



**AGENDA
REGULAR MEETING
CITY COUNCIL OF THE TOWN OF COLMA**

**Wednesday, May 13, 2020
Closed Session - 6:00 PM
Regular Session - 7:00 PM**

On March 17, 2020, the Governor issued Executive Order N-29-20 suspending certain provisions of the Ralph M. Brown Act in order to allow for local legislative bodies to conduct their meetings completely telephonically or by other electronic means. Pursuant to the Shelter-in-Place Orders issued by the San Mateo County Health Officer on March 16, 2020 and March 31, 2020, the statewide Shelter-in-Place Order issued by the Governor in Executive Order N-33-20 on March 19, 2020, and the CDC's social distancing guidelines which discourage large public gatherings, the Council Chamber will not be open to the public for this Town of Colma City Council Meeting. The purpose of these orders was to provide the safest environment for Council Members, staff and the public while allowing for public participation.

Members of the public may view the meeting by attending, via telephone or computer, the Zoom Meeting listed below:

Join Zoom Meeting

<https://us02web.zoom.us/j/88489177674>

Password: 079375

Meeting ID: 884 8917 7674

Password: 079375

One tap mobile

+16699006833,,88489177674#,,1#,079375# US (San Jose)

+12532158782,,88489177674#,,1#,079375# US (Tacoma)

Dial by your location

+1 669 900 6833 US (San Jose)

+1 253 215 8782 US (Tacoma)

+1 346 248 7799 US (Houston)

+1 301 715 8592 US (Germantown)

+1 312 626 6799 US (Chicago)

+1 929 205 6099 US (New York)

Meeting ID: 884 8917 7674

Password: 079375

Find your local number: <https://us02web.zoom.us/u/kcf9tQFmNR>

Members of the public may provide written comments by email to the City Clerk at ccorley@colma.ca.gov before or during the meeting . Emailed comments should include the specific agenda item on which you are commenting, or note that your comment concerns an item that is not on the agenda. The length of the emailed comment should be commensurate with the three minutes customarily allowed for verbal comments, which is approximately 250-300 words.

CLOSED SESSION

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

Agency Negotiator: Austris Rungis, IEDA
Employee Organizations: Colma Peace Officers Association and Colma Communications/Records Association
Unrepresented Employees: All

PLEDGE OF ALLEGIANCE AND ROLL CALL

REPORT FROM CLOSED SESSION

ADOPTION OF AGENDA

PRESENTATION

- Certificate in honor of Alice Letcavage's 100th Birthday
- Age Friendly San Mateo Cities and County

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 April 22, 2020 Regular Meeting.
3. Motion to Approve Report of Checks Paid for April 2020.

PUBLIC HEARING

4. **COLMA MUNICIPAL CODE AMENDMENT SUBCHAPTER 4.09 - NEW REQUIREMENTS UNDER THE CALIFORNIA GAMBLING CONTROL ACT**

Consider: Motion to Introduce and Waive a Further Reading of an Ordinance Amending Colma Municipal Code Subchapter 4.09 to Comply with State Law Regarding Work Permit and Minimum Age Requirements for Gambling Establishments.

NEW BUSINESS

5. **CALIFORNIA CITIES GAMING AUTHORITY**

Consider: Motion to Adopt a Resolution Approving the Amendment to the California Cities Gaming Authority Admitting the Town of Colma to the California Cities Gaming Authority.

6. **FY 2020-21 WATER CONSERVATION INCENTIVE PROGRAM**

Consider: Motion to Adopt a Resolution Establishing the Authorized Subsidy at \$49,494.92 with an Additional \$2,000 Contingency for the Water Conservation Incentive Program in Fiscal Year 2020-21.

STUDY SESSION

7. **PROJECTION FOR FY 2019-20 AND FY 2020-21**

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

REPORTS

Mayor/City Council
City Manager

ADJOURNMENT

The City Council Meeting Agenda Packet and supporting documents are available for review on the Town's website www.colma.ca.gogov or at Colma Town Hall, 1198 El Camino Real, Colma, CA. 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.

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. Please allow two business days for your request to be processed.



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

Agency Negotiator: Austris Rungis, IEDA
Employee Organizations: Colma Peace Officers Association and Colma Communications/Records Association
Unrepresented Employees: All

This is a Closed Session item; there is no staff report for this item.



**MINUTES
REGULAR MEETING**

City Council of the Town of Colma
Meeting Held Remotely via Zoom.us

**Wednesday, April 22, 2020
7:00 PM**

CLOSED SESSION

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

Agency Negotiator:	Austris Rungis, IEDA
Employee Organizations:	Colma Peace Officers Association and Colma Communications/Records Association
Unrepresented Employees:	All

CALL TO ORDER

Mayor John Irish Goodwin called the meeting to order at 7:00 p.m.

The Mayor announced, "Welcome to our second completely remote Council Meeting—all Council Members, staff and members of the public are attending this meeting from separate locations. A few notes about tonight's meeting: We are accepting public comments through email—please email ccorley@colma.ca.gov to submit a public comment. You can also use the chat function to chat directly to our city clerk and she will be able to let us know that you would like to make a comment when your item comes up in the agenda. Also, please note that the city clerk has control over everyone's video and audio, so if you would like to use your video or audio, you will need to chat with her directly to request it. We are new to conducting meetings remotely, so please bear with us through any technical difficulties. We are all still learning how to best make this work. Thank you."

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

Staff Present – City Manager Brian Dossey, City Attorney Christopher Diaz, Chief of Police Kirk Stratton, Administrative Services Director Pak Lin, Director of Public Works Brad Donohue, City Engineer Cyrus Kianpour, Associate Engineer Abdulkader Hashem, City Planner Michael Laughlin, and City Clerk Caitlin Corley were in attendance.

REPORT FROM CLOSED SESSION

The Mayor stated, "No action was taken at tonight's closed session."

ADOPTION OF THE AGENDA

Mayor Goodwin asked if there were any changes to the agenda; none were requested. He asked for a motion to adopt the agenda.

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

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

PUBLIC COMMENTS

Mayor Goodwin opened the public comment period at 7:20 p.m. and seeing no one request to speak, he closed the public comment period.

CONSENT CALENDAR

2. Motion to Accept the Minutes from the April 8, 2020 Regular Meeting.
3. Motion to Adopt a Resolution Approving Designation of Applicant's Agent Resolution for Non-State Agencies (CAL OES 130).
4. Motion to Adopt a Resolution Adopting a Federal Emergency and Federal Grant Procurement Procedures.

Action: Council Member del Rosario moved to approve the Consent Calendar items #2 through 4; the motion was seconded by Council Member Gonzalez and carried by the following vote:

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

STUDY SESSION

5. EL CAMINO REAL BICYCLE AND PEDESTRIAN IMPROVEMENT PLAN

Director of Public Works Brad Donohue introduced Ingrid Ballús Armet of Fehr & Peers who presented the staff report. Mayor Goodwin opened the public comment period at 7:40 p.m. and seeing no one request to speak, he closed the public comment period. Council discussion followed.

This item was for discussion only; no action was taken at this meeting.

6. STERLING PARK RESIDENTIAL STREETLIGHT REPLACEMENT PLAN

Director of Public Works Brad Donohue presented the staff report. Mayor Goodwin opened the public comment period at 9:03 p.m. and seeing no one request to speak, he closed the public comment period. Council discussion followed.

This item was for discussion only; no action was taken at this meeting.

COUNCIL CALENDARING

The next Regular Meeting will be on Wednesday, May 13, 2020 at 7:00 p.m. and it will be conducted remotely.

REPORTS

City Manager Brian Dossey gave an update on the following topics:

- The County's small business loan application process will begin on Monday, April 27, 2020; the Town has sent out this information to Colma businesses via email.
- The Recreation Department has delivered over 100 boxes of groceries. A huge thank you to Rae and Ken Gonzalez for coordinating with Second Harvest to coordinate the donations.
- The owners of the Town's shopping centers are working hard to be flexible and patient with their tenants regarding least payments.
- The Town has checked in with Peninsula Reflections and has confirmed that they are being extremely cautious and following CDC guidelines
- The Town is hosting Weekly Cemetery Meetings via Zoom.
- The County City Manager Group is working on landscaping issues and how/when landscaping can continue safely.

ADJOURNMENT AND CLOSE IN MEMORY

Mayor Goodwin adjourned the meeting at 9:29 p.m. in memory of Rosa Hubbard, longtime resident of Creekside Villas and Angela Canepa, mother of Michele Zirelli and mother in law of John Zirelli, former manager of Recology and longtime community supporter.



Bank : first TRI COUNTIES BANK

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
51547	4/7/2020	00003	8168	3/16/2020	INTALL POWER FOR PRIVAC`	5,009.35	5,009.35
51548	4/7/2020	00111	DEPARTMENT OF CONSERVA	4/3/2020	SMIP FEES	104.79	104.79
51549	4/7/2020	00181	IEDA	4/1/2020	LABOR RELATIONS CONSUL`	1,469.00	1,469.00
51550	4/7/2020	00280	OFFICE DEPOT, INC.	3/18/2020	OFFICE SUPPLIES	166.77	
			462527371001	3/20/2020	OFFICE SUPPLIES	66.51	233.28
51551	4/7/2020	00307	PACIFIC GAS & ELECTRIC	3/25/2020	PG&E	2,176.61	2,176.61
51552	4/7/2020	00311	PITNEY BOWES INC.	3/21/2020	POSTAGE METER RENTAL	898.83	898.83
51553	4/7/2020	01030	STEPFORD, INC.	3/20/2020	MONTHLY SERVICE CONTRA	5,622.00	
			2001169	3/20/2020	LASERFICHE SERVER PROJF	5,196.16	
			2005144	3/26/2020	FEB 2020 HOURS IN EXCESS	1,588.75	
51554	4/7/2020	01037	COMCAST CABLE	April 2020	8155 20 022 0094769 TOWN C	15,230.55	12,406.91
			04/02-05/01	3/27/2020	8155 20 022 0097069 INTERNI	295.06	
			03/25-04/24 427	3/20/2020	8155 20 022 0097028 427 F ST	290.06	
			03/25-04/24 Intel	3/20/2020	8155 20 022 0097051 Internet`	290.06	
51555	4/7/2020	01113	SAN DIEGO POLICE EQUIPME641969	3/18/2020	3 FED-P45HST2-CF 45 ACP 2;	1,193.90	16,105.73
51556	4/7/2020	01340	NAVIA BENEFIT SOLUTIONS	10245192	SECTION 125 PARTICIPANT &	75.00	1,193.90
51557	4/7/2020	01367	DUO DANCE ACADEMY	February 2020	DANCE CLASSES	455.00	75.00
			March 2020	4/1/2020	DANCE CLASSES	227.50	682.50
51558	4/7/2020	01687	UNITED SITE SERVICES OF	114-10071553	STANDARD AND REGULAR SI	174.31	174.31
51559	4/7/2020	01987	GONZALEZ, GUSTAVO O.	2001992.003	03.19.20 COVID-19 FACILITY F	150.00	
			2001991.003	3/19/2020	03.19.20 FACILITY DEPOSIT C	50.00	200.00
51560	4/7/2020	02144	DOMINIC A. DE LUCCA DBA DIMarch 1-15, 2021	3/26/2020	TAE KWON DO	400.00	400.00
51561	4/7/2020	02155	OLD DOMINION BRUSH COMF6943133	2/26/2020	4 MOBIL GB W NUT	756.13	756.13
51562	4/7/2020	02179	HUB INTERNATIONAL OF CA	4/1/2020	INSURANCE EVENTS	442.08	442.08
51563	4/7/2020	02244	CALIFORNIA BUILDING STANTJan - March 2021	4/3/2020	BSASRF	23.00	23.00
51564	4/7/2020	02291	SOUTHWOOD PLUMBING & H57003	3/18/2020	SNAKE & CLEAR DRAIN LINE	175.00	175.00
51565	4/7/2020	02317	CUS, ERIN	Feb 15-March 7, 3/30/2020	BOOT CAMP FITNESS	400.00	400.00
51566	4/7/2020	02386	VIBO MUSIC SCHOOL	Jan 15-March 27 3/30/2020	MUSIC LESSONS	1,194.00	1,194.00
51567	4/7/2020	02392	MIG	0063427	FEB 2020 COLMA MISSION R(1,033.16	1,033.16
51568	4/7/2020	02763	OPENGOV, INC.	INV-004381	BUDGETING & PLANNING	22,290.00	22,290.00
51569	4/7/2020	02788	LUNA-SEVILLA, MARGARET-R40	3/26/2020	ZUMBA TONING CLASSES	105.00	105.00
51570	4/7/2020	02849	U.S. BANK PARS ACCOUNT, 6 April 2020 OPEE	4/6/2020	OPEB CONTRIBUTION	134,115.00	134,115.00
51571	4/7/2020	02990	CASILLAS, MARTHA	2001993.003	03.30.20 DEPOSIT REFUND	50.00	50.00

Bank : first TRI COUNTIES BANK (Continued)

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total	
51572	4/7/2020	03015	U.S. BANK CORPORATE PMT	03/23/20	Abellan	3/23/2020	CREDIT CARD PURCHASE	748.64
				03/23/20	De Leo	3/23/2020	CREDIT CARD PURCHASE	285.76
				03/23/20	Navarro	3/23/2020	CREDIT CARD PURCHASE	180.51
				03/23/20	Lin	3/23/2020	CREDIT CARD PURCHASE	149.90
				03/23/20	Stratton	3/23/2020	CREDIT CARD PURCHASE	29.52
				03/23/20	Velasquez	3/23/2020	CREDIT CARD PURCHASE	16.75
51573	4/7/2020	03034	FLEX ADVANTAGE	119570		3/31/2020	FLEX PROCESSING FEES	180.00
51574	4/7/2020	03184	FLYNN, FIONA	Feb 18-Mar 10, 2		3/30/2020	YOGA	460.00
51575	4/7/2020	03257	THE LEW EDWARDS GROUP	005		3/31/2020	MARCH 2020 PROFESSIONAL	5,500.00
51576	4/7/2020	03262	FEHR & PEERS	136498-11		3/13/2020	FEB 2020 EL CAMINO BIKE PI	16,201.55
51577	4/7/2020	03267	ACC BUSINESS	200715383		3/27/2020	ETHERNET ACCESS	674.58
51578	4/7/2020	03301	NINYO & MOORE GEOTECHN	237150		3/31/2020	SEPT 12-13, 2019 MISSION R	487.50
5986759	4/7/2020	00282	CALIFORNIA PUBLIC EMPLOY	1000000159867		3/16/2020	MEDICAL INSURANCE	5,352.95
							Sub total for TRI COUNTIES BANK:	231,981.24

33 checks in this report.

Grand Total All Checks: 231,981.24

Bank : first TRI COUNTIES BANK

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
51579	4/10/2020	01340	NAVIA BENEFIT SOLUTIONS 04102020 B	4/10/2020	DEPENDENT CARE: PAYMEN	589.69	
			04102020 B	4/10/2020	FLEX 125 PLAN: PAYMENT	473.46	1,063.15
51580	4/10/2020	01375	NATIONWIDE RETIREMENT S04102020 B	4/10/2020	NATIONWIDE: PAYMENT	4,400.00	
			04102020 M	4/10/2020	NATIONWIDE: PAYMENT	950.00	5,350.00
51581	4/10/2020	02377	CALIFORNIA STATE DISBURS04102020 B	4/10/2020	WAGE GARNISHMENT: PAYM	871.38	871.38
94159	4/10/2020	00521	UNITED STATES TREASURY 04102020 B	4/10/2020	FEDERAL TAX: PAYMENT	911.05	911.05
94160	4/10/2020	01360	VANTAGE TRANSFER AGENT;04102020 M	4/10/2020	ICMA CONTRIBUTION: PAYME	464.42	464.42
94161	4/10/2020	00631	P.E.R.S. 04102020 M	4/10/2020	PERS MISC NON-TAX: PAYME	660.21	660.21
94162	4/10/2020	00282	CALIFORNIA PUBLIC EMPLOY04102020 M	4/10/2020	APRIL 2020 HEALTH PREM M	7,498.96	7,498.96
94163	4/10/2020	00130	EMPLOYMENT DEVELOPMEN04102020 B	4/10/2020	CALIFORNIA STATE TAX: PAY	12,017.62	12,017.62
94164	4/10/2020	00521	UNITED STATES TREASURY 04102020 B	4/10/2020	FEDERAL TAX: PAYMENT	55,691.07	55,691.07
94165	4/10/2020	00282	CALIFORNIA PUBLIC EMPLOY04102020 B	4/10/2020	APRIL 2020 HEALTH PREM B	66,865.83	66,865.83
94166	4/10/2020	00631	P.E.R.S. 04102020 B	4/10/2020	PERS - BUYBACK: PAYMENT	42,523.56	42,523.56
94167	4/10/2020	01360	VANTAGE TRANSFER AGENT;04102020 B	4/10/2020	ICMA CONTRIBUTION: PAYME	4,936.89	4,936.89
94168	4/10/2020	00068	COLMA PEACE OFFICER'S 04102020 B	4/10/2020	COLMA PEACE OFFICERS: P/	554.90	554.90

Sub total for TRI COUNTIES BANK:

199,409.04

13 checks in this report.

Grand Total All Checks: 199,409.04

Bank : first TRI COUNTIES BANK

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
51582	4/14/2020	00013	ANDY'S WHEELS & TIRES	3/31/2020	TIRE SERVICE & PURCHASE	1,124.04	1,124.04
51583	4/14/2020	00051	CALIFORNIA WATER SERVICE	3/26/2020	WATER BILL	6,500.83	6,500.83
51584	4/14/2020	00057	CINTAS CORPORATION #2	3/5/2020	OUTSIDE & INSIDE MATS AT -	171.32	171.32
51585	4/14/2020	00174	HOME DEPOT CREDIT SERVICE	3/30/2020	PW SUPPLY PURCHASES	451.96	451.96
51586	4/14/2020	00211	KELLY-MOORE PAINTS	3/31/2020	PAINT AND SUPPLIES	127.27	127.27
51587	4/14/2020	00307	PACIFIC GAS & ELECTRIC	3/31/2020	PG&E	176.09	176.09
51588	4/14/2020	00388	SONITROL	4/2/2020	MONTHLY MONITORING	1,109.81	1,109.81
51589	4/14/2020	00411	TURBO DATA SYSTEMS	3/31/2020	CITATION PROCESSING	668.70	668.70
51590	4/14/2020	00412	TELECOMMUNICATIONS ENG	4/10/2020	Facilities Mgmt & Maintenance	1,328.00	1,328.00
51591	4/14/2020	00500	SMC CONTROLLERS OFFICE	4/2/2020	ALLOCATION OF PARKING PE	3,148.60	3,148.60
51592	4/14/2020	00534	SMC INFORMATION SERVICE	4/7/2020	MICRO CHANNEL & LINES	667.12	667.12
51593	4/14/2020	00623	ARAMARK	3/31/2020	UNIFORM SERVICE	619.98	619.98
51594	4/14/2020	00830	STAPLES BUSINESS CREDIT	3/25/2020	OFFICE SUPPLIES	608.05	608.05
51595	4/14/2020	02216	RAMOS OIL CO. INC.	3/10/2020	PD GASOLINE PURCHASES 1	1,483.68	
				3/31/2020	PD GASOLINE PURCHASES 1	1,267.98	
				3/20/2020	PD GASOLINE PURCHASES 2	1,171.35	
51596	4/14/2020	02499	GE CAPITAL INFORMATION	3/31/2020	RECREATION GASOLINE PUF	50.19	3,973.20
				3/26/2020	ADMIN COPY MACHINE RENT	512.58	
				4/9/2020	REC COPY MACHINE RENTAL	274.44	
				3/27/2020	PD COPY MACHINE RENTAL	274.44	1,061.46
51597	4/14/2020	02662	DAVE'S CARPET INSTALLATIO	4/7/2020	UNIT L: FLOORING PURCHAS	3,887.07	3,887.07
51598	4/14/2020	02772	RAMOS, RHODORA	4/3/2020	04.03.20 COVID-19 FACILITY F	350.00	
				4/3/2020	04.03.20 DEPOSIT REFUND	300.00	650.00
51599	4/14/2020	02787	AECO SYSTEMS, INC.	4/1/2020	POLICE STATION FIRE ALAR	45.00	45.00
51600	4/14/2020	02799	WAVE	4/1/2020	RIMS INTERNET W/SSF	400.00	400.00
51601	4/14/2020	02863	PLACEWORKS, INC.	3/31/2020	MARCH 2020 GENERAL PLAN	3,180.26	3,180.26
51602	4/14/2020	03009	MUTT MITT	3/30/2020	12 MUTT MITT SINGLES/2000	1,261.65	1,261.65
51603	4/14/2020	03061	NORTH BAY PETROLEUM	3/31/2020	PW GAS PURCHASES	221.23	221.23
51604	4/14/2020	03273	THE HOME DEPOT PRO	3/27/2020	COVID-19 OXIVIR TB WIPES (937.14	
				4/2/2020	COVID-19 OXIVIR TB WIPES	472.91	
				4/3/2020	COVID-19 PURELL INSTANT F	470.16	
				3/25/2020	PW PURCHASES	26.00	1,906.21
51605	4/14/2020	03348	HUANG, ELENA	4/3/2020	04.03.20 COVID-19 FACILITY F	300.00	300.00

Sub total for TRI COUNTIES BANK: 33,587.85

24 checks in this report.

Grand Total All Checks: 33,587.85

Bank : first TRI COUNTIES BANK

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
51606	4/14/2020	00307	PACIFIC GAS & ELECTRIC 04/09/2020	4/9/2020	PG&E	2,654.88	2,654.88
51607	4/14/2020	01355	THE BANK OF NEW YORK ME04/15/2020 P&I	4/15/2020	COP PAYMENT	204,425.08	204,425.08
Sub total for TRI COUNTIES BANK:						207,079.96	

2 checks in this report.

Grand Total All Checks: 207,079.96

Bank : first TRI COUNTIES BANK

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
51608	4/21/2020	00004	000014607378	4/13/2020	C3-A/B-12-10-TS-01	1,630.15	1,630.15
51609	4/21/2020	00020	120040067	4/1/2020	WATERLOGIC RENTAL	40.00	
			120040066	4/1/2020	MTN H/C BWC	9.00	49.00
51610	4/21/2020	00112	443527	4/3/2020	PD ACCOUNT #140503	268.00	268.00
51611	4/21/2020	00117	DELTA DENTAL OF CALIFORN	5/1/2020	DENTAL INSURANCE	13,174.00	13,174.00
51612	4/21/2020	00307	0512181543-4	4/9/2020	PG&E	2,048.66	2,048.66
51613	4/21/2020	00352	SERRAMONTE FORD, INC.	3/16/2020	CAR REPAIR	1,872.53	
			264334	3/20/2020	CAR REPAIR	293.63	2,166.16
51614	4/21/2020	00364	SMC SHERIFF'S OFFICE	3/31/2020	LAB FEES	2,935.00	2,935.00
51615	4/21/2020	00414	TERMINEX INTERNATIONAL	4/21/2020	PEST CONTROL	216.00	
			L395314548	4/21/2020	601 F St.	70.00	286.00
51616	4/21/2020	00631	P.E.R.S.	4/2/2020	2020 REPLACEMENT BENEFIT	67.59	67.59
51617	4/21/2020	01030	STEPFORD, INC.	4/9/2020	3 ACROBAT STANDARD 2017	885.00	
			2001244	4/7/2020	MARCH 2020 LASERFICHE SE	620.00	1,505.00
51618	4/21/2020	01037	COMCAST CABLE	4/12/2020	8155 20 022 0188769 HD TECI	55.19	55.19
51619	4/21/2020	01183	BEST BEST & KRIEGER LLP	4/15/2020	CITY ATTORNEY SERVICES	19,444.78	
			874579	4/15/2020	CITY ATTORNEY BASIC SERV	8,869.00	8,869.00
			874589	4/15/2020	MARCH 2020 COVID-19 SPEC	957.90	
			874583	4/15/2020	TELECOMMUNICATIONS	860.40	860.40
			874582	4/15/2020	EMPLOYEE BENEFITS/TAX	623.80	623.80
			874581	4/15/2020	CITY ATTORNEY SPECIAL SE	154.50	30,910.38
51620	4/21/2020	01414	VERANO HOMEOWNERS ASS5	5/1/2020	VERANO OWNERS ASSOCIAT	335.00	335.00
51621	4/21/2020	02183	EWING IRRIGATION PRODUC	1/10/2020	GRISWOLD SOLENOID ASSE	526.26	
			10910646	1/17/2020	CREDIT FOR GRISWOLD SOI	-340.28	185.98
			8954147 Return	4/14/2020	LIFE INSURANCE	215.00	215.00
51622	4/21/2020	02224	STANDARD INSURANCE COMM	4/16/2020	HEALTH REIMBURSEMENT A	49,873.99	49,873.99
51623	4/21/2020	03034	FLEX ADVANTAGE	3/31/2020	ACCOUNTING SERVICES	840.00	840.00
51624	4/21/2020	03191	MAZE & ASSOCIATES	1/9/2020	REPLACED FRONT TIRE DUE	423.52	423.52
51625	4/21/2020	03258	SAN FRANCISCO HARLEY-DA	4/2/2020	2020 Wireless	824.60	824.60
51626	4/21/2020	03334	AT&T MOBILITY NATIONAL	4/15/2020	SMC STRONG FUND COVID-	15,000.00	15,000.00
51627	4/21/2020	03349	SILICON VALLEY COMMUNITY				
			SMC Strong Fun				
Sub total for TRI COUNTIES BANK:						122,793.22	

20 checks in this report.

Grand Total All Checks: 122,793.22

Bank : first TRI COUNTIES BANK

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
51628	4/24/2020	00047	04242020 B	4/24/2020	CLEA: PAYMENT	245.00	245.00
51629	4/24/2020	01340	04242020 B	4/24/2020	DEPENDENT CARE: PAYMEN	589.69	
			04242020 B	4/24/2020	FLEX 125 PLAN: PAYMENT	473.46	1,063.15
51630	4/24/2020	01375	04242020 B	4/24/2020	NATIONWIDE: PAYMENT	4,400.00	4,400.00
51631	4/24/2020	02224	04242020 B	4/24/2020	LIFE INSURANCE: PAYMENT	605.50	605.50
51632	4/24/2020	02377	04242020 B	4/24/2020	WAGE GARNISHMENT: PAYM	871.38	871.38
94170	4/24/2020	00130	04242020 B	4/24/2020	CALIFORNIA STATE TAX: PAY	12,560.50	12,560.50
94171	4/24/2020	00521	04242020 B	4/24/2020	FEDERAL TAX: PAYMENT	57,873.21	57,873.21
94172	4/24/2020	00631	04242020 B	4/24/2020	PERS - BUYBACK: PAYMENT	42,052.07	42,052.07
94173	4/24/2020	01360	04242020 B	4/24/2020	ICMA CONTRIBUTION: PAYME	4,837.91	4,837.91
94174	4/24/2020	00068	04242020 B	4/24/2020	COLMA PEACE OFFICERS: P/	554.90	554.90
Sub total for TRI COUNTIES BANK:							125,063.62

10 checks in this report.

Grand Total All Checks: 125,063.62

04/28/2020 11:29:45AM

Bank : first TRI COUNTIES BANK

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
51633	4/28/2020	00051	CALIFORNIA WATER SERVICE6544607057	4/17/2020	6544607057 SW CORNER HIL	937.76	
51634	4/28/2020	00110	1727052702	4/14/2020	1727052702 JSB ACROSS FR	74.12	1,011.88
51635	4/28/2020	00307	DEPARTMENT OF TRANSPORTS200748	4/15/2020	SIGNALS & LIGHTING	1,104.92	1,104.92
51636	4/28/2020	00311	PACIFIC GAS & ELECTRIC 04/21/2020	4/21/2020	PG&E	2,785.53	2,785.53
51637	4/28/2020	00364	PITNEY BOWES INC. 3103893502	4/12/2020	FOLDING MACHINE RENTAL	506.57	506.57
51638	4/28/2020	00432	SMC SHERIFF'S OFFICE PS-INV103324	3/31/2020	LAB FEES	2,935.00	2,935.00
51639	4/28/2020	01036	VISION SERVICE PLAN 809209046	4/19/2020	VISION SERVICE PLAN	1,080.66	1,080.66
51640	4/28/2020	01037	MANAGED HEALTH NETWORKIPRM-051442	4/16/2020	EMPLOYEE ASSISTANCE PR	99.20	99.20
51641	4/28/2020	01370	COMCAST CABLE 04/27-05/26 XFII	4/17/2020	8155 20 022 0002770 1520 HIL	10.99	10.99
51642	4/28/2020	02499	VERIZON WIRELESS SERVICE9852602418	4/15/2020	CELL PHONE SERVICE	342.09	342.09
51643	4/28/2020	03061	GE CAPITAL INFORMATION 103561511	4/16/2020	STERLING PARK COPY MACH	76.06	76.06
51644	4/28/2020	03164	NORTH BAY PETROLEUM 2138657	4/15/2020	PW GAS PURCHASES 1-15	203.73	203.73
			EDGEWORTH INTEGRATION 119883	3/6/2020	GATE GL1-FL ELECTRIFIED L	4,329.73	4,329.73
Sub total for TRI COUNTIES BANK:						14,486.36	

12 checks in this report.

Grand Total All Checks:

14,486.36



STAFF REPORT

TO: Mayor and Members of the City Council
 FROM: Christopher J. Diaz, City Attorney
 VIA: Brian Dossey, City Manager
 MEETING DATE: May 13, 2020
 SUBJECT: Colma Municipal Code Amendment Subchapter 4.09 - New Requirements Under the California Gambling Control Act

RECOMMENDATION

Staff recommends that the City Council introduce the following ordinance:

AN ORDINANCE AMENDING COLMA MUNICIPAL CODE SUBCHAPTER 4.09 TO COMPLY WITH STATE LAW REGARDING WORK PERMIT AND MINIMUM AGE REQUIREMENTS FOR GAMBLING ESTABLISHMENTS

EXECUTIVE SUMMARY

The Gambling Control Act ("Act") regulates gambling establishments in the State. Late last year, the Governor signed AB 649, which amended the Act regarding work permit and minimum age requirements. Along with other related changes, the Act allows persons from the ages of 18 to 20 to be employed in limited positions at gambling establishments and without a work permit, and ages 21 and older to begin work in limited positions pending approval of a work permit upon issuance of a temporary badge. The proposed ordinance would update Colma Municipal Code subchapter 4.09 to reflect these changes in State law.

FISCAL IMPACT

There is no fiscal impact to the Town.

BACKGROUND/ANALYSIS

The California Gambling Control Act (Bus. & Prof. Code § 19800 et seq.) establishes, amongst other things, work permit and minimum age requirements applicable to gambling establishments in the State of California (e.g., Lucky Chances). The Governor signed into law last year Assembly Bill 649, which amends the Act (specifically, Bus. & Prof. Code §§ 19859, 19911, 19912, 19914, 19921, and 19941) regarding these matters. AB 649 became effective on January 1, 2020.

Before AB 649, the Act generally required that gambling establishment employees be at least 21 years of age and obtain a work permit. After AB 649, individuals who are 18 to 20 may be

employed in limited positions at gambling establishments without a work permit, and individuals 21 and older can begin work in limited positions pending approval of a work permit upon issuance of a temporary badge.

Colma Municipal Code subchapter 4.09 regulates gambling establishments in the Town's jurisdiction. This proposed ordinance would update subchapter 4.09 to comply with the changes set forth in AB 649 to the Act. The proposed ordinance would make two key changes. First, it would add two exceptions to the requirement that a gambling establishment employee be at least 21 years old and have a work permit. Second, it would modify the areas that a person under 21 years old may access at a gambling establishment. These are each described more specifically below.

Work Permit and Employee Age Limit Exceptions: Subchapter 4.09 currently requires that gambling establishment employees be at least 21 years of age and obtain a work permit. Consistent with AB 649, the proposed ordinance would amend subchapter 4.09 to include two exceptions as follows:

First, an individual who is at least 21 years of age may temporarily start work at a gambling establishment without a work permit, so long as:

- The person applied for a work permit;
- The person works in a position that is not supervisory, not related to the operation or administration of gambling, and does not perform employment duties in the area where gambling is conducted; and
- The person wears a temporary badge on their outermost garment at chest level with their name, picture, and the words "Non-Gaming Employee, Work Permit Pending."
- Moreover, after the person has received a work permit, the person may perform any duties for which a work permit is required. If the person is denied a work permit, the person shall not work as an employee in any gaming or nongaming job.

Second, a person who is 18 through 20 years of age may be employed without a work permit as an employee in job classifications that entail providing services exclusively off the gaming floor and that are not involved in the play of a controlled game, so long as:

- The person holds a position that is not supervisory and not related to the operation or administration of gambling;
- The person is not allowed to perform any duties of an employee on the floor of the gambling establishment or in areas that are identified as restricted access areas to employees, including, but not limited to, the cage, count room, surveillance room, security office, vault, and card storage; and
- The person wears a badge on their outermost garment at chest level that has the words "Non-Gaming Employee: Under 21" and that has a different background color than the badges worn by other employees.

Areas Accessible to Persons under 21 Years Old: Subchapter 4.09 currently prohibits a person under 21 years old from entering the gambling establishment premises, except dining areas separated from gambling areas. Consistent with AB 649, the proposed ordinance would amend the Municipal Code to:

- Allow persons under 21 years old to also access other areas for a nongaming purpose separated from gambling areas, including for maintenance, parking, or business offices, restrooms, and entertainment areas.
- Allow persons under 21 years old, who are authorized employees (given the new exception to the work permit requirement above) to access areas necessary for their job.
- A person under 21 years old, if accompanied by an employee or a person 21 years or older, may access a designated path through a gambling area to reach one of the areas authorized for persons under 21 years old.

This proposed ordinance was submitted to the State for review pursuant to Business and Professions Code section 19961.1. This statutory section requires that a city or county obtain review and comment from the California Department of Justice on any ordinance amendment relating to gambling establishments or the Gambling Control Act, prior to adoption of the ordinance.

The Town submitted the ordinance to the California Department of Justice's Bureau of Gambling Control on February 20, 2020. The Town received a letter on April 9, 2020 from the Bureau stating the ordinance does "not appear inconsistent" with State law, and directing the Town to submit its ordinance to the State once the Town approves and adopts the amendments.

ENVIRONMENTAL

This ordinance is not subject to the requirements of California Environmental Quality Act ("CEQA") for the following reasons: First, this ordinance is not a "project" within the meaning of section 15378 of the State CEQA Guidelines, because it has no potential for resulting in direct or indirect physical change in the environment; and second, this ordinance is exempt under section 15061, subdivision (b)(3), the general rule exemption, because it can be seen with certainty that there is no possibility that this code amendment will have a significant effect on the environment.

ALTERNATIVES

The City Council may choose to not adopt the proposed ordinance or may seek changes to the ordinance consistent with the law.

CITY COUNCIL VALUES

City Council will be taking a transparent and *responsible* approach by ensuring the Town's gambling establishment ordinance is up to date based on current law.

CONCLUSION

The City Council should introduce the ordinance.

ATTACHMENTS

- A. Ordinance
- B. Letter from Bureau of Gambling Control

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

**AN ORDINANCE AMENDING COLMA MUNICIPAL CODE SUBCHAPTER 4.09 TO
COMPLY WITH STATE LAW REGARDING WORK PERMIT AND MINIMUM AGE
REQUIREMENTS FOR GAMBLING ESTABLISHMENTS**

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

ARTICLE 1. RECITALS.

- (a) The California Gambling Control Act (Bus. & Prof. Code, § 19800 et seq., hereinafter the "Act") establishes, amongst other things, work permit and minimum age requirements applicable to gambling establishments;
- (b) Effective January 1, 2020, Assembly Bill 649 ("AB 649") amended the Act (specifically, Bus. & Prof. Code, §§ 19859, 19911, 19912, 19914, 19921, and 19941) regarding work permits and minimum age requirements;
- (c) Before the effectiveness of AB 649, the Act generally required that gambling establishment employees be at least 21 years of age and obtain a work permit;
- (d) After the effectiveness of AB 649, along with other related changes, the Act will allow persons ages 18 through 20 to be employed in limited positions and without a work permit in gambling establishments and allow persons ages 21 and older to begin work in limited positions pending approval of a work permit;
- (e) Colma Municipal Code subchapter 4.09 regulates gambling establishments in the Town;
- (f) The City Council wishes to update the Municipal Code to comply with the Act as amended by AB 649; and
- (g) All other legal prerequisites to the adoption of this Ordinance have occurred.

ARTICLE 2. INCORPORATION OF RECITALS.

The City Council hereby finds that all of the foregoing recitals and the staff report presented herewith are true and correct and are hereby incorporated and adopted as findings of the City Council as if fully set forth herein.

ARTICLE 3. AMENDMENTS TO CMC SUBCHAPTER 4.09

Subchapter 4.09 of the Colma Municipal Code is amended by adding new section 4.09.145, amending existing paragraph 4.09.180(a)(7), and amending existing section 4.09.230 to read as follows:

4.09.145 Employee Work Permits/Registration.

- (a) A person who desires to be employed by a gambling establishment must be at least twenty-one (21) years of age and shall obtain a valid employee work permit/registration as required by this Chapter, except as provided in paragraph (b) of this section.
- (b) Notwithstanding paragraph (a):
 - (1) A person who is twenty-one (21) years of age or older may begin working on a temporary basis without a work permit as an employee if:
 - (A) The person applied for a work permit/registration as required by this Chapter;
 - (B) The person holds a position that is not supervisory, is not related to the operation or administration of gambling, and does not perform employment duties in the area where gambling is conducted; and
 - (C) The person wears a temporary badge on their outermost garment at chest level with their name, picture, and the words, "Non-Gaming Employee, Work Permit Pending."
 - (D) After the person has received a work permit/registration, the person may perform any duties for which a work permit is required. If the person is denied a work permit/registration, the person shall not work as an employee in any gaming or nongaming job.
 - (2) A person who is eighteen (18) through twenty (20) years of age may be employed without a work permit/registration as an employee in job classifications that entail providing services exclusively off the gaming floor and that are not involved in the play of a controlled game if:
 - (A) The person holds a position that is not supervisory and not related to the operation or administration of gambling;
 - (B) The person is not allowed to perform any duties of an employee on the floor of the gambling establishment or in areas that are identified as restricted access areas to employees, including, but not limited to, the cage, count room, surveillance room, security office, vault, and card storage; and

- (C) The person wears a badge on their outermost garment at chest level that has with the words "Non-Gaming Employee: Under 21" and that has a different background color than the badges worn by other employees.

4.09.180 Grounds for Denial, Revocation or Suspension of Registration.

- (a) The Chief of Police may revoke or suspend the registration of or deny registration to any applicant who is disqualified for any of the following reasons:

...

- (7) The applicant is less than twenty-one (21) years of age, except as provided in subparagraph 4.09.145(b)(2).

4.09.230 Permitting Minors on Premises Prohibited.

- (a) No gambling establishment permittee, owner, or employee shall knowingly permit or allow any person under the age of twenty-one (21) years of age at any time to be in or upon the gambling establishment premises; provided, however, that persons under twenty-one (21) years of age may be allowed in the following areas:

- (1) An area separated from any gambling area used for a nongaming purpose, including for maintenance, parking, or business offices, or for the purpose of dining or food or beverage service or preparation. For purposes of this section, any place wherein food or beverages are dispensed primarily by vending machines shall not constitute a place for dining;
- (2) Restrooms;
- (3) A supervised room that is physically separated from any gambling area and used exclusively for the purpose of entertainment or recreation; and
- (4) Those areas authorized in connection with employment in accordance with subparagraph 4.09.145(b)(2).

- (b) A person who is under twenty-one (21) years of age and not employed per subparagraph 4.09.145(b)(2) may enter upon or pass through a gambling area on a designated pathway to reach any of the areas described in paragraph (a)(1) to (3) only if accompanied by a person or employee who is twenty-one (21) years of age or older.

ARTICLE 4. SEVERABILITY.

If any section, sentence, clause or phrase of this Ordinance or the application thereof to any entity, person or circumstance is held for any reason to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect other provisions or applications of this Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are severable. The City Council of the Town of Colma hereby declares that it would have adopted this Ordinance and each section, sentence, clause or phrase thereof, irrespective of the fact that any one or more section, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

ARTICLE 5. NOT A CEQA PROJECT.

This Ordinance is not a project within the meaning of Section 15378 of the State of California Environmental Quality Act ("CEQA") Guidelines, because it has no potential for resulting in physical change in the environment, directly or indirectly. The City Council further finds, under Title 14 of the California Code of Regulations, Section 15061(b)(3), that this Ordinance is nonetheless exempt from the requirements of CEQA in that the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

ARTICLE 6. EFFECTIVE DATE.

This Ordinance shall be posted on the three (3) official bulletin boards of the Town of Colma and within fifteen (15) days of its passage and is to take effect thirty (30) days after its passage.

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Certificate of Adoption

I certify that the foregoing Ordinance No. ____ was introduced at a regular meeting of the City Council of the Town of Colma held on May 13, 2020, and duly adopted at a regular meeting of said City Council held on _____ by the following vote:

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

Dated _____

John Irish Goodwin, Mayor

Attest: _____
Caitlin Corley, City Clerk



XAVIER BECERRA
Attorney General

State of California
DEPARTMENT OF JUSTICE



BUREAU OF GAMBLING CONTROL
2450 DEL PASO ROAD, SUITE 100
SACRAMENTO, CA 95834

April 9, 2020

Samantha Chen, Esq.
Best Best & Krieger
2001 N. Main St, Ste. 390
Walnut Creek, CA 94596-7274

Re: City of Colma - Proposed Cardroom Ordinance Amendments

Dear Ms. Chen:

On February 20, 2020, the Bureau of Gambling Control (Bureau) received your email along with a copy of the proposed amendments to the City of Colma (City) Municipal Code. The proposed amendments add Section 4.09.145 (Employee Work Permits/Registration), and amend Sections 4.09.180; subdivision (a)(7) (Grounds for Denial, Revocation or Suspension of Registration), and Section 4.09.230 (Permitting Minors on Premises Prohibited). The proposed amendments were submitted consistent with Business and Professions Code section 19961.1.

The proposed amendments specify the limited circumstances under which persons between the age of 18 and 20 years may be employed by a gambling enterprise, and allows persons 21 years of age and older to begin working for a gambling enterprise with a temporary work permit pending the issuance of a permanent work permit. The amendments also specify that, except for employees aged 18 to 20, all persons under the age of 21 must be accompanied by an employee over the age or 21 when passing through a gambling area to reach areas they are allowed to access. The proposed amendments to the City's Municipal Code do not appear inconsistent with the changes to the Gambling Control Act that were recently implemented by Assembly Bill 649 (Stats. 2019, Ch. 432.)

Upon approval and adoption of the proposed amendments, please provide the Bureau with a signed, certified copy of the amended sections of the Municipal Code.

Samantha Chen, Esq.

April 9, 2020

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If you have any questions, please contact Analyst Kenneth Larsen at (916) 559-6103 or kenneth.larsen@doj.ca.gov. Thank you for your cooperation regarding this matter.

Sincerely,



BRENT Y. JO
Deputy Attorney General

For XAVIER BECERRA
Attorney General

cc: City Attorney, City of Colma



STAFF REPORT

TO: Mayor and Members of the City Council
 FROM: Brian Dossey, City Manager
 MEETING DATE: May 13, 2020
 SUBJECT: California Cities Gaming Authority

RECOMMENDATION

Staff recommends the City Council adopt the following:

RESOLUTION APPROVING THE AMENDMENT TO THE CALIFORNIA CITIES GAMING AUTHORITY ADMITTING THE TOWN OF COLMA TO THE CALIFORNIA CITIES GAMING AUTHORITY

EXECUTIVE SUMMARY

In January of this year, the Town of Colma was invited to join the newly founded California Cities Gaming Authority (CCGA), a joint powers authority which was formed to protect the interests of cities state-wide with licensed card rooms. The CCGA is recruiting approximately seventeen other cities to be a part of the CCGA Joint Powers Authority (JPA). Currently, there are two member cities who make up the JPA (City of Gardena and City of Inglewood).

As we have discussed in previous Council meetings, the Attorney General and Director of the California Bureau of Gambling Control are threatening to revoke licensed games and possibly enact new regulations on the rotation of the payer-dealer position in cardrooms throughout the state. If both changes are made, they will negatively impact a significant amount of the Town's cardroom revenues.

The City Council conducted two study sessions (March 11 & April 8) on this item discussing the pro's and con's, receiving feedback from the public and hearing responses from staff and a presentation from the CCGA. At the April 8 study session, City Council directed staff to bring back a resolution for City Council consideration regarding becoming a member of the CCGA.

If the resolution is adopted, staff recommends the City Council appoint a member of the Council and an alternate, to represent the Town during the CCGA's monthly meetings.

FISCAL IMPACT

If the City Council adopts the resolution, the cost to join CCGA JPA is \$30,000 from the time of adoption, through June 30, 2021 as noted by CCGA representatives at prior City Council meetings. Staff was directed to evaluate the services of the JPA in FY2020-2021, and to bring back a

recommendation as to whether the Town should continue its membership going in to FY2021-22. Staff will present their findings during the FY2021-22 budget process.

BACKGROUND

Over the last two years, Lucky Chances Casino has operated with the threat of change in the player-dealer position and the withdrawal of previously approved Blackjack games. On two separate occasions over the past two years, the Mayor of Colma has spoken before the Bureau of Gambling Control at statewide workshops regarding the proposed changes. At each workshop the Mayor informed the Bureau that if the proposed changes are implemented, the Town's revenues would be significantly impacted, and that the Town would not be able to provide vital services to the community and jobs will be lost. Even though several of these workshops have been held all over the state of California, and thousands of cardroom workers and representatives from cities have spoken before the Bureau, there appears to be no changes in the proposed gaming language. This is very concerning for cardrooms and the cities that have cardrooms. The player-dealer position and potential withdrawal of previously approved Blackjack games are the top priority for the CCGA.

The CCGA was formed in November 2019 by the City of Gardena and the City of Inglewood in an effort to give cities one collective voice when cardroom issues arise with the Attorney General or Bureau of Gambling Control. Currently the cardrooms have a collective voice through lobbyists and public affairs groups, however the cities do not. The CCGA is recruiting cities with small to medium size cardrooms (20-80 tables); by working together the cities can be more effective when advocating for proposed changes that impact our cardrooms. Having individual cities of cardrooms represent themselves at meetings and workshops is sometimes difficult, inconsistent, and mixed messaging can sometimes be communicated, often making decision making more difficult for lawmakers.

Joining the CCGA will give the Town a united voice in Sacramento when issues pertaining to the cardroom arise; however, there is no guarantee the CCGA will always be able to convince law makers to side with CCGA member interests.

At the March 11 City Council meeting, the City Council directed staff to bring back more information regarding the CCGA's budget, staff, and willingness to amend the JPA Agreement relating to the CCGA Treasurer position, allowing all member agencies the ability for the Treasurer to be from their agency if agreed to by the CCGA Board.

At the April 8 City Council meeting, the City Council directed staff to bring back a resolution for City Council consideration regarding becoming a member of the CCGA.

ANALYSIS

The City Council conducted two study session on whether to join the CCGA JPA; after discussion, Q&A, feedback from the public and a presentation by the CCGA, the City Council has directed staff to bring back a resolution for Council consideration regarding becoming a member of the CCGA. City Council also directed staff to evaluate the services of the JPA in FY2020-2021, and to bring back a recommendation as to whether the Town should continue its membership going in to FY2021-22.

During March 11 study session a question was asked about allowing all member agencies the ability to have the Treasurer from their city. The response to the question is "yes" and the City Attorney along with the CCGA Attorney have included language in the amendment (attachment B) that addresses that item.

Also, in recent conversations with the CCGA, Executive Director, Rudy Bermudez has indicated that the Attorney General's office has been continuing to work on proposed gaming changes that would negatively impact the cardrooms and cities, and believes these proposed changes will be coming forward shortly after the covid-19 pandemic. Below is a list of issues the CCGA is currently working on:

- The CCGA is continuing to work on the issue surrounding the player/dealer position as well as the ban on certain blackjack games
- The CCGA is building support for SB 1092 which shifts the authority to determine the number of gaming tables that can be permitted in a card room from the Department of Justice, Bureau of Gambling Control and the California Gambling Control Commission to local government, the cities.
- The CCGA is building opposition for SB 1343 which would allow tribal governments to purchase a piece of non-reservation land and when the tribal government submits an application to place that land into its tribal trust, SB 1343 would require the State of California, to support and not oppose the placement of this land/property into trust by tribal governments.
- The CCGA is working on a strategy to request the Governor and Legislature for COVID-19 fiscal financial assistance for cities with small and medium card rooms.
- The CCGA notified the Senate and Assembly Budget Committee of fiscal misuse by the California Gambling Control Commission
- The CCGA has been opposing the Tribal "Sports Wagering Regulation & Unlawful Gambling Enforcement Act" Initiative. The CCGA is also working with the Senate and Assembly Governmental Organization Chairs on an alternate Sports Wagering Initiative that will permit Sports Wagering for card rooms

CCGA JPA Organization

The CCGA is made up of four (4) paid consultants, an executive director, attorney, treasurer and analyst (vacant). The JPA is not a CalPERS agency and there are no employees. The purpose of the CCGA is to protect member cities interests and to monitor the activities of the California Gambling Control Commission, the California Bureau of Gambling Control, and the Department of Public Health Office of Problem Gambling. The CCGA advocates for policies that support and protect the cities interests, revenues, and right to govern and opposes policies that are contrary to those by educating lawmakers.

The CCGA will be able to advocate for the Town along with other cities on not only current issues facing cardrooms but also future challenges such as the introduction of sports wagering. As mentioned above, Tribal casinos have introduced sports wagering in the State of California but are advocating to prohibit sports wagering in non-tribal casinos/cardrooms.

The CCGA can represent the Town and its member agencies in stakeholder meetings, meetings with the Attorney General and Director of the Bureau of Gambling Control, draft legal responses, as well as testify before commissions and boards in Sacramento advocating for our interests.

CCGA Board and Meetings

The CCGA JPA will meet one time per month in a member city on a rotating basis. Due to the challenges with geography, cities will be able to call in to the meetings. All meetings will be public and are required to be subject to the Brown Act. The Mayor or a member of the City Council will represent the Town on the CCGA Board. Based on the business items and approved programs the CCGA consultants will work with member agency city managers to complete action items from the Board.

If the resolution is adopted, staff recommends the City Council appoint a member of the Council and an alternate to become a delegate to the CCGA during its monthly meetings. CCGA meetings are held on the third Wednesday of every month at 10:00 am.

Withdrawal from the CCGA

Member agencies may withdraw from the CCGA at any time with a 30-day written notice. However, any withdrawing member shall be obligated to contribute its pro-rata portion of the annual contribution and its pro-rata share of the liabilities of the CCGA for the fiscal year in which the withdraws become effective.

In speaking with representatives from Lucky Chances, they indicated that they would support the Town's participation in the JPA.

Council Adopted Values

The staff report is consistent with the Council value of ***responsibility*** by becoming a member of the CCGA JPA, the Town is guaranteed to have a voice in Sacramento as it relates to card room issues and changes in gaming.

CONCLUSION

Staff recommends adopting the resolution becoming a member of the CCGA JPA.

ATTACHMENTS

- A. Resolution
- B. Amendment to CCGA JPA Agreement admitting the Town of Colma
- C. CCGA JPA Agreement
- D. Letter inviting the Town to join the CCGA

**RESOLUTION NO. 2020-___
OF THE CITY COUNCIL OF THE TOWN OF COLMA**

**RESOLUTION APPROVING THE ADDENDUM TO THE CALIFORNIA CITIES GAMING
AUTHORITY ADMITTING THE TOWN OF COLMA TO THE CALIFORNIA CITIES
GAMING AUTHORITY**

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

1. Background and Findings

(a) The City Council has recently been informed about efforts by the California Cities Gaming Authority ("CCGA"), a Joint Powers Authority formed under Government Code Section 6500 *et seq.*, comprised of the current cities of Inglewood and Gardena, to form a collective voice when cardroom issues arise with the State Attorney General or State Bureau of Gambling Control.

(b) The CCGA is currently recruiting cities with small to medium size cardrooms to join CCGA to work together to advocate for cardrooms and the revenue they can produce for cardroom cities.

(c) Within the Town, Lucky Chances Casino has operated under the threat of potential changes to rules under which the Casino operates that may be imposed by the State Bureau of Gambling Control.

(d) In an effort to try to address these issues, the Town of Colma is now proposing to become a member of the CCGA.

(e) The City Council has discussed joining the CCGA at prior study sessions held by the City Council on March 11, 2020 and April 8, 2020.

(f) This City Council has been presented with a form of Addendum that would be the mechanism for the Town to join the CCGA and has examined and approved the Addendum as to both form and content and desires to enter into the Addendum.

2. Order

(a) The City Council of the Town of Colma wishes to enter into the Addendum to the the Joint Exercise of Powers Agreement for CCGA and the Mayor is authorized and directed to execute the Addendum, which will allow the Town to join the CCGA.

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Certification of Adoption

I certify that the foregoing Resolution No. 2020-__ was duly adopted at a regular meeting of said City Council held on May 13, 2020 by the following vote:

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

Dated _____

John Irish Goodwin, Mayor

Attest: _____
Caitlin Corley, City Clerk

**AMENDMENT TO
CALIFORNIA CITIES GAMING AUTHORITY
JOINT EXERCISE OF POWERS AGREEMENT
TO ADMIT THE TOWN OF COLMA**

This Amendment (“Amendment”) to the California Cities Gaming Authority Joint Exercise of Powers Agreement (“Agreement”) is made and entered into by and between the City of Gardena, the City of Inglewood, and the Town of Colma (hereafter “Party” or “Parties”).

RECITALS

A. The California Cities Gaming Authority, a joint powers authority, was established on November 13, 2019 by the execution of a Joint Exercise of Powers Agreement between the City of Gardena and the City of Inglewood.

B. Section 7.1 of the Joint Exercise of Powers Agreement provides for the admission of additional governmental entities as Members of the Authority upon such terms and conditions provided by the Board with the consent of a two-thirds vote of the Board and by the execution of a written Amendment to the Agreement by all Members of the Authority including the additional Member.

C. The Board of Directors of the California Cities Gaming Authority has consented, by a two-thirds vote, to admit the Town of Colma as a Member to the California Cities Gaming Authority subject to the terms and conditions of this Amendment to the Agreement by the Town of Colma and the Members of the Authority.

D. The City Council of the Town of Colma has voted to become a Member of the California Cities Gaming Authority, a joint powers authority, subject to the terms and conditions of this Amendment and those of the Agreement.

NOW, THEREFORE, the Parties hereto agree as follows:

1. The recitals herein are true and correct.
2. The Joint Exercise of Powers Agreement of the California Cities Gaming Authority is approved and incorporated herein and made a part hereof.
3. Paragraph 3.10 of the Agreement is amended to read as follows:

The Directors shall appoint the following officers from among its Members: Chairperson, Vice Chairperson and Secretary. The Treasurer of the Authority shall be a Treasurer of a Member of the Authority, an officer or employee of the Authority, or a certified public accountant, as determined by the Board, for the term and on the conditions provided herein. The Treasurer shall also serve as the Auditor except where a certified public accountant

has been designated as the Treasurer. The Board shall have the power to appoint such additional officers as it deems necessary or desirable. All checks drawn on the Authority's accounts shall be signed by the Chairperson or the Vice Chairperson and by the Treasurer.

4. The City of Gardena and the City of Inglewood hereby agree to admit the Town of Colma as a Member to the California Cities Gaming Authority and to be bound by the terms and conditions of this Amendment to the Agreement and the Agreement.

5. The Town of Colma hereby agrees to be admitted as a Member of the California Cities Gaming Authority and to be bound by the terms and conditions of this Amendment to the Agreement and the terms and conditions of the Agreement as though it had duly executed the Agreement. The Town of Colma further agrees that:

- (a) It will participate actively in the governance of the Authority and it acknowledges that the Authority shall be governed by a Board of Directors.
- (b) It will designate one of its council members to serve as a Regular Director of the Board of Directors of the Authority who agrees to attend its meetings.
- (c) It will designate another of its council members to serve as an Alternate Director of the Board of Directors who agrees to attend its meetings, in the absence of its Regular Member.
- (d) It will pay its pro-rata share of the annual contribution set forth in Paragraph 4.1 of the Agreement in the amount of \$30,000 to the Authority in the manner set forth in Paragraph 4.2 of the Agreement.

6. Each party hereto enters into this Amendment on the date its Presiding Officer signs it; and this Amendment to the Agreement shall be effective on the date that it is signed by the last Presiding Officer of a party to sign it. Each party hereto understands and agrees that this Amendment effectively modifies the Agreement in that the Town of Colma is hereby added as a Member to the Authority with a seat on the Board of Directors of the Authority, Paragraph 3.10 of the Agreement is modified as set forth in Paragraph 3 hereof, and the Town of Colma is deemed to have signed the Agreement.

7. Each party may sign this Amendment on a separate page and each such signature page shall constitute the whole hereof.

CITY OF GARDENA

CITY OF INGLEWOOD

By: _____

By: _____

Its Mayor

Its Mayor

Date: _____

Date: _____

Attest: City Clerk

Attest: City Clerk

By: _____

By: _____

Approved: City Attorney

Approved: City Attorney

By: _____

By: _____

TOWN OF COLMA

By: _____

Its Mayor

Date: _____

Attest: City Clerk

By: _____

Approved: City Attorney

By: _____



JOINT EXERCISE OF POWERS AGREEMENT

creating the

CALIFORNIA CITIES GAMING AUTHORITY

("CCGA")

This Joint Exercise of Powers Agreement ("Agreement") is made and entered into on its Effective Date by and among the Cities that approve and execute this Agreement (collectively called the "Parties" or individually called a "Party").

RECITALS

- A. The Parties to this Agreement all have an interest in the successful and orderly operation of the card casinos or card rooms in their respective cities due to the profound economic and social impacts of the card casinos or card rooms on each Party and its residents.
- B. The Parties all have adopted gaming ordinances by which they authorize, license, regulate and tax card casinos or card rooms within their respective jurisdictions.
- C. The Parties all have an interest in promoting and protecting the operation of card casinos or card rooms in their respective jurisdictions as well as in the gaming industry.
- D. The Parties all have inherent powers to act for the benefit of the health and general welfare of their residents and businesses.
- E. The exercise of these powers can achieve the most beneficial and extensive outcomes for the Parties and their respective residents and businesses through the formation and operation of a joint exercise of powers authority.
- F. Each of the Parties is authorized to contract with each other for the joint exercise of these common powers under Article I, Chapter 5, Division 7, Title I, commencing with Section 6500 of the Government Code of the State of California.

COVENANTS

The Parties agree as follows:

I.

DEFINITIONS

1.1 For the purpose of this Agreement, the following words shall have the following meanings:

- (a) "Agreement" means this joint exercise of powers agreement.
- (b) "Authority" or "California Cities Gaming Authority" or "CCGA" means the joint exercise of powers authority created by this Agreement.
- (c) "Card Casino" or "Card Room" mean those facilities in which card games are authorized to be played by each respective Member in its city and by the California Gambling Control Commission.
- (d) "Effective Date" means the date upon which this Agreement is approved and executed by any two municipalities or local entities. "Effective Date" also means the date upon which this Agreement is approved and executed by any additional municipality or local entity through an Addendum to this Agreement. "Effective Date" further means the date upon which an Amendment to this Agreement is approved and executed by the then Parties to the Authority.
- (e) "Fiscal Year" means July 1 through June 30 or such other period as the Board of Directors shall establish.
- (f) "Gaming" means gambling activities that historically have been authorized by local government; gambling activities which become permitted under state law at, arising from or related to a location where gambling activities have been authorized by local government, or gambling activities that state law permits a license to conduct where the licensee previously has conducted gambling activities under a license issued by a local government.
- (g) "Original Members" means the cities of Gardena and Inglewood.
- (h) "Party" or "Member" mean each entity that becomes a signatory to this Agreement directly or through an Addendum to this Agreement.

1.2 Rules of Construction

- (a) Unless the context clearly requires otherwise:
 - (i) The plural and singular forms include the other;
 - (ii) "Shall," "will," "must," and "agrees" are each mandatory;
 - (iii) "may" is permissive;
 - (iv) "or" is not exclusive;
 - (v) "includes" and "including" are not limiting; and
 - (vi) "between" includes the ends of the identified range.
- (b) The masculine gender shall include the feminine and neuter genders and vice versa.
- (c) Except as specifically provided herein, reference to any law, statute, ordinance, regulation or the like means such law as and when adopted, amended, modified, codified or reenacted, in whole or in part and in effect from time to time, including any ordinance, rule or regulation promulgated thereunder.

II.

JOINT POWERS AND PURPOSES

- 2.1 **Powers Related to Gaming.** Each Member has in common the powers to contract, legislate, license, regulate and tax gaming including card casinos or card rooms in its jurisdiction. The purpose of this Agreement is to jointly exercise any or all of these common powers and such additional powers as may be authorized by law, now or in the future, as appropriate, to establish, enhance, preserve and promote gaming in each Member's jurisdiction, and throughout the state, in order to generate economic development, employment, municipal revenues and other benefits that each Member derives or may derive from gaming for itself and its residents.
- 2.2 **Power to Lobby.** Each Member also has the power to lobby the California Legislature and the Congress about legislation that affects or relates to gaming within its jurisdiction and throughout the state and to lobby state and federal

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creating the
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governmental agencies and regulatory bodies such as the California Gambling Control Commission, the Department of Justice, the Bureau of Gaming Control, the Department of Consumer Affairs and the Bureau of Indian Affairs regarding approvals, licensing, regulations and other activities that affect or relate to gaming within each Member's jurisdiction and throughout the state. Thus, the purpose of this Agreement is to also jointly exercise the power to lobby state and federal governmental entities and officials in order to establish, enhance, preserve and promote gaming in each Member's jurisdiction and throughout the state and to protect gaming from threats and activities inimical to gaming.

2.3 **General Powers.** The Authority shall have the powers common to its Members and is hereby authorized to do all acts necessary or desirable to accomplish its purposes, including the following:

- (a) To make and enter into contracts including an Addendum to this Agreement to admit new Members;
- (b) To incur debts, liabilities or other obligations which are not debts, liabilities or obligations of any Member;
- (c) To employ agents and employees;
- (d) To acquire, construct, manage, maintain and operate any building, works or improvements;
- (e) To acquire, hold, lease or dispose of property, personal or real;
- (f) To sue or be sued in its own name; and
- (g) To exercise all powers necessary or desirable to carry out the purposes of the Authority as set forth in this Agreement, or in any Addendum or Amendment to this Agreement, or in any ordinance or resolution adopted by the Board of Directors.

2.4 **Compliance with State Law.** The Authority shall comply with the laws of the State of California including the Ralph Brown Act.

2.5 **Board of Directors.** All of the powers of the Authority shall be exercised by a Board of Directors. On an annual basis, at its first meeting of each fiscal year or as otherwise directed by the Board or soon thereafter, the Board shall:

- (a) Organize the Board of Directors;

- (b) Adopt a plan of projects and activities for the ensuing year;
 - (c) Adopt a budget for the CCGA for the ensuing fiscal year; and
 - (d) Establish an annual appropriations limit for the CCGA.
- 2.6 **Officials.** The Authority shall operate through an executive director and a general counsel whom the Board of Directors shall appoint. The Board may contract for such officials.
- 2.7 **Consultants.** The Board may hire consultants as may be necessary or desirable to achieve the purposes of this Agreement including the projects and activities of the Authority.
- 2.8 **Rules.** The Board may adopt, by ordinance or resolution, such rules and regulations for the conduct of its affairs as it deems desirable or necessary.
- 2.9 **Code of Conduct.** The Board shall adopt a code of conduct that shall regulate the conduct of its Directors, Officials, Employees, Consultants and Agents including the grounds for removal of Directors whether Regular or Alternate.

III.

ORGANIZATION

- 3.1 **Creation.** There hereby is created a public entity separate from its Members, which is named the "California Cities Gaming Authority" ("CCGA"). The CCGA is formed by this Agreement pursuant to the provisions of Article I, Chapter 5, Division 7, Title 1 commencing with Section 6500, of the Government Code of the State of California. The Authority shall continue in existence unless and until it is dissolved as set forth in Article VIII hereof.
- 3.2 **Membership.** The Members of the Authority shall be the Original Parties to this Agreement and any new Member that executes an Addendum to this Agreement by which the new Member agrees to the provisions of this Agreement and by which the then existing Parties agree to admit the new Member, and which have not withdrawn from the Authority pursuant to the provisions of Article IX hereof.
- 3.3 **Member Names.** The names, type of entity, and addresses of the Members shall be those set forth in this Agreement and in any Addendum or Amendment hereto.

**Joint Exercise of Powers Agreement
creating the
CALIFORNIA CITIES GAMING AUTHORITY
("CCGA")**

- 3.4 **Board of Directors.** The Authority shall be governed by a Board of Directors ("Board") comprised of one member of the Legislative Body of each Member.
- 3.5 **Appointment of Directors.** Within thirty (30) days after the Effective Date of this Agreement as to the Original Members or the Effective Date of an Addendum as to a new Member, each Member shall appoint by resolution of its Legislative Body, one of its members to serve as Director of the Board ("Regular Director") and one of its other members ("Alternate Director") to serve in the absence of the Regular Director. Each Member shall transmit the resolution by which it has appointed a Regular Director and an Alternate Director to the Authority. Each Regular Director shall hold office from the first meeting of the Board after his or her appointment until a qualified successor is appointed. Each Director shall serve at the pleasure of the Legislative Body of the Member making the appointment and any Director may be removed at any time by the same Legislative Body.
- 3.6 **Voting.** Each Member shall vote on each and every agenda item or other matter before the Board. Each Member shall have one vote on each agenda item or other matter before the Board even where a Member's Regular Director and Alternate Director both attend the same meeting. A vote of a majority of the Board shall be necessary to transact the business of the Authority. Where a Director abstains from voting on an agenda item or other matter before the Board, such abstention shall constitute a "yes" vote on the item or matter before the Board to which the Director abstained except when a Director abstains on approving the minutes of a meeting of the Board that the Director did not attend.
- 3.7 **Principal Office.** The principal office of the Authority shall be established by resolution of the Board.
- 3.8 **Meetings.** The Board shall hold one regular meeting each month unless directed otherwise by a resolution of the Board. The Board shall meet at each Member's City Hall and rotate the meeting place among the several City Halls, or at such other places as designated by resolution of the Board. The Board shall adopt an annual schedule of its regular meetings by resolution of the Board. The first regular meeting of the Board shall be held within thirty (30) days from the Effective Date of this Agreement. In addition, special meetings of the Board may be called by the Chairperson or by a majority of the Regular Directors by delivering written notice to each Director in the manner set forth in the Brown Act (Government Code Section 54956). All meetings of the Board may be adjourned to a time and place certain by a majority of the Directors present at the meeting at the time of the order of adjournment.

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- 3.9 **Quorum.** In order to transact business and conduct the affairs of the Board, a quorum of its Members shall be in attendance; and a quorum of its Members means the presence of a majority of the Members.
- 3.10 **Officers.** The Directors of the Board shall appoint the following officers from among its members: Chairperson, Vice Chairperson and Secretary. The Treasurer of the Authority shall be the Treasurer of the City of Gardena, the Treasurer of the City of Inglewood, an officer or employee of the Authority, or a certified public accountant, as determined by the Board, for the term and on the conditions provided herein. The Treasurer shall also serve as the Auditor. The Board shall have the power to appoint such additional officers as it deems necessary or desirable. All checks drawn on the Authority's accounts shall be signed by the Chairperson or the Vice Chairperson, and by the Treasurer.
- 3.11 **Terms.** The Chairperson, Vice Chairperson and Secretary shall hold office for a period of one fiscal year commencing July 1 and ending on June 30; provided that any Director so appointed may continue to hold said Office for successive terms at the discretion of the Board and, provided further, that any such Director shall continue to hold said Office until replaced by another Director. However, the Chairperson, Vice Chairperson and Secretary appointed in the first year of the Authority shall hold office during the fiscal year in which the appointment is made and continue through the subsequent fiscal year ending on June 30.
- 3.12 **Qualifications.** In order to be qualified to serve as a Director and Officer of the Board, a Director shall be a validly-serving member of a Member's legislative body and shall have been appointed as a Director to the Authority by a resolution of a Member's legislative body. A Member's legislative body shall be the sole judge of its Member's qualifications to serve as a Director of the Authority.
- 3.13 **Duties of Officers.** The duties of the Officers of the Authority are described below:
- (a) **Chairperson.** The Chairperson shall have the power to preside over the meetings of the Authority that includes the discretion to change the order of discussion of agenda items or matter before the Board, determine the order and time of debate on agenda items or matters before the Board, call for a vote on agenda items or other matters, and to make any motion. The Chairperson shall sign all contracts, ordinances, resolutions, and orders of the Board, which signature shall be required to validate such official documents and actions of the Authority. The Chairperson shall also perform such duties imposed or required by law and those duties designated by the Board.

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- (b) **Vice Chairperson.** The Vice Chairperson shall perform the duties of the Chairperson in the absence of the Chairperson. However, the Chairperson shall not assume the duty of signing documents for the Authority unless the Chairperson is unavailable for a period longer than seven (7) days.
- (c) **Secretary.** The Secretary shall cause minutes of all Board meetings to be kept and provide copies thereof to all of the Directors once approved within fourteen (14) days following each Board meeting; provided that minutes shall not be taken of any closed session. The Secretary may delegate the duty of preparing such minutes. The Secretary shall also attest to the signature of the Chairperson and Vice Chairperson on all official documents of the Authority. The Secretary shall also perform such other duties as may be assigned by the Board.

3.14 **Treasurer.** The Treasurer shall do all of the following:

- (a) Receive and receipt for all money of the Authority and place it in the treasury so designated to the credit of the Authority by the Board.
- (b) Be responsible, upon his or her official bond, for the safekeeping and disbursement of all Authority money so held by him or her.
- (c) Pay, when due, out of the money of the Authority held by him or her, all sums payable on outstanding bonds and coupons of the Authority.
- (d) Pay any other sums due from the Authority money, or any portion thereof, only upon warrants of the Treasurer.
- (e) Verify and report in writing on the first day of July, October, January and April of each year to the Authority and to the Parties to this Agreement, the amount of money he or she holds for the Authority, the amount of receipts since his or her last report, and the amount paid out since his or her last report. Alternatively, the Board may require the Treasurer to verify and report such information each month.
- (f) Be bonded; and the amount of his or her bond shall be designated and fixed in the budget for each fiscal year pursuant to Government Code Section 6505.1 by the Board.

3.15 **Privileges and Immunities.** All of the privileges and immunities from liability, exemptions from laws, ordinances and rules, all pension, relief, disability, workman's compensation, and other benefits which apply to the activity of officers,

agents or employees of any such public agency when performing their respective functions within the territorial limits of their respective public agencies, shall apply to them to the same degree and extent while engaged in the performance of any of their functions and duties extraterritorially under the provisions of Article 1, Chapter 5, Division 7, Title 1 of the Government Code.

- 3.16 **Government Claims Act.** For purposes of any claim that may be made or any action that may be instituted against any Director, Officer or Official of the Authority, such person shall be considered an "employees" of the Authority pursuant to the Government Claims Act under Division 3.6, Title 1 of Government Code commencing at Section 810.
- 3.17 **Indemnification.** Each and every Director, Officer, Official and employee of the Authority shall be provided a defense pursuant to Part 7, Division 3., Title 1 of the California Government Code commencing with Section 995.

IV.

FINANCING

- 4.1 **Annual Contribution.** The Authority shall be financed by an annual contribution from the Members in an amount that is not less than \$210,000 per fiscal year, which amount shall be used to pay the operating expenses of the Authority. The Board of Directors may increase the amount of the required annual contribution set forth above provided that the annual contribution shall not exceed \$420,000 unless and until the legislative body of each Member authorizes a higher annual contribution. Upon becoming a Party to this Agreement, each Member shall be obligated to pay a pro-rata share of the then established annual contribution provided that no Member shall be obligated to pay more than \$30,000 per fiscal year as its pro-rata portion of the annual contribution unless and until the Authority has seven (7) Members.
- 4.2 **Payment of Annual Contribution.** Each Member shall pay a pro-rata share of the annual contribution to the Authority based on the number of Members to this Agreement. The first annual contribution shall be payable within thirty (30) days following the Effective Date of this Agreement provided that the Board may prorate the amount of the annual contribution based on the number of months remaining in the fiscal year in which the Authority shall have been formed. Thereafter, the annual contribution for each fiscal year shall be payable within thirty (30) days of the commencement of fiscal year or July 1, 2020. Each Member shall be invoiced for its pro-rata portion of the annual contribution no later than June 30 of each year.

- 4.3 **Revenues.** The Authority may also be financed by contributions from card casino or card rooms including any card casino or card room licensed by any Member. The Authority may also be financed from fees or taxes imposed on any card casino or card room licensed by any Member or by the Authority. No card casino or card room may become a party to this Agreement, a Member of the Authority or have a vote on the Board.
- 4.4 **Excess Revenue.** Any excess revenue collected from any Member or other source by the Authority shall be applied to reduce the operating expenses of the Authority in the following fiscal year.
- 4.5 **Budget Reserves.** The Board shall determine on an annual basis, prior to the beginning of the fiscal year, a level of reasonable cash reserves to be accumulated by the Authority. This reserve shall be accumulated from revenues collected in excess of all actual expenses of the Authority.

V.

STRICT ACCOUNTABILITY

- 5.1 **Strict Accountability.** The Treasurer shall provide for the strict accountability of all funds of the Authority and report of all receipts and disbursements. The Treasurer shall maintain full books and accounts for the Authority in accordance with practices established by, or consistent with, those utilized by the Controller of the State of California for like public entities. In particular, the Treasurer shall comply with the requirement of the strict accountability for joint powers authorities in Article 1, Chapter 5, Division 7, Title 1 of the Government Code.
- 5.2 **Audit.** Pursuant to Government Code Section 6505, the Auditor shall contract with a certified public accountant to make an annual audit of the accounts and records of the Authority that shall comply with the minimum requirements prescribed by the Controller for special districts under Government Code Section 26909 and shall conform to generally accepted auditing standards; provided that the Board may, by unanimous vote, replace the annual special audit with an audit covering a two-year period. The cost of said audits shall be borne by the Authority. When such an audit is made, a report thereof shall be filed with each Member of the Authority and the County Auditor within 12 months of the end of the fiscal year or years under examination.
- 5.3 **Custodian of Records.** By resolution, the Board shall appoint a custodian of records who will maintain, store and safeguard the Authority's financial and legal documents and produce them upon the Board's request.

VI.

LIABILITIES OF THE AUTHORITY

- 6.1 **Liabilities.** The debts, liabilities and obligations of the Authority shall be the debts, liabilities or obligations of the Authority alone and not of the Members, including ex officio Members. However, a Member separately may contract for, or otherwise assume responsibility for specific debts, liabilities, or obligations of the Authority, and no other Member then shall be liable, therefore.

VII.

ADDITION AND WITHDRAWAL OF MEMBERS

- 7.1 **Admission of Members.** Additional governmental entities may become Members of the Authority upon such terms and conditions as may be provided by the Board with the consent of two-thirds vote of the Board, and evidenced by the execution of a written Amendment to this Agreement by all Members, including the additional Member. The addition of new Members shall not affect any other rights of existing Members without the consent of all affected Members.
- 7.2 **Voluntary Withdrawal.** Any Member may withdraw from the Authority at any time upon giving each of the other Members written notice thirty (30) days prior to the effective date of its desired withdrawal; provided, however, that any withdrawing Member shall be obligated to contribute its pro-rata portion of the annual contribution and its pro-rata share of the liabilities of the Authority for the fiscal year in which it withdraws becomes effective.
- 7.3 **Expulsion of Members.** A majority of the Directors may expel a Member upon a finding that a Member has failed to pay its annual contribution or that a Member, through its legislative body, has taken a position contrary to a position taken by the Board or a position that is inimical to the interests of the Authority.

VIII.

DISSOLUTION

- 8.1 **Term.** The Authority shall continue in existence unless and until dissolved in accordance with the terms of this Article VIII.

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- 8.2 **Dissolution.** The Authority shall not be dissolved until all of the current funds of the Authority are applied to the current debts and liabilities of the Authority. The current funds of the Authority shall not include the annual contribution of any subsequent fiscal year even where the invoices for the pro-rata annual contributions have been submitted to the Members.
- 8.3 **Dissolution Vote.** Subject to Section 8.2 above, the Authority may be dissolved by a majority affirmative vote of the Board.
- 8.4 **Disposition of Property Upon Dissolution.** Upon dissolution of the Authority, any surplus funds on hand shall be returned to the then Members in proportion to the annual contributions made. Upon an affirmative vote to dissolve in accordance with Section 8.3 above, the Board shall offer any asset, rights and interests of the Authority for sale to the Members at not less than Fair Market Value. In the event that two or more Members of the Authority wish to purchase any asset, the Member who offers the highest price shall have the right to purchase the asset. If no such sale is consummated within a reasonable period of time, the Board shall then offer the asset, rights and interests for sale to any other third party for good and adequate consideration which shall not be less than Fair Market Value. The net proceeds from any sale shall be distributed among the then Members in proportion to the contributions made.

IX.

MISCELLANEOUS

- 9.1 **Amendments.** This Agreement maybe amended upon written approval of an Amendment or Addendum by all Members. The approval by a Member of an Amendment or Addendum to this Agreement shall not be effective until a certified copy of the resolution of the legislative body of the Member is filed with the Secretary of the Authority, together with a fully executed original of such Amendment.
- 9.2 **Notice.** Any notice required to be given or delivered hereunder shall be delivered via the United States Postal Service.
- 9.3 **Choice of Law.** This Agreement shall be governed by the laws of the State of California.
- 9.4 **Severability.** If one or more clauses, sentences, paragraphs or provisions of this Agreement shall be held to be unlawful, invalid or unenforceable, it is hereby agreed by the Members that the remainder of the Agreement shall not be affected thereby.

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9.5 **Initial Notice.** Within thirty (30) days of the Effective Date of this Agreement, the Authority shall cause a notice of the Agreement to be prepared in the manner set forth in Section 6503.5 of the Government Code and filed with the Office of the Secretary of State.

9.6 **Additional Notices.** Within thirty (30) days of the Effective Date of any Amendment or Addendum to this Agreement, the Authority shall prepare and file with the Office of the Secretary of State the notice required by Section 6503.5 of the Government Code.

IN WITNESS WHEREOF, the Parties do hereby agree to the full performance of the terms set herein.

CITY OF GARDENA

By: Tasha Cerda
Tasha Cerda
Title: Mayor
Date: _____

ATTEST:

By: Mina Semenza
Mina Semenza
Title: City Clerk
Date: _____

APPROVED AS TO FORM:

By: Peter L. Wallin
Peter L. Wallin
Title: City Attorney
Date: 11/16/2019

CITY OF

By: _____
Title: _____
Date: _____

ATTEST:

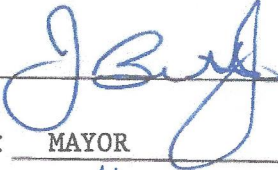
By: _____
Title: _____
Date: _____

APPROVED AS TO FORM:

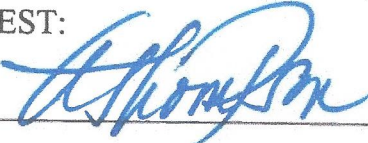
By: _____
Title: _____
Date: _____

IN WITNESS WHEREOF the Parties do hereby agree to the full performance of the terms set herein.

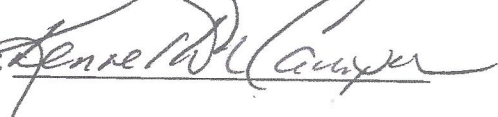
CITY OF INGLEWOOD

By: 
Title: MAYOR
Date: 11-13-19

ATTEST:

By: 
Title: DEPUTY CITY CLERK
Date: 11/13/19

APPROVED AS TO FORM:

By: 
Title: CITY ATTORNEY
Date: 11/13/19

CITY OF

By: _____
Title: _____
Date: _____

ATTEST:

By: _____
Title: _____
Date: _____

APPROVED AS TO FORM:

By: _____
Title: _____
Date: _____

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF GARDENA)

I, **MINA SEMENZA**, City Clerk of the City of Gardena, do hereby certify that the whole number of members of the City Council of said City is five; that the foregoing Resolution, being **Resolution No. 6422** duly passed and adopted by the City Council of said City of Gardena, approved and signed by the Mayor of said City, and attested by the City Clerk, all at a regular meeting of said City Council held on the **12th day of November, 2019**, and that the same was so passed and adopted by the following roll call vote:

AYES: COUNCIL MEMBERS TANAKA, MEDINA AND HENDERSON
 AND MAYOR CERDA

NOES: NONE

ABSENT: MAYOR PRO TEM KASKANIAN

for Becky Romero
City Clerk of the City of Gardena, California

(SEAL)





CALIFORNIA CITIES GAMING AUTHORITY

1700 WEST 162nd STREET / GARDENA, CALIFORNIA 90247-3732 / EMAIL: CCGACTIONS@GMAIL.COM / PHONE (310) 217-9503

January 27, 2020

Brian Dossey, City Manager
City of Colma
1198 El Camino Real
Colma, CA 94014

Dear City Manager Dossey:

I am writing to invite your city, the City of Colma, to join the California Cities Gaming Authority, a joint powers authority.

The California Cities Gaming Authority (CCGA) is chartered as a Joint Powers Authority under California State law, under the authorization granted in California Government Code, Section 6500. The CCGA was formed to protect the interests of the 66 cities state-wide with licensed medium and small card rooms, its residents, local businesses, and their employees.

The CCGA is dedicated to protecting and promoting the interests and economic concerns of its member cities. The employment, development opportunities, and revenue generated by licensed card room in our cities help fund city services such as police and fire services, park maintenance, recreation, senior and youth services, and road repair. The jobs created in our cities by our licensed card rooms provide a stable source of high-quality living wage employment opportunities for our residents.

To protect our member cities, the CCGA monitors the activities of the State Legislature and State Regulatory Agencies, such as the California Gambling Control Commission, the California Bureau of Gambling Control, and the California Department of Public Health Office of Problem Gambling; and it engages in public policy issues. The CCGA advocates for policies that support and protect the cities' interests, revenues, and right to govern and opposes policies that are contrary to those by educating policymakers.

In 2019, our Chair, Executive Director, and General Counsel participated on behalf of cities with card rooms in the following activities:

- Testified at all seven of the California Attorney General's Bureau of Gambling Control workshops regarding regulations on the rotation of the player-dealer position and the withdrawal of Blackjack game approvals.
- Testified at the California Gambling Control Commission workshop on the proposed changes to the advertising regulations for card rooms.

- Testified at the Senate Governmental Organization Committee Informational Hearing on “Gambling in California” in the State Capitol.
- Testified during the Senate Budget Subcommittee #5 and Assembly Budget Subcommittee #5 Hearings on the California Attorney General’s Department of Justice, Bureau of Gambling Control budget.
- Participated as a panel member during the Joint Legislative Oversight Hearing of the Legislative Audit Committee, Senate Governmental Organization Committee and Assembly Governmental Organization Committee on the Bureau of Gambling Control and California Gambling Control Commission: their Licensing Processes are Inefficient and Foster Unequal Treatment of Applicants (Report Number 2018–132) at the State Capitol.
- Met with California Attorney General Xavier Becerra, and a number of times with California Bureau of Gambling Control, Director Stephanie Shimazu.
- Met with Assembly and Senate Legislative leadership and key Committee Members and their staffs, educating them on the issues and the effects on cities and the residents they serve.
- Met with Governor Gavin Newsom’s Tribal Negotiations Advisor Anna Naimark on the tribal impact on cities.
- Participated in numerous Card Room Stakeholder meetings in Sacramento.

With the threat of the California Attorney General and the Director of the California Bureau of Gambling Control to revoke licensed games played in our city’s licensed card rooms, the 2019 legislative year was a challenging one. For a majority of cities throughout the state with licensed card rooms, the withdrawal of game approvals for California Games, like blackjack, would be a devastating financial blow to city revenues, the local community non-profits that are supported by card room donations, and the card room itself. Just the threat of withdrawing game approvals for California Games stifled numerous cities’ plans for economic development surrounding card rooms and it prevented the sale of some card rooms also negatively affecting cities abilities to generate future revenue.

The 2020 legislative year is anticipated to be even more challenging. While the threat of revoking licensed games is still looming, there is an effort by the tribes to enact sports wagering in the State of California. The current tribal sports wagering effort would prohibit cities of any opportunity to generate revenue from sports wagering and bar their licensed card room from participating in sports wagering. These new revenues for our cities could be used to fund the vital city services our residents use and need.

The Director of the Bureau of Gambling Control is also attempting to enact new draconian regulations on the rotation of the player-dealer position. These new regulations would make card games unplayable, forcing patrons to abandon card rooms in our cities. This would ultimately



force card rooms out of business and deprive our cities of critical revenue. Also being raised this year will be an effort to increase local control, our city's individual rights to enact ordinances overseeing the operation of our local licensed card rooms; a policy we must protect and enhance. We must also remain vigilant in monitoring any effort to move internet poker and e-sports forward, as well as monitor any legislation and/or policies that would affect our cities' revenue and jobs derived from gaming in our cities.

The viability of our cities is dependent upon all of our card room cities working together as one. Please consider joining the California Cities Gaming Authority. The CCGA meets monthly and the annual dues are \$30,000 a year. Our Executive Director, Rudy Bermudez, will be contacting you soon.

If I can answer any questions please do not hesitate to contact me at (310) 217-9503 or by email at tcerda@cityofgardena.org or please contact Rudy Bermudez at (562) 305-5556 and by email at rudybermudez@msn.com. Thank you.

Sincerely,



Tasha Cerda
Chair, California Cities Gaming Authority and Mayor of the City of Gardena





STAFF REPORT

TO: Mayor and Members of the City Council
 FROM: Brad Donohue, Director of Public Works
 Abdulkader Hashem, Associate Engineer
 VIA: Brian Dossey, City Manager
 MEETING DATE: May 13, 2020
 SUBJECT: FY 2020-21 Water Conservation Incentive Program

RECOMMENDATION

Staff recommends that the City Council adopt the following:

RESOLUTION ESTABLISHING THE AUTHORIZED SUBSIDY AT \$49,494.92 WITH AN ADDITIONAL \$2,000 CONTINGENCY FOR THE WATER CONSERVATION INCENTIVE PROGRAM IN FISCAL YEAR 2020-21

EXECUTIVE SUMMARY

In July 2012, City Council approved a Water Conservation Incentive Program for all sewer service customers in Town. The program grants each sewer service user a subsidy if the customer used the same amount of water or less compared to the average of the prior three years. The proposed resolution would approve an authorized subsidy of \$49,494.92 for the Water Conservation Incentive Program and direct the City Manager to include the appropriation in the proposed budget for fiscal year (FY) 2020-21 (as a reduction of General Fund revenue).

Approval of an authorized subsidy of \$49,494.92 would reduce the sewer service charge for each "Eligible Customer" by 10% for FY 2020-21.

FISCAL IMPACT

Based on the 10% discount on each "Eligible Customer" the maximum cost the Town would incur for FY 2020-21 would be \$49,494.92. Staff also requests a contingency amount of \$2,000.00 for unforeseen changes due modifications or usage calculation errors.

BACKGROUND

Resolution 2012-28, adopted in July 2012, the City Council approved a Water Conservation Incentive Program for all residential and commercial sewer service customers beginning in FY 2014-15. The program's purpose was to create an incentive program by promoting water conservation, which if complied with, would help ease the cost of increasing sewer service rates.

The process of calculating the Annual Sewer Service charge discount was amended by the City Council at the April 11, 2018 City Council meeting.

Resolution 2018-18 provides the new process for calculating the Water Conservation Incentive Program (Sanitary Sewer Discount) as follows:

- After the annual water consumption reports are provided to the Town via the Town's water purveyor, Cal Water, Staff inputs the information and calculates out each property owners cost for their Annual Cost of Sewer charge.
- Once that effort has been completed, the next calculation is to determine who are "Eligible Customers" (*Definition of Eligible Customer is: A property owner who is connected to the Towns Sanitary Sewer System whose domestic water use is the same or less than the prior three (3) year average*).
- The Annual Sewer Service Discount is then based on the Annual Cost of Service for Eligible Customers only, for example if the Annual Cost of Service for Eligible Customers was \$500,000 and the approved discount was 10%, the Annual Discount that the Town would be responsible for would be \$50,000.

ANALYSIS

Authorized Subsidy

The proposed resolution would establish \$49,494.92 as the Authorized Subsidy for the Water Conservation Incentive Program. The Town's Annual Cost of Service for Eligible Customers for providing Town-wide sewer service is calculated to be \$494,950 for FY 2020-21. Using these data, the Individual Sewer Service Discount would be calculated as follows:

Annual Cost of Service for Eligible Customers (South San Francisco + NCSMSD annual charges)	\$494,950
Proposed Individual Sewer Service Discount (Authorized Subsidy divided by Annual Cost of Service)	10.00%
Authorized Subsidy	\$49,495

Here's an example of how this discount could affect an eligible residential customer¹:

Sewer service charge applicable to parcel ¹	\$739.00
Individual Sewer Service Discount	10.00%
Savings to customer	\$73.90
Net charge to Eligible Customer	\$665.10

¹ Using a hypothetical customer in the South San Francisco Sewer District,

The maximum cost to the Town would only be the approved Individual Sewer Service Discount percentage of the Annual Cost of Service for Eligible Customers.

Council Adopted Values

The Water Conservation Incentive Program serves a valid public purpose by rewarding and encouraging water conservation by both residents and businesses for their conservation efforts. The program is innovative and *visionary*, providing for an annual sewer subsidy for those who want to conserve a valued natural resource. The program also demonstrates the City Council’s commitment to adopting and implementing sustainability policies and programs.

Sustainability Impact

Programs such as the Water Conservation Incentive Program demonstrate what it means to be a sustainable community. Programs such as this bring focus to the importance of conservation.

Alternatives

Several alternatives are available to the Council: (2 examples, 5% and 15% discount)

- The Council could lower the proposed Authorized Subsidy at 5% for Eligible Customers.

Please see Example below:

Sewer service charge applicable to parcels	\$494,950
Individual Sewer Service Discount	5.00%
Savings to Eligible Customers	\$27,748
Net charge to Eligible Customers	\$470,202

- The Council could raise the proposed Authorized Subsidy at 15% for Eligible Customers.

Please see example below:

Sewer service charge applicable to parcels	\$494,950
Individual Sewer Service Discount	15.00%
Savings to Eligible Customers	\$74,243
Net charge to Eligible Customers	\$420,707

Staff still recommends the sewer subsidy to be held at 10% for those who made the effort to conserve. But given the difficult economic times that have been brought on by COVID 19 and the reduction of revenue coming into the Town, City Council may want to consider a reduction in the subsidy for this year. Going from the traditional 10% to 5% reduction for those Eligible Customers. In years past Staff did not recommend lowering the Authorized Subsidy because it would or could result in Eligible Customers to lose motivation in continuing to reduce their water use. But given that these are extraordinary times, you could make this a one-year exception. At this time Staff does not recommend raising the Authorized Subsidy, for the same reason as stated above, reduction of revenue to the Town, it could be considered generous but not responsible at this time.

Next Steps

With City Council approval of the Water Conservation Incentive Program, the City Engineer will prepare the Annual Engineer's Report which will show the proposed sewer charge for each parcel for FY 2020-21. The Engineer's Report will be presented to the City Council at the June 24, 2020 City Council meeting for approval. Upon approval, the Engineer's Report will be submitted to the County Tax Collector, who shall then collect the sewer service charge against each parcel at the same time as the Collector collects the property tax against that parcel.

CONCLUSION

Staff recommends approving a Resolution allocating \$49,494.92 plus a \$2,000.00 contingency for the Water Conservation Incentive Subsidy to help users reduce annual sewer charges while making a strong statement regarding the Town's stance on providing programs that encourage the community to conserve natural resources such as water while adopting sustainable lifestyle practices.

ATTACHMENTS

- A. Resolution

RESOLUTION NO. 2020-__
OF THE CITY COUNCIL OF THE TOWN OF COLMA

**A RESOLUTION ESTABLISHING THE AUTHORIZED SUBSIDY AT \$49,494.92 FOR THE
WATER CONSERVATION INCENTIVE PROGRAM IN FISCAL YEAR 2020-21**

The City Council of the Town of Colma hereby resolves:

1. Background

- (a) On July 11, 2012, the City Council adopted Resolution No. 2012-28 establishing a Water Conservation Incentive Program for all sewer service customers in the Town. The proposed program would grant each sewer service user a subsidy if the customer used the same amount of water or less compared to the average of the prior three years.
- (b) On April 11, 2018, the City Council adopted Resolution No. 2018-18 revising the procedures for calculating payments under the Water Conservation Incentive Program.
- (c) The City Council finds that the payments to be made under the Water Conservation Incentive Program serve a valid public purpose – to reduce water consumption – and that the program is fair and equitable to all users.

2. Findings

The City Council finds as follows:

- (a) The Water Conservation Incentive Program serves a valid public purpose, to wit, it rewards and encourages water conservation by both residents and businesses especially in drought periods;
- (b) The program is *innovative*, providing for an annual sewer subsidy for those who want to conserve a precious natural resource;
- (c) The program demonstrates the City Council's commitment to adopting and implementing sustainability policies and programs;
- (d) The proposed Authorized Subsidy described herein is affordable; and
- (e) In establishing the Authorized Subsidy described herein, the City Council has considered the long-term consequences to the financial health of the Town.

3. Order

The City Council hereby establishes an Authorized Subsidy of \$49,494.93 for the Water Conservation Incentive Program for fiscal year 2020-21 and directs the City Manager to amend the fiscal year 2020-21 Budget.

Certification of Adoption

I certify that the foregoing Resolution No. 2020-__ was duly adopted at a regular meeting of said City Council held on May 13, 2020 by the following vote:

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

Dated _____

John Irish Goodwin, Mayor

Attest: _____
Caitlin Corley, City Clerk



STAFF REPORT

TO: Mayor and Members of the City Council
 FROM: Pak Lin, Administrative Services Director
 VIA: Brian Dossey, City Manager
 MEETING DATE: May 13, 2020
 SUBJECT: Projection for FY 19-20 and FY 20-21

RECOMMENDATION

None. This item is for study only and is seeking comments, questions, input and feedback on revenue and expenditures and cost savings measures.

EXECUTIVE SUMMARY

COVID-19 pandemic and the Statewide Shelter in Place order the Town is projecting a \$2.3 million operating deficit in FY 2019-20 and another projected operating deficit of \$2.1 million in FY 2020-21. To preserve the Town's financial health, Staff has reviewed our programs and operations and has identified expenditure strategies to maintain the essential services to Town residents. The expenditure strategy includes a hiring freeze, reduces discretionary spending, eliminates contingency budget, reduces the contribution to OPEB and pension trusts, and cancels community events and recreation programs through September 2020.

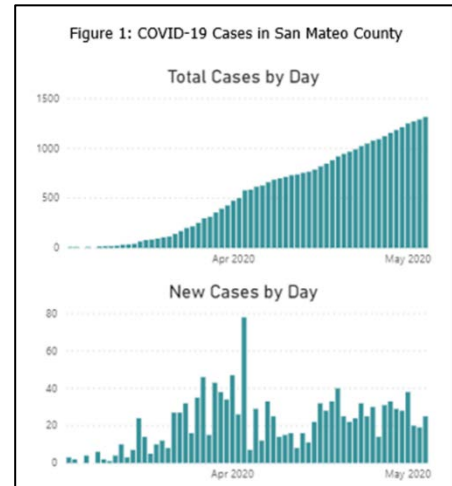
FISCAL IMPACT

On July 1, 2019, the Town started FY 2019-20 with \$25.2 million in General Fund reserves, with \$11.0 million in unassigned reserves. If we continue to operate the status quo, the Town will deplete the unassigned reserve. Under the proposed expenditure strategy below, the drawdown on the unassigned reserve is \$4.4 million bringing the unassigned reserve balance to \$6.6 million.

BACKGROUND

The novel coronavirus (COVID-19) has spread worldwide since December 2019. To slow the spread and flatten the curve, many world leaders have issued a Shelter In Place Order (SIP).

The first confirmed case in San Mateo County was on March 4, 2020. To slow the spread and flatten the curve, the County of San Mateo and five other Bay Area counties took a unified step to slow the spread of COVID-19 by issuing a shelter in place (SIP) order. The order has been in effect from March 17 to present day. The order has limited activity, travel, and business functions to only the most essential needs; enacted social distancing protocols to all essential services; and temporarily shut down all non-essential services. On April 29, 2020, the San Mateo County Health Officer revised the order and extended the shelter in place through May 31. Because of the quick response from our County Health officer and the California Governor, the total confirmed cases only grew to 1,341¹ in San Mateo County.



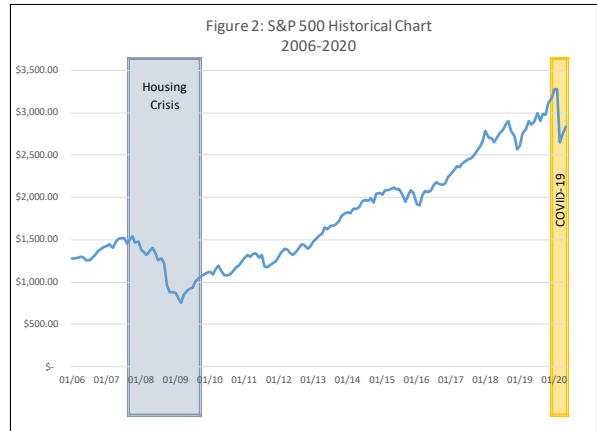
The SIP order had an immediate and negative impact on the livelihood of residents and businesses. Many businesses were forced to close, resulting in massive layoffs. Employed individuals have been forced to stay at home unless they are part of the essential workforce. Normal recreational and entertainment activities have halted shutting down cardrooms, theaters, malls, and parks. As a result, typical business transactions have halted and generated little to no revenue stream in March, April and May and is anticipated to continue during the coming months. Reliance on government assistance has also increased.

When business transactions halted, tax revenues also plummeted – including sales and use tax, transient occupancy tax (TOT), property transfers and supplemental property tax, cardroom tax, and personal income tax. State and Federal government agencies began offering stimulus packages to individuals, businesses, and local communities. These funds, including the CARES Act, ignored smaller agencies, like the Town of Colma. The League of California Cities has requested that the State set aside a portion of the CARES Act allocation for small agencies. However, until grant funding is made available to smaller government agencies, Colma must remain self-reliant in preserving and protecting the Town's financial well-being.

¹ SMC Health Department as of May 6, 2020

ANALYSIS

Due to years of strong fiscal leadership by the City Council, the Town of Colma is fiscally prepared for this economic crisis. As of March 31, 2020, the Town has \$28.4 million in Cash and Investments, of which \$10.7 million are in unassigned reserve. The unassigned reserve represents about half of the year's operation. This is an opportunity for the Town to reprioritize its current operational and long-term goals and position itself for long term financial sustainability.



Unlike the prior recession, this recession has an immediate impact on the global market. As shown in the S&P Historical Chart above, the economic decline during the Housing Crisis (blue) is more gradual than the COVID-19 (yellow). It is still unclear how long this recession will last.

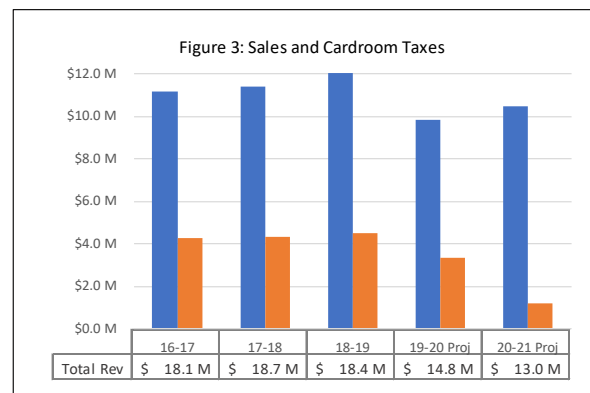
Some economists speculate that once the SIP order is lifted, the economy will recover as quickly as the decline. However, no one is certain on when and how the Shelter in Place order will be lifted, whether a second wave will come if the SIP order is lifted too early, and when a new vaccine will be available.

To better position the Town, a quarterly projection has been prepared for the Town's General Fund, as it is the largest fund and it supports all other operations, including sewer operations and the capital improvement program. The Town has the option to deplete its reserves and make no operational changes or make strategic service reductions to prolong and preserve as much of the reserves as possible in the event there are future threats.

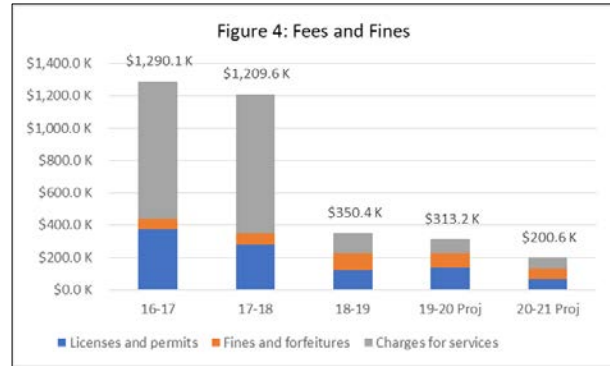
General Fund Revenue

On April 29, 2020, Governor Newsom unveiled the four stages of the gradual easing of the SIP order. Starting Friday, May 8, California can move to Stage 2, where lower risk non-essential businesses can reopen and offer curbside pickup only. However, at this time the County does not plan to follow the Governor into stage two until approximately May 18. Also, the timeline for Stage 3 and 4 is unknown at this time.

With the assumption that Stage 3 will occur in early 2021, total General Fund revenues are expected to reduce by 20% in FY 2019-20 and another 12% in FY 2020-21 from FY 2018-19. The biggest hit to the Town is sales tax and cardroom tax. With the SIP order, auto sales have slowed to 30% of normal and the cardroom has been closed. The cardroom and auto row each generate about \$400,000 per month of tax revenues.



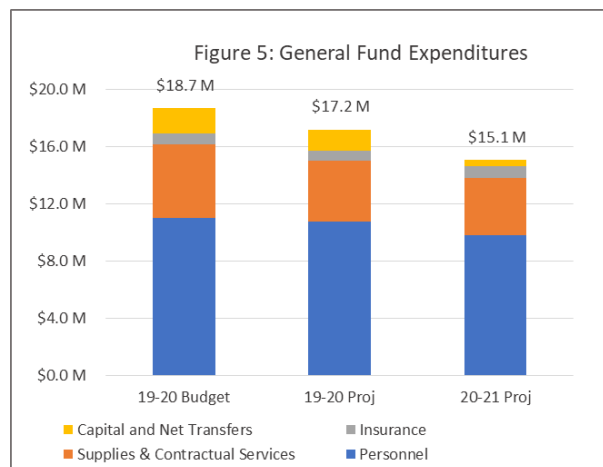
The projection also assumes that commercial and residential development, fees from fines, and recreational activities have slowed or have been halted until September 2020. Therefore, our projections show little to no revenues from these activities until October, followed by a gradual restoration to full capacity by April 2021. This equates to a \$37,000 reduction in revenues from FY 2018-19 in FY 2019-20 and another \$113,000 reduction in FY 2020-21.



Investment earnings have also declined. As uncertainty in the market increases, the demand for bond investments increases, reducing the overall returns. Since government agencies are limited to bond market investments, Staff is expecting investment earnings to be 23% less than FY 2018-19 (\$100,000) and roughly the same level in FY 2020-21. The impact of this shutdown on investment earnings is less than prior recessions because the County of San Mateo and the Town had recently changed the investment policy to set aside more funding in longer-term investments. This change locked in the higher rate of return and allowed for interest earnings to stabilize during economic uncertainty.

General Fund Expenditures

On June 12, 2019, the City Council adopted a budget of \$18.7 million in expenditure for FY 2019-20 General Fund operations and transfers. By March 31, 2020, the Town spent \$12.9 million or 70% of the budget. To address the economic crisis, Staff reduced expenditures and the projected spending in FY 2020-21 to only the absolute essentials. Most contingency and discretionary spending have been reduced or removed completely. Projected expenditures providing essential services for FY 2020-21 is \$15.1 million.



The projection includes the following reductions in programs and services. These reductions can be implemented immediately.

- Hiring freeze of all vacant positions until January 2021, including the Recreation Manager, Police Officer, Part time positions, and Chief of Police. However, it does include the cost for a potential Interim Police Chief. \$ 221,000
- Reduce contribution to OPEB and Pension Trust by half \$987,935
- Suspend capital purchases and fleet allocation for one year – including deferring minor facility repair and maintenance \$300,000

- Postpone all capital programs that have not started or can easily hold off and transfer the funds to grant-funded capital projects. The projects that will continue until completion are Mission Road Improvement, El Camino Bicycle and Pedestrian, General Plan Update, Climate Action Plan Update, Radio Update at Police Station, and purchase and integration of the Record Management System. \$245,000
- Suspend transfer of \$500,000 from General Fund to Capital Fund. \$500,000

The projections below includes the following programs and services, and staff is seeking feedback and direction on:

- Continued General Fund support of COPS Grant operation – the COPS grant reserve will be depleted in FY 2020-21 \$40,000
- Hosting the Town Picnic in September \$19,000
- Hosting the Town Holiday party in December \$35,000
- Funding Kumon program at the current level \$70,000
- Maintain City Council grants at same level as FY 19-20 \$95,000
- Continue funding economic development program (formally, Chamber of Commerce) \$25,000
- Cancel earthquake insurance in FY 2020-21 and reinstate the insurance in FY 2021-22 \$120,000

Potential Future Deficit Strategies

Due to the fast-changing nature of COVID-19, staff prepared additional service and program reduction strategies and cost-recovery measures for Council feedback and input. The cost-cutting strategies listed below require more research and time for implementation. Salary reductions and layoffs require further negotiations with labor unions. Cost-recovery measures will require an upfront cost to hire consultants.

	<u>One-Time Cost</u>	<u>Annual Savings</u>
• Contract to complete sewer fee study to make sewer enterprise a self-funding operation Fees collected will be restricted for sewer operations and sewer capital improvements.	\$50,000	\$130,000 plus capital
• Halt OPEB and Pension Trust contribution for the entire year		\$987,935
• Halt OPEB and Pension Trust contribution but rather pay the amount to CalPERS directly to offset the increase in pension liability as a result of the financial crisis brought on by COVID-19	\$1,975,871	Further analysis is needed on the savings
• 5% Furlough ~ 2 hours less pay a week		\$75,000

• Delay or eliminate the scheduled 2% COLA in July 2020 and January 2021		\$195,000
• Layoff three employees ~ \$120,000/employee		\$360,000
• Continue project to annex Sterling Park lighting district into the Town's operation	\$50,000	Further analysis is required
• Engage with Housing Investment Project or Housing Endowment and Regional Trust for the potential sale of 1365 Mission Road	\$20,000	Up to \$800,000
• Collaborate with San Mateo County to update the Countywide Local Hazard Mitigation Plan (LHMP). Updating of LHMP is required to be eligible for State and Federal grants.	\$10,000	
• Outsource business license processing	\$10,000 Annual	Save on staff time and postage
• Continue the search for technology to streamline and increase transparency and promote public engagement	Unknown	Unknown

Discussion

Based on the current revenue and expenditure projections, Staff anticipates a reserve balance reduction of \$4.4 million, leaving a balance of \$6.6 million in unassigned reserves and \$20.8 in total general fund reserve at June 30, 2021. Staff is seeking comments, questions, and feedback on the proposed revenue and expenditure projections and service reduction plan. Staff is also seeking input on Council's priorities and timelines on items listed in the "Future Deficit Strategies" section for future revenue and expenditure projections.

Next Steps

If directed, Staff will come back to the City Council for approval to use the unassigned reserves in FY 2019-20 and FY 2020-21 to offset revenue shortfalls and to approve reducing OPEB and Pension trust contributions in May and June of 2020 and FY 2020-21. Additionally, Staff will be coming back in August with an updated quarterly projection and potential budget amendments for FY 2020-21, as needed.

CONCLUSION

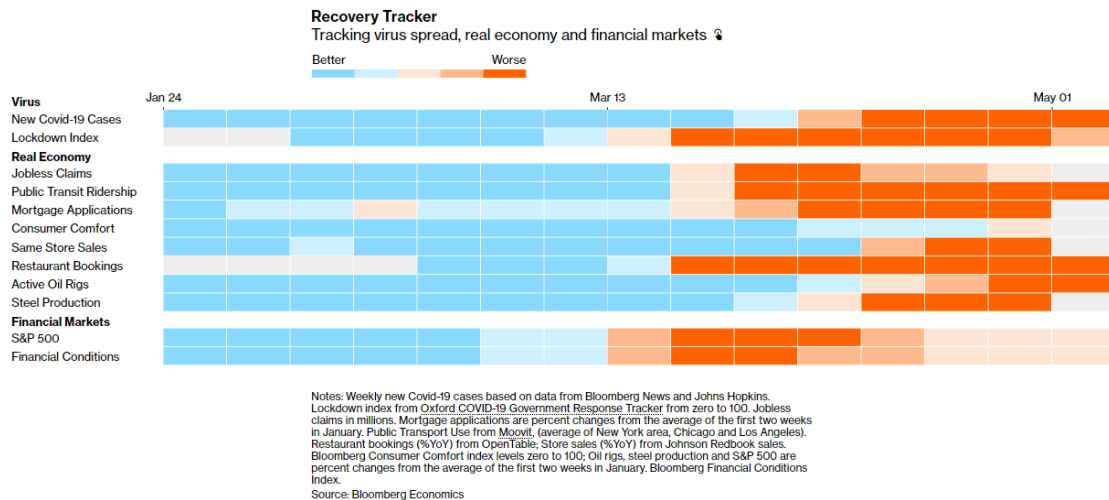
This is an information report and an opportunity for open dialogue on the financial health of the Town as a result of the current financial crisis brought on by COVID-19. Discussions from this study will be used to prepare the necessary steps to address potential financial threats as the COVID-19 crisis develops.

ATTACHMENTS

- A. Current Economic Headlines
- B. Quarterly Summary and Projection for FY 2018-19, 2019-20, and 2020-21

COVID-19 and the resulting shelter in place orders have adversely impacted the local economy. Here are some of the current headlines:

- From ABC News: As of April 18, about 43% of Californians who filed for unemployment.¹
- From Beacon Economics: State Unemployment Rate Jumps to Highest Point since 2016; Labor Force Declines.²
- From NPR: U.S. Treasury to Borrow \$3 Trillion in 3 Months to Pay for Pandemic.³
- From Bloomberg: The recovery tracker (below) shows how COVID-19 impacted the economy and financial markets⁴



¹ <https://abc7.com/unemployment-california-jobless-claims-covid-19/6141308/>

² <https://beaconecon.com/publications/beacon-employment-report/>

³ <https://n.pr/2Wqi8Gy>

⁴ <https://www.bloomberg.com/graphics/recovery-tracker/?srnd=premium>

COVID-19

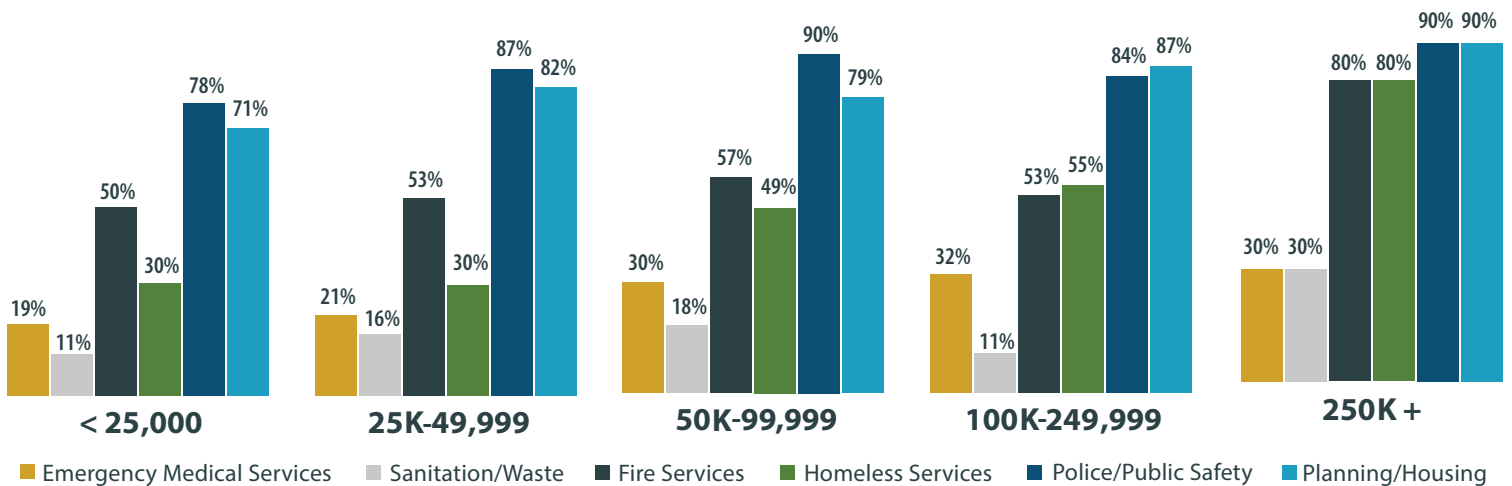
Fiscal Impact on City Employees and Services

Cities are facing a nearly **\$7 billion revenue shortfall** over the next two years due to the COVID-19 pandemic and response. According to a League of California Cities data analysis, this shortfall grows by billions of dollars as modified stay-at-home orders extend into the summer months and beyond. **Without relief, California city employees will lose their jobs.**

100% of California cities, regardless of population size, **face projected revenue loss this year.** As a result, **9** out of **10** cities are considering **layoffs or employee furloughs,** or **cutting public services.** **3** out of **4** are considering doing both.

Core Services Face Significant Impacts Regardless of City Size

Percentage of cities by population



Cities are required by law to balance their budgets, leaving **essential city services on the chopping block.** This means fewer firefighters and police officers to answer emergency calls, reduced garbage pick up frequency, and limited opening hours for parks and senior centers.

Together, we must fight to support local recovery.

From the state government we need **\$7 billion in direct and flexible funding** to support critical local services and CARES Act funding for all cities for COVID-19-related expenditures. From the federal government we need **\$500 billion in direct and flexible funding** for all cities nationwide to support critical local services.

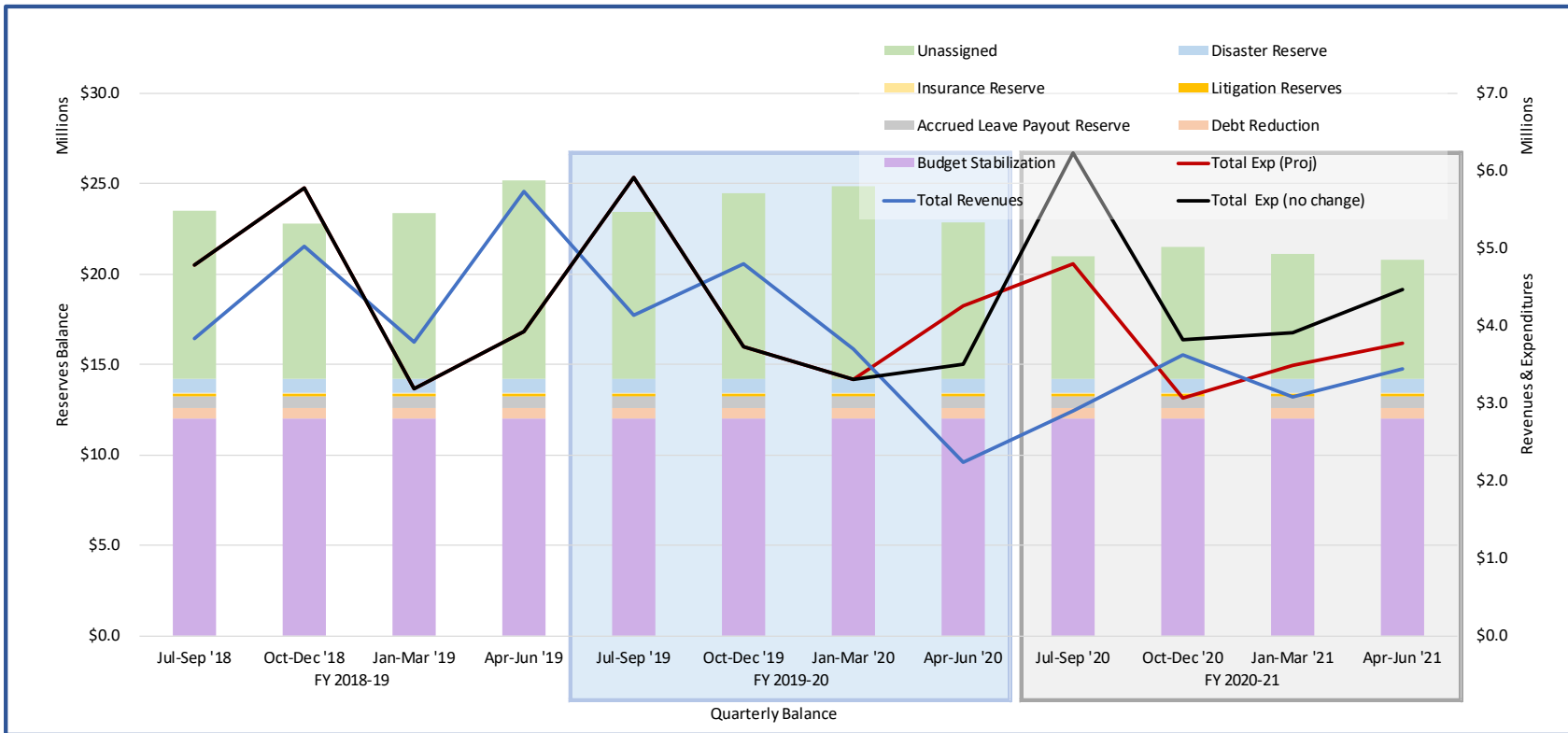
Californians depend on it.



Join the coalition!
Go to www.supportlocalrecovery.org

For more info email
supportlocalrecovery@cacities.org

Attachment B:
Quarterly Projection in Charts



The bars in the chart above, represent the various General Fund reserve balances per City Council direction. The green bar on the top of the stack is the unassigned reserve. The black and red lines are expenditures. The black line is spending based on budget and the red line shows the base minimum spending. The blue line is revenue. During regular operation, revenues are lower in Quarter 1 (July – September) and Quarter 3 (January – March) and higher in Quarter 2 and Quarter 4. A similar trend also exists for expenditures, where Quarter 1 expenditures are higher because of summer activities and annual payments.

Quarterly Projection in Numbers

General Fund (in millions)	FY 2018-19					FY 2019-20					FY 2020-21				
	2018	2018	2019	2019	Total	2019	2019	2020	2020	Total	2020	2020	2021	2021	Total
	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun		Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun		Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	
Revenues															
Sales tax	\$ 2.994	\$ 3.432	\$ 2.343	\$ 3.297	\$ 12.067	\$ 2.670	\$ 3.135	\$ 2.463	\$ 1.588	\$ 9.856	\$ 2.506	\$ 2.863	\$ 2.549	\$ 2.554	\$ 10.472
Cardroom tax	0.734	0.992	1.133	1.662	4.521	1.173	1.140	0.912	0.151	3.376	0.300	0.300	0.302	0.303	1.205
Property and other taxes	0.002	0.329	0.091	0.351	0.772	0.003	0.339	0.065	0.351	0.757	0.003	0.319	0.022	0.320	0.664
Fees, Fines, and Charges	0.075	0.074	0.110	0.092	0.350	0.115	0.094	0.095	0.009	0.313	0.000	0.048	0.079	0.074	0.201
Use of money and property	0.021	0.172	0.109	0.258	0.560	0.157	0.029	0.148	0.113	0.447	0.096	0.097	0.118	0.114	0.425
Grants, Reimb. and Other Rev.	0.011	0.023	0.007	0.075	0.116	0.015	0.054	0.021	0.017	0.108	0.000	0.000	0.004	0.075	0.079
Total Revenues (in millions)	3.837	5.022	3.793	5.733	18.385	4.133	4.790	3.705	2.230	14.857	2.904	3.627	3.073	3.441	13.045
Expenditures															
Personnel (excl pension and OPEB)	1.431	1.816	1.525	1.811	6.583	1.536	1.868	1.638	2.103	7.145	1.705	1.660	2.003	1.866	7.234
Pension & OPEB	1.312	0.622	0.576	0.598	3.108	1.727	0.584	0.559	0.732	3.602	1.325	0.346	0.386	0.609	2.666
Supplies & Contract Services	0.568	1.184	1.011	1.179	3.942	0.710	1.181	1.072	1.342	4.304	0.756	1.044	1.067	1.127	3.993
Insurance (Liability / Property)	0.598	0.006	0.045	0.007	0.655	0.622	0.001	0.028	0.029	0.680	0.715	0.010	0.030	0.030	0.785
Capital Outlay & Transfers	0.876	2.144	0.023	0.336	3.379	1.319	0.094	0.003	0.044	1.460	0.300	0.000	0.000	0.145	0.445
Total Expenditures (in millions)	4.785	5.772	3.180	3.930	17.667	5.913	3.728	3.299	4.251	17.191	4.801	3.059	3.486	3.777	15.123
Operating Surplus/(Deficit)	(0.948)	(0.750)	0.614	1.803	0.718	(1.780)	1.062	0.406	(2.021)	(2.334)	(1.896)	0.567	(0.413)	(0.336)	(2.078)
General Fund Balance															
Beginning Balance	24.456	23.508	22.758	23.371	24.456	25.174	23.394	24.456	24.862	25.174	22.840	20.944	21.512	21.099	22.840
Ending Balance (in millions)	\$ 23.508	\$ 22.758	\$ 23.371	\$ 25.174	\$ 25.174	\$ 23.394	\$ 24.456	\$ 24.862	\$ 22.840	\$ 22.840	\$ 20.944	\$ 21.512	\$ 21.099	\$ 20.763	\$ 20.763
General Fund Reserves															
Budget Stabilization	\$ 12.000	\$ 12.000	\$ 12.000	\$ 12.000	\$ 12.000	\$ 12.000	\$ 12.000	\$ 12.000	\$ 12.000	\$ 12.000	\$ 12.000	\$ 12.000	\$ 12.000	\$ 12.000	\$ 12.000
Debt Reduction	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600
Accrued Leave Payout Reserve	0.650	0.650	0.650	0.650	0.650	0.650	0.650	0.650	0.650	0.650	0.650	0.650	0.650	0.650	0.650
Litigation Reserves	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100
Insurance Reserve	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100
Disaster Reserve	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750
Unassigned	9.308	8.558	9.171	10.974	10.974	9.194	10.256	10.662	8.640	8.640	6.744	7.312	6.899	6.563	6.563
Total GF Reserves (in millions)	\$ 23.508	\$ 22.758	\$ 23.371	\$ 25.174	\$ 25.174	\$ 23.394	\$ 24.456	\$ 24.862	\$ 22.840	\$ 22.840	\$ 20.944	\$ 21.512	\$ 21.099	\$ 20.763	\$ 20.763
Use of (Added to) Reserves	\$ 0.948	\$ 0.750	\$ (0.614)	\$ (1.803)	\$ (0.718)	\$ 1.780	\$ (1.062)	\$ (0.406)	\$ 2.021	\$ 2.334	\$ 1.896	\$ (0.567)	\$ 0.413	\$ 0.336	\$ 2.078