



**AGENDA  
REGULAR MEETING**

**City Council of the Town of Colma  
Colma Town Hall  
1198 El Camino Real  
Colma, CA 94014**

**Wednesday, October 10, 2018**

CLOSED SESSION – 5:30 PM

REGULAR SESSION – 7:00 PM

**CLOSED SESSION – 5:30 PM**

1. **In Closed Session Under Government Code § 54956.9(d)**, CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Number of Cases: 1

**PLEDGE OF ALLEGIANCE AND ROLL CALL – 7:00 PM**

**ADOPTION OF AGENDA**

**PRESENTATION**

- Introduction of new Administrative Technician Lia Vang

**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 September 26, 2018 Regular Meeting.
3. Motion to Approve Report of Checks Paid for September 2018.
4. Motion to Accept Informational Report on Recreation Department Programs, Activities, Events, and Trips for the Third Quarter of 2018.
5. Motion Approving the Town's Response to the Grand Jury Report Dated July 28, 2018, Regarding "Smoke Free Housing: No Ifs, Ands or Butts."
6. Motion to Receive and File the Fiscal Year 2017-18 Annual Report of Investment Holdings, Which is Presented for Informational Purposes.
7. Motion to Adopt a Resolution Creating Seven New City Funds.
8. Motion to Adopt a Resolution Authorizing the City Manager to Execute an Agreement with Housing

Endowment and Regional Trust of San Mateo County (HEART) for the Town of Colma to Lend its Uncommitted Housing Funds to HEART.

## **STUDY SESSION**

### **9. UNFUNDED LIABILITIES**

*These items are for discussion only; no action will be taken at this meeting.*

## **PUBLIC HEARING**

### **10. COUNCIL MEMBERS SALARY ADJUSTMENT**

*Consider:* Motion to Adopt an Ordinance Amending Section 1.04.010 of the Colma Municipal Code, Relating to Compensation of Council Members, and Waive a Further Reading of the Ordinance.

### **11. TREE CITY USA - PUBLIC TREE ORDINANCE AND ARBOR DAY PROCLAMATION**

- a. Consider: Motion to Introduce an Ordinance Amending the Colma Municipal Code to Add Subchapter 5.20 Relating to Public Trees and Waive a Further Reading of the Ordinance.
- b. Consider: Motion to Proclaim August 10, 2018 as Arbor Day in the Town of Colma.

## **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](mailto:ccorley@colma.ca.gov).

### Reasonable Accommodation

Upon request, this publication will be made available in appropriate alternative formats to persons with disabilities, as required by the Americans with Disabilities Act of 1990. Any person with a disability, who requires a modification or accommodation to view the agenda, should direct such a request to Pak Lin, ADA Coordinator, at 650-997-8300 or [pak.lin@colma.ca.gov](mailto:pak.lin@colma.ca.gov). Please allow two business days for your request to be processed.

1. **In Closed Session Under Government Code § 54956.9(d), CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION**

Number of Cases: 1

*There is no staff report for this item.*



**MINUTES  
REGULAR MEETING**

City Council of the Town of Colma  
Town Hall Council Chamber, 1198 El Camino Real  
Colma, CA 94014

**Wednesday, September 26, 2018**

**PRESENTATION – 5:30 PM**

Mayor Raquel Gonzalez called the Regular Meeting of the City Council to order at 5:48 p.m. The Mayor, Vice Mayor and each Council Member made remarks on the opening of the new Town Hall. They Mayor called for a break at 6:02 for refreshments and tours of the new building.

**CALL TO ORDER – 7:00 PM**

Mayor Raquel Gonzalez called the meeting back to order at 7:04 p.m.

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

Staff Present – City Manager Brian Dossey, City Attorney Christopher Diaz, Administrative Services Director Pak Lin, Chief of Police Kirk Stratton, Director of Public Works Brad Donohue, City Planner Michael Lauglin, Recreation Manager Cynthia Morquecho, City Clerk Caitlin Corley, and Administrative Technician Darcy De Leon were in attendance.

**ADOPTION OF THE AGENDA**

Mayor Gonzalez asked if there were any changes to the agenda. Council Member Goodwin requested that Item #3 be pulled from the Consent Calendar and discussed at the end of the meeting. The Mayor asked for a motion to adopt the agenda with changes.

**Action:** Council Member Fisicaro moved to adopt the agenda with changes; the motion was seconded by Council Member Goodwin and carried by the following vote:

Name	Voting		Present, Not Voting		Absent
	Aye	No	Abstain	Not Participating	
Raquel Gonzalez, Mayor	✓				
Joanne F. del Rosario	✓				
John Irish Goodwin	✓				
Diana Colvin	✓				
Helen Fisicaro	✓				
	5	0			

**PUBLIC COMMENTS**

Mayor Gonzalez opened the public comment period at 7:08 p.m. and seeing no one come forward to speak, she closed the public comment period.

**CONSENT CALENDAR**

Mayor Gonzalez announced that because her son and daughter are part-time employees for the Town, she has a conflict of interest on item #2 and would not participate in voting on that item.

1. Motion to Accept the Minutes from the September 12, 2018 Regular Meeting.

2. Motion to Adopt a Resolution to Adjust Part-Time Recreation Staff Salary Schedule; to Meet the Minimum Wage Requirements Set Forth by the State of California and Amending the Salary Schedule.
3. [Pulled from Consent Calendar].

**Action:** Council Member Goodwin moved to approve the Consent Calendar items #1 and #2; the motion was seconded by Council Member Colvin and carried by the following vote:

Name	Voting		Present, Not Voting		Absent
	Aye	No	Abstain	Not Participating	
Raquel Gonzalez, Mayor	✓			Item #2 only	
Joanne F. del Rosario	✓				
John Irish Goodwin	✓				
Diana Colvin	✓				
Helen Fisicaro	✓				
	5	0			

## STUDY SESSION

### 4. UNFUNDED LIABILITIES

Administrative Services Director Pak Lin presented the staff report. Council discussion followed. This item was for discussion only; no action was taken at the meeting.

### 5. ESTABLISHING NEW CITY FUNDS

Administrative Services Director Pak Lin presented the staff report. Council discussion followed. This item was for discussion only; no action was taken at the meeting.

3. Council Member Goodwin read the resolution out to the audience.

**Action:** Council Member Goodwin moved to Adopt a Resolution Concerning the Bankruptcy Filed by the Verity Health Systems and the Potential Sale of Seton Medical Center and Seton Coastside; the motion was seconded by Council Member Colvin and carried by the following vote:

Name	Voting		Present, Not Voting		Absent
	Aye	No	Abstain	Not Participating	
Raquel Gonzalez, Mayor	✓				
Joanne F. del Rosario	✓				
John Irish Goodwin	✓				
Diana Colvin	✓				
Helen Fisicaro	✓				
	5	0			

## COUNCIL CALENDARING

The next Regular City Council Meeting will be on Wednesday, October 10, 2018 at 7:00 p.m. in the Council Chamber.

## REPORTS

City Manager Brian Dossey gave a report on the following topics:

- The Annual Coffee with a Cop event will be held at the Colma Starbucks on October 3, 2018 from 8:30 a.m. to 10:30 a.m.
- There will be a Household Hazardous Waste and E-Waste Recycle Event on October 7, 2018 at the Corp Yard.
- There will be a Closed Session on October 10, 2018 at 5:30 p.m.
- Peninsula Clean Energy is partnering with Stewart Chevrolet to offer \$4000 rebates on electric vehicles.

**ADJOURNMENT**

Mayor Gonzalez adjourned the meeting at 8:40 p.m.

Respectfully submitted,

Caitlin Corley  
City Clerk





Final Check List  
Town of Colma

apChkLst  
09/04/2018 11:16:59AM

Bank : first TRI COUNTIES BANK

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
48468	9/4/2018	00099	D.C. LOCK & SECURITY SERV77209	8/21/2018	FREIGHT ON E#77477: MASTI	15.73	15.73
48469	9/4/2018	00254	METRO MOBILE COMMUNICA180913	9/1/2018	MAINTENANCE CONTRACT	602.00	
			42673	8/28/2018	4 KNB-48L BATTERY	445.65	1,047.65
48470	9/4/2018	00307	PACIFIC GAS & ELECTRIC	8/23/2018	PG&E	2,236.34	
			08/23/2018	8/23/2018	PG&E	100.30	
48471	9/4/2018	01001	SIGNET TESTING LABS, INC. 6943	8/24/2018	AUGUST 8-10, 2018 SERVICE	1,100.22	
48472	9/4/2018	01030	STEPFORD, INC.	8/20/2018	MONTHLY SERVICE CONTRA	5,622.00	
			1801795	8/20/2018	CITY HALL WAP (WIRELESS)	3,895.60	
			1801755	8/20/2018	JULY 2018 HOURS IN EXCES	1,055.74	
			1801751	8/20/2018	8155 20 022 0094769 TOWN C	13,515.23	
48473	9/4/2018	01037	COMCAST CABLE	8/26/2018	8155 20 022 0002770 1520 HIL	10.75	10,573.34
			08/27-09/26 XFII	8/17/2018	PROJECT READ	2,235.00	
48474	9/4/2018	01344	PROJECT READ	June 21-Aug. 17, 8/23/2018	EXTRACT CARPET EOC ROO	360.00	
48475	9/4/2018	01565	BAY CONTRACT MAINTENAN21322	8/22/2018	08.29.18 DEPOSIT REFUND	350.00	
48476	9/4/2018	01666	DACANAY, MAMIE	2001286.003	08.29.18 DEPOSIT REFUND	300.00	
			2001287.003	8/29/2018	POLYGRAPH INTERVIEW & E	300.00	650.00
48477	9/4/2018	01840	HOSS, GARY B.	Polygraph Intervi	8/27/2018	CARDROOM BACKGROUN	300.00
48478	9/4/2018	01995	CELESTE, MIKE L.	18-0901	8/22/2018	08.06.18 COLMA CREEK CLE/	2,320.00
48479	9/4/2018	02274	FRANK AND GROSSMAN LANI4048022	8/21/2018	RELEASE RETENTION DUE F	10,483.00	10,483.00
48480	9/4/2018	02413	G. BORTOLOTO & CO. INC. 4630RET	8/22/2018	CIRQUE DU SOLEIL VOLTA, 5	3,745.00	3,745.00
48481	9/4/2018	02427	GOLDEN GATE GROUP TICKEVOLTA City of Co	8/27/2018	08.27.18 DEPOSIT REFUND	3,087.50	3,087.50
48482	9/4/2018	02438	TALAVERA, ANGEL D.	2001283.003	8/27/2018	10/01/18-09/30/19 ARCGIS DE	50.00
48483	9/4/2018	02643	ENVIRONMENTAL SYSTEMS F93502222	8/10/2018	SERRAMONTE BLVD & COLLI	1,565.63	1,565.63
48484	9/4/2018	02676	DYETT & BHATIA, URBAN ANE17-552-10	8/17/2018	AUG 20-21, 2018 ARMORER C	2,384.11	2,384.11
48485	9/4/2018	02701	FRANCISCO, MARK	Aug 20-21, 2018	JULY 27-AUGUST 3, 2018 STA	34.00	34.00
48486	9/4/2018	02762	CORNERSTONE EARTH GRO112663	8/17/2018	REPLACED (2) 12V 7AH BATT	2,414.00	2,414.00
48487	9/4/2018	02787	AECO SYSTEMS, INC.	52492	#1 OIL & FILTER CHANGE, RE	260.00	
48488	9/4/2018	02793	DITO'S MOTORS	18570	#4 REPLACED LEAKING OIL F	491.60	
				18637	OIL & FILTER CHANGE	117.92	
				18587	OIL & FILTER CHANGE	41.00	
				18616	OIL & FILTER CHANGE	41.00	
48489	9/4/2018	02799	WAVE	06320499	8/27/2018	RIMS INTERNET W/SSF	691.52
48490	9/4/2018	02967	GOVINVEST INC.	2442	8/23/2018	Annual Licensing - Pension Mo	400.00
48491	9/4/2018	02970	PRODUCTIVE PRINTING & GF32967		8/13/2018	PD CORRECTION NOTICE, BI	2,500.00
48492	9/4/2018	03061	NORTH BAY PETROLEUM	1957245	8/6/2018	PW GAS PURCHASES	548.10
					8/15/2018		459.27

Bank : first TRI COUNTIES BANK (Continued)

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
48493	9/4/2018	03174	2001284.003	8/27/2018	08.27.18 DEPOSIT REFUND	275.00	275.00
48494	9/4/2018	03185	2001282.003	8/27/2018	08.27.18 DEPOSIT REFUND	50.00	50.00
48495	9/4/2018	03186	CO048633 Reful	8/28/2018	CO048633 CITATION OVERPA	298.00	298.00
48496	9/4/2018	03187	6080	6/14/2018	SEPT 8, 2018 CARICATURIST	275.00	275.00
48497	9/4/2018	03188	6080	6/14/2018	SEPT 8, 2018 CARICATURIST	275.00	275.00
5399128	9/4/2018	00282	CALIFORNIA PUBLIC EMPLOY 1000000153991;	8/14/2018	MEDICAL INSURANCE	4,630.76	4,630.76
<b>Sub total for TRI COUNTIES BANK:</b>						<b>68,890.45</b>	

31 checks in this report.

Grand Total All Checks:

68,890.45

Final Check List  
Town of Colma

apChkLst  
09/06/2018 10:14:26AM

Bank : first TRI COUNTIES BANK

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
48498	9/10/2018	01037	COMCAST CABLE	09/02/18-10/01/1	8155 20 022 0097069 INTERNI	291.16	291.16
48499	9/10/2018	01680	NBS GOVERNMENT FINANCE	81800047	BUILDING & ENGINEERING F	2,545.00	
				81800048	COMPREHENSIVE PLANNING	522.50	3,067.50
48500	9/10/2018	02144	DOMINIC A. DE LUCCA DBA D	August 2018	TAE KWON DO	1,100.00	1,100.00
48501	9/10/2018	02179	HUB INTERNATIONAL OF CA	August 2018	INSURANCE EVENTS	130.10	130.10
48502	9/10/2018	02386	VIBO MUSIC SCHOOL	June 2- Aug 31,	MUSIC LESSONS	1,726.00	1,726.00
48503	9/10/2018	02743	UTILITY TELEPHONE, INC	Sept 2018	INTERNET ACCESS 128070	721.56	721.56
48504	9/10/2018	02849	U.S. BANK PARS ACCOUNT, 6	September 2018	OPEB CONTRIBUTION	141,560.00	141,560.00
48505	9/10/2018	02879	COROVAN MOVING AND STOISZ	A68206 & 682	#234185 50% OF ESTIMATED	9,647.57	9,647.57
48506	9/10/2018	02960	THOR AUDIO SOLUTIONS	12649	COLMA SUMMER CONCERTS	7,980.00	7,980.00
48507	9/10/2018	03015	U.S. BANK CORPORATE PMT	08/22/18 Dossey	CREDIT CARD PURCHASE	8,280.23	
				08/22/18 Corley	CREDIT CARD PURCHASE	4,862.59	
				08/22/18 Morque	CREDIT CARD PURCHASE	2,877.08	
				08/22/18 Abellan	CREDIT CARD PURCHASE	1,279.64	
				08/22/18 De Leo	CREDIT CARD PURCHASE	801.11	
				08/22/18 Gogan	CREDIT CARD PURCHASE	-459.70	
				08/22/18 Tapia	CREDIT CARD PURCHASE	-1,608.06	

Sub total for TRI COUNTIES BANK:

182,256.78

10 checks in this report.

Grand Total All Checks:

182,256.78

Final Check List  
Town of Colma

apChkLst  
09/10/2018 9:02:55AM

Bank : first TRI COUNTIES BANK

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
48508	9/10/2018	00051	CALIFORNIA WATER SERVICE08/27/2018	8/27/2018	WATER BILL	8,189.36	8,189.36
48509	9/10/2018	00307	PACIFIC GAS & ELECTRIC 08/23/2018	8/23/2018	PG&E	374.93	374.93
48510	9/10/2018	00345	SMC SHERIFF'S OFFICE Oct 22-23, 2018	9/6/2018	OCT 22-23, 2018 A. BERKOVA	450.00	450.00
48511	9/10/2018	00357	SIERRA DISPLAY, INC. 23213	8/24/2018	2018 HOLIDAY SEASON FIRS	5,838.00	5,838.00
48512	9/10/2018	01164	STATE OF CALIFORNIA, FRANSept 10, 2018	9/10/2018	CA PERSONAL INCOME TAX	100.00	100.00
48513	9/10/2018	01340	NAVIA BENEFIT SOLUTIONS 10149985	8/31/2018	SECTION 125 PARTICIPANT 8	75.00	75.00
48514	9/10/2018	01370	VERIZON WIRELESS SERVICE19812819235	8/15/2018	CELL PHONE SERVICE	1,604.09	1,604.09
48515	9/10/2018	01629	R. J. RICCIARDI INC., CPAS 10771	8/31/2018	AUDIT SERVICES	3,035.00	3,035.00
48516	9/10/2018	02623	BLOEBAUM, CYNTHIA Sept 6, 2018	9/6/2018	COOKING CLASSES	300.00	300.00
48517	9/10/2018	02787	AECO SYSTEMS, INC. 19382	8/31/2018	TOWN HALL FIRE ALARM MO	480.00	480.00
			19369	9/1/2018	OCTOBER 2018	205.00	685.00
48518	9/10/2018	02793	DITO'S MOTORS 18658	9/5/2018	OIL & FILTER CHANGE	46.25	46.25
48519	9/10/2018	02931	PRINT WORKS 1305	9/6/2018	STAFF T-SHIRTS	255.00	255.00
48520	9/10/2018	02949	WELLS FARGO VENDOR FINA100993901	9/9/2018	ADMIN COPY MACHINE	1,443.57	1,443.57
48521	9/10/2018	03015	U.S. BANK CORPORATE PMT 08/22/18 Lin	8/22/2018	CREDIT CARD CHARGE	1,216.33	1,216.33
			08/22/18 Pfortent	8/22/2018	CREDIT CARD CHARGE	899.62	899.62
			08/22/18 Gotelli	8/22/2018	CREDIT CARD CHARGE	618.44	618.44
			08/22/18 Lum	8/22/2018	CREDIT CARD CHARGE	101.60	101.60
			08/22/18 Stratfor	8/22/2018	CREDIT CARD CHARGE	-10.00	-10.00
			08/22/18 Jordan	8/22/2018	CREDIT CARD CHARGE	-93.14	-93.14
48522	9/10/2018	03034	FLEX ADVANTAGE 106065	8/31/2018	FLEX PROCESSING FEES	165.00	165.00
<b>Sub total for TRI COUNTIES BANK:</b>							25,294.05

15 checks in this report.

Grand Total All Checks:

25,294.05

Bank : first TRI COUNTIES BANK

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
48523	9/14/2018	00068	COLMA PEACE OFFICER'S 09142018 B	9/14/2018	COLMA PEACE OFFICERS: P/	690.83	690.83
48524	9/14/2018	01164	STATE OF CALIFORNIA, FRAN09142018 B	9/14/2018	STATE - WAGE GARNISHMEN	450.00	450.00
48525	9/14/2018	01340	NAVIA BENEFIT SOLUTIONS 09142018 B	9/14/2018	FLEX 125 PLAN: PAYMENT	286.92	286.92
48526	9/14/2018	01375	NATIONWIDE RETIREMENT S09142018 B	9/14/2018	NATIONWIDE: PAYMENT	5,150.00	
			09142018 M	9/14/2018	NATIONWIDE: PAYMENT	1,200.00	6,350.00
48527	9/14/2018	02377	CALIFORNIA STATE DISBURS09142018 B	9/14/2018	WAGE GARNISHMENT: PAYM	871.38	871.38
48528	9/14/2018	02944	PEACE OFFICERS RESEARC09142018 B	9/14/2018	PORAC: PAYMENT	24.00	24.00
48529	9/14/2018	02945	PORAC LEGAL DEFENSE FUN09142018 B	9/14/2018	PORAC LDF: PAYMENT	223.20	223.20
93784	9/14/2018	00521	UNITED STATES TREASURY 09142018 M	9/14/2018	FEDERAL TAX: PAYMENT	916.80	916.80
93785	9/14/2018	01360	VANTAGE TRANSFER AGENT;09142018 M	9/14/2018	ICMA CONTRIBUTION: PAYME	463.86	463.86
93786	9/14/2018	00631	P.E.R.S. 09142018 M	9/14/2018	PERS MISC NON-TAX: PAYME	604.81	604.81
93787	9/14/2018	00282	CALIFORNIA PUBLIC EMPLOY09142018 M	9/14/2018	SEPTEMBER 2018 ACTIVE PF	4,694.70	4,694.70
93788	9/14/2018	00130	EMPLOYMENT DEVELOPMEN09142018 B	9/14/2018	CALIFORNIA STATE TAX: PAY	11,765.76	11,765.76
93789	9/14/2018	01340	NAVIA BENEFIT SOLUTIONS 09142018 B	9/14/2018	COMMUTER PLAN: PAYMENT	62.00	62.00
93790	9/14/2018	00521	UNITED STATES TREASURY 09142018 B	9/14/2018	FEDERAL TAX: PAYMENT	55,030.92	55,030.92
93791	9/14/2018	00282	CALIFORNIA PUBLIC EMPLOY09142018 B	9/14/2018	SEPTEMBER 2018 ACTIVE PF	58,425.41	58,425.41
93792	9/14/2018	00631	P.E.R.S. 09142018 B	9/14/2018	PERS - BUYBACK: PAYMENT	42,207.99	42,207.99
93793	9/14/2018	01360	VANTAGE TRANSFER AGENT;09142018 B	9/14/2018	ICMA CONTRIBUTION: PAYME	4,234.94	4,234.94

Sub total for TRI COUNTIES BANK:

187,303.52



17 checks in this report.

Grand Total All Checks:

187,303.52

Bank : first TRI COUNTIES BANK

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
48530	9/18/2018	01375	NATIONWIDE RETIREMENT S:08032018 B	8/3/2018	NATIONWIDE: PAYMENT	5,300.00	
			08032018 M	8/3/2018	NATIONWIDE: PAYMENT	1,200.00	6,500.00
Sub total for TRI COUNTIES BANK:						6,500.00	6,500.00

1 checks in this report.

Grand Total All Checks:

6,500.00

Bank : first TRI COUNTIES BANK

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
48531	9/20/2018	00004	000011911761	9/13/2018	C3-A/B-12-10-TS-01 AUG 13-S	1,707.96	1,707.96
48532	9/20/2018	00013	Aug 2018	8/31/2018	TIRE SERVICE	1,541.11	1,541.11
48533	9/20/2018	00020	118090047	9/1/2018	WATERLOGIC WL 10 AND KE	69.00	
			118090046	9/1/2018	MTN H/C BWC	9.00	78.00
48534	9/20/2018	00051	094444444	8/30/2018	0944444444 1180-1190 EL CAM	51.71	
			3422893362	8/30/2018	3422893362 1520 HILLSIDE BI	51.71	
			5793906861	8/30/2018	5793906861 1199 EL CAMINO	34.48	
48535	9/20/2018	00057	Aug 2018	8/31/2018	CLEANING SERVICE	1,826.20	137.90
48536	9/20/2018	00057	8403811691	9/7/2018	PQ FIRST AID SUPPLIES	33.59	1,826.20
48537	9/20/2018	00076	Nov 2018 Renew	9/17/2018	MEMBERSHIP RENEWAL	240.00	33.59
48538	9/20/2018	00112	323340	9/6/2018	PD ACCOUNT #140503	544.00	240.00
			325278	9/6/2018	HR ACCOUNT #145931	49.00	593.00
48539	9/20/2018	00174	HOME DEPOT CREDIT SERV	8/30/2018	JULY 31 - AUG 29, 2018 PW P	3,895.33	3,895.33
48540	9/20/2018	00181	IEDA	9/1/2018	LABOR RELATIONS CONSULTI	1,419.00	1,419.00
48541	9/20/2018	00213	STRATTON, KIRK	9/12/2018	SEP 10-12, 2018 MEAL REIMB	50.50	50.50
48542	9/20/2018	00254	METRO MOBILE COMMUNICA	8/22/2018	KENWOOD NX300G DIGITAL I	2,266.73	2,266.73
48543	9/20/2018	00280	OFFICE DEPOT, INC.	9/11/2018	HP, PAPER, DUSTER, STAPLE	142.15	
			201827423001	9/12/2018	TONER, HP LJ CE255A BLACK	121.38	
			202152972001	9/13/2018	BOARD, CRK, 3X4, STNLS FR	110.25	
			203322739001	9/13/2018	ENVELOPES & BATTERIES	73.60	447.38
48544	9/20/2018	00307	PACIFIC GAS & ELECTRIC	9/7/2018	PG&E	3,531.99	
			3007220528-6	9/7/2018	0512181543-4 EL CAMINO & F	1,938.28	
			0512181543-4	9/7/2018	6991706865-7 1190 EL CAMIN	954.18	
			6991706865-7	9/7/2018	0576889222-5 1180 EL CAMIN	288.87	
			0576889222-5	9/7/2018	0035222590-8 1180 EL CAMIN	27.68	6,741.00
			0035222590-8	9/11/2018	LAB FEES	4,146.31	
48545	9/20/2018	00364	SMC SHERIFF'S OFFICE	8/31/2018	LAB FEES	1,200.00	5,346.31
			CL05540	9/6/2018	427 F ST. MONTHLY MONITO	113.00	113.00
			CL05516	8/31/2018	CITATION PROCESSING	287.61	287.61
48546	9/20/2018	00388	SONITROL	9/10/2018	FACILITIES MGMT & MAINTEN	1,328.00	1,328.00
48547	9/20/2018	00411	TURBO DATA SYSTEMS	8/23/2018	PEST CONTROL	464.00	
48548	9/20/2018	00412	TELECOMMUNICATIONS ENG	8/8/2018	601 F ST. 08/08/18	63.00	
48549	9/20/2018	00414	TERMINEX INTERNATIONAL	6/1/2018	601 F ST. 06/01/18	63.00	
			L378707577	9/9/2018	MICRO CHANNEL & LINES	778.08	590.00
			378707578				778.08
48550	9/20/2018	00534	SMC INFORMATION SERVICE				

Final Check List  
Town of Colma

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Bank : first TRI COUNTIES BANK (Continued)

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
48551	9/20/2018	00539	FIREMASTER DEPT 1019 0000568258	8/24/2018	1199 EL CAMINO REAL, ANNL	392.00	392.00
48552	9/20/2018	00584	SMC SHERIFF'S OFFICE 3495	9/6/2018	FY 18/19 CITY SHARE, DISTR	6,044.00	6,044.00
48553	9/20/2018	00614	DENINA, PERLA 2001299.003	9/10/2018	09.10.18 SANTA CRUZ FOLLIE	23.00	23.00
48554	9/20/2018	00693	DEGUIA, PRISCILLA 2001301.003	9/11/2018	09.11.18 SENIOR LUNCH WITI	6.00	6.00
48555	9/20/2018	00830	STAPLES BUSINESS CREDIT 1620854042	8/25/2018	OFFICE SUPPLIES	1,865.99	1,865.99
48556	9/20/2018	01030	STEPFORD, INC. 1801815	9/7/2018	TOWN HALL 3 HP AND 3 SEC	6,548.77	6,548.77
48557	9/20/2018	01037	COMCAST CABLE 09/11-10/10 601	9/7/2018	8155 20 022 0096715 601 F ST	106.16	106.16
48558	9/20/2018	01183	BEST BEST & KRIEGER LLP 831004	9/14/2018	TELECOMMUNICATIONS	1,052.20	1,200.70
			831003	9/14/2018	EMPLOYEE BENEFITS/TAX	148.50	
48559	9/20/2018	01184	PENINSULA UNIFORMS & EQ/Aug 2018	8/31/2018	UNIFORMS	288.94	288.94
48560	9/20/2018	01367	DUO DANCE ACADEMY August 2018	9/11/2018	DANCE CLASSES	455.00	455.00
48561	9/20/2018	01399	WESTLAKE TOUCHLESS CAR/Aug 2018	9/1/2018	PD CAR WASH	37.90	37.90
48562	9/20/2018	01457	BATERINA, BARBARA 2001298.003	9/10/2018	09.10.18 SANTA CRUZ FOLLIE	46.00	46.00
48563	9/20/2018	01540	R & S ERECTION NORTH PEN/46437	9/4/2018	09/04/18 DRAIN AND DRIVE C	202.00	202.00
48564	9/20/2018	01557	CITY OF FOSTER CITY 12499	9/6/2018	CALOPPS JOB POSTINGS	1,000.00	1,000.00
48565	9/20/2018	01569	DARLING INGREDIENTS INC., 600:3140600	9/11/2018	TRAP SERVICE	102.71	102.71
48566	9/20/2018	01707	DAILY JOURNAL CORPORATI(B3160636	8/31/2018	TRANSLATION IN SPANISH G	213.88	213.88
48567	9/20/2018	02020	JAMES STANDFIELD CATERINE/56899	9/10/2018	09/08/18 REMAINING BALANC	313.50	313.50
48568	9/20/2018	02123	TYLER TECHNOLOGIES, INC. 113144	8/31/2018	JAN 1 - DEC 31, 2019 FINANC	20,591.22	20,591.22
48569	9/20/2018	02155	OLD DOMINION BRUSH COMF/6330480	9/5/2018	16" .040 POLY 21-161531, FRE	588.78	588.78
48570	9/20/2018	02182	DALY CITY KUMON CENTER Aug 2018	9/8/2018	TUTORING	5,525.00	5,525.00
48571	9/20/2018	02216	RAMOS OIL CO. INC. 36782	8/31/2018	PD GASOLINE PURCHASES 2	1,948.79	3,481.52
			38377	9/10/2018	PD GASOLINE PURCHASES 1	1,532.73	
48572	9/20/2018	02274	FRANK AND GROSSMAN LANI/4048041	8/31/2018	CLARK STREET MULCHING	644.98	644.98
48573	9/20/2018	02317	CUS, ERIN 07/21/18-09/15/1	9/18/2018	BOOT CAMP FITNESS	800.00	800.00
48574	9/20/2018	02330	FOREMOST PROMOTIONS 441344	8/7/2018	TRI-FUNCTION BLINKING LIG	1,837.85	2,005.77
			439693	7/20/2018	SAFETY WEEPULS, STOCK	167.92	
48575	9/20/2018	02382	GONZALEZ, MARIA 2001302.003	9/17/2018	09.17.18 REFUND PERMIT CF	300.00	300.00
48576	9/20/2018	02468	ULINE, INC. 100855830	8/31/2018	WIRE SHELF AND MOP/BROC	675.32	675.32
48577	9/20/2018	02499	GE CAPITAL INFORMATION. 101056796	9/5/2018	REC COPY MACHINE RENTAL	2,359.15	2,359.15
48578	9/20/2018	02542	JOHNSON CONTROLS SECUF31187056	9/8/2018	FIRE SYSTEM AT SR. HOUSIN	441.32	441.32
48579	9/20/2018	02566	STARVISTA 4363	9/28/2018	FIRST CHANCE PROGRAM	3,139.47	3,139.47
48580	9/20/2018	02787	AECO SYSTEMS, INC. 52532	9/7/2018	TROUBLESHOOT SECURITY	260.00	260.00
48581	9/20/2018	02793	DITO'S MOTORS 18671	9/7/2018	CHANGE ENGINE OIL AND FII	883.78	883.78
48582	9/20/2018	02810	ARIAS, GUADALUPE 2001291.003	9/4/2018	09.04.18 REFUND PERMIT CF	275.00	275.00

Final Check List  
Town of Colma

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Bank : first TRI COUNTIES BANK

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
48583	9/20/2018	02827	CORODATA SHREDDING, INC.RS3007225	8/31/2018	STORAGE, PICKUP/DELIVER	186.35	186.35
48584	9/20/2018	02864	MOBILE MODULAR MANAGEN1742992	9/10/2018	24X60 HCD OFFICE RENTAL	906.86	
			1737997	9/4/2018	8X20 HCD OFFICE, RAMP REI	517.11	1,423.97
48585	9/20/2018	02909	07/18/18-08/17/1	9/10/2018	JULY 18 - AUG 17, 2018 MILE/	186.39	186.39
48586	9/20/2018	02976	MERCADO, MARIA LUISA	9/4/2018	09.04.18 REFUND PERMIT CH	300.00	300.00
48587	9/20/2018	03005	RUAN, JAVIER	9/10/2018	09.10.18 REFUND PERMIT CH	275.00	275.00
48588	9/20/2018	03034	FLEX ADVANTAGE	9/17/2018	HEALTH REIMBURSEMENT A/	38,972.17	38,972.17
48589	9/20/2018	03058	OMG NATIONAL	7/20/2018	PRINTING: STICKERS	342.00	342.00
48590	9/20/2018	03059	DUDE SOLUTIONS, INC.	5/15/2018	MOBILE311	2,982.00	2,982.00
48591	9/20/2018	03061	NORTH BAY PETROLEUM	8/31/2018	AUG 21-27, 2018 PW GAS PUI	172.27	172.27
48592	9/20/2018	03092	MICROSOFT CORPORATION	9/15/2018	OFFICE 365 SUBSCRIPTION	3,366.54	3,366.54
48593	9/20/2018	03096	RANGEL, NAYELI SARABIA	9/17/2018	09.17.18 REFUND PERMIT CH	80.00	80.00
48594	9/20/2018	03110	BHM CONSTRUCTION, INC.	8/31/2018	TOWN HALL BUILDING INFILL	1,043,495.35	1,043,495.35
48595	9/20/2018	03115	COLE LIGHTING	09/17/18 Statem	09/17/2018 STATEMENT, BAL/	1,700.00	1,700.00
48596	9/20/2018	03150	JIMENEZ, JOANNE	2001300.003	09.10.18 SANTA CRUZ FOLLIE	23.00	23.00
48597	9/20/2018	03189	GOLDEN HILL MEMORIAL PAR1028B Release	9/20/2018	1028B RELEASE SURETY DEI	50,000.00	50,000.00
48598	9/20/2018	03190	MCCRACKEN & WOODMAN, II9519	8/31/2018	PROGRESS BILLING #1	8,280.00	
			9525	8/31/2018	PROGRESS BILLING #2	640.00	8,920.00
48599	9/20/2018	03191	MAZE & ASSOCIATES	8/31/2018	PROFESSIONAL SERVICES	3,565.00	3,565.00
48600	9/20/2018	03192	PULIDO, DEMETRIO	2001292.003	09.04.18 REFUND PERMIT CH	50.00	50.00
48601	9/20/2018	03193	CASTRO, MARTA	2001303.003	09.17.18 REFUND PERMIT CH	300.00	300.00
9192018	9/19/2018	00631	P.E.R.S.	10000001540361	GASB-68 REPORTS & SCHED	2,100.00	2,100.00
<b>Sub total for TRI COUNTIES BANK:</b>						<b>1,248,678.60</b>	

72 checks in this report.

Grand Total All Checks:

1,248,678.60

Bank : first TRI COUNTIES BANK

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
48602	9/25/2018	00051	CALIFORNIA WATER SERVICE1727052702	9/13/2018	1727052702 JUNIPERO SERR	240.78	240.78
48603	9/25/2018	00082	CSMFO 200000669	9/18/2018	09/18/18 WEEKEND TRAINING	475.00	475.00
48604	9/25/2018	00226	LIM, CINDY ELLEN 09/20/18 Reimb	9/20/2018	09/20/2018 HALLOWEEN CAN	205.05	205.05
48605	9/25/2018	01183	BEST BEST & KRIEGER LLP 831002	9/14/2018	CITY ATTORNEY SERVICES	19,042.57	19,042.57
48606	9/25/2018	01687	UNITED SITE SERVICES OF 114-7310875	9/11/2018	STANDARD AND REGULAR SI	149.37	149.37
48607	9/25/2018	02056	GOTELLI, LOUIS 09/16/18 Work B	9/16/2018	09/16/18 WORK BOOTS REIM	130.00	130.00
48608	9/25/2018	02130	MANGIBIN, ONOFRE ALAGAR 2001305.003	9/18/2018	09.18.18 REFUND PERMIT CH	50.00	50.00
48609	9/25/2018	02239	MICHAEL FELLMAN SIDING A1125B Refund	8/21/2018	1125B REFUND C&D DEPOSIT	100.00	100.00
48610	9/25/2018	02274	FRANK AND GROSSMAN LANI40447695	4/30/2018	JSB - PLANTING, INSTALL PL	2,713.31	2,713.31
			40447696	4/30/2018	COLMA BOULEVARD - TREE I	696.56	
			40447852	6/30/2018	COLMA BOULEVARD - VALVE	369.05	
			40447745	5/24/2018	MUSEUM - PLANTING, INSTAL	318.39	
48611	9/25/2018	02499	GE CAPITAL INFORMATION 101080307	9/7/2018	PD COPY MACHINE RENTAL	808.92	4,097.31
48612	9/25/2018	02793	DITO'S MOTORS 18737	9/19/2018	CHANGE ENGINE OIL AND FIL	492.16	808.92
48613	9/25/2018	02827	CORODATA SHREDDING, INC.DN1203550	8/31/2018	SHREDDING SERVICE	105.74	492.16
48614	9/25/2018	02830	BAILEY FENCE COMPANY, INC77467	9/11/2018	INSTALLATION OF CHAINLIN	1,979.00	105.74
48615	9/25/2018	02967	GOVINVEST INC. 2468	9/18/2018	ROLL FORWARD GASB 75 VA	8,250.00	1,979.00
48616	9/25/2018	03103	PAK'S ROOFING INC. 1187B Refund	8/21/2018	1187B REFUND C&D DEPOSIT	100.00	8,250.00
48617	9/25/2018	03124	KAZ & ASSOCIATES ENVIRON10842	9/7/2018	AUG 14 & 28, 2018 QSP SITE I	550.00	100.00
48618	9/25/2018	03173	PLAN JPA PLAN-2019-054	9/21/2018	GENERAL LIABILITY CLAIMS	6,384.00	550.00
48619	9/25/2018	03177	JACKMAN, PAUL 3447095 Balance	8/14/2018	3447095 BALANCE DUE	325.00	6,384.00
48620	9/25/2018	03189	GOLDEN HILL MEMORIAL PAR1029B Refund	8/21/2018	1029B REFUND C&D DEPOSIT	1,000.00	325.00
48621	9/25/2018	03194	ART OF CONSTRUCTION, INC1134B Refund	8/21/2018	1134B REFUND C&D DEPOSIT	2,612.00	1,000.00
48622	9/25/2018	03195	CLARK AND GREEN ASSOCIA1071B Refund	8/21/2018	1071B REFUND C&D DEPOSIT	1,000.00	2,612.00
48623	9/25/2018	03196	ARROW SIGN COMPANY 1188B Refund	8/21/2018	1188B REFUND C&D DEPOSIT	1,000.00	1,000.00
48624	9/25/2018	03197	MXL COMMERCIAL CONSTRU1064B Refund	8/24/2018	1064B REFUND C&D DEPOSIT	5,240.50	1,000.00
48625	9/25/2018	03198	SANTARA DALY CITY LLC 1140B Refund	8/28/2018	1140B REFUND C&D DEPOSIT	1,000.00	5,240.50
			1101B Refund	8/28/2018	1101B REFUND C&D DEPOSIT	1,000.00	2,000.00
48626	9/25/2018	03199	CG MOVING COMPANY, INC 847B Refund	8/28/2018	847B REFUND C&D DEPOSIT	500.00	1,000.00
48627	9/25/2018	03200	IBEX ENTERPRISES, RESOUF26472	8/31/2018	COLMA TOWN HALL FF&E	251,636.00	500.00

Sub total for TRI COUNTIES BANK: 308,473.40



26 checks in this report.

Grand Total All Checks: 308,473.40

Bank : first TRI COUNTIES BANK

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
48628	9/28/2018	00047	09282018 B	9/28/2018	CLEA: PAYMENT	294.00	294.00
48629	9/28/2018	00068	09282018 B	9/28/2018	COLMA PEACE OFFICERS: P/	690.83	690.83
48630	9/28/2018	01164	09282018 B	9/28/2018	STATE - WAGE GARNISHMEN	450.00	450.00
48631	9/28/2018	01340	09282018 B	9/28/2018	FLEX 125 PLAN: PAYMENT	286.92	286.92
48632	9/28/2018	01375	09282018 B	9/28/2018	NATIONWIDE: PAYMENT	5,150.00	5,150.00
48633	9/28/2018	02224	09282018 B	9/28/2018	LIFE INSURANCE: PAYMENT	436.50	436.50
48634	9/28/2018	02377	09282018 B	9/28/2018	WAGE GARNISHMENT: PAYM	871.38	871.38
93796	9/28/2018	00130	09282018 B	9/28/2018	CALIFORNIA STATE TAX: PAY	11,157.63	11,157.63
93797	9/28/2018	00521	09282018 B	9/28/2018	FEDERAL TAX: PAYMENT	52,421.09	52,421.09
93798	9/28/2018	00631	09282018 B	9/28/2018	PERS - BUYBACK: PAYMENT	42,112.01	42,112.01
93799	9/28/2018	01360	09282018 B	9/28/2018	ICMA CONTRIBUTION: PAYME	4,234.64	4,234.64

Sub total for TRI COUNTIES BANK: 118,105.00

11 checks in this report.

Grand Total All Checks:

118,105.00





# STAFF REPORT

TO: Mayor and Members of the City Council  
 FROM: Cynthia Morquecho, Recreation Manager  
 VIA: Brian Dossey, City Manager  
 MEETING DATE: October 10, 2018  
 SUBJECT: Recreation Services Department Quarterly Review, July - September 2018

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## RECOMMENDATION

Staff recommends that the City Council adopt:

MOTION TO ACCEPT INFORMATIONAL REPORT ON RECREATION DEPARTMENT PROGRAMS, ACTIVITIES, EVENTS, AND TRIPS FOR THE THIRD QUARTER OF 2018.

## EXECUTIVE SUMMARY

In the third quarter of 2018, a total of 2,767 participants attended 69 programs. This represents an increase of 644 participants from the third quarter of 2017. Staff attributes the increase to greater participation in the town's Community Events.

Staff estimates that 41 percent of the population had a current Colma I.D. during the third quarter of 2018, suggesting that residents participated in multiple programs.

There was a total of 77 rentals, which is an increase of 8 rentals from the third quarter of 2017.

## BACKGROUND

### Participation

The Recreation Services Department offered programs, activities, events and trips for all age groups during the past quarter. Below is a summary of participation levels by demographic:

- A total of 111 adults and seniors participated in enrichment programs. This represents an increase of 39 participants from the third quarter of 2017. Staff attributes the increase to new program options, such as; Cyber Safety Training, Citizenship Workshop and Ladies Social, and an increase in participation for fitness programs.
- A total of 212 adults and seniors participated in trips and events. This represents an increase of 50 participants from the third quarter of 2017. Staff attributes the increase

to a growth in participation in senior luncheons and Friday films, as well as new field trip options.

- A total of 952 youth and teens participated in Enrichment Programs. This represents a increase of 251 participants from the third quarter of 2017. Staff attributes the increase to higher participation in day camp and contract programs and added teen programs.
- A total of 132 youth and teens participated in events and trips. This represents an increase of 2 participants from the third quarter of 2017.
- A total of 1,360 youth, adults and seniors participated in Community Programs. This represents an increase of 302 participants from the third quarter of 2017. Staff attributes the increase to events such as the Community Fair and Summer Concert Series which has had an increase in participation.

The attachment contains a detailed breakdown of participation by program.

### Rental Activity

The Colma Community Center was rented for 66 different events:

- Resident Rentals (26 social events, two fundraisers and four meetings)
- Non-Resident Rentals (Two meetings and one event)
- Non-Resident Non-profit Groups (13 programs and three meetings)
- In House Reservations (15 meetings/trainings and programs)

The Sterling Park Recreation Center was rented for 19 different events:

- Sterling Park Resident Rentals (19 social events)

### **Sustainability Impact**

Staff coordinates and implements program and activities which are in alignment with the Town's Climate Action Plan and Sustainability Policy. For example, at this year's Summer Day program, all cups, plates, forks, knives, and spoons were made from recyclable content.

### **ATTACHMENTS**

- A. 2018 Recreation Services Department Quarterly Review – Participation Detail

**Recreation Services Department Quarterly Review  
July – September 2018  
Participation Detail**

**Adult/Senior Enrichment Programs**

<b>Program</b>	<b>Registered</b>	<b>Sessions</b>	<b>New or Existing Program</b>
Boot Camp Fitness	6	1	Existing
Chair Senior Yoga	9	2	Existing
Citizenship Workshop	5	1	Existing
Colma Ladies Social	14	3	Existing
Cooking Classes	25	3	Existing
Create Your Own Craft	6	3	Existing
Cyber Safety Training	10	1	<b>NEW</b>
Dragon Boat for Beginners	Cancelled	1	Existing
Golf	1	3	Existing
Gentle & Invigorating Yoga for All Bodies	11	1	Existing
Zumba	13	1	Existing
Zumba & Palango Combo	11	1	Existing

**Adult & Senior Trips & Events**

<b>Program</b>	<b>Registered</b>	<b>Sessions</b>	<b>New or Existing Program</b>
Arm Chair Travel	18	3	Existing
Breakfast Bingo	21	3	Existing
CPR & First Aid	4	1	Existing
Creekside and Coffee	3	1	<b>NEW</b>
Creekside Villas Activities	21	3	Existing
Exploratorium After Dark	Cancelled	1	Existing
Farmers Market	Cancelled		<b>NEW</b>
Friday Films	30	3	Existing
Hiller Aviation Museum	7	1	<b>NEW</b>
Ice Cream Museum	14	1	<b>NEW</b>
Pastry Hour	9	1	<b>NEW</b>
Santa Cruz Follies	Cancelled	1	Existing
Senior Luncheon	67	3	Existing
Stow Lake Paddle Boat	Cancelled	1	<b>New</b>
Walt Disney Museum	18	1	<b>New</b>

**Youth & Teen Enrichment Programs**

<b>Program</b>	<b>Registered</b>	<b>Sessions</b>	<b>New or Existing Program</b>
Allegro Music Program	1	1	Existing
Ballet, Tap, Combo & Hip Hop	7	10	Existing
Colma Basketball Camp	Cancelled	3	<b>NEW</b>
Early Childhood Music	Cancelled	1	Existing
Gleeshiner's Choir	Cancelled	1	<b>NEW</b>
Golf	Cancelled	3	Existing
Guitar Workshop	3	2	Existing

Keyboard	4	2	Existing
Kids' Club Afterschool Program	39	3	Existing
Kumon Math Tutoring	92	3	Existing
Kumon Reading Tutoring	72	3	Existing
L.E.A.P (Law Enforcement Activity Program)	31	4	<b>NEW</b>
Open Teen Center	4	1	Existing
Parents' Night Out	8	3	Existing
Princess Dance Class	1	1	Existing
Slime Squad Camp	Cancelled	1	<b>NEW</b>
Summer Day Camp Early Morning Care	222	3	Existing
Summer Day Camp	300	3	Existing
Summer Day Camp Afternoon Care	130	3	Existing
Tae Kwon Do	37	3	Existing
Traditional Hawaiian Ukulele Workshop	Cancelled	1	Existing
Treehouse Tribe- Mindful Movement	Cancelled	1	<b>NEW</b>
Vibo Youth Ensemble	1	1	Existing
Violin Workshop	Cancelled	2	Existing
YouTube Stars	Cancelled	1	<b>NEW</b>

### Youth and Teen Events & Trips

Program	Registered	Sessions	New or Existing Program
Alternative Camp Program	1	1	Existing
Aqua Adventure	35	1	Existing
Boomers!	40	1	Existing
College Application Workshop	Cancelled	1	<b>NEW</b>
Don Lake Castro	23	1	Existing
Exploratorium	Cancelled	1	Existing
Great America Teen Trip	9	1	Existing
LIT Program	14	1	Existing
LIT Giants Outing	4	1	<b>NEW</b>
Santa Clara Paintball	6	1	<b>NEW</b>

### Community Programs

Program	Registered	Sessions	New or Existing Program
Community Street Fair	300 (Based on Food Truck Sales)	1	Existing
Project Read Learning Wheels	115	3	Existing
Project Read Nutrition Program	90	2	Existing
Project Read Science Club	65	3	Existing
Summer Concert Series	550	3	Existing
Town Picnic	240	1	Existing

Note: Programs were cancelled due to insufficient participation.





# STAFF REPORT

TO: Mayor and Members of the City Council  
 FROM: Michael P. Laughlin, City Planner  
 VIA: Brian Dossey, City Manager  
 MEETING DATE: October 10, 2018  
 SUBJECT: Grand Jury Response

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## RECOMMENDATION

Staff recommends that the City Council make the following motion:

MOTION APPROVING THE TOWN'S RESPONSE TO THE GRAND JURY REPORT DATED JULY 28, 2018, REGARDING "SMOKE FREE HOUSING: NO IFS, ANDS, OR BUTTS."

## EXECUTIVE SUMMARY

The City Council is required under California penal code section 933.05 to respond to the Grand Jury Report dated July 26, 2018 by October 24, 2018. The draft response letter is attached as Attachment B.

## FISCAL IMPACT

There are no fiscal implications associated with the approval of the Town's response to the Grand Jury report.

## BACKGROUND

The County Grand Jury is a volunteer body of 19 citizens, selected at random from a pool of nominees, to investigate local governmental agencies and make recommendations to improve the efficiency of local government. The Grand Jury report contains findings and recommendations on a number of subjects that are applicable to agencies in San Mateo County. The Presiding Judge of the County Superior Court has formally requested that the Town review the report and file a written response indicating the following:

- That the Town should, by December 31, 2018, hold public hearings to evaluate issues and hear residents' views on restricting smoking in multiunit housing in their jurisdictions.

## **ANALYSIS**

### **Grand Jury Findings**

The proposed Grand Jury response, which includes the Grand Jury's finding and recommendation for Colma, is attached as Attachment B.

### **COUNCIL ADOPTED VALUES**

Approving the Town's Grand Jury response is in the best interest of the Town and informs the Grand Jury of the Town's efforts to obtain public input on the issue of multiunit housing regulation.

### **CONCLUSION**

Staff recommends that the City Council approve, by motion, the Town's proposed response to the Grand Jury report regarding "Smoke Free Housing: No Ifs, Ands, or Butts."

### **ATTACHMENTS**

- A. Town's draft response letter to the Grand Jury Report
- B. Copy of Grand Jury Letter and Report



## TOWN OF COLMA

1198 El Camino Real • Colma, California • 94014-3212  
Tel 650.997.8300 • Fax 650.997.8308

October 11, 2018

Honorable V. Raymond Swope  
Judge of the Superior Court  
c/o Charlene Kresevich  
Hall of Justice  
400 County Center; 2<sup>nd</sup> Floor  
Redwood City, CA 94063-1655

Re: Grand Jury Report: "Smoke-Free Multiunit Housing: No ifs, ands or Butts"

Dear Judge Swope;

The City Council received the July 26, 2018 San Mateo Civil Grand Jury report titled, "Smoke-Free Multiunit Housing: No ifs, ands or Butts"

The Town was requested to submit comments regarding one recommendation within 90 days and no later than October 24, 2018. The Town of Colma's response to the recommendation is listed below.

The City Council of the Town of Colma has reviewed the recommendations in the 2017-2018 Grand Jury Report that affect the Town and approved the following responses at the public meeting on October 10, 2018.

The Grand Jury's report includes numerous findings, many of which are either factual in nature or jurisdiction specific for jurisdictions which already have multiunit housing smoking restrictions. Finding F1 is a finding of fact concerning the number of deaths from second hand smoke since 1967. Finding F2 relates to enforcement of smoking ordinances. Findings F3, F4, F5, F6, F7, F8, F9, F11, F12, F13 relate to jurisdictions other than Colma. Finding F14 states the funding allocation to the Tobacco Control Program. Based on the nature of these findings, the Town of Colma can respond to Finding F10, as follows:

**F10: The towns/cities of Colma, East Palo Alto, Half Moon Bay, Menlo Park, Millbrae, Pacifica, Portola Valley, and San Carlos do not have smoking ordinances that restrict smoking in their multiunit residences, except in some common areas. Atherton, Hillsborough, and Woodside have no multiunit housing.**

**Town Response:** The Town agrees with this finding.

The Grand Jury's report includes one recommendation to which the Town must respond.

Raquel P. Gonzalez, Mayor  
Joanne F. del Rosario, Vice Mayor  
John Irish Goodwin, Council Member • Diana Colvin, Council Member • Helen Fisicaro, Council Member  
Brian Dossey, City Manager

**Recommendation 1: By December 31, 2018, hold public hearings to evaluate issues and hear residents' views on restricting smoking in multiunit housing in their jurisdictions.**

**Town Response:**

The recommendation requires further analysis.

The Town has conducted the following outreach and public meetings regarding smoking restrictions in multiunit housing in Colma:

- A publicly noticed City Council Study Session was held on March 28, 2018 to consider types of smoking restrictions that could be added by local ordinance, including multiunit housing. Representatives of Breath California and the Tobacco Coalition were in attendance and addressed the City Council.
- At a publicly noticed public hearing, the Town moved forward with adopting a Commercial Smoking Ordinance on July 23, 2018 that prohibits smoking within 20' of the entrance or exit to a commercial establishment in addition to other provisions.
- On July 11, 2018, the City Council considered a presentation by a representative from Breath California on the effects of second hand smoking in multifamily units.
- Staff sent a survey to owners of multifamily units to understand if they have current rent restrictions against smoking in their units and if there is interest in the Town adopting local restrictions.
- Staff sent a survey to property owners in Common Interest developments to obtain information about types of smoking restrictions they would support, and, if the Town or their HOA should implement policies.
- Based on survey results and further public outreach after survey results are received, the Town will hear residents' views on restricting smoking in multiunit housing by January 26, 2019.

The Town appreciates the efforts of the Grand Jury. Please contact City Manager Brian Dossey should you require any additional information. He can be reached at (650) 997-8318 or [brian.dossey@colma.ca.gov](mailto:brian.dossey@colma.ca.gov).

Sincerely,

Raquel P. Gonzalez  
Mayor



Superior Court of California, County of San Mateo  
Hall of Justice and Records  
400 County Center  
Redwood City, CA 94063-1655

Attachment B

RODINA M. CATALANO  
COURT EXECUTIVE OFFICER  
CLERK & JURY COMMISSIONER

(650) 261-5066  
FAX (650) 261-5147  
www.sanmateocourt.org

July 26, 2018

Town Council  
Town of Colma  
1198 El Camino Real  
Colma, CA 94014

Re: Grand Jury Report: "Smoke-Free Multiunit Housing: No Ifs, Ands, Or Butts"

Dear Councilmembers:

The 2017-2018 Grand Jury filed a report on July 26, 2018 which contains findings and recommendations pertaining to your agency. Your agency must submit comments, within 90 days, to the Hon. V. Raymond Swope. Your agency's response is due no later than October 24, 2018. **Please note that the response should indicate that it was approved by your governing body at a public meeting.**

For all findings, your responding agency shall indicate one of the following:

1. The respondent agrees with the finding.
2. The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefore.

Additionally, as to each Grand Jury recommendation, your responding agency shall report one of the following actions:

1. The recommendation has been implemented, with a summary regarding the implemented action.
2. The recommendation has not yet been implemented, but will be implemented in the future, with a time frame for implementation.
3. The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a time frame for the matter to be prepared for discussion by the officer or director of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This time frame shall not exceed six months from the date of publication of the Grand Jury report.
4. The recommendation will not be implemented because it is not warranted or reasonable, with an explanation therefore.

JUL 31 '18 PM 5:00

Please submit your responses in all of the following ways:

1. Responses to be placed on file with the Clerk of the Court by the Court Executive Office.
  - Prepare original on your agency's letterhead, indicate the date of the public meeting that your governing body approved the response address and mail to Judge Swope.


Hon. V. Raymond Swope  
Judge of the Superior Court  
c/o Charlene Kresevich  
Hall of Justice  
400 County Center; 2<sup>nd</sup> Floor  
Redwood City, CA 94063-1655.

2. Responses to be placed at the Grand Jury website.
  - Copy response and send by e-mail to: [grandjury@sanmateocourt.org](mailto:grandjury@sanmateocourt.org). (Insert agency name if it is not indicated at the top of your response.)
3. Responses to be placed with the clerk of your agency.
  - File a copy of the response directly with the clerk of your agency. Do not send this copy to the Court.

For up to 45 days after the end of the term, the foreperson and the foreperson's designees are available to clarify the recommendations of the report. To reach the foreperson, please call the Grand Jury Clerk at (650) 261-5066.

If you have any questions regarding these procedures, please do not hesitate to contact Paul Okada, Chief Deputy County Counsel, at (650) 363-4761.

Very truly yours,



Rodina M. Catalano  
Court Executive Officer

RMC:ck  
Enclosure

cc: Hon. V. Raymond Swope  
Paul Okada

Information Copy: City Manager



## SMOKE-FREE MULTIUNIT HOUSING: NO IFS, ANDS, OR BUTTS

[Issue](#) | [Summary](#) | [Glossary](#) | [Background](#) | [Discussion](#) | [Conclusion](#) | [Findings](#)  
[Recommendations](#) | [Requests for Responses](#) | [Methodology](#) | [Bibliography](#) | [Appendixes](#) | [Responses](#)

### ISSUE

Do ordinances in jurisdictions banning smoking in multiunit housing properties protect San Mateo County residents from exposure to secondhand smoke?

### SUMMARY

In the United States alone, exposure to secondhand smoke has killed approximately 2.5 million nonsmokers of all ages over the last 50 years.<sup>1</sup> While California has enacted a statewide ban on smoking in enclosed workplaces,<sup>2,3</sup> the majority of secondhand smoke exposure occurs in the home. Marijuana smoke, another source of secondhand smoke, is also toxic and contains many of the same chemicals and carcinogens as tobacco smoke.<sup>4</sup> Residents of multiunit properties, where smoke in one unit can pass into adjacent ones, are at significant risk of exposure to secondhand smoke.<sup>5</sup> In San Mateo County (the County), there are currently almost 114,000 multiunit households,<sup>6</sup> and the number is expected to grow as jurisdictions work to address increasing housing demands.<sup>7</sup>

In 2007, the City of Belmont passed the nation's first ordinance prohibiting smoking in multiunit housing.<sup>8</sup> Since then, eight additional cities in San Mateo County, as well as the County itself (with respect to its unincorporated areas) have passed similar multiunit housing smoking ordinances.<sup>9</sup>

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<sup>1</sup> *The Health Consequences of Smoking—50 Years of Progress: A Report of the Surgeon General*. Rockville, MD. 2014. U.S. Public Health Service website, accessed June 7, 2018. <https://www.surgeongeneral.gov/library/reports/50-years-of-progress/exec-summary.pdf>

<sup>2</sup> "AB-13 Fact Sheet - California Workplace Smoking Restrictions. October 1997." State of California. Department of Industrial Relations website, accessed June 7, 2018. [https://www.dir.ca.gov/dosh/dosh\\_publications/smoking.html](https://www.dir.ca.gov/dosh/dosh_publications/smoking.html)

<sup>3</sup> "AB-7 Smoking in the Workplace. (2015-2016)" California Legislative Information website, accessed June 7, 2018. [http://leginfo.ca.gov/faces/billCompareClient.xhtml?bill\\_id=201520162AB7](http://leginfo.ca.gov/faces/billCompareClient.xhtml?bill_id=201520162AB7)

<sup>4</sup> "Marijuana and Tobacco Use, Marijuana: The Basics," California Department of Public Health website, accessed June 7, 2018.

<sup>5</sup> King et al., "Secondhand Smoke Transfer in Multiunit Housing," *Nicotine & Tobacco Research*. November 2010. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3436457/pdf/ntq162.pdf>

<sup>6</sup> Officials in San Mateo county jurisdictions: email messages to the Grand Jury. (See Appendix B.)

<sup>7</sup> "Key Housing Trends in San Mateo County: A report by 21 Elements 2014," 21 Elements website, accessed June 7, 2018. <<http://www.21elements.com/Housing-Needs-and-Demographics/View-category.html>>

<sup>8</sup> Chen, Serena. American Lung Association in California and Bay Area Smokefree Housing Project. *Belmont Case Study: Belmont, CA Secondhand Smoke/Multi-Unit Housing Ordinance*. <https://www.myctb.org/wst/healthylawrence/livewell/TobaccoFreeLiving/American%20Lung%20Association%20Advocates%20Toolbox/Module-3/Belmont-Case-Study.pdf>

<sup>9</sup> Smoking Ordinances in: Belmont <[https://library.municode.com/ca/belmont/codes/code\\_of\\_ordinances?nodeId=CICO\\_CH20.5RESM](https://library.municode.com/ca/belmont/codes/code_of_ordinances?nodeId=CICO_CH20.5RESM)>, Brisbane <[https://library.municode.com/ca/brisbane/codes/code\\_of\\_ordinances?nodeId=TIT8HESA\\_CH8.46SMMUITRE](https://library.municode.com/ca/brisbane/codes/code_of_ordinances?nodeId=TIT8HESA_CH8.46SMMUITRE)>, Burlingame <[http://qcode.us/codes/burlingame/view.php?topic=8-8\\_18](http://qcode.us/codes/burlingame/view.php?topic=8-8_18)>, Daly City <

Through interviews with local law and code enforcement officers, the San Mateo County Civil Grand Jury (the Grand Jury) learned that many of these jurisdictions have not adequately educated residents about their rights and obligations under multiunit housing smoking ordinances. At the time their ordinances were adopted, most of these jurisdictions conducted limited public outreach to residents, and even now, the jurisdictions' online resources detailing tenants' rights and reporting methods are difficult to access. Local officials also indicated that enforcement of their ordinances is constrained by the need to observe smoking violations in progress.<sup>10</sup>

The Tobacco Prevention Program and the Tobacco Education Coalition are the two local entities that educate residents regarding the health effects of smoking, including secondhand smoke. The Tobacco Prevention Program is a part of the County's Health System and is charged with educating the community about tobacco-related health and policy issues. The Tobacco Education Coalition is a community-based group supported by the Tobacco Prevention Program that engages in advocacy relating to reducing the public's use of and exposure to tobacco. Both organizations assist cities that are considering smoking restrictions for their multiunit housing properties. With the quadrupling of the funding allocation from the California Department of Public Health's Tobacco Control Program (from \$150,000 in FY 2016-2017 to \$748,000 in FY 2017-2018), these entities will have the opportunity to greatly expand their operations.<sup>11</sup>

The Grand Jury recommends, among other actions, that:

- Jurisdictions with multiunit housing smoking ordinances take steps to improve their tracking of smoking violation complaints as well as increase their residents' awareness of their rights and obligations, thereby increasing the effectiveness of enforcement efforts;
- The Tobacco Prevention Program and Tobacco Education Coalition increase their educational outreach and support for countywide efforts to protect residents from the dangers of secondhand smoke exposure;
- Cities within San Mateo County that have not yet adopted such ordinances hold public hearings to evaluate issues and hear residents' views on adopting smoking restrictions in multiunit housing in their jurisdictions.

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[https://library.municode.com/ca/daly\\_city/codes/code\\_of\\_ordinances?nodeId=TIT8HESA\\_CH8.36RESM](https://library.municode.com/ca/daly_city/codes/code_of_ordinances?nodeId=TIT8HESA_CH8.36RESM)> , Foster City < <http://www.codepublishing.com/CA/FosterCity/?FosterCity08/FosterCity0805.html>> , Redwood City < [https://library.municode.com/ca/redwood\\_city/codes/code\\_of\\_ordinances?nodeId=CH15SMRE](https://library.municode.com/ca/redwood_city/codes/code_of_ordinances?nodeId=CH15SMRE)> , San Bruno < <https://qcode.us/codes/sanbruno/>> , City of San Mateo < [http://qcode.us/codes/sanmateo/view.php?topic=7-7\\_40&showAll=1&frames=on](http://qcode.us/codes/sanmateo/view.php?topic=7-7_40&showAll=1&frames=on)> , San Mateo County < [https://library.municode.com/ca/san\\_mateo\\_county/codes/code\\_of\\_ordinances?nodeId=TIT4SAHE\\_CH4.96SM](https://library.municode.com/ca/san_mateo_county/codes/code_of_ordinances?nodeId=TIT4SAHE_CH4.96SM)> , and South San Francisco < [http://qcode.us/codes/southsanfrancisco/view.php?topic=8-8\\_50&showAll=1&frames=off](http://qcode.us/codes/southsanfrancisco/view.php?topic=8-8_50&showAll=1&frames=off)> accessed June 7, 2018.

<sup>10</sup> Officials from local code and law enforcement agencies: interviews by the Grand Jury.

<sup>11</sup> Official of the San Mateo County Health System: interview by the Grand Jury.



## GLOSSARY AND ABBREVIATIONS

**California Healthcare, Research and Prevention Tobacco Tax Act (Proposition 56 or Prop. 56):** A 2016 California state law increasing the excise taxes on tobacco products, including e-cigarettes, by \$2.

**California Tobacco Tax and Health Protection Act (Proposition 99 or Prop. 99):** A 1988 California state law which created a statewide, comprehensive tobacco control program funded through a twenty-five-cent tax on tobacco products.

**Electronic Smoking Devices (ESDs):** Devices containing a nicotine-based liquid that is vaporized and inhaled, used to simulate the experience of smoking tobacco. ESDs are also used as alternatives to smoking marijuana.

**Jurisdictions:** The jurisdictions that have adopted multiunit housing smoking ordinances: Belmont, Brisbane, Burlingame, Daly City, Foster City, Redwood City, San Bruno, San Mateo, South San Francisco, and the County of San Mateo (for its unincorporated areas only).

**Multiunit Households (MUH):** A classification of housing where multiple separate housing units for residential inhabitants are contained within one building. There are currently almost 114,000 MUHs in the county.

**Secondhand Smoke (SHS):** The combination of smoke generated by cigarettes (or other ignited plant material for the purpose of inhalation) as well as the smoke exhaled by the smoker.

**Thirdhand smoke (THS):** The toxic particulate residue from smoke that clings to walls, fabrics, carpets, and other furnishings, lingering on surfaces after active smoking has ceased.

**Tobacco Prevention Program (TPP):** The County of San Mateo Health System established the TPP in 1989 as part of the statewide network to educate the community on tobacco-related health and policy issues.

**Tobacco Education Coalition (TEC):** A community-based group, established per Proposition 99, for the purpose of improving public health by reducing the use of tobacco products in the county.

## BACKGROUND

### Secondhand Smoke

Secondhand smoke (SHS), also known as “involuntary” or “passive” smoke, is a combination of smoke generated by cigarettes (or other ignited plant material for the purpose of inhalation) as well as the smoke exhaled by the smoker.<sup>12</sup> Cigarette smoke contains more than 7,000 chemicals, including

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<sup>12</sup> *The Health Consequences of Involuntary Exposure to Tobacco Smoke*. A Report of the Surgeon General. Atlanta, GA. 2006. U.S. Public Health Service, Surgeon General website, accessed June 7, 2018. <https://www.surgeongeneral.gov/library/reports/secondhandsmoke/fullreport.pdf>

formaldehyde, cyanide, carbon monoxide, ammonia, and highly addictive nicotine, as well as more than 50 carcinogens. Since 1967, exposure to SHS has killed approximately 2.5 million nonsmokers of all ages in the United States.<sup>13</sup>

In 2010, the U.S. Surgeon General confirmed that even occasional exposure to secondhand smoke is harmful, and that low levels of secondhand tobacco smoke lead to impairment of the lining of the blood vessels, which, in turn, can lead to heart attacks and stroke.<sup>14</sup>

According to the American Lung Association:

Secondhand smoke causes approximately 7,330 deaths from lung cancer and 33,950 deaths from heart disease each year... Secondhand smoke is especially harmful to young children. Secondhand smoke is responsible for between 150,000 and 300,000 lower respiratory tract infections in infants and children under 18 months of age, resulting in between 7,500 and 15,000 hospitalizations each year. It also causes 430 sudden infant death syndrome (SIDS) deaths in the U.S. annually.<sup>15</sup>

Marijuana smoke, another source of secondhand smoke, is also toxic. It contains twice as much tar and ammonia, eight times as much hydrogen cyanide, and many of the same chemicals and carcinogens as tobacco smoke. Studies have shown that exposure to secondhand marijuana smoke impairs blood vessel function temporarily. Moreover, recovery from impairment caused by marijuana takes longer than from tobacco smoke, and repeated exposure to secondhand marijuana smoke can lead to long-term blood vessel impairment.<sup>16</sup>

According to the American Nonsmoker's Rights Foundation:

Smoke is smoke. Both tobacco and marijuana smoke impair blood vessel function similarly. People should avoid both, and governments who are protecting people against secondhand smoke exposure should include marijuana in those rules.<sup>17</sup>

Approximately one in four nonsmoking Americans is subjected to secondhand smoke, including more than one in three who live in rental housing. Exposure to SHS occurs primarily at home, especially for children. An estimated 15 million children ages three to eleven are exposed to SHS.<sup>18</sup>

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<sup>13</sup> *The Health Consequences of Smoking—50 Years of Progress: A Report of the Surgeon General*. Rockville, MD. 2014. U.S. Public Health Service, Surgeon General website, accessed June 7, 2018.

<https://www.surgeongeneral.gov/library/reports/50-years-of-progress/exec-summary.pdf> .

<sup>14</sup> "Fact Sheet: How Tobacco Smoke Causes Disease," A Report of the Surgeon General. Centers for Disease Control and Prevention website, accessed June 7, 2018. < [https://www.cdc.gov/tobacco/data\\_statistics/sgr/2010/pdfs/key-findings.pdf](https://www.cdc.gov/tobacco/data_statistics/sgr/2010/pdfs/key-findings.pdf)>

<sup>15</sup> "Health Effects of Secondhand Smoke," American Lung Association website, accessed June 7, 2018.

<http://www.lung.org/stop-smoking/smoking-facts/health-effects-of-secondhand-smoke.html>

<sup>16</sup> "Marijuana and Tobacco Use, Marijuana: The Basics," California Department of Public Health website, accessed June 7, 2018.

<https://www.cdph.ca.gov/Programs/CCDPHP/DCDIC/CTCB/CDPH%20Document%20Library/ResearchandEvaluation/FactsandFigures/MJAndTobaccoUseFac%20Sheet-CDPH-CTCP-5-2017.pdf>

<sup>17</sup> Matthew Springer, cardiovascular researcher and Associate Professor of Medicine, University of California, San Francisco. "Secondhand Marijuana Smoke: Fact Sheet," American Nonsmokers' Rights Foundation website, accessed June 7, 2018. <https://no-smoke.org/secondhand-marijuana-smoke-fact-sheet/>

While all children and adults can be victims of secondhand smoke, nonsmokers in some communities are at an elevated risk of exposure.<sup>19</sup> For example, more than 45 percent of Black nonsmokers are exposed to SHS, in contrast with 23.9 percent of Hispanic Americans and 21.8 percent of non-Hispanic White nonsmokers. In addition, 43.2 percent of nonsmokers with incomes below the poverty level are exposed to SHS.

### **Secondhand Smoke Infiltration in Multiunit Housing (MUH)**

Since Americans spend almost two-thirds of their lives in their residences, nonsmokers living in multiunit properties are at elevated risk of exposure to secondhand smoke.<sup>20</sup> The Centers for Disease Control and Prevention (CDC) reports that secondhand smoke can enter living spaces from other units and/or common areas through ventilation systems, walls, electrical outlets, open windows, or hallways.<sup>21</sup>

The Center for Social Gerontology's 2006 report explains the problem further:

The health hazards of tobacco smoke are magnified in the close living quarters of those who live in multi-family dwellings... Tobacco smoke travels from its point of generation in a building to all other areas of the building. It has been shown to move through light fixtures, through ceiling crawl spaces, and into and out of doorways. Once exposed, building occupants are at risk for irritant, allergic, acute and chronic cardiopulmonary and carcinogenic adverse health effects.<sup>22</sup>

### **Smoke Residue (“Thirdhand smoke”)**

Thirdhand smoke (THS) is the toxic particulate residue from smoke that clings to walls, fabrics, carpets, and other furnishings, lingering on surfaces after active smoking has ceased.<sup>23</sup> Arsenic, lead, cyanide, and other carcinogens in thirdhand smoke can be absorbed through inhalation or skin contact, affecting both people and pets.<sup>24</sup>

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<sup>18</sup> “CDC Vital Signs. Secondhand Smoke: An Unequal Danger. February 2015,” Centers for Disease Control and Prevention website, accessed June 7, 2018. <https://www.cdc.gov/vitalsigns/pdf/2015-02-vitalsigns.pdf>

<sup>19</sup> “Secondhand Smoke (SHS) Facts.” Centers for Disease Control and Prevention website, accessed June 7, 2018. [https://www.cdc.gov/tobacco/data\\_statistics/fact\\_sheets/secondhand\\_smoke/general\\_facts/index.htm](https://www.cdc.gov/tobacco/data_statistics/fact_sheets/secondhand_smoke/general_facts/index.htm)

<sup>20</sup> King et al., “Secondhand Smoke Transfer in Multiunit Housing.” *Nicotine & Tobacco Research*. November 2010. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3436457/pdf/ntq162.pdf>

<sup>21</sup> “Ventilation Does Not Effectively Protect Nonsmokers From Secondhand Smoke,” Centers for Disease Control and Prevention website, accessed June 7, 2018.

[https://www.cdc.gov/tobacco/data\\_statistics/fact\\_sheets/secondhand\\_smoke/protection/ventilation/index.htm](https://www.cdc.gov/tobacco/data_statistics/fact_sheets/secondhand_smoke/protection/ventilation/index.htm)

<sup>22</sup> Schoenmarklin, Susan, Esq. *Memorandum: Analysis of the Voluntary and Legal Options of Condominium Owners Confronted with Secondhand Smoke from another Condominium Unit*. Smoke-Free Environments Law Project. The Center for Social Gerontology, Inc. Anne Arbor, MI. May 2006. [http://www.tcsg.org/sfelp/memo\\_06.pdf](http://www.tcsg.org/sfelp/memo_06.pdf)

<sup>23</sup> “California Consortium for Thirdhand Smoke,” University of California San Francisco. Center for Tobacco Control Research and Education website, accessed June 7, 2018. <https://tobacco.ucsf.edu/california-consortium-thirdhand-smoke>

<sup>24</sup> “Be Smoke-free and Help Your Pets Live Longer, Healthier Lives,” U.S. Food and Drug Administration website, accessed June 7, 2018. <https://www.fda.gov/AnimalVeterinary/ResourcesforYou/AnimalHealthLiteracy/ucm520415.htm>

According to the UCSF Center for Tobacco Control Research and Education:

Infants and small children are likely to have more exposure to THS than adults because THS contaminates house dust and surfaces. Infants and children spend more time on the floor, have frequent hand to mouth behaviors, explore objects in the environment with their mouth, put non-food items in their mouths, engage in active play at home, and breathe in more dust-contaminated air than adults, in relation to their body size.<sup>25</sup>

### **Electronic Cigarette Aerosol (or Vapor)**

Electronic Smoking Devices (ESDs or e-cigarettes) emerged in the U.S. in 2007, as alternatives to smoking tobacco and marijuana. Use of e-cigarettes is commonly referred to as “vaping.” They quickly became popular, in part due to efforts of manufacturers to attract young buyers through tactics such as bubblegum and fruit flavorings.<sup>26</sup> While e-cigarettes and similar devices do not produce tobacco or marijuana smoke, the vapor they emit is also harmful. It contains particulates, propylene glycol or vegetable glycerin, nicotine (in the case of tobacco), metals and other toxins.<sup>27</sup>

### **San Mateo County Health System’s Responses to Secondhand Smoke**

#### Tobacco Prevention Program

In 1988, the California Tobacco Tax and Health Protection Act (Prop. 99) was passed by the voters, creating a statewide, comprehensive tobacco control program. Prop. 99 levied a twenty-five-cent tax on tobacco products and placed new restrictions on the sale of tobacco. With the revenue generated by this initiative, the County established the Tobacco Prevention Program (TPP) in 1989 as part of the statewide network to educate the community on tobacco-related health and policy issues.<sup>28</sup> The TPP’s 2014-2017 Program Goals and Interventions<sup>29</sup> included:

- Reducing exposure to secondhand smoke by implementing smoke-free multiunit housing policies
- Engaging youth in tobacco control and amending tobacco retail ordinances to broaden the definition of tobacco product
- Reducing the availability of tobacco by eliminating tobacco sales in pharmacies/health care settings

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<sup>25</sup> “Frequently Asked Questions,” University of California San Francisco. Center for Tobacco Control Research and Education. California Consortium for Thirdhand Smoke website, accessed June 7, 2018.

<https://tobacco.ucsf.edu/frequently-asked-questions-0#Who-has-high-exposure-risk-of-THS>

<sup>26</sup> Samantha Weigel. “County may ban flavored tobacco, including menthol.” *San Mateo Daily Journal*, January 20, 2018. [https://www.smdailyjournal.com/news/local/county-may-ban-flavored-tobacco-including-menthol/article\\_a54ccc9c-fd9f-11e7-8baa-ab201dac2a50.html](https://www.smdailyjournal.com/news/local/county-may-ban-flavored-tobacco-including-menthol/article_a54ccc9c-fd9f-11e7-8baa-ab201dac2a50.html)

<sup>27</sup> “Recreational Vaping 101: What is Vaping?” National Center on Addiction and Substance Abuse website, accessed June 7, 2018. <https://www.centeronaddiction.org/e-cigarettes/recreational-vaping/what-vaping>

<sup>28</sup> Official of the San Mateo County Health System: interview by the Grand Jury.

<sup>29</sup> “San Mateo County Tobacco Prevention Program 2014-2017 Program Goals and Interventions,” County of San Mateo Health System website, accessed June 7, 2018. [https://www.smchealth.org/sites/main/files/file-attachments/2014\\_-\\_2017\\_priorities.pdf](https://www.smchealth.org/sites/main/files/file-attachments/2014_-_2017_priorities.pdf)

The TPP provides a number of resources for county residents, including a hotline for the public to report problems with exposure to SHS and guidance to address those issues on the Smoke-Free Housing web page.<sup>30</sup>

In 2016, voters passed the California Healthcare, Research and Prevention Tobacco Tax Act (Prop. 56), which increased the excise taxes on tobacco products, including e-cigarettes, by \$2. With this increased tax revenue, the TPP's annual funding allocation from the California Department of Public Health's Tobacco Control Program increased from \$150,000 in FY 2016-2017 to \$784,000 in FY 2017-2018.<sup>31</sup> As a result, the TPP is expanding its operations to include:

- Education initiatives for city officials, residents, property managers, and the public on the dangers of secondhand smoke and effective methods to implement MUH smoking ordinances
- Assistance for MUH communities with signage and monitoring compliance

### Tobacco Education Coalition

Proposition 99 also required that all counties form a community-based group to improve public health by reducing the use of tobacco products. As a result, the County created the Tobacco Education Coalition (TEC) in 1989. The Coalition includes representatives from nonsmoking advocacy groups such as Breathe California, the Youth Leadership Institute, and the American Cancer Society, as well as the San Mateo County Sheriff's Office and San Mateo County Office of Education.<sup>32</sup> The TPP also provides crucial support for the TEC's activities.<sup>33</sup>

With the goals of raising public awareness, implementing a countywide tobacco control plan, and engaging the public,<sup>34</sup> the TEC works with local governments to undertake the following initiatives:

- Implementing smoke-free multiunit housing policies
- Amending tobacco retail ordinances to broaden the definition of tobacco products
- Eliminating tobacco sales in pharmacies and health care settings
- Collaborating on a statewide healthy stores campaign<sup>35</sup>

As part of the TEC's efforts to promote smoke-free multiunit housing, Coalition members provide city staff with model smoking ordinances. Coalition members also advocate at city council meetings for MUH smoking restrictions.<sup>36, 37</sup>

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<sup>30</sup> County of San Mateo Health System website. Smoke-Free Housing. <https://www.smchealth.org/driftingsmoke>

<sup>31</sup> Official of the San Mateo County Health System: interview by the Grand Jury.

<sup>32</sup> "Tobacco Education Coalition: Advocating change to support a tobacco-free San Mateo County," County of San Mateo Health System website, accessed June 7, 2018. <https://www.smchealth.org/tobaccoeducationcoalition>

<sup>33</sup> "Combined Scope of Work" document provided to the Grand Jury. County of San Mateo Health System, Tobacco Prevention Program. 04/20/18.

<sup>34</sup> "San Mateo County Tobacco Education Coalition By-Laws, Article One, Section Two: Goals." County of San Mateo Health System website, accessed June 7, 2018. [https://www.smchealth.org/sites/main/files/file-attachments/tec\\_bylaws\\_v2\\_2015.pdf](https://www.smchealth.org/sites/main/files/file-attachments/tec_bylaws_v2_2015.pdf)

<sup>35</sup> "San Mateo County Tobacco Education Coalition 2014-2017 Objectives," Tobacco Education Coalition: Advocating change to support a tobacco-free San Mateo County, County of San Mateo Health System website, accessed June 7, 2018. [https://www.smchealth.org/sites/main/files/file-attachments/tec\\_objectives\\_2014-2017\\_12-2016.pdf](https://www.smchealth.org/sites/main/files/file-attachments/tec_objectives_2014-2017_12-2016.pdf)

## Adoption of Smoking Ordinances for Multiunit Housing

Starting with Belmont in 2007,<sup>38</sup> local jurisdictions began to pass laws to protect residents from secondhand smoke. Since then Brisbane, Burlingame, Daly City, Foster City, Redwood City, San Bruno, San Mateo, South San Francisco, and the County of San Mateo, for its unincorporated areas, have adopted ordinances that restrict smoking in multiunit housing properties.<sup>39</sup> The towns/cities of Colma, East Palo Alto, Half Moon Bay, Menlo Park, Millbrae, Pacifica, Portola Valley, and San Carlos do not restrict smoking in their multiunit residences, except in some common areas.<sup>40</sup> Atherton, Hillsborough, and Woodside have no multiunit housing.<sup>41</sup> At present, there are almost 114,000 multiunit residences in the county, of which approximately 94,000 (or 82 percent) are covered by MUH smoking ordinances.<sup>42</sup> (See Appendix B.)

Even though 80 percent of California MUH residents surveyed have indicated that they prefer smoke-free housing<sup>43</sup> and only 6.6 percent of San Mateo County residents smoke,<sup>44</sup> multiunit housing smoking bans remain controversial. The debate centers around the conflict between individual property rights versus the rights of residents to live in a safe, healthy environment.<sup>45, 46</sup> However, no U.S. or California court has found that there is an affirmative right to smoke under either the U.S. Constitution or California Constitution.<sup>47</sup>

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<sup>36</sup> Official of the San Mateo County Health System: interview by the Grand Jury.

<sup>37</sup> “Creating Smokefree Housing. A Model California Ordinance and Checklist,” ChangeLab Solutions website, accessed June 7, 2018. <http://changelabsolutions.org/publications/model-ord-smokefree-housing>

<sup>38</sup> Chen, Serena. American Lung Association in California and Bay Area Smokefree Housing Project. *Belmont Case Study: Belmont, CA Secondhand Smoke/Multi-Unit Housing Ordinance*. <https://www.myctb.org/wst/healthylawrence/livewell/TobaccoFreeLiving/American%20Lung%20Association%20Advocates%20Toolbox/Module-3/Belmont-Case-Study.pdf>

<sup>39</sup> Smoking Ordinances in San Mateo county jurisdictions. (See Footnote 8)

<sup>40</sup> Municipal codes for: Colma <https://www.colma.ca.gov/municipal-code/>, East Palo Alto [https://library.municode.com/ca/east\\_palo\\_alto/codes/code\\_of\\_ordinances](https://library.municode.com/ca/east_palo_alto/codes/code_of_ordinances), Half Moon Bay <http://www.codepublishing.com/CA/HalfMoonBay/>, Menlo Park <http://www.codepublishing.com/CA/MenloPark/>, Millbrae <http://www.codepublishing.com/CA/Millbrae/>, Pacifica [https://library.municode.com/ca/pacifica/codes/code\\_of\\_ordinances](https://library.municode.com/ca/pacifica/codes/code_of_ordinances), Portola Valley [https://library.municode.com/ca/portola\\_valley/codes/code\\_of\\_ordinances](https://library.municode.com/ca/portola_valley/codes/code_of_ordinances), and San Carlos <https://www.codepublishing.com/CA/SanCarlos/>.

<sup>41</sup> Officials in Atherton, Hillsborough, and Woodside: email responses to the Grand Jury.

<sup>42</sup> Officials from cities, towns, and San Mateo County: email responses to the Grand Jury.

<sup>43</sup> “Policy Statements. Policy Statement 12: Smoke-Free Housing Choice,” California Apartment Association website, accessed June 7, 2018. [https://caanet.org/app/uploads/2015/01/CAA\\_Policy\\_Statements\\_2013-with-TOC.pdf](https://caanet.org/app/uploads/2015/01/CAA_Policy_Statements_2013-with-TOC.pdf)

<sup>44</sup> “California Facts and Figures 2016, Over 25 Years of Tobacco Control in California, September 2016,” California Department of Public Health website, accessed June 7, 2018. <https://www.cdph.ca.gov/Programs/CCDPHP/DCDIC/CTCB/CDPH%20Document%20Library/ResearchandEvaluation/FactsandFigures/2016FactsFiguresWeb.pdf>

<sup>45</sup> Minutes, City of Half Moon Bay City Council, February 6, 2018.

<sup>46</sup> Video, Redwood City City Council, October 2, 2017, Meetings, Agendas, and Minutes, Redwood City website, accessed June 7, 2018. < <http://www.redwoodcity.org/city-hall/city-council/city-council-meetings-agendas-and-minutes>>

<sup>47</sup> Samantha K. Graff, “There Is No Constitutional Right to Smoke: 2008, March 2008.” A Law Synopsis by the Tobacco Control Legal Consortium, Tobacco Control Legal Consortium website, accessed June 7, 2018. <<http://www.publichealthlawcenter.org/sites/default/files/resources/tclc-syn-constitution-2008.pdf>>

Legislative efforts to ban smoking in multiunit housing can take years. For example, in Redwood City it took five years until the city’s MUH smoking ordinance was passed in October 2017.<sup>48</sup> In other municipalities, such as Half Moon Bay, the city council is still considering MUH smoking restrictions as of May 2018.<sup>49</sup>

Multiunit housing smoking ordinances generally provide the following:

- Prohibit smoking (which includes the use of e-cigarettes) of tobacco, recreational marijuana, and other plant materials, in individual units of MUH and all in common areas
- Declare secondhand smoke a “nuisance”
- Require landlords to post no-smoking signage
- Require leases to incorporate smoking restrictions
- Prohibit landlords/property managers from “knowingly permitting” smoking and “knowingly or intentionally” permitting ashtrays
- Provide for fines between \$100 - \$250 for smoking violations

Ordinances vary on certain provisions, such as whether condominiums are included in their definitions of multiunit housing, acceptable distances from building entrances and windows where outdoor smoking is permitted, and whether smoking medical marijuana is exempted from MUH smoking restrictions. For example, the MUH smoking ordinances for the cities of Brisbane, Burlingame, Daly City, and the County of San Mateo for its unincorporated areas do not prohibit smoking medical marijuana in multiunit housing.<sup>50</sup>

## **DISCUSSION**

### **Implementation of ordinances and education**

Successful implementation of the provisions of a multiunit housing smoking ordinance, following its passage, requires residents to be knowledgeable about their rights under the law. Historically, cities have used press releases, mailings, and community meetings to inform the public of the new rules for a period of time immediately after the law has been passed. However, the Grand Jury found that most jurisdictions did not continue engaging the public after the initial awareness campaign, except when ordinances were amended.<sup>51</sup>

MUH smoking ordinances place substantial responsibility for implementation on landlords and property managers. For example, most jurisdictions require landlords to install no-smoking signage, modify leases, and set up any designated smoking areas that they choose to permit at the stated minimum distances from building entrances and windows.<sup>52</sup> However, most city governments have

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<sup>48</sup> Official of the San Mateo County Health System: interview by the Grand Jury.

<sup>49</sup> Zachary Clark, “Half Moon Bay to adopt smoking restrictions,” *San Mateo Daily Journal*, May 17, 2018. [https://www.smdailyjournal.com/news/local/half-moon-bay-to-adopt-smoking-restrictions/article\\_948a18f0-598a-11e8-a4d4-270086bc37e4.html](https://www.smdailyjournal.com/news/local/half-moon-bay-to-adopt-smoking-restrictions/article_948a18f0-598a-11e8-a4d4-270086bc37e4.html)

<sup>50</sup> Smoking Ordinances in San Mateo County jurisdictions. (See Footnote 8)

<sup>51</sup> Officials from local code and law enforcement agencies: interviews by the Grand Jury.

<sup>52</sup> Smoking Ordinances in San Mateo County jurisdictions. (See Footnote 8)

neither assisted in this process nor followed up to ensure that these requirements are being met.<sup>53, 54</sup> As a result, many MUH properties lack the required signage and designated smoking areas.<sup>55</sup>

The jurisdictions' websites provide little information to educate residents, landlords, and property managers on their MUH smoking ordinances. It can be challenging to find information online about the ordinances or how to report a violation. The following examples are illustrative:

- The websites for Burlingame, Daly City, Redwood City,<sup>56</sup> the County of San Mateo, and South San Francisco do not contain any summaries of their MUH smoking ordinances. See Appendices C and D for examples of summaries from cities that do provide them.
- All but one of the MUH jurisdictions' websites provide links on their home pages for residents to report common nuisances such as potholes, graffiti, and abandoned shopping carts, but they do not provide any such links for reporting smoking violations.<sup>57</sup>
- Only the websites for Brisbane, San Bruno, and Foster City provide readily accessible information on how to report a violation of an MUH smoking ordinance.<sup>58</sup> See Appendix E for an example of a readily accessible notice.
- When entering search terms such as “smoke” and “smoking” in MUH cities' websites, no information regarding multiunit housing smoking ordinances appears in either Burlingame's or Daly City's websites.<sup>59</sup>
- San Bruno and the County of San Mateo (on the County Health System website) are the only MUH jurisdictions that provide information about the TPP or TEC or how to contact them regarding multiunit housing smoking issues.<sup>60</sup>

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<sup>53</sup> Officials from local code and law enforcement agencies: interviews by the Grand Jury.

<sup>54</sup> “Six-Month Apartment Smoking Prohibitions Review” report to Foster City City Council. June 1, 2015.

<https://fostercityca.civicclerk.com/web/UserControls/DocPreview.aspx?p=1&aoid=306>

<sup>55</sup> On-site observations in Belmont, Daly City, and Foster City.

<sup>56</sup> Redwood City's smoking ordinance is partially implemented: effective January 1, 2018 for all new units and January 1, 2019 for existing units in MUH properties.

<sup>57</sup> The websites for the jurisdictions of Belmont <https://www.belmont.gov>, Brisbane <http://brisbaneca.org>, Foster City <https://www.fostercity.org>, Redwood City <http://www.redwoodcity.org>, San Bruno <https://www.sanbruno.ca.gov>, the City of San Mateo <https://www.cityofsanmateo.org>, San Mateo County and South San Francisco <http://www.ssf.net> have a “How Do I ...” or “I Want To ...” link on their websites, as well as Daly City's “iHelp” link <http://www.dalycity.org>, that lead to information on how to report nuisances such as barking dogs, loud parties, abandoned mattresses, and shopping carts. However, these links do not provide information on how to report MUH smoking violations. Burlingame's website links to Code Compliance from its home page <https://www.burlingame.org>.

<sup>58</sup> Websites for Belmont, Brisbane, Burlingame, Daly City, Foster City, Redwood City, San Bruno, City of San Mateo, San Mateo County, and South San Francisco (See Footnote 56).

<sup>59</sup> City of Burlingame website, accessed June 7, 2018: <<https://www.burlingame.org>> City of Daly City website, accessed June 7, 2018. <<http://www.dalycity.org>>

<sup>60</sup> Websites for Belmont, Brisbane, Burlingame, Daly City, Foster City, Redwood City, San Bruno, City of San Mateo, San Mateo County, and South San Francisco. (See Footnote 56)



The foregoing examples are summarized in Figure No. 1, below.

**Figure No. 1: Website Content of Jurisdictions with MUH Smoking Ordinances**

Jurisdiction	Search for “Smoke/Smoking” yields smoking ordinance information?	Provides summary of smoking ordinance?	Provides information on how to make complaints about MUH smoking?	Provides links to report specific nuisances other than smoking?	Provides TPP/TEC info?
Belmont	Yes	Yes	No	Yes	No
Brisbane	Yes	Yes	Yes	Yes	Yes
Burlingame	No	No	No	No	No
Daly City	No	No	No	Yes	No
Foster City	Yes	Yes	Yes	Yes	No
Redwood City <sup>61</sup>	Yes	No	No	Yes	No
San Bruno	Yes	Yes	Yes	Yes	Yes
City of San Mateo	Yes	Yes	No	Yes	No
South San Francisco	Yes	No	No	Yes	No
County of San Mateo	Yes	No	Yes	Yes	Yes

In addition to inadequate website information, Brisbane, Burlingame, Foster City, Redwood City, and San Bruno, the County of San Mateo, and South San Francisco do not require that their mandatory no-smoking signage contain a phone number for reporting violations. The City of San Mateo’s ordinance does not require that no-smoking signage be posted.<sup>62</sup>

### **Enforcement and Compliance**

Those jurisdictions with MUH smoking ordinances typically assign the responsibility for enforcement of the ordinances to either their law enforcement or code enforcement personnel. Such enforcement officers generally do not issue citations for first offense violations of MUH smoking ordinances. In fact, it is difficult for them to issue citations at all because they must (1) observe the violation in progress, (2) see other compelling evidence that a violation had occurred, or (3) have the alleged violator admit to law or code enforcement that he or she had been smoking in violation of the MUH smoking ordinance.<sup>63</sup>

Officers interviewed by the Grand Jury stated that most of the alleged MUH smokers they spoke with in response to a complaint said they were unfamiliar with the smoking ordinance restrictions. Because of this, the officers primarily seek to educate and warn those residents about the requirements of MUH

<sup>61</sup> Redwood City’s smoking ordinance is partially implemented: effective January 1, 2018 for all new units and January 1, 2019 for existing units in MUH properties.

<sup>62</sup> Smoking Ordinances in San Mateo County jurisdictions. (See Footnote 8)

<sup>63</sup> Officials from local code and law enforcement agencies: interviews by the Grand Jury.

smoking ordinances and potential enforcement.<sup>64</sup> In several jurisdictions, when the alleged smoking offender was not at home, officers would leave a letter, brochure, or door hanger, if their city has one, explaining the smoking ordinance requirements.<sup>65</sup> Complaints data reviewed by the Grand Jury indicates that very few individuals who were contacted by officers regarding alleged smoking ordinance violations were the subjects of subsequent complaints, suggesting that the officers' education approach was effective.<sup>66</sup>

According to enforcement officers interviewed by the Grand Jury, even if residents are aware of their rights, they may be reluctant to make complaints because of fear of retaliation from smoking neighbors or landlords.<sup>67</sup> While Belmont, Brisbane, Daly City, Redwood City, San Bruno, and the County of San Mateo's ordinances expressly prohibit retaliation, the MUH smoking ordinances for Burlingame, Foster City, the City of San Mateo, and South San Francisco do not.<sup>68</sup> The materials published by MUH jurisdictions also do not inform residents that they may complain anonymously about smoking violations. Vulnerable residents, such as undocumented immigrants, may fear that a complaint could result in disclosure, eviction, or deportation.<sup>69</sup>

Local officials interviewed by the Grand Jury opined that enforcement of MUH smoking ordinances might be helped by the use of new smartphone applications (apps) that enable users to take a photo of nuisance code infractions in their jurisdictions, then submit it instantly to enforcement officers. Once received, officers can review the information and follow up with onsite visits. Such photographic evidence of a smoking violation in progress could be deemed the equivalent of an officer viewing the violation, thus allowing the officer to issue a citation to the smoker.<sup>70</sup>

At present, Burlingame, Foster City, Redwood City, San Bruno, the City of San Mateo, South San Francisco, and the County of San Mateo provide such apps (Access Burlingame, Foster City Access, myRWC, San Bruno Responds, mySanMateo,<sup>71</sup> Engage SSF,<sup>72</sup> and Report It! San Mateo County,<sup>73</sup> respectively). Officials in the City of San Mateo have used their app only to receive reports on illegal dumping and graffiti, but expressed enthusiasm about its potential to use photos as evidence of other violations including smoking.<sup>74</sup>

In the course of its investigation, the Grand Jury learned that certain multiunit properties generate a greater number of smoking complaints than others.<sup>75, 76</sup> Few jurisdictions with MUH smoking

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<sup>64</sup> Officials from local code and law enforcement agencies: interviews by the Grand Jury.

<sup>65</sup> Ibid.

<sup>66</sup> Ibid.

<sup>67</sup> Ibid.

<sup>68</sup> Smoking Ordinances in San Mateo County jurisdictions. (See Footnote 8)

<sup>69</sup> Officials from local code and law enforcement agencies: interviews by the Grand Jury.

<sup>70</sup> Officials from local code and law enforcement agencies: interviews by the Grand Jury.

<sup>71</sup> Officials in the City of San Mateo: interview by the Grand Jury.

<sup>72</sup> Official in South San Francisco: interview by the Grand Jury.

<sup>73</sup> Search results for phone applications for all MUH smoking ordinance jurisdictions in San Mateo County.

<sup>74</sup> Officials in City of San Mateo: interview by the Grand Jury.

<sup>75</sup> Officials from local code and law enforcement agencies: interviews by the Grand Jury.

<sup>76</sup> Data on complaints of smoking in MUH submitted to the Grand Jury by officials from local code and law enforcement agencies.

ordinances review the data they have in order to identify particular properties where multiple smoking ordinance violations are being reported. In addition, enforcement officers rarely follow up with landlords/property managers at MUH properties where smoking complaints have been received to inform them of the reported violations. Even in jurisdictions where smoking complaints data may be available, the information is not routinely shared with the TPP or TEC.<sup>77</sup> Improvements in complaints data collection, analysis, and sharing could help increase compliance with the ordinances, evaluate trends in smoking complaints, and ultimately protect MUH residents as these laws intended.

In addition to reporting a violation of multiunit housing smoking ordinances to enforcement officers, residents who are exposed to secondhand smoke have several other options:

- Talking to the smoker
- Addressing the issue with the landlord
- Contacting the TPP's smoking hotline (650) 573-3777<sup>78</sup>
- Taking independent legal action based on a "nuisance" claim<sup>79</sup>

### **TPP and TEC Roles**

With an increase in funding allocated by the California Department of Public Health's Tobacco Control Program from \$150,000 in FY 2016-2017 to \$784,000 in FY 2017-2018, the Tobacco Prevention Program and Tobacco Education Coalition (through increased TPP funding) will have the resources to significantly increase their activities in support of smoke-free multiunit housing.

In addition to the areas of expansion already identified by the TPP (See Background) the TPP could also use these funds to improve the content of its web pages. At present, the TPP web pages provide guidance for tenants and landlords seeking to eliminate exposure to secondhand smoke. However, they do not:

- Summarize a resident's rights and obligations under the relevant MUH ordinance
- Provide links to MUH jurisdictions' smoking ordinances
- Advise multiunit housing residents how to complain about violations of their specific jurisdiction's MUH smoking ordinance

With its additional funding, the TPP could provide the above-referenced information and links for residents in jurisdictions with MUH smoking ordinances. In addition, the TPP could devote more resources to obtaining complaints data from jurisdictions that have MUH smoking ordinances in order to consolidate that information across the county, develop trend information, and assist jurisdictions in analyzing it. To date the TPP has reported only limited success in obtaining such data from jurisdictions.<sup>80</sup>

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<sup>77</sup> Officials from local code and law enforcement agencies: interviews by the Grand Jury.

<sup>78</sup> "Smoke-Free Housing" County of San Mateo Health System website, accessed June 7, 2018. <https://www.smchealth.org/driftingsmoke> .

<sup>79</sup> "Legal Options for Tenants Suffering from Drifting Tobacco Smoke" Tobacco Free CA website, accessed June 7, 2018. < [http://tobaccofreeca.com/wp-content/uploads/2017/11/G-Legal-Options\\_Smokefree-Support-for-Residenets\\_Making-Smokefree-Laws-Work\\_Disability-Factsheet.pdf](http://tobaccofreeca.com/wp-content/uploads/2017/11/G-Legal-Options_Smokefree-Support-for-Residenets_Making-Smokefree-Laws-Work_Disability-Factsheet.pdf)>

<sup>80</sup> Official of the San Mateo County Health System: interview by the Grand Jury.

## CONCLUSION

Undoubtedly, progress has been made through these ordinances to protect MUH residents by giving them clear, legal rights to seek protection from the dangers of secondhand smoke exposure. At present, the County and eight of its twenty cities have passed MUH smoking ordinances covering 82 percent of the county's multiunit households.

However, it is difficult to determine the impact that MUH smoking ordinances have made because the TPP, which could consolidate complaints data across the jurisdictions and look for trend information, has reported only limited success in obtaining such data from jurisdictions. Further, not all jurisdictions with MUH smoking ordinances interviewed by the Grand Jury systematically compile complaints data. As a result, decisions on how best to increase compliance with and enforce the ordinances can be difficult to make.

The Tobacco Prevention Program and Tobacco Education Coalition can support compliance by providing signage with a phone number to report violations and reaching out to residents to explain their rights and obligations under the ordinances, as well as assisting jurisdictions with efforts to analyze complaints data.

## FINDINGS

**F1:** Since 1967, exposure to secondhand smoke has killed approximately 2.5 million nonsmokers of all ages in the United States.

**F2:** Enforcement officers report that their primary focus when responding to MUH smoking violation complaints is to educate alleged smokers regarding the requirements of the smoking ordinances, and that most alleged smokers report being unfamiliar with the requirements of the ordinance.

**F3:** The Belmont, Brisbane, Daly City, Redwood City, San Bruno, and the County of San Mateo MUH smoking ordinances expressly prohibit retaliation against individuals who report a violation; however, the MUH smoking ordinances for Burlingame, Foster City, the City of San Mateo, and South San Francisco do not.

**F4:** Searches for “smoking” or “smoke” using the website search tool for Burlingame and Daly City<sup>81</sup> do not yield any information regarding their MUH smoking ordinances, whereas the search tools for each of the other jurisdictions with MUH smoking ordinances do. (See Website Content Table below, column F4.)

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<sup>81</sup> City of Burlingame website, accessed June 7, 2018. <<http://burlingame.org>> City of Daly City website, accessed June 7, 2018. <<http://www.dalycity.org>>

**F5:** The websites for Burlingame, Daly City, Redwood City,<sup>82</sup> the County of San Mateo, and South San Francisco do not contain summaries of their MUH smoking ordinances. The websites for each of the other jurisdictions with MUH smoking ordinances do. (See Website Content Table below, column F5.)

**F6:** The websites for Belmont, Burlingame, Daly City, Redwood City,<sup>83</sup> the City of San Mateo, and South San Francisco do not provide specific information on how to make complaints regarding MUH smoking violations. The websites for each of the other jurisdictions with MUH smoking ordinances do. (See Website Content Table below, column F6.)

**F7:** The websites for the cities of Belmont, Brisbane, Foster City, Redwood City,<sup>84</sup> San Bruno, San Mateo, and South San Francisco, as well as the County's Health System website (for unincorporated San Mateo County) have links on their home pages that lead to information on how to report specific types of nuisances such as barking dogs, loud parties, abandoned mattresses, and shopping carts. However, these links do not provide information on how to report MUH smoking violations. Burlingame's website links to Code Compliance from its home page.<sup>85</sup> (See Website Content Table below, column F7.)

**F8:** The websites for Brisbane, San Bruno, and the County of San Mateo (on the County Health System website) provide information about the TPP or TEC or how to contact them regarding an MUH smoking issue. The websites for the other MUH jurisdictions do not. (See Website Content Table below, column F8.)

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<sup>82</sup> Redwood City's smoking ordinance is partially implemented: effective January 1, 2018 for all new units and January 1, 2019 for existing units in MUH properties.

<sup>83</sup> Redwood City's smoking ordinance is partially implemented: effective January 1, 2018 for all new units and January 1, 2019 for existing units in MUH properties.

<sup>84</sup> Ibid.

<sup>85</sup> < <https://www.belmont.gov> > < <http://brisbaneca.org> > < <https://www.burlingame.org> > < <https://www.fostercity.org> > < <http://www.redwoodcity.org> > < <https://www.sanbruno.ca.gov> > < <https://www.cityofsanmateo.org> > < <http://www.ssf.net> > < <http://www.dalycity.org> >

## Website Content of Jurisdictions with MUH Smoking Ordinances

Jurisdiction	F4. Search for “Smoke/Smoking” yields smoking ordinance information?	F5. Provides summary of smoking ordinance?	F6. Provides information on how to make complaints about MUH smoking?	F7. Provides links to report specific nuisances <u>other than smoking</u> ?	F8. Provides TPP/TEC info?
Belmont	Yes	Yes	No	Yes	No
Brisbane	Yes	Yes	Yes	Yes	Yes
Burlingame	No	No	No	No	No
Daly City	No	No	No	Yes	No
Foster City	Yes	Yes	Yes	Yes	No
Redwood City <sup>86</sup>	Yes	No	No	Yes	No
San Bruno	Yes	Yes	Yes	Yes	Yes
City of San Mateo	Yes	Yes	No	Yes	No
South San Francisco	Yes	No	No	Yes	No
County of San Mateo	Yes	No	Yes	Yes	Yes

**F9:** In all MUH jurisdictions, the issuance of citations for violations of MUH smoking ordinances is limited by the need to (1) observe the violation in progress, (2) see other compelling evidence that a violation had occurred, or (3) have the alleged violator admit to law or code enforcement that he or she had been smoking in violation of the MUH smoking ordinance.

**F10:** The towns/cities of Colma, East Palo Alto, Half Moon Bay, Menlo Park, Millbrae, Pacifica, Portola Valley, and San Carlos do not have smoking ordinances that restrict smoking in their multiunit residences, except in some common areas. Atherton, Hillsborough, and Woodside have no multiunit housing.

**F11:** The MUH smoking ordinances for the cities of Brisbane, Burlingame, Daly City, and the County of San Mateo for its unincorporated areas do not prohibit smoking medical marijuana in multiunit housing.

**F12.** The TPP web pages do not include the following information: (a) a summary of residents’ rights and obligations under the MUH smoking ordinances in their jurisdictions, (b) links to each jurisdiction’s MUH smoking ordinance, and (c) information on how residents of multiunit housing can report violations of MUH smoking ordinances in their specific jurisdictions.

**F13:** TPP reported limited success in obtaining MUH smoking complaints data from jurisdictions, making it difficult to assess the efficacy of MUH ordinances and develop trend information.

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<sup>86</sup> Redwood City’s smoking ordinance is partially implemented: effective January 1, 2018 for all new units and January 1, 2019 for existing units in MUH properties.

**F14:** The funding allocation from the California Department of Public Health’s Tobacco Control Program for TPP increased from \$150,000 in FY 2016-2017 to \$784,000 in FY-2017-2018.

## **RECOMMENDATIONS**

**R1:** Each jurisdiction with an MUH smoking ordinance (Belmont, Brisbane, Burlingame, Daly City, Foster City, Redwood City, San Bruno, City of San Mateo, South San Francisco and the County of San Mateo for its unincorporated areas) should improve their educational outreach to residents regarding such ordinances, including at a minimum each of the following, by no later than March 31, 2019:

- Publishing summaries of residents’ rights and obligations under their MUH smoking ordinances, including on their websites
- Publishing information on how to report violations of MUH smoking ordinances, including on their websites
- Informing residents that they can report violations of MUH smoking ordinances anonymously
- Informing residents, including on their websites, that it is unlawful for any landlord or other person to take any retaliatory action against them for having reported a violation of an MUH smoking ordinance
- Ensuring that information about reporting MUH smoking ordinance violations is just as readily accessible on their websites as information about other forms of nuisance
- Ensuring that, upon typing the word “smoking,” or the like in the search features of their websites, users are directed to all information about the jurisdiction’s MUH smoking ordinance and related complaints process

**R2:** The cities of Burlingame, Foster City, San Mateo, and South San Francisco should amend their MUH smoking ordinances, by no later than December 31, 2018, to prohibit retaliation against individuals who report violations of the MUH smoking ordinances.

**R3:** The cities of Brisbane, Burlingame, Daly City, and the County of San Mateo for its unincorporated areas should amend their MUH smoking ordinances, by no later than December 31, 2018, to prohibit smoking medical marijuana in multiunit housing.

**R4:** Each jurisdiction with an MUH smoking ordinance (Belmont, Brisbane, Burlingame, Daly City, Foster City, Redwood City, San Bruno, City of San Mateo, South San Francisco, and the County of San Mateo for its unincorporated areas) should, by June 30, 2019, evaluate ways to improve its collection and retrieval of complaints of MUH smoking violations so that:

- Information regarding each complaint of an MUH smoking ordinance violation, and the response to it (complaints data) is recorded in a searchable electronic database
- The jurisdiction can evaluate trends in the complaints data and the efficacy of the MUH smoking ordinance

**R5:** Each jurisdiction with an MUH smoking ordinance should, by December 31, 2018, make their complaints data (with names of alleged violators deleted) available to the TPP and TEC on at least an annual basis.

**R6:** Each jurisdiction with an MUH smoking ordinance should, by December 31, 2018, conduct a review of current methods used by the public to report MUH smoking violations and possible improvements (including online reporting on their websites and use of mobile phone apps) to ensure ease of reporting.

**R7:** The towns/cities of Colma, East Palo Alto, Half Moon Bay, Menlo Park, Millbrae, Pacifica, Portola Valley, and San Carlos should, by December 31, 2018, hold public hearings to evaluate issues and hear residents' views on restricting smoking in multiunit housing in their jurisdictions.

**R8:** TPP and TEC should update their web pages by March 31, 2019, to include the following:

- Links to MUH jurisdictions' smoking ordinances and their summaries/FAQs
- Information on how to report violations of MUH smoking ordinances in each applicable jurisdiction

## **REQUEST FOR RESPONSES**

Pursuant to Penal Code Section 933.05, the Grand Jury requests responses from the City Councils and Board of Supervisors, as applicable, of the following:

- Each of the City of Belmont, the City of Brisbane, the City of Burlingame, the City of Daly City, the City of Foster City, the City of Redwood City, the City of San Bruno, City of San Mateo, the City of South San Francisco, and San Mateo County Board of Supervisors to respond to: R4, R5, and R6.
- Each of the City of Burlingame, City of Foster City, City of San Mateo, and City South San Francisco to respond to R2.
- Each of the City of Brisbane, City of Burlingame, City of Daly City, and the County of San Mateo to respond to R3.
- Each of the Town of Colma, City of East Palo Alto, City of Half Moon Bay, City of Menlo Park, City of Millbrae, City of Pacifica, Town of Portola Valley, and City of San Carlos to respond to R7.
- The San Mateo County Board of Supervisors to respond to R8.

The governing bodies indicated above should be aware that the comments or responses of the governing body must be conducted subject to the notice, agenda, and open meeting requirements of the Brown Act.



## **METHODOLOGY**

The Grand Jury reviewed health studies, scientific papers, government fact sheets and reports, national, state, county, and city statistics, smoking ordinances of cities in San Mateo County, data on smoking violations collected by city code and law enforcement officials, by-laws and other documents pertaining to the County's Tobacco Prevention Program and Tobacco Education Coalition, state laws covering smoking, and materials from the following organizations: California Apartment Association, Executive Council of Homeowners, Breathe California, Tobacco Free CA, ChangeLab Solutions, American Lung Association, and Americans for Nonsmokers' Rights.

The Grand Jury interviewed officials in the following cities:

Belmont  
Brisbane  
Daly City  
Foster City  
San Mateo  
South San Francisco

In addition, the Grand Jury interviewed representatives of San Mateo County Health System, as well as the nonprofit California Apartment Association.

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**APPENDIX A**

**MULTIUNIT HOUSING SMOKING ORDINANCES IN SAN MATEO COUNTY**

Jurisdiction	Contact #	Penalty	Recreational Marijuana	Medical Marijuana	E-cigs Vaping	Condos Included	Retaliation Prohibited	Notice in Lease	Ordinance Link
<b>Belmont</b>	Business hours 650.637.2968 After hours 650.595.7400	Warning Fine \$100+	Prohibited	Prohibited	Prohibited	Yes	Yes	Yes	<a href="https://library.municode.com/ca/belmont/codes/code_of_ordinances?nodeId=CICO_CH20.5RESM">https://library.municode.com/ca/belmont/codes/code_of_ordinances?nodeId=CICO_CH20.5RESM</a>
<b>Brisbane</b>	415.508.2172	Warning Fine \$100+	Prohibited	Exempted	Prohibited	Yes	Yes	Yes	<a href="https://library.municode.com/ca/brisbane/codes/code_of_ordinances?nodeId=TIT8HESA_CH8.46SMMUITRE">https://library.municode.com/ca/brisbane/codes/code_of_ordinances?nodeId=TIT8HESA_CH8.46SMMUITRE</a>
<b>Burlingame</b>	650.558.7208	Refers to other parts of muni code	Prohibited	Exempted	Not specified	Yes	No	No	<a href="http://qcode.us/codes/burlingame/view.php?topic=8-8_18&amp;showAll=1&amp;frames=on">http://qcode.us/codes/burlingame/view.php?topic=8-8_18&amp;showAll=1&amp;frames=on</a>
<b>Daly City</b>	650.991.8119	Warning Fine \$100+	Prohibited	Exempted	Prohibited	No	Yes	Yes	<a href="https://library.municode.com/ca/daly_city/codes/code_of_ordinances?nodeId=TIT8HESA_CH8.36RESM">https://library.municode.com/ca/daly_city/codes/code_of_ordinances?nodeId=TIT8HESA_CH8.36RESM</a>
<b>Foster City</b>	650.286.3300	Fine up to \$250 1st violation	Prohibited	Prohibited	Prohibited	Yes	No	Yes	<a href="http://www.codepublishing.com/CA/FosterCity/?FosterCity08/FosterCity0805.html">http://www.codepublishing.com/CA/FosterCity/?FosterCity08/FosterCity0805.html</a>
<b>Redwood City*</b>	Business hours 650.780.7350 After hours 650.780.7118	Fine between \$250 - \$1,000	Prohibited	Prohibited	Prohibited	Yes	Yes	Yes	<a href="https://library.municode.com/ca/redwood_city/codes/code_of_ordinances?nodeId=CH15SMRE">https://library.municode.com/ca/redwood_city/codes/code_of_ordinances?nodeId=CH15SMRE</a>
<b>San Bruno</b>	County Hotline 650.573.3777 or 650.616.7074	Warning Fine \$100+	Prohibited	Prohibited	Prohibited	Yes	Yes	Yes	<a href="https://qcode.us/codes/sanbruno/view.php?topic=6-6_56&amp;showAll=1&amp;frames=off">https://qcode.us/codes/sanbruno/view.php?topic=6-6_56&amp;showAll=1&amp;frames=off</a>
<b>San Mateo</b>	650.522.7700	Warning Fine \$100+	Prohibited	Prohibited	Prohibited	Yes	No	No	<a href="http://qcode.us/codes/sanmateo/view.php?topic=7-7_40&amp;showAll=1&amp;frames=on">http://qcode.us/codes/sanmateo/view.php?topic=7-7_40&amp;showAll=1&amp;frames=on</a>
<b>South San Francisco</b>	650.829.6645	Follow Public Nuisance Law Penalties	Prohibited	Prohibited	Prohibited	Yes	No	No	<a href="http://qcode.us/codes/southsanfrancisco/view.php?topic=8-8_50&amp;showAll=1&amp;frames=off">http://qcode.us/codes/southsanfrancisco/view.php?topic=8-8_50&amp;showAll=1&amp;frames=off</a>
<b>Unincorporated San Mateo County</b>	650.573.3777	Fine up to \$100 1st violation	Prohibited	Exempted	Prohibited	Yes	Yes	Yes	<a href="https://library.municode.com/ca/san_mateo_county/code_of_ordinances?nodeId=TIT4SAHE_CH4.96SM">https://library.municode.com/ca/san_mateo_county/code_of_ordinances?nodeId=TIT4SAHE_CH4.96SM</a>
<b>Notes</b>		Fines increase with subsequent infractions	Marijuana smoke considered same as any smoke						
*Restrictions effective 1/1/2018 for all new units and 1/1/2019 for all existing units in multiunit housing in Redwood City.									

**APPENDIX B**

<b>Number of Multiunit Housing Residences in San Mateo County</b>	
<b>Jurisdiction</b>	<b>Total MUH</b>
San Mateo	22,511
Daly City	16,626
Redwood City	15,026
Foster City	8,662
South San Francisco	8,506
San Bruno	7,424
Burlingame	6,693
Menlo Park	4,837
Belmont	4,559
Pacifica	3,945
San Carlos	3,440
East Palo Alto	3,395
Millbrae	3,036
Unincorporated County	2,555
Half Moon Bay	1,516
Brisbane	766
Portola Valley	263
Colma	212
Atherton	0
Woodside	0
Hillsborough	0
<b><u>TOTAL MUH</u></b>	<b><u>113,972</u></b>

(Includes apartments, condominiums, townhomes,  
duplexes, triplexes and fourplexes)

## APPENDIX C



### **Foster City Smoking Ordinance**

#### **Frequently Asked Questions – Multi-Family Residential Properties (Apartments, Condominiums, Townhomes)**

**Q. Are all residential properties in Foster City impacted by this ordinance?**

A. No. The ordinance applies to multi-family units (apartments, condominiums and townhomes) that share common walls, ventilation, floors, or ceilings.

**Q. Where is smoking prohibited?**

A. For apartments, condominiums and townhomes, smoking is prohibited within 30 feet of all entrances and doorways, in common areas and inside residential units and on all balconies and patios. This ordinance goes into effect immediately for common areas and all new leases. Units with existing leases are exempt until the lease agreement expires or twelve months after the ordinance's effective date. (The ordinance effective date was 11/5/2014.) Smoking is also prohibited on all sidewalks in or adjacent to common interest developments and apartments.

**Q. Where is smoking permitted?**

A. Smoking is permitted in designated smoking areas. Outdoor designated areas must be located more than 30 feet from an entrance/doorway and be marked by conspicuous signage. Interior smoking is allowed only if the area is fully enclosed, separately ventilated, and not the only space available for a particular activity or service.

**Q. Are electronic cigarettes included in the ordinance?**

A. Yes. The city defines "smoke or smoking" as inhaling or exhaling upon, burning or carrying any lighted cigarette, cigar, pipe, hookah, weed, plant or other combustible substance used for the personal habit commonly known as smoking or an activated electronic cigarette or similar device used for the personal habit commonly known as vaping.

**Q. When does the ordinance go into effect?**

A. The ordinance went into effect on November 6, 2014, for apartment buildings and December 17, 2014, for condominiums and townhomes. Until January 1, 2015, first time violators will be subjected to a warning only.

**Q. What are the fines and penalties?**

A. Any person who violates the ordinance may be cited for an infraction, punishable by:

- A fine not exceeding two hundred fifty dollars (\$250) for a first violation
- A fine not exceeding five hundred dollars (\$500) for a second violation within one year
- A fine not exceeding one thousand dollars (\$1,000) for each additional violation within one year



**Q. How will the ordinance be enforced?**

A. Violations of the notification requirements or designation of smoking areas should be addressed to the Foster City Community Development Department at 650- 286-3225 or [planning@fostercity.org](mailto:planning@fostercity.org). To report a violation in progress (“on-view violation”) of the ordinance, call the Police Department at 650-286-3300.

**Q. What are the responsibilities of apartment managers or homeowners associations under the ordinance?**

A. Each owner, operator, manager or other person having control of places within which smoking is regulated shall be in compliance upon conspicuously posting “No Smoking” signs with letters not less than one inch high or the international “No Smoking” symbol consisting of a pictorial representation of a burning cigarette enclosed in a red circle with a red bar across it. At least one sign shall be placed at the entrance to every applicable facility. The City has provided signage guidance at its website (see link at the end of this document). Property owners and operators are also required to notify residents of the new law using a noticing method deemed appropriate by the property owners or operators.

**Q. Can I establish non-smoking policies that are stronger than what is required under the ordinance?**

A. Yes. The ordinance does not prevent property owners from establishing more stringent non-smoking requirements.

**Q. If I rent out a single family home, is smoking allowed in that residence?**

A. Yes. The ordinance applies only to residential units that share walls, ceilings or floors.

**Q. What happens if a resident is complaining about drifting smoke from another unit?**

A. The best course of action is to contact the smoker to remind them that smoking is not permitted in or around residential units that share common walls, ceilings or floors and to inform them of the location of designated smoking areas on the property. If the resident continues to smoking in the unit, violations in progress (“on-view violations”) of the ordinance can be reported to the Police Department at 650-286-3300.

**Q. Where can I go for more information on this ordinance and resources for implementing a non-smoking multi-unit residential community?**

A. General questions about the ordinance may be addressed to Management Analyst Andra Lorenz at 650-286-3215 or [alorenz@fostercity.org](mailto:alorenz@fostercity.org). Questions about the ordinance’s signage and notification requirements or designation of smoking areas may be addressed to the Foster City Community Development Department at 650-286-3225 or [planning@fostercity.org](mailto:planning@fostercity.org). To report a violation in progress (“on-view violation”) of the ordinance, call the Police Department at 650- 286-3300. California Apartment Association (Tri-County) also has resources available to members and can be contacted at (408) 342-3500.

More information is also available at Foster City’s Smoking Ordinance Resource Page:

[www.fostercity.org/departmentsanddivisions/citymanager/smokingordinanceupdate.cfm](http://www.fostercity.org/departmentsanddivisions/citymanager/smokingordinanceupdate.cfm)

\*The California Apartment Association served as a resource in development of this document.



## Did You Know the City Has a Smoking Ordinance?

### WHAT IS COVERED BY THE ORDINANCE?

The City has adopted a new ordinance to regulate exposure to secondhand smoke throughout the City, including in most public places and in multi-unit residences such as apartments, condominiums, and townhomes. Smoking is broadly defined to include any lighted tobacco or nicotine product, weed or plant, including hookah and marijuana, whether delivered by cigarette, pipe, cigar, or any electronic device (vaping).



### WHERE IS SMOKING PROHIBITED?

After a 14-month grace period that expires on **February 22, 2018**, smoking is prohibited:

- In multi-unit residences (including attached patios and balconies), defined as including more than one dwelling unit;



### Where is Smoking Prohibited cont'd

- In multi-unit residence common areas, such as halls, stairwells, paths, lobbies, laundry rooms, common cooking areas, outdoor eating areas, play areas, swimming pools, and parking areas.



In most public places in the City, as of **December 22, 2016**, smoking is prohibited:

- In most places of employment, including indoor and outdoor areas, such as businesses, construction sites, employee lounges and break rooms, conference and banquet rooms, bingo and gaming facilities, health facilities, warehouses, retail and wholesale tobacco shops, and child care facilities;

Where is Smoking Prohibited cont'd

- In most public places, such as plazas, parking lots, malls, stadiums, parks, playgrounds, farmer's markets, and fairs;



- In service areas, such as ATMs, bank teller windows, ticket lines, bus stops, and cab stands;
- In 90% of all hotel and motel guest rooms.



**WHERE IS SMOKING ALLOWED?**

- Effective February 22, 2018, smoking is allowed only in designated outdoor smoking areas that are at least 20' from operable doors or windows.



As of **December 22, 2016**, smoking is allowed:

- In single family homes, rooms for rent in single family homes, and detached in-law units;
- In designated outdoor smoking areas that are at least 20' from operable doors or windows;
- On streets, sidewalks, and other outdoor areas that are at least 20' from operable doors and windows or locations where smoking is prohibited, or if the person is actively moving to another destination.

If you have any questions or if you have a smoking complaint please contact the following:

**Step 1:**

Tobacco Prevention Program San Mateo County Health System 310 Harbor Boulevard

Belmont, CA 94002

Tel: (650) 573-3777

Fax: (650) 802-6440

Email: [tobaccoprevention@smcgov.org](mailto:tobaccoprevention@smcgov.org)



If your inquiry is not resolved:

**Step 2:**

Call Code Enforcement at (650) 616- 7074. Please leave your contact information so City staff can return your call and assist in resolving the issue.

If the issue isn't resolved, the City may cite for an infraction (\$100 fine), impose an administrative fine (starting at \$100), or civil fines (starting at \$250).

Visit this website for helpful information and resources:

<http://www.smchealth.org/driftingsmoke>

# City of Brisbane Apartments, Condos, & Town Homes Residences Are Going Smoke Free!

**Smoking will be prohibited in:**

**Individual Units**

**Balconies,  
Patios and Decks**

**Common Area**



**Brisbane Municipal Code Chapter 8.46  
Enforceable June 1, 2017**

**Contact Code Enforcement Officer Moneda to  
report violations: (415) 508-2172  
mmoneda@ci.brisbane.ca.us**



# STAFF REPORT

TO: Mayor and Members of the City Council  
 FROM: Pak Lin, Administrative Services Director  
 VIA: Brian Dossey, City Manager  
 MEETING DATE: October 10, 2018  
 SUBJECT: Fiscal Year 2017-18 Annual Report of Investment Holdings

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## RECOMMENDATION

Staff recommends that the City Council approve a:

MOTION TO RECEIVE AND FILE THE FISCAL YEAR 2017-18 ANNUAL REPORT OF INVESTMENT HOLDINGS, WHICH IS PRESENTED FOR INFORMATIONAL PURPOSES.

## EXECUTIVE SUMMARY

As part of the day to day operations the Town maintains cash balances which can be invested to provide additional revenue. The City Manager has been designated by City Council Resolution as the Treasurer. The adopted Investment policy provides for the Treasurer to make periodic reports of balances held as investments. The majority of the Town investments are placed in public agency investment pools, which invest funds for more than one public agency. The reported investments are in compliance with the Town Investment policy and are appropriately structured to allow the Town to meet its expenditure requirements for the next six months.

## FISCAL IMPACT

The adopted FY 2017-2018 Budget projected total interest revenue (excluding Trust Funds) to be \$191,010 for all funds. The actual interest recorded was \$424,197 and 93% of that amount was recorded in the General Fund.

## BACKGROUND

As stated in the adopted Town Investment policy, the Treasurer shall prepare a report to the City Council not less than semi-annually. The policy provides that the report is to be made available within 60 days following June 30th. Further the policy requires that the semi-annual report shall be presented at a subsequent regularly scheduled City Council Meeting. The report is to include an overview of the investment activity including: a monthly listing of investment transactions if any; a Report the beginning and ending balance by quarter; Provide a separate breakdown of the quarterly balance based on the Investment Pool (LAIF, SMCIF, etc.); Provide net Deposits and Withdrawals for the period; Identify total interest for the quarter; and

Provide the interest rates earned including a cumulative weighted average. This report provides the required information, including additional narrative explanations.

Due to staffing changes and shifting of priorities, the semi-annual investment report was not provided to the City Council in fiscal year 2017-18. As a result, this report summarizes investment holdings for the entire year.

## ANALYSIS

### Portfolio Overview

As shown below, the Town maintains an average balance of \$7.7 million in the bank and \$27.7 million in LAIF and County pool. The ending balance is \$34.5 million for all the Town's cash and investment accounts.

**SCHEDULE A  
TOWN OF COLMA SUMMARY OF PORTFOLIO  
ANNUAL REPORT (Quarters 1, 2, 3 & 4 - July 2017- June 2018)  
FISCAL YEAR 2017-2018  
(Prepared September 28, 2018)**

#### TOWN OF COLMA FUNDS

	Quarter 1 9/30/2017	Quarter 2 12/31/2017	Quarter 3 3/31/2018	Quarter 4 6/30/2018
<b>Cash In Bank</b>	\$ 6,802,484	\$ 8,251,623	\$ 8,492,072	\$ 6,605,350
<b>Public Agency Investment Pools (Schedule B)</b>	27,540,920	27,621,915	27,705,683	27,803,904
<b>TOTAL PORTFOLIO CASH &amp; INVESTMENTS</b>	<b>\$ 34,343,404</b>	<b>\$ 35,873,538</b>	<b>\$ 36,197,755</b>	<b>\$ 34,409,254</b>

#### TRUSTEE FUNDS - Bank of New York Mellon

##### Town Hall Remodel Project Certificate of Participation (COP)

	Quarter 1 9/30/2017	Quarter 2 12/31/2017	Quarter 3 3/31/2018	Quarter 4 6/30/2018
<b>Cash With Trustee</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>Money Market Funds</b>	1,006	449	240	2,541
<b>Public Agency Investment Pool (LAIF)</b>	1,618,625	1,145,270	0	0
<b>TOTAL COP FUNDS</b>	<b>\$ 1,619,631</b>	<b>\$ 1,145,719</b>	<b>\$ 240</b>	<b>\$ 2,541</b>

Included above, is a summary of the funds obtained as part of the Town Hall Renovation Certificate of Participation Financing. These funds held by the Trustee would typically not be reported as part of the Town Portfolio. The investment of these funds is subject to the financing documents. The majority of the funds are held in the State Local Agency Investment Fund (LAIF) and subject to restrictions on the timing of withdrawals. The Trustee Bank (Bank of New York Mellon) processes withdrawals based on instructions from the Town. In January 2018, the Town withdraw all remaining COP funds and applied it to the cost from the Town Hall Renovation project.

**Transaction Activity within Investment Pools**

The Town has funds invested in two government agency investment pools. Local Agency Investment Fund (LAIF) is managed by the State Treasurer and accepts deposits from over 2,400 agencies throughout the State and has a portfolio in excess of \$86.2 billion. These funds are relatively liquid with a limit of fifteen transactions per month. The San Mateo County Investment Fund is a similar arrangement managed by the San Mateo County Treasurer. As of June 30, 2018 the SMCIF had approximately \$4.9 billion invested. This includes County funds as well as cities, school districts, and other special districts. The County pool has additional limitations on transactions.

Included below is the Town balance in each of the investment pools at the beginning and end of each quarter including accrued interest. The net withdrawals and deposits for each quarter are also presented as background on the overall level of transactions. In order to provide additional diversity in the portfolio and to reduce the amount held in the commercial bank account, \$5 million was deposited in LAIF. All other investment transactions in the investment pools were limited to the posting of quarterly accrued interest.

**SCHEDULE B  
ANNUAL REPORT BALANCES BY QUARTERS (July 2017 - June 2018)  
TOWN OF COLMA REPORT OF INVESTED FUNDS FISCAL YEAR 2017-18  
STATE TREASURER - LOCAL AGENCY INVESTMENT FUND (LAIF) and  
SAN MATEO COUNTY INVESTMENT FUND  
(Prepared September 28, 2018)**

**LAIF - Local Agency Investment Fund**

**Manager: State Treasurer's Office**

	<b>Quarter 1</b>	<b>Quarter 2</b>	<b>Quarter 3</b>	<b>Quarter 4</b>
	<b>9/30/2017</b>	<b>12/31/2017</b>	<b>3/31/2018</b>	<b>6/30/2018</b>
<b>Beginning Balance</b>	\$ 8,777,750	\$ 8,789,209	\$ 8,813,001	\$ 8,839,757
<b>Purchases / Deposits</b>	0	0	0	0
<b>Withdrawals</b>	0	0	0	0
<b>Interest Posted</b>	11,459	23,792	26,756	32,889
<b>Ending Balance</b>	<b>\$ 8,789,209</b>	<b>\$ 8,813,001</b>	<b>\$ 8,839,757</b>	<b>\$ 8,872,646</b>

**San Mateo County Investment Pool**

**Manager: San Mateo County Treasurer's Office**

	<b>Quarter 1</b>	<b>Quarter 2</b>	<b>Quarter 3</b>	<b>Quarter 4</b>
	<b>9/30/2017</b>	<b>12/31/2017</b>	<b>3/31/2018</b>	<b>6/30/2018</b>
<b>Beginning Balance</b>	\$ 18,701,826	\$ 18,751,712	\$ 18,808,914	\$ 18,865,926
<b>Purchases / Deposits</b>	0	0	0	0
<b>Withdrawals</b>	0	0	0	0
<b>Interest Posted</b>	49,886	57,202	57,012	65,332
<b>Ending Balance</b>	<b>\$ 18,751,712</b>	<b>\$ 18,808,914</b>	<b>\$ 18,865,926</b>	<b>\$ 18,931,258</b>

**Public Agency Investment Pools (Schedule B)**

	<b>\$ 27,540,920</b>	<b>\$ 27,621,915</b>	<b>\$ 27,705,683</b>	<b>\$ 27,803,904</b>
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## Earnings / Distribution of Portfolio

Outlined below is information related to the distribution of investments at the end of each quarter (Bank; compared to LAIF; compared To SMCIF). The average over fiscal year 2017-18: 25% invested in LAIF, 21% in First National Bank (Merged with Tri-County Bank), and 54% in the SMCIF. Placing idle funds in more than one investment provides a level of diversity for the overall portfolio.

**SCHEDULE C**  
**ANNUAL REPORT BALANCES BY QUARTERS (July 2017 - June 2018)**  
**TOWN OF COLMA FISCAL YEAR 2017**  
**PORTFOLIO EARNINGS FOR QUARTER 1, 2, 3, AND 4**  
 (Prepared September 28, 2018)

	QUARTER 1		QUARTER 2		QUARTER 3		QUARTER 4	
	Balance @ 9/30/2017	% of Portfolio	Balance @ 12/31/2017	% of Portfolio	Balance @ 3/31/2018	% of Portfolio	Balance @ 6/30/2018	% of Portfolio
<b>Balance(s)</b>								
<b>BANK BALANCE</b>	\$ 6,802,484	18.8%	\$ 6,802,484	19.8%	\$ 8,492,072	23.5%	\$ 6,605,350	19.2%
<b>LAIF</b>	8,789,209	24.3%	8,813,001	25.6%	8,839,757	24.4%	8,872,646	25.8%
<b>SMCIF</b>	18,751,712	51.8%	18,808,914	54.7%	18,865,926	52.1%	18,931,258	55.0%
<b>TOTAL</b>	\$ 34,343,404		\$ 34,424,398		\$ 36,197,755		\$ 34,409,254	
<b>Interest Rates</b>								
<b>BANK BALANCE</b>	0.300%		0.300%		0.300%		0.300%	
<b>LAIF</b>	1.082%		1.184%		1.429%		1.759%	
<b>SMCIF</b>	1.210%		1.203%		1.404%		1.754%	
<b>Weighted Average</b>	<b>0.997%</b>		<b>1.020%</b>		<b>1.151%</b>		<b>1.476%</b>	

The information presented above also outlines the interest earnings for the investments held by the Town. Overall interest rates are rising as the Federal regulators are increasing interest rates. The weighted average earning for Fiscal Year 2017-18 is approximately 1.161%. The total revenue recorded for the Fiscal Year (\$424,197) was more than budgeted due to increasing interest rates and larger balances available for investment. The timing of capital project expenditures has resulted in larger balances available for investments than was assumed in the budget projection.

In accordance with the adopted policy the investment of public funds emphasizes safety, liquidity, and then yield. The public Agency pools are structured to align with these goals.

### **Reasons For the Recommended Action**

Receipt of this report complies with the adopted Investment Policy.

### **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.

### **CONCLUSION**

Staff recommends the City Council receive and file the report.





# STAFF REPORT

TO: Mayor and Members of the City Council  
 FROM: Pak Lin, Administrative Services Director  
 VIA: Brian Dossey, City Manager  
 MEETING DATE: October 10, 2018  
 SUBJECT: Adoption of New City Funds

## RECOMMENDATION

Staff recommends that the City Council adopt:

RESOLUTION CREATING SEVEN NEW CITY FUNDS

## EXECUTIVE SUMMARY

The Town's finances currently use 10 primary funds that are described in the 2018-19 Adopted Budget. To improve the Town's financial reporting and budgeting, seven additional funds are being proposed for City Council consideration.

## FISCAL IMPACT

There is no fiscal impact with the consideration and adoption of the seven new funds. Assets and budgets in General Fund (Fund 11) and Capital Fund (Fund 31) will be transferred to the new funds as summarized below. A summary of the budgetary change and asset transfer will be discussed as part of the FY2018-19 Mid-Year Financial Update and Budget Amendment. The transfers and analysis will be completed after the FY2017-18 audited financial reports are completed.

## BACKGROUND

The Town of Colma budgets for revenues and expenditures and reports financial transactions in accordance with the principles of fund accounting. Separation of revenue and expenditures into unique funds provides additional control and demonstrates compliance required when the fund has specific restrictions on how it is used. Attachment B lists the 10 primary funds the Town currently uses.

On September 26, 2018, the City Council reviewed and provided feedback in favor of creating seven new new funds – General Fund Reserves (Fund 12), Parks In Lieu (Fund 24), Housing

Impact Fees (Fund 25), Street Capital (Fund 32), Sewer Operating (Fund 81), Sewer Capital (Fund 82) and City Properties (Fund 83). A table showing these proposed new funds, their fund group and classifications is attached to this Staff Report along with a resolution for their establishment by the City Council.

The proposed funds are consistent with the Town's current fund categories and with fund classifications defined by the Government Accounting Standards Board (GASB) Statement No. 54.

### FUND CATEGORIES

Funds used by the Town of Colma are organized into eight categories. The proposed new funds follow the same system. The fund categories are:

<b><u>No.</u></b>	<b><u>Description</u></b>
1x	General
2x	Special Revenue
3x	Capital Projects
4x	Debt Service
5x	Permanent (Fixed Asset & Long-Term Debt)
6x	Internal Service Funds
7x	Fiduciary Funds (OPEB & Pension)
8x	Enterprise

### CLASSIFICATION OF FUNDS (GASB 54)

The Town of Colma follows the requirements of Government Accounting Standards Board (GASB) Statement No. 54 in classification of governmental funds. This statement organizes funds into five classifications:

- **Non-Spendable** – amounts that are not in a spendable form, such as prepaid items or supplies inventories that are legally or contractually required to remain intact, such as principal endowments. In Colma, this classification is used for Debt Service funds that are used on debt issues such as the Town Hall Certificates of Participation (COPs).
- **Restricted** – amounts that are subject to externally enforceable legal restrictions imposed by outside parties (i.e. creditors, grantors, contributors) or that are imposed by law through constitutional provisions or enabling legislation. Examples of restricted funds are Gas Tax, Measure A, and Town Hall Certificates of Participation.
- **Committed** – amounts whose use is constrained by specific limitations that the government imposes upon itself, as determined by a formal action of the highest-level decision-making authority. Examples of committed funds include Vehicle Replacement Fund.
- **Assigned** – amounts intended to be used by the Town for specific purposes, subject to change, as established either directly by the Town Council or by management officials to whom the assignment authority has been delegated by the Town Council.

- **Unassigned** – is the residual classification that includes the spendable amounts in the General Fund that are available for any purpose.

## ANALYSIS

Staff is proposing the establishment of seven new funds for revenues, expenses, and financial reporting. The proposed funds are:

- **General Fund Reserves (General, Committed)** – reserved funds approved by the City Council in the Town Budget. This includes Debt Reduction (\$600,000) and Budget Stabilization (\$15,000,000). Litigation (\$100,000), Insurance (\$100,000), Disaster Response and Recovery (\$750,000) and Unassigned (\$8,253,939) as stated in the 2018-19 Adopted Budget will remain in Fund 11 – General Fund Operating Fund.
- **Parks In Lieu (Special Revenue, Restricted)** – funds from Parks In Lieu fees paid by developers. These funds are restricted and can only be used for Park and green space development around Town.
- **Housing Impact Fees (Special Revenue, Restricted)** – funds from Housing Impact fees paid by developers. These funds are restricted and can only be used for Housing purposes.
- **Street Capital (Capital Projects, Restricted)** – funds that will cover the cost of Street Capital Improvement projects. This will include grant funding from State, County and Federal sources.
- **Sewer Operating (Enterprise, Restricted)** – funds that will cover the operating and maintenance cost of the Town’s Sewer System including sewer lines and the Town share of Sewer Treatment. Establishing this fund will also make the process of developing quarterly financial and annual state controller reports easier and more efficient since these revenues and expenses will be accounted for in the dedicated enterprise fund.
- **Sewer Capital (Enterprise, Restricted)** – funds that will cover the cost of Sewer Capital Improvement projects including major maintenance, sewer system assessments and capacity. Establishing this fund will better track and establish the sewer system needs in the Town.
- **City Properties (Enterprise, Committed)** – includes revenues from the lease and rental of City properties, expenses for the maintenance of City properties and depreciation and reserves to cover the expense of renovation of these properties. Establishing this fund as an enterprise will also enable the Town to more easily report on the full cost of operating these properties in terms of revenues vs. annual expense and future major maintenance and renovation expenses.

An Equipment Replacement Fund may be created as part of the 2019-2024 Five-Year Capital Plan to address major equipment replacement needs and funding mechanism.

## Transfer of Assets and Obligations

The creation of the seven funds, listed above, will be effective in FY2018-19. Activities recorded in these new funds are an extraction of current and existing activities within the General Fund (11) and the Capital Projects Fund (31). Transfers of assets, fund balance, and budget will be effective July 1, 2018 and coincide with the completion of the FY2017-18 financial audit.

- **General Fund Reserves (12)** – Transfer of City Council committed Debt Reduction and Budget Stabilization Reserves.
- **Parks in Lieu Special Revenue Fund (24)** – Transfer of Cash related to the receipt of the Parks in Lieu fees previously collected from developers by the Town.
- **Housing Impact Fees Special Revenue Fund (25)** – Transfer of Cash related to the receipt of Housing Impact fees previously collected from developers by the Town.
- **Street Capital Projects Fund (32)** –The cash, fund balance, and appropriations (budget) associated with the following Capital Improvement Projects:

Project	2018-19 Budget	Reserves for Future Project
<b>2018-19 Active Projects</b>		
Mission Road Improvements (903)	\$ 1,594,900	
Serramonte Boulevard Beautification (913)	\$ 260,000	
Roadway Network Plan (SSARP) (993)	\$ 110,000	
El Camino Real Bicycle and Pedestrian Improvement (914)	\$ 225,000	
<b>Unfunded Projects</b>		
Hillside Boulevard Beautification (901)		\$1,068,059
El Camino & Mission Traffic Signal (904)		
Colma Boulevard Improvements (912)		
Lawndale Boulevard Landscape Improvement (956)		

There will be no transfers of street and roadway assets, in accordance with GASB 34.

- **Sewer Operating Enterprise Fund (81)** – Transfer of adopted operating revenues and expenditures budget, including Sewer fees (11-36221), Sanitary Sewer expenditures (11-320-73007), and Sewer Operation and Maintenance Cost (11-320-73008). Historically, General Fund subsidizes for the sewer operating shortfall and will continue to subsidize sewer operations via interfund transfers.
- **Sewer Capital Enterprise Fund (82)** – Transfer of Sewer-related Capital Assets including, but not limited to Town Sewer Lines and the Sanitary Sewer System Assessment (CIP #971). The associated, adopted budgets and appropriations for the Sanitary Sewer System Assessment will also be transferred.
- **City Properties Enterprise Fund (83)** – Transfer of City-owned Creekside Villas Senior Apartments and the Verano Townhouse and associated land. In addition, the adopted

budgets for revenue (11-34021 and 11-34026) and expenditures (11-808-xxxxx, 11-809-xxxxx) will be transferred.

## **CONCLUSION**

Staff recommends that the Council adopt a resolution establishing seven new City Funds to enhance reporting, transparency, and budgeting functions.

## **ATTACHMENTS**

- A. Resolution
- B. Description of Current City Funds (pages 161 and 162 of 2018-19 Adopted Town Budget)
- C. Summary of Key City Funds – Current and Proposed



**RESOLUTION NO. 2018-\_\_\_**  
**OF THE CITY COUNCIL OF THE TOWN OF COLMA**

**RESOLUTION ADOPTING THE CREATION OF SEVEN NEW CITY FUNDS**

The City Council of the Town of Colma does resolve as follows

**1. Background**

- (a) The Town of Colma budgets for revenue and expenditures and reports financial transactions in accordance with the principles of fund accounting;
- (b) The Adopted 2018-19 Budget contains ten (10) primary funds;
- (c) The intent of the Town is to increase financial transparency and accountability, while complying with regulatory and compliance requirements;
- (d) The Town can accomplish this by segregating current activities into new funds, which were previously reported in the General Fund and the Town Capital Projects Fund;
- (e) Whereas, the funds used by the Town are organized into eight categories, as follows:

<b><u>No.</u></b>	<b><u>Description</u></b>
1x	General
2x	Special Revenue
3x	Capital Projects
4x	Debt Service
5x	Permanent (Fixed Asset & Long-Term Debt)
6x	Internal Service Funds
7x	Fiduciary Funds (OPEB & Pension)
8x	Enterprise

- (f) The Town elects to establish seven new funds, as follows:
  - (i) General Fund Reserves – General Fund;
  - (ii) Parks in Lieu - Special Revenue Fund;
  - (iii) Housing Impact Fees - Special Revenue Fund;
  - (iv) Street Capital - Capital Projects Fund;
  - (v) Sewer Operating – Enterprise Fund;
  - (vi) Sewer Capital – Enterprise Fund;
  - (vii) City Properties – Enterprise Fund;

- (g) Each fund will comply with the Fund Balance classifications as set forth by GASB 54;
- (h) Furthermore, existing assets and obligations pertaining to each new fund, will be transferred into the newly created funds.

**2. Fund Descriptions**

- (a) General Fund Reserves – General Fund – For the purpose of segregating committed reserve funds approved by the City Council in the Town Budget.
- (b) Parks in Lieu – Special Revenue Fund – For the purpose of receiving Parks in Lieu fees and disbursing funds for Town parks and recreational facilities.
- (c) Housing Impact Fees – Special Revenue Fund – For the purpose of receiving Housing Impact fees paid by developers and disbursing funds for Housing purposes.
- (d) Street Capital – Capital Projects Fund – For the purpose of tracking the funding and cost of Street Capital Improvement Projects
- (e) Sewer Operating – Enterprise Fund – For the purpose of tracking the operating and maintenance cost of the Town’s Sewer System and to streamline quarterly and annual compliance reporting
- (f) Sewer Capital – Enterprise Fund – For the purpose of tracking the funding and cost of Sewer Capital Improvement project, and to establish the sewer system needs of the Town.
- (g) City Properties – Enterprise Fund – For the purpose of tracking the lease and rental of City properties, expenses for the maintenance of City properties, and depreciation.

**3. Order.**

- (a) The City Council hereby establishes the seven city funds as noted in Section 1(f) and Section 2 of this Resolution.

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### Certification of Adoption

I certify that the foregoing Resolution No. 2018-\_\_ was duly adopted at a regular meeting of the City Council of the Town of Colma held on October 10, 2018, by the following vote:

Name	Counted toward Quorum			Not Counted toward Quorum	
	Aye	No	Abstain	Present, Recused	Absent
Raquel Gonzalez, Mayor					
Joanne del Rosario, Vice Mayor					
John Goodwin					
Diana Colvin					
Helen Fiscaro					
<i>Voting Tally</i>					

Dated \_\_\_\_\_

\_\_\_\_\_  
Raquel Gonzalez, Mayor

Attest: \_\_\_\_\_  
Caitlin Corley, City Clerk



## Town of Colma

### Attachment B: 2018-19 Budget Excerpt: Description of Funds

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The Town budgets for revenues and expenses and reports financial transactions in accordance with the principles of fund accounting. Separation of revenue and expenditures into unique funds provides additional control and demonstrates compliance required when the fund has specific restrictions on how it is used.

#### Governmental Funds

The majority of the funds reported as part of the Budget are classified as Governmental Funds. This category refers to funds used to account for activities which are primarily supported by tax or charges for services revenues and are generally unique to town government. Within this category, the Town uses the following fund types:

- **General** - This is the Town's primary operating fund and accounts for all financial resources of the Town except those that involve restricted funding or are required to be accounted for in another fund. The expenditure and use of General Funds are discretionary after appropriation by the City Council to the extent there are no local policies or laws that impose any special conditions.

The General Fund is designated by the Town as Fund #11. It funds the majority of Town's day to day operations, including key Town services (such as Police, Recreation, Planning, Building Inspection and General Administration). After covering the cost of Town services, General Fund resources are also transferred to the Capital Improvement and Debt Service Funds to help fund these areas as well.

- **Special Revenues** - These funds account for the use of revenues that are legally restricted to expenditures for specific purposes. The following funds are Special Revenue funds for the Town of Colma:

**Gas Tax** - Gas Tax revenue is collected by the State of California. It is partially distributed to cities and counties based on population and other factors. Gas Tax funds can only be spent on authorized activities related to the maintenance and construction of streets and roads.

The Gas Tax Fund is designated by the Town as Fund #21. Traffic Signal and Street Lighting contract services are also funded with this revenue source.

**Measure A** - Measure A is administered by the San Mateo County Transportation Authority. This is a county-wide voter-approved sales tax measure designed to improve transit and relieve traffic congestion. A portion of the Measure A funds are distributed directly to cities on a per-capita basis. The Measure A Fund is designated by the Town as Fund #22.

**Transportation Grants** - The Town pursues competitive grants as a source of funding major bikeway, pedestrian, and roadway capital improvement projects. Due to the restricted nature of these grants they are accounted for in a separate fund.

The Transportation Grants Fund is designated as Fund #23. The Mission Road Bicycle and Pedestrian Improvement Project (#903) has been selected for a Transportation Livable Community (TLC) and a Federal Local Streets and Roads grant. The two grants fund approximately 45% of the estimated project cost. The Roadway Network Plan (CIP #993) is partially funded with a State Systemic Safety Analysis Report Program (SSARP) grant.

**Public Safety Grants** - Public Safety Grants account for revenue associated with one-time or limited term Police grants that have restricted uses. This includes a distribution associated with State criminal justice realignment funds. Other one-time Police-related grants are also accounted for in this fund. The Public Safety Grants Fund is designated by the Town as Fund #27. Expenditures from this fund will finance the majority of costs associated with specialized Police training and homeless outreach services.

**Police Grants** - Police Grants accounts for revenue associated with Police grants that have restricted uses and may be on-going. This includes an annual State distribution from the Supplemental Law Enforcement Services Fund (SLESF), which must be used for front-line law enforcement activities.

The Police Grants Fund is designated by the Town as Fund #29. Expenditures from this fund will finance the majority of costs associated with Police - Community Services Division including a Community Services Officer (CSO) position.

- **Capital Projects** - These funds are used to fund and account for capital improvement projects that involve streets, sidewalks and bikeways (category 1), sewers and storm drains (category 2), city facilities and long range plans (category 3) and major equipment, technology and fleet replacement (category 4).

**Capital Improvement** - The Capital Improvement Fund funds and accounts for projects in the four categories listed earlier. Capital Improvement Projects are assigned for non-operating projects in excess of \$10,000. Due to the nature of capital projects, funding and expenditures for a single project may span more than one Fiscal Year. The Capital Project Fund is designated by the Town as Fund #31.

**COPs Town Hall** - The COP Town Hall capital fund accounts for project expenses which were financed by Certificates of Participation (COPs) debt financing. The Town financed a portion of the Town Hall Campus Renovation Project (\$5.1 million) with funds borrowed with this financing approach. The remainder of the Town Hall project is funded by the Capital Improvement Fund. During 2017-18, COPs Town Hall funding was completely spent. The COPs Town Hall Fund is designated by the Town as Fund #33.

- **Debt Service** - This fund accounts for the payment of interest and principal associated with the 2015 Town Hall Campus Renovation COP and related administrative expenses. This is the only debt the Town currently has outstanding. The source of funding the annual cost of this debt issue is a transfer of funds from the General Fund. The Debt Service Fund is designated by the Town as Fund #43.

**Internal Service Fund** - In addition to Governmental Funds, the Town has one Internal Service Fund (ISF). An Internal Service Fund accounts for the provision of goods and services to departments on a cost reimbursement basis.

- **Fleet Replacement Fund** - This fund is used to accumulate funds over time to provide for the replacement of the Town fleet used by Police, Public Works, Recreation and Administration. Annual charges based on the usable life and cost of vehicles and the public works fleet are recorded as expenses within the operating departments. The future replacement of these vehicles and the fleet is financed from reserves accumulated in this fund. The Fleet Replacement Fund is designated by the Town as Fund #61.

**Town of Colma****Attachment C: Summary of Key City Funds – Current and Proposed****FUND CATEGORIES**

No.	Description
1x	General
2x	Special Revenue
3x	Capital Projects
4x	Debt Service
5x	Permanent (Fixed Asset & Long Term Debt)
6x	Internal Service Funds
7x	Fiduciary Funds (OPEB & Pension)
8x	Enterprise

**CURRENT FUNDS**

<i>No.</i>	<i>Fund</i>	<i>Category</i>	<i>Classifications</i>
11	General Fund	General	Assigned, Unassigned
21	Gas Tax	Special Revenue	Restricted
22	Measure A	Special Revenue	Restricted
23	Transportation Grants	Special Revenue	Restricted
27	Public Safety Grants	Special Revenue	Restricted
29	Police Grants	Special Revenue	Restricted
31	Capital Improvement	Capital Projects	Committed
33	COPs - Town Hall	Capital Projects	Restricted
43	Debt Service	Debt Service	Non-Spendable
61	Vehicle Replacement	Internal Service	Committed

**NEW FUNDS**

<i>No.</i>	<i>Fund</i>	<i>Category</i>	<i>Classification</i>
12	General Fund Reserves	General	Committed
24	Parks In Lieu	Special Revenue	Restricted
25	Housing Impact Fees	Special Revenue	Restricted
32	Street Capital	Capital Projects	Restricted
81	Sewer Operating	Enterprise	Restricted
82	Sewer Capital	Enterprise	Restricted
83	City Properties	Enterprise	Committed





# STAFF REPORT

TO: Mayor and Members of the City Council  
 FROM: Michael Laughlin AICP, City Planner  
 Christopher Diaz, City Attorney  
 VIA: Brian Dossey, City Manager  
 MEETING DATE: October 10, 2018  
 SUBJECT: HEART Loan Agreement

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## RECOMMENDATION

Staff recommends that the City Council adopt:

RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH HOUSING ENDOWMENT AND REGIONAL TRUST OF SAN MATEO COUNTY (HEART) FOR THE TOWN TO LEND ITS UNCOMMITTED HOUSING FUNDS TO HEART.

## EXECUTIVE SUMMARY

This item is for the Town Council to consider a loan agreement between the Town of Colma and the Housing Endowment and Regional Trust of San Mateo County (HEART). The Town would lend HEART approximately \$225,000.00 of uncommitted affordable housing development impact fees. HEART would use the loaned funds for the purpose of initiating affordable housing projects throughout San Mateo County. Under the proposed agreement, the Town has expressed a requirement that funds be used for projects located in Northern San Mateo County, including Colma, Daly City, South San Francisco, Pacifica and Brisbane.

## FISCAL IMPACT

The Town will generate revenue by participating in this loan agreement. HEART will pay the Town an interest rate comparable to what the funds would be earning if they were deposited in the Local Agency Investment Fund (LAIF). Normally, the Town would invest these funds with LAIF, or a similar fund, while they remained uncommitted. Therefore, the Town will not lose earned interest while the funds are loaned to HEART.

## **BACKGROUND**

### Nexus Study and Development Fees

Several years ago, the Town of Colma participated with other San Mateo County jurisdictions in preparing an affordable housing nexus study, entitled the 21 Elements Grand Nexus Study. The study quantifies the impact of the development of market rate housing and commercial development on affordable housing needed for workers which support market rate development. This study was prepared in response to several successful legal actions by the development community which questioned the ability of local jurisdictions to require a percentage of affordable units in market rate rental developments without demonstrating a connection, or Nexus, between new development and the housing affordability.

The Town of Colma adopted the Nexus Study prepared for Colma, and adopted the following fees which apply to the development of 5 or more units:

- Single-Family Residential: \$10/sq.ft.
- Multi-Family Residential: \$15/sq.ft.

In addition, the City Council adopted a fee of \$5/sq.ft. for new commercial development. Fully affordable projects or projects which provide affordable units are exempt from paying the fee. Affordable units (20%) can still be required as part of the development of 15 or more units, or, if the developer chooses to build them with or without a density bonus in a project of less than 15 units. Since the enactment of the fees, approximately \$165,000.00 has been collected for the homes being developed on B Street. The Town anticipates an additional \$60,000.00 in fees from the developer of the medical office building on El Camino Real. These funds are required to be used by the Town for the development of affordable housing. Staff anticipates that the Town will collect less than \$500,000 in fees within the next ten years, considering the lack of available land in the Town. This amount of money is not sufficient to acquire property and develop units, but would be beneficial to a developer in offsetting development or pre-development costs to create affordable units.

### Use of Funds as a Loan

Since the Town has little developable land and has not implemented housing programs to utilize the funds, staff has had conversations with HEART on ways to utilize the funds, including loaning the money to HEART. HEART is a nonprofit joint powers authority (JPA) created by the County of San Mateo and twenty cities, including the Town of Colma, in the County as a public/private partnership to create more affordable housing opportunities in San Mateo County. HEART's mission is to meet critical housing needs in San Mateo County by raising both public and private funds. HEART makes loans to non-profit and for-profit organizations and educational institutions for the purpose of developing, preserving, acquiring and rehabilitating affordable housing.

Currently, the San Mateo County Department of Housing has lent HEART five million dollars. One loan was for \$3.5 million for land acquisition. This loan has been repaid, so the money is available to lend out again. Numerous other jurisdictions in San Mateo County have expressed



an interest in lending HEART money. These include the Cities of Burlingame, San Mateo, Menlo Park, Millbrae, San Bruno, and the Town of Portola Valley.

HEART is convening a group in the near future to work on the Regional Housing Needs Allocation (RHNA) credit sharing pilot for cities that make funds available for use in other jurisdictions. This group will work on two proposals: the first is to suggest to the State Department of Housing and Community Development (HCD) how it can give cities that make funds available recognition for their support during the current RHNA cycle. The second will be a plan to formalize a credit sharing or trading system in the next RHNA cycle.

Staff has identified the following benefits the Town may derive from a possible loan to HEART:

- Elimination of administrative costs to the Town in trying to administer a loan to a developer directly.
- It allows for the leveraging of greater capital for use by a developer through HEART than with the limited funds the Town collects.
- It creates a positive reportable action to the State Department of Housing and Community Development (HCD) in the annual housing report.
- While not directly providing credit of units for the Town's Regional Housing Needs Assessment (RHNA) number, it is hoped that the State will take notice of this type of collaborative approach and allow the use of loans to satisfy RHNA requirements in future housing element cycles. The Town of Colma has satisfied its RHNA requirement of 59 units for the reporting period of 2015-2023 with the building of the Veteran's Village project, and the Town's RHNA requirement for 2023-2031 is unknown. Additional units built during the reporting period do not carry over, and monies collected during this reporting period must be spent within 5 years. Even if the money was directed to a shovel-ready project, the Town would not get credit for units until after 2023. So, at this time, the funds can be better used to help a North San Mateo County jurisdiction produce affordable units.
- It allows the Town to report use of the funds for affordable housing purposes to satisfy the requirements of the Mitigation Fee Act.

## **ANALYSIS**

### Use of the Funds by HEART

HEART would use the loaned funds for the purpose of initiating affordable housing projects throughout San Mateo County. Under the proposed agreement, the Town has expressed a preference that funds be used for projects located in Northern San Mateo County, including Colma, Daly City, South San Francisco, Pacifica and Brisbane. Further, development agreements and other Town development approvals may specify certain locations for use of development fees. The agreement notes that HEART will ensure that such fees are used in a manner consistent with any such limitation.

### Use of the Funds by the Town

As explained above, the Town does not have a foreseeable opportunity to use these funds. However, in the event an affordable housing development opportunity arises in the Town while the funds are committed to HEART, the project developer would be able to access funds from HEART. The Town would not be committing Town funds for predevelopment to a project that has not gone through the public approval process. Ultimately, HEART is only borrowing the funds for a defined period of time and the Town will still have the opportunity to use its funds within the Town, and, through the agreement, have the ability to utilize and leverage funds from other jurisdictions for a project in the Town.

### Mitigation Fee Act

Under the Mitigation Fee Act, Gov't. Code §§ 66000 *et seq.*, each development fee must be deposited in a separate capital facilities account and may be expended only for the purposes for which it was collected. For all unexpended fees, the agency must make findings every five years that (1) demonstrate a reasonable relationship between the unexpended balance and the purpose for which the fee was charged; (2) identify the sources and funding for any as-yet uncompleted public improvements; and (3) designate the approximate date the agency expects the funding for uncompleted improvements to be deposited in the account. § 66001(d)(1). The Act provides that "if the findings are not made as required by [the Act], the local agency shall refund the moneys in the account" to the current owners of the properties for which the fees were paid. § 66001(d)(2).

The loan to HEART, and their subsequent loaning of funds for the development of affordable housing will allow the Town to report that the funds are being appropriately used under the Mitigation Fee Act. Affordable housing is a regional issue that crosses the borders of cities in San Mateo County. In order to help alleviate this issue, cities impose affordable housing impact fees, commercial linkage fees, inclusionary housing in-lieu fees, and other housing fees, for the purpose of building affordable housing.

As mentioned above, the Town has accumulated approximately \$165,000.00 from the Tealdi project, and anticipates about \$60,000 in fees from the El Camino Real medical office development. The Town does not have an affordable housing project planned at this time in which to place these funds, and therefore is interested in lending the funds to HEART. HEART has established the Municipal Leveraging Fund (MLF) to utilize idle and uncommitted Town funds in the short term to help initiate and provide predevelopment loans to housing projects across San Mateo County. HEART proposes to borrow Colma's funds for 3 years from the Town. If both parties agree, the loan may be extended for two additional one-year periods.

### Revenue Generation

HEART will pay the Town an interest rate comparable to what the funds would be earning if they were deposited in the Local Agency Investment Fund (LAIF). Normally, the Town would invest these funds with LAIF, or a similar fund, while they remained uncommitted. Therefore, the Town will not lose earned interest while the funds are loaned to HEART.

In its eleven-year history, HEART has never made a loan to a development project that has failed resulting in losses to HEART. Although HEART plans to continue its rigorous project underwriting, it also plans to maintain a reserve (First Loss Reserve) of its own funds to ensure the Town does not incur losses in the event a project were to ever fail. As the MLF fund grows, HEART proposes to increase the amount of the reserve and seek additional first loss funds from corporations and foundations, or other guarantee funds to ensure the security of cities funds through the First Loss Reserve.

### Third Party Law Firm Memo

In order to assess the legality and feasibility of whether HEART can borrow those uncommitted affordable housing funds from cities and direct them to projects throughout the County that are ready for development, HEART asked the law firm of Goldfarb & Lipman LLP, as an unbiased third-party, to prepare a memo regarding this issue. Specifically, HEART asked if the cities are legally allowed to provide these fees to HEART to finance affordable housing within the County but outside of the Town limits.

Goldfarb-Lipman conducted a review of using a city's housing funds outside of the jurisdiction in which the fees were collected and has found it to be legally permissible. The legal memo's findings were that HEART, as a JPA, is uniquely situated to utilize resources from cities with unspent affordable housing funds and direct them to projects throughout the County that are ready for development. As such, HEART may spend funds borrowed from a city on affordable housing projects outside that city/jurisdiction. In the process of lending these funds, each city must review its authorizing resolution or ordinance to see if there are any limitations placed on the use of those funds.

After receiving the legal memo from Goldfarb-Lipman, HEART approached the town of Colma regarding borrowing these uncommitted affordable housing funds from the Town in order to direct them to projects in the Northern County that are ready for development.

### **Council Adopted Values**

The recommendation is consistent with the Council value of **responsibility** because it considers how to best use and leverage affordable housing impact fees to accelerate the production of affordable housing in San Mateo County.

### **Sustainability Impact**

The proposal may indirectly benefit the environment since it allows for the creation of needed affordable housing in San Mateo County. Additional affordable housing would likely reduce commuting by workers who currently live outside of the region, thereby lowering GHG emissions.

## **Alternatives**

The City Council could choose not to loan housing funds to HEART. This alternative means that funds would be held by the Town until the Town considers how the funds can be spent within the next five years to produce affordable housing. This alternative is not recommended since the funds can be leveraged to produce more affordable housing in the County.

## **CONCLUSION**

Lending these uncommitted housing funds to HEART will enable the Town to not only use the housing funds for their intended purpose within the Town and be the first Jurisdiction in the County to demonstrate regional leadership by allowing its funds to be used in other areas of the County to address the regional affordable housing crisis.

Staff recommends that the City Council adopt a resolution authorizing the City Manager to enter into a Loan Agreement to lend the Town's uncommitted housing funds to HEART for the purpose of initiating affordable housing projects throughout San Mateo County. The draft of the Loan Agreement is attached.

## **ATTACHMENTS**

- A. Resolution
- B. Draft Loan Agreement

**RESOLUTION NO. 2018-\_\_\_\_  
OF THE CITY COUNCIL OF THE TOWN OF COLMA**

**RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT  
WITH HOUSING ENDOWMENT AND REGIONAL TRUST OF SAN MATEO COUNTY  
(HEART) FOR THE TOWN OF COLMA TO LEND ITS UNCOMMITTED HOUSING FUNDS  
TO HEART.**

The Town Council of the Town of Colma does resolve as follows:

**1. Background**

- a) The Town imposes an affordable housing impact fee and commercial linkage fees as development impact fees to address the increased demand for affordable housing created by new residential and non-residential development.
- b) The Town currently holds and is soon anticipating approximately \$225,000.00 in uncommitted funds for the purpose of providing affordable housing.
- c) However, since the Town has little developable land to generate fees, the amount of fees collected is insufficient to acquire land for or to develop affordable housing.
- d) Staff recommends that the Town enter into an agreement with the Housing Endowment and Regional Trust of San Mateo County (HEART), for the Town to lend its uncommitted housing funds to HEART to fund affordable housing projects in the Northern County.
- e) HEART is a nonprofit joint powers authority (JPA) created by the County of San Mateo and twenty cities, including the Town of Colma, in the County as a public/private partnership to create more affordable housing opportunities in San Mateo County.
- f) The Town of Colma wishes to delegate authorization to execute this agreement any amendments or extensions thereto.

**2. Order**

- a) The City Council does hereby authorize the City Manager, or his designee, to execute an agreement, in substantially the form and content of Attachment A, for the Town to lend its uncommitted housing funds to HEART.
- b) The City Council does hereby authorize the City Manager, or his designee, to execute and extensions or amendments to the agreement, subject to review by the City Attorney.

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***Certification of Adoption***

I certify that the foregoing Resolution No. 2018-\_\_ was duly adopted at a regular meeting of the City Council of the Town of Colma held on October 10, 2018, by the following vote:

Name	Voting		Present, Not Voting		Absent
	Aye	No	Abstain	Not Participating	
Raquel "Rae" Gonzalez, Mayor					
Joanne F. del Rosario					
John Irish Goodwin					
Diana Colvin					
Helen Fisicaro					
<i>Voting Tally</i>		0			

Dated \_\_\_\_\_

\_\_\_\_\_  
Raquel "Rae" Gonzalez, Mayor

Attest: \_\_\_\_\_  
Caitlin Corley, City Clerk

**LOAN AGREEMENT BETWEEN THE HOUSING ENDOWMENT AND REGIONAL TRUST OF SAN MATEO COUNTY AND THE TOWN OF COLMA**

This Loan Agreement, deemed effective \_\_\_\_\_, 2018 (“Effective Date”), is made and entered by and between the Housing Endowment and Regional Trust of San Mateo County, a joint powers agency (“HEART”), and The Town of Colma (“City”) for the purpose of HEART borrowing certain housing funds from the Town in the amount of \_\_\_\_\_ dollars (\$\_\_\_\_\_), in order to further the development of affordable housing in the County of San Mateo. HEART and the City shall be referred to collectively as the “Parties” and individually as a “Party” herein.

**RECITALS**

**WHEREAS**, the Town of Colma will not be able to contribute to the attainment of State housing goals or to retain a healthy environment without additional affordable housing and no single housing program will be sufficient to meet the housing need; and

**WHEREAS**, Federal and State funds for the construction of new affordable housing are insufficient to fully address the problem of affordable housing within the Town of Colma. Nor has the private housing market provided adequate housing opportunities affordable to Moderate-, Low-, and Very Low-Income Households; and

**WHEREAS**, a lack of new Inclusionary Units will have a substantial negative impact on the environment and economic climate because (i) housing will have to be built elsewhere, far from employment centers and therefore commutes will increase, causing increased traffic and transit demand and consequent noise and air pollution; and (ii) Town businesses will find it more difficult to attract and retain the workers they need; and

**WHEREAS**, because affordable housing is in short supply within the Town of Colma, employees may be forced to live in less than adequate housing within the Town of Colma, pay a disproportionate share of their incomes to live in adequate housing within the Town of Colma, or commute ever-increasing distances to their jobs from housing located outside the Town of Colma. These circumstances harm the City’s ability to attain goals articulated in the Town of Colma’s General Plan and strain the Town of Colma’s ability to accept and service new market-rate housing development; and

**WHEREAS**, housing is a regional issue and supporting the development of affordable housing projects through HEART in North San Mateo County will benefit the residents of the Town of Colma who may apply to live in such affordable housing, and employees in the Town of Colma may apply to live in such affordable housing at rents that are proportionate to their income, and will continue to be close to their work in the Town of Colma; and

**WHEREAS**, the Town of Colma has to date accumulated funds from impact fees (“Housing Funds”) to create affordable housing; and

**WHEREAS**, the Town of Colma has adopted affordable housing impact fees and commercial linkage fees to address the increase in demand for affordable housing created by new residential and non-residential development, and the Town of Colma finds that expenditure of such

funds anywhere within the County of San Mateo, including outside the limits of the Town of Colma, satisfies the purposes and requirements of said fees; and

**WHEREAS**, the Town of Colma has adopted an inclusionary ordinance that allows developers to pay an “in-lieu fee” as an alternative to constructing affordable units on site. Between the time that funds are collected and applied to an affordable housing project in Colma, as specified in the Town’s Inclusionary Housing Ordinance, the Town finds that the funds can be used to further the development of affordable housing projects in the northern County of San Mateo, including outside the limits of the Town of Colma, rather than solely holding the funds in a deposit account; and

**WHEREAS**, the Town of Colma has collected affordable housing fees from developers as required by specific conditions of approval for the purpose of creating affordable housing, and the Town of Colma has made a finding that lending money to affordable housing projects in the northern County of San Mateo, including outside the limits of the Town of Colma, is generally consistent with the purpose and requirements of the Town’s Inclusionary Housing Ordinance and the need to address affordable housing; and

**WHEREAS**, HEART is a joint powers authority ("JPA") formed among the County of San Mateo and twenty cities—including the Town of Colma—located in the County (collectively, the "Member Agencies") for the purpose of creating and preserving affordable housing;

**WHEREAS**, HEART makes loans to non-profit and for-profit organizations and educational institutions for the purpose of developing, preserving, acquiring and rehabilitating affordable housing in the County of San Mateo; and

**WHEREAS**, HEART will use the City’s funds on a short-term basis for three to five years to finance the development of affordable housing in the Northern San Mateo County; and

**WHEREAS**, HEART will repay the City and the City will be able to use its housing funds in order to finance projects within the City after the term of the loan; and

**WHEREAS**, this will enable the City to use the housing funds for the development of affordable housing in the area, which will help towards meeting the housing need, while still maintaining and following all original fund purposes; and

**WHEREAS**, HEART has access to funds from many sources and may assist an affordable housing project in the City in an amount far above the funds the City lends to HEART during the term of the loan and beyond; and

**WHEREAS**, HEART has established the Municipal Leveraging Fund for borrowing housing funds from municipalities, capitalized it with \$1 million of its own funds, and is seeking additional private sector contributions to the fund; and

**WHEREAS**, HEART wishes to borrow from the Town of Colma, and the Town of Colma wishes to extend to HEART, a loan (the “Loan”) from the Town of Colma’s Housing Funds in the amount of \_\_\_\_\_ dollars (\$\_\_\_\_\_) to support HEART’s development of affordable housing in the Northern County of San Mateo; and



**NOW THEREFORE**, in consideration of their mutual promises and obligations, the Parties hereby agree as follows:

## **TERMS OF LOAN**

### **1. Town of Colma Loan of Funds to HEART.**

a. The Parties agree that the recitals herein are true and correct and that the Town of Colma agrees to lend to HEART an amount up to \_\_\_\_\_ dollars (\$\_\_\_\_\_) (“Loan Amount”).

b. HEART may withdraw any amount not to exceed the Loan Amount (“Withdrawn Amount”) with at least thirty (30) calendar days’ notice to the Town of Colma at any time up until the Repayment Date described in Section 2.a. At its discretion, HEART may elect to draw the Withdrawn Amount in up to three (3) partial payments, in no event shall the sum of all such partial payments exceed the Loan Amount.

c. HEART acknowledges and agrees that by the Town of Colma lending said funds to HEART, the Town of Colma does not assume any liability, obligation, or duty whatsoever with respect to HEART operations, liabilities, business, or transactions.

d. The Town of Colma acknowledges that the Municipal Leveraging Fund makes funding commitments to housing projects for terms of two (2) to five (5) years and that the liquidity of the Fund fluctuates depending on lending activity. Therefore, the Town of Colma acknowledges that the Loan Amount, whether withdrawn or not, must be committed to HEART through the Repayment Date as defined herein.

e. For each project HEART funds with the Loan, HEART will provide Town of Colma with a written report and data demonstrating how the project addresses affordable housing issues in and around the Town of Colma, in order for Town of Colma to satisfy requirements of the Mitigation Fee Act (Gov. Code, § 66000 et seq.) or other reporting requirements tied to the funds used. The report shall be delivered to Town of Colma no later than sixty (60) days of when the project is funded.

### **2. Terms of Repayment; Interest.**

a. HEART shall only repay to the Town of Colma the Withdrawn Amount, plus interest as described in Section 2.c, herein no later than the “Repayment Date,” which shall be three (3) years from the Effective Date, on \_\_\_\_\_, 20\_\_, unless extended as described in Section 2.b.

b. The Repayment Date, at the request of HEART and the consent of the Town of Colma, may be extended for two (2) additional one (1)-year terms upon written agreement by both Parties. HEART must notify Town of Colma at least 90 days prior to Repayment Date in writing of its interest to extend the Loan term. The Repayment Date will automatically be extended upon such notice unless the Town of Colma notifies HEART in writing, within 30 days of HEART’s notice, that the Town of Colma is electing to receive repayment of any Withdrawn Amount plus any interest due.

c. Interest shall only be paid on the Withdrawn Amount (“Loan Interest”) and shall be paid when the Withdrawn Amount is repaid. In the event the Loan is drawn over two (2) or three (3) partial payments as provided in Section 1.b, each draw’s interest shall be calculated separately based on the date of said draw. The Loan Interest shall be calculated on a dollar-day basis according to the sum of the following calculation:

(Principal x Daily Interest Rate) - LAIF’s Administrative Costs (prorated LAIF quarterly costs)

Where “Principal” is the Withdrawn Amount or partial draw thereof as described herein; “Daily Interest Rate” is the gross earnings for the respective day as reported in the Local Agency Investment Fund (“LAIF”) as published by the State of California; “LAIF’s Administrative Costs” are the administrative costs charged by the Local Agency Investment Fund, which are assessed each quarter and deducted from quarterly earnings prior to interest posting.

d. In the event the Withdrawn Amount, along with any and all Loan Interest owed pursuant to Section 2.c, are not repaid by the Repayment Date, any such amounts that remain outstanding shall accrue interest at the rate specified by law for prejudgment interest.

### **3. Restrictions on Use of Funds**

The Town of Colma’s requirement for HEART’s use of the Loan is that any Withdrawn Amounts shall be used to fund projects located in Northern San Mateo County, including Colma, Daly City, South San Francisco, Pacifica, San Bruno, and Brisbane.

### **4. Loan Security/Cash Reserve**

a. The Withdrawn Amount(s) shall be deposited in HEART’s Municipal Leveraging Fund.

b. As security, HEART’s initial \$1 million contribution to capitalize the Municipal Leveraging Funds shall serve as the first loss funds should any loan from the Municipal Leveraging Fund to affordable housing developers become a nonperforming loan.

c. HEART shall maintain a minimum cash reserve of fifteen percent (15%) of total deposits into the Municipal Leveraging Fund to meet repayment payment obligations.

### **5. Default**

a. The occurrence of the following shall constitute an "Event of Default" under this Loan Agreement: Either Party failing to duly perform, comply with, or observe any of the conditions, terms, or covenants of this agreement and such failure having continued uncured for sixty (60) days after receipt of written notice from the other Party pursuant to Section 5.b.

b. The non-defaulting Party shall give written notice to the other Party of any Event of Default by specifying: (a) the nature of the event or deficiency giving rise to the default; (b) the action required to cure the deficiency, if an action to cure is possible; and (c) a date, which shall not be fewer than sixty (60) calendar days from the date of receipt of the notice or the date the notice was refused, by which such action to cure must be taken. Notwithstanding the time period

described in section 5.a, if the Event of Default cannot reasonably be cured within sixty (60) days, the defaulting Party shall not be in default under this Loan Agreement if it has commenced the cure within forty-five (45) days from receipt of the written notice described herein and is diligently pursuing the cure to completion.

## **6. Termination**

This Loan Agreement may be terminated by either Party upon the happening of an Event of Default and a failure to cure said Event of Default within the applicable cure period pursuant to the terms of Section 5.

## **7. Hold Harmless; Indemnity.**

a. HEART shall hold harmless, indemnify, and defend the Town of Colma, its officers, employees, and agents from and against any and all third party claims, suits or actions of every kind which arise out of the performance or nonperformance of HEART's covenants, responsibilities, and obligations under this Loan Agreement and which result from the negligent or wrongful acts of HEART or its officers, employees, or agents.

b. Town of Colma shall hold harmless, indemnify, and defend HEART, its officers, employees and agents from and against any and all third party claims, suits or actions of any kind which arise out of the performance or non-performance of the Town of Colma's covenants, responsibilities and obligations under this Loan Agreement and which result from the negligent or wrongful acts of the Town of Colma or its officers, employees or agents.

c. In the event of concurrent negligence of the Town of Colma, its officer or employees, and HEART, its officers and employees, the liability for any and all third party claims for injuries or damages to persons and/or property or any other loss or costs which arise out of the terms, conditions, covenants or responsibilities of this agreement shall be apportioned according to the California theory of comparative negligence.

## **8. General Provisions.**

a. Waiver. The waiver by HEART or the Town of Colma of any term, covenant or condition herein contained shall not be deemed to a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained.

b. Successors and Assigns. The terms of this Loan Agreement shall apply and bind the heirs, successors, executors, administrators and assigns of the Parties.

c. Amendment to Loan Agreements. No provision of this Loan Agreement may be amended or added to except by an agreement in writing signed by the Parties or their respective successors in interest. This Loan Agreement shall not be effective or binding until fully executed by both Parties.

d. Choice of Law. This Loan Agreement is subject to the laws and jurisdiction of the State of California and any action related to the Loan Agreement shall be brought in the California Superior Court for the County of San Mateo. In the event that any court action should be brought

in conjunction with this Loan Agreement, it shall be subject to interpretation under the laws of the State of California.

e. Independent Entities. This Loan Agreement is by and between two independent entities and is not intended to and shall not be construed to create the relationship of agent, servant, employee, partnership, joint venture, joint employer, or association.

f. Authority to Execute Loan Agreement. The Parties each warrant that they have the authority to execute this Loan Agreement and that all actions have occurred, and all necessary approvals or consents have been obtained to allow each Party to enter into this Loan Agreement.

g. Counterparts. This Loan Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same agreement.

h. Section Headings. The section headings used in this Loan Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

i. Drafting Party. No provision of this Loan Agreement shall be interpreted adversely against a Party solely because that Party was responsible for drafting that particular provision. It is acknowledged that representatives of each Party have participated in the drafting and negotiation of this Loan Agreement.

j. Notices. All notices provided for herein shall be in writing and shall be delivered to the appropriate parties as provided below:

**For HEART:**

HEART  
Attn: Executive Director  
2905 S. El Camino Real  
San Mateo, CA 94403

With copy to:  
c/o Director Department of Housing  
County of San Mateo  
264 Harbor Boulevard, Building A  
Belmont, CA 94002

**For CITY/TOWN:**

**Town of Colma**  
**Attn: City Manager**  
**1198 El Camino Real**  
**Colma, CA 94014-3212**

**IN WITNESS WHEREOF**, HEART and the Town of Colma have signed this Loan Agreement on the dates set forth below.

**HOUSING ENDOWMENT AND REGIONAL TRUST OF SAN MATEO COUNTY**, a joint powers agency

Date: \_\_\_\_\_

\_\_\_\_\_

By: Armando F. Sanchez  
Title: Executive Director

**CITY/TOWN**

Date: \_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_  
Title: \_\_\_\_\_





# STAFF REPORT

TO: Mayor and Members of the City Council  
 FROM: Pak Lin, Administrative Services Director  
 VIA: Brian Dossey, City Manager  
 MEETING DATE: October 10, 2018  
 SUBJECT: Unfunded Liabilities Study and Strategic Plan

## RECOMMENDATION

Staff recommends that the City Council provide feedback on the Pension Funding Strategy.

## EXECUTIVE SUMMARY

The Town has three main unfunded liabilities resulting from guaranteed future payments to the Town's current employees.

Pension	\$10,199,600
Retiree Medical/Dental (OPEB)	\$14,038,976
Accrued Leave	\$1,951,242

On September 28, 2018, the City Council expressed support in continuing to fund the OPEB trust based on the most recent valuation report; setting aside and committing \$650,000 into an Accrued Leave Liability Reserve; budgeting \$61,000 as an annual contribution into the Accrued Leave Liability Reserve; and redefining the Budget Stabilization Reserve calculation to exclude the annual contribution towards unfunded liabilities.

During the meeting, the City Council requested additional information and analysis to address pension liabilities, as detailed in the Background and Analysis sections below. In addressing unfunded pension liabilities, staff recommends making a one-time contribution of \$1.0 million directly to CalPERS to maximize the potential savings, transferring \$1.0 million to PARS (Public Agency Retirement Services) Pension Trust to maximize flexibility and control to meet the upcoming financial strain, and budgeting an annual contribution based on 6.0 percent and 6.5 percent. Annually, the City Council will review the draft budget and provide feedback on the appropriate funding level to address pension liabilities.

## FISCAL IMPACT

There is no immediate fiscal impact associated with this report. The direction provided by the City Council will be part of the reserve policy update, which will be brought before the City Council for consideration at a future council meeting.

## BACKGROUND

The Town of Colma offers benefit packages with certain guaranteed future payments to employees who retire from the Town (annuitant). These guaranteed future benefits result in unfunded liabilities. The key benefits that has large future guaranteed payments are pension, OPEB and accrued leave payouts. Based on the most recent actuarial reports and analysis, the Town has \$26.2 million in unfunded liabilities:

Pension	\$10,199,600
Retiree Medical/Dental (OPEB)	\$14,038,976
Accrued Leave	\$1,951,242

On September 26, 2018, the City Council reviewed and provided feedback on the funding strategies for these liabilities and on modifying the budget stabilization reserve formula.

## Pension

The Town participates in the California Public Employees' Retirement System (CalPERS). It offers guaranteed income to Town employees at retirement. The retirement income is based on years of services, final compensation and eligible pension formula(s). The Town currently has six plans:

	Miscellaneous (including Dispatchers)	Safety
<b>Tier 1:</b> Classic members hired prior to 8/1/2012	2.5% @ 55	3.0% @ 50
<b>Tier 2:</b> Classic members hired on or after 8/1/2012	2.0% @ 60	3.0% @ 55
<b>Tier 3 (PEPRA Tier):</b> PEPRA members hired after 1/1/2013	2.0% @ 62	2.7% @ 57

*NOTE: CalPERS define "classic" members as individuals who stayed in the CalPERS system throughout employment. Members who are separated from the CalPERS system for more than six months or members added after January 1, 2013 are classified as PEPRA tier members.*

Annually, CalPERS calculates the minimum annual contribution based on set assumptions, such as the length of payments (mortality rate), average investment earnings (discount rate), and the final compensation (salary escalation). Pension liabilities and the Town's portion of unfunded liabilities change when reality differs from CalPERS assumptions. Based on the CalPERS valuation published on August 1, 2018, the Town's unfunded liability as of fiscal year ending June 30, 2017 is \$10.2 million. The unfunded liability of \$10.2 million is based on a discount rate of 7.25 percent. At 7.00 percent, the liability increases to \$11.4 million.

In November 2016, the CalPERS Board approved the reduction of the discount rate from 7.50 percent in FY2015-16 to 7.00 percent in FY2018-19. Industry leaders question the 7.00 percent



discount rate. They believe the discount rate should be 6.00 percent. In November 2017, the CalPERS Board discussed the potential of lowering the discount rate further but decided to halt anymore changes to their assumptions for now.

On September 26, 2018, the City Council reviewed the following three scenarios:

	<b>Scenario 1</b>	<b>Scenario 2</b>	<b>Scenario 3</b>
Funding/Savings	Least	Most	--
Flexibility	--	Least	Most
Impact on Operations	Least	Most	--
Additional payment to CalPERS	\$ 2.0 million	\$ 2.0 million	\$ 1.0 million
Additional Contribution to pension trust	\$ 0.0	\$ 0.0	\$ 1.0 million
Annual Minimum Contribution (Normal Cost and Unfunded Liabilities)	\$1.5-\$1.7 million	\$2.0-\$2.6 million	\$1.8-\$2.2 million
Additional Average Annual Contribution	\$ 0.0	\$800,000 (@ 6.0%)	\$ 350,000 (@ 6.5%)
Total Savings	\$ 2.3 million	\$ 7.9 million	\$ 6.1 million
Ending PARS Pension Trust Fully Funded	\$ 0.0 2043-44	\$ 10.0 million 2031-32	\$ 10.0 million 2036-37

The City Council also requested the following information and analysis:

- Run Scenario 3 at 6.0 percent (Scenario 4, below);
- Summarize pension payment schedule into one (See **Attachment B**);
- Comparison of the Town’s Funded Ratio to other agencies within San Mateo County (See **Attachment C**); and
- Include the hiring date criteria for Tier 1, Tier 2, and PEPR Tier.

### **Other Post-Employment Benefits (OPEB) – Retiree Medical and Dental**

Retiree medical and dental, also known as Other Post-Employment Benefits (or OPEB), was addressed in the prior fiscal year. Based on the July 24, 2017 Valuation Report, the OPEB unfunded liabilities is \$14.0 million. The Valuation Report shows a PARS OPEB Trust balance of \$1.6 million and a funded ratio of 10.3 percent. A healthy solvent plan should be at least 80 percent funded. In March 2018, the City Council approved making monthly contribution to the PARS Trust. As of August 31, 2018, the PARS Trust balance is \$3.1 million, an increase \$1.4 million. While the Town is making progress in funding its OPEB liabilities, continued contributions are necessary until the Trust is at least 80 percent funded. **Attachment D** summarizes the OPEB benefits offered by the Town and the OPEB Contribution Schedule through FY 2042-43. The City Council was in favor of continuing contributions to the OPEB Trust and to revisit the funding strategy when the OPEB Liabilities is 80 percent funded.

### **Accrued Leave**

The Town’s Vacation/Sick/Comp Time Payout (Accrued Leave Payout) budget line item accounts for three types of accrued leave payouts:

- (1) **Annual vacation cash out**, where employees who meet the criteria listed under Administrative Code § 3.06-410(f) may elect to cash out a portion of their unused vacation balance in August of each fiscal year;
- (2) **Holiday compensation to police officers**, in accordance with Peace Officer MOU; and
- (3) **Lump sum payments at separation or retirement** (sick leave, vacation, compensation time).

Of the three types of accrued leave payouts, lump sum payments at separation or retirement poses the highest budgetary fluctuation. According to Administrative Code and MOUs, employees retiring under the CalPERS system within 60 days of separation may convert unused and accrued sick leave to additional PERS service credit or be paid for unused and accrued sick leave, not to exceed 1,092 for peace officers and 1,040 for all other employees. Additionally, employees separating from Town employment are eligible for a vacation payout. The estimated accrued leave liabilities total \$1.9 million for all current employees. Staff prepared two scenarios.

- Scenario 1: One-time commitment of \$1.9 million to Accrued Leave Liability Reserve and set aside 20 percent of operating surplus as annual contribution.
- Scenario 2: One-time commitment of \$650,000 to Accrued Leave Liability Reserve and an annual budgetary contribution of \$61,000, to be allocated to all departments based on payroll.

The City Council was in favor of Scenario 2 as annual contributions will become part of the budget. Additionally, the accrued leave liability will be reassessed every two years with updated information.

### **Budget Stabilization Strategy**

In discussing the various funding strategies to address unfunded liabilities, staff recommended that the City Council consider modifying the annual calculating of the Budget Stabilization Reserve. The purpose of this recommendation is to retain unassigned reserves to address other Council initiatives, such as capital improvements on a major Town throughway. Currently, the Budget Stabilization Reserve is calculated based on 100 percent of operating expenditures. In the FY2018-19 operating budget, roughly \$3.0 million is related to OPEB and Pension contributions. The proposed modified calculation for Budget Stabilization is to exclude contributions to OPEB, Pension, and Accrued Leave. For 2018-19, this equates to \$12.0 million in the Town's cash and investment accounts designated as Budget Stabilization Reserves and \$3.0 million in the Pension Trust, OPEB Trust and Accrued Leave Liability Reserve. Budget Stabilization Reserves will be 100 percent of the non-Pension, OPEB, and Accrued Leave operating expenditure budget. The City Council was in favor of this strategy.

### **ANALYSIS**

In summary, the City Council provided the following feedback during the September 26, 2018 Regular Council meeting:

- **Budget Stabilization:** The annual calculation for Budget Stabilization Reserve will be 100 percent of the non-Pension, OPEB and Accrued Leave operating expenditure budget of the prior fiscal year.

- **Accrued Leave Payout:** Town will create an Accrued Leave Liability Reserve in the General Fund Reserve Fund (12), commit \$650,000 in FY2018-19, contribute \$61,000 as part of the annual budget, and recalculate the Accrued Leave liabilities every two years.
- **OPEB Liability & Trust:** Town will continue to utilize the OPEB Trust to set aside funding as part of the annual budget to pay for retiree medical and dental. The contribution is based on the most recent OPEB report completed by a third-party actuary. The last actuarial report was completed by an affiliate of GovInvest.
- **Pension:** City Council asked for an additional scenario where annual contribution in Scenario 3 is calculated at 6.0 percent as the discount rate.

**Pending Item from September 26, 2018 City Council Meeting.**

Based on City Council’s feedback, Scenario 3 is calculated at the discount rate of 6.0 percent. This generates a total savings of \$7.6 million through 2043-44 and the Town would have fully funded the pension liability by 2031-32, based on the assumptions CalPERS made in preparing the August 2018 Valuation Report for Period Ending June 30, 2017.

	<b>Scenario 1</b>	<b>Scenario 2</b>	<b>Scenario 3</b>	<b>Scenario 4</b>
Funding/Savings	Least	Most	--	--
Flexibility	--	Least	Most	Most
Impact on Operations	Least	Most	--	Most
Additional payment to CalPERS	\$ 2.0 million	\$ 2.0 million	\$ 1.0 million	\$1.0 million
Additional Contribution to PARS	\$ 0.0	\$ 0.0	\$ 1.0 million	\$1.0 million
Annual Minimum Contribution (Normal Cost and Unfunded Liabilities)	\$1.5-\$1.7 million	\$2.0-\$2.6 million	\$1.8-\$2.2 million	\$2.0-\$2.6 million
Additional Average Annual Contribution	\$ 0.0	\$800,000 (@ 6.0%)	\$ 350,000 (@ 6.5%)	\$670,000 (@ 6.0%)
Total Savings	\$ 2.3 million	\$ 7.9 million	\$ 6.1 million	\$ 7.6 million
Ending PARS Pension Trust Fully Funded	\$ 0.0 2043-44	\$ 10.0 million 2031-32	\$ 10.0 million 2036-37	\$10.0 million 2031-32

Staff is concerned that Scenario 2 and Scenario 4 will present unbearable financial strain on the Town’s annual budget. The Town’s sales tax revenues are anticipated to be reduced if voters pass SCA 20 (Glazer Bill) in the November 2018 election, where online sales tax revenues will no longer be allocated as Use Tax but be distributed based on the destination of the purchase.

Anticipating the financial constraint to the Town as early as April of 2019, staff recommends the unfunded pension liability strategy to be a hybrid of Scenario 3 and Scenario 4, setting the 6.5 percent and 6.0 percent discount rate as the minimum and maximum annual contribution. During the first Budget Study Session of each year, staff will present preliminary numbers to the City Council at 6.0 percent and 6.5 percent contribution, including potential budget strategies to address any potential operating deficit. During an extreme financial strain, the City Council make elect to make the CalPERS minimum payment requirement or to drawdown on the PARS pension trust.

## **CONCLUSION**

Staff seeks City Council feedback on funding strategies to address pension unfunded liabilities. Direction from the Council will be brought back at the October 24, 2018 meeting for final adoption.

## **ATTACHMENTS**

- A. 2018 Pension Summary
- B. Projection Payment Schedule for Pension Liabilities
- C. San Mateo County Pension Funded Ratio and Pension Funding Strategies
- D. 2018 Other Post Employment Benefit Summary (Retiree Medical and Dental)

**Town of Colma**  
**Attachment A: August 2018 CalPERS Valuation Summary**  
**Valuation as of June 30, 2017**

Formula	Misc	Safety	CalPERS Disc Rate 2018	CalPERS Disc Rate 2019
Tier 1	2.5% @ 55	3.0% @ 50	7.25%	7.00%
Tier 2	2.0% @ 60	3.0% @ 55	7.25%	7.00%
Tier 3	2.0% @ 62	2.7% @ 57	7.25%	7.00%

Criteria:

- Tier 1: Classic members hired prior to August 1, 2012
- Tier 2: Classic members hired on or after August 1, 2012
- Tier 3: PEPRAs members hired after January 1, 2013

Misc Tier 1	Normal Rate	UAL	Safety Tier 1	Normal Rate	UAL
2019-20	11.432%	\$ 247,314	2019-20	21.927%	\$ 653,793
2020-21	12.200%	\$ 272,000	2020-21	23.300%	\$ 726,000
2021-22	12.200%	\$ 301,000	2021-22	23.300%	\$ 811,000

Misc Tier 2	Normal Rate	UAL	Safety Tier 2	Normal Rate	UAL
2019-20	8.081%	\$ 2,727	2019-20	18.928%	\$ 1,264
2020-21	8.700%	\$ 3,000	2020-21	20.100%	\$ 2,500
2021-22	8.700%	\$ 3,300	2021-22	20.100%	\$ 3,900

Misc Tier 3	Normal Rate	UAL	Safety Tier 3	Normal Rate	UAL
2019-20	6.985%	\$ 6,499	2019-20	13.034%	\$ 4,017
2020-21	7.500%	\$ 1,200	2020-21	13.100%	\$ 4,500
2021-22	7.500%	\$ 1,000	2021-22	13.100%	\$ 5,100

June 30, 2017									
Plan's Funded Status @ 7.25%	Misc				Safety				Total CalPERS
	Tier 1	Tier 2	Tier 3	Total	Tier 1	Tier 2	Tier 3	Total	
Present Value of Projected Benefitis (PVB)	11,073,947	729,881	406,729	12,210,557	30,500,761	3,176,517	1,582,743	35,260,021	47,470,578
Entry Age Normal Accrued Liability (AL)	9,708,200	188,143	62,489	9,958,832	27,406,388	1,431,375	195,783	29,033,546	38,992,378
Plan's Market Value of Assets (MVA)	6,860,174	173,981	59,911	7,094,066	20,076,917	1,438,973	182,822	21,698,712	28,792,778
Unfunded Accrued Liability (UAL)	2,848,026	14,162	2,578	2,864,766	7,329,471	(7,598)	12,961	7,334,834	10,199,600
Funded Ratio	70.7%	92.5%	95.9%	71.2%	73.3%	100.5%	93.4%	74.7%	73.8%

June 30, 2017									
Plan's Funded Status @ 7.00%	Misc				Safety				Total CalPERS
	Tier 1	Tier 2	Tier 3	Total	Tier 1	Tier 2	Tier 3	Total	
Present Value of Projected Benefitis (PVB)	11,073,947	729,881	406,729	12,210,557	30,500,761	3,176,517	1,582,743	35,260,021	47,470,578
Accrued Liability at 7.00%	9,977,837	196,759	65,517	10,240,113	28,223,479	1,480,787	204,645	29,908,911	40,149,024
Plan's Market Value of Assets (MVA)	6,860,174	173,981	59,911	7,094,066	20,076,917	1,438,973	182,822	21,698,712	28,792,778
Unfunded Accrued Liability	3,117,663	22,778	5,606	3,146,047	8,146,562	41,814	21,823	8,210,199	11,356,246
Funded Ratio	68.8%	88.4%	91.4%	69.3%	71.1%	97.2%	89.3%	72.5%	71.7%

June 30, 2017									
Plan's Funded Status @ 6.00%	Misc				Safety				Total CalPERS
	Tier 1	Tier 2	Tier 3	Total	Tier 1	Tier 2	Tier 3	Total	
Present Value of Projected Benefitis (PVB)	11,073,947	729,881	406,729	12,210,557	30,500,761	3,176,517	1,582,743	35,260,021	47,470,578
Accrued Liability at 6.00%	11,364,588	253,425	85,442	11,703,455	32,322,990	1,740,836	258,636	34,322,462	46,025,917
Plan's Market Value of Assets (MVA)	6,860,174	173,981	59,911	7,094,066	20,076,917	1,438,973	182,822	21,698,712	28,792,778
Unfunded Accrued Liability	4,504,414	79,444	25,531	4,609,389	12,246,073	301,863	75,814	12,623,750	17,233,139
Funded Ratio	60.4%	68.7%	70.1%	60.6%	62.1%	82.7%	70.7%	63.2%	62.6%

Accrued Liability (\$)	Misc				Safety				Total
	Tier 1	Tier 2	Tier 3	Total	Tier 1	Tier 2	Tier 3	Total	
Active Member	3,516,774	106,685	62,489	3,685,948	9,063,666	471,345	175,247	9,710,258	13,396,206
Transferred Members	600,664	81,458	-	682,122	1,312,039	-	20,536	1,332,575	2,014,697
Terminated Members	208,095	-	-	208,095	577,123	4,496	-	581,619	789,714
Members and Beneficiaries Receiving Payment	5,382,667	-	-	5,382,667	16,453,560	955,534	-	17,409,094	22,791,761
Total	9,708,200	188,143	62,489	9,958,832	27,406,388	1,431,375	195,783	29,033,546	38,992,378

Accrued Liability (# of members)	Misc				Safety				Total
	Tier 1	Tier 2	Tier 3	Total	Tier 1	Tier 2	Tier 3	Total	
Active Member	14	4	4	22	10	4	5	19	41
Transferred Member	12	1	0	13	9	0	2	11	24
Separated Member	13	0	0	13	6	1	0	7	20
Retired Member	21	0	0	21	34	1	0	35	56
Total	60	5	4	69	59	6	7	72	141

**Town of Colma**  
**Attachment B: Projected Payment Schedule for Pension**

**Comparison Table of Current CalPERS Contribution Requirement to Various Strategies**

	<b>Current</b>	<b>Scenario 1</b>	<b>Scenario 2</b>	<b>Scenario 3</b>	<b>Scenario 4</b>
<b>Discount Rate</b>	@ 7.0 %	@7.0%	@ 6.0%	@6.5%	@6.0%
<b>Pay to CalPERS</b>	\$ 0.0	\$2.0 million	\$ 2.0 million	\$ 1.0 million	\$ 1.0 million
<b>Save in PARS Trust</b>	\$ 0.0	\$ 0.0	\$ 0.0	\$ 1.0 million	\$ 1.0 million
<b>Overall Savings</b>	\$ 0.0	\$2.3 million	\$ 7.9 million	\$ 6.1 million	\$ 7.6 million
<b>2018-19</b>	1,530,230	3,519,583	3,519,583	3,530,230	3,531,562
<b>2019-20</b>	1,689,808	1,643,260	2,022,311	1,844,432	2,022,311
<b>2020-21</b>	1,802,208	1,707,380	2,155,543	1,965,477	2,155,543
<b>2021-22</b>	1,648,332	1,509,334	2,074,444	1,846,760	2,074,444
<b>2022-23</b>	1,637,407	1,451,757	2,143,781	1,874,780	2,143,781
<b>2023-24</b>	1,719,954	1,500,667	2,308,721	1,997,038	2,308,721
<b>2024-25</b>	1,734,952	1,509,306	2,331,207	2,015,737	2,331,207
<b>2025-26</b>	1,783,764	1,551,574	2,400,894	2,074,425	2,400,894
<b>2026-27</b>	1,796,288	1,557,365	2,420,518	2,090,444	2,420,518
<b>2027-28</b>	1,826,187	1,580,335	2,461,105	2,125,486	2,461,105
<b>2028-29</b>	1,855,721	1,602,739	2,504,898	2,161,851	2,504,898
<b>2029-30</b>	1,882,372	1,622,054	2,542,795	2,193,924	2,542,795
<b>2030-31</b>	1,924,306	1,656,439	2,602,699	2,244,435	2,602,699
<b>2031-32</b>	1,912,277	1,636,641	0	2,242,625	-
<b>2032-33</b>	1,896,708	1,613,079	2,615,641	2,236,377	2,615,641
<b>2033-34</b>	1,865,403	1,573,549	0	2,216,728	-
<b>2034-35</b>	1,811,240	1,527,312	2,577,714	2,174,063	2,577,714
<b>2035-36</b>	1,594,892	1,359,409	0	1,928,230	-
<b>2036-37</b>	1,280,617	1,096,627	1,922,166	-	1,922,166
<b>2037-38</b>	1,215,135	1,085,824	0	1,476,697	-
<b>2038-39</b>	1,174,869	1,103,562	1,637,140	1,391,222	1,637,140
<b>2039-40</b>	1,127,644	1,098,907	0	-	-
<b>2040-41</b>	1,059,421	1,029,850	1,426,337	1,229,935	1,426,337
<b>2041-42</b>	1,028,628	998,199	0	1,200,593	-
<b>2042-43</b>	965,251	933,940	1,347,286	-	1,347,286
<b>2043-44</b>	935,301	935,301	1,285,211	1,096,495	-
<b>Total</b>	<b>40,698,914</b>	<b>38,403,995</b>	<b>43,014,783</b>	<b>45,157,984</b>	<b>43,026,762</b>
<b>PARS Trust Balance</b>	<b>0</b>	<b>0</b>	<b>10,251,528</b>	<b>10,598,039</b>	<b>9,993,277</b>
<b>Net Contribution to CalPERS</b>	<b>40,698,914</b>	<b>38,403,995</b>	<b>32,763,255</b>	<b>34,559,945</b>	<b>33,033,485</b>

**Town of Colma**  
**Attachment B: Projected Payment Schedule for Pension**

**SCENARIO 1: ONE-TIME SUPPLEMENTAL CONTRIBUTION OF \$2.0 MILLION TO CALPERS**

<b>Year</b>	<b>Employer Normal Cost</b>	<b>Unfunded Liability Contribution</b>	<b>Total Required Contribution @ 7%</b>
2018-19	625,885	893,698	3,519,583
2019-20	702,259	941,001	1,643,260
2020-21	705,723	1,001,657	1,707,380
2021-22	705,378	803,956	1,509,334
2022-23	715,890	735,867	1,451,757
2023-24	730,359	770,308	1,500,667
2024-25	726,081	783,225	1,509,306
2025-26	754,417	797,157	1,551,574
2026-27	745,053	812,312	1,557,365
2027-28	752,945	827,390	1,580,335
2028-29	759,637	843,102	1,602,739
2029-30	762,924	859,130	1,622,054
2030-31	781,031	875,408	1,656,439
2031-32	792,133	844,509	1,636,641
2032-33	802,115	810,964	1,613,079
2033-34	817,411	756,139	1,573,549
2034-35	828,952	698,360	1,527,312
2035-36	843,484	515,925	1,359,409
2036-37	848,727	247,900	1,096,627
2037-38	862,876	222,947	1,085,824
2038-39	882,345	221,217	1,103,562
2039-40	879,728	219,179	1,098,907
2040-41	897,597	132,253	1,029,850
2041-42	900,118	98,082	998,199
2042-43	920,907	13,033	933,940
2043-44	935,301	-	935,301
<b>Total</b>	<b>20,679,277</b>	<b>15,724,718</b>	<b>38,403,995</b>



**Town of Colma**  
**Attachment B: Projected Payment Schedule for Pension**

**SCENARIO 2: ONE-TIME SUPPLEMENTAL CONTRIBUTION OF \$2.0 MILLION TO CALPERS AND MAKE ANNUAL CONTRIBUTION TO PARS TRUST BASED ON DISCOUNT RATE OF 6.0%**

Year	Required Contribution @ 6% [a]	Payment to CalPERS [b]	Payment to PARS [a]-[b]	Projected PARS Trust Balance @ 3% investment return
2018-19	3,519,583	3,519,583	-	-
2019-20	2,022,311	1,643,260	379,051	390,422
2020-21	2,155,543	1,707,380	448,163	863,742
2021-22	2,074,444	1,509,334	565,110	1,471,718
2022-23	2,143,781	1,451,757	692,024	2,228,654
2023-24	2,308,721	1,500,667	808,054	3,127,809
2024-25	2,331,207	1,509,306	821,901	4,068,201
2025-26	2,400,894	1,551,574	849,320	5,065,047
2026-27	2,420,518	1,557,365	863,153	6,106,045
2027-28	2,461,105	1,580,335	880,770	7,196,420
2028-29	2,504,898	1,602,739	902,159	8,341,536
2029-30	2,542,795	1,622,054	920,741	9,540,145
2030-31	2,602,699	1,656,439	946,260	10,800,997
2031-32	0	1,636,641	(1,636,641)	9,439,286
2032-33	2,615,641	1,613,079	1,002,562	10,755,104
2033-34	0	1,573,549	(1,573,549)	9,457,001
2034-35	2,577,714	1,527,312	1,050,402	10,822,625
2035-36	0	1,359,409	(1,359,409)	9,747,113
2036-37	1,922,166	1,096,627	825,539	10,889,831
2037-38	0	1,085,824	(1,085,824)	10,098,127
2038-39	1,637,140	1,103,562	533,578	10,950,657
2039-40	0	1,098,907	(1,098,907)	10,147,303
2040-41	1,426,337	1,029,850	396,487	10,860,104
2041-42	0	998,199	(998,199)	10,157,761
2042-43	1,347,286	933,940	413,346	10,888,241
2043-44	1,285,211	935,301	(935,301)	10,251,528
<b>Total</b>	<b>43,014,783</b>	<b>38,403,995</b>	<b>4,610,788</b>	
<b>Average Annual Contribution</b>		<b>1,477,077</b>	<b>699,927</b>	

**Town of Colma**  
**Attachment B: Projected Payment Schedule for Pension**

**SCENARIO 3: ONE-TIME SUPPLEMENTAL CONTRIBUTION OF \$1.0 MILLION TO CALPERS, INITIAL CONTRIBUTION OF \$1.0 MILLION TO PARS AND MAKE ANNUAL CONTRIBUTION TO PARS TRUST BASED ON DISCOUNT RATE OF 6.5%**

Year	Required Contribution @ 6.5% [a]	Payment to CalPERS [b]	Payment to PARS [a]-[b]	Projected PARS Trust Balance @ 3% investment return
2018-19	3,530,230	2,530,230	1,000,000	1,030,000
2019-20	1,844,432	1,689,808	154,624	1,220,163
2020-21	1,965,477	1,759,507	205,969	1,468,916
2021-22	1,846,760	1,582,422	264,338	1,785,251
2022-23	1,874,780	1,546,980	327,800	2,176,443
2023-24	1,997,038	1,603,642	393,397	2,646,935
2024-25	2,015,737	1,615,267	400,470	3,138,827
2025-26	2,074,425	1,660,608	413,817	3,659,223
2026-27	2,090,444	1,669,560	420,884	4,202,510
2027-28	2,125,486	1,695,784	429,702	4,771,179
2028-29	2,161,851	1,721,536	440,315	5,367,838
2029-30	2,193,924	1,744,296	449,628	5,991,990
2030-31	2,244,435	1,782,226	462,209	6,647,825
2031-32	2,242,625	1,766,076	476,548	7,338,104
2032-33	2,236,377	1,746,268	490,109	8,063,060
2033-34	2,216,728	1,710,600	506,128	8,826,263
2034-35	2,174,063	1,651,948	522,115	9,628,829
2035-36	1,928,230	1,463,763	464,467	10,396,095
2036-37	0	1,179,418	(1,179,418)	9,493,178
2037-38	1,476,697	1,145,713	330,984	10,118,887
2038-39	1,391,222	1,139,151	252,071	10,682,087
2039-40	0	1,127,644	(1,127,644)	9,841,076
2040-41	1,229,935	1,059,421	170,514	10,311,938
2041-42	1,200,593	1,028,628	171,965	10,798,420
2042-43	0	965,251	(965,251)	10,128,164
2043-44	1,096,495	935,301	161,194	10,598,039
<b>Total</b>	<b>45,157,984</b>	<b>39,521,049</b>	<b>5,636,935</b>	
<b>Average Annual Contribution</b>		<b>1,520,040</b>	<b>387,359</b>	

**Town of Colma**  
**Attachment B: Projected Payment Schedule for Pension**

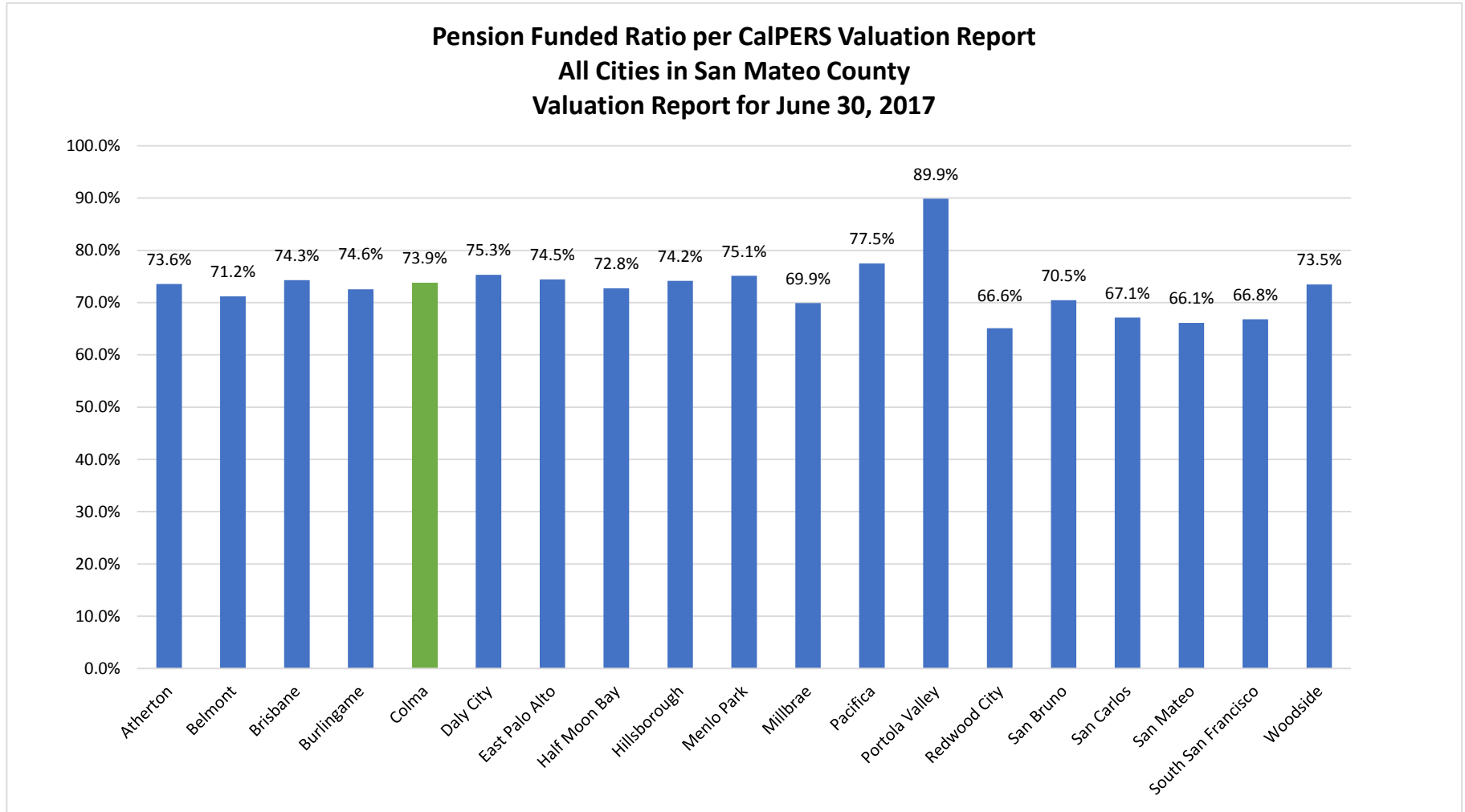
**SCENARIO 4: ONE-TIME SUPPLEMENTAL CONTRIBUTION OF \$1.0 MILLION TO CALPERS, INITIAL CONTRIBUTION OF \$1.0 MILLION TO PARS AND MAKE ANNUAL CONTRIBUTION TO PARS TRUST BASED ON DISCOUNT RATE OF 6.0%**

Year	Required Contribution @ 6.0% [a]	Payment to CalPERS [b]	Payment to PARS [a]-[b]	Projected PARS Trust Balance @ 3% investment return
2018-19	3,531,562	2,531,562	1,000,000	1,030,000
2019-20	2,022,311	1,678,496	343,815	1,415,029
2020-21	2,155,543	1,749,795	405,748	1,875,401
2021-22	2,074,444	1,574,501	499,943	2,446,604
2022-23	2,143,781	1,539,122	604,659	3,142,801
2023-24	2,308,721	1,595,773	712,948	3,971,422
2024-25	2,331,207	1,605,070	726,137	4,838,486
2025-26	2,400,894	1,646,923	753,971	5,760,230
2026-27	2,420,518	1,653,368	767,150	6,723,201
2027-28	2,461,105	1,676,858	784,247	7,732,671
2028-29	2,504,898	1,699,458	805,440	8,794,255
2029-30	2,542,795	1,719,368	823,427	9,906,213
2030-31	2,602,699	1,753,715	848,984	11,077,853
2031-32	-	1,734,403	(1,734,403)	9,623,753
2032-33	2,615,641	1,711,858	903,783	10,843,362
2033-34	-	1,673,467	(1,673,467)	9,444,992
2034-35	2,577,714	1,612,637	965,077	10,722,371
2035-36	-	1,426,676	(1,426,676)	9,574,565
2036-37	1,922,166	1,146,819	775,347	10,660,410
2037-38	-	1,114,348	(1,114,348)	9,832,443
2038-39	1,637,140	1,108,691	528,449	10,671,718
2039-40	-	1,099,091	(1,099,091)	9,859,806
2040-41	1,426,337	1,027,271	399,066	10,566,639
2041-42	-	991,963	(991,963)	9,861,916
2042-43	1,347,286	924,266	423,020	10,593,484
2043-44	-	891,274	(891,274)	9,993,277
<b>Total</b>	<b>43,026,762</b>	<b>38,886,773</b>	<b>4,139,989</b>	
<b>Average Annual Contribution</b>		<b>1,495,645</b>	<b>670,623</b>	



# Town of Colma

## Attachment C: San Mateo County Pension Funded Per CalPERS Report



Pending results of Funding Strategies from San Mateo County Agencies



**Town of Colma  
Attachment D: Other Post-employment Benefit (Retiree Medical and Dental)**

**Benefit Summary**

As of December 31, 2016, the retiree medical and dental benefits are as followed.

<b>Description</b>	<b>Unrepresented</b>	<b>Peace Officer and Dispatcher</b>
<b>Medical Coverage</b>		
<b>100% of selected</b>	Tier A: Originally hired prior to 7/1/2012	Tier A: Originally hired prior to 6/1/2008.
<b>Up to 100% of 2<sup>nd</sup> most expensive medical plan</b>		Tier B: Originally hired between 6/1/2008 and 6/30/2012
<b>Percent based on years of services. See table below for the vesting schedule</b>	Tier B: Originally hired between 7/1/2012-12/31/2016	Tier C: Originally between 7/1/2012-12/31/2016
<b>1.5% pay into a Retirement Health Savings Program</b>	Tier C: Hired after 1/1/2017	Tier D: Hired after 1/1/2017
<b>Dental Coverage</b>	Council: first elected before 1/1/1995 Others: Hired before 5/1/2010	Peace Officers: Hired before 1/1/2008 Dispatchers: Hired before 1/1/2010

**Vesting Schedule**

<b>Credited Years of Services in CalPERS (minimum of 5 year with the Town)</b>	<b>Percent vested</b>
10	50%
11	55%
12	60%
13	65%
14	70%
15	75%
16	80%
17	85%
18	90%
19	95%
20+	100%

**Town of Colma**  
**Attachment D: Other Post-employment Benefit (Retiree Medical and Dental)**

**OPEB Contribution Schedule**

<b>Year</b>	<b>Total Required Contribution</b>	<b>Year</b>	<b>Total Required Contribution</b>
<b>2018-19</b>	1,679,867	<b>2030-31</b>	2,395,089
<b>2019-20</b>	1,730,263	<b>2031-32</b>	2,466,941
<b>2020-21</b>	1,782,171	<b>2032-33</b>	2,540,950
<b>2021-22</b>	1,835,636	<b>2033-34</b>	2,617,178
<b>2022-23</b>	1,890,705	<b>2034-35</b>	2,695,693
<b>2023-24</b>	1,947,426	<b>2035-36</b>	2,776,564
<b>2024-25</b>	2,005,849	<b>2036-37</b>	2,859,861
<b>2025-26</b>	2,066,025	<b>2037-38</b>	1,368,968
<b>2026-27</b>	2,128,005	<b>2038-39</b>	1,410,037
<b>2027-28</b>	2,191,845	<b>2039-40</b>	1,452,338
<b>2028-29</b>	2,257,601	<b>2040-41</b>	1,495,908
<b>2029-30</b>	2,325,329		





# STAFF REPORT

TO: Mayor and Members of the City Council  
 FROM: Brian Dossey, City Manager  
 MEETING DATE: October 10, 2018  
 SUBJECT: Council Members Salary Adjustment

## RECOMMENDATION

Staff recommends that the City Council introduce:

AN ORDINANCE AMENDING SECTION 1.04.010 OF THE COLMA MUNICIPAL CODE, RELATING TO COMPENSATION OF COUNCIL MEMBERS AND WAIVE A FURTHER READING OF THE ORDINANCE

## EXECUTIVE SUMMARY

The proposed ordinance would increase the salaries of the council members by 4%, to \$961 per month. The ordinance would take effect after the next appointment or election of any city council member. Thus, unless a current council member leaves office early, the increase would take effect in December 2018.

## FISCAL IMPACT

The proposed new salary would increase the Town's costs by \$2,220 per year, plus payroll taxes paid by the employer.

## BACKGROUND

Since 2014, council members have been paid \$924 per month for preparation for and attendance at regular and special council meetings; participation in committees and meetings of joint planning or governmental agencies such as City/County Association of Governments (C/CAG), Transportation System Management Agency of San Mateo (TSM), and North San Mateo County Council of Cities; and attendance, when necessary, at meetings of regional agencies such as the League of California Cities and LAFCo.

With the elections scheduled in November, this is an appropriate time to consider whether or not to increase the salaries of council members following the election of a new council.

## **ANALYSIS**

Government Code § 36516 allows the council to increase the salaries of council members by an amount equal to five percent (5%) for each calendar year from the operative date of the last adjustment of the salary in effect to the date of adoption of the ordinance. Under this formula, the Council may adopt an ordinance this year increasing the salary of council members by 20% (5% per year times four calendar years since December 2014, which was the operative date of the last salary increase). Under Government Code § 36516.5, a change in compensation of a council member does not become effective until one or more members of the council begins a new term of office (other than by appointment to fill a vacancy). When at least one council member begins a new term, all members are entitled to the previously-adopted increase in compensation. Thus, if the council improves an increase, it would become effective at the time of swearing in a new council in December 2018, unless there were a vacancy in office prior to that date.

Staff recommends a salary increase of 4% because that is the increase that was implemented for all Town employees this past year (2% in January 2018 and 2 % in July 2018).

Undoubtedly, council members spend a lot of time attending to their official duties.

The council meets regularly twice a month, and periodically for a special meeting on a complex topic such as the Strategic Plan, Town Hall Remodel Project and the Climate Action Plan, not to mention the closed session meetings on personnel matters, labor negotiations, and occasional litigation case.

It is estimated that, to prepare themselves for a meeting, council members spend about two to three hours of preparation time for each hour of scheduled meeting time.

Each council member serves on three or four of eighteen countywide committees, such as the Emergency Services Council, Colma Creek Flood Control District, Peninsula Congestion Relief Alliance, C/CAG, and the Grand Boulevard Task Force. All council members serve *ex officio* as members of organizations such as the League of California Cities and the North San Mateo County Council of Cities. Typically, these committees meet monthly and the selected council member is required to perform outside work in support of committee functions.

### **Council Adopted Values**

Thus, one reason for paying a fair salary to council members is to compensate them for the time spent on the job. A more important reason is to attract members of the public who would not be able to serve because the time demands of the job would take them away from earning money elsewhere. Thus, paying a competitive salary is a *fair* and *visionary* decision.

### **Alternatives**

There are two alternatives to the proposed action. One is to not raise salaries at all, and the other is to raise the salaries by as much as 20%. Either action would require that staff be instructed to return with a revised ordinance at the next council meeting.

## **CONCLUSION**

Staff recommends introducing the ordinance at the October 10<sup>th</sup> meeting and adopting it at the October 24<sup>th</sup> meeting.

## **ATTACHMENTS**

- A. Ordinance



**ORDINANCE NO. \_\_\_\_\_  
OF THE CITY COUNCIL OF THE TOWN OF COLMA**

**AN ORDINANCE AMENDING SECTION 1.04.010 OF THE COLMA MUNICIPAL CODE,  
RELATING TO COMPENSATION OF COUNCIL MEMBERS**

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

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**Article 1. COLMA MUNICIPAL CODE SECTION 1.04.010 AMENDED**

Section 1.04.010 of the Colma Municipal Code is amended to read as follows:

**1.04.010 Compensation of City Council Members.**

From and after the commencement of the term of office of any council member after the adoption of this ordinance, each member of the City Council shall receive a salary of nine hundred sixty-one and no/100 dollars (\$961.00) per month.

[*History:* formerly § 1.501, ORD. 205, 12/8/76; ORD. 268, 3/10/82; ORD. 299, 7/11/84; ORD. 323, 7/10/85; ORD. 358, 10/14/87; ORD. 392, 7/12/89; ORD. 429, 8/14/91; ORD. 572, 3/8/00; ORD. 620, 9/8/04; ORD 655, 3/14/07; ORD 729, 11/13/13, ORD, \_\_\_\_\_, 10/24/18]

[*Reference:* GOV'T CODE §36516]

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**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.

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**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.

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**Article 4. EFFECTIVE DATE.**

This ordinance 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.

**Certification 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 October 10, 2018 and duly adopted at a regular meeting of said City Council held on October 24, 2018 by the following vote:

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

Dated \_\_\_\_\_

\_\_\_\_\_  
Raquel "Rae" Gonzalez, Mayor

Attest: \_\_\_\_\_  
Caitlin Corley, City Clerk



# STAFF REPORT

TO: Mayor and Members of the City Council

FROM: Jonathan Kwan, Associate Planner  
Liz Tapia, Recreation Coordinator  
Louis Gotelli, Public Works Supervisor

VIA: Brian Dossey, City Manager

MEETING DATE: October 10, 2018

SUBJECT: Tree City USA - Public Tree Ordinance and Arbor Day Proclamation

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## RECOMMENDATION

Staff recommends that the City Council introduce:

AN ORDINANCE AMENDING THE COLMA MUNICIPAL CODE TO ADD SUBCHAPTER 5.20 RELATING TO PUBLIC TREES AND WAIVE A FURTHER READING OF THE ORDINANCE

And make a motion to:

PROCLAIM AUGUST 10, 2018 AS ARBOR DAY IN THE TOWN OF COLMA

## EXECUTIVE SUMMARY

The Town is applying to become a Tree City USA community in 2018/2019. To qualify, the Town is required to meet four standards, two of which require City Council action. The first is to adopt a Public Tree Ordinance. The proposed ordinance formalizes a process for tree removal, maintenance, and planting in the right of way. The second required action is for the Council to make an official Arbor Day proclamation.

## FISCAL ANALYSIS

One of the Tree City USA standards requires that the Town spend a minimum of \$2 per capita on public tree planting, maintenance, removals, etc. within the Town annually, totaling approximately \$3000. This will not have a fiscal impact on the Town since the Town's existing tree maintenance costs exceed this amount. The adoption of the Public Tree Ordinance will not have a fiscal impact as the Ordinance formalizes an existing process for trees on public property.

## **BACKGROUND**

More than 3,400 communities have made the commitment to becoming a Tree City USA. They have achieved Tree City USA status by meeting four core standards of sound urban forestry management: maintaining a tree board or department, having a community tree ordinance, spending at least \$2 per capita on urban forestry and celebrating Arbor Day.

## **ANALYSIS**

### ***CEQA Analysis***

The amendments described in the Public Tree Ordinance are categorically exempt under Section 15308 of the California Environmental Quality Act ("CEQA"), as an action taken by the Town to assure the maintenance, restoration, enhancement, or protection of the environment. The proposed ordinance promotes tree health and protects trees on public property with scheduled maintenance and replacement and therefore will not create aesthetic or other environmental impacts. A Notice of Exemption will be filed upon final City Council approval of the Ordinance and Proclamation.

### ***Tree City USA***

To qualify as a Tree City USA community, the Town must meet the following four standards established by the Arbor Day Foundation and the National Association of State Foresters:

- 1) **A Tree Board or Department** – The Town must designate a person or form a body to be responsible for the care of all trees on Town-owned property.
- 2) **A Tree Ordinance** – The Town must have a basic public tree care ordinance.
- 3) **A Community Forestry Program with an Annual Budget of at Least \$2 per Capita** – The Town is required to invest a minimum of \$2 per capita for tree related costs, including tree removals, plantings, and any maintenance costs.
- 4) **An Arbor Day Observance and Proclamation** – The Town is required to hold an annual Arbor Day Celebration, and pass an Arbor Day proclamation

Currently, the Town's Municipal Code does not include a provision for trees on public property. The introduction of the Public Tree Ordinance (Attachment A) would satisfy the first and second standards since the ordinance designates the Public Works Director and his or her designees as the responsible party that makes decisions for trees on Town-owned properties.

As noted above, the Town's budget for tree-related expenses already exceeds the required \$3,000 to satisfy Standard# 3.

In 2018, the Town held an Arbor Day event with the children that attended the Town's youth summer program on August 10, 2018. The Public Works Supervisor educated attendees and planted one tree in front of the Community Center. In the future, the event is planned to be held in conjunction with the Town's Earth Day Event in April. To satisfy the Standard #4, the City Council is still required to make an Arbor Day proclamation (Attachment B). The proclamation is requested to be made retroactively this year so that it can be included in the application packet.



## ***Public Tree Ordinance***

The proposed ordinance would:

- Designate a few individuals to make decisions on trees located on public property and formalize a process to make those decisions.
- Create a master tree plan that includes inventorying and developing a plan for all Town Trees and planting areas in public areas within the Town. The plan will include a schedule for tree maintenance and replacement.
- Create a master tree list that includes approved tree species that are suitable and desirable for planting within public rights-of-way and a list of prohibited trees.

The Council should approve the ordinance since it will promote the health and maintenance of trees in Town which in turn will:

- Benefit the aesthetic and visual character of the Town;
- Provide shade and erosion control which may lead to a reduction in costs for energy and stormwater management;
- Reduce the risk of tree failures and the potential damage from large storms and natural disasters; and
- Ensure that the trees planted in Town are desirable species that are not susceptible to disease or have large root structures that damage existing improvements.

## **Council Adopted Values**

The Council's introduction of the ordinance and proclamation that Arbor Day is August 10, 2018 in the Town of Colma is consistent with the City Council value of being ***responsible*** by staying committed to the Town's Strategic Plan, Local Hazard Mitigation Plan (LHMP) and General Plan. The actions would accomplish a part of Action C.19 of the LHMP which is to participate in the Tree City USA and Storm Ready programs, and support General Plan Policy 5.02.312, which is to improve civic beauty through actions such as tree planting.

## **Sustainability Impact**

Becoming a Tree City USA community promotes the health and maintenance of the trees in Town which will have a positive sustainability impact. As noted above, healthy trees can provide shade which reduce the urban heat-island effect and provide erosion control.

## **Alternatives**

The City Council could choose not to introduce the ordinance or proclaim August 10, 2018 as Arbor Day. This alternative is not recommended since the City Council has expressed the desire to take actions during the Strategic Plan update that will enable the Town to become a Tree City USA.

## **CONCLUSION**

Staff recommends that Council introduce the ordinance and make a motion to proclaim August 10, 2018 as Arbor Day.

## **ATTACHMENTS**

- A. Ordinance
- B. Arbor Day Proclamation

**ORDINANCE NO. \_\_\_\_**  
**OF THE CITY COUNCIL OF THE TOWN OF COLMA**

**AN ORDINANCE AMENDING THE COLMA MUNICIPAL CODE TO ADD SUBCHAPTER 5.20  
RELATING TO PUBLIC TREES**

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

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**ARTICLE 1. SUBCHAPTER 5.20 ADDED TO COLMA MUNICIPAL CODE.**

The Colma Municipal Code is hereby amended by adding thereto subchapter 5.20 to Chapter Five, to state as follows:

**"Subchapter 5.20: Public Trees**

**5.20.010 Purpose.**

The General Plan of the Town of Colma recognizes the contribution of trees to the character and beauty of the Town. It is in the best interest of the Town and its residents that trees on public property are properly maintained. This chapter is adopted for the purposes of establishing rules and regulations relating to the planting, care, maintenance, removal, and replacement of such trees.

**5.20.020 Definitions.**

*Director:* Public Works Director and his or her designee.

*Maintenance:* Acts to promote the life, growth, health, or beauty of trees, shrubs, or plants, including, but not limited to, pruning, trimming, topping, root pruning, spraying, mulching, fertilizing, cultivating, supporting, and treating for disease or injury.

*Owner:* The fee owner of real property and the person or persons in possession of the real property.

*Person:* Any person, firm, partnership, association, corporation, company, or organization of any kind.

*Public street:* road or street under the jurisdiction of and maintained by a public authority, such as the Town of Colma, and open to public vehicle, bicycle, pedestrian or other travel.

*Public Property:* Any property under the jurisdiction of and maintained by a public authority, such as the Town of Colma, and open to public use.

*Town tree:* Any tree growing on any Town-owned property, including any tree located on an easement dedicated to the Town where the Town has affirmatively accepted responsibility to maintain such tree(s).

**5.20.030 Administration.**

The Director shall have authority to administer the provisions of this chapter regarding trees planted or growing in public areas within the Town.

**5.20.040 Interference with city employees, contractors or representatives.**

No person shall interfere with or cause or permit any person to interfere with Town employees, contractors or representatives who are engaged in the planting, preserving, maintaining, treating or removing of any tree or plant or related work in the Town.

**5.20.050 Public Tree Care.**

- (a) It shall be unlawful for any person to plant, remove or alter any tree on public property in the Town without authorization from the Director, except as provided in Section 5.20.070.
- (b) Public trees may be removed with approval from the Director in the following circumstances:
  - a. If the tree is damaged or destroyed.
  - b. To protect property or other trees, shrubs or plants from damage or injurious infection.
  - c. In the interest of public safety.
- (c) The Director shall review and authorize the species, location and spacing of all plantings on public streets and public property.

**5.20.060 Destruction of public trees unlawful.**

No person shall:

- (a) Damage, cut, injure, deface, mutilate, kill or destroy a Town tree.
- (b) Cause or permit a fire to burn where the fire or the heat will injure a Town tree.
- (c) Place, apply or attach to a Town tree or to the guard or stake intended for the protection of a Town tree any wire, rope (other than one used to support a young or broken tree), sign, paint or other substance that may serve to damage or alter the tree.

**5.20.070 Exceptions.**

- (a) It is the responsibility of the utility companies to maintain trees that interfere with utility wires in accordance with State orders for clearance of trees from electrical utilities. Utility companies performing tree maintenance work done under State orders are exempt from obtaining approval from the Director; provided, however, any such utility company shall provide evidence of existing State orders and notify the Director of when such maintenance will occur at least two weeks prior to undertaking the work. Each utility company doing work in the Town is required to secure an annual encroachment permit.
- (b) If emergency conditions such as personal injury or substantial property damage is imminently threatened, or access to public property or public rights-of-way by disabled persons prevented, the Chief of Police, City Manager, or City Planner may authorize the removal of a tree without compliance with other provisions of this ordinance.

**5.20.080 Town tree master plan.**

- (a) The Town shall inventory and develop a plan for all Town trees and planting areas in public areas of the Town. All Town trees shall be tagged and logged into the Town’s Geographic Information System database.
- (b) In accordance with the plan, the Director shall proceed each year to plant trees or replace trees to the extent of such funds as may be allocated by the City Council for that purpose.
- (c) Where the condition of a tree, or the condition of public improvements adjacent to a tree make replacement of the tree necessary or desirable, the Director is authorized to remove such tree and replace it with one in accordance with the Town tree master plan.
- (d) In accordance with the plan, the Director shall establish and implement a five-year schedule for regular pruning of Town trees maintained by the Town; the allocation of staff resources, and for establishing a budget for these activities.

**5.20.090 Master tree list.**

- (a) The Director may determine the types and species of trees suitable and desirable for planting and the areas in which and conditions under which such trees shall be planted in public property in the Town. The suitable and desirable plantings that are approved to be planted in Town shall be included in a “master tree list” and it shall be filed in the office of the Town Clerk. The Town may revise or change the master tree list subject to the approval of the Director.
- (b) Each tree planted in a public area must be on the master tree list, unless approval is obtained from the Director to plant a tree not on the list.
- (c) The following list is the approved master tree list of the types and species of trees suitable and desirable for planting within Public Property.

<b>BOTANICAL NAME</b>	<b>COMMON NAME</b>
Arbutus Marina	Strawberry Tree
Metodideros excelsus	New Zealand Christmas Tree
Pyrus kawakamii	Evergreen Pear
Pyrus calleryana	Ornamental Pear
Tristania Conferta (Lophostemon)	Brisbane Box
Tristaniopsis Laurina “Elegant”	Water Gum

**5.20.100 Prohibited Trees.**

The Town has determined that certain species of trees are not desirable due to their susceptibility to disease, short life span, mature size, maintenance schedule, and/or likelihood of damaging existing improvements. The following list is the list of trees that should not be authorized in Town without additional consideration.

<b>BOTANICAL NAME</b>	<b>COMMON NAME</b>
Ulmus americana	American Elm
Acer saccharinum	Silver Maple
Salix babylonica	Weeping Willow
Pinus radiata	Monterey Pine
Pseudotsuga menziesii	Douglas Fir
Acacia mearnsii	Black Acacia Tree

**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. CEQA.**

The City Council finds that the amendments described in this Ordinance are categorically exempt under Section 15308 of the California Environmental Quality Act ("CEQA"), as an action taken by the Town to assure the maintenance, restoration, enhancement, or protection of the environment. The proposed ordinance promotes tree health and protects trees on public property with scheduled maintenance and replacement and therefore will not create aesthetic or other environmental impacts. A Notice of Exemption will be filed upon final City Council approval of the ordinance.

**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.

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### 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 October 10, 2018 and duly adopted at a regular meeting of said City Council held on \_\_\_\_\_, 2018 by the following vote:

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

Dated \_\_\_\_\_

\_\_\_\_\_  
Raquel "Rae" Gonzalez, Mayor

Attest: \_\_\_\_\_  
Caitlin Corley, City Clerk





Town of Colma  
Proclamation  
*Recognizing*  
ARBOR DAY  
AUGUST 10, 2018

WHEREAS, in 1872, J. Sterling Morton proposed to the Nebraska Board of Agriculture that a special day be set aside for the planting of trees; and

WHEREAS, this holiday, called Arbor Day, was first observed with the planting of more than a million trees in Nebraska; and

WHEREAS, Arbor Day is now observed throughout the nation and the world; and

WHEREAS, the State of California recognizes Arbor Week from March 7 to March 14; and

WHEREAS, the Town of Colma takes great pride in the many trees that bring many benefits to our community; and

WHEREAS, the community continues to place great importance in the planting, care and preservation of trees throughout the Town of Colma; and

NOW, THEREFORE BE IT RESOLVED, that the City Council of the Town of Colma, hereby proclaims August 10, 2018 as Arbor Day in the Town of Colma and urges all citizens to plant trees to gladden the heart and promote the well-being of this and future generations.

Set Forth in Appreciation This Tenth Day of October, Two Thousand Eighteen.



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Mayor Raquel "Rae" Gonzalez

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Vice Mayor Joanne F. del Rosario

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Council Member John Goodwin

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Council Member Diana Colvin

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Council Member Helen Fiscaro