



**AGENDA
REGULAR MEETING**

**City Council of the Town of Colma
Colma Community Center
1520 Hillside Boulevard
Colma, CA 94014**

**Wednesday, February 24, 2016
CLOSED SESSION – 6:00 PM
REGULAR SESSION – 7:00 PM**

CLOSED SESSION – 6:00 PM

1. In Closed Session Pursuant to Government Code Section 54957.6 – Conference with Labor Negotiators
Agency Negotiators: Sean Rabé, City Manager
Austris Rungis, IEDA
Employee Organizations: Colma Peace Officers Association and Colma Communications/Records Association
Unrepresented Employees: All

PLEDGE OF ALLEGIANCE AND ROLL CALL – 7:00 PM

REPORT FROM CLOSED SESSION

ADOPTION OF AGENDA

PUBLIC COMMENTS

Comments on the Consent Calendar and Non-Agenda Items will be heard at this time.
Comments on Agenda Items will be heard when the item is called.

CONSENT CALENDAR

2. Motion to Accept the Minutes from the February 10, 2016 Regular Meeting.
3. Motion to Adopt an Ordinance Adding a New Subchapter 4.14 of the Colma Municipal Code, Relating to Bingo Games (second reading).
4. Motion to Adopt an Ordinance Authorizing the Implementation of a Community Choice Aggregation Program Pursuant to CEQA Guidelines 15061(b)(3), 15308, and 15378 (second reading).

5. Motion to Adopt an Ordinance Amending Section 5.03.090 of the Colma Municipal Code Relating to Commercial Administrative Use Permits Pursuant to CEQA Guideline 15061(b)(3) (second reading).

NEW BUSINESS

6. **MIDYEAR BUDGET REPORT AND ADJUSTMENTS TO FY 2015-16 BUDGET**

Consider: Motion to Adopt a Resolution Amending Budget Appropriations for Fiscal Year 2015-2016 Including Transactions for Capital Projects.

PUBLIC HEARING

7. **SOLID WASTE FRANCHISE AGREEMENT**

Consider: Motion to Adopt a Resolution Authorizing the City Manager to Negotiate an Exclusive Franchise Agreement with Republic Services, Inc. for the Collection and Processing of Recyclables and Organics, and the Collection and Disposal of Garbage from September 1, 2016 through August 30, 2026.

STUDY SESSION

8. **PARKING ISSUES IN STERLING PARK**

This item is for discussion only; no action will be taken at this meeting.

COUNCIL CALENDARING

REPORTS

Mayor/City Council

City Manager

ADJOURNMENT

The City Council Meeting Agenda Packet and supporting documents are available for review at the Colma Town Hall, 1188 El Camino Real, Colma, CA during normal business hours (Mon – Fri 8am-5pm). Persons interested in obtaining an agenda via e-mail should call Caitlin Corley at 650-997-8300 or email a request to ccorley@colma.ca.gov.

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CLOSED SESSION

1. In Closed Session Pursuant to Government Code Section 54957.6 – Conference with Labor Negotiators

Agency Negotiator:	Sean Rabé, City Manager
Employee Organizations:	Colma Peace Officers Association and Colma Communications/Records Association

There is no staff report for this item.



**MINUTES
REGULAR MEETING**

City Council of the Town of Colma
Colma Community Center, 1520 Hillside Boulevard
Colma, CA 94014

Wednesday, February 10, 2016

Closed Session – 6:00 p.m.
Regular Session – 7:00 p.m.

CLOSED SESSION – 6:00 p.m.

1. In Closed Session Pursuant to Government Code Section 54957.6 – Conference with Labor Negotiators
Agency Negotiators: Sean Rabé, City Manager
Austris Rungis, IEDA
Employee Organizations: Colma Peace Officers Association
Colma Communications/Records Association
Unrepresented Employees: All

CALL TO ORDER – 7:00 p.m.

Mayor Diana Colvin called the Regular Meeting of the City Council to order at 7:09 p.m.

Council Present – Mayor Diana Colvin, Vice Mayor Helen Fisicaro, Council Members Raquel “Rae” Gonzalez, Joseph Silva and Joanne F. del Rosario were all present.

Staff Present – City Manager Sean Rabé, City Attorney Christopher Diaz, Chief of Police Kirk Stratton, Recreation Services Director Brian Dossey, Director of Public Works Brad Donohue, City Planner Michael Laughlin, and City Clerk Caitlin Corley were in attendance.

REPORT FROM CLOSED SESSION

Mayor Colvin reported that during Closed Session, Council gave direction to staff regarding labor negotiations.

ADOPTION OF THE AGENDA

Mayor Colvin asked if there were any changes to the agenda. None were request. The Mayor asked for a motion to adopt the agenda.

Action: Council Member del Rosario moved to adopt the agenda; the motion was seconded by Council Member Silva and carried by the following vote:

Name	Voting		Present, Not Voting		Absent
	Aye	No	Abstain	Not Participating	
Diana Colvin, Mayor	✓				
Helen Fisicaro	✓				
Raquel "Rae" Gonzalez	✓				
Joseph Silva	✓				
Joanne F. del Rosario	✓				
	5	0			

PRESENTATION

- Police Chief Kirk Stratton introduced and swore in new Police Officer Anthony Berkovatz.
- Police Chief Kirk Stratton gave a Police Department Year-in-Review Presentation.

PUBLIC COMMENTS

Mayor Colvin opened the public comment period at 7:36 p.m. and seeing no one come forward to speak, she closed the public comment period.

CONSENT CALENDAR

2. Motion to Accept the Minutes from the January 13, 2016 Regular Meeting.
3. Motion to Approve Report of Checks Paid for January 2016.
4. Motion to Adopt an Ordinance Amending Section 5.04.220 of the Colma Municipal Code Relating to Standard Hours of Construction, Pursuant to CEQA Guideline 15061(b)(3), (second reading).
5. Motion Accepting the 2015 Annual Report on the Implementation of the General Plan, Including the Housing Element.
6. Motion to Accept a Resolution Approving First Amendment to Employment Contract with Kirk Stratton.

Action: Council Member del Rosario moved to approve the Consent Calendar items #2-6; the motion was seconded by Council Member Gonzalez and carried by the following vote:

Name	Voting		Present, Not Voting		Absent
	Aye	No	Abstain	Not Participating	
Diana Colvin, Mayor	✓				
Helen Fisicaro	✓				
Raquel "Rae" Gonzalez	✓				
Joseph Silva	✓				
Joanne F. del Rosario	✓				
	5	0			

PUBLIC HEARING

7. BINGO ORDINANCE

City Attorney Christopher Diaz presented the staff report. Mayor Colvin opened the public comment hearing at 7:45 p.m. Resident Mary Brodzin made a comment. The Mayor closed the public hearing at 7:46 p.m. Council discussion followed.

Action: Council Member Silva moved to Introduce an Ordinance Adding a New Subchapter 4.14 of the Colma Municipal Code, Relating to Bingo Games, and to Waive a Further Reading of the Ordinance; the motion was seconded by Council Member del Rosario and carried by the following vote:

Name	Voting		Present, Not Voting		Absent
	Aye	No	Abstain	Not Participating	
Diana Colvin, Mayor	✓				
Helen Fiscaro	✓				
Raquel "Rae" Gonzalez	✓				
Joseph Silva	✓				
Joanne F. del Rosario	✓				
	5	0			

8. PENINSULA CLEAN ENERGY

Vice Mayor Fiscaro announced that she had previously recused herself from discussion on this item when it was before the Council last year, in an effort to avoid any possible conflict of interest due to her former employment with PG&E. The Town just recently received formal advice from the FPPC that there is no conflict of interest; however, Vice Mayor Fiscaro has decided to recuse herself again because she did not participate in the initial discussion. She stepped down from the dais.

Director of Public Works Brad Donohue and City Attorney Christopher Diaz presented the staff report. Mayor Colvin opened the public hearing at 8:15 p.m. and seeing no one come forward to speak, she closed the public hearing. Council discussion followed. Gordon Tong of the San Mateo County Office of Sustainability answered Council questions.

Action: Council Member Gonzalez moved to Introduce an Ordinance Authorizing the Implementation of a Community Choice Aggregation Program Pursuant to CEQA Guidelines 15061(b)(3), 15308, and 15378, and to Waive a Further Reading of the Ordinance; the motion was seconded by Council Member Silva and carried by the following vote:

Name	Voting		Present, Not Voting		Absent
	Aye	No	Abstain	Not Participating	
Diana Colvin, Mayor	✓				
Helen Fiscaro				✓	
Raquel "Rae" Gonzalez	✓				
Joseph Silva	✓				
Joanne F. del Rosario	✓				
	4	0			

Action: Council Member del Rosario moved to Adopt a Resolution Authorizing and Directing the Mayor to Execute the Joint Exercise of Powers Agreement, Which Will Establish the Peninsula Clean Energy Authority with the Town as a Charter Member, and Appointing Joseph Silva as Director and Raquel Gonzalez as Alternate Director; the motion was seconded by Council Member Silva and carried by the following vote:

Name	Voting		Present, Not Voting		Absent
	Aye	No	Abstain	Not Participating	
Diana Colvin, Mayor	✓				
Helen Fisicaro				✓	
Raquel "Rae" Gonzalez	✓				
Joseph Silva	✓				
Joanne F. del Rosario	✓				
	5	0			

Council Member Fisicaro returned to the dais.

9. **COMMERCIAL CONDITIONAL USE PERMIT REQUIREMENT**

City Planner Michael Laughlin presented the staff report. Mayor Colvin opened the public hearing at 8:44 p.m. and seeing no one come forward to speak, she closed the public hearing. Council discussion followed.

Action: Vice Mayor Fisicaro moved to Introduce an Ordinance Amending Section 5.03.090 of the Colma Municipal Code Relating to Commercial Administrative Use Permits Pursuant to CEQA Guideline 15061(b)(3), and Waive a Further Reading of the Ordinance; the motion was seconded by Council Member Gonzalez and carried by the following vote:

Name	Voting		Present, Not Voting		Absent
	Aye	No	Abstain	Not Participating	
Diana Colvin, Mayor	✓				
Helen Fisicaro	✓				
Raquel "Rae" Gonzalez	✓				
Joseph Silva	✓				
Joanne F. del Rosario	✓				
	5	0			

COUNCIL CALENDARING

The next Regular City Council Meetings will be Wednesday, February 24, 2016 at 7:00 p.m. and Wednesday, March 9, 2016 at 7:00 p.m.

REPORTS

Diana Colvin

State of Our Cities, 1/21

Peninsula Reflections Chinese New Year Celebration, 2/8

Helen Fisicaro

State of Our Cities, 1/21

Chinese Hospital Outpatient Center Ribbon Cutting, 1/29

Peninsula Reflections Chinese New Year Celebration, 2/8

City Manager Sean Rabé reported on the following topics:

- Town Hall Mass Grading and Foundation Project is now underway.
- The Colma Police Department, Colma Fire Protection District and the Broadmoor Police Department are teaming up on an emergency preparedness training called Are You Ready? It will be held on Wednesday, March 30 at 6:30 p.m. at the Colma Community Center.

ADJOURNMENT

The meeting was adjourned by Mayor Colvin at 8:51 p.m.

Respectfully submitted,

Caitlin Corley
City Clerk



**ORDINANCE NO. ___
OF THE CITY COUNCIL OF THE TOWN OF COLMA**

**ORDINANCE ADDING A NEW SUBCHAPTER 4.14 OF THE
COLMA MUNICIPAL CODE, RELATING TO BINGO GAMES**

The City Council of the Town of Colma does ordain as follows:

ARTICLE 1. CMC SUBCHAPTER 4.14 ADDED.

A new subchapter 4.14, Bingo Games, is hereby added to Chapter 4, Business Activities to read as follows:

Subchapter 4.14: BINGO GAMES

4.14.010 Findings and Purpose

The purpose of this subchapter is to allow certain organizations to conduct bingo games in the Town of Colma consistent with California Penal Code Section 326.5. As used in this subchapter, "bingo" means a game of chance in which prizes are awarded on the basis of designated numbers or symbols on a card, which conform to numbers or symbols selected at random.

4.14.020 Organizations Eligible to Conduct Bingo Games

(a) Pursuant to the provisions of California Penal Code Section 326.5, Section 19 of Article IV of the State Constitution, and this subchapter, the following organizations are allowed to conduct bingo games in the Town of Colma, provided they first comply with the permit requirements of this subchapter, meet all other requirements of this subchapter and any other state or local laws, and provide an identifiable benefit to the Town or the community at large, provide a service that complements or enhances a service that the Town of Colma also provides to its residents or businesses; or provide a service that the Town could provide to its residents or businesses but chooses not to:

- (1) Organizations exempted from the payment of the bank and corporation tax by Sections 23701a, 23701b, 23701d, 23701e, 23701f, 23701g, 23701k, 23701w, and 23701l of the Revenue and Taxation Code;
- (2) Mobilehome park associations;
- (3) Senior citizens organizations; or
- (3) Charitable organizations affiliated with a school district.

4.14.030 Permit Required

(a) Any organization seeking to conduct a bingo game in the Town shall first file with the Chief of Police, a bingo application, including any required background check fee, or other fee, in an amount set by City Council resolution, or authorized by Penal Code Section 326.5.

- (b) The application shall provide the following information:
- (1) The name of the applicant organization and an explanation as to why the applicant is a qualified organization, as provided for in this subchapter, to conduct bingo;
 - (2) The name and signature of at least two officers, (including the presiding officer) of the organization;
 - (3) Any information deemed necessary by the City Planner and the Chief of Police to determine whether the proposed location for the bingo game meets the necessary requirements of the Town's Zoning Ordinance, General Plan, Building Code, and any other applicable state and local laws;
 - (4) A statement under penalty of perjury, certifying that the address at which the organization is seeking authority to conduct bingo games pursuant to this subchapter is the address of property owned or leased by the organization, or property donated to it and that is used by the organization for an office or for the performance of the purposes for which the organization is organized;
 - (5) The application shall include, as attachments, certificates of the Franchise Tax Board and the U.S. Internal Revenue Service establishing that the organization is currently exempted from the payment of the Bank and Corporation Tax pursuant to the applicable provisions of the Revenue and Taxation Code cited in this subchapter, or any other documentation necessary, as reasonably determined by the Chief of Police, to document how the organization meets the criteria of this subchapter; and
 - (6) A statement under penalty of perjury that the applicant has read and understands the provisions of California Penal Code Section 326.5.

4.14.040 Application Review

- (a) Upon receipt of an application, the Chief of Police shall conduct such investigation as he may deem necessary and proper into the background of the applicant and other persons to be associated with the conduct of the bingo games.
- (b) The City Planner shall review and approve the proposed location for the bingo game based on the applicable provisions of the Town's Zoning Ordinance, General Plan, Building Code, and any other applicable state and local laws. The City Planner shall have the discretion to disapprove of the proposed location based on the Town's Zoning Ordinance, General Plan, Building Code, and any other applicable state and local laws, including the protection of the public health, safety and welfare.
- (c) Upon completion of his or her investigation, the Chief of Police may approve or deny the application, in consultation with the City Planner, and may impose a requirement that security personnel be present during any proposed bingo game, along with any other conditions or requirements deemed necessary to ensure the public health, safety and welfare.

(d) Permits issued pursuant to this subchapter shall be valid for a one year period, and may be renewed annually thereafter without further payment of a processing fee;

(e) Notwithstanding the foregoing, an application shall be denied by the Chief of Police upon finding that any one of the following conditions exist or occur:

- (1) The applicant or any person financially interested in the organization has been convicted of a felony, an offense perpetrated with the use of deceit or fraud, or an offense involving moral turpitude;
- (2) The applicant has knowingly made a false, misleading, or fraudulent statement of facts in the application or another document required by the Town pursuant to this subchapter;
- (3) The applicant or any person financially interested in the organization is not of good moral character or reputation;
- (4) The bingo operation that is the subject of the application is not in compliance with applicable local and state laws.

4.14.050 Permit Revocation

(a) The Chief of Police may suspend, modify or revoke any permit issued pursuant to this subchapter if:

- (1) The information contained in the application is false or misleading, or
- (2) The bingo game authorized pursuant to the permit fails to comply with the provisions of Penal Code Section 326.5, the provisions of this subchapter, or the terms and conditions of the permit.

(b) The chief of police shall give written notice to the permittee at least ten days prior to the proposed suspension or revocation, and the notice shall set a hearing on the tenth day or a reasonable time thereafter. The permittee may attend the hearing and submit evidence and information as to whether the permit should be suspended, modified or revoked. The Chief of Police shall issue an order within ten days after the hearing date.

4.14.060 Disapproval, Suspension or Revocation of Permit - Appeals

(a) Any applicant whose application has been denied, or whose permit has been suspended or revoked, may appeal such action by filing with the City Manager a written notice of appeal within fifteen calendar days after the date of such action by the Chief of Police and by serving such notice personally by mail upon the Chief of Police.

(b) Upon receipt of a written notice of appeal, the City Manager, or his or her designee, shall fix a date for hearing the appeal, not more than thirty days from the date of the Town's receipt of the written notice of appeal. The City Manager shall also designate the time and place where the hearing is to be held. The Town shall provide at least ten days' written notice to the applicant of such hearing date and location.

(c) At any such hearing, the applicant shall be given the opportunity to be heard but formal rules of evidence shall not apply.

(d) The City Manager, or his or her designee, shall affirm, modify or reverse the action of the Chief of Police. The decision of the City Manager or his designee shall be final.

4.14.070 Location of Bingo Games; Hours of Operation

(a) An organization authorized to conduct bingo games shall conduct a bingo game only on property that has been reviewed and approved by the City Planner, and that is owned or leased by it, or property the use of which is donated to the organization for an office or for performance of the purposes for which the organization is organized.

(b) An organization authorized to conduct bingo games pursuant to this subchapter shall not conduct or operate any such game or games between the hours of midnight and 11:00 A.M.

4.14.080 Right to Inspect

The Chief of Police, or his or her designee, shall have the authority to inspect the premises and records of a permittee relating to bingo games at any reasonable time, including but not limited to times during which games are being conducted, to insure that the operation of bingo games does not constitute a violation of any applicable state or local law. All records relating to bingo games shall be maintained for at least three years. Failure to permit such inspection upon a reasonable notice shall be grounds for revocation or suspension of a permit.

4.14.090 Penalty

It shall be a misdemeanor for any person to receive a profit, wage or salary from any bingo game authorized under this subchapter. A violation of this section shall be punishable by a fine not to exceed ten thousand dollars, as provided in Section 326.5(c) of the Penal Code, which fine shall be deposited in the Town's general fund.

4.14.100 Minors

It shall be unlawful for any minor to participate in any bingo game.

4.14.110 Open to the Public

All bingo games allowed by this subchapter shall be open to the public, not just to the members of the nonprofit charitable organization.

4.14.120 Staffing

A bingo game shall be operated and staffed only by members of the nonprofit charitable organization which organized it. Such members shall not receive a profit, wage, or salary from the bingo game. Only the organization authorized to conduct a bingo game shall operate such game, or participate in the promotion, supervision, or any other phase of such game.

4.14.130 Financial Interest

It shall be unlawful for any individual, corporation, partnership, or other legal entity, except the organization authorized to conduct a bingo game, to hold a financial interest in the conduct of such bingo game.

4.14.140 Special Fund

(a) With respect to organizations exempt from payment of the bank and corporation tax by Section 23701d of the Revenue and Taxation Code, all profits derived from a bingo game shall be kept in a special fund or account and shall not be commingled with any other fund or account. Those profits shall be used only for charitable purposes.

(b) With respect to other organizations authorized to conduct bingo games pursuant to this subchapter, all proceeds derived from a bingo game shall be kept in a special fund or account and shall not be commingled with any other fund or account. Those proceeds shall be used only for charitable purposes, except as permitted in Penal Code section 326.5.

4.14.150 Participants to be Present

It shall be unlawful for any person to participate in a bingo game unless such person is physically present at the time and place in which the bingo game is being conducted.

4.14.160 Prizes

The total value of prizes awarded during the conduct of any bingo games shall not exceed five hundred dollars in cash or kind, or both, for each separate game which is held.

4.14.170 Conduct of Bingo Games

Except as otherwise provided in this subchapter, all bingo games shall be conducted in compliance with all applicable state and local laws, including Penal Code section 326.5.

ARTICLE 2. SEVERABILITY.

Each of the provisions of this ordinance is severable from all other provisions. If any article, section, subsection, paragraph, sentence, clause or phrase of this ordinance is for any reason held by a court of competent jurisdiction to be invalid, such decision shall not affect the validity of the remaining portions of this ordinance.

ARTICLE 3. NOT A CEQA PROJECT.

The City Council finds that adoption of this ordinance is not a "project," as defined in the California Environmental Quality Act (CEQA) because it does not have a potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment pursuant to CEQA Guideline 15061(b)(3) and concerns general policy and procedure making. Further, prior to the time a permit is issued, the Town shall determine whether individual CEQA review is required based on potential environmental impacts associated with a respective permit.

ARTICLE 4. EFFECTIVE DATE.

This ordinance including the vote for and against the same shall be posted in the office of the City Clerk and on the three (3) official bulletin boards of the Town of Colma within 15 days of its passage and shall take force and effect thirty (30) days after its passage.

Certification of Adoption

I certify that the foregoing Ordinance No. ### was introduced at a regular meeting of the City Council of the Town of Colma held on February 10, 2016, and duly adopted at a regular meeting of said City Council held on _____, 2016 by the following vote:

Name	Counted toward Quorum			Not Counted toward Quorum	
	Aye	No	Abstain	Present, Recused	Absent
Diana Colvin, Mayor					
Helen Fisicaro					
Raquel Gonzalez					
Joseph Silva					
Joanne del Rosario					
Voting Tally					

Dated _____

Diana Colvin, Mayor

Attest: _____
Caitlin Corley, City Clerk

ORDINANCE NO. ____
OF THE CITY COUNCIL OF THE TOWN OF COLMA

ORDINANCE AUTHORIZING THE IMPLEMENTATION
OF A COMMUNITY CHOICE AGGREGATION PROGRAM PURSUANT TO CEQA
GUIDELINES 15061(B)(3), 15308, AND 15378

The City Council of the Town of Colma does ordain as follows:

ARTICLE 1. FINDINGS

(a) The City Council of the Town of Colma has investigated options to provide electric services to customers within the Town, with the intent of achieving greater local control and involvement over the provision of electric services, competitive electric rates, the development of clean, local, renewable energy projects, reduced greenhouse gas emissions, and the wider implementation of energy conservation and efficiency projects and program.

(b) The County of San Mateo has prepared a Feasibility Study for a community choice aggregation (“CCA”) program in San Mateo County under the provisions of the Public Utilities Code section 366.2. The Feasibility Study shows that implementing a community choice aggregation program would provide multiple benefits, including:

- (1) Providing customers a choice of power providers;
- (2) Increasing local control and involvement in and collaboration on energy rates and other energy-related matters;
- (3) Providing more stable long-term electric rates that are competitive with those provided by the incumbent utility;
- (4) Reducing greenhouse gas emissions arising from electricity use within San Mateo County;
- (5) Increasing local renewable generation capacity;
- (6) Increasing energy conservation and efficiency projects and programs;
- (7) Increasing regional energy self-sufficiency;
- (8) Improving the local economy resulting from the implementation of local renewable and energy conservation and efficiency projects.

(c) The County of San Mateo Board of Supervisors has directed staff to bring for its approval a Joint Powers Agreement creating the Peninsula Clean Energy Authority (“Authority”). Under the Joint Powers Agreements, cities and towns within San Mateo County may participate in the Peninsula Clean Energy CCA program by adopting the resolution and ordinance required by Public Utilities Code section 366.2. Cities and towns choosing to participate in the CCA

program will have membership on the Board of Directors of the Authority as provided in the Joint Powers Agreements.

(d) The Authority will enter into Agreements with electric power suppliers and other service providers, and based upon those Agreements the Authority will be able to provide power to residents and business at rates that are competitive with those of the incumbent utility ("PG&E"). Once the California Public Utilities Commission approves the implementation plan created by the Authority, the Authority will provide service to customers within the unincorporated area of San Mateo County and within the jurisdiction of those cities who have chosen to participate in the CCA program.

(e) Under Public Utilities Code Section 366.2, customers have the right to opt-out of a CCA program and continue to receive service from the incumbent utility. Customers who wish to continue to receive service from the incumbent utility will be able to do so.

(f) On November 12, 2015, the City Council of the Town Colma had a presentation on the Peninsula Clean Energy CCA, and on February 10, 2016, the City Council of the Town of Colma held a public hearing at which time interested persons had an opportunity to testify either in support or opposition to implementation of the Peninsula Clean Energy CCA program in the Town.

ARTICLE 2. NOT A CEQA PROJECT

This ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to the State CEQA Guidelines, as it is not a "project" as it has no potential to result in a direct or reasonably foreseeable indirect physical change to the environment. (14 Cal. Code Regs. § 15378(a)). Further, the ordinance is exempt from CEQA as there is no possibility that the ordinance or its implementation would have a significant effect on the environment. (14 Cal. Code Regs. § 15061(b)(3)). The ordinance is also categorically exempt because it is an action taken by a regulatory agency to assume the maintenance, restoration, enhancement or protection of the environment. (14 Cal. Code Regs. § 15308).

ARTICLE 3. AUTHORIZATION TO IMPLEMENT CCA PROGRAM

The above findings are true and correct and material to this Ordinance. Based upon the forgoing, and in order to provide business and residents within the Town of Colma with a choice of power providers and with the benefits described above, the City Council of the Town of Colma hereby ordains that it shall implement a community choice aggregation program within its jurisdiction by participating as a group, with the County of San Mateo and other cities and towns as described above, in the Community Choice Aggregation program of the Peninsula Clean Energy Authority, as generally described in the Joint Powers Agreement.

ARTICLE 4. EFFECTIVE DATE

This ordinance including the vote for and against the same shall be posted in the office of the City Clerk and on the three (3) official bulletin boards of the Town of Colma within 15 days of its passage and shall take force and effect thirty (30) days after its adoption.

Certification of Adoption

I certify that the foregoing Ordinance No. ### was introduced at a regular meeting of the City Council of the Town of Colma held on February 10, 2016, and duly adopted at a regular meeting of said City Council held on _____, 2016 by the following vote:

Name	Counted toward Quorum			Not Counted toward Quorum	
	Aye	No	Abstain	Present, Recused	Absent
Diana Colvin, Mayor					
Helen Fisicaro					
Raquel Gonzalez					
Joseph Silva					
Joanne del Rosario					
Voting Tally					

Dated _____

Diana Colvin, Mayor

Attest: _____
Caitlin Corley, City Clerk



ORDINANCE NO. ____
OF THE CITY COUNCIL OF THE TOWN OF COLMA

**AN ORDINANCE AMENDING SECTION 5.03.090 OF THE COLMA MUNICIPAL CODE
RELATING TO COMMERCIAL ADMINISTRATIVE USE PERMITS PURSUANT TO CEQA
GUIDELINE 15061(b)(3)**

The City Council of the Town of Colma does ordain as follows:

ARTICLE 1. CMC SECTION 5.03.090 AMENDED.

Section 5.03.090 shall be and hereby is amended as follows:

(b) Uses Allowed in the "C" Zone upon issuance of an administrative use permit.

(1) The uses allowed in the "C" Zone with the issuance of a use permit pursuant to Section 5.03.090(c) may be permitted upon issuance of an administrative use permit, instead of a use permit, if the proposed use meets all of the following criteria:

- A. Will occupy an existing commercial building or occupy a tenant space within an existing commercial building; and
- B. Is within the same Building Code occupancy classification of the existing building; and
- C. Doesn't require any building modifications; and
- D. Will not exceed the available on-site parking

(2) This section shall not apply to the following uses, all of which still require a use permit pursuant to Section 5.03.090 (c):

- A. Uses which convert existing warehouse or light industrial space to office;
- B. Uses which convert existing warehouse or light industrial space to auto repair;
- C. Uses which convert retail space to a restaurant or bar; and
- D. Uses which convert warehouse or light industrial space to a use where hazardous materials use requires review by the San Mateo County Environmental Health Department based on responses to questions on their Hazardous Materials Notification Form.

(c) The following uses may be permitted in the "C" Zone upon issuance of a use permit in accordance with the procedures set forth:

- (1) A commercial establishment;

- (2) A single family dwelling or a multiple dwelling up to six units, provided the proposed residential density does not exceed that specified in the Colma General Plan;
- (3) Residential Planned Development on land identified in the Colma General Plan as suitable for residential uses, provided the proposed residential density does not exceed that specified in the Colma General Plan;
- (4) Supportive housing;
- (5) Transitional housing;
- (6) A light industrial establishment;
- (7) Communications structures;
- (8) Commercial center;
- (9) Retail Merchandising Unit; and
- (10) Such other uses which are found by the City Council to be of a similar nature to the above described uses.

[History: formerly §5.314; ORD. 234, 3/14/79; ORD. 309, 2/13/85; ORD. 425, 7/10/91; Ord. 506, 3/12/97; ORD. 638, 12/14/05; ORD. 720, 5/8/13; ORD. 728, 10/9/13; ORD. 737, 1/14/15; ORD. ____]

ARTICLE 2. SEVERABILITY.

Each of the provisions of this Ordinance is severable from all other provisions. If any article, section, subsection, paragraph, sentence, clause or phrase of this Ordinance is for any reason held by a court of competent jurisdiction to be invalid, such decision shall not affect the validity of the remaining portions of this Ordinance.

ARTICLE 3. NOT A CEQA PROJECT.

The City Council finds that adoption of this Ordinance is not a "project," as defined in the California Environmental Quality Act because it does not have a potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment and concerns general policy and procedure making.

ARTICLE 4. EFFECTIVE DATE.

This ordinance, or a summary thereof prepared by the City Attorney, shall be posted on the three (3) official bulletin boards of the Town of Colma within 15 days of its passage and is to take force and effect thirty (30) days after its passage.

Certificate of Adoption

I certify that the foregoing Ordinance No. ____ was duly introduced at a regular meeting of the City Council of the Town of Colma held on February 10, 2016 and duly adopted at a regular meeting of said City Council held on ____, 2016 by the following vote:

Name	Voting		Present, Not Voting		Absent
	Aye	No	Abstain	Not Participating	
Diana Colvin, Mayor					
Helen Fisicaro					
Raquel "Rae" Gonzalez					
Joseph Silva					
Joanne F. del Rosario					
<i>Voting Tally</i>					

Dated _____

Diana Colvin, Mayor

Attest: _____
Caitlin Corley, City Clerk





STAFF REPORT

TO: Mayor and Members of the City Council
 FROM: Paul S. Rankin, Contract Finance Director
 VIA: Sean Rabé, City Manager
 MEETING DATE: February 24, 2016
 SUBJECT: Mid-Year Budget Report and Adjustments to FY 2015/2016 Budget

RECOMMENDATION

Staff recommends that the City Council adopt the following resolution:

RESOLUTION AMENDING BUDGET APPROPRIATIONS FOR FISCAL YEAR 2015-2016
 INCLUDING TRANSFERS FOR CAPITAL PROJECTS

EXECUTIVE SUMMARY

On June 10, 2015 the City Council adopted a budget for the fiscal year which began July 1, 2015 and ends June 30, 2016. As with any plan, it is appropriate to monitor results and when appropriate make adjustments. Staff has developed a reformatted report to provide a quarterly high level review of the actual results compared to the budget. With half of the fiscal year now complete, input was solicited from Department Directors for any trends or events that would warrant an adjustment to the adopted budget. In addition to an examination of the General Fund activities, this report will also address other Special Revenue and Capital funds.

FISCAL IMPACT

The approval of this budget amendment resolution will not alter the existence of a balanced budget. Details of the financial impacts are discussed as part of the report.

BACKGROUND

The adoption of a budget is a financial plan which is based on estimates and projections. As such, it is appropriate to monitor actual activity throughout the year and to formally adopt modifications to the plan when necessary. The budgeted revenue is based largely on historical trend information. In the case of a major revenue, such as sales tax, the Town contracts with a specialized consultant in order to obtain detailed analysis.

ANALYSIS

New Format Quarterly Financial Highlights

Attachments A and B are quarterly reports related to revenue and expenditures primarily in the General Fund. In August, the Town transitioned to a new contract Finance Director, which

delayed the preparation of these reports. The intent is to produce the report on a regular basis, within 60 days of the end of a quarter. The format of the reports is intended to provide a high level snapshot of the fiscal performance for the Town operations. Staff also intends to include a copy on the Town website. For the purpose of this report the focus will be on the results presented in the report for the second quarter which ended December 31, 2015 (Attachment B).

Total Operating Budget For Revenue and Expenditures (All Funds)

The following provides a high level view of the adopted budget for Fiscal Year 2015-2016. This format helps to identify the significance of the General Fund activities compared to the special revenue funds and how the adopted budget included transfers between funds.

FISCAL YEAR 2015-2016 OPERATING BUDGET					
	General Fund	Gas Tax Fund	Measre A Fund	Police Grant (COPS)	TOTAL
REVENUE	\$16,803,220	\$43,670	\$50,000	\$100,000	\$16,996,890
OTHER SOURCES OF FUNDING/(TRANSFERS)	\$93,670	(\$43,670)	(\$50,000)		\$0
TOTAL SOURCE OF FUNDS	\$16,896,890	\$0	\$0	\$100,000	\$16,996,890
EXPENDITURES	(\$13,627,060)	\$0	\$0	(\$116,810)	(\$13,743,870)
OTHER USES OF FUNDS/(TRANSFERS)					
Transfer to Capital Projects	(\$1,762,000)				(\$1,762,000)
Transfer to Debt Service	(\$308,990)				(\$308,990)
Contribution To Reserves / (Use of Reserves)	\$1,198,840	\$0	\$0	(\$16,810)	\$1,182,030

Proposed Accounting Change – Special Revenue Fund Transfers

The Town has historically concentrated the reporting of nearly all activities in the General Fund and made transfers to the General Fund. The purpose of the transfers was to reimburse the General Fund for qualified expenditures in the Gas Tax or Measure A funds. In order to better track the restricted nature of the expenditures, a change was made to this practice with the preparation of the June 30, 2015 financial statements. Staff is proposing that the Gas Tax and Measure A expenditures are reported directly in the special revenue funds. This will be handled similar to the Police Grant funded expenditures.

Staff is also proposing that the Measure A and the majority of the Gas Tax funds be appropriated as part of Capital Project Budgets. One exception is the maintenance costs associated with traffic signals and roadway lighting. These contract expenses are eligible to be funded from gas tax.

The proposed adjustments to the budget will eliminate the fund transfers for Gas Tax and Measure A, and will appropriate \$18,600 in Gas Tax expenses for Traffic Signal and Street Lighting expense (Account #21-320-73005). Staff will report on the proposed use of the remaining Gas Tax and Measure A funds when a comprehensive Capital Improvement Plan is presented later this year.

General Fund Revenue

Total revenue budgeted in the General Fund is \$16.8 million. The source of this revenue is highly concentrated among four categories (92% is represented in only four revenue types). The following is a table showing the General Fund Revenue collected as of December 31, 2015 compared to the Adopted Budget.

GENERAL FUND REVENUE	FISCAL YEAR 2015-2016		
	Budget Fiscal Year	2nd Qtr Actual	% of Budget For Period
Sales Taxes	\$10,500,000	\$2,937,693	28.0%
Cardroom Taxes	3,850,000	1,548,484	40.2%
Property Taxes	521,900	281,480	53.9%
Sewer Fees	700,000	418,523	59.8%
Sub-Total Major Revenue	\$15,571,900	\$5,186,179	33.3%
Total All Gen Fund Revenue	\$16,803,222	\$5,589,170	
% of Total Revenue	92.7%	92.8%	

Although only one-third of budgeted revenue has been collected, no change is being recommended to the General Fund revenue at this time. The revenues do not always follow a consistent distribution throughout the year. The performance of both the sales tax and the cardroom tax are both performing at slightly less than would be expected for this time of year. The variance in Sales Tax collections is largely due to a change by the State in distribution of what is referred to as the "Triple Flip Revenue." The Town will receive a significant portion of this revenue later in the fiscal year than in the past.

Because the overall expenditures are less than revenue, any current variances do not create a financial concern. Staff will update the estimated revenue in the coming months as work begins on the Fiscal Year 2016/2017 Budget. Staff will also be preparing a comprehensive Capital Project Program.

General Fund Expenditures

The total budget for General Fund operating expenditures is approximately \$13.6 million. At the mid-point of the year overall expense is approximately 54% of the budgeted amount.

GENERAL FUND EXPENSE	FISCAL YEAR 2015-2016		
	Budget Fiscal Year	2nd Qtr Actual	% of Budget For Period
General Government	\$3,356,690	\$2,190,639	65.3%
Police	5,370,490	2,737,540	51.0%
Engineering / Building / Planning	1,466,000	498,291	34.0%
Public Works Maintenance	1,927,140	1,285,524	66.7%
Recreation Services	877,690	463,443	52.8%
Facility Maintenance	629,050	215,381	34.2%
TOTAL	\$13,627,060	\$7,390,819	54.2%

The most significant deviation occurs in the grouping labeled General Government. This groups together the activities of City Council, City Attorney, City Manager, Human Resources, Finance, and General Services. A pre-payment of retiree expenses in the current year is largely contributing to the current expenditures representing 65% of the budgeted expense.

In the first month of the Fiscal Year, the Town made a deposit to the Retiree Medical Trust, in the amount of \$521,270 which represented the estimated pay-as you go expense for Fiscal Year 2015-2016. This estimate was prepared as part of the Actuarial Report dated May 25, 2015. The Budget estimate for this line item was prepared in advance of this report and funded at \$466,000. Therefore an additional appropriation of \$55,270 is required. The full annual payment in made in July also skewed the reported spending in the General Government category for the first six months of the year.

All Department Directors completed additional review of the performance of individual Department budgets for the first six months. Although minor deviations may have occurred between individual line items, most can be balanced between savings in one line item compared to a small overage in another. One area where Finance is requesting an adjustment to the budget is with the budgeted benefits and particularly the PERS retirement costs.

In Fiscal Year 2015-2016, PERS significantly revised the manner in which they have agencies calculate the contributions for retirement costs. In the past, the Employer cost was presented as a percentage of applicable wages. This year there are two components: 1) Normal Costs – calculated as a percentage of wages; and 2) A Lump Sum payment representing a contribution towards the unfunded liabilities. PERS provided employers with what they estimated would be a blended cost for budgeting purposes. The PERS estimate was based on certain system wide assumptions. This methodology resulted in the budget being understated by \$95,573, which is spread across all departments with Town staff. Of this amount, \$64,094 is related to sworn safety PERS and \$31,479 is related to the PERS Miscellaneous plans. As part of this report, Staff is requesting an additional appropriation of \$95,573 to cover the increased PERS costs.

In addition, Finance Staff has identified the need for an additional appropriation of \$10,245 for benefit costs that were not budgeted with the transition of a part-time position to a full-time benefitted position. Outside of these changes to the benefits budget no other changes are recommended for General Fund expenditures.

New Police Traffic Safety Grant

The Police Department was successful in obtaining an Office of Traffic Safety grant which will allow for the replacement of outdated equipment and also offset a portion of Staff costs conducting special enforcement activities. This grant was not included in the adopted budget. Although the total grant is for \$30,700 the activities will occur in two different fiscal years. In the current year the Department will receive reimbursement for speed detection equipment and a message sign trailer (\$23,200). It is also estimated that \$3,750 in overtime costs will be reimbursed in the current year. Therefore, as a budget change, the Council will be approving new grant revenue of \$26,950 and grant expenditures in the same amount. The remaining \$3,750 in revenue and expense will be included in the Fiscal Year 2016-2017 proposed budget to be adopted in June.

Capital Project Carry-Over Appropriations

Capital projects are typically recorded in a separate Capital Improvement Fund (Fund#31). Included as part of the adopted budget was a transfer of \$1,762,000 from the General Fund to Fund 31. This funding was assigned to 10 different projects. The phase of the project to be funded varied (i.e. design, construction, etc.).

At the time the budget was adopted, the document assumed projects already underway would have total expenditures in Fiscal Year 2014-2015 of \$16,046,890. The actual expense recorded through June 30, 2015 was only \$3,186,182 (All Funds). This means that less General Fund resources were transferred to the Capital Project Fund.

The City has a clear process for adding the appropriations to projects as part of the annual budget. For projects that were already underway Staff is requesting that the City Council confirm the carry-over amounts which will be funded from a transfer from the General Fund.

PROJECT NUMBER - DESCRIPTION	CARRY-OVER
#947 Town Hall Remodel - Less Amt COP	\$7,439,191
#955 Irrigation System Enhancements	\$25,000
#956 Lawndale Landscape Improvements	\$100,000
#971 Sanitary System Improvements	\$106,000
#983 Access Control City Facilities	\$10,000
#985 GIS System Upgrade	\$25,105
#991 General Plan Update	\$38,650
TOTAL	\$7,743,946

In addition to the carry-over projects, prior year transfers were insufficient by \$47,219. The proposed current year transfer is recommended to include this amount so that the fund will be balanced.

The following is a summary of the total transfers that would be made from the General Fund as part of the updated budget.

General Fund Transfers For Capital Projects As Adjusted	
New Projects / Capital Appropriations In Adopted Budget	\$1,720,000
Carry-Over Projects Identified in Mid-Year Budget	7,743,946
Adjustment For Prior Year Projects	47,219
Total	\$9,511,165

The transfer amounts include an adjustment to the amount required for the Town Hall Renovation Project as a result of the debt financing completed last September. The Budget will appropriate \$5,102,500 from the Certificates of Participation (COP) Construction Fund.

A summary of the recommended budget adjustments for all changes discussed as part of this report is included in the attached resolution.

Summary General Fund Balance After Proposed Adjustments

The following Table depicts the changes in General Fund Reserve Balance as presented in the Adopted Budget compared to updated numbers based on the Mid-Year Report.

		General Fund As Adopted In Budget 6/2015	General Fund Including Mid-Year Adj
	Projected Beginning Balance 7/1/2015	\$19,077,000	\$28,117,913
	REVENUE	16,803,220	16,803,220
	OTHER SOURCES OF FUNDING/(TRANSFERS IN)	102,000	0
	TOTAL SOURCE OF FUNDS	\$35,982,220	\$44,921,133
	EXPENDITURES	(\$13,627,060)	(\$13,759,303)
	<u>OTHER USES OF FUNDS/(TRANSFERS OUT)</u>		
	Transfer to Capital Projects	(\$1,762,000)	(\$1,762,000)
	Transfer To Carry-Over Projects		(7,743,946)
	Adjustment Prior Year Projects		(47,219)
	Transfer to Debt Service	(308,990)	(308,990)
	Projected Ending Balance 6/30/2016	\$20,284,170	\$21,299,675
	<u>BREAKDOWN GENERAL FUND RESERVES</u>		
Committed	Debt Reduction	\$618,000	\$777,000
	Retiree Healthcare	1,042,000	42,000
	Budget Stabilization	13,627,000	13,759,303
Assigned	Litigation	100,000	100,000
	Insurance	100,000	100,000
	Disaster Response / Recovery	750,000	750,000
Unassigned		4,047,170	5,771,372
	Projected Ending Balance 6/30/2016	\$20,284,170	\$21,299,675

The table on the previous page accounts for some significant changes that transpired after the Budget was adopted. The following analysis highlights major contributing factors to the difference between the two columns:

- The projected beginning balance in the Budget on 7/1/2015 was \$19.1 million and the "Actual" was \$28.1 million. A significant portion of the difference was related to Capital Project Funding which was not expended in FY 2015/2016. In addition, the City financed \$5.1 million that was originally expected to be provided from the General Fund.
- No change has been made in projected revenue.
- The Mid-Year report eliminates "Transfers In" from Gas Tax and Measure A which reduces funds available in the General Fund by \$102,000.
- Total expenditures in the General Fund have been increased \$132,243 as part of Mid-Year Adjustments (Retiree Medical = +\$55,270; PERS = + \$95,573; Signal Expense To Be In Gas Tax -\$18,600)
- The Mid-Year Report accounts for \$7.791 million in Transfers from the General Fund to the Capital Project Fund for Carry-Over Projects and a Prior Year Adjustment.
- The projected ending General Fund balance at 6/30/2016 is approximately \$1 million greater than originally projected.
- The bottom portion of the table on the previous page distributes the balance between the Committed, Assigned, and Unassigned categories in accordance with City Council policy. The following adjustments were made to the amounts presented in the Mid-Year column:
 - The Debt Reduction line item was updated to reflect two years of the new debt service payment.
 - The Retiree Medical amount was reduced by \$1 million based on the action taken by the Council in June 2015 to transfer \$1 million to an OPEB Trust.
 - The Budget Stabilization amount was updated to reflect the Mid-Year Adjusted Expenditures.
 - The Unassigned amount has increased based on a higher beginning balance and the OPEB Trust contribution.

Reasons for the Recommended Action

The adoption of a budget adjustment is an appropriate level of fiscal control demonstrating the sound use of public funds.

COUNCIL ADOPTED VALUES

The Staff recommendation is consistent with the Council adopted values of:

- *Responsibility*: Making decisions after prudent consideration of their financial impact, taking into account the long-term financial needs of the agency, especially its financial stability.
- *Fairness*: Support the public's right to know and promote meaningful public involvement.

ALTERNATIVES

The information as presented has been at a high level. An alternative would be to request that staff return with a more detailed presentation of individual line items with analysis by the departments. This would need to be prepared for a future meeting and it would not be expected to result in significant budget changes beyond those discussed in this report.

CONCLUSION

Staff recommends that the City Council adopt the attached resolution approving the budget change.

ATTACHMENTS

- A. 1st Quarter Financial Report
- B. 2nd Quarter Financial Report
- C. Resolution Amending Budget Appropriations for Fiscal Year 2015-2016 Including Transfers for Capital Projects



QUARTERLY FINANCIAL REPORT FIRST QUARTER 2015-2016 (July 1, 2015 – September 30, 2015)

This report provides an overview and summarized information on the Town Finances. For the Town of Colma, the General Fund represents the most significant portion of the annual revenue and expenditures. Therefore, the focus of the report will be on the performance of the General Fund, unless otherwise noted. The format of the report compares data from the Prior Year actual results to the Current Year Budget / Quarterly Actual. The current year amounts presented provide preliminary information and are subject to adjustments.

GENERAL FUND FINANCIAL POSITION

In Fiscal Year 2015-2016 the General Fund includes budgeted revenue of approximately \$16.8 million and budgeted expenditures of \$13.6 million. In addition the General Fund has net budgeted transfers of approximately \$2 million. A transfer represents resources in one fund that are transferred to another fund. The primary transfers in the current year budget are for Capital Project funding and Debt Service.

	FISCAL YEAR 2014-2015			FISCAL YEAR 2015-2016		
	Actual Fiscal Year	1st Qtr Actual	% Actual For Period	Budget Fiscal Year	1st Qtr Actual	% of Budget For Period
Revenue	\$16,526,223	\$1,617,500	9.8%	\$16,803,222	\$1,354,052	8.1%
Expenditures	-12,948,463	-3,897,752	30.1%	-13,627,060	-4,960,994	36.4%
Net Transfers In / (Out)	-2,927,828	0		-1,977,320	0	
Net Change	649,932	-2,280,253		1,198,842	-3,606,941	
Beginning Balance	27,467,979	27,467,979		20,284,000	28,117,911	
Balance Year To Date	28,117,911	25,187,726		21,482,842	24,510,969	

MAJOR GENERAL FUND REVENUE SOURCES

Over 90 percent of the budgeted General Fund Revenues are concentrated in four revenue types. Revenues collected are not evenly distributed from month to month.

	FISCAL YEAR 2014-2015			FISCAL YEAR 2015-2016		
	Actual Fiscal Year	1st Qtr Actual	% Actual For Period	Budget Fiscal Year	1st Qtr Actual	% of Budget For Period
Sales Taxes	\$10,327,853	\$761,356	7.4%	\$10,500,000	\$552,800	5.3%
Cardroom Taxes	3,774,885	702,634	18.6%	3,850,000	625,725	16.3%
Property Taxes	552,017	450	0.1%	521,900	746	0.1%
Sewer Fees	758,019	0	0.0%	700,000	0	0.0%
Sub-Total Major Revenue	\$15,412,773	\$1,464,439	9.5%	\$15,571,900	\$1,179,271	7.6%
Total All Gen Fund Revenue	\$16,526,223	\$1,617,500		\$16,803,222	\$1,354,052	
% of Total Revenue	93.3%	90.5%		92.7%	87.1%	

As shown in the previous table less than 10% of the General Fund Revenue is typically collected in the first quarter. A narrative explanation is provided below for key deviations.

MAJOR REVENUE (Continued)

- Sales Tax revenue in the first quarter represents mostly advances received and the Board of Equalization will issue a clean-up payment in the next quarter.
- Sales Tax in the previous year included a payment that was accrued in the first quarter and it was not repeated in the current year.
- Cardroom taxes can fluctuate from year to year based on a variety of factors. The adopted budget for Fiscal Year 2015-2016 is approximately 2 percent above the actual amount collected in the prior year.
- Sewer Fees are collected on the Property Tax bill. The majority of payments collected on the Property Tax bill are received in December and April.

GENERAL FUND EXPENDITURES

When compared to the prior year performance expenditures in the first quarter were higher in the current year. A significant contributing factor is that the Town made prepayments of certain expenses in the first quarter of Fiscal Year 2015-2016.

	FISCAL YEAR 2014-2015			FISCAL YEAR 2015-2016		
	Actual Fiscal Year	1st Qtr Actual	% Actual For Period	Budget Fiscal Year	1st Qtr Actual	% of Budget For Period
General Government	\$3,903,935	\$1,046,642	26.8%	\$3,356,690	\$1,689,368	50.3%
Police	4,728,613	1,175,819	24.9%	5,370,490	1,632,757	30.4%
Engineering / Building / Planning	1,256,815	247,539	19.7%	1,466,000	198,605	13.5%
Public Works Maintenance	1,712,167	1,086,037	63.4%	1,927,140	1,088,967	56.5%
Recreation Services	824,248	237,353	28.8%	877,690	257,546	29.3%
Facility Maintenance	522,685	104,363	20.0%	629,050	93,750	14.9%
TOTAL	\$12,948,463	\$3,897,752	30.1%	\$13,627,060	\$4,960,994	36.4%

- The retiree medical expense is reported entirely under the General Government category. With the establishment of an OPEB Trust the entire annual estimated contribution was paid into the Trust in July 2016. In the previous year monthly payments were made.
- The amount contributed to the Trust was based on a May 25, 2015 Actuarial report received after the preliminary budget was prepared. A budget increase of \$55,270 will be needed.
- Because the reimbursement was submitted in the second quarter, the expense reported for Retiree Medical insurance was overstated in the first quarter.
- In Fiscal Year 2015/2016 PERS requires a fixed payment towards the unfunded liability. The Town made a pre-payment of the amount due in order to take advantage of a discount.

The following table also displays the expenses organized by expenditure type.

	FISCAL YEAR 2014-2015			FISCAL YEAR 2015-2016		
	Actual Fiscal Year	1st Qtr Actual	% Actual For Period	Budget Fiscal Year	1st Qtr Actual	% of Budget For Period
Salaries & Benefits	\$7,503,292	\$1,667,075	22.2%	\$7,266,590	\$2,811,757	38.7%
Operating Services & Supplies	1,397,540	336,248	14.4%	1,745,880	320,402	18.4%
Contractual / Professional Services	2,330,175	474,121	20.3%	2,557,100	363,562	14.2%
Infrastructure Maint Contract Svcs	309,107	52,163	16.9%	449,800	55,450	12.3%
Sewer Services	938,126	907,909	96.8%	1,024,400	916,467	89.5%
Insurance (Liability / Property)	470,222	460,236	97.9%	583,290	493,355	84.6%
TOTAL	\$12,948,463	\$3,897,752	30.1%	\$13,627,060	\$4,960,994	36.4%

Overall the expenditures for the first quarter are expected to trend within the adopted budget.

Information related to significant deviations are discussed below:

- As shown in the previous table salaries and benefits are the most significant portion of General Fund expenditures. The increased spending in the first quarter of FY 2015-2016, compared to the previous year, reflects the pre-payment of retirement related expenses discussed above.
- Contract services include a variety of professional as well as service contracts associated with providing Town services.
- Sewer Service Charges are near the full budgeted amount after the first quarter. This is a typical pattern as the collection and treatment system payments to the providers are made early in the Fiscal Year.
- Insurance costs are near the full budgeted amount after the first quarter. This is a typical pattern as most of these costs are insurance premiums. The premium payment is due in the first month of the Fiscal Year.

ADDITIONAL DETAILS AND INFORMATION

This is a new format prepared by the Finance Department to highlight in summary fashion key indicators of the Town Financial performance. Additional details are available on the Town website www.colma.ca.gov.





QUARTERLY FINANCIAL REPORT SECOND QUARTER 2015-2016 (October 1, 2015 – December 31, 2015)

This report provides an overview and summarized information on the Town Finances. For the Town of Colma, the General Fund represents the most significant portion of the annual revenue and expenditures. Therefore, the focus of the report will be on the performance of the General Fund, unless otherwise noted. The format of the report compares data from the Prior Year actual results to the Current Year Budget / Quarterly Actual. The current year amounts presented provide preliminary information and are subject to adjustments.

GENERAL FUND FINANCIAL POSITION

In Fiscal Year 2015-2016 the General Fund includes budgeted revenue of approximately \$16.8 million and budgeted expenditures of \$13.6 million. In addition the General Fund has net budgeted transfers of approximately \$2 million. A transfer represents resources in one fund that are transferred to another fund. The primary transfers in the current year budget are for Capital Project funding and Debt Service. As of the second quarter none of the budgeted transfers have been posted.

	FISCAL YEAR 2014-2015			FISCAL YEAR 2015-2016		
	Actual Fiscal Year	2nd Qtr Actual	% Actual For Period	Budget Fiscal Year	2nd Qtr Actual	% of Budget For Period
Revenue	\$16,526,223	\$6,577,841	39.8%	\$16,803,222	\$5,589,170	33.3%
Expenditures	-12,948,463	-6,519,163	50.3%	-13,627,060	-7,390,819	54.2%
Net Transfers In / (Out)	-2,927,828	0		-1,977,320	0	
Net Change	649,932	58,678		1,198,842	-1,801,649	
Beginning Balance	27,467,979	27,467,979		20,284,000	28,117,911	
Balance Year To Date	28,117,911	27,526,657		21,482,842	26,316,262	

MAJOR GENERAL FUND REVENUE SOURCES

Over 90 percent of the budgeted General Fund Revenues are concentrated in four revenue types. Revenues collected are not evenly distributed from month to month.

	FISCAL YEAR 2014-2015			FISCAL YEAR 2015-2016		
	Actual Fiscal Year	2nd Qtr Actual	% Actual For Period	Budget Fiscal Year	2nd Qtr Actual	% of Budget For Period
Sales Taxes	\$10,327,853	\$3,876,064	37.5%	\$10,500,000	\$2,937,693	28.0%
Cardroom Taxes	3,774,885	1,629,275	43.2%	3,850,000	1,548,484	40.2%
Property Taxes	552,017	219,060	39.7%	521,900	281,480	53.9%
Sewer Fees	758,019	379,277	50.0%	700,000	418,523	59.8%
Sub-Total Major Revenue	\$15,412,773	\$6,103,675	39.6%	\$15,571,900	\$5,186,179	33.3%
Total All Gen Fund Revenue	\$16,526,223	\$6,577,841		\$16,803,222	\$5,589,170	
% of Total Revenue	93.3%	92.8%		92.7%	92.8%	

As shown in the previous table approximately one-third of the General Fund Revenue was collected in the first six months of the fiscal year. A narrative explanation is provided below for key deviations.

MAJOR REVENUE (Continued)

- Sales Tax revenue in the first quarter represents actual retail transactions through September 30th plus advances received for the second quarter from the Board of Equalization.
- Sales Tax in the previous year included a payment that was accrued in the first quarter and it was not repeated in the current year. This related to triple flip reimbursements from the State of California.
- This is the final year of the State Sales Tax Triple Flip (a portion of the sales tax is distributed from the State to the County and then to the City). The State has changed the distribution methodology and a larger amount of these funds will be received at the end of the year.
- Cardroom taxes can fluctuate from year to year based on a variety of factors. The adopted budget for Fiscal Year 2015-2016 is approximately 2 percent above the actual amount collected in the prior year. Through the first six months this revenue source continues to lag compare to the previous year.
- Property taxes for the current year reflect the first of two major installments. The amount recorded is slightly more than 50% which reflects a small positive variance based on new assessed values.
- At year-end in fiscal year 2014/2015 Vehicle License Fees In-Lieu of Property tax were reclassified as a Property Tax revenue. This explains why the property tax recorded in December 2014 was not closer to 50%.
- Sewer Fees are collected on the Property Tax bill. The fees represent the first of two major installments received from the Property Tax bill payments.
- Based on the amount of sewer fees collected in the previous fiscal year the current year revenue is expected to exceed the budget.

GENERAL FUND EXPENDITURES

When compared to the prior year performance expenditures through the second quarter were higher in the current year. A significant contributing factor is that the Town made prepayments of certain expenses in the first quarter of Fiscal Year 2015-2016.

	FISCAL YEAR 2014-2015			FISCAL YEAR 2015-2016		
	Actual Fiscal Year	2nd Qtr Actual	% Actual For Period	Budget Fiscal Year	2nd Qtr Actual	% of Budget For Period
General Government	\$3,903,935	\$1,717,470	44.0%	\$3,356,690	\$2,190,639	65.3%
Police	4,728,613	2,296,223	48.6%	5,370,490	2,737,540	51.0%
Engineering / Building / Planning	1,256,815	534,270	42.5%	1,466,000	498,291	34.0%
Public Works Maintenance	1,712,167	1,322,055	77.2%	1,927,140	1,285,524	66.7%
Recreation Services	824,248	428,628	52.0%	877,690	463,443	52.8%
Facility Maintenance	522,685	220,517	42.2%	629,050	215,381	34.2%
TOTAL	\$12,948,463	\$6,519,163	50.3%	\$13,627,060	\$7,390,819	54.2%

- The retiree medical expense is reported entirely under the General Government category. With the establishment of an OPEB Trust the entire annual estimated contribution was paid into the Trust in July 2016. In the previous year monthly payments were made.

- The amount contributed to the Trust was based on a May 25, 2015 Actuarial report received after the preliminary budget was prepared. A budget increase of \$55,270 will be needed.
- In Fiscal Year 2015/2016 PERS requires a fixed payment towards the unfunded liability. The Town made a pre-payment of the amount due in order to take advantage of a discount.

The following table also displays the expenses organized by expenditure type.

	FISCAL YEAR 2014-2015			FISCAL YEAR 2015-2016		
	Actual Fiscal Year	2nd Qtr Actual	% Actual For Period	Budget Fiscal Year	2nd Qtr Actual	% of Budget For Period
Salaries & Benefits	\$7,503,292	\$3,171,525	42.3%	\$7,266,590	\$4,095,644	56.4%
Operating Services & Supplies	1,397,540	735,813	31.6%	1,745,880	802,037	45.9%
Contractual / Professional Services	2,330,175	1,088,254	46.7%	2,557,100	902,829	35.3%
Infrastructure Maint Contract Svcs	309,107	153,339	49.6%	449,800	165,125	36.7%
Sewer Services	938,126	909,997	97.0%	1,024,400	918,555	89.7%
Insurance (Liability / Property)	470,222	460,236	97.9%	583,290	506,629	86.9%
TOTAL	\$12,948,463	\$6,519,163	50.3%	\$13,627,060	\$7,390,819	54.2%

Overall the expenditures for the first quarter are expected to trend within the adopted budget. Information related to significant deviations are discussed below:

- As shown in the previous table salaries and benefits are the most significant portion of General Fund expenditures. The increased spending in the two quarters of FY 2015-2016, compared to the previous year, reflects the pre-payment of retirement related expenses discussed above.
- Contract services include a variety of professional as well as service contracts associated with providing Town services. There can sometimes be a lag in the billing from the service provider.
- Sewer Service costs are near 90% of the budget. This is a typical pattern as the collection and treatment system payments to the providers are made early in the Fiscal Year. The remainder of the budgeted expenses would be associated with maintenance expense on the system during the year.
- A significant portion of the Insurance expense has been incurred. This is a typical pattern as most of these costs are insurance premiums. The premium payment for liability and property insurance is due in the first month of the Fiscal Year.

ADDITIONAL DETAILS AND INFORMATION

This is a new format prepared by the Finance Department to highlight in summary fashion key indicators of the Town Financial performance. Additional details are available on the Town website www.colma.ca.gov.



**RESOLUTION NO. 2016-##
OF THE CITY COUNCIL OF THE TOWN OF COLMA**

**RESOLUTION AMENDING BUDGET APPROPRIATIONS FOR FISCAL YEAR 2015-2016
INCLUDING TRANSFERS FOR CAPITAL PROJECTS**

The City Council of the Town of Colma does hereby resolve:

1. Background

- (a) The City Council adopted a budget for Fiscal Year 2015-16, on June 10, 2015; and
- (b) On February 24, 2016 at a public meeting the City Council received a Mid-Year Financial Report, which analyzed Revenue and Expenditures over the first six months of the Fiscal Year; and
- (c) The Mid-Year Report identified various adjustments required to the budgeted appropriations based on updated estimates and all closing entries to the previous Fiscal Year.
- (d) The adopted Budget policy provides that the City Council shall approve the budget amendments identified in the report.
- (e) The approval of the Budget Adjustment shall continue to result in a balanced budget with current year General Fund Operating Revenue exceeding the amount of current Year General Fund Operating Expenses; and
- (f) The Budget Adjustment accounts Revenue and Expenditures associated with a Traffic Safety Grant awarded after the Budget was adopted.
- (g) The Transfers from the General Fund to the Capital Project Fund for "Project Carry-Overs" are consistent with prior actions by the City Council.
- (h) The City Council has duly considered the Staff Report and public comments, if any, thereon.

2. Finding

The City Council finds that based on changes since the Original Budget was adopted that it is appropriate to have the City Council approve an adjustment to the Fiscal Year 2015-2016 Colma Budget. The City Council finds that the total expenditures in the 2015-16 Budget, after the proposed amendment does not exceed the appropriations limits for fiscal year 2015-16, which is \$40,571,393.93.

3. Amendment to Budget

- (a) The Fiscal Year 2015-2016 Budget is amended as shown in the schedule attached as Exhibit A and by reference incorporated herein.
- (b) The City Manager shall insure that the changes are incorporated in the official Finance and Accounting systems as summarized in Exhibit A.

Certification of Adoption

I certify that the foregoing Resolution No. 2016-## was duly adopted at a regular meeting of the City Council of the Town of Colma held on February 24, 2016, by the following vote:

Name	Counted toward Quorum			Not Counted toward Quorum	
	Aye	No	Abstain	Present, Recused	Absent
Diana Colvin, Mayor					
Helen Fisicaro					
Raquel Gonzalez					
Joseph Silva					
Joanne del Rosario					
<i>Voting Tally</i>					

Dated _____

Diana Colvin, Mayor

Attest: _____
Caitlin Corley, City Clerk

Attached: Exhibit A

FY 2015/2016 TOWN OF COLMA - EXHIBIT A TO RESOLUTION				
BUDGET CHANGE PRESENTED FOR CITY COUNCIL APPROVAL FEBRUARY 24, 2016				
Budget Section Impacted	Account	Increase Budget Amount	Decrease Budget Amount	Reason
REVENUE : TRANSFER - State Gas Tax Fund	11-39002		(43,760)	Authorized expenses will be accounted for directly in the Gas Tax Fund. Any amounts not appropriated for Operating Expense will be accounted for as part of a future Capital Project Appropriation
REVENUE : TRANSFER - Measure A Fund	11-39003		(50,000)	Funds will be accounted for as part of a future Capital Project Appropriation
EXPENDITURE: General Fund - St Maintenance - Signals & St. Lights	11-320-73005		(18,600)	Qualified Gas Tax expense that will be reported in the Gas Tax Fund
EXPENDITURE: Gas Tax Fund - St Maintenance - Signals & St. Lights	21-320-73005	18,600		Establish Budget directly in the Gas Tax Fund
EXPENDITURE: General Fund - City Mgr Department - Retiree Medical	11-140-52017	55,270		Estimate in Actuarial Report was higher than amount budgeted
EXPENDITURE: General Fund - Various Departments - PERS Retirement Misc.	11-###-52001	31,479		Adjust Retirement expense to account difference in estimate of lump sum payment towards unfunded liabilities.
EXPENDITURE: General Fund - Various Departments - PERS Retirement Safety	11-2##-52002	64,094		Adjust Retirement expense to account difference in estimate of lump sum payment towards unfunded liabilities.
EXPENDITURE: General Fund - City Clerk Department - Benefits	\$10,435			Budget for benefits associated with position approved in Budget as transition from part-time to benefitted position
	Health Insurance 11-140-52007	8,051		
	Dental Insurance 11-140-52008	2,060		
	Life Insurance 11-140-52009	263		
REVENUE : State Traffic Safety Grant - Police Grant Fund	29-35122	26,950		FY 2015-2016 portion of Traffic Safety Federal Grant awarded after the budget was adopted
EXPENDITURE: State Traffic Safety Grant - Police Grant Fund - Overtime	29-220-51004	3,750		FY 2015-2016 overtime expense as part of Traffic Safety Grant awarded after the budget was adopted
EXPENDITURE: State Traffic Safety Grant - Police Grant Fund - Equipment	29-220-80001	23,200		FY 2015-2016 equipment expense as part of Traffic Safety Grant awarded after the budget was adopted
USE OF FUND BALANCE / TRANSFERS FROM GENERAL FUND TO CAPITAL PROJECT FUND		7,680,191		Carry-over transfers from General Fund to Capital Project Fund for projects underway in a prior year
#947 Town Hall Remodel - Less Amt COP	\$7,439,191			
#955 Irrigation System Enhancements	\$25,000			
#956 Lawndale Landscape Improvements	\$100,000			
#971 Sanitary System Improvements	\$106,000			
#983 Access Control City Facilities	\$10,000			
#985 GIS System Upgrade	\$25,105			
#991 General Plan Update	\$38,650			
Transfer -eliminate prior year recorded shortfall	\$47,219			
GRAND TOTAL TRANSFER OUT FUND #11 (Gen Fund) TRANSFER IN FUND #31 (CIP Fund)	\$7,680,191			
EXPENDITURE: COP - Capital Projects Fund - Town Hall - Construction	33-947-81003	5,102,500		Appropriate the proceeds from the Sept 2015 COP Issuance for Town Hall Remodel





STAFF REPORT

TO: Mayor and Members of the City Council
 FROM: Roger Peters, Project Manager
 VIA: Sean Rabé, City Manager
 MEETING DATE: February 24, 2016
 SUBJECT: Recyclables, Organic Waste and Garbage Collection and Processing Services

RECOMMENDATION

The City Manager's Evaluation Committee recommends that the City Council adopt the following resolution:

RESOLUTION AUTHORIZING THE CITY MANAGER TO NEGOTIATE AN EXCLUSIVE FRANCHISE AGREEMENT WITH REPUBLIC SERVICES, INC. FOR THE COLLECTION AND PROCESSING OF RECYCLABLES AND ORGANICS, AND THE COLLECTION AND DISPOSAL OF GARBAGE FROM SEPTEMBER 1, 2016 THROUGH AUGUST 30, 2026

EXECUTIVE SUMMARY

The proposed resolution authorizes negotiation of franchise agreement requiring Republic Services, Inc. ("Republic") to collect garbage, recyclable materials, food waste and yard trimmings ("discarded materials") from all residential and commercial properties in Colma and to transport the discarded materials to approved facilities for processing, transformation, re-use or disposal. Under the proposed agreement, the contractor must provide services and programs described in this and previous Staff Reports and meet the following diversion goals: 24% from 2018 to 2020; 31% from 2020 to 2022; 37% from 2022 to 2024; 43% from 2024 to 2026. Republic's sole compensation for all services shall be revenues from rates approved by the City Council and proceeds from the sale of recyclable materials.

Both Republic and South San Francisco Scavenger Co., Inc. ("Scavenger" or "SSFSC") are well-qualified to provide waste hauling and recycling services to the Town and their respective proposals meet or exceed all requirements of the Town. While there are some distinguishing features between the two, were it not for one item, the Committee was equally split on recommending which of the two should be selected.

The determinative factor in the Committee's decision was the substantial differences in customer rates for roll-off box services. Republic's and Scavenger's customer rates for residential and commercial collection services were virtually the same; however, Scavenger's roll-off rates are significantly higher (50+ %) than Republic's. The differences in the proposed roll-off box rates led the committee, by majority vote, to recommend Republic.

This Staff Report will focus on the material differences between the proposals from Republic and Scavenger and will not repeat other information that was presented in previous Staff Reports or that can be found in original source documents. Specifically, this Staff Report will explain the differing roll-off rate proposals, the alternative recommendation, and the Evaluation Committee's comments.

The original source documents include the Proposals from Republic and Scavenger and supplemental information from the two companies such as details about organics collections, route changes, environmental impacts, estimated revenues from residential and commercial services, migration from larger to smaller size containers, customer rates, and a host of other topics. The original source documents, along with prior Staff Reports to the City Council, are listed in Exhibit A, *List of Documents Related to Proposals for Collection, Processing and Recycling Services*, and are available at the City Clerk's Office at Town Hall.

BACKGROUND

Prior and Current Service Providers

Some time before 1997, Browning Ferris Industries (BFI) and Scavenger began solid waste collection services on a non-exclusive basis to the Town of Colma. In 1997, the Town of Colma entered into franchise agreements with BFI and Scavenger. The Town granted an exclusive franchise to BFI to provide garbage collection services to residences in the Sterling Park area and to Scavenger, to certain identified residences at the south end of Colma. The Town granted non-exclusive permits to both companies to serve the commercial properties in Colma. BFI was merged into Allied Waste Systems in 1999 which in turn was acquired by Republic in 2008. These franchise agreements were replaced by exclusive franchise agreements that took effect in 2010. Under those agreements, Republic serves most residences and businesses located north of Serramonte Boulevard, SSFSC serves most residences and businesses located south of Serramonte Boulevard, and Recology serves ten businesses located in the central part of town.

Since 2010, Recology Peninsula Services has been serving ten businesses located in various locations in Colma, at first under a permit granted by the Town of Colma and later, under an exclusive franchise agreement.

These franchise agreements to Republic, Scavenger and Recology will expire on August 30, 2016.

Development of the RFP

The Request for Proposals (RFP) for collection and processing of recyclables, organic waste and garbage was developed after an extensive process that included input from the City Council, staff, an outside expert-consultant, and residents and business leaders.

Staff retained R3 Consulting Group, with Richard Tagore-Erwin as the lead, to advise the Town on development of the RFP and a draft Franchise Agreement and to analyze each bidder's proposal, including its proposed rate structure.

The Town hosted a lunch with business leaders on February 24, 2015 to discuss the upcoming Request for Proposals and to obtain their opinions on what was working well with garbage services, what needed improvement, and what they thought about the proposed new programs. Similarly, the Town hosted a complimentary taco bar and ice cream social on March 4 where the residents were able to provide their feedback on the upcoming RFP. Both meetings were

widely publicized in *LiveWire*, and through the distribution of door hangers and flyers to residences and businesses. At the meeting of business leaders, several participants approved the suggestions for requiring improved onsite recycling technical assistance, more education and training of their employees, and improved outreach and labeling of containers. One participant suggested that the Town require that developers and builders set aside sufficient space in new developments for recycling and solid waste containers. At the meeting with residents, several persons expressed strong support for programs to collect food scraps household hazardous waste and for better education and outreach.

A public meeting was held by the City Council on March 11, 2015 during which staff outlined the main deal points of the draft Franchise Agreement, including the initial term and term extensions, maximum rates chargeable by the proposers, required services and programs, and performance standards. After hearing from the public, Council members provided staff with their comments and opinions, and directed staff to draft the RFP. The draft RFP was then made available to the public for review and comment.

Evaluation of Proposals from Republic and Scavenger

In mid-2015, the City Manager appointed a committee -- comprised of Richard Tagore-Erwin, the Town's consultant; Ken Varner, John Goodwin and Mary Brodzin, representing the Town's businesses and residents; and staff members Brad Donohue, Kathleen Gallagher, Sean Rabé and the author, to review and evaluate the proposals to provide garbage services. The committee interviewed the management teams from Republic and SSFSC; visited the Blue Line Transfer Station, where SSSFC's offices, customer service center, corporation yard, materials recovery facility, transfer station, and anaerobic digestion (AD) facility are located, and the Newby Island Recyclery, where Republic's automated materials recovery facility is located; and met to discuss each company's qualifications, technical proposals, plans, rate proposals.¹

Committee members carefully scrutinized both proposals as well as responses to specific follow-up questions about each company's proposals such as questions about back or side yard residential collection service, environmental impacts, modification of roll-off services, customer routes, migration of accounts from larger-sized to smaller-sized containers, and tracking of waste collected in Colma.

At a City Council study session on October 28, the committee presented a summary comparison of the two proposals,² and Republic and Scavenger presented information about their respective qualifications, technical proposals, and diversion plans.

A study session was scheduled for November 12 to hear each company's proposed rate schedules. The Staff Report for the study session noted that Republic had not agreed to use the Town-proposed method for determining future rate increases but had instead proposed using a "true-up"³ in two years or the Water, Sewer, Trash index for determining future rate increases.

¹ The committee met seven times, i.e., on September 2, October 6, 8, 13 and 28, November 23, 2015 and January 27, 2016.

² See Table Comparing Services and Programs Offered by Republic and SSFSC at pages 5-8 in the Staff Report for October 28, 2015 meeting.

³ The term "true-up" means to revise the charges and costs that are specified in an agreement after the commencement of the contract. At the negotiations stage of some contracts, the parties tentatively decide on the costs and charges that will be incurred in the execution of their obligations under the contract. They also agree to "true up" or revise the charges based on the final costs that will be involved in carrying out the obligations in the agreement.

The Staff Report posed the question whether Republic's proposal should be rejected pursuant to section 8.1 of the RFP. On November 11, Republic sent the Town a letter purporting to clarify its previous responses related to compensation adjustments. In that letter, Republic stated that it was always "ready, willing and able to enter into a franchise agreement with no provision for future compensation increases except as provided in Article 7 of the draft Franchise Agreement." This information was presented to the City Council at the November 12th study session. The next day, SSFSC submitted a letter to the Town asking that it be allowed to modify its proposed rate schedule because the Town had allowed Republic to clarify its rate schedule.

On November 30, the Town rejected both rate proposals and invited Republic and Scavenger to re-submit rate proposals. Republic and SSFSC timely submitted revised rate schedules. Staff sought and obtained further information from both companies about the revised schedules, which was analyzed by the Town's consultants. At a City Council study session on January 27, 2016, staff presented comparisons of the revised customer rate schedules of the two companies.

ANALYSIS

Rate Proposals

For each different type of service offered by each proposer, there is a rate⁴ for that service, and each proposer's rate schedule has over 50 different rates. To simplify the analysis, this report will use a sampling of the most common types of services, which are:

<i>Type of Service</i>	<i>Customers</i> ⁵
32-gal residential service	320
64-gal residential service	28
32-gal commercial service	5
1 cu yd. - 1x week commercial services	13
2 cu yd. – 1x week commercial services	7
3 cu yd. – 1x week commercial services	8
4 cu yd. – 2x week commercial services	10
20 cu yd. roll-off box services	5
40 cu yd. roll-off box services	3

Staff estimates that there are 364 single-family dwelling units that should receive waste collection services; five multi-family dwelling units; and 146 commercial units, for a total of 510.

⁴ As used in this report, the word "rate" means the price for each unit, and the word "charge" means the price for the total number of units purchased. Using gasoline as an example, the "rate" for a gallon of gasoline is the price per gallon while the "charge" would be the total cost of filling one's tank.

⁵ The roll-off customer counts shown in this table (5 and 3) were calculated by the Town's consultants after converting the data for all current roll-off customers from their current service levels to an equivalent number of customers receiving roll-off services once per week.

The number of customers subscribing to collection services is 399 because some units share services with each other and a few commercial customers have service at multiple sites.

Residential service is provided by Scavenger and Republic. Scavenger provides residential services to residents in the Verano complex, a few residences along Mission Road, and some cemetery caretaker homes. Republic provides services to the remaining residents in Colma, including the Sterling Park neighborhood, the Hoffman complex, Creekside Villas, and scattered residences throughout Colma.

Commercial service is provided by the three companies. Scavenger provides collection services to many businesses south of Serramonte Boulevard; Republic, to many businesses north of Serramonte Boulevard; and Recology, to businesses in the center of town.

Tables 1 and 2 compare Republic’s and Scavenger’s existing rates for the more common types of residential and commercial services with their respective proposed new rates. As shown in these tables, residents and businesses will see a reduction in their rates for residential and commercial services.

TABLE 1: COMPARISON OF REPUBLIC’S EXISTING AND PROPOSED RATES

<i>Description</i>	<i>Existing</i>	<i>Proposed</i>	<i>Increase Decrease</i>
20-gal residential service		\$ 19.17	
32-gal residential service	\$ 25.41	\$ 22.17	- \$ 3.24
64-gal residential service	\$ 50.82	\$ 44.34	- \$ 6.48
32-gal commercial service	\$ 25.41	\$ 22.87	- \$ 2.54
1 cu yd. - 1x week commercial svc	\$ 182.01	\$ 158.35	- \$23.66
2 cu yd. – 1x week commercial svc	\$ 345.51	\$ 300.59	- \$ 44.92
3 cu yd. – 1x week commercial svc	\$ 499.58	\$ 434.63	- \$ 64.95
4 cu yd. – 2x week commercial svc	\$ 1,267.01	\$ 1,102.30	- \$ 164.71

TABLE 2: COMPARISON OF SSFSC’S EXISTING AND PROPOSED RATES

<i>Description</i>	<i>Existing</i>	<i>Proposed</i>	<i>Increase Decrease</i>
20-gal residential service	\$ 22.70	\$ 19.94	- \$ 2.75
32-gal residential service	\$ 28.71	\$ 22.16	- \$ 6.55
64-gal residential service	\$ 63.15	\$ 44.32	- \$ 18.83
32-gal commercial service	\$ 27.99	\$ 23.22	- \$ 4.77
1 cu yd. - 1x week commercial svc	\$ 178.60	\$ 163.71	- \$ 14.89
2 cu yd. – 1x week commercial svc	\$ 267.80	\$ 311.03	+ \$ 43.23
3 cu yd. – 1x week commercial svc	\$ 401.76	\$ 451.00	+ \$ 49.24
4 cu yd. – 2x week commercial svc	\$ 1,071.30	\$ 1,137.41	+ \$ 66.11

The next table, Table 3, compares the proposed monthly rates of Republic and Scavenger for some of the more common services. As shown in Table 3, Republic's rates and SSFSC's rates are very close for residential and commercial customers.

TABLE 3: COMPARISON OF SELECTED MONTHLY RATES PROPOSED BY REPUBLIC AND SSFSC

<i>Customer Rate Description</i>	<i>Republic</i>	<i>SSFSC</i>
32-gal residential service	\$ 22.17	\$ 22.16
64-gal residential service	44.34	44.32
32-gal commercial svc – 1x week	22.87	23.22
1 cu yd. commercial svc – 1x week	158.35	163.71
2 cu yd. commercial svc – 1x week	300.59	311.03
3 cu yd. commercial svc – 1x week	434.63	451.00
4 cu yd. commercial svc – 2x week	1,102.30	1,137.41

It's in the rates for roll-off box services that one sees substantial differences in Republic's and Scavenger's rates. Here, Scavenger's rates are substantially higher than Republic's rates.⁶

TABLE 4: COMPARISON OF REPUBLIC'S AND SCAVENGER'S ROLL-OFF BOX RATES

20 cu yd. roll-off box svc – 1x week ⁷	1,860.01	2,933.67
40 cu yd. roll-off box svc – 1x week ⁸	2,610.67	5,871.67

The next table, Table 5, illustrates the impacts of Republic's and Scavenger's proposed residential, commercial and roll-off rates on customers in Colma. It is a calculation of the estimated annual revenues that the proposer will earn from its proposed rates. Put another way, it is the estimated annual cost of services to the Colma customers shown in column 1 of the table.

⁶ Roll-off boxes are large, solid waste containers (10 to 40 cubic yards) that are collected and transported on a roll-off collection vehicle. The other main type of collection vehicle is a front- or rear-loading truck.

⁷ 2.0 tons of disposal have been included in both proposers' 20 cu yd. box customer rate to provide a fair comparison.

⁸ 4.0 tons of disposal have been included in both proposers' 40 cu yd. box customer rate to provide a fair comparison.

TABLE 5: ESTIMATED ANNUAL REVENUES FROM PROPOSED RATES

<i>Customers</i>	<i>Republic Services</i>	<i>SSFSC</i>	<i>Amount of Increase</i>	
			<i>Dollars</i>	<i>Percent</i>
SFD Residential	\$112,952	\$113,068	\$116	0.1%
Commercial & MFD	\$453,547	\$473,440	\$19,893	4.4%
Roll-Off	\$311,149	\$508,709	\$197,560	63.5%
<i>Totals</i>	<i>\$877,649</i>	<i>\$1,095,217</i>	<i>\$217,568</i>	<i>24.7%</i>

These are estimates only, and should be viewed with caution because of uncertainties in the data provided by the haulers. Staff believes that the currently available roll-off data are incomplete and not entirely accurate. Nevertheless, the conclusions are firm: Scavenger’s roll-off rates are significantly higher than Republic’s, and this difference will cost almost \$200,000 to about 18 commercial users.

In addition to Republic’s lower roll-off customer rates, a majority of the committee recommends Republic because of the financial resources and expertise Republic brings to the table as a national company and the detailed plans and proposals Republic submitted, especially its education plan, its transition plan and its diversion plan.

The committee is aware of the concerns of two of its members but stayed with its recommendation with the following caveat: the Town must stand firm in the face of any request for rate increases outside the scope of the contract and must be vigilant against service cuts.

Alternative

The committee’s vote was not unanimous. Two members concluded that Republic’s proposed rates are not sustainable in the long-term, as evidenced by Republic’s own statements, and that Scavenger should be selected.

Republic’s proposal stated that it would like to discuss with the Town the issue of future compensation as the diversion rate increases and customers migrate from a larger to a smaller solid waste container.⁹ Over the next three months after receiving the proposal, staff and Republic exchanged several letters regarding Republic’s request, which are cited in the Staff Report for the November 11 meeting. The following statement captures Republic’s concern:

Republic is concerned about the long term revenue structure in the draft franchise agreement. Specifically, we are concerned that providing recycling services at zero cost to customers and using billed MSW [municipal solid waste] service to fund all programs is

⁹ Republic’s Proposal, 8/31/15, section 5

not sustainable over the entire length of the Franchise Agreement.¹⁰

These members believe that there is a substantial risk that Republic will need to either ask for future rate increases or cut services.

In addition, these members believe that Scavenger, being a local and not a national company, is a better fit for Colma and would be more responsive and flexible to the Town in situations not presently contemplated.

Other Distinguishing Features

A unique feature of Republic's qualifications is its Newby Island Recyclery, a state-of-the art, automated, materials recovery facility ("MRF") that sorts and recovers recyclable materials. The Recyclery is capable of diverting 80% of recoverable, processed, commercial materials and 95% of recoverable, processed, residential materials.¹¹ The recovered materials are transported to buyers to produce new materials or products.

A unique feature of Scavenger qualifications is its anaerobic digester facility, where food scraps and yard waste are combined and processed to produce methane gas that helps fuel its fleet of trucks. Solid materials that remain after the gas is extracted is sent to a compost facility where it is finished and used as a "high-quality compost product."¹² Scavenger claims that, at capacity, the anaerobic digester facility will divert 11,000 tons of organics from landfills and will produce over 91,000 diesel-equivalent gallons of Clean Natural Gas and 5,600 tons of compost materials.¹³

Republic provides single-stream recyclable collection system, which is common in the industry. SSFSC proposes a dual-stream recycling system but is willing to provide a single-stream system at the same rates.¹⁴

There are also differences in how each company will track the amounts of recyclable materials and organic wastes that are diverted each year. Scavenger will not commingle tons collected from Colma with tons collected from other jurisdictions, but will weigh the actual tons collected in Colma. Republic, by contrast, will commingle tons collected from Colma with tons collected from other jurisdictions, and will allocate the tonnage by using an unspecified methodology.¹⁵

¹⁰ Letter, Republic to Colma, 10/23/15, page 1

¹¹ Republic Proposal, p. 89

¹² Ibid.

¹³ Ibid.

¹⁴ SSFSC Proposal, p. 4-50

¹⁵ In a written response to the Town's question about tracking, Scavenger's stated: "We will not commingle tons from routes in Colma with our other service areas. All loads will be delivered to the [Blue Line Transfer Station] when either the truck is full or the route is complete. When the driver arrives at BLTS' automated scale, they enter route data (i.e. Colma organics) and proceed to unload materials in designated areas of the MRF."

Republic responded to the same question: "Republic proposes to use an allocation methodology to accurately track and report all of the franchised tons collected within the Town where there are shared routes with another jurisdiction. This is a standard practice to maximize operational efficiencies and greatly minimize costs to the jurisdictions where a franchised hauler provides services for adjacent jurisdictions."

The advantage of Scavenger methodology to the Town is that the Town will be able to provide accurate diversion reports to CalRecycle. The disadvantage is that it increases the cost of services to the customers.

The advantage of Republic's methodology is lower cost of services to customers. Its disadvantage is the risk that ongoing tracking of Colma-specific diversion and disposal may not be as accurate because Republic's data will only be accurate for the area as a whole (i.e., Colma and neighboring jurisdictions combined). This means that, in terms of Republic's data, any improvements to Colma's diversion and disposal of waste may be credited to both Colma and the neighboring jurisdictions. To reduce this risk, staff recommends a condition requiring periodic audits of loads.¹⁶

Recommended Conditions or Changes to Franchise Agreement

Staff¹⁷ recommends that the award of the franchise to *either proposer* be subject to the following changes to the draft franchise agreement:

- (1) A provision for vacation holds, that is, a provision for suspension of collection services and billings for a resident who is on vacation for a limited period of time;¹⁸

Comment: Vacation holds were requested by residents, are in the current agreements, and were tentatively agreed to by the proposers.

- (2) A requirement that all roll-off rates for box sizes and services actually provided by the selected contractor be posted on the rate schedule, approved in advance by the Town, fully disclosed in the selected contractor's rate schedules, and consistent with the rates proposed by the selected contractor in revised Proposal Forms M1 through M-8;

Comment: Republic currently offers 8, 15, 30 and 40 cubic yard roll-off boxes and Scavenger currently offers 7, 14, 20, 15, 30 and 40 cubic yard roll-off boxes, but the rates shown in revised Proposal Forms M1-M8 are for 10, 20, 30 and 40 cubic yard boxes. This condition will assure that the rates for the boxes actually used by the hauler must be approved in advance by the Town, regardless of their sizes.

- (3) A requirement that the minimum number of required hours for the Diversion Coordinator be tied to the diversion rates achieved by the selected contractor, e.g., if diversion was less than the goal, then the number of hours would be increased to a specified number;

Comment: After interviews with the haulers, staff recognized that its request for a fixed, minimum number of required hours for the Diversion Coordinator may not be the best way to meet the Town's goals. Rather, staff believes a better approach would be to require a fixed minimum during the initial period and thereafter to link the number of hours to the diversion rates being achieved. If the diversion rates are lower than the Town's requirements, more hours would

¹⁶ See *Recommended Conditions of Approval, #8*, below.

¹⁷ The author of this report assumes responsibility for all recommendations. Credit is given to a resident for suggesting # 1; to Brad Donohue, 3 and 7; to Kathleen Gallagher, 4 and 9; to the consultant, 6 and 8; and to the committee, # 10.

¹⁸ Republic stated that it will negotiate such a provision. Scavenger's stated that it already provides vacation holds to its customers in SSF, and anticipates including that provision in the franchise agreement.

be required; conversely, if the diversion rates are higher than the Town's requirements, less hours would be required.

- (4) Liquidated damages of \$500 per incident for failure to accurately invoice a customer in accordance with approved rates;

Comment: The purpose of this condition is to assure full disclosure of rates, especially the complex roll-off rates, to customers.

- (5) A requirement that customer service office, call center, etc. be maintained within a specified distance from Town Hall, e.g., 10-15 miles;

Comment: Both companies currently maintain customer service offices within 10-15 miles of Town Hall. This condition assures that local offices will be maintained within a reasonable distance for the entire term of the contract.

- (6) An acknowledgement from the selected contractor that it is solely responsible to conduct its own investigation and due diligence and that the Town does not warrant the accuracy of any data in the RFP; and

Comment: This condition re-affirms and emphasizes a similar condition in the current draft franchise agreement. This re-affirmation is needed because of the uncertainties and inaccuracies in the data used by the haulers, including inaccuracies in the roll-off box data.

- (7) A "Tonnage Audit Protocol" shall be included in the franchise agreement. The protocol shall be satisfactory to the Town, shall be conducted quarterly, and shall include verification of tons collected, verification of composition of loads of recyclables, the running of separate routes, weighing the vehicles, and comparing load weights to what Republic has allocated.

Comment: Compliance with this condition will help assure that ongoing tracking of Colma-specific diversion and disposal is accurate and that any improvements to Colma's diversion rates will be credited to Colma only and not to the neighboring jurisdictions.

- (8) Such other provisions or requirements that Colma staff shall suggest, based on representations made by the selected proposer in its proposal or supplemental materials.

Comment: This is a catch-all condition which would only apply in limited circumstances – when the selected proposer had previously represented the condition in its proposal or earlier correspondence.

Staff recommends that the award of the franchise to *Republic* also be subject to the following conditions:

- (9) A requirement in the franchise agreement that Republic's roll-off rates for organics materials be 25% less than the roll-off rates for trash;

Comment: Republic's revised roll-off rates for collection of organics materials are not 25% less than its roll-off rates for trash. Staff believes this was a mathematical error because Republic's original roll-off rates for organics are 25% less than its roll-off rates for trash.

- (10) A requirement in the franchise agreement that Republic use Blue Line Transfer Station (BLTS) to transfer recyclable materials to the Newby Island MRF, provided however that the cost for the use of BLTS be approved by the Colma City Manager; and

Comment: Republic proposes taking recyclable materials to a transfer station at Ox Mountain, where the recyclables would be re-loaded to another truck for transportation to Newby Island MRF. During the evaluation process, staff asked Republic if it would be willing to use BLTS for the transfer in order to reduce carbon pollution and Republic agreed.

If the Council selects *Scavenger*, then staff recommends that the award of the franchise to Scavenger also be subject to the following condition:

- (11) A requirement in the franchise agreement that Scavenger provide single-stream collection of all recyclable materials.

Comment: Single-stream recycling is common in the industry. More importantly, staff believes that single-stream recycling will achieve greater diversion than dual-stream recycling.

The proposed resolution authorizes the City Manager to negotiate with the selected contractor to include the foregoing provisions. If a mutually satisfactory agreement cannot be reached, then the City Manager shall be authorized to negotiate a mutually satisfactory agreement with the other proposer and/or to reject all proposals.

Next Steps

Following selection of a contractor, staff and the contractor will meet to finalize the franchise agreement, which should take about one month. The Town will then conduct the Proposition 218 hearing, which should be completed in May, and the contract will then become binding. The start date of the new contract will be August 31, 2016.

Town Support

During interviews by the committee and the City Council, both companies responded to a question about Town support saying they want the Town to prevent scavenging by unauthorized haulers and want assistance from the Town in encouraging businesses and residents to recycle and divert waste. Staff will present its plans for Town support at a future time.

CONCLUSION

Both proposers are well-qualified to perform the services required by the Town's Request for Proposals, and both have presented thorough, detailed proposals for performing the contract. The City Manager's Evaluation Committee recommends selecting Republic Services, Inc. because its roll-off rates are significantly lower than Scavenger rates and for the quality of its proposals. The City Council may now make its final selection and should direct staff to modify the terms of the proposed franchise agreement.

ATTACHMENTS

- A. Exhibit A: List of Documents Related to Proposals for Collection, Processing and Recycling Services
- B. Exhibit B: Committee Member's Comments
- C. Resolution



Exhibit A: List of Documents Related to Proposals for Collection, Processing and Recycling Services

Date	From	Description
Undated	Colma	Master List of Addresses
02/20/15	SSFSC	List of Customers
02/20/15	Republic	List of Customers
02/26/15	Recology	List of Customers
06/02/15	Town	Request For Proposals For Collection And Processing Services For Recyclables, Organic Waste And Garbage
06/02/15	Town	Franchise Agreement For Recyclables, Organic Waste And Garbage Collection And Processing Services
06/23/15	Town	Addendum No. 1 to RFP
06/24/15	Recology	Letter re Questions on Town's RFP
06/24/15	Republic	Letter re Questions on Town's RFP
06/30/15	Town	Addendum No. 2 to RFP
07/15/15	Town	Addendum No. 3 to RFP
07/29/15	Town	Addendum No. 4 to RFP
08/01/15	Town	Addendum No. 5 to RFP
08/18/15	SSFSC	Colma Franchise Agreement w/ exceptions
08/25/15	SSFSC	Proposal
08/31/15	Republic	Proposal
09/10/15	Wells Fargo	Letter from WFB to Colma re Republic's Bid Bond
09/18/15	Town	Letter Colma to Republic re Questions about Proposal
09/18/15	Town	Letter Colma to SSFSC re Questions about Proposal
09/28/15	Town	Letter Colma to Republic re interview and tour
09/28/15	Town	Letter Colma to Republic re interview and tour
09/30/15	SSFSC	Letter SSFSC to Colma re questions about proposal
10/01/15	Republic	Letter Republic to Colma re questions about proposal
10/12/15	Colma	Letter Colma to Republic re additional questions
10/12/15	Colma	Letter Colma to SSFSC re additional questions
10/16/15	SSFSC	Letter SSFSC to Colma re additional questions
10/23/15	Republic	Letter Republic to Colma re additional questions
11/11/15	Republic	Letter Republic to Colma re future rate increases
11/13/15	Colma	Letter Colma to Republic re roll-off rates
11/13/15	Colma	Letter Colma to SSFSC re roll-off rates
11/13/15	SSFSC	Letter SSFSC to Colma re rate structure
11/16/15	Republic	Letter Republic to Colma re roll-off rates
11/17/15	SSFSC	Letter SSFSC to Colma re roll-off rates
11/23/15	Colma	Letter Colma to Republic re rate re-submittal
11/23/15	Colma	Letter Colma to Republic re rate re-submittal, Ex A
11/30/15	Colma	Letter Colma to SSFSC re rate re-submittal
11/30/15	Colma	Letter Colma to SSFSC re rate re-submittal, Ex A

12/02/15	Colma	Letter Colma to Republic re Process Integrity
12/15/15	Republic	Letter Republic to Colma w/ revised rates
12/15/15	SSFSC	Letter SSFSC to Colma w/ revised rates
12/21/15	Colma	Letter Colma to Republic re compactor & roll-off rates
12/21/15	Colma	Letter Colma to SSFSC re compactor & roll-off rates
12/28/15	SSFSC	Letter SSFSC to Colma re compactor & roll-off rates
12/28/15	SSFSC	Proposal Forms M-1 thru M-8 (revised)
01/04/16	Republic	Proposal Forms M-1 thru M-8 (revised)

Exhibit B: Committee Member's Comments

This section summarizes committee member's comments about Republic's and Scavenger's respective qualifications and proposals. Nothing in this summary is intended to indicate the number of members in agreement with the statements summarized herein; the summaries are presented only for the purpose of identifying the topics upon which the committee had comments and the committee members' insights on those topics.

Republic and Scavenger are both fully *qualified* to provide garbage collection, recycling and organics processing services to Colma residents and businesses for the next ten or more years, but there are important differences between them.

As a national company, Republic has greater resources -- financial capacity, expertise and technology -- than Scavenger.

Members found plusses for Republic's use of Cascadia Consulting Group, a well-respected company in the industry, to assist with characterization of materials, such as high recyclable-content materials, for businesses.

Several members commented favorably on Republic's transition plan, detailed programs, education plan, and polished presentation. These same members found that Scavenger is capable, but lacked details about its programs. Several committee members felt Republic's diversion plans were more detailed and generally superior to Scavenger.

Several committee members expressed the view that Scavenger has a more stable management team than Republic. Scavenger is a local company owned by eight area shareholders, who are likely to remain with the company for many more years. Being a small company and locally-owned, Scavenger is more likely to be responsive and flexible in responding to requests from the Town.

With its transfer station, anaerobic digester facility, materials recovery facility, and corporation yard located in South San Francisco, Scavenger operations will produce less carbon pollution than Republic's, which has its offices in Daly City, transfer station in Half Moon Bay, recyclables facility in Milpitas, and organics facility in Contra Costa County.



RESOLUTION NO. 2016__
OF THE CITY COUNCIL OF THE TOWN OF COLMA

RESOLUTION AUTHORIZING THE CITY MANAGER TO NEGOTIATE AN EXCLUSIVE FRANCHISE AGREEMENT WITH REPUBLIC SERVICES, INC. FOR THE COLLECTION AND PROCESSING OF RECYCLABLES AND ORGANICS, AND THE COLLECTION AND DISPOSAL OF GARBAGE FROM SEPTEMBER 1, 2016 THROUGH AUGUST 30, 2026

The City Council of the Town of Colma resolves:

1. Background.

(a) Sometime before 1997, Browning Ferris Industries (BFI) and Scavenger began solid waste collection services on a non-exclusive basis to the Town of Colma. In 1997, the Town of Colma entered into franchise agreements with BFI and Scavenger. The Town granted an exclusive franchise to BFI to provide garbage collection services to residences in the Sterling Park area and to Scavenger, to certain identified residences at the south end of Colma. The Town granted non-exclusive permits to both companies to serve the commercial properties in Colma. BFI was merged into Allied Waste Systems in 1999 which in turn was acquired by Republic in 2008. These franchise agreements were replaced by exclusive franchise agreements that took effect in 2010. Under those agreements, Republic serves most residences and businesses located north of Serramonte Boulevard, SSFSC serves most residences and businesses located south of Serramonte Boulevard, and Recology serves ten businesses located in the central part of town. Since 2010, Recology Peninsula Services has been serving ten businesses located in various locations in Colma, at first under a permit granted by the Town of Colma and later, under an exclusive franchise agreement. The franchise agreements to Republic, Scavenger and Recology will expire on August 30, 2016.

(b) Requests for proposals were delivered to five contractors who provide solid waste collection and processing services: the four contractors holding an exclusive franchise to collect and process solid waste in any jurisdiction in San Mateo County, to wit: Republic Services, Inc., South San Francisco Scavenger Co., Inc., Recology Peninsula Services, and Green Waste Recovery /Zanker; and to Waste Management, Inc., the largest solid waste collection contractor in the country. Requests for proposals were also posted on the Town's website.

(c) The Town received written proposals from Republic Services, Inc. and South San Francisco Scavenger Co., Inc.

(d) The City Manager appointed a committee which interviewed the management teams from Republic and SSFSC; visited the Blue Line Transfer Station, where SSSFC's offices, customer service center, corporation yard, materials recovery facility, transfer station, and anaerobic digestion (AD) facility are located, and the Newby Island Recyclery, where Republic's automated materials recovery facility is located; and carefully scrutinized both proposals as well as responses to specific follow-up questions about each company's proposals. The City Manager's Evaluation Committee recommended selection of Republic Services, Inc. as the contractor to provide solid waste collection and processing services for residents and businesses in the Town of Colma.

(e) The City Council has met in study sessions to review and provide input on the request for proposals (March 11, 2015), the qualifications, technical proposals and diversion plans submitted by Republic and Scavenger (October 28), the proposed rate schedules (November 12) and the revised rate schedules (January 27, 2016).

2. Findings.

Independently exercising its own judgment, the City Council finds that:

(a) Republic Services, Inc. has the demonstrated competence, the technical qualifications necessary for the satisfactory performance of the required services, and the best plans for providing the required services and programs, including plans for meeting the Town's diversion goals, all at fair and reasonable prices to residents and businesses in the Town of Colma; and

(b) Republic Services, Inc. should be awarded an exclusive franchise agreement for the collection and processing of recyclables and organics, and the collection and disposal of garbage from September 1, 2016 through August 30, 2026, on the conditions set forth hereinafter.

3. Order.

(a) The City Manager is authorized to negotiate a contract between the Town of Colma and Republic Services, Inc., a copy of which was sent to each proposer with the Town's Request for Proposals, with the changes and conditions specified herein.

(b) A contract with either proposer shall contain the following requirements:

(i) A provision for vacation holds, that is, a provision for suspension of collection services and billings for a resident who is on vacation for a limited period of time;

(ii) A requirement that all roll-off rates for box sizes and services actually provided by the selected contractor be posted on the rate schedule, approved in advance by the Town, fully disclosed in the selected contractor's rate schedules, and consistent with the rates proposed by the selected contractor in revised Proposal Forms M1 through M-8;

(iii) A requirement that the minimum number of required hours for the Diversion Coordinator be tied to the diversion rates achieved by the selected contractor, e.g., if diversion was less than the goal, then the number of hours would be increased to a specified number;

(iv) Damages of \$500 per incident for failure to accurately invoice a customer in accordance with approved rates;

(v) A requirement that customer service office, call center, etc. be maintained within a specified distance from Town Hall, e.g., 10-15 miles;

(vi) An acknowledgement from the selected contractor that it is solely responsible to conduct its own investigation and due diligence and that the Town does not warrant the accuracy of any data in the RFP; and

(vii) A "Tonnage Audit Protocol" shall be included in the franchise agreement. The protocol shall be satisfactory to the Town, shall be conducted quarterly, and shall include verification of tons collected, verification of composition of loads of recyclables, the running of separate routes, weighing the vehicles, and comparing load weights to what Republic has allocated.

(viii) Such other provisions or requirements that Colma staff shall suggest, based on representations made by the selected proposer in its proposal or supplemental materials.

(c) A contract with Republic Services, Inc. shall contain the following requirements:

(i) A requirement in the franchise agreement that Republic's roll-off rates for organics materials be 25% less than the roll-off rates for trash;

(ii) A requirement in the franchise agreement that Republic use Blue Line Transfer Station (BLTS) to transfer recyclable materials to the Newby Island MRF, provided however that the cost for the use of BLTS be approved by the Colma City Manager; and

(d) If a mutually satisfactory agreement cannot be reached, then the City Manager shall be authorized to negotiate a mutually satisfactory agreement with the other proposer and/or to reject all proposals.

(e) The Mayor shall be, and hereby is, authorized to execute said contract on behalf of the Town of Colma, with the conditions and changes described herein and such other technical amendments as may be deemed appropriate by the City Manager and the City Attorney.

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Certification of Adoption

I certify that the foregoing Resolution No. 2016-## was duly adopted at a regular meeting of said City Council held on February 24, 2016 by the following vote:

Name	Counted toward Quorum			Not Counted toward Quorum	
	Aye	No	Abstain	Present, Recused	Absent
Diana Colvin, Mayor					
Helen Fisicaro					
Raquel Gonzalez					
Joseph Silva					
Joanne del Rosario					
Voting Tally					

Dated _____

Diana Colvin, Mayor

Attest: _____
Caitlin Corley, City Clerk



STAFF REPORT

TO: Mayor and Members of the City Council
 FROM: Sean Rabé, City Manager
 MEETING DATE: February 24, 2016
 SUBJECT: Sterling Park Parking Issues

RECOMMENDATION

There is no recommendation because this matter is a study session only, and no action will be taken at this Council meeting.

EXECUTIVE SUMMARY

On November 10, 2015, Staff held a community meeting at the Sterling Park Recreation Center to gather input from Sterling Park residents regarding ongoing parking issues in the neighborhood. This study session is meant to bring those concerns forward to the City Council for discussion and possible direction to Staff.

FISCAL IMPACT

None at this time.

BACKGROUND

As noted above, Staff held a community meeting in November to gather resident concerns regarding ongoing parking issues in the Sterling Park neighborhood. There were approximately 10 residents who attended the meeting. Some concerns expressed at the meeting are as follows:

- Vehicles parked on the street blocking driveways. The vehicles are parked in front of driveway by owner of property. This was reported to cause difficulty backing out of adjacent driveway
- Guest parking permit issues and possible abuse of the guest permits
- The duration of use of guest permits
- Vehicles parked at the corners of intersections causing obstructions to line of sight
- Speeding vehicles
- Vehicles not properly parked on E Street cul-de-sac
- Hours for permit parking
- Vehicles double-parked on street

- That there are just “too many cars”

ANALYSIS

The Public Works Director, City Planner, Chief of Police and I recently met to discuss the issues listed above. During the discussion we noted the following:

- According to the Municipal Code, the Police Department is responsible for the issuance of parking passes for the neighborhood. Passes are issued in staggered two-year terms, with even-numbered addresses in even years and odd-numbered addresses in odd years.
- The Municipal Code states that a parking pass will be issued to each vehicle registered to a particular address in the neighborhood. So, for example, if one address has 10 cars registered to it, 10 parking passes are issued. Each address also receives two visitor parking passes, which have no restrictions on duration of use. Thus, in the example presented above, one address would have 12 parking passes total.
- The Department of Public Works surveyed the neighborhood several years ago and found a total of 564 parking spaces in Sterling Park (including spaces in front of driveways). However, the Police Department issued a total of 969 parking passes in 2015 and 2016 (including visitor passes). There are 283 residential units in the neighborhood.

In reviewing the above, it appears one of the primary problems creating parking issues in the neighborhood is simply the number of permits issued versus the number of available spaces. Staff is analyzing several potential solutions to this problem and will present some suggestions at the Council meeting. Staff also recommends sending out a survey to the residents to gather more information.

COUNCIL ADOPTED VALUES

Considering public input and addressing the parking issues in the Sterling Park neighborhood are consistent with the Council adopted values of:

- *Fairness:* Support the public’s right to know and promote meaningful public involvement.
- *Vision:* Promoting intelligent and thoughtful innovation in order to forward the Town’s policies and services.

CONCLUSION

Staff will be seeking input from Council during the study session on potential solutions to the parking issues identified above.