- A parking space is required for each SB 9 unit unless it is located within 1/2-mile walking distance of a "high quality transit corridor" or a major transit stop.
- Coverage and floor area limitations would continue to apply except as necessary to permit 800 sq. ft. SB 9 units and to provide the required minimum emergency access and vehicle parking.
- Property owner shall record a deed restriction specifying that no dwelling unit shall be occupied as a short-term rental unit and no further subdivision of the parcel under SB 9 is permitted (if an urban lot split has been approved).
- New detached units shall be of the same architectural style, detail, color and building material as the primary dwelling unit.
- Per SB 9 and the proposed ordinance amendments, the City's Building Official may deny a two-unit project or urban lot split by making written findings, based on a preponderance of evidence, that the project would have a specific adverse impact on public health and safety or the physical environment, and that there is no feasible method to mitigate or avoid such impact. A "specific adverse impact" must be significant, quantifiable, and direct, based on an objective written public health or safety standard that existed at the time the project application was deemed complete. Inconsistency with the city's general plan or zoning ordinance does not constitute a specific adverse impact.

ENVIRONMENTAL DETERMINATION

This Ordinance is not a project under the California Environmental Quality Act (CEQA) as provided by Gov. Code §§ 65852.21(j) and 66411.7. Therefore, no further review under CEQA is required.

CONCLUSION/RECOMMENDATION

Staff recommends that the City Council:

1. That the City Council conduct the public hearing.
2. Motion to read the Ordinance by Title only. The City Clerk will read aloud the full title of the Ordinance.
3. Motion to approve the first reading of the Ordinance and waive future readings of the Ordinance in its entirety.

ATTACHMENTS

- | | |
|---------------|---|
| Attachment 1: | Proposed Ordinance Amendment |
| Attachment 2: | Summary of SB 9 from the law firm of Goldfarb & Lipman |
| Attachment 3: | Frequently asked questions provided by the Association of Bay Area Governments (ABAG) pertaining to SB 9. |

**CITY OF BELVEDERE
RESOLUTION NO. 2022-038**

**A RESOLUTION OF THE PLANNING COMMISSION
OF THE CITY OF BELVEDERE RECOMMENDING
CITY COUNCIL TO AMEND SECTIONS
18.04.040(L)(FORMER), 19.04.020, AND ADD
SECTIONS 18.04.040(L)(NEW), 18.04.035, 19.08.527,
CHAPTER 18.27 AND CHAPTER 19.77 TO THE CITY
OF BELVEDERE MUNICIPAL CODE, ALL TO
COMPLY WITH SENATE BILL 9**

WHEREAS, the State of California has declared a severe housing crisis exists in the state with the demand for housing exceeding the supply; and

WHEREAS, on September 16, 2021, Senate Bill 9 (Chapter 162, Statutes of 2021) was approved by the Governor of the State of California and filed with the Secretary of State, amending Section 66452.6 of the California Government Code and adding to the Government Code Sections 65852.21 and 66411.7, allowing additional housing units on properties within single-family zones and providing for parcel map approval of an Urban Lot Split; and

WHEREAS, the changes made to the Government Code by Senate Bill 9 went into effect on January 1, 2022; and

WHEREAS, state law allows a local agency to adopt an ordinance to implement the provisions in Senate Bill 9; and

WHEREAS, the City of Belvedere (the “City”) has implemented land use policies based on the City’s General Plan, which provide an overall vision for the community and balance important community needs, and the City seeks to ensure that Senate Bill 9 projects are consistent with those policies; and

WHEREAS, to ensure that the City could process Senate Bill 9 projects in a manner consistent with both its General Plan and state law without interruption, the City Council adopted Urgency Ordinance 2022-01 pursuant to Section 65858 on January 10, 2022, establishing standards and regulations for development and subdivisions for such projects; and

WHEREAS, as required by Section 65858(a), Urgency Ordinance 2022-01 had an initial term of 45 days; and

WHEREAS, on February 24, 2022, the City Council adopted Urgency Ordinance 2022-02, which extended the terms of Urgency Ordinance 2022-01 for one year from the adoption date of Ordinance 2022-01; and

WHEREAS, City staff has proposed permanent amendments to the City of Belvedere Municipal Code to implement requirements of state law and add local policies that are consistent with the state law and implement the City’s General Plan; and

Resolution 2022038

SB9 Ordinance

November 15, 2022

WHEREAS, the proposed code amendments are intended to implement Senate Bill 9 and are not considered a project under Division 13 (commencing with Section 21000) of the Public Resources Code, as provided in Government Code Sections 65852.21(j) and 66511.7(n).

WHEREAS, on October 26, 2022, notice of the Belvedere Planning Commission public hearing on the proposed ordinance amendments related to SB 9 was posted at City Hall, and was posted to the City's website; and

WHEREAS, on October 26, 2022, notice of the Belvedere Planning Commission public hearing was published in The Ark in compliance with California Government Code Section 65090; and

WHEREAS, on October 26, 2022, a city wide notice of the Belvedere Planning Commission public hearing was mailed to property owners, and

WHEREAS, on November 15, 2022, the Belvedere Planning Commission conducted a public hearing on the draft ordinance, and considered all oral and written comments submitted to the Commission before voting to adopt a resolution recommending that the City Council to adopt the ordinance by a vote of **6 Ayes, 0 Noes, 1 Absent**.

NOW, THEREFORE, BE IT RESOLVED that

1. The above recitals are true and correct and incorporated as findings herein.
2. The Planning Commission of the City of Belvedere does hereby recommend that the City Council adopt the proposed ordinance amendments as set forth in **Attachment 1. SB 9 Ordinance including Exhibits A & B** attached hereto:

PASSED AND ADOPTED at a regular meeting of the Belvedere Planning Commission on November 15, 2022, by the following vote:

AYES: Pat Carapiet, Ashley Johnson, Marsha Lasky, Nena Hart, Larry Stoehr, Kevin Burke

NOES: None

ABSTAIN: None

ABSENT: Claire Slaymaker

RECUSED: None

APPROVED: _____
Pat Carapiet, Planning Commission Chair

ATTEST: _____
Irene Borba, Director of Planning & Building

CITY OF BELVEDERE
ORDINANCE NO. 2022-10

AN ORDINANCE OF THE CITY COUNCIL OF THE
CITY OF BELVEDERE TO AMEND SECTIONS
18.04.040(L)(FORMER), 19.04.020, AND ADD
SECTIONS 18.04.040(L)(NEW), 18.04.035, 19.08.527,
CHAPTER 18.27 AND CHAPTER 19.77 TO THE CITY
OF BELVEDERE MUNICIPAL CODE, ALL TO
COMPLY WITH SENATE BILL 9

WHEREAS, the State of California has declared a severe housing crisis exists in the state with the demand for housing exceeding the supply; and

WHEREAS, on September 16, 2021, Senate Bill 9 (Chapter 162, Statutes of 2021) was approved by the Governor of the State of California and filed with the Secretary of State, amending Section 66452.6 of the California Government Code and adding to the Government Code Sections 65852.21 and 66411.7, allowing additional housing units on properties within single-family zones and providing for parcel map approval of an Urban Lot Split; and

WHEREAS, the changes made to the Government Code by Senate Bill 9 went into effect on January 1, 2022; and

WHEREAS, state law allows a local agency to adopt an ordinance to implement the provisions in Senate Bill 9; and

WHEREAS, the City of Belvedere (the “City”) has implemented land use policies based on the City’s General Plan, which provide an overall vision for the community and balance important community needs, and the City seeks to ensure that Senate Bill 9 projects are consistent with those policies; and

WHEREAS, to ensure that the City could process Senate Bill 9 projects in a manner consistent with both its General Plan and state law without interruption, the City Council adopted Urgency Ordinance 2022-01 pursuant to Section 65858 on January 10, 2022, establishing standards and regulations for development and subdivisions for such projects; and

WHEREAS, as required by Section 65858(a), Urgency Ordinance 2022-01 had an initial term of 45 days; and

WHEREAS, on February 24, 2022, the City Council adopted Urgency Ordinance 2022-02, which extended the terms of Urgency Ordinance 2022-01 for one year from the adoption date of Ordinance 2022-01; and

WHEREAS, City staff has proposed permanent amendments to the City of Belvedere Municipal Code to implement requirements of state law and add local policies that are consistent with the state law and implement the City's General Plan; and

WHEREAS, the proposed amendments to the City of Belvedere Municipal Code implement requirements of state law and add local policies that are consistent with the state law and implement the City's General Plan; and

WHEREAS, the City Council has found that the provisions of this ordinance are consistent with the goals and policies of the City's General Plan; and

WHEREAS, the proposed code amendments are intended to implement Senate Bill 9 and are not considered a project under Division 13 (commencing with Section 21000) of the Public Resources Code, as provided in Government Code Sections 65852.21(j) and 66511.7(n).

WHEREAS, on October 26, 2022, notice of the Belvedere Planning Commission public hearing on the proposed ordinance amendments related to SB 9 was posted at City Hall, and was posted to the City's website; and

WHEREAS, on October 26, 2022, notice of the Belvedere Planning Commission public hearing was published in the Ark in compliance with California Government Code Section 65090 and a citywide notice mailing was mailed to property owners; and

WHEREAS, on November 15, 2022, the Belvedere Planning Commission conducted a public hearing on the draft ordinance, introduced said ordinance, considered all oral and written comments submitted to the Commission before voting to adopt a resolution recommending that the City Council adopt the ordinance by a vote of 6 AYES, 0 NOES, 1 ABSENT; and

WHEREAS, on December 12, 2022, the City Council of the City of Belvedere conducted a public hearing on the draft ordinance, introduced said ordinance, considered all oral and written comments submitted to the City before voting to pass the first reading of the ordinance by a vote of _____; and

WHEREAS, on _____, the City Council held a duly noticed public hearing and adopted the draft ordinance to by a vote of _____.

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

Section 1. **Recitals.** The recitals set forth above are true and correct and are hereby incorporated herein by this reference as if fully set forth in their entirety.

Section 2. The City of Belvedere Municipal Code Title 18, Chapter 18.04, Section 18.04.04 is hereby amended to renumber the existing subsection (L) as subsection (M), as follows:

M. “Vesting tentative map” refers to map which meets the requirements of Section 18.20.130 of this Title.

Section 3. The City of Belvedere Municipal Code Title 18, Chapter 18.04, Section 18.04.04 subsection (L) is added to read as follows:

L. “Urban Lot Split” means a subdivision of an existing parcel into no more than two separate parcels that meets all the criteria and standards set forth in this chapter.

Section 4. The City of Belvedere Municipal Code Title 18, Chapter 18.04, Section 18.04.035 is added to read as follows:

18.04.035 - Urban Lot Splits

Urban Lot Splits, as defined by Section 18.04.040, will be reviewed and approved under Chapter 18.27. In the event of a conflict between Chapter 18.27 and any other provisions of Title 18, Chapter 18.27 shall prevail.

Section 5. The City of Belvedere Municipal Code Title 19, Chapter 19.04, Section 19.04.020 is amended to be titled “Scope of Chapter Requirements; Limitations” and read as follows:

A. In their interpretation and application, the provisions of this Title shall be held to be the minimum requirements adopted for the promotion of the public health, safety and welfare. It is not intended by this Title to impair, interfere with, abrogate, repeal or annul existing provisions of other laws or ordinances, except those contrary to or inconsistent with this Title. Nor is it intended by

this Title to impair, interfere with or abrogate or annul existing private restrictions placed upon property by or with restrictive covenants running with the land; except, that where this Title imposes a greater restriction upon the use of any premises or land than is imposed or required by existing provisions of contracts, covenants or other private agreements, the provisions of this Title shall control. Any amendment to this Title shall not invalidate variances, use permits, building permits or other permits validly issued prior to, and existing on, the effective date of such amendment.

- B. Two-Unit Developments, as defined by Section 19.08.527, will be reviewed and approved under Chapter 19.77. In the event of a conflict between Chapter 19.77 and any other provisions of Title 19, Chapter 19.77 shall prevail.

Section 6. The City of Belvedere Municipal Code Title 19, Chapter 19.08 is hereby amended to add Section 19.08.527 titled “Two-Unit Development” to read as follows:

“Two-Unit Development” means a development that proposes no more than two new units or proposes to add one new unit to one existing unit and that meets all the applicable criteria and standards set forth in Section 65589.5 of the California Government Code and 19.77 of the Belvedere Municipal Code.

Section 7. A new Chapter 18.27 “Urban Lot Splits” is hereby added to the Belvedere Municipal Code to read as set forth in Exhibit A to this Ordinance, which is hereby incorporated as though set forth in full herein.

Section 8. A new Chapter 19.77 “Two-Unit Developments” is hereby added to the Belvedere Municipal Code to read as set forth in Exhibit B to this Ordinance, which is hereby incorporated as though set forth in full herein.

Section 9. Repeal of Prior Enactments. Urgency Ordinances 2022-01 and 2022-02 are hereby repealed.

Section 10. Exemption from Environmental Review. The City Council finds that this ordinance is not subject to the California Environmental Quality Act (CEQA) because the code amendments are to implement Senate Bill 9 adding Government Code Sections 65852.21 and 66411.7, which provide that an ordinance implementing the provisions of these statutes is not considered a project under Division 13 (commencing with Section 21000) of the Public Resources Code.

Section 11. Authority. The City Council enacts this ordinance under the authority granted to cities by Article XI, Section 7 of the California Constitution and Government Code Sections 65852.21 et seq. and 66411.7 et seq.

Section 12. Severability. If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance, or any part thereof, it is for any reason held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph sentence, clause or phrase of this Ordinance irrespective of the fact that one or more sections, subsections, subdivisions, paragraphs, sentences or phrases be declared unconstitutional or invalid or effective. To this end the provisions of this ordinance are declared to be severable.

INTRODUCED AND ADOPTED AT A PUBLIC HEARING at a regular meeting of the Belvedere City Council on December 12, 2022, by the following vote:

AYES:

NOES:

ABSENT:

RECUSED:

APPROVED: _____, Mayor

ATTEST: _____, City Clerk

EXHIBIT A

Chapter 18.27, "Urban Lot Splits," is hereby added to the Belvedere Municipal Code to read in its entirety as follows:

18.27.010 Purpose & Intent.

- A. The purpose of this Chapter is to establish objective zoning standards and regulations to govern the development of qualified Senate Bill 9 (SB 9) subdivisions and development projects in residential zoned properties within the City of Belvedere. The establishment of these regulations will result in the orderly subdivision and development of qualified Senate Bill projects while ensuring that the new units are consistent with the City's character and do not create any significant impacts with regards to public infrastructure or public safety. The regulations are established to implement the requirements of Government Code Section 65852.21 and 66411.7.

- B. The provisions of this Chapter shall be the primary regulations for the subdivisions of land for and development of SB 9 dwelling units. To the extent that an aspect of the subdivision of land for or development of SB9 dwelling units is not addressed by the Chapter, other provisions of the Municipal Code shall apply. In the event of a conflict between this Chapter and another provision of the Municipal Code, as it applies to the subdivision of land for or development of SB 9 units, this Chapter shall prevail.

18.27.020 Definitions. For purposes of this Chapter and Chapter 19.77, the following definitions apply:

- A. A person "acting in concert with the owner," as used in Section 18.27.040(1), means a person that has common ownership or control of the subject parcel with the owner of the adjacent parcel, a person acting on behalf of, acting for the predominant benefit of, acting on the instructions of, or actively cooperating with, the owner of the parcel being subdivided.

- B. "Adjacent parcel" means any parcel of land that is (1) touching the parcel at any point; (2) separated from the parcel at any point only by a public right-of-way, private street or way, or public or private utility, service, or access easement; or (3) separated from another parcel only by other real property which is in common ownership or control of the applicant.

- C. "Car share vehicle" means a motor vehicle that is operated as part of a regional fleet by a public or private car sharing company or organization and provides hourly or daily service.
- D. "Common ownership or control" means property owned or controlled by the same person, persons, or entity, or by separate entities in which any shareholder, partner, member, or family member of an investor if the entity owns ten (10) percent or more of the interest in the property.
- E. "Very low income household" has the meaning set forth in Health and Safety Code Section 50105.
- F. "Lower income household" has the meaning set forth in Health and Safety Code Section 50079.5.
- G. "Moderate income household" has the meaning set forth in Health and Safety Code Section 50093.
- H. "Sufficient for separate conveyance," as used in Sections 18.27.040(L) and 19.77.040, means that each attached or adjacent dwelling unit is constructed in a manner adequate to allow for the separate sale of each unit in a common interest development as defined in Civil Code Section 1351 (including a residential condominium, planned development, stock cooperative, or community apartment project), or into any other ownership type in which the dwelling units may be sold individually.

18.27.030 Permit Application and Procedures - Urban Lot Splits.

- A. Application and Review Authority. An application for an Urban Lot Split shall be made by the property owner and filed with the Planning Department on a form prescribed by the Director of Planning and Building, containing such information as reasonably requested by the Director of Planning and Building, and accompanied by the appropriate fee.
- B. Ministerial Review. For applications that satisfy the criteria in Government Code Section 66411.7 and the requirements of this Chapter, the Director of Planning and Building or designee shall approve a parcel map as a ministerial permit, without discretionary review, public hearing, or Design Review. The decision shall be final and shall state in writing the reasons for approval or denial.
- C. Review Timing. The City shall act upon an application for an Urban Lot Split within the time limits provided by the Subdivision Map Act.

18.27.040 Qualifying Criteria for Urban Lot Splits. Applications for Urban Lot Splits must meet the following requirements. No exceptions to the standards in this section

shall be granted except as expressly provided in subsection J as to the requirements in that subsection.

- A. The parcel is located within one of the following single-family residential zones (R-IL, R-IC, RI-W, R- 15).
- B. The parcel satisfies the requirements specified in subparagraphs (B) to (K), inclusive, of paragraph (6) of subdivision (a) of Section 65913.4.
 - 1. Either prime farmland or farmland of statewide importance, as defined pursuant to United States Department of Agriculture land inventory and monitoring criteria, as modified for California, and designated on the maps prepared by the Farmland Mapping and Monitoring Program of the Department of Conservation, or land zoned or designated for agricultural protection or preservation by a local ballot measure that was approved by the voters of that jurisdiction.
 - 2. Wetlands, as defined in the United States Fish and Wildlife Service Manual, Part 660 FW 2 (June 21, 1993).
 - 3. Within a very high fire hazard severity zone, as determined by the Department of Forestry and Fire Protection pursuant to Section 51178 of the Government Code, or within a high or very high fire hazard severity zone as indicated on maps adopted by the Department of Forestry and Fire Protection pursuant to Section 4202 of the Public Resources Code. This subparagraph does not apply to sites excluded from the specified hazard zones by the City of Belvedere, pursuant to subdivision (b) of Section 51179 of the Government Code, or sites that have adopted fire hazard mitigation measures pursuant to existing building standards or state fire mitigation measures applicable to the development.
 - 4. A hazardous waste site that is listed pursuant to Section 65962.5 of the Government Code or a hazardous waste site designated by the Department of Toxic Substances Control pursuant to Section 25356 of the Health and Safety Code, unless the State Department of Public Health, State Water Resources Control Board, or Department of Toxic Substances Control has cleared the site for residential use or residential mixed uses.
 - 5. Within a delineated earthquake fault zone as determined by the State Geologist in any official maps published by the State Geologist, unless the development complies with applicable seismic protection building code standards adopted by the California Building Standards Commission under the California Building Standards Law (Part 2.5 (commencing with Section 18901) of Division 13 of the Health and Safety Code), and by the building department under Chapter 12.2

(commencing with Section 8875) of Division 1 of Title 2 of the Government Code.

6. Within a special flood hazard area subject to inundation by the one (1) percent annual chance flood (100-year flood) as determined by the Federal Emergency Management Agency in any official maps published by the Federal Emergency Management Agency. If a development proponent can satisfy all applicable federal qualifying criteria to provide that the site satisfies this subparagraph, the City shall not deny the application on the basis that the development proponent did not comply with any additional permit requirement, standard, or action adopted by the City that is applicable to that site. The development may be located on a site described in this subparagraph if either of the following is met (1) the site has been subject to a Letter of Map Revision prepared by the Federal Emergency Management Agency and issued to the City; or (2) the site meets Federal Emergency Management Agency requirements necessary to meet minimum flood plain management criteria of the National Flood Insurance Program pursuant to Part 59 (commencing with Section 59.1) and Part 60 (commencing with Section 60.1) of Subchapter B of Chapter I of Title 44 of the Code of Federal Regulations.
7. Within a regulatory floodway as determined by the Federal Emergency Management Agency in any official maps published by the Federal Emergency Management Agency, unless the development has received a no-rise certification in accordance with Section 60.3(d)(3) of Title 44 of the Code of Federal Regulations. If a development proponent can satisfy all applicable federal qualifying criteria to provide that the site satisfies this subparagraph and is otherwise eligible for streamlined approval under this section, the City shall not deny the application on the basis that the development proponent did not comply with any additional permit requirement, standard, or action adopted by the City that is applicable to that site.
8. Lands identified for conservation in an adopted natural community conservation plan pursuant to the Natural Community Conservation Planning Act (Chapter 10 (commencing with Section 2800) of Division 3 of the Fish and Game Code), habitat conservation plan pursuant to the Federal Endangered Species Act of 1973 (16 U.S.C. Sec. 1531 et seq.), or other adopted natural resource protection plan.
9. Habitat for protected species identified as candidate, sensitive, or species of special status by state or federal agencies, fully protected species, or species protected by the federal Endangered Species Act of 1973 (16 U.S.C. Sec. 1531 et seq.), the California Endangered Species Act (Chapter 1.5 (commencing with

Section 2050) of Division 3 of the Fish and Game Code), or the Native Plant Protection Act (Chapter 10 (commencing with Section 1900) of Division 2 of the Fish and Game Code).

- I0. Lands under conservation easement.
- C. Both resulting parcels are no smaller than 1,200 square feet.
- D. Neither resulting parcel shall be smaller than forty (40) percent of the lot area of the parcel proposed for the subdivision
- E. The proposed lot split would not require demolition or alteration of any of the following types of housing:
 1. Housing that is subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of moderate, low- or very low-income.
 2. Housing that is subject to any form of rent or price control through a public entity's valid exercise of its police power.
 3. A parcel or parcels on which an owner of residential real property has exercised the owner's rights under Chapter 12.75 (commencing with Section 7060) of Division 7 of Title 1 of the Government Code to withdraw accommodations from rent or lease within 15 years before the date that the development proponent submits an application.
 4. Housing that has been occupied by a tenant in the last three years.
- F. The parcel is not located within a historic district or property included on the State Historic Resources Inventory, as defined in Public Resources Code Section 5020.1, or within a site that is designated or listed as a City landmark or historic property or historic district pursuant to a City ordinance.
- G. The parcel is not located within a High Sensitivity area as shown on the General Plan Prehistoric Sensitivity Maps found in the Technical Appendix of the General Plan, which parcels are City of Belvedere historic properties.
- H. The parcel being subdivided was not created by an Urban Lot Split as provided in this section.

- I. Neither the owner of the parcel being subdivided nor any person acting in concert with the owner has previously subdivided an adjacent parcel using an Urban Lot Split as provided in this section.
- J. The development proposed on the parcels complies with all objective zoning standards, objective subdivision standards, and objective design review standards applicable to the parcel as provided in the zoning district in which the parcel is located; provided, however, that:
 - I. The application of such standards shall be modified by the Director of Planning and Building if the standards would have the effect of physically precluding the construction of two units on either of the resulting parcels created pursuant to this chapter or would result in a unit size of less than 800 square feet. Any modifications of development standards shall be the minimum modification necessary to avoid physically precluding two units of 800 square feet each on each parcel.
 - 2. Notwithstanding subsection (J)(I) above, required rear and side yard setbacks shall equal four feet, except that no setback shall be required for an existing legally created structure, or a structure constructed in the same location and to the same dimensions as an existing legally created structure.
- K. Each resulting parcel shall have:
 - 1. Access to, provide access to, or adjoin the public right-of- way.
 - 2. Straight lines unless there is a conflict with existing improvements or the natural environment;
 - 3. Generally parallel to the street when facing a street OR be at right angles perpendicular to the street on the straight streets, or radial to the street on curved streets;
 - 4. Within appropriate physical locations (e.g., does not bisect buildings);
 - 5. Contiguous with existing zoning boundaries;
 - 6. Lot lines shall not result in an accessory building or accessory use on a lot without a main building on the same lot.
- L. Proposed adjacent or connected dwelling units shall be permitted if they meet building and safety standards and are designed sufficient to allow separate conveyance. The proposed dwelling units shall provide a separate gas, electric and water utility connection directly between each dwelling unit and the utility.

- M. No more than two (2) units may be located on any lot created through an Urban Lot Split, including primary dwelling units, accessory dwelling units, junior accessory dwelling units, density bonus units, and units created as a Two-Unit Development.
- N. Parking. One parking space shall be required per unit constructed on a parcel created through an Urban Lot Split, except that no parking may be required where:
1. The parcel is located within one-half mile walking distance of either a stop located in a high-quality transit corridor, as defined in Public Resources Code Section 21155(b), or a major transit stop, as defined in Public Resources Code Section 21064.3; or
 2. There is a designated parking area for one or more car-share vehicles within one block of the parcel.
- O. Compliance with Subdivision Map Act. The Urban Lot Split shall conform to all applicable objective requirements of the Subdivision Map Act (commencing with Government Code Section 66410), except as otherwise expressly provided in Government Code Section 66411.7. Notwithstanding Government Code Section 66411.1, no dedications of rights-of-way or the construction of offsite improvements may be required as a condition of approval for an Urban Lot Split, although easements may be required for the provision of public services and facilities.
- P. The correction of nonconforming zoning conditions may not be required as a condition of approval.
- Q. Parcels created by an Urban Lot Split may be used for residential uses only and may not be used for rentals of less than thirty (30) days.
- R. If any existing dwelling unit is proposed to be demolished, the applicant will comply with the replacement housing provisions of Government Code Section 66300(d).
- S. Urban Lot Splits shall be subject to all impact and other development fees imposed on the approval of a parcel map.
- T. Specific Adverse Impacts. In addition to the criteria listed in this section, a proposed Urban Lot Split may be denied if the building official makes a written finding, based on a preponderance of the evidence, that the proposed housing development project would have a specific, adverse impact upon public health and safety or the physical environment, for which there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact. A "specific adverse impact" is a significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed

complete. Inconsistency with the zoning ordinance or general plan land use designation and eligibility to claim a welfare exemption are not specific health or safety impacts.

- U. Enforcement. The City Attorney shall be authorized to abate violations of this chapter and to enforce the provisions of this chapter and all implementing agreements and affidavits by civil action, injunctive relief, and any other proceeding or method permitted by law. Remedies provided for in this chapter shall not preclude the City from any other remedy or relief to which it otherwise would be entitled under law or equity.

Section 18.27.050 Additional Required Documentation

- A. Owner-Occupancy Affidavit. The applicant for an Urban Lot Split shall sign an affidavit, in the form approved by the City Attorney, stating that the applicant intends to occupy one of the housing units on the newly created lots as its principal residence for a minimum of three (3) years from the date of the approval of the Urban Lot Split. This subsection shall not apply to an applicant that is a "community land trust," as defined in clause (ii) of subparagraph (C) of paragraph (11) of subdivision (a) of Section 402.1 of the Revenue and Taxation Code or is a "qualified nonprofit corporation" as described in Section 214.15 of the Revenue and Taxation Code.
- B. Additional Affidavit. If any existing housing is proposed to be altered or demolished, the owner of the property proposed for an Urban Lot Split shall sign an affidavit, in the form approved by the City Attorney, stating that none of the conditions listed in Section 18.27.040(E) above exist and shall provide a comprehensive history of the occupancy of the units to be altered or demolished for the past three (3) years (five (5) years if an existing unit is to be demolished). The owner and applicant shall also sign an affidavit stating that neither the owner nor applicant, nor any person acting in concert with the owner or applicant, has previously subdivided an adjacent parcel using an Urban Lot Split.
- C. Recorded Covenant. Prior to the approval and recordation of the parcel map, the applicant shall record a restrictive covenant and agreement in the form prescribed by the City, which shall run with the land and provide for the following:
 - 1. A prohibition against further subdivision of the parcel using the Urban Lot Split procedures as provided for in this section;
 - 2. A limitation restricting the property to residential uses only; and
 - 3. A requirement that any dwelling units on the property may be rented or leased only for a period longer than thirty (30) days.

The City Manager or that person's designee is authorized to enter into the covenant and agreement on behalf of the City and to deliver any approvals or consents required by the covenant.

EXHIBIT B

Chapter 19.77, "Two-Unit Developments," is hereby added to the Belvedere Municipal Code to read in its entirety as follows:

19.77.010 Purpose. The purpose of this Chapter is to provide objective zoning standards for Two-Unit Developments within single-family residential zones, to implement the provisions of state law as reflected in Government Code Section 65852.21, to facilitate the development of new residential housing units consistent with the City of Belvedere's General Plan, and to ensure sound standards of public health and safety.

19.77.020 Definitions. For purposes of this Chapter, the definitions contained in Section 18.27.020 shall apply.

19.77.030 Permit Application and Procedures - Two-Unit Development

- A. Application and Review Authority. An application for a Two-Unit Development shall be made by the property owner and filed with the Planning Department on a form prescribed by the Director of Planning and Building, containing such information as reasonably requested by the Director of Planning and Building, and accompanied by the appropriate fee.
- B. Ministerial Review. The Planning Director or that person's designee shall ministerially review without a hearing an application for a Two-Unit Development, and shall approve the application if all the criteria in Government Code Section 65852.21 and this section are satisfied.
- C. Review Timing. The City shall act upon an application for a Two-Unit Development within the time limits provided by the Permit Streamlining Act.

19.77.040 Qualifying Criteria for Two-Unit Developments. Applications for Two-Unit Developments must meet all the following requirements. No exceptions to the standards in this section shall be requested or granted.

- A. The parcel is in a single-family residential zone (R-IL, RI-W, RI-C, R-15).
- B. The parcel satisfies the requirements specified in subparagraphs (B) to (K), inclusive, of paragraph (6) of subdivision (a) of Section 65913.4

1. Either prime farmland or farmland of statewide importance, as defined pursuant to United States Department of Agriculture land inventory and monitoring criteria, as modified for California, and designated on the maps prepared by the Farmland Mapping and Monitoring Program of the Department of Conservation, or land zoned or designated for agricultural protection or preservation by a local ballot measure that was approved by the voters of that jurisdiction.
2. Wetlands, as defined in the United States Fish and Wildlife Service Manual, Part 660 FW 2 (June 21, 1993).
3. Within a very high fire hazard severity zone, as determined by the Department of Forestry and Fire Protection pursuant to Section 51178 of the Government Code, or within a high or very high fire hazard severity zone as indicated on maps adopted by the Department of Forestry and Fire Protection pursuant to Section 4202 of the Public Resources Code. This subparagraph does not apply to sites excluded from the specified hazard zones by the City, pursuant to subdivision (b) of Section 51179 of the Government Code, or sites that have adopted fire hazard mitigation measures pursuant to existing building standards or state fire mitigation measures applicable to the development.
4. A hazardous waste site that is listed pursuant to Section 65962.5 of the Government Code or a hazardous waste site designated by the Department of Toxic Substances Control pursuant to Section 25356 of the Health and Safety Code, unless the State Department of Public Health, State Water Resources Control Board, or Department of Toxic Substances Control has cleared the site for residential use or residential mixed uses.
5. Within a delineated earthquake fault zone as determined by the State Geologist in any official maps published by the State Geologist, unless the development complies with applicable seismic protection building code standards adopted by the California Building Standards Commission under the California Building Standards Law (Part 2.5 (commencing with Section 18901) of Division 13 of the Health and Safety Code), and by any local building department under Chapter 12.2 (commencing with Section 8875) of Division 1 of Title 2 of the Government Code.
6. Within a special flood hazard area subject to inundation by the one (1) percent annual chance flood (100-year flood) as determined by the Federal Emergency Management Agency in any official maps published by the Federal Emergency Management Agency. If a development proponent can satisfy all applicable federal qualifying criteria to provide that the site satisfies this subparagraph, the City shall not deny the application on the basis that the development proponent

did not comply with any additional permit requirement, standard, or action adopted by the City that is applicable to that site.

A development may be located on a site described in this subparagraph if either of the following are met:

(1) the site has been subject to a Letter of Map Revision prepared by the Federal Emergency Management Agency and issued to the City; or

(2) the site meets Federal Emergency Management Agency requirements necessary to meet minimum flood plain management criteria of the National Flood Insurance Program pursuant to Part 59 (commencing with Section 59.1) and Part 60 (commencing with Section 60.1) of Subchapter B of Chapter I of Title 44 of the Code of Federal Regulations.

7. Within a regulatory floodway as determined by the Federal Emergency Management Agency in any official maps published by the Federal Emergency Management Agency, unless the development has received a no-rise certification in accordance with Section 60.3(d)(3) of Title 44 of the Code of Federal Regulations. If a development proponent can satisfy all applicable federal qualifying criteria to provide that the site satisfies this subparagraph and is otherwise eligible for streamlined approval under this section, the City shall not deny the application on the basis that the development proponent did not comply with any additional permit requirement, standard, or action adopted by the City that is applicable to that site.
8. Lands identified for conservation in an adopted natural community conservation plan pursuant to the Natural Community Conservation Planning Act (Chapter 10 (commencing with Section 2800) of Division 3 of the Fish and Game Code), habitat conservation plan pursuant to the federal Endangered Species Act of 1973 (16 U.S.C. Sec. 1531 et seq.), or other adopted natural resource protection plan.
9. Habitat for protected species identified as candidate, sensitive, or species of special status by state or federal agencies, fully protected species, or species protected by the federal Endangered Species Act of 1973 (16 U.S.C. Sec. 1531 et seq.), the California Endangered Species Act (Chapter 1.5 (commencing with Section 2050) of Division 3 of the Fish and Game Code), or the Native Plant Protection Act (Chapter 10 (commencing with Section 1900) of Division 2 of the Fish and Game Code).
10. Lands under conservation easement.

- C. Notwithstanding any provision of this section or any local law, the proposed Two-Unit Development would not require the demolition or alteration of any of the following types of housing:
1. Housing that is subject to recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of moderate-, low-, or very low-income.
 2. Housing that is subject to any form of rent or price control through a public entity's valid exercise of its police power.
 3. Housing that has been occupied by a tenant in the last three years.
- D. The parcel is not a parcel on which an owner of residential real property has exercised the owner's right under Chapter 12.75 (commencing with Section 7060) of Division 7 of Title 1 of the Government Code to withdraw accommodations from rent or lease within the last 15 years before the date that the development proponent submits an application.
- E. The proposed Two-Unit Development does not include the demolition of more than twenty-five (25) percent of the existing exterior structural walls unless the site has not been occupied by a tenant in the last three years.
- F. The proposed Two-Unit Development is not located within a historic district or property on the State Historic Resources Inventory, as defined in Section 5020.1 of the Public Resources Code, or within a site that is designated or listed as a City landmark or historic property or historic district pursuant to a City ordinance.
- G. The parcel is not located within a High Sensitivity area as shown on the General Plan Prehistoric Sensitivity Maps found in the Technical Appendix of the General Plan, which parcels are City of Belvedere historic properties.
- H. The proposed Two-Unit Development complies with all objective zoning standards, objective subdivision standards, and objective design review standards applicable to the parcel as provided in the zoning district in which the parcel is located; provided, however, that:
1. The application of such standards shall be modified by the Director of Planning and Building if the standards would have the effect of physically precluding the construction of two units or would result in a unit size of less than 800 square feet. Any modifications of development standards shall be the minimum modification necessary to avoid physically precluding two units of 800 square feet each on each parcel.

2. Notwithstanding subsection (H)(1) above, required rear and side yard setbacks shall equal four feet, except that no setback shall be required for an existing legally created structure, or a structure constructed in the same location and to the same dimensions as an existing legally created structure.
- I. Proposed adjacent or connected dwelling units shall be permitted if they meet building code safety standards and are designed to allow separate conveyance. The proposed Two-Unit Development shall provide a separate gas, electric and water utility connection directly between each dwelling unit and the utility.
 - J. Only two primary dwelling units may be located on any lot created through an Urban Lot Split that utilized the Two-Unit Development provision. Accessory dwelling units and junior accessory dwelling units are not permitted on these lots.
 - K. One of the units in a Two-Unit Development shall be the principal place of residence of the property owner and the other unit may be leased or rented to a separate household.
 - L. Dwelling units created by a Two-Unit Development may be used for residential uses only and may not be used for rentals of less than thirty (30) days.
 - M. Parking. One parking space shall be required per unit constructed via the procedures set forth in this section, except that the City shall not require any parking where:
 1. The parcel is located within one-half mile walking distance of either a stop located in a high-quality transit corridor, as defined in Public Resources Code Section 21155(b), or a major transit stop, as defined in Public Resources Code Section 21064.3; or
 2. There is a designated parking area for one or more car-share vehicles within one block of the parcel.
 - N. If any existing dwelling unit is proposed to be demolished, the applicant will comply with the replacement housing provisions of Government Code Section 66300(d).
 - O. All units constructed as part of a Two-Unit Development shall be subject to all impact and other development fees imposed on the development of a new dwelling unit.
 - P. Specific Adverse Impacts. In addition to the criteria listed in this section, a proposed Two-Unit Development may be denied if the building official makes a written finding, based on a preponderance of the evidence, that the proposed housing development project would have a specific, adverse impact upon public health and safety or the physical environment, for which there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact. A "specific adverse impact" is a significant, quantifiable, direct, and

unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete. Inconsistency with the zoning ordinance or general plan land use designation and eligibility to claim a welfare exemption are not specific health or safety impacts.

- Q. Enforcement. The City Attorney shall be authorized to abate violations of this chapter and to enforce the provisions of this chapter and all implementing agreements and affidavits by civil action, injunctive relief, and any other proceeding or method permitted by law. Remedies provided for in this chapter shall not preclude the City from any other remedy or relief to which it otherwise would be entitled under law or equity.

19.77.050 Objective Design Standards for Two-Unit Developments. The following objective standards apply to Two-Unit Developments:

- A. The following development is permitted on the parcel:
1. Two primary dwelling units, either a duplex or two single-family homes.
 2. If the parcel was not created using an Urban Lot Split, then additionally:
 - a. If a duplex is constructed, then two detached ADUs or one ADU created from existing non-livable space.
 - b. If one or two single-family homes are constructed, one ADU and one JADU.
- B. The maximum floor area of a unit in a Two-Unit Development shall be 800 square feet if the unit does not meet all development standards contained in the underlying zoning district.
- C. The maximum height shall be 16' from existing grade as defined by the Belvedere Municipal Code if the unit does not meet all development standards contained in the underlying zoning district.
- D. A solid (no-openings) one-hour fire rated wall is required between adjacent or connected units constructed as part of a Two-Unit Development.
- E. Driveway access shall be compliant with Tiburon Fire Protection District Standards.
- F. All newly created dwelling units shall be connected to a public sewer or provide a private wastewater system that is fully contained within the parcel's boundaries.

- G. Newly constructed units shall be of the same architectural style, detail, color and building material as the primary dwelling unit.
- H. Any new window that faces an adjoining residential property shall be either made of opaque glass and/or have a sill height above eye level. Any new doors that face an adjoining residential property shall either not include windows, or all windows must be of opaque glass.
- I. All exterior lighting shall be shielded and directed downward.
- J. Where visible from off-site locations, skylights shall not have white or light opaque colored exterior lenses and no lights shall be installed inside the wells of the skylights.
- K. Fencing shall be consistent with the fencing requirements of section 19.48.190 of the Zoning Ordinance.
- L. Landscaping materials shall include following:
 - 1. Shrubs, of at least one-gallon size, and limited to a maximum height of 8' on the sides and rear of the property.
 - 2. Trees, of at least 15-gallon size and that grow to a maximum height of 12'.
 - 3. Ground cover instead of grass/turf; and
 - 4. Decorative nonliving landscaping materials including, but not limited to sand, stone, gravel, wood or water may be used to satisfy a maximum of twenty-five (25) percent of the parcel.

Section 19.77.060 Additional Required Documentation.

- M. Declaration of Prior Tenancies. If any existing housing is proposed to be altered or demolished, the owner of the property proposed for a Two-Unit Development shall sign an affidavit, in the form approved by the City Attorney, stating that none of the conditions listed in Section 19.77.040(C) and (D) above exist and shall provide a comprehensive history of the occupancy of the units to be altered or demolished for the past three (3) years (five (5) years if an existing unit is to be demolished).
- N. Recorded Covenant. Prior to the issuance of a building permit, the applicant shall record a restrictive covenant and agreement in the form prescribed by the City Attorney, which shall run with the land and provide for the following:

1. A prohibition on non-residential use of any units developed or constructed through the Two-Unit Development, including a prohibition against renting or leasing the units for fewer than thirty (30) consecutive calendar days; and
2. A requirement that one of the units on the site be the principal residence of the owner.

The City Manager or designee is authorized to enter into the covenant and agreement on behalf of the City and to deliver any approvals or consents required by the covenant.

SB 9 Mandates Ministerial Approval of Urban Lot Splits and Two-Unit Developments

Senate Bill 9, which adds sections 65851.21 and 66411.7 to the California Government Code, goes into effect January 1, 2022. This law requires public agencies to grant ministerial, or by-right, approval of urban lot splits and two-unit developments that meet certain criteria. The intent of the legislation is to increase density in single-family neighborhoods, allowing additional units to be built on a lot that is currently zoned for a single-family residence.

Under SB 9, local agencies must ministerially approve certain subdivisions of one lot in a single-family residential zone into two lots without discretionary review or hearing. To qualify for by-right approval, the proposed lot split must meet the following criteria:

- The lot split must result in two lots of approximately equal size (60/40 split at most);
- Each new lot must be at least 1,200 square feet (unless the local agency adopts a lower minimum);
- The lot to be split cannot have been established through a prior SB 9 lot split;
- Neither the lot owner nor anyone acting “in concert with” the owner has previously subdivided an adjacent parcel through a SB 9 lot split;
- The uses on the resulting lots would be residential;
- The applicant has stated, by affidavit, that they intend to live in one of the units for three years, unless the applicant is a qualified non-profit or community land trust.

Other than the previously stated requirement, no other owner occupancy requirement may be imposed on an urban lot split. In approving an SB 9 lot split, local agencies may not require

the correction of nonconforming zoning conditions, right-of-way dedications, or the construction of off-site improvements, although they may require access to a public right-of-way and may require easements for public services and facilities.

Similarly, local agencies must also ministerially approve certain qualifying two-unit housing developments in single-family residential zones. Two-unit developments are either those that propose the construction of two new units, or those that propose the addition of one new unit to an existing unit. The project may not demolish more than 25 percent of the exterior walls of an existing unit unless the local agency permits otherwise or the site has not been occupied by a tenant in the last 3 years. Under SB 9, local agencies cannot apply any zoning standards, except for four-foot side and rear setbacks, that would not allow each of the new units to be at least 800 square feet in size. There appears to be no prohibition on local owner occupancy requirements if two units are proposed without an urban lot split.

Other qualifying criteria applicable to both urban lots splits and two-unit developments include:

- The lot split or two-unit development may not result in the demolition or alteration of affordable housing, rent-controlled housing, housing that was withdrawn from the rental market in the last 15 years, or housing occupied by a tenant in the past 3 years.
- The lot or development must be located within an urbanized area or urban cluster, or within a city with boundaries in an urbanized area or urban cluster.

- The parcel cannot be designated a local or state historic landmark and is not within a local or state historic district.
- Dwelling units created via SB 9 may not be used for short-term rentals of less than 30 days.
- Parcels may not contain prime agricultural land, wetlands, or protected species habitat. They may be in a very high fire hazards zone, earthquake fault zone, floodplain, floodway, and site with hazardous materials if they meet certain conditions.

Urban lot splits and two-unit developments may be located within the Coastal Zone but must comply with any Local Coastal Plan and Coastal Act. No review is needed under the California Environmental Quality Act for an urban lot split, two-unit development, or local ordinance implementing SB 9.

As with similar streamlining legislation in recent years, such as the Housing Accountability Act, SB 9 provides that local agencies may only apply objective standards to qualifying urban lot splits and two-unit developments. The legislation also limits parking requirements to one space per unit (or none if the project is near transit or car share locations) and limits side and rear setbacks to four feet or less (or none for existing structures or new structures in the same location and of the same size as an existing structure). Finally, local agencies must permit proposed adjacent or connected structures meeting certain criteria.

While current law generally provides for the creation of accessory dwelling units ("ADUs") by ministerial approval, SB 9 creates two exceptions to this requirement. A local agency is not required to allow more than two units of any kind on a parcel created through an urban lot split, including ADUs, and is not required to permit ADUs on parcels that use both the urban lot split provision and the two-unit provision.

Lastly, SB 9 amends the Subdivision Map Act at section 66452.6 of the Government Code. Currently, an approved or

conditionally approved tentative map expires either 24 months after its approval, or after any additional period permitted by local ordinance, not to exceed an additional 12 months. SB 9 allows a local ordinance to permit an extension for 24 months. Where local agencies adopt this change by ordinance, a tentative map would expire up to 48 months after its approval.

For more information, please contact Barbara Kautz (bkautz@goldfarblipman.com), Nazanin Salehi (nsalehi@goldfarblipman.com), or any other attorney at Goldfarb Lipman LLP.



Association of Bay Area Governments



Technical Assistance
for Local Planning

HOUSING

Senate Bill 9 – Ministerial Urban Lot Splits & Two-Unit Developments

Frequently Asked Questions (FAQ)

DISCLAIMER: This document is intended to provide general information and does not constitute legal advice. Additional facts, facts specific to a particular situation, or future developments may affect the subjects discussed in this FAQ. Seek the advice of your attorney before acting or relying upon the following information.

BASICS

1. When does SB 9 go into effect?

January 1, 2022.

2. What is the definition of an urbanized area or urban cluster?

As defined by the U.S. Census Bureau, an urbanized area is an area with 50,000 or more persons, and an urban cluster is an area with at least 2,500 people, but less than 50,000 people. Maps of urbanized areas and urban clusters can be found on the official U.S. Census Bureau website.

3. Can you use SB 9 in zones that allow single-family development but are zoned primarily for multi-family or mixed-use development?

No. The language of the statute is clear that it applies only to parcels in single-family residential zones. Since the intent of the legislation was to upzone or densify areas where only single-family development is currently permitted, it would not serve the purposes of the legislation for it to apply in areas where multi-family or denser uses are already permitted. SB 9 also does not apply to a parcel that is currently developed with a single-family home, if that parcel is located in anything other than a single-family residential zone.

4. Does SB 9 apply to homeowners' associations (HOAs)?

SB 9 overrides local zoning only. It does not address rules or restrictions implemented and adopted by homeowners' associations or included in CC&Rs (covenants, conditions, and restrictions).

5. Is a lot eligible for an SB 9 lot split if it was split before SB 9?

Yes. The language of SB 9 only prohibits an applicant from using SB 9 to subdivide a lot if it was previously split *using the authority contained in SB 9*. Even after using SB 9, the lot could be further split using ordinary procedures under the Subdivision Map Act and local subdivision ordinance subject to minimum lot size and other requirements that apply to the parcel.

6. Is the restriction on the demolition of 25% of the exterior walls of the building only applicable to deed-restricted affordable units?

No. This restriction applies to all units unless (1) the city adopts an ordinance allowing for demolition of more than 25% of the exterior walls of an existing structure, or (2) a tenant has not resided on the property in the last three (3) years.

7. How do you verify that existing housing has not been rented in the last 3 years?

SB 9 does not provide an explicit mechanism for determining whether existing housing has been rented in the last three years. Given that, this is an issue that local agencies will want to address in an implementing ordinance or in their application procedures. Some approaches might include:

- In jurisdictions with existing records of rental properties, which may include business licenses, rent control registries, or inspection records, using data from the local records to be cross-referenced upon submission of an SB 9 application;
- Requiring applicants to sign a declaration under penalty of perjury; and/or
- Providing that it is a violation of the Municipal Code or allowing a private cause of action if inaccurate information is submitted.

8. When the provisions of SB 9 are unclear, can we seek clarification from the Department of Housing and Community Development?

Unlike other recent state laws, such as SB 35 or SB 330, SB 9 does not include any provisions requiring HCD to issue guidelines for the implementation of SB 9. Nonetheless, HCD has indicated that it intends to provide a technical assistance (TA) memo on SB 9 implementation. The timeline for when HCD's TA memo will be available is unclear.

INTERSECTION WITH OTHER LAWS

9. How does the state Density Bonus Law apply to the 4-unit scenario?

State Density Bonus Law would not be applicable to SB 9 projects. Government Code § 65915(i) defines "housing development project," for the purposes of state density bonus, as "a development project for five or more residential units." SB 9 covers up to four units total on two contiguous lots. Additionally, the urban lot split section states specifically that local agencies are not required to allow more than the maximum of two units on each lot notwithstanding any provision of density bonus law.

10. How do SB 9 urban lot splits relate to the Subdivision Map Act and the fact that the Subdivision Map Act requires general plan conformance?

The language in SB 9 overrides any conflicting provisions of the Subdivision Map Act. Specifically, Government Code § 66411.7(b)(2) provides that "[a] local agency shall approve an urban lot split only if it conforms to all applicable objective requirements of the Subdivision Map Act..., except as otherwise expressly provided in this section." General Plan and specific plan conformance is not required if it would preclude lot splits mandated by SB9.

11. Do minimum frontage requirements apply to restrict lot subdivision?

Minimum frontage requirements continue to apply unless the requirements would physically preclude the lot split or the construction of two units of at least 800 square feet each. However, SB 9 does allow local agencies to require the resulting parcels to have access to, provide access to, or adjoin the public right-of-way.

12. How does the Permit Streamlining Act apply if these are ministerial actions?

SB 8, also effective January 1, 2022, extends the requirements of the Permit Streamlining Act to housing projects of one unit or more that require no discretionary approvals. As a consequence, SB 9 projects are subject to the Permit Streamlining Act's requirements for completeness letters (within 30 days of submittal) and approval deadlines (within 60 days of determining that the project is exempt from CEQA).

QUANTITY/ACCESSORY DWELLING UNITS

13. SB 9 states that "[a] housing development contains two residential units if the development proposes no more than two new units or if it proposes to add one new unit to an existing unit." Why are some people saying that you can add two new units to a parcel with an existing single-family home?

As the question states, Gov. Code § 65852.21(i) provides that a development contains two residential units if "the development proposes no more than two *new units* or if it proposes to add one new unit to one existing unit." This could be interpreted to mean that the statute applies to a two-unit proposal even if those units are proposed for a lot already containing a unit. While the urban lot split section (Gov. Code § 66411.7) clearly allows local agencies to limit total development to two units per lot, including existing units, ADUs, and JADUs, the same language is not present in the two-unit development section. The Legislature's intent regarding a two-unit development on a single lot is not clear. It may be possible for an applicant who only uses the two-unit development provisions, but not the urban lot split provisions, to have more than two units on the lot.

14. Does SB 9 prohibit ADUs with an urban lot split, or can jurisdictions disallow ADUs with an urban lot split?

SB 9 does not prohibit accessory dwelling units or junior accessory dwelling units on lots created by an urban lot split. Under SB9 a local agency "shall not be required to approve" more than two units (including ADUs and JADUs) on a lot created via an SB 9 lot split. Agencies may also prohibit ADUs and JADUs on parcels created by urban lot splits that use the two-unit provision. Given this language, local agencies could choose to limit development on lots created by an urban lot split to two primary units each via adoption of an SB 9 implementing ordinance.

15. Are the two new SB 9 units entitled to an ADU or JADU?

If the two new SB 9 units are not located on a lot created via the urban lot split provision, then ADUs and JADUs are allowed as under existing law. If the applicant used both the SB 9 lot split provisions and the SB 9 two-unit development provisions, then a local ordinance can limit total development to two units per lot, including ADUs and JADUs, or could choose to allow only two primary units on each lot.

16. If there is an existing four-unit building on a parcel in a single-family residential zone, can an applicant still add a duplex?

The existing four-unit building would already be a non-conforming use in a single-family zone. Depending on the jurisdiction's non-conforming use policies, the non-conforming structure may need to be removed if the applicant wishes to add a duplex. However, the

urban lot split provision (section 66411.7(i)) prohibits requiring correction of nonconforming zoning conditions for urban lot splits. Nonetheless, the agency can require that no more than two units be located on each lot.

17. Does SB 9 allow an applicant to use the duplex entitlements to build a single unit "monster home" and get around non-objective single-family design guidelines?

Probably, yes. Section 65852.21(a) states, "A proposed housing development containing *no more than two residential units* within a single-family residential zone shall be considered ministerially, without discretionary review or a hearing...." Later in the section, in paragraph (i), it also states "[a] housing development contains two residential units if the development *proposes no more than two new units* or if it proposes to add one new unit to one existing unit." Although it is not clear whether the legislature intended to include single-family home development, the "no more than two units" language in SB 9 could be interpreted to cover development projects proposing to construct one single-family home.

18. Are the new units created via the authority in SB 9 condominiums? Does SB 9 facilitate ministerial condominium conversions? Does SB 9 allow for condominium conversion of existing duplexes?

SB9 does not amend laws regarding condominiums. SB9 does not allow denial of attached units so long as their design and construction allow them to be "separately conveyed," i.e., sold separately as condominiums may be sold. New units created via the authority in SB 9 may be approved as condominiums if the applicant asks for that approval, but the application would need to meet state and local law concerning condominiums. A jurisdiction's regular condominium conversion process would also continue to apply.

OBJECTIVE STANDARDS

19. Can the applicant seek variances from zoning requirements?

SB 9 provides that a local agency may apply its objective zoning standards so long as they do not physically preclude the construction of two units of at least 800 square feet each with four-foot setbacks (no setbacks are required if the unit is constructed in the same location and with the same dimensions as an existing structure). In that situation, the applicant does not need to apply for a variance.

However, if the applicant desires to construct a larger unit which does not meet the agency's zoning standards, it could be denied under SB 9, or the applicant could apply

for a variance.

20. My understanding is that SB 330 requires only objective design standards for design standards adopted after Jan 1, 2020, is this the same for SB 9?

SB 330 would apply to an SB 9 implementing ordinance, so any design standards adopted must be objective.

21. For purposes of a duplex, can jurisdictions adopt an objective standard that says the units have to be within, for example, 10 feet of each other?

Yes, a city could adopt this as an objective standard. However, if the standard or requirement would physically preclude the construction of two units or the construction of a unit that is at least 800 square feet, then it cannot be applied to the specific project. Also note that section 66411.7(k) provides that an urban lots split “shall not be rejected solely because it proposes adjacent or connected structures provided that the structures meet building code safety standards and are sufficient to allow separate conveyance.”

22. Is there a street frontage or lot width requirement for ministerial lot splits?

SB 9 does not contain street frontage or lot width requirements. A local agency may apply an objective frontage or lot width requirement. It must, however, allow lot splits that create lots that are at least 1,200 square feet each where both lots are of approximately equal size. This likely means that the local agency may not be able to apply its minimum lot dimensions or frontage requirements to some urban lot splits.

23. Is the 4-foot setback provision similar to that for ADUs?

Yes. A local agency cannot impose a rear or side setback greater than 4 feet, or less if a structure is in the same location and with the same dimensions as an existing structure.

24. Does the right of way dedication provision require cities to allow for flag lots, provided they meet the 60-40 split?

The agency may require the parcel to have access to, provide access to, or adjoin a public right of way but must allow the lot split. Where a parcel does not front on a public right of way, the options are to allow a flag lot or to provide access to the public right-of-way via an easement through the other lot.

25. Could a jurisdiction define "sufficient to allow separate conveyance" to require separate HVAC systems and separate water connection to meet Title 24 requirements?

Yes. Title 24 is a state law requirement. Therefore, compliance can be mandated assuming that Title 24 requires separate HVAC systems and water connections for units that are separately conveyed.

26. If a jurisdiction doesn't require "dedications" but a property owner wants to put in some improvements in the right-of-way, could the jurisdiction require that those meet the jurisdiction's standards for right of way improvements?

If an applicant includes improvements to the public right of way in its SB 9 application, the jurisdiction can require that those improvements meet objective agency standards.

27. Does the requirement for one parking space/unit supersede other local minimum parking requirements? For example, if local parking standards require two covered spaces per residential unit and additional parking spaces tied to additional bedrooms.

Yes, SB 9 supersedes local standards. A local agency "may require" off-street parking of up to one space per unit, and "shall not impose" parking requirements where the parcel is located within one-half mile walking distance of either a high-quality transit corridor or major transit stop, or where there is a car share vehicle located within one block of the parcel.

28. Can a jurisdiction impose affordability requirements on units created via SB 9?

There is nothing in the statute that would prohibit the imposition of objective affordability requirements. However, agencies should examine the economic feasibility of any affordability requirements to ensure that urban lot splits and two-unit developments remain economically feasible.

29. Can a local jurisdiction impose conditions of approval on an SB 9 project?

A jurisdiction may impose standard objective conditions of approval on an SB 9 project.

FIRE/INFRASTRUCTURE CHALLENGES

30. Is it true that SB 9 cannot be used in high fire hazard severity zones?

No. SB 9 provides that any proposed two-unit development or urban lot split must comply with the requirements of Government Code § 65913.4(a)(6)(D), which excludes projects in high or very high fire hazard severity zones, *unless* either: (1) the site was excluded from the zone by the jurisdiction; or (2) the site has adopted fire hazard mitigation measures "pursuant to existing building standards or state fire mitigation measures applicable to the development." "Fire hazard mitigation measures" and "state

fire mitigation measures” are not defined. A local ordinance could specify which “building standards” apply or reference the appropriate “state fire mitigation measures.”

An agency may also reject SB 9 proposals on a case-by-case basis where the local building official makes a written finding that the project would have a specific, adverse impact on public health and safety or the physical environment, based on inconsistency with an objective standard, and there is no feasible method to satisfactorily mitigate or avoid the impact.

31. X County has some areas that are identified as "urban" or "urban clusters" and could be a qualifying parcel under SB9. However, those areas do not have access to water or sewer connections and may have to expand an existing leach field and utilize other water sources. If the applicant cannot demonstrate that they can build what's allowed under SB9 with a wastewater treatment system and water source that meets Environmental Health Codes, would the County be able to deny them their application?

Yes. In this scenario, the county could deny the application because it would not meet objective standards. The building official could also likely make a finding that the project would have a specific, adverse impact on public health and safety or the physical environment and that there is no feasible method to satisfactorily mitigate or avoid specific impact.

32. If a jurisdiction has substandard existing sewer infrastructure, can those areas of the jurisdiction be excluded from SB 9 applicability?

The local agency likely could not outright exclude those areas from SB 9 applicability. However, if projects are proposed in these areas, the local building official could deny the application if it would have a specific, adverse impact on public health and safety or the physical environment, by violating an existing objective standard, with no feasible method to satisfactorily mitigate or avoid the impact.

33. Can a jurisdiction prohibit someone from creating a new unit in an existing structure that would be below the Base Flood Elevation?

To qualify for ministerial approval, SB 9 provides that an applicant must comply with all the requirements in Government Code §§ 65913.4(a)(6)(B)-(K). Subparagraphs (G) and (H) exclude development within a flood plain or floodway, respectively, as those sites are determined by maps promulgated by FEMA. However, subparagraphs (G) and (H) also allow development in a flood plain where FEMA has issued a flood plain

development permit or meet FEMA criteria and allow development in a floodway where a no-rise certification has been issued or the project otherwise meets FEMA criteria. If these mitigation requirements are met, then it may be possible for the new unit to be built below Base Flood Elevation. Agencies should refer to the text of the statute.

URBAN LOT SPLITS

34. Would the "sufficient to allow separate conveyance" provision allow someone to build an attached duplex but then sell them as two separate lots with their own yard?

"Sufficient to allow separate conveyance" is not defined in the statute. However, "separate conveyance" means that the units can be sold separately. This phrase would seem to require that each unit be built to condominium standards so that they can be sold separately if the local agency approves a condominium application. Agencies may wish to define this in their local ordinances.

35. Should agencies record a deed restriction stating that the lot has been split using SB9 and cannot be split further?

This is not specifically addressed by SB 9. Two possibilities are a recorded deed restriction and a notation on the approved parcel map. It would be good practice for local agencies to include such a requirement in their implementing ordinances.

REPORTING REQUIREMENTS/HOUSING ELEMENT

36. How do jurisdictions account for SB 9 in Housing Elements?

SB 9 requires jurisdictions to report (1) the number of units constructed pursuant to SB 9 and (2) the number of applications for parcel maps for urban lot splits under SB 9 in their annual housing element report. SB 9 itself does not include any reference to housing elements. The HCD TA memo may provide some guidance on how to project SB 9 development in a community's housing element.

37. What can be included in a sites inventory?

There is nothing in SB 9 that prohibits a jurisdiction from using SB 9-eligible parcels in their sites inventory, but there would be limited history to project how many units might be built and what income levels might be served.

38. Could cities use the Turner Center's findings to project above moderate- and moderate-income housing in their Housing Elements?

This may be a reasonable approach. It is not known if HCD will accept it, however.

To: Mayor and City Council

From: Robert Zadnik, City Manager

Reviewed by: Amy Ackerman, City Attorney

Subject: Adopt Resolution Amending the City’s Master Schedule of Fees, Charges & Application Fees

Recommendation

1. Conduct the public hearing.
2. Adopt the attached resolution approving changes to the City’s Master Schedule of Fees, Charges and Application Fees.

Background

City Council, through the recommendation of the Construction Impacts Committee, directed staff to modify the City’s Master Schedule of Fees related to encroachment permits and road closures. These changes were based on the Committee’s findings and are intended to better align Belvedere’s fee structure with neighboring jurisdictions, while at the same time encouraging more efficient use of public resources. The following recommendations were developed through a collaborative public process involving residents, City Council, and private construction firms.

Additional fee changes including a “grading” fee, short duration roadway encroachment fee, inflation-based annual escalator, and modification to the Road Impact Fee calculation require fee studies or further analysis.

The City’s Master Fee Schedule reflects fees charged by all City departments. Council last approved an adjustment to the City’s fee schedule in August 2022.

Findings

The City may impose a fee for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, and enforcement. (Cal. Const. Art. 13C, § 1.) The California Mitigation Fee Act allows the City to impose fees as a condition of approval of a development project, provided there is a reasonable relationship between the fee’s use and the type of development project on which the fee is imposed. (See Govt. Code § 66000 *et seq.*) The Constitution also authorizes a city to impose a charge for entrance to or use of local government property, or the purchase, rental, or lease of local

Resolution No. 2022-xx
Master Schedule of Fees, Charges & Application Fees
Proposed for FY2022-23

Only Public Works Departments fees are shown, as no other fees are affected by this change.

Current as of October 2022

Proposed
N/C = No Change

Item/Purpose	Fee	Fee
Building Department		
Building Permits based on project valuation and two (2) times the following fee schedule:		N/C
\$1 to \$500 valuation	\$23.50	N/C
\$501 to \$2,000 valuation	\$23.50 for 1st \$500 plus \$3.05 for each add'l \$100 or fraction thereof, to and including \$2,000	N/C
\$2,001 to \$25,000 valuation	\$69.25 for 1st \$2,000 plus \$14 for each add'l \$1,000 or fraction thereof, to and including \$25,000	N/C
\$25,001 to \$50,000 valuation	\$391.75 for 1st \$25,000 plus \$10.10 for each add'l \$1,000 or fraction thereof, to and including \$50,000	N/C
\$50,001 to \$100,000 valuation	\$643.75 for 1st \$50,000 plus \$7 for each add'l \$1,000 or fraction thereof, to and including \$100,000	N/C
\$100,001 to \$500,000 valuation	\$993.75 for 1st \$100,000 plus \$5.60 for each add'l \$1,000 or fraction thereof, to and including \$500,000	N/C
\$500,001 to \$1,000,000 valuation	\$3,233.75 for 1st \$500,000 plus \$4.75 for each add'l \$1,000 or fraction thereof, to and including \$1,000,000	N/C
\$1,000,001 and up valuation	\$5,608.75 for 1st \$1,000,000 plus \$3.65 for each add'l \$1,000 or fraction thereof	N/C
Building Permit - Plan Check	65% of permit cost	N/C
Retroactive - Building Permit	Up to 5X total permit cost	N/C
Building Permit - Reinstatement (expired 1-180 days)	1/2 building permit fee	N/C
Building Permit - Final Approval Only (expired 1-180 days)	\$150	N/C
Hourly Rates for Inspections, Plan Reviews, Re-Inspections Not Listed	\$85	N/C
Administrative Charge for Outside Services, including plan review charges not covered under normal plan review fee	Cost + 25%	N/C
Building Permit Tracking/Technology Fee - Valuation => \$5,000	\$25	N/C
Building Permit Tracking/Technology Fee - Valuation < \$5,000	\$15	N/C
Building Department (continued)		
Plumbing Permits		
Plumbing Permit	\$55	N/C
Water Heater	\$85	N/C
Each Fixture & Vent	\$25	N/C
Building Internal Rain Water Systems	\$85	N/C
Site Drainage System, including 2 retaining wall back drains	\$45	N/C
Site Drainage System, including more than 2 retaining wall back drains	\$85	N/C
Potable Water Piping System, System Repairs & Additions <500 SF	\$45	N/C
Potable Water Piping System, Additions =>500 SF	\$90	N/C
Potable Water Piping System, New Residential Structures	\$170	N/C
Gas Piping Systems, each internal branch or outlet	\$25	N/C
Backflow Protection Device or Landscape Irrigation System	\$85	N/C
Swimming Pools	\$170	N/C
Site Built Spas	\$85	N/C
Retroactive Plumbing Permit	Up to 5X total permit cost	N/C
Hourly Rates for Inspections, Plan Reviews, Re-Inspections Not Listed	\$85	N/C
Plumbing Permit Tracking/Technology Fee	\$15	N/C
Mechanical Permits		
Mechanical Permit	\$55	N/C
Furnace	\$85	N/C
Miscellaneous heating appliance, including internal gas fireplace	\$45	N/C
Exterior site built gas barbecue or fireplace	\$45	N/C
Residential boiler	\$85	N/C
Air conditioning unit	\$45	N/C
Residential kitchen hood	\$45	N/C
Each ventilation and/or exhaust fan	\$15	N/C
Duct Work	\$45	N/C
Retroactive mechanical permit	Up to 5X total permit cost	N/C
Hourly rates for inspections, plan reviews, reinspections not listed	\$85	N/C
Mechanical Permit Tracking/Technology Fee	\$15	N/C
Elevator Permits (Interior or Hillside)		
Elevator Permit Issuance	\$170	N/C
Elevator Permit Tracking/Technology Fee	\$15	N/C
Electrical Permits		
Electrical Permit Issuance	\$55	N/C
Fixtures, switches or receptacles, when counted individually for repairs or addition <500 SF	\$3.50 each	N/C
Fixtures, switches or receptacles or additions =>500 SF and new structures, when calculated by floor area	\$0.12 per SF	N/C
New services and/or main panel	\$85	N/C
Each sub-panel	\$45	N/C
Swimming Pool Electrical	\$130	N/C
Saunas, including heater	\$85	N/C
Appliances, non-cord connected	\$45	N/C

Resolution No. 2022-xx
Master Schedule of Fees, Charges & Application Fees
Proposed for FY2022-23

Only Building and Public Works Departments fees are shown, as no other fees are affected by this change.

Current as of October 2022

Proposed
N/C = No Change

Item/Purpose	Fee	Fee
Signs	\$45	N/C
Motors, when counted individually	\$15	N/C
Miscellaneous apparatus, conduits & conductors, when counted individually	\$25	N/C
Temporary Power	\$85	N/C
Solar Photovoltaic Systems <5 kw	\$85	N/C
Solar Photovoltaic Systems =>5 kw	\$170	N/C
Permanent auxiliary generator	\$170	N/C
Retroactive Electrical Permit	Up to 5x total permit cost	N/C
Hourly rates for inspections, plan reviews, re-inspections not listed	\$85	N/C
Electrical Permit Tracking/Technology Fee	\$15	N/C
Building Department (continued)		
Other Miscellaneous Building Fees		
Road Impact Fee	.0075 of total valuation	N/C
Construction Timeline Extension Application	\$1,000	N/C
Deposit for extension of landscaping completion time limit by 90 days.	1% of total project valuation, not to exceed \$200,000	N/C
Partial fee waiver for building permits, electrical permits, plumbing permits and mechanical permits for buildings holding historic preservation status	50% to max of \$10,000	N/C
Construction Timeline Penalty Appeal	\$400	N/C
Appeal of decisions made by the Building Official regarding the City's construction and demolition debris diversion ordinance.	\$400	N/C
Residential Building Report	\$300	N/C
Charge RUSD for referrals of addition to residential square footage	\$30/referral	N/C
Dredging Permit	Application fee: \$1,000. Permit insurance fee: 2X Building Permit fee schedule, based	N/C
Appeal of Building Official determination to Local Appeals Board	\$400	N/C
Strong Motion Instrumentation & Seismic Hazard Mapping (SMIP) Fee	Project valuation x 0.00013	N/C
California Building Standards Administration (CABSA) Fee		N/C
Up to \$25,000	\$1	N/C
\$25,001 - \$50,000	\$2	N/C
\$50,001 - \$75,000	\$3	N/C
\$75,001 - \$100,000	\$4	N/C
\$100,000 and up	Add \$1 for every \$25,000	N/C
Change of Contractor, Engineer, Property Owner, or other permit changes requiring additional administrative staff time	\$50	N/C
Re-issuance of Construction related parking permits	\$50	N/C
Public Works Department		
Encroachment permit - 1 day	\$53	\$260
Encroachment permit - 1 week	\$105	\$650
Encroachment permit - half day (4 hours maximum)	N/A	\$53
Encroachment permit penalty	\$105	N/C
Road Closure - 4 hours maximum	\$245	\$490
Road Closure - 8 hours maximum	\$489	\$990
Road Closure - Signs (per sign)	\$25	N/C
Road Closure - Re-Noticing Fee	\$53	N/C
Road Closure - Sign Removal Deposit (per sign)	\$26	N/C
No Parking Signs (per sign)	\$2	N/C
Hazardous Tree Evaluation (plus costs)	\$105	N/C
Public Works Inspection (per hour)	\$49	N/C
Lane Abandonment (Lane Vacation)	\$1,313	N/C
Parcel Map	\$788	N/C
Boundary Line Adjustment (fee waived if requested by City)	\$525	N/C
Slurry Seal Fee	\$0.65/sq. ft.	N/C
Electric Vehicle Charging Station Fee	\$0.25/kWh	N/C
Electric Vehicle Idling Fee	\$1.00 per 15 minutes; \$50 maximum fee	N/C

government property, without imposing conditions on calculating the charges. (Cal. Const. Art. 13C, § 1.) Encroachment permits and road closures authorize the permittee to use City property in a way that prevents, alters, or interferes with its normal use. (See Belvedere Muni. Code § 13.04.010.) Accordingly, the City may increase fees for encroachment permits and road closures.

The City maintains and publishes a Master Fee Schedule that provides for such fees to be charged for various local government services. The following amendments are recommended for Council consideration, and the proposed updated Master Schedule is attached.

Public Works Fees:

	Current	Proposed
• <u>Encroachment Permit Fee (Half Day)</u>	N/A	\$53.00
• <u>Encroachment Permit Fee (Full Day).</u>	\$53.00	\$260.00
• <u>Encroachment Permit Fee (Weeklong)</u>	\$105.00	\$650.00
• <u>Road Closure Fee (Half Day)</u>	\$245.00	\$490.00
• <u>Road Closure Fee (Full Day)</u>	\$489.00	\$990.00

Fiscal Impact

Since the proposed fee changes are anticipated to reduce the overall number of road closes and full-day encroachment permit requests, it is difficult to estimate the amount of additional fees, if any, that will be generated from this change. Staff will return to Council with an analysis of the fiscal impact once six months has elapsed from the effective date of the new fees.

Environmental Review

The fees authorized by the resolution are statutorily exempt from the California Environmental Review Act (“CEQA”) per CEQA Guideline section 15273 as they are for the purposes of meeting operating expenses; and categorically exempt under the “common sense” exemption, CEQA Guideline section 14061 because it can be seen with certainty that it will not have a significant adverse effect on the environment.

Recommendation

Staff recommends that the Council Amend the Master Schedule of Fees, Charges and Application Fees by conducting a Public Hearing and adopting the attached resolution.

Attachments

Attachment 1: Resolution

Attachment 2: Master Schedule of Fees – Proposed Amendments

December 10, 2022

TO: Belvedere City Council

FROM: Linda Bine/339 San Rafael Avenue

RE: City Council Resolution 2022-56 on the December 12, 2022 agenda

I strongly urge you not to adopt Resolution 2022-56 as written.

1. It is unclear from the City of Belvedere website under what conditions an encroachment permit is required. Therefore, before changing the fee structure, I urge you be transparent and specific about exactly when such permits are required and when they are not.

The online application for an encroachment permit simply says, "Most work taking place on, adjacent to, or abutting City streets and sidewalks, i.e., driveways, walls, fences, and plantings, requires an Encroachment Permit from the Public Works or City Engineer." This language is so vague that it could, presumably, apply to a resident who is pulling weeds in their garden that happens to be adjacent to a Belvedere street or sidewalk. The only clarity comes in the sentence, "All Debris Boxes Require Encroachment Permits." I did my best to decipher the municipal code (13.04.020) referenced on the encroachment permit application, but found it even more obtuse.

2. The resolution is unlikely to meet the stated goal of reducing the number and scope of encroachments and road closures that inconvenience Belvedere residents. Increased permit costs will not create an incentive for building contractors to reduce the number of encroachments or road closures. I know from experience that these fees aren't shouldered by the contractor, but are simply passed on to their client - the homeowner.

3. Increasing the fees for one-day and one-week encroachment permits by five and six times, respectively, seems excessive. As a result, it is likely that some Belvedere residents will simply choose to not obtain permits for small projects they believe will go unnoticed. Therefore, if it turns out that there are fewer encroachment permits issued in 2023 than in previous years, it might be the result of this type of avoidance, rather than an actual decrease in the number and scope of encroachments.

4. If after clarifying the requirements for these permits, you still feel compelled to increase the fees, please heed the Construction Impact Committee's finding that large projects (over \$500,000) account for the majority of road encroachments and closures in Belvedere. Based on their finding, substantially increasing fees for such large projects would generate additional income for the City. And by maintaining the current fees for smaller projects, you would continue to garner the same revenue from that source. Such a two-tiered approach to encroachment and road closure fees would not only create a net total increase in income for the City, but would also demonstrate that City Council has a profound and nuanced understanding of the issues involved.

Thank you for your consideration.

From: [Leticia Miguel - City Clerk](#)
To: [Harrison Tregenza - City Clerk](#)
Subject: Fwd: Public Comment for City Council Meeting 12.12.22
Date: Monday, December 12, 2022 7:14:05 AM
Attachments: [Resolution 2022-56.Encroachment Permits 12.12.22.docx](#)

Begin forwarded message:

From: Linda Bine <llbine@yahoo.com>
Date: December 11, 2022 at 9:51:03 AM PST
To: Leticia Miguel - City Clerk <lmiguel@cityofbelvedere.org>
Subject: Public Comment for City Council Meeting 12.12.22

Hello,

Attached is a document with my comments regarding item #14 on the City Council Agenda relating to Resolution #2022.56, which is also referred to in the agenda as #2022.60, related to increasing fees for encroachment and road closure permits.

Please provide it to the members of the City Council prior to the meeting on 12.12.22.

Thank you,
Linda Bine
339 San Rafael Avenue

CITY OF BELVEDERE

RESOLUTION NO. 2022-56

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELVEDERE
AMENDING THE CITY'S MASTER SCHEDULE OF
FEES, CHARGES, AND APPLICATION FEES**

WHEREAS, City of Belvedere staff have recommended amendments to the City's Master Schedule of Fees, Charges and Application fees, as set forth in Exhibit "A" attached hereto (the "Fee Schedule"); and

WHEREAS, on November 14, 2022, the Belvedere City Council held a duly-noticed public hearing on the proposed changes to its Fee Schedule; and

WHEREAS, the City Council finds that the Fee Schedule changes are categorically exempt from the California Environmental Quality Act ("CEQA") under CEQA Guideline section 15061(b)(3) (the "common sense exemption") as it can be seen with certainty that there is no possibility of a significant adverse environmental effect.

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

1. The City's Master Schedule of Fees, Charges and Application Fees, as amended (Attachment 2), is adopted.
2. In accordance with the California Government Code, this resolution shall become effective sixty days after the date of its adoption.

PASSED AND ADOPTED at a regular meeting of the Belvedere City Council on December 12, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED: _____, Mayor

ATTEST: _____
Leticia Miguel, City Clerk

STAFF REPORT

BELVEDERE CITY COUNCIL
December 12, 2022

To: Mayor and City Council

From: Robert Zadnik, City Manager
Amy Ackerman, City Attorney

**Subject: Adopt Resolution Amending the Administrative Policy Manual Policy No. 5.2
City Council Operations**

Recommendation

1. Adopt the attached resolution approving changes to the City’s Administrative Policy Manual Policy No. 5.2 City Council Operations.

Background

City Council and the City Manager requested changes to Policy No. 5.2 City Council Operations to conform to changes in the Ralph M. Brown Act (“Brown Act”), Government Code section 54950 *et seq.*, make Council practices more efficient, remove outdated practices, use Rosenberg’s Rules of Order (attached) instead of Robert’s Rules of Order, and reorder text to make the Rules easier to use.

Discussion/Analysis

The Revised Policy 5.2 amends the existing Policy as follows:

- Reorders and groups sections to make provisions easier to find and make the Policy more user-friendly.
- Updates existing sections to reflect changes in state law since the Policy was last amended.
- To enhance the efficiency of meetings, the Order of Business is revised as follows (Section 5.2.3.2):
 - Call to Order
 - Pledge of Allegiance
 - Presentations
 - City Council Reports
 - City Manager Reports
 - Commission and Committee Reports
 - Consent Calendar

- Continued Public Hearings
 - New Public Hearings
 - Other Scheduled Items
 - Items from Members
 - Open Forum
 - Adjournment
-
- Adds a Consent Calendar section. (Section 5.2.3.3.) This section codifies current Council practice of using a consent calendar. To improve efficiency, Council will take all public comment related to the Consent Calendar upon calling of the item rather than requiring items to be removed in order to take public comment.
 - Codifies current Council practice for the procedures for taking action on agenda items. (Section 5.2.4.4.)
 - Codifies current Council practice for conducting appeals from the Planning Commission, administrative penalties, and similar hearings to ensure the process comports with due process and fair hearing requirements. (Section 5.2.4.5.)
 - Removes outdated motion practices and replaces them with general motion practice, motions to reconsider, and use of Rosenberg’s Rules of Order. (Sections 5.2.4.7-5.2.4.9.)
 - Clarifies quorum, action and voting requirements. (Section 5.2.5.)
 - Updates and clarifies Public Comment requirements. (Sections 5.2.6.1-5.2.6.3.) Adds a rule that a speaker may cede their time to another speaker, provided that no speaker may speak for more than six minutes in total.
 - Adds a new section on Disruption of Meetings. The Legislature amended the Brown Act, effective January 1, 2023, adding Government Code section 54957.5, which codified case law providing for removal of disruptive person. This section incorporates the requirements of section 54957.5.
 - Sections 5.2.7 (Ordinances and Resolutions) and 5.2.8 (Additional City Council duties) remain unchanged, other than being reordered and renumbered.

Fiscal Impact

The adoption of the resolution and amendments to Policy 5.2 are unlikely to have any financial impact.

Environmental Review

The adoption of the resolution and amendment of Policy 5.2 are exempt from the California Environmental Review Act (“CEQA”) per 14 C.C.R. § 15061 (b)(3), under the “common sense”

exemption, because it can be seen with certainty that it will not have a significant adverse effect on the environment.

Recommendation

Staff recommends that the Council adopt the Resolution to Amend Policy No. 5.2 City Council Operations.

Attachments

Attachment 1: Resolution

Attachment 2: Policy No. 5.2

Attachment 3: Rosenberg's Rules of Order



CITY OF BELVEDERE – ADMINISTRATIVE POLICY MANUAL

POLICY 5.2
CITY COUNCIL OPERATIONS

Adoption Date:	1/10/2006	Adopted by:	City Council motion
Revised Date:	3/11/2019 12/12/2022	Revised by:	City Council Resolution No. 2019-04 City Council Resolution No. 2022-XX
Authority:	City Council		

5.2.1 PURPOSE & AUTHORITY

Pursuant to Government Code section 36813, the City Council of the City of Belvedere adopts these rules of procedure for its meetings.

5.2.2 Types of Meetings, Cancellations

5.2.2.1. Regular Meetings

Regular meetings of the City Council shall be held on the second Monday in each calendar month at 6:30 p.m. All regular meetings of the City Council shall be held at the Belvedere City Hall, 450 San Rafael Avenue, Belvedere, CA 94920-2336.

5.2.2.2. Special Meetings

Special meetings may be called at any time by the Mayor or by determination of the majority of the City Council. Written notice must be received at least twenty-four (24) hours in advance of the meeting. Written notice must be provided to all members of the City Council and to all newspapers, radio stations, television stations, or other media who have previously requested notice of special meetings. Notice must also be posted at least twenty-four (24) hours in advance on the City bulletin board at the entrance to City Hall and on the City's website. (Govt. Code § 54956.)

5.2.2.3. Emergency Meetings in Emergency Situations

An emergency meeting may be called by the Mayor or by a majority of the City Council, with less than twenty-four (24) hour notice, if:

- There is an emergency, such as a work stoppage, crippling activity, or other activity that severely impairs public health, safety, or both, as determined by a majority of the City Council; or
- There is a dire emergency, such as a crippling disaster, mass destruction, terrorist act, or threatened terrorist activity that poses a peril so immediate and significant that

requiring the City Council to provide one-hour notice before holding a special emergency meeting under this section may endanger the public health, safety, or both, as determined by a majority of the City Council.

Each local newspaper of general circulation and radio or television station that has requested notice of special meetings shall be notified at least one hour prior to the emergency meeting, or, in the case of a dire emergency, at or near the time that the City Council is notified of the emergency meeting. This notice must be provided by telephone. In the event there is no telephone service, the City shall notify those newspapers, radio stations, or television stations of the special emergency meeting, the purpose of the meeting, and any action taken at the meeting as soon after the meeting as possible. (Govt. Code § 54956.5.)

5.2.2.4 Workshops, Study Sessions/Retreats

From time to time, the Council will hold workshops or field trips at a time and place to be designated by the Presiding Officer. Study sessions or field trips shall be considered meetings and shall be duly noticed and open to the public.

5.2.2.5 Closed Sessions

The Council may hold closed sessions at the start or end of the meeting as permitted under state law.

5.2.2.6 Adjourned Meetings

The City Council may adjourn any regular or special meeting to a time and place specified in the order of adjournment. If a quorum is not present, less than a quorum may so adjourn. A copy of the order or notice of adjournment shall be conspicuously posted on the City Hall chambers within twenty-four (24) hours after the time of adjournment. When a regular meeting is adjourned as provided herein, the resulting adjourned regular meeting shall be a regular meeting for all purposes. When an order of adjournment of any meeting fails to state the time at which the adjourned meeting is to be held, it shall be held at the time specified for regular meetings. (Govt. Code § 54955.)

5.2.2.7 Cancellation of Meetings

Any meeting may be cancelled in advance by a majority vote of the City Council. The Mayor may cancel a meeting in the case of an emergency or when a majority of the members have confirmed in writing their unavailability. The Clerk shall post notices of cancellation at the location designated in Municipal Code section 1.08 and on the City's website.

5.2.3 Agendas, Order of Business, Consent Calendar, and Minutes

5.2.3.1 Agenda Preparation and Posting

The City Clerk, under the supervision of the City Manager, prepares and posts the agenda and available related documents no later than 72 hours before a regular meeting and 24 hours before a special meeting. Any public document related to an agenda item that is distributed less than 72 hours prior to the meeting shall be posted on the City's website in a manner that makes it clear that the document relates to an agenda item. The Clerk shall post the agenda and documents as designated in Municipal Code section 1.08 and on the City's website. (Govt. Code § 54957.5.)

The Clerk will endeavor to post a complete copy of such agenda, together with supporting materials, by The Wednesday preceding regular City Council meetings.

5.2.3.2. Order of Business

The Clerk shall set the agenda in accordance with the following order of business; however, such order may be modified by the Presiding Officer at the meeting to facilitate the conduct of the meeting.

- Call to Order
- Pledge of Allegiance
- Presentations
- City Council Reports
- City Manager Reports
- Commission and Committee Reports
- Consent Calendar
- Continued Public Hearings
- New Public Hearings
- Other Scheduled Items
- Items from Members
- Open Forum
- Adjournment

5.2.3.3 Consent Calendar

The Consent Calendar consists of items that the City Council considers to be routine, or the City Council has discussed previously and do not require further discussion. The public may provide public comment on any of the Consent Calendar items at the time the Consent Calendar is called. After public comment, any member of the City Council or City staff may remove an item from the Consent Calendar. The City Council may approve the Consent Calendar items that have not been removed by one motion. Items removed from the Consent Calendar will be considered in the sequence as they appear on the agenda.

5.2.3.4 Preparation and Adoption of Minutes

The minutes of the City Council shall be kept by the City Clerk. The minutes shall be a record of such business passed by a vote of the City Council, the vote of each member on

each item, and at the direction of the City Council, may include a summary of Council Member remarks and those of any person addressing the City Council. Nothing may be added to the minutes; except that they may be amended by a majority vote of the City Council members to correctly reflect the business of the City Council at such meeting.

5.2.4 Conduct of City Council Meetings

5.2.4.1 Presiding Officer

The Mayor is the presiding officer at meetings. In the event of the Mayor's absence, the Vice-Mayor serves as the presiding officer. If the Mayor or Vice-Mayor are absent, the remaining members may select a presiding officer in their absence. The Presiding Officer shall call the meeting to order, preserve strict order and decorum at all meetings of the City Council, state questions coming before the City Council, announce its decision on all subjects and decide all questions of order; subject, however, to an appeal to the City Council as a whole, in which event a majority vote of the City Council members present shall govern and conclusively determine such question of order. The Presiding Officer shall vote on all questions, and on roll call, the Presiding Officer shall be called last.

5.2.4.2 Council Decorum

While the City Council is in session, the members shall preserve order and decorum, and a member shall neither, by conversation or otherwise, delay or interrupt the proceeding or the peace of the City Council, nor disturb any member while speaking or refuse to obey the orders of the City Council or the presiding officer, except as otherwise herein provided.

5.2.4.3. Roll Call

Before proceeding with the business of the City Council, the City Clerk shall call the roll of the Council Members.

5.2.4.4. Procedures for Board Action on Agenda Items.

1. The presiding officer shall call the item.
2. The staff will provide a report on the item.
3. The Presiding Officer shall take entertain questions from Councilmembers to staff or an invited expert.
4. The presiding officer shall then take public comment.
5. If the item is an action item, the Presiding Officer shall take a motion and a second on the item.
6. The City Council deliberates and votes on the motion.

5.2.4.5 Public Hearings

Matters which are required to be heard at a noticed public hearing shall be conducted in the following manner. The Presiding Officer shall open the public hearing. The Presiding Officer shall request that staff present the staff report and any other relevant evidence, take public comment, allow members of the Council to ask questions of the speakers. The Presiding Officer shall then close the public hearing on the matter. When the Council sits in a quasi-judicial capacity to hear appeals from the Planning Commission, or from persons seeking review of administrative citations, or on other similar issues, the City Council will hear the matter according to the following order of business:

1. Councilmember disclosure of any ex parte communications
2. Staff presents report and Council asks questions of staff
3. Presiding Officer opens the public portion of the hearing
- 4a. Presentation by appellant
- 4b. Presentation by applicant (if different from the applicant)
5. Council asks questions of appellant, applicant and/or staff
6. Public comment
- 7a. Rebuttal by applicant
- 7b. Rebuttal by appellant
8. Final Council questions of applicant and appellant
9. Final Council questions of staff
10. Close public portion of hearing
11. Council discussions, deliberation and takes action by adopting findings and motion(s)

The Presiding Officer may set reasonable time limits on the presentations and rebuttals but the applicants and appellants shall not be limited to three minutes. Applicants and appellants may submit written evidence or remarks. All such evidence presented shall be retained by the City Clerk as part of the Clerk's record.

5.2.4.6 Continuance of Hearings

Any hearing being held or noticed or ordered to be held by the City Council at any meeting may, by order or notice of continuance, be continued or re-continued to any subsequent meeting in the manner provided herein for adjourned meetings; provided, that if the hearing is continued to a time less than 24 hours after the time specified in the order or notice of hearing, a copy of the order or notice of continuance of hearing shall be posted immediately following the meetings at which the order or notice of continuance was adopted or made.

5.2.4.7 Motions

The Presiding Officer or any Councilmember may bring a matter of business before the City Council by making a motion. Before the matter can be considered or debated it must be seconded. Once the motion has been properly made and seconded, the Presiding Officer shall open the matter for debate by offering the first opportunity to debate to the

moving party and thereafter, to any Councilmember properly recognized by the Presiding Officer. Once the matter has been fully debated and the Presiding Officer calls for a vote, no further debate will be allowed, provided however, Council Members may be allowed to explain their vote.

5.2.4.8 Motions to Reconsider

A motion to reconsider can only be made at the meeting during which the main motion was approved, or at the next regular or special meeting immediately following the meeting at which the main motion was approved. In order to make the motion to reconsider a previous motion, the Councilmember must have actually voted (not abstained) on the prevailing side (either for or against) when the question was first considered.

5.2.4.9 Rosenberg's Rules of Order

In the absence of a rule herein to govern the proceedings of the City Council, the latest edition of "Rosenberg's Rules of Order" shall govern the proceedings of the City Council. In all cases, unless they are in conflict with these rules in which case these rules shall govern. However, no ordinance, resolution, proceeding or other action of the City Council shall be invalidated, or the legality thereof otherwise affected, by the failure or omission to observe or follow these rules of order.

5.2.4.10 Suspension of Rules

Any provision of these rules not governed by the Municipal Code or State Law may be temporarily suspended by motion with the affirmative vote of a majority of the Council.

5.2.5 Quorum and Voting

5.2.5.1 Quorum

A majority of the members of the Council shall constitute a quorum for the transaction of business, except a Councilmember who recuses themselves based on a conflict of interest shall not be counted towards the establishment of a quorum unless that Councilmember's participation is legally required for the action of decision to be made.

5.2.5.2 Action Taken

Unless otherwise specified by law, an affirmative vote of at least three Councilmembers is required for the adoption of a motion, resolution, or ordinance. (Govt. Code § 54952.6.)

5.2.5.3 Voting

Every member of Council present shall vote for or against the measure or abstain. No

councilmember may abstain from unless the member has a potential conflict of interest as determined by the City Attorney or the abstention is approved by the unanimous vote of the remainder of the City Council present. If a Councilmember recuses themselves because of a potential conflict of interest, that Councilmember shall step down from the dais, refrain from any discussion on the item and shall not vote on the item.

5.2.6 Public Participation at Meetings

5.2.6.1 Public Comment on Agenda Items

The Council will take public comment on every item on the agenda, including the consent calendar, before or during consideration of the item. Speakers shall be limited to no more than three minutes per item.

5.2.6.2 Open Forum

During the “Open Forum” portion of the meeting, the Council will take public comment at each meeting on matters within its subject matter jurisdiction that are not on the agenda. Council may not take any action in response to public comment on matters not on the agenda, except members of Council or staff, if directed by the Presiding Officer, may briefly respond to statements or question posed by the speaker, or ask a question for clarification. A Councilmember or the Council may request staff to report back at a subsequent meeting concerning any matter or direct staff to place a matter of business on a future agenda.

5.2.6.3 Reasonable Regulations for Public Comment

- (a) A member of the public wishing to address the Council shall wait to be recognized by the presiding officer.
- (b) The Open Forum period shall be limited to no more than thirty (30) minutes for all speakers to be apportioned among all speakers who request time. The Presiding Officer may permit more time for Open Forum in her discretion.
- (c) Each speaker wishing to address the Council may speak for no more than three (3) minutes per agenda item and no more than three (3) minutes during Open Forum time. A member of the public may cede their speaking time to another speaker, provided that no speaker may speak for more than six minutes in total.
- (d) The Council will not prohibit public criticism of the policies, procedures, programs, or services of the agency, or of the acts or omissions of the legislative body. The Council may

5.2.6.4 Disruption of Meetings

The Presiding Officer may exclude persons who disrupt a City Council meeting, as provided under this rule. Disruption means engaging in behavior during a meeting of the City Council that disrupts, disturbs, impedes, or renders infeasible the orderly conduct of the meeting and includes, but is not limited to:

- A failure to comply with the City Council’s rules regarding open forum and public comment; and
- Behavior that constitutes use of force or a true threat of force. A “true threat of force” means a threat that has sufficient indicia of intent and seriousness, that a reasonable observer would perceive to be an actual threat to use force by the person making the threat.

Before removing a person for failure to comply with this rule, the Presiding Officer must warn that person that the behavior is disrupting the meeting and that the failure to cease may result in removal. In addition to such a warning, the Presiding Officer should also consider other means to maintain order, such as turning off the microphone or calling a recess.

No warning is required to remove a person engaging in true threat of force.

5.2.7. Ordinances and Resolutions

All ordinances shall be prepared by the City Attorney. No ordinance shall be prepared for presentation to the City Council unless ordered by a majority vote of the City Council or requested in writing by a member of the City Council or the City Manager or prepared on the City Attorney’s own initiative.

All ordinances, resolutions, and contract documents shall, before presentation to the City Council, have been approved as to form and legality by the City Attorney or the City Attorney’s authorized representative and shall have been examined and approved for the administration by the City Manager, or the City Manager’s authorized representative, where there are substantive matters of administration involved.

Ordinances, resolutions and other matters or subjects requiring action by the City Council shall be introduced and sponsored by a member of the City Council; except that the Mayor, City Manager or City Attorney may present ordinances, resolutions or other matters or subjects to the City Council, and any Council Member may assume sponsorship thereof by moving that such ordinances, resolutions or other matters or subjects be adopted; otherwise they shall not be considered.

5.2.8. Additional City Council Duties

5.2.8.1. City Council Members

The City Council of the City of Belvedere serves without compensation and is subject to Chapter 2.08 of the Belvedere Municipal Code.

5.2.8.2. City Council Reorganization

Annually, the City Council conducts a reorganization of the Mayor and Vice Mayor responsibilities. Nominations are made by the Council pursuant to a schedule of

proceedings prepared by the City Clerk.

Prior to the meeting at which the reorganization occurs, the City Manager shall prepare for the Mayor a list of the members of the Councilmembers showing where they are in the unofficial order of rotation that has traditionally been followed by the City Council.

5.2.8.3. Appointments and Reconfirmations

Annually, the City Council appoints members to the City's various committees. Before December 31 of each calendar year, the City Clerk shall cause to be posted in front of City Hall and the Belvedere-Tiburon Library a Local Appointments List that shall contain the following information: a list of all boards, committees and commissions whose members serve at the pleasure of the Council; the terms on each board, committee and commission that will expire during the next calendar year, with the name of the incumbent appointee, the date of appointment, and the date the appointee's term expires; and the necessary qualifications, if any, for the position.

In April of each calendar year, the City Clerk shall cause to be published in the local newspaper a list of pending vacancies with a request for all interested Belvedere residents to submit a letter of interest, preferably accompanied by a curriculum vitae. If a sitting incumbent is interested in continuing to serve in an appointive office, the incumbent shall be required to notify the City Clerk that he/she wishes to be considered for reappointment.

In May of each calendar year, and at any other time an unscheduled vacancy occurs, the City Council shall interview all interested candidates for appointive office and select qualified individuals to serve on the board, committee or commission for which they applied. Sitting incumbents and those who recently interviewed for that particular position shall be exempt from the interviewing rule.

Prior to any City Council meeting at which appointments are to be considered, the City Clerk shall give to the City Council a list of the incumbents, if any, who are reapplying and showing their years of service in that position. The Mayor shall contact the chair of the committee or board to discuss the current make-up of the membership and any needs the body may have.

The terms of all members of all boards, commissions, and committees who serve for a fixed term shall begin on either June 1 or July 1 and end on May 31 or June 30, depending upon which board, commission or committee they are appointed to. The terms of members appointed to fill unscheduled vacancies on such boards, commissions, and committees shall commence on the date they are appointed by the City Council, or in the case of the Planning Commission, on the date they take the oath of office.

In the event an unscheduled vacancy occurs in an appointive office prior to the expiration of a term of office, a special vacancy notice shall be posted in front of City Hall and the Belvedere- Tiburon Library. The City shall advertise the vacancy in the local newspaper

and solicit letters of interest in the same manner as above. In response, an applicant interested in being appointed to the position in question shall be required to submit a letter of interest with the accompanying curriculum vitae.

5.2.8.4. City Council Committees

Committees of the City Council are appointed by the Mayor annually to serve within assigned areas of responsibility for the purpose of gathering and studying information. Citizens at large may be included to assist in carrying out a Committee's charges. The majority vote of the City Council at a regular, adjourned or special Council meeting will be required for approval of Committee recommendations and/or for any specific Committee authority to carry out a task.

Appointments are typically made at the Annual City Council Goals meeting. City staff maintains a roster of Committees and Committee activities.

5.2.8.5 Adoption of Annual Operating Budget

Annually, the City Council reviews and approves an operating budget for the City of Belvedere. The fiscal year is from July 1 through June 30. The budget is typically adopted prior to June 30 of each year. The City Manager is responsible for preparation of the annual operating budget and presentation to the City Council.

5.2.8.6. Annual Town Meeting

The City Council and City Manager shall present a State of the City Address at the Annual Town Meeting to be held every January.

5.2.8.7. Appearances, Presentations and Proclamations

Periodically, the City Council will recognize members of the community, organizations, or entities that have contributed positively to the City of Belvedere through economic means, enhanced the quality of life, or by nature of their activities contributed to the positive outlook of the community. These recognitions are typically accomplished by appearance before the City Council and presenting the individuals with a certificate of recognition however, in the interest of timely recognition, the Mayor is authorized to execute and deliver certificates of recognition.

On occasion the City Council will adopt a proclamation of support or opposition regarding particular issues.

City staff will typically prepare all presentations and proclamations at the request of the City Council.

5.2.8.8. Use of City Letterhead

In general, City staff produces all official correspondence by members of the City Council using City letterhead. Committee chairs are authorized to produce correspondence on City letterhead providing that the viewpoint represents a majority of the City Council, and a copy of the correspondence is provided to the City Clerk prior to distribution.



Rosenberg's Rules of Order

REVISED 2011

Simple Rules of Parliamentary Procedure for the 21st Century

By Judge Dave Rosenberg



MISSION AND CORE BELIEFS

To expand and protect local control for cities through education and advocacy to enhance the quality of life for all Californians.

VISION

To be recognized and respected as the leading advocate for the common interests of California's cities.

About the League of California Cities

Established in 1898, the League of California Cities is a member organization that represents California's incorporated cities. The League strives to protect the local authority and autonomy of city government and help California's cities effectively serve their residents. In addition to advocating on cities' behalf at the state capitol, the League provides its members with professional development programs and information resources, conducts education conferences and research, and publishes Western City magazine.

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ABOUT THE AUTHOR

Dave Rosenberg is a Superior Court Judge in Yolo County. He has served as presiding judge of his court, and as presiding judge of the Superior Court Appellate Division. He also has served as chair of the Trial Court Presiding Judges Advisory Committee (the committee composed of all 58 California presiding judges) and as an advisory member of the California Judicial Council. Prior to his appointment to the bench, Rosenberg was member of the Yolo County Board of Supervisors, where he served two terms as chair. Rosenberg also served on the Davis City Council, including two terms as mayor. He has served on the senior staff of two governors, and worked for 19 years in private law practice. Rosenberg has served as a member and chair of numerous state, regional and local boards. Rosenberg chaired the California State Lottery Commission, the California Victim Compensation and Government Claims Board, the Yolo-Solano Air Quality Management District, the Yolo County Economic Development Commission, and the Yolo County Criminal Justice Cabinet. For many years, he has taught classes on parliamentary procedure and has served as parliamentarian for large and small bodies.

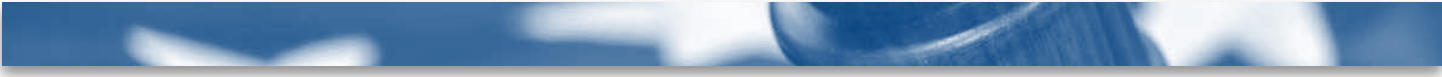


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INTRODUCTION

The rules of procedure at meetings should be simple enough for most people to understand. Unfortunately, that has not always been the case. Virtually all clubs, associations, boards, councils and bodies follow a set of rules — *Robert's Rules of Order* — which are embodied in a small, but complex, book. Virtually no one I know has actually read this book cover to cover. Worse yet, the book was written for another time and for another purpose. If one is chairing or running a parliament, then *Robert's Rules of Order* is a dandy and quite useful handbook for procedure in that complex setting. On the other hand, if one is running a meeting of say, a five-member body with a few members of the public in attendance, a simplified version of the rules of parliamentary procedure is in order.

Hence, the birth of *Rosenberg's Rules of Order*.

What follows is my version of the rules of parliamentary procedure, based on my decades of experience chairing meetings in state and local government. These rules have been simplified for the smaller bodies we chair or in which we participate, slimmed down for the 21st Century, yet retaining the basic tenets of order to which we have grown accustomed. Interestingly enough, *Rosenberg's Rules* has found a welcoming audience. Hundreds of cities, counties, special districts, committees, boards, commissions, neighborhood associations and private corporations and companies have adopted *Rosenberg's Rules* in lieu of *Robert's Rules* because they have found them practical, logical, simple, easy to learn and user friendly.

This treatise on modern parliamentary procedure is built on a foundation supported by the following four pillars:

1. **Rules should establish order.** The first purpose of rules of parliamentary procedure is to establish a framework for the orderly conduct of meetings.
2. **Rules should be clear.** Simple rules lead to wider understanding and participation. Complex rules create two classes: those who understand and participate; and those who do not fully understand and do not fully participate.
3. **Rules should be user friendly.** That is, the rules must be simple enough that the public is invited into the body and feels that it has participated in the process.
4. **Rules should enforce the will of the majority while protecting the rights of the minority.** The ultimate purpose of rules of procedure is to encourage discussion and to facilitate decision making by the body. In a democracy, majority rules. The rules must enable the majority to express itself and fashion a result, while permitting the minority to also express itself, but not dominate, while fully participating in the process.

Establishing a Quorum

The starting point for a meeting is the establishment of a quorum. A quorum is defined as the minimum number of members of the body who must be present at a meeting for business to be legally transacted. The default rule is that a quorum is one more than half the body. For example, in a five-member body a quorum is three. When the body has three members present, it can legally transact business. If the body has less than a quorum of members present, it cannot legally transact business. And even if the body has a quorum to begin the meeting, the body can lose the quorum during the meeting when a member departs (or even when a member leaves the dais). When that occurs the body loses its ability to transact business until and unless a quorum is reestablished.

The default rule, identified above, however, gives way to a specific rule of the body that establishes a quorum. For example, the rules of a particular five-member body may indicate that a quorum is four members for that particular body. The body must follow the rules it has established for its quorum. In the absence of such a specific rule, the quorum is one more than half the members of the body.

The Role of the Chair

While all members of the body should know and understand the rules of parliamentary procedure, it is the chair of the body who is charged with applying the rules of conduct of the meeting. The chair should be well versed in those rules. For all intents and purposes, the chair makes the final ruling on the rules every time the chair states an action. In fact, all decisions by the chair are final unless overruled by the body itself.

Since the chair runs the conduct of the meeting, it is usual courtesy for the chair to play a less active role in the debate and discussion than other members of the body. This does not mean that the chair should not participate in the debate or discussion. To the contrary, as a member of the body, the chair has the full right to participate in the debate, discussion and decision-making of the body. What the chair should do, however, is strive to be the last to speak at the discussion and debate stage. The chair should not make or second a motion unless the chair is convinced that no other member of the body will do so at that point in time.

The Basic Format for an Agenda Item Discussion

Formal meetings normally have a written, often published agenda. Informal meetings may have only an oral or understood agenda. In either case, the meeting is governed by the agenda and the agenda constitutes the body's agreed-upon roadmap for the meeting. Each agenda item can be handled by the chair in the following basic format:

First, the chair should clearly announce the agenda item number and should clearly state what the agenda item subject is. The chair should then announce the format (which follows) that will be followed in considering the agenda item.

Second, following that agenda format, the chair should invite the appropriate person or persons to report on the item, including any recommendation that they might have. The appropriate person or persons may be the chair, a member of the body, a staff person, or a committee chair charged with providing input on the agenda item.

Third, the chair should ask members of the body if they have any technical questions of clarification. At this point, members of the body may ask clarifying questions to the person or persons who reported on the item, and that person or persons should be given time to respond.

Fourth, the chair should invite public comments, or if appropriate at a formal meeting, should open the public meeting for public input. If numerous members of the public indicate a desire to speak to the subject, the chair may limit the time of public speakers. At the conclusion of the public comments, the chair should announce that public input has concluded (or the public hearing, as the case may be, is closed).

Fifth, the chair should invite a motion. The chair should announce the name of the member of the body who makes the motion.

Sixth, the chair should determine if any member of the body wishes to second the motion. The chair should announce the name of the member of the body who seconds the motion. It is normally good practice for a motion to require a second before proceeding to ensure that it is not just one member of the body who is interested in a particular approach. However, a second is not an absolute requirement, and the chair can proceed with consideration and vote on a motion even when there is no second. This is a matter left to the discretion of the chair.

Seventh, if the motion is made and seconded, the chair should make sure everyone understands the motion.

This is done in one of three ways:

1. The chair can ask the maker of the motion to repeat it;
2. The chair can repeat the motion; or
3. The chair can ask the secretary or the clerk of the body to repeat the motion.

Eighth, the chair should now invite discussion of the motion by the body. If there is no desired discussion, or after the discussion has ended, the chair should announce that the body will vote on the motion. If there has been no discussion or very brief discussion, then the vote on the motion should proceed immediately and there is no need to repeat the motion. If there has been substantial discussion, then it is normally best to make sure everyone understands the motion by repeating it.

Ninth, the chair takes a vote. Simply asking for the “ayes” and then asking for the “nays” normally does this. If members of the body do not vote, then they “abstain.” Unless the rules of the body provide otherwise (or unless a super majority is required as delineated later in these rules), then a simple majority (as defined in law or the rules of the body as delineated later in these rules) determines whether the motion passes or is defeated.

Tenth, the chair should announce the result of the vote and what action (if any) the body has taken. In announcing the result, the chair should indicate the names of the members of the body, if any, who voted in the minority on the motion. This announcement might take the following form: “The motion passes by a vote of 3-2, with Smith and Jones dissenting. We have passed the motion requiring a 10-day notice for all future meetings of this body.”

Motions in General

Motions are the vehicles for decision making by a body. It is usually best to have a motion before the body prior to commencing discussion of an agenda item. This helps the body focus.

Motions are made in a simple two-step process. First, the chair should recognize the member of the body. Second, the member of the body makes a motion by preceding the member’s desired approach with the words “I move . . .”

A typical motion might be: “I move that we give a 10-day notice in the future for all our meetings.”

The chair usually initiates the motion in one of three ways:

1. **Inviting the members of the body to make a motion**, for example, “A motion at this time would be in order.”
2. **Suggesting a motion to the members of the body**, “A motion would be in order that we give a 10-day notice in the future for all our meetings.”
3. **Making the motion**. As noted, the chair has every right as a member of the body to make a motion, but should normally do so only if the chair wishes to make a motion on an item but is convinced that no other member of the body is willing to step forward to do so at a particular time.

The Three Basic Motions

There are three motions that are the most common and recur often at meetings:

The basic motion. The basic motion is the one that puts forward a decision for the body’s consideration. A basic motion might be: “I move that we create a five-member committee to plan and put on our annual fundraiser.”

The motion to amend. If a member wants to change a basic motion that is before the body, they would move to amend it. A motion to amend might be: “I move that we amend the motion to have a 10-member committee.” A motion to amend takes the basic motion that is before the body and seeks to change it in some way.

The substitute motion. If a member wants to completely do away with the basic motion that is before the body, and put a new motion before the body, they would move a substitute motion. A substitute motion might be: “I move a substitute motion that we cancel the annual fundraiser this year.”

“Motions to amend” and “substitute motions” are often confused, but they are quite different, and their effect (if passed) is quite different. A motion to amend seeks to retain the basic motion on the floor, but modify it in some way. A substitute motion seeks to throw out the basic motion on the floor, and substitute a new and different motion for it. The decision as to whether a motion is really a “motion to amend” or a “substitute motion” is left to the chair. So if a member makes what that member calls a “motion to amend,” but the chair determines that it is really a “substitute motion,” then the chair’s designation governs.

A “friendly amendment” is a practical parliamentary tool that is simple, informal, saves time and avoids bogging a meeting down with numerous formal motions. It works in the following way: In the discussion on a pending motion, it may appear that a change to the motion is desirable or may win support for the motion from some members. When that happens, a member who has the floor may simply say, “I want to suggest a friendly amendment to the motion.” The member suggests the friendly amendment, and if the maker and the person who seconded the motion pending on the floor accepts the friendly amendment, that now becomes the pending motion on the floor. If either the maker or the person who seconded rejects the proposed friendly amendment, then the proposer can formally move to amend.

Multiple Motions Before the Body

There can be up to three motions on the floor at the same time. The chair can reject a fourth motion until the chair has dealt with the three that are on the floor and has resolved them. This rule has practical value. More than three motions on the floor at any given time is confusing and unwieldy for almost everyone, including the chair.

When there are two or three motions on the floor (after motions and seconds) at the same time, the vote should proceed *first* on the *last* motion that is made. For example, assume the first motion is a basic “motion to have a five-member committee to plan and put on our annual fundraiser.” During the discussion of this motion, a member might make a second motion to “amend the main motion to have a 10-member committee, not a five-member committee to plan and put on our annual fundraiser.” And perhaps, during that discussion, a member makes yet a third motion as a “substitute motion that we not have an annual fundraiser this year.” The proper procedure would be as follows:

First, the chair would deal with the *third* (the last) motion on the floor, the substitute motion. After discussion and debate, a vote would be taken first on the third motion. If the substitute motion *passed*, it would be a substitute for the basic motion and would eliminate it. The first motion would be moot, as would the second motion (which sought to amend the first motion), and the action on the agenda item would be completed on the passage by the body of the third motion (the substitute motion). No vote would be taken on the first or second motions.

Second, if the substitute motion *failed*, the chair would then deal with the second (now the last) motion on the floor, the motion to amend. The discussion and debate would focus strictly on the amendment (should the committee be five or 10 members). If the motion to amend *passed*, the chair would then move to consider the main motion (the first motion) as *amended*. If the motion to amend *failed*, the chair would then move to consider the main motion (the first motion) in its original format, not amended.

Third, the chair would now deal with the first motion that was placed on the floor. The original motion would either be in its original format (five-member committee), or if *amended*, would be in its amended format (10-member committee). The question on the floor for discussion and decision would be whether a committee should plan and put on the annual fundraiser.

To Debate or Not to Debate

The basic rule of motions is that they are subject to discussion and debate. Accordingly, basic motions, motions to amend, and substitute motions are all eligible, each in their turn, for full discussion before and by the body. The debate can continue as long as members of the body wish to discuss an item, subject to the decision of the chair that it is time to move on and take action.

There are exceptions to the general rule of free and open debate on motions. The exceptions all apply when there is a desire of the body to move on. The following motions are not debatable (that is, when the following motions are made and seconded, the chair must immediately call for a vote of the body without debate on the motion):

Motion to adjourn. This motion, if passed, requires the body to immediately adjourn to its next regularly scheduled meeting. It requires a simple majority vote.

Motion to recess. This motion, if passed, requires the body to immediately take a recess. Normally, the chair determines the length of the recess which may be a few minutes or an hour. It requires a simple majority vote.

Motion to fix the time to adjourn. This motion, if passed, requires the body to adjourn the meeting at the specific time set in the motion. For example, the motion might be: “I move we adjourn this meeting at midnight.” It requires a simple majority vote.

Motion to table. This motion, if passed, requires discussion of the agenda item to be halted and the agenda item to be placed on “hold.” The motion can contain a specific time in which the item can come back to the body. “I move we table this item until our regular meeting in October.” Or the motion can contain no specific time for the return of the item, in which case a motion to take the item off the table and bring it back to the body will have to be taken at a future meeting. A motion to table an item (or to bring it back to the body) requires a simple majority vote.

Motion to limit debate. The most common form of this motion is to say, “I move the previous question” or “I move the question” or “I call the question” or sometimes someone simply shouts out “question.” As a practical matter, when a member calls out one of these phrases, the chair can expedite matters by treating it as a “request” rather than as a formal motion. The chair can simply inquire of the body, “any further discussion?” If no one wishes to have further discussion, then the chair can go right to the pending motion that is on the floor. However, if even one person wishes to discuss the pending motion further, then at that point, the chair should treat the call for the “question” as a formal motion, and proceed to it.

When a member of the body makes such a motion (“I move the previous question”), the member is really saying: “I’ve had enough debate. Let’s get on with the vote.” When such a motion is made, the chair should ask for a second, stop debate, and vote on the motion to limit debate. The motion to limit debate requires a two-thirds vote of the body.

NOTE: A motion to limit debate could include a time limit. For example: “I move we limit debate on this agenda item to 15 minutes.” Even in this format, the motion to limit debate requires a two-thirds vote of the body. A similar motion is a *motion to object to consideration of an item*. This motion is not debatable, and if passed, precludes the body from even considering an item on the agenda. It also requires a two-thirds vote.

Majority and Super Majority Votes

In a democracy, a simple majority vote determines a question. A tie vote means the motion fails. So in a seven-member body, a vote of 4-3 passes the motion. A vote of 3-3 with one abstention means the motion fails. If one member is absent and the vote is 3-3, the motion still fails.

All motions require a simple majority, but there are a few exceptions. The exceptions come up when the body is taking an action which effectively cuts off the ability of a minority of the body to take an action or discuss an item. These extraordinary motions require a two-thirds majority (a super majority) to pass:

Motion to limit debate. Whether a member says, “I move the previous question,” or “I move the question,” or “I call the question,” or “I move to limit debate,” it all amounts to an attempt to cut off the ability of the minority to discuss an item, and it requires a two-thirds vote to pass.

Motion to close nominations. When choosing officers of the body (such as the chair), nominations are in order either from a nominating committee or from the floor of the body. A motion to close nominations effectively cuts off the right of the minority to nominate officers and it requires a two-thirds vote to pass.

Motion to object to the consideration of a question. Normally, such a motion is unnecessary since the objectionable item can be tabled or defeated straight up. However, when members of a body do not even want an item on the agenda to be considered, then such a motion is in order. It is not debatable, and it requires a two-thirds vote to pass.

Motion to suspend the rules. This motion is debatable, but requires a two-thirds vote to pass. If the body has its own rules of order, conduct or procedure, this motion allows the body to suspend the rules for a particular purpose. For example, the body (a private club) might have a rule prohibiting the attendance at meetings by non-club members. A motion to suspend the rules would be in order to allow a non-club member to attend a meeting of the club on a particular date or on a particular agenda item.

Counting Votes

The matter of counting votes starts simple, but can become complicated.

Usually, it’s pretty easy to determine whether a particular motion passed or whether it was defeated. If a simple majority vote is needed to pass a motion, then one vote more than 50 percent of the body is required. For example, in a five-member body, if the vote is three in favor and two opposed, the motion passes. If it is two in favor and three opposed, the motion is defeated.

If a two-thirds majority vote is needed to pass a motion, then how many affirmative votes are required? The simple rule of thumb is to count the “no” votes and double that count to determine how many “yes” votes are needed to pass a particular motion. For example, in a seven-member body, if two members vote “no” then the “yes” vote of at least four members is required to achieve a two-thirds majority vote to pass the motion.

What about tie votes? In the event of a tie, the motion always fails since an affirmative vote is required to pass any motion. For example, in a five-member body, if the vote is two in favor and two opposed, with one member absent, the motion is defeated.

Vote counting starts to become complicated when members vote “abstain” or in the case of a written ballot, cast a blank (or unreadable) ballot. Do these votes count, and if so, how does one count them? The starting point is always to check the statutes.

In California, for example, for an action of a board of supervisors to be valid and binding, the action must be approved by a majority of the board. (California Government Code Section 25005.) Typically, this means three of the five members of the board must vote affirmatively in favor of the action. A vote of 2-1 would not be sufficient. A vote of 3-0 with two abstentions would be sufficient. In general law cities in

California, as another example, resolutions or orders for the payment of money and all ordinances require a recorded vote of the total members of the city council. (California Government Code Section 36936.) Cities with charters may prescribe their own vote requirements. Local elected officials are always well-advised to consult with their local agency counsel on how state law may affect the vote count.

After consulting state statutes, step number two is to check the rules of the body. If the rules of the body say that you count votes of “those present” then you treat abstentions one way. However, if the rules of the body say that you count the votes of those “present and voting,” then you treat abstentions a different way. And if the rules of the body are silent on the subject, then the general rule of thumb (and default rule) is that you count all votes that are “present and voting.”

Accordingly, under the “present and voting” system, you would **NOT** count abstention votes on the motion. Members who abstain are counted for purposes of determining quorum (they are “present”), but you treat the abstention votes on the motion as if they did not exist (they are not “voting”). On the other hand, if the rules of the body specifically say that you count votes of those “present” then you **DO** count abstention votes both in establishing the quorum and on the motion. In this event, the abstention votes act just like “no” votes.

How does this work in practice?

Here are a few examples.

Assume that a five-member city council is voting on a motion that requires a simple majority vote to pass, and assume further that the body has no specific rule on counting votes. Accordingly, the default rule kicks in and we count all votes of members that are “present and voting.” If the vote on the motion is 3-2, the motion passes. If the motion is 2-2 with one abstention, the motion fails.

Assume a five-member city council voting on a motion that requires a two-thirds majority vote to pass, and further assume that the body has no specific rule on counting votes. Again, the default rule applies. If the vote is 3-2, the motion fails for lack of a two-thirds majority. If the vote is 4-1, the motion passes with a clear two-thirds majority. A vote of three “yes,” one “no” and one “abstain” also results in passage of the motion. Once again, the abstention is counted only for the purpose of determining quorum, but on the actual vote on the motion, it is as if the abstention vote never existed — so an effective 3-1 vote is clearly a two-thirds majority vote.

Now, change the scenario slightly. Assume the same five-member city council voting on a motion that requires a two-thirds majority vote to pass, but now assume that the body **DOES** have a specific rule requiring a two-thirds vote of members “present.” Under this specific rule, we must count the members present not only for quorum but also for the motion. In this scenario, any abstention has the same force and effect as if it were a “no” vote. Accordingly, if the votes were three “yes,” one “no” and one “abstain,” then the motion fails. The abstention in this case is treated like a “no” vote and effective vote of 3-2 is not enough to pass two-thirds majority muster.

Now, exactly how does a member cast an “abstention” vote?

Any time a member votes “abstain” or says, “I abstain,” that is an abstention. However, if a member votes “present” that is also treated as an abstention (the member is essentially saying, “Count me for purposes of a quorum, but my vote on the issue is abstain.”) In fact, any manifestation of intention not to vote either “yes” or “no” on the pending motion may be treated by the chair as an abstention. If written ballots are cast, a blank or unreadable ballot is counted as an abstention as well.

Can a member vote “absent” or “count me as absent?” Interesting question. The ruling on this is up to the chair. The better approach is for the chair to count this as if the member had left his/her chair and is actually “absent.” That, of course, affects the quorum. However, the chair may also treat this as a vote to abstain, particularly if the person does not actually leave the dais.

The Motion to Reconsider

There is a special and unique motion that requires a bit of explanation all by itself; the motion to reconsider. A tenet of parliamentary procedure is finality. After vigorous discussion, debate and a vote, there must be some closure to the issue. And so, after a vote is taken, the matter is deemed closed, subject only to reopening if a proper motion to consider is made and passed.

A motion to reconsider requires a majority vote to pass like other garden-variety motions, but there are two special rules that apply only to the motion to reconsider.

First, is the matter of timing. A motion to reconsider must be made at the meeting where the item was first voted upon. A motion to reconsider made at a later time is untimely. (The body, however, can always vote to suspend the rules and, by a two-thirds majority, allow a motion to reconsider to be made at another time.)

Second, a motion to reconsider may be made only by certain members of the body. Accordingly, a motion to reconsider may be made only by a member who voted in the majority on the original motion. If such a member has a change of heart, he or she may make the motion to reconsider (any other member of the body — including a member who voted in the minority on the original motion — may second the motion). If a member who voted in the minority seeks to make the motion to reconsider, it must be ruled out of order. The purpose of this rule is finality. If a member of minority could make a motion to reconsider, then the item could be brought back to the body again and again, which would defeat the purpose of finality.

If the motion to reconsider passes, then the original matter is back before the body, and a new original motion is in order. The matter may be discussed and debated as if it were on the floor for the first time.

Courtesy and Decorum

The rules of order are meant to create an atmosphere where the members of the body and the members of the public can attend to business efficiently, fairly and with full participation. At the same time, it is up to the chair and the members of the body to maintain common courtesy and decorum. Unless the setting is very informal, it is always best for only one person at a time to have the floor, and it is always best for every speaker to be first recognized by the chair before proceeding to speak.

The chair should always ensure that debate and discussion of an agenda item focuses on the item and the policy in question, not the personalities of the members of the body. Debate on policy is healthy, debate on personalities is not. The chair has the right to cut off discussion that is too personal, is too loud, or is too crude.

Debate and discussion should be focused, but free and open. In the interest of time, the chair may, however, limit the time allotted to speakers, including members of the body.

Can a member of the body interrupt the speaker? The general rule is “no.” There are, however, exceptions. A speaker may be interrupted for the following reasons:

Privilege. The proper interruption would be, “point of privilege.” The chair would then ask the interrupter to “state your point.” Appropriate points of privilege relate to anything that would interfere with the normal comfort of the meeting. For example, the room may be too hot or too cold, or a blowing fan might interfere with a person’s ability to hear.

Order. The proper interruption would be, “point of order.” Again, the chair would ask the interrupter to “state your point.” Appropriate points of order relate to anything that would not be considered appropriate conduct of the meeting. For example, if the chair moved on to a vote on a motion that permits debate without allowing that discussion or debate.

Appeal. If the chair makes a ruling that a member of the body disagrees with, that member may appeal the ruling of the chair. If the motion is seconded, and after debate, if it passes by a simple majority vote, then the ruling of the chair is deemed reversed.

Call for orders of the day. This is simply another way of saying, “return to the agenda.” If a member believes that the body has drifted from the agreed-upon agenda, such a call may be made. It does not require a vote, and when the chair discovers that the agenda has not been followed, the chair simply reminds the body to return to the agenda item properly before them. If the chair fails to do so, the chair’s determination may be appealed.

Withdraw a motion. During debate and discussion of a motion, the maker of the motion on the floor, at any time, may interrupt a speaker to withdraw his or her motion from the floor. The motion is immediately deemed withdrawn, although the chair may ask the person who seconded the motion if he or she wishes to make the motion, and any other member may make the motion if properly recognized.

Special Notes About Public Input

The rules outlined above will help make meetings very public-friendly. But in addition, and particularly for the chair, it is wise to remember three special rules that apply to each agenda item:

Rule One: Tell the public what the body will be doing.

Rule Two: Keep the public informed while the body is doing it.

Rule Three: When the body has acted, tell the public what the body did.



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CITY OF BELVEDERE – ADMINISTRATIVE POLICY MANUAL

POLICY 5.2
CITY COUNCIL OPERATIONS

Adoption Date:	1/10/2006	Adopted by:	City Council motion
Revised Date:	3/11/2019 12/12/2022	Revised by:	City Council Resolution No. 2019-04 City Council Resolution No. 2022-XX
Authority:	City Council		

5.2.1 PURPOSE & AUTHORITY

Pursuant to Government Code section 36813, the City Council of the City of Belvedere adopts these rules of procedure for its meetings.

5.2.2 Types of Meetings, Cancellations

5.2.2.1. Regular Meetings

Regular meetings of the City Council shall be held on the second Monday in each calendar month at 6:30 p.m. All regular meetings of the City Council shall be held at the Belvedere City Hall, 450 San Rafael Avenue, Belvedere, CA 94920-2336.

5.2.2.2. Special Meetings

Special meetings may be called at any time by the Mayor or by determination of the majority of the City Council. Written notice must be received at least twenty-four (24) hours in advance of the meeting. Written notice must be provided to all members of the City Council and to all newspapers, radio stations, television stations, or other media who have previously requested notice of special meetings. Notice must also be posted at least twenty-four (24) hours in advance on the City bulletin board at the entrance to City Hall and on the City’s website. (Govt. Code § 54956.)

5.2.2.3. Emergency Meetings in Emergency Situations

An emergency meeting may be called by the Mayor or by a majority of the City Council, with less than twenty-four (24) hour notice, if:

- There is an emergency, such as a work stoppage, crippling activity, or other activity that severely impairs public health, safety, or both, as determined by a majority of the City Council; or
- There is a dire emergency, such as a crippling disaster, mass destruction, terrorist act, or threatened terrorist activity that poses a peril so immediate and significant that

requiring the City Council to provide one-hour notice before holding a special emergency meeting under this section may endanger the public health, safety, or both, as determined by a majority of the City Council.

Each local newspaper of general circulation and radio or television station that has requested notice of special meetings shall be notified at least one hour prior to the emergency meeting, or, in the case of a dire emergency, at or near the time that the City Council is notified of the emergency meeting. This notice must be provided by telephone. In the event there is no telephone service, the City shall notify those newspapers, radio stations, or television stations of the special emergency meeting, the purpose of the meeting, and any action taken at the meeting as soon after the meeting as possible. (Govt. Code § 54956.5.)

5.2.2.4 Workshops, Study Sessions/Retreats

From time to time, the Council will hold workshops or field trips at a time and place to be designated by the Presiding Officer. Study sessions or field trips shall be considered meetings and shall be duly noticed and open to the public.

5.2.2.5 Closed Sessions

The Council may hold closed sessions at the start or end of the meeting as permitted under state law.

5.2.2.6 Adjourned Meetings

The City Council may adjourn any regular or special meeting to a time and place specified in the order of adjournment. If a quorum is not present, less than a quorum may so adjourn. A copy of the order or notice of adjournment shall be conspicuously posted on the City Hall chambers within twenty-four (24) hours after the time of adjournment. When a regular meeting is adjourned as provided herein, the resulting adjourned regular meeting shall be a regular meeting for all purposes. When an order of adjournment of any meeting fails to state the time at which the adjourned meeting is to be held, it shall be held at the time specified for regular meetings. (Govt. Code § 54955.)

5.2.2.7 Cancellation of Meetings

Any meeting may be cancelled in advance by a majority vote of the City Council. The Mayor may cancel a meeting in the case of an emergency or when a majority of the members have confirmed in writing their unavailability. The Clerk shall post notices of cancellation at the location designated in Municipal Code section 1.08 and on the City's website.

5.2.3 Agendas, Order of Business, Consent Calendar, and Minutes

5.2.3.1 Agenda Preparation and Posting

The City Clerk, under the supervision of the City Manager, prepares and posts the agenda and available related documents no later than 72 hours before a regular meeting and 24 hours before a special meeting. Any public document related to an agenda item that is distributed less than 72 hours prior to the meeting shall be posted on the City's website in a manner that makes it clear that the document relates to an agenda item. The Clerk shall post the agenda and documents as designated in Municipal Code section 1.08 and on the City's website. (Govt. Code § 54957.5.)

The Clerk will endeavor to post a complete copy of such agenda, together with supporting materials, by The Wednesday preceding regular City Council meetings.

5.2.3.2. Order of Business

The Clerk shall set the agenda in accordance with the following order of business; however, such order may be modified by the Presiding Officer at the meeting to facilitate the conduct of the meeting.

- Call to Order
- Pledge of Allegiance
- Presentations
- City Council Reports
- City Manager Reports
- Commission and Committee Reports
- Consent Calendar
- Continued Public Hearings
- New Public Hearings
- Other Scheduled Items
- Items from Members
- Open Forum
- Adjournment

5.2.3.3 Consent Calendar

The Consent Calendar consists of items that the City Council considers to be routine, or the City Council has discussed previously and do not require further discussion. The public may provide public comment on any of the Consent Calendar items at the time the Consent Calendar is called. After public comment, any member of the City Council or City staff may remove an item from the Consent Calendar. The City Council may approve the Consent Calendar items that have not been removed by one motion. Items removed from the Consent Calendar will be considered in the sequence as they appear on the agenda.

5.2.3.4 Preparation and Adoption of Minutes

The minutes of the City Council shall be kept by the City Clerk. The minutes shall be a record of such business passed by a vote of the City Council, the vote of each member on

each item, and at the direction of the City Council, may include a summary of Council Member remarks and those of any person addressing the City Council. Nothing may be added to the minutes; except that they may be amended by a majority vote of the City Council members to correctly reflect the business of the City Council at such meeting.

5.2.4 Conduct of City Council Meetings

5.2.4.1 Presiding Officer

The Mayor is the presiding officer at meetings. In the event of the Mayor's absence, the Vice-Mayor serves as the presiding officer. If the Mayor or Vice-Mayor are absent, the remaining members may select a presiding officer in their absence. The Presiding Officer shall call the meeting to order, preserve strict order and decorum at all meetings of the City Council, state questions coming before the City Council, announce its decision on all subjects and decide all questions of order; subject, however, to an appeal to the City Council as a whole, in which event a majority vote of the City Council members present shall govern and conclusively determine such question of order. The Presiding Officer shall vote on all questions, and on roll call, the Presiding Officer shall be called last.

5.2.4.2 Council Decorum

While the City Council is in session, the members shall preserve order and decorum, and a member shall neither, by conversation or otherwise, delay or interrupt the proceeding or the peace of the City Council, nor disturb any member while speaking or refuse to obey the orders of the City Council or the presiding officer, except as otherwise herein provided.

5.2.4.3. Roll Call

Before proceeding with the business of the City Council, the City Clerk shall call the roll of the Council Members.

5.2.4.4. Procedures for Board Action on Agenda Items.

1. The presiding officer shall call the item.
2. The staff will provide a report on the item.
3. The Presiding Officer shall take entertain questions from Councilmembers to staff or an invited expert.
4. The presiding officer shall then take public comment.
5. If the item is an action item, the Presiding Officer shall take a motion and a second on the item.
6. The City Council deliberates and votes on the motion.

5.2.4.5 Public Hearings

Matters which are required to be heard at a noticed public hearing shall be conducted in the following manner. The Presiding Officer shall open the public hearing. The Presiding Officer shall request that staff present the staff report and any other relevant evidence, take public comment, allow members of the Council to ask questions of the speakers. The Presiding Officer shall then close the public hearing on the matter. When the Council sits in a quasi-judicial capacity to hear appeals from the Planning Commission, or from persons seeking review of administrative citations, or on other similar issues, the City Council will hear the matter according to the following order of business:

1. Councilmember disclosure of any ex parte communications
2. Staff presents report and Council asks questions of staff
3. Presiding Officer opens the public portion of the hearing
- 4a. Presentation by appellant
- 4b. Presentation by applicant (if different from the applicant)
5. Council asks questions of appellant, applicant and/or staff
6. Public comment
- 7a. Rebuttal by applicant
- 7b. Rebuttal by appellant
8. Final Council questions of applicant and appellant
9. Final Council questions of staff
10. Close public portion of hearing
11. Council discussions, deliberation and takes action by adopting findings and motion(s)

The Presiding Officer may set reasonable time limits on the presentations and rebuttals but the applicants and appellants shall not be limited to three minutes. Applicants and appellants may submit written evidence or remarks. All such evidence presented shall be retained by the City Clerk as part of the Clerk's record.

5.2.4.6 Continuance of Hearings

Any hearing being held or noticed or ordered to be held by the City Council at any meeting may, by order or notice of continuance, be continued or re-continued to any subsequent meeting in the manner provided herein for adjourned meetings; provided, that if the hearing is continued to a time less than 24 hours after the time specified in the order or notice of hearing, a copy of the order or notice of continuance of hearing shall be posted immediately following the meetings at which the order or notice of continuance was adopted or made.

5.2.4.7 Motions

The Presiding Officer or any Councilmember may bring a matter of business before the City Council by making a motion. Before the matter can be considered or debated it must be seconded. Once the motion has been properly made and seconded, the Presiding Officer shall open the matter for debate by offering the first opportunity to debate to the

moving party and thereafter, to any Councilmember properly recognized by the Presiding Officer. Once the matter has been fully debated and the Presiding Officer calls for a vote, no further debate will be allowed, provided however, Council Members may be allowed to explain their vote.

5.2.4.8 Motions to Reconsider

A motion to reconsider can only be made at the meeting during which the main motion was approved, or at the next regular or special meeting immediately following the meeting at which the main motion was approved. In order to make the motion to reconsider a previous motion, the Councilmember must have actually voted (not abstained) on the prevailing side (either for or against) when the question was first considered.

5.2.4.9 Rosenberg's Rules of Order

In the absence of a rule herein to govern the proceedings of the City Council, the latest edition of "Rosenberg's Rules of Order" shall govern the proceedings of the City Council. In all cases, unless they are in conflict with these rules in which case these rules shall govern. However, no ordinance, resolution, proceeding or other action of the City Council shall be invalidated, or the legality thereof otherwise affected, by the failure or omission to observe or follow these rules of order.

5.2.4.10 Suspension of Rules

Any provision of these rules not governed by the Municipal Code or State Law may be temporarily suspended by motion with the affirmative vote of a majority of the Council.

5.2.5 Quorum and Voting

5.2.5.1 Quorum

A majority of the members of the Council shall constitute a quorum for the transaction of business, except a Councilmember who recuses themselves based on a conflict of interest shall not be counted towards the establishment of a quorum unless that Councilmember's participation is legally required for the action of decision to be made.

5.2.5.2 Action Taken

Unless otherwise specified by law, an affirmative vote of at least three Councilmembers is required for the adoption of a motion, resolution, or ordinance. (Govt. Code § 54952.6.)

5.2.5.3 Voting

Every member of Council present shall vote for or against the measure or abstain. No

councilmember may abstain from unless the member has a potential conflict of interest as determined by the City Attorney or the abstention is approved by the unanimous vote of the remainder of the City Council present. If a Councilmember recuses themselves because of a potential conflict of interest, that Councilmember shall step down from the dais, refrain from any discussion on the item and shall not vote on the item.

5.2.6 Public Participation at Meetings

5.2.6.1 Public Comment on Agenda Items

The Council will take public comment on every item on the agenda, including the consent calendar, before or during consideration of the item. Speakers shall be limited to no more than three minutes per item.

5.2.6.2 Open Forum

During the “Open Forum” portion of the meeting, the Council will take public comment at each meeting on matters within its subject matter jurisdiction that are not on the agenda. Council may not take any action in response to public comment on matters not on the agenda, except members of Council or staff, if directed by the Presiding Officer, may briefly respond to statements or question posed by the speaker, or ask a question for clarification. A Councilmember or the Council may request staff to report back at a subsequent meeting concerning any matter or direct staff to place a matter of business on a future agenda.

5.2.6.3 Reasonable Regulations for Public Comment

- (a) A member of the public wishing to address the Council shall wait to be recognized by the presiding officer.
- (b) The Open Forum period shall be limited to no more than thirty (30) minutes for all speakers to be apportioned among all speakers who request time. The Presiding Officer may permit more time for Open Forum in her discretion.
- (c) Each speaker wishing to address the Council may speak for no more than three (3) minutes per agenda item and no more than three (3) minutes during Open Forum time. A member of the public may cede their speaking time to another speaker, provided that no speaker may speak for more than six minutes in total.
- (d) The Council will not prohibit public criticism of the policies, procedures, programs, or services of the agency, or of the acts or omissions of the legislative body. The Council may

5.2.6.4 Disruption of Meetings

The Presiding Officer may exclude persons who disrupt a City Council meeting, as provided under this rule. Disruption means engaging in behavior during a meeting of the City Council that disrupts, disturbs, impedes, or renders infeasible the orderly conduct of the meeting and includes, but is not limited to:

- A failure to comply with the City Council’s rules regarding open forum and public comment; and
- Behavior that constitutes use of force or a true threat of force. A “true threat of force” means a threat that has sufficient indicia of intent and seriousness, that a reasonable observer would perceive to be an actual threat to use force by the person making the threat.

Before removing a person for failure to comply with this rule, the Presiding Officer must warn that person that the behavior is disrupting the meeting and that the failure to cease may result in removal. In addition to such a warning, the Presiding Officer should also consider other means to maintain order, such as turning off the microphone or calling a recess.

No warning is required to remove a person engaging in true threat of force.

5.2.7. Ordinances and Resolutions

All ordinances shall be prepared by the City Attorney. No ordinance shall be prepared for presentation to the City Council unless ordered by a majority vote of the City Council or requested in writing by a member of the City Council or the City Manager or prepared on the City Attorney’s own initiative.

All ordinances, resolutions, and contract documents shall, before presentation to the City Council, have been approved as to form and legality by the City Attorney or the City Attorney’s authorized representative and shall have been examined and approved for the administration by the City Manager, or the City Manager’s authorized representative, where there are substantive matters of administration involved.

Ordinances, resolutions and other matters or subjects requiring action by the City Council shall be introduced and sponsored by a member of the City Council; except that the Mayor, City Manager or City Attorney may present ordinances, resolutions or other matters or subjects to the City Council, and any Council Member may assume sponsorship thereof by moving that such ordinances, resolutions or other matters or subjects be adopted; otherwise they shall not be considered.

5.2.8. Additional City Council Duties

5.2.8.1. City Council Members

The City Council of the City of Belvedere serves without compensation and is subject to Chapter 2.08 of the Belvedere Municipal Code.

5.2.8.2. City Council Reorganization

Annually, the City Council conducts a reorganization of the Mayor and Vice Mayor responsibilities. Nominations are made by the Council pursuant to a schedule of

proceedings prepared by the City Clerk.

Prior to the meeting at which the reorganization occurs, the City Manager shall prepare for the Mayor a list of the members of the Councilmembers showing where they are in the unofficial order of rotation that has traditionally been followed by the City Council.

5.2.8.3. Appointments and Reconfirmations

Annually, the City Council appoints members to the City's various committees. Before December 31 of each calendar year, the City Clerk shall cause to be posted in front of City Hall and the Belvedere-Tiburon Library a Local Appointments List that shall contain the following information: a list of all boards, committees and commissions whose members serve at the pleasure of the Council; the terms on each board, committee and commission that will expire during the next calendar year, with the name of the incumbent appointee, the date of appointment, and the date the appointee's term expires; and the necessary qualifications, if any, for the position.

In April of each calendar year, the City Clerk shall cause to be published in the local newspaper a list of pending vacancies with a request for all interested Belvedere residents to submit a letter of interest, preferably accompanied by a curriculum vitae. If a sitting incumbent is interested in continuing to serve in an appointive office, the incumbent shall be required to notify the City Clerk that he/she wishes to be considered for reappointment.

In May of each calendar year, and at any other time an unscheduled vacancy occurs, the City Council shall interview all interested candidates for appointive office and select qualified individuals to serve on the board, committee or commission for which they applied. Sitting incumbents and those who recently interviewed for that particular position shall be exempt from the interviewing rule.

Prior to any City Council meeting at which appointments are to be considered, the City Clerk shall give to the City Council a list of the incumbents, if any, who are reapplying and showing their years of service in that position. The Mayor shall contact the chair of the committee or board to discuss the current make-up of the membership and any needs the body may have.

The terms of all members of all boards, commissions, and committees who serve for a fixed term shall begin on either June 1 or July 1 and end on May 31 or June 30, depending upon which board, commission or committee they are appointed to. The terms of members appointed to fill unscheduled vacancies on such boards, commissions, and committees shall commence on the date they are appointed by the City Council, or in the case of the Planning Commission, on the date they take the oath of office.

In the event an unscheduled vacancy occurs in an appointive office prior to the expiration of a term of office, a special vacancy notice shall be posted in front of City Hall and the Belvedere- Tiburon Library. The City shall advertise the vacancy in the local newspaper

and solicit letters of interest in the same manner as above. In response, an applicant interested in being appointed to the position in question shall be required to submit a letter of interest with the accompanying curriculum vitae.

5.2.8.4. City Council Committees

Committees of the City Council are appointed by the Mayor annually to serve within assigned areas of responsibility for the purpose of gathering and studying information. Citizens at large may be included to assist in carrying out a Committee's charges. The majority vote of the City Council at a regular, adjourned or special Council meeting will be required for approval of Committee recommendations and/or for any specific Committee authority to carry out a task.

Appointments are typically made at the Annual City Council Goals meeting. City staff maintains a roster of Committees and Committee activities.

5.2.8.5 Adoption of Annual Operating Budget

Annually, the City Council reviews and approves an operating budget for the City of Belvedere. The fiscal year is from July 1 through June 30. The budget is typically adopted prior to June 30 of each year. The City Manager is responsible for preparation of the annual operating budget and presentation to the City Council.

5.2.8.6. Annual Town Meeting

The City Council and City Manager shall present a State of the City Address at the Annual Town Meeting to be held every January.

5.2.8.7. Appearances, Presentations and Proclamations

Periodically, the City Council will recognize members of the community, organizations, or entities that have contributed positively to the City of Belvedere through economic means, enhanced the quality of life, or by nature of their activities contributed to the positive outlook of the community. These recognitions are typically accomplished by appearance before the City Council and presenting the individuals with a certificate of recognition however, in the interest of timely recognition, the Mayor is authorized to execute and deliver certificates of recognition.

On occasion the City Council will adopt a proclamation of support or opposition regarding particular issues.

City staff will typically prepare all presentations and proclamations at the request of the City Council.

5.2.8.8. Use of City Letterhead

In general, City staff produces all official correspondence by members of the City Council using City letterhead. Committee chairs are authorized to produce correspondence on City letterhead providing that the viewpoint represents a majority of the City Council, and a copy of the correspondence is provided to the City Clerk prior to distribution.

CITY OF BELVEDERE

RESOLUTION NO. 2022-61

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELVEDERE
ADOPTING A REVISION TO THE ADMINISTRATIVE POLICY MANUAL, POLICY
NUMBER 5.2, CITY COUNCIL OPERATIONS**

WHEREAS, the Legislature has made amendments to the Ralph M. Brown Act, which governs the meetings of local legislative bodies since the City Council last revised its Rules of Order; and

WHEREAS, the City Council to update the Council Rules of Order to conform to the changes in the law; and

WHEREAS, the City Council seeks to make its meetings more efficient by ensuring its Rules of Order conform to current practices, reduce inefficiencies, and ensure transparency for the public and

WHEREAS, the City Council finds that adoption of this resolution and amendment of Policy 5.2 are exempt from the California Environmental Review Act (“CEQA”) per 14 C.C.R. § 15061 (b)(3), under the “common sense” exemption, because it can be seen with certainty that it will not have a significant adverse effect on the environment

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Belvedere The City Council adopts this Resolution and approves the amendments to Policy Number 5.2 of the City of Belvedere’s Administrative Policy Manual.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Belvedere on _____, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED: _____
, Mayor

ATTEST: _____
City Clerk

To: Mayor and City Council

From: Jason Wu, Chief of Police

Reviewed by: Robert Zadnik, City Manager

Subject: Pilot Program for the Marking and Identification of Aggressive Coyotes

Recommended Motion/Item Description

Staff recommends that City Council approve the pilot program allowing the Belvedere Police Department to use commercially available paintball markers and bright-colored paintballs to mark and identify *aggressive* coyotes.

Background

Coyotes are common throughout California and have called many urban and suburban communities their home, including Belvedere. Coyotes generally avoid people; however, with few natural threats, they have become accustomed to visiting areas where people and domestic animals are present. Due to availability of food and water, these animals have adjusted to living in populated areas. They are extremely smart and adapt quickly to changing conditions.

The Belvedere Police Department places the safety of its citizens and their pets as its highest priority. Throughout the fall and winter, staff have developed educational messaging and issued hazing kits while encouraging specific hazing methods. Officers are continuing to receive data and investigate reports from the public of coyote sightings and interactions. The objective in gathering this data is to share it with the State to promote proactive policies around the management of aggressive wildlife in dense urban settings.

Analysis

The Belvedere Police Department, following consultation with CA Department of Fish and Wildlife and Marin Humane, are proposing to implement a pilot program of using commercially available paintball markers and bright-colored, marker rounds to mark and identify *aggressive* coyotes that are behaving outside of acceptable behavior. This program would be implemented on a trial basis and will be considered at a later date as one component of a comprehensive wildlife management plan.

Definition/Purpose

Staff is currently developing a definition of aggressive, atypical coyote behavior which may include:

- Unresponsiveness to typical hazing techniques.
- Aggressively pursuing or attacking pets under the control of their owner.
- Displaying unprovoked aggression toward a human.
- Aggressively pursuing or attacking a human.
- Exhibiting forms of predatory behavior towards humans that do not have a pet with them.
- Repeatedly disturbing or raiding human or high-use areas after mitigating measures have not deterred the coyote.

Equipment Type

- “Tippman Cronus” Paintball Marker delivering standard marker projectiles via compressed air.
- Bright colored water-soluble marker rounds, .68 caliber

Procedures

- To be used only by Belvedere Police Department personnel to assist CA Department of Fish and Wildlife and Marin Humane in identifying aggressive coyotes.
- To be used when traditional hazing methods are not effective or, when necessary, based on the totality of the circumstances, to protect the public from danger.
- Deploying Paintball Makers from a moving vehicle is prohibited.
- Belvedere Police Department (BPD) personnel should always ensure a proper background exists before utilizing the paintball marker.
- Personnel should avoid intentionally striking the head area of an animal.
- An incident report shall be prepared whenever a coyote is tagged with the Paintball Marker. The report should include the reason for the deployment, location of the incident, the description of the coyote marked, and the status of the involved animal.

Fiscal Impact

There is minimal fiscal impact associated with the purchase of the equipment.

Recommendation & Alternatives

The City Council has the following alternative to consider:

1. Staff recommends that City Council approve the pilot program allowing the Belvedere Police Department to use commercially available paintball markers and bright-colored paintballs to mark and identify *aggressive* coyotes.
2. Do not approve the recommended pilot program.
3. Provide alternative direction to staff.

Attachments

None

CITY OF BELVEDERE

RESOLUTION NO. 2022-57

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELVEDERE,
RECITING THE FACTS OF THE CONSOLIDATED MUNICIPAL ELECTION HELD
ON NOVEMBER 8, 2022, DECLARING THE RESULT, AND SUCH OTHER MATTERS
AS PROVIDED BY LAW**

WHEREAS, a Consolidated Municipal Election was held and conducted in the City of Belvedere, California, on Tuesday, November 8, 2022, as required by law; and

WHEREAS, that in all respects the election was held and conducted and the votes were cast, received and canvassed and the returns made and declared in time, form and manner as required by the provisions of the Elections Code of the State of California for the holding of consolidated elections in general law cities; and

WHEREAS, pursuant to Resolution No. 2022-30, adopted June 13, 2022, the County Registrar of Voters canvassed the returns of the election and has certified the results to this City Council, the results are received, attached and made a part hereof as Exhibit “A”.

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

SECTION 1. That the whole number of ballots cast in the City was 1304.

SECTION 2. That the names of the persons voted for at the election for Member of the City Council, Full Term were Peter E. Mark, Jane Cooper, Brian Davis, Richard N. Snyder, and that the names of the persons voted for at the election for Member of the City Council, Short Term were Sally Wilkinson and Carolyn Lund.

SECTION 3. That the measures voted upon at the election were as follows:

<i>To advance public safety; strengthen infrastructure against earthquakes; support fire suppression; safeguard water, sewer and other utilities; secure evacuation routes; and provide other general services, shall the measure establishing Belvedere as a Charter City and enacting a real estate property transfer tax of \$8 per \$1,000 to be paid by buyers or sellers of real property, providing \$1,600,000 annually, to end in 30 years or less, with audits and citizen oversight, benefiting Belvedere, be adopted?</i>	YES
	NO

SECTION 3. That the number of votes given in the City to each of the persons above named for the respective offices for which the persons were candidates and for and against the measure are as listed in Exhibit A, attached.

SECTION 4. The City Council does declare and determine that: Peter E. Mark and Jane Cooper were elected as Members of the City Council for the full term of four years, and Sally Wilkinson was elected as a Member of the City Council for the short term of two years.

SECTION 5. The City Council does declare and determine that: As a result of the election, a simple majority of the voters on the measure (Measure D) did not vote in favor of the measure and that this measure did not pass.

SECTION 6. The City Clerk shall enter on the records of the City Council of the City a statement of the result of the election, showing: (a) The whole number of votes cast in the City; (b) The names of the persons voted for; (c) For what office each person was voted for; (d) The measures voted upon; (e) The number of votes given in the City's single precinct to each person and for and against each measure.

SECTION 7. That the City Elections Official shall immediately sign and deliver to each of the persons so elected a Certificate of Election signed by the City Elections Official and authenticated. That the City Elections Official shall also administer to each person elected the Oath of Office prescribed in the Constitution of the State of California.

SECTION 8. That the City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Belvedere on December 12, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED: _____

Sally Wilkinson, Mayor

ATTEST: _____

Leticia Miguel, City Clerk

CURRENT CITY COUNCIL COMMITTEE ASSIGNMENTS

Last Revised June 8, 2022

Entity & Position	Assignee(s)	Alternate	Meetings
ABAG – <i>Delegate & Alternate</i>	Kemnitzer	NA	Annual General Assembly –Spring
Disaster Council	Wilkinson	NA	As needed
Belvedere Committee to Protect Belvedere’s Seawalls, Levees, and Utilities - <i>Members</i>	Lynch Kemnitzer	Wilkinson	As needed
Belvedere Finance Committee - <i>Members</i>	Wilkinson	Mark	As needed
Belvedere Historic Preservation Committee – <i>Council Representative</i>	Campbell	Lynch	4 times each year during the first week of each fiscal quarter
Belvedere Parks, Open Spaces and Lanes Committee – <i>Council Representative</i>	Campbell	Lynch	4 times each year during the third week of each fiscal quarter
Belvedere Traffic Safety Committee – <i>Council Representative</i>	Lynch	Kemnitzer	As needed
Belvedere-Tiburon Chamber of Commerce – <i>Council Representative</i>	Wilkinson	NA	Every 1st Wednesday 8 AM
Belvedere-Tiburon Joint Disaster Advisory Council – <i>Liaison to Council & Alternate</i>	Thomas Cromwell	Campbell	As needed
Belvedere-Tiburon Joint Recreation Committee – <i>Voting Member</i>	Wilkinson	NA	Odd months, 3d Mon ,7 PM
Belvedere-Tiburon Library Agency - <i>Liaison</i>	Kemnitzer	NA	3d Monday, 6:15 PM, Library
Community Development Block Grant Priority Setting Committee	Lynch	NA	As needed
League of California Cities – <i>Voting Delegate & Alternate</i>	Kemnitzer	Campbell	Annual Conference – October
Marin Clean Energy (JPA) – <i>Board Member & Alternate</i>	Wilkinson	Lynch	Every 1st Thursday 7 PM 781 Lincoln Ave #320., San Rafael
MCCMC – Disaster Preparedness Committee – <i>Member</i>	Campbell	Kemnitzer	As needed
MCCMC – Homeless Committee – <i>Member</i>	Campbell	Mark	As needed
MCCMC – Legislative Committee - <i>Member</i>	Kemnitzer	NA	Every 4th Monday 8 AM San Rafael City Hall
MCCMC – Sea Level Rise Committee (Baywave) - <i>Member</i>	Kemnitzer	Lynch	As needed
MCCMC – Water Policy Committee	Kemnitzer	NA	As needed
Richardson Bay Regional Agency (JPA) - <i>Board Member & Alternate</i>	Lynch	Mark	Every 2nd Thursday 5:30 PM
Southern Marin Emergency Medical Paramedic System (JPA) – <i>Non-Voting Board Member</i>	Thomas Cromwell	NA	As needed
Tiburon Peninsula Traffic Relief (JPA) Board of Directors – <i>Primary Directors (2)</i>	Wilkinson & McCaskill	Zadnik	As needed
Transportation Authority of Marin JPA – <i>Board of Commissioners Member & Alternate</i>	Campbell	Kemnitzer	Every 4th Thursday 7 PM County Civic Center
Transportation Authority of Marin – Safe Routes to School Program – <i>Rep. to Belvedere</i>	Campbell	NA	As needed