



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

**Wednesday, March 10, 2021
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/81289976261>
Passcode: 074407**

**Meeting ID: 812 8997 6261
Passcode: 074407**

One tap mobile

+16699006833,,81289976261#,,,,,0#,,074407# US (San Jose)

+13462487799,,81289976261#,,,,,0#,,074407# US (Houston)

Dial by your location

+1 669 900 6833 US (San Jose)

+1 346 248 7799 US (Houston)

+1 253 215 8782 US (Tacoma)

+1 312 626 6799 US (Chicago)

+1 929 205 6099 US (New York)

+1 301 715 8592 US (Germantown)

**Meeting ID: 812 8997 6261
Passcode: 074407**

Find your local number: <https://us02web.zoom.us/u/kco5bgxkcc>

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.

PLEDGE OF ALLEGIANCE AND ROLL CALL

ADOPTION OF AGENDA

PUBLIC COMMENTS

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

CONSENT CALENDAR

1. Motion to Accept the Minutes from the February 24, 2021 Regular Meeting.
2. Motion to Approve the Report of Checks Paid for February 2021.
3. Motion Accepting the 2020 Annual Report on the Implementation of the General Plan, Including the Housing Element.

STUDY SESSION

4. PENSION AND OPEB UPDATE

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

5. CREEKSIDE VILLAS RENTAL POLICY REVIEW

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

NEW BUSINESS

6. FY 2019-20 MID-YEAR FINANCIAL UPDATE AND BUDGET AMENDMENT

- a. *Consider:* Motion Accepting the Fiscal Year 2020-21 Mid-Year Financial Report Through December 31, 2020 and Authorizing a Copy to be Posted on the Town's Website.
- b. *Consider:* Resolution Appropriating Funds and Amending Budget for Fiscal Year 2020-21 to Increase General Fund Appropriation by \$158,000 and Capital Project Fund by \$225,000 and Use \$140,000 of Unassigned Capital Reserve Fund.

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.gov or at Colma Town Hall, 1198 El Camino Real, Colma, CA. Persons interested in obtaining an agenda via e-mail should call Caitlin Corley, City Clerk 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.

**MINUTES
REGULAR MEETING**

City Council of the Town of Colma
Meeting Held Remotely via Zoom.us
Wednesday, February 24, 2021
7:00 PM

PLEDGE OF ALLEGIANCE AND ROLL CALL

Mayor Diana Colvin called the meeting to order at 7:01 p.m.

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

Staff Present – City Manager Brian Dossey, City Attorney Christopher Diaz, Chief of Police John Munsey, Administrative Services Director Pak Lin, Director of Public Works Brad Donohue, City Planner Michael Laughlin, Associate Planner Jonathan Kwan and City Clerk Caitlin Corley, were in attendance.

The Mayor announced, “Welcome to another of our completely remote Council Meeting. 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. Thank you.”

ADOPTION OF THE AGENDA

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

Action: Vice Mayor Fisicaro 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	
Diana Colvin, Mayor	✓				
Helen Fisicaro	✓				
Raquel Gonzalez	✓				
Joanne F. del Rosario					✓
John Irish Goodwin	✓				
	4	0			

PRESENTATION

Mayor Colvin read a proclamation in honor of Black History Month, which honored one of Colma’s famous underground residents, renowned artist Sergeant Claude Johnson. The Clerk showed a presentation of Mr. Johnson’s artwork.

PUBLIC COMMENTS

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

CONSENT CALENDAR

1. Motion to Accept the Minutes from the January 27, 2021 Regular Meeting.
2. Motion to Accept the Minutes from the February 10, 2021 Special Meeting.
3. Motion to Approve the Report of Checks Paid for January 2021.
4. Motion Accepting the Fiscal Year 2020-21 Annual Investment Report Through December 31, 2020.

Action: Vice Mayor Fiscaro moved to approve the Consent Calendar item #1 – 4; the motion was seconded by Council Member Goodwin and carried by the following vote:

Name	Voting		Present, Not Voting		Absent
	Aye	No	Abstain	Not Participating	
Diana Colvin, Mayor	✓				
Helen Fiscaro	✓				
Raquel Gonzalez	✓				
Joanne F. del Rosario					✓
John Irish Goodwin	✓				
	4	0			

NEW BUSINESS

5. FY 2019-20 AUDITED FINANCIAL STATEMENTS AND REPORTS

Administrative Services Director Pak Lin introduce the presentation by Auditor Michael O'Connor. Mayor Colvin opened the public comment period at 7:19 p.m. and seeing no one request to speak, she closed the public comment period. Council discussion followed.

Action: Council Member Goodwin moved to Adopt a Resolution Accepting Auditor’s Reports and Financial Statements for the Fiscal Year Ending June 30, 2020; the motion was seconded by Vice Mayor Fiscaro and carried by the following vote:

Name	Voting		Present, Not Voting		Absent
	Aye	No	Abstain	Not Participating	
Diana Colvin, Mayor	✓				
Helen Fiscaro	✓				
Raquel Gonzalez	✓				
Joanne F. del Rosario					✓
John Irish Goodwin	✓				
	4	0			

PUBLIC HEARING

6. ADOPTION OF REACH CODE ORDINANCE

Associate Planner Jonathan Kwan presented the staff report. Mayor Colvin opened the public comment period at 7:52 p.m. and seeing no one come forward to speak, she closed the public comment period. Council discussion followed.

Action: Council Member Gonzalez moved to Waive the Second Reading of, and Adopt an Ordinance Amending Colma Municipal Code Subchapter 5.04 to Exceed the Minimum Building Code Standards for Building Electrification and EV Charging Infrastructure; the motion was seconded by Council Member Goodwin and carried by the following vote:

Name	Voting		Present, Not Voting		Absent
	Aye	No	Abstain	Not Participating	
Diana Colvin, Mayor	✓				
Helen Fisicaro	✓				
Raquel Gonzalez	✓				
Joanne F. del Rosario					✓
John Irish Goodwin	✓				
	4	0			

STUDY SESSION

7. GENERAL PLAN

City Planner Michael Laughlin presented the staff report. Mayor Colvin opened the public comment period at 8:07 p.m. following the Community Health, Safety and Services Element presentation, and seeing no one come forward to speak, she closed the public comment period. She reopened the public comment period at 8:21 p.m. following the Open Space and Conservation Element presentation, and seeing no one come forward to speak, she 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, March 10, 2021 at 7:00 p.m. and it will be held remotely.

REPORTS

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

- San Mateo County has moved into the Red Tier in the State's Reopening Plan; this allows more businesses to operate at a higher capacity.
- Colma Police Department staff have received the first dose of their COVID-19 vaccines.
- The Town is working on several Age Friendly City projects, including adding benches along Mission Road.

- The Landscaping Requests for proposals has closed; the Town received three proposals which are being reviewed.
- A routine traffic-stop recently turned into a mental health crisis, however Colma PD worked with the citizen patiently and calmly to end the incident safely for all and make sure the citizen received the help and treatment they needed. Chief Munsey specifically commended Commander Lum for his excellent handling of the situation. Well done, Colma PD and Commander Lum!

ADJOURNMENT AND CLOSE IN MEMORY

Mayor Colvin adjourned the meeting at 8:39 p.m. and closed with a moment of silence in honor of the half a million Americans who we have lost to COVID-19.

Respectfully submitted,

Caitlin Corley
City Clerk

Bank : first TRI COUNTIES BANK

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
52789	2/2/2021	00051	CALIFORNIA WATER SERVICE6544607057	1/15/2021	6544607057 SW CORNER HIL	417.96	417.96
52790	2/2/2021	00065	COLMA HISTORICAL ASSOCIATION DVD Pur	2/1/2021	5 EACH: CITY OF SOULS, IMA	290.85	290.85
52791	2/2/2021	00071	CSG CONSULTANTS, INC. 10/31/20-11/27/2	12/17/2020	CSG	85,032.50	85,032.50
52792	2/2/2021	00093	CITY OF SOUTH SAN FRANCISCO:518327	1/12/2021	TRAFFIC SIGNAL MAINTENAN	1,695.00	1,695.00
52793	2/2/2021	00185	INTERNATIONAL ASSOCIATION:0151927	1/8/2021	JAN 1 - DEC 31, 2021 DUES S	190.00	
			0149474	1/8/2021	JAN 1 - DEC 31, 2021 DUES	190.00	380.00
52794	2/2/2021	00222	LEAGUE OF CA CITIES	1/1/2021	CALENDAR YEAR 2021 MEME	1,148.00	1,148.00
52795	2/2/2021	00254	METRO MOBILE COMMUNICA:210214	2/1/2021	MAINTENANCE CONTRACT	602.00	602.00
52796	2/2/2021	00307	PACIFIC GAS & ELECTRIC	1/21/2021	PG&E	2,328.18	
			01/25/2021	1/25/2021	PG&E	326.88	
			01/20/202	1/20/2021	PG&E	91.79	2,746.85
52797	2/2/2021	00311	PITNEY BOWES INC.	1/13/2021	FOLDING MACHINE RENTAL	506.57	506.57
52798	2/2/2021	00364	SMC SHERIFF'S OFFICE	1/21/2021	FY 2020-21 OFFICE OF EMER	6,653.00	6,653.00
52799	2/2/2021	00539	FIREMASTER DEPT 1019	1/27/2021	1199 El Camino Annual Mainte	120.00	120.00
52800	2/2/2021	00623	ARAMARK	1/4/2021	WEEKLY UNIFORM SERVICE	107.92	
			000761120753	1/11/2021	UNIFORM SERVICE	107.92	
			000761129349	1/18/2021	UNIFORM SERVICE	107.92	
			000761137754	1/25/2021	UNIFORM SERVICE	107.92	
			51800000478	12/31/2020	FIRST AID SUPPLIES	48.90	496.95
			Dec 2020 PD	1/18/2021	FIRST AID SUPPLIES	16.37	
52801	2/2/2021	01037	COMCAST CABLE	1/20/2021	8155 20 022 0097028 427 F ST	240.06	
			01/25-02/24 427	1/20/2021	8155 20 022 0097051 Internet	240.06	
			01/25-02/24 Intel	1/17/2021	8155 20 022 0002770 1520 HIL	10.94	491.06
			01/27-02/26 XFII	1/1/2021	SECTION 125 PARTICIPANT 8	717.70	717.70
52802	2/2/2021	01340	NAVIA BENEFIT SOLUTIONS	1/15/2021	CELL PHONE SERVICE	342.09	342.09
52803	2/2/2021	01370	VERIZON WIRELESS SERVICE:9871300678	1/25/2021	COVID-19 OUTBREAK CLEAN	2,844.00	
52804	2/2/2021	01565	BAY CONTRACT MAINTENAN:25094	1/25/2021	COVID-19 OUTBREAK CLEAN	391.50	3,235.50
			25095	1/26/2021	UPPER GATE ADJUSTED EXI	294.00	294.00
52805	2/2/2021	01745	WILLIAM D. WHITE CO., INC. 458128COL	1/6/2021	OFFICE SUPPLIES	43.43	43.43
52806	2/2/2021	02082	VINCE'S OFFICE SUPPLY, INC 1674446	1/28/2002	TUTORING	3,610.00	3,610.00
52807	2/2/2021	02182	DALY CITY KUMON CENTER	1/27/2021	01.27.21 DEPOSIT REFUND	225.00	
52808	2/2/2021	02257	GARCIA, SAIDA	1/27/2021	01.27.21 COVID-19 RENTAL R	210.00	435.00
			2002121.003	1/27/2021	01.27.21 COVID-19 RENTAL R	350.00	
			2002120.003	1/27/2021	01.27.21 DEPOSIT REFUND	300.00	650.00
52809	2/2/2021	02352	GUTIERREZ, IMELDA	1/27/2021	01.27.21 DEPOSIT REFUND		

Bank : first TRI COUNTIES BANK (Continued)

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
52810	2/2/2021	02499	104571913	1/15/2021	A12 STERLING PARK COPY M	76.06	76.06
52811	2/2/2021	02714	Jan 4-8, 2021 R	2/1/2021	JAN 4-8, 2021 REIMBURSE MI	292.51	292.51
52812	2/2/2021	02827	CORODATA SHREDDING, INC.RS3241039	12/31/2020	STORAGE, PICKUP/DELIVER	93.21	93.21
52813	2/2/2021	02849	U.S. BANK PARS ACCOUNT, 6 February 2021 C	2/1/2021	OPEB CONTRIBUTION	61,496.92	61,496.92
52814	2/2/2021	02935	EMCOR SERVICES-MESA ENE013590054	1/25/2021	1180 EL CAMINO HVAC PREV	1,664.32	1,664.32
52815	2/2/2021	02950	BERKOVATZ, ANTHONY	COVID-19 Test F	COVID-19 TEST REIMBURSEI	300.00	
			Jan 4-15, 2021 T	2/1/2021	JAN 4-15, 2021 TRAINING REI	155.90	455.90
52816	2/2/2021	03061	NICK BARBIERI TRUCKING, LI2219870	1/15/2021	PW GAS PURCHASES	370.46	370.46
52817	2/2/2021	03117	KITTELSON & ASSOCIATES, II0115227	1/20/2021	DECEMBER 2020 COLMA GPI	322.50	322.50
52818	2/2/2021	03224	DECORATIVE PLANT SERVICE0023253	2/1/2021	MAINTENANCE GUARANTEEI	157.31	157.31
52819	2/2/2021	03267	ACC BUSINESS	1/27/2021	ETHERNET ACCESS	674.58	674.58
52820	2/2/2021	03273	THE HOME DEPOT PRO	1/22/2021	PW PURCHASES	492.27	492.27
52821	2/2/2021	03301	NINYO & MOORE GEOTECHN 246034	1/25/2021	DECEMBER 2020 GEOTECHN	1,246.00	1,246.00
52822	2/2/2021	03379	MELENDREZ, LUIS	Jan 21-22, 2021	JAN 21-22, 2021 TASER TRAI	268.01	
			Jan 4-15, 2021 T	2/1/2021	JAN 4-15, 2021 FIREARMS TR	121.91	389.92
52823	2/2/2021	03392	ROMEO PACKING COMPANY	149516	5 GAL. FIREWORXX	491.63	491.63
2022021	2/2/2021	00282	CALIFORNIA PUBLIC EMPLOY1000000163041	1/14/2021	MEDICAL INSURANCE	5,626.34	5,626.34

Sub total for TRI COUNTIES BANK:

183,758.39

36 checks in this report.

Grand Total All Checks: 183,758.39

Bank : first TRI COUNTIES BANK

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
52824	2/9/2021	00003	8891	1/25/2021	NEW CAMERA SYSTEM INST/	967.45	
			8977	1/25/2021	PD SERVICE CALL	395.00	1,362.45
52825	2/9/2021	00013	January 2021	1/31/2021	TIRE SERVICE	35.00	35.00
52826	2/9/2021	00051	CALIFORNIA WATER SERVICE	1/27/2021	WATER BILL	4,706.18	4,706.18
52827	2/9/2021	00181	IEDA	2/1/2021	LABOR RELATIONS CONSUL-	1,520.00	1,520.00
52828	2/9/2021	00221	LCC PENINSULA DIVISION	2/2/2021	2021 MEMBERSHIP DUES FO	100.00	100.00
52829	2/9/2021	00280	OFFICE DEPOT, INC.	1/28/2021	COVID-19 RESPIRATOR MASI	163.88	
			151448093001	1/27/2021	OFFICE SUPPLIES	76.04	
			151996437001	1/27/2021	OFFICE SUPPLIES	12.88	
			151996859001	1/27/2021	OFFICE SUPPLIES	10.37	
			150074948001	1/25/2021	OFFICE SUPPLIES	10.37	
52830	2/9/2021	00307	PACIFIC GAS & ELECTRIC	1/29/2021	PG&E	211.50	263.17
52831	2/9/2021	00411	TURBO DATA SYSTEMS	1/31/2021	CITATION PROCESSING	474.36	211.50
52832	2/9/2021	00830	STAPLES BUSINESS CREDIT	1/25/2021	OFFICE SUPPLIES	363.71	474.36
52833	2/9/2021	01030	STEPFORD, INC.	1/20/2021	MONTHLY SERVICE CONTRA	5,893.80	363.71
			2101050	1/18/2021	HOURS IN EXCESS OF CONT	4,057.50	
			2005926	1/18/2021	NOV 11-DEC 31, 2020 VSAN	1,201.25	
			2005925	1/18/2021	NOV 11-DEC 31, 2020 VSAN	1,201.25	
			2005924	1/18/2021	2021/2008 SERVERS/CLM-GIS	310.00	11,462.55
52834	2/9/2021	01037	COMCAST CABLE	1/26/2021	8155 20 022 0094769 TOWN C	15,230.55	
			February 2021	1/27/2021	8155 20 022 0097069 INTERNI	245.06	15,475.61
			02/02-03/01	1/31/2021	AUDIT SERVICES	5,252.00	5,252.00
52835	2/9/2021	01629	R. J. RICCIARDI INC., CPAS	1/28/2021	ORDER PROHIBITING USE B/	675.00	675.00
52836	2/9/2021	02110	DEPT OF INDUSTRIAL RELATIS	1/26/2021	A11 TOWN HALL COPY MACH	512.58	
52837	2/9/2021	02499	GE CAPITAL INFORMATION	1/27/2021	A9 PD COPY MACHINE RENT,	274.44	787.02
			104599010	2/1/2021	FIRE ALARM MONITORING-CI	960.00	
52838	2/9/2021	02787	AECO SYSTEMS, INC.	2/1/2021	POLICE STATION FIRE ALARM	45.00	1,005.00
			21468	2/1/2021	REPLACE FAN ASSEMBLY & M	680.56	680.56
52839	2/9/2021	02793	DITO'S MOTORS	2/2/2021	CREDIT CARD PURCHASE	1,601.23	
52840	2/9/2021	03015	U.S. BANK CORPORATE PMT	1/22/2021	CREDIT CARD PURCHASE	1,083.52	
			01/22/2021 Gogf	1/22/2021	CREDIT CARD PURCHASE	404.24	
			01/22/2021 Lin	1/22/2021	CREDIT CARD PURCHASE	206.15	
			01/22/2021 Wolll	1/22/2021	CREDIT CARD PURCHASE	51.01	
			01/22/2021 Lum	1/22/2021	CREDIT CARD PURCHASE	18.46	
			01/22/2021 De L	1/22/2021	CREDIT CARD PURCHASE	10.40	3,375.01
			01/22/2021 Nave	1/22/2021	CREDIT CARD PURCHASE	185.00	185.00
52841	2/9/2021	03034	FLEX ADVANTAGE	1/31/2021	FLEX PROCESSING FEES		

Bank : first TRI COUNTIES BANK (Continued)

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
52842	2/9/2021	03113	AIRGAS USA, LLC	9109233839	1/22/2021	SAFETY VEST CL3 12 LARGE	424.76
52843	2/9/2021	03395	BPS TACTICAL, INC.	21010179	1/26/2021	2 PATROL DUTY VEST COVER	1,103.58
Sub total for TRI COUNTIES BANK:							49,462.46

20 checks in this report.

Grand Total All Checks: 49,462.46

Bank : first TRI COUNTIES BANK

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
52844	2/9/2021	00051	CALIFORNIA WATER SERVICE 01/28/2021	1/28/2021	WATER BILL	137.95	137.95
52845	2/9/2021	00174	HOME DEPOT CREDIT SERVICE January 5-22, 20	1/29/2021	PW SUPPLY PURCHASES	973.62	973.62
52846	2/9/2021	00388	SONITROL 1360822	2/1/2021	MONTHLY MONITORING	1,109.81	1,109.81
52847	2/9/2021	00500	SMC CONTROLLERS OFFICE January 2021	2/2/2021	ALLOCATION OF PARKING PE	2,741.60	2,741.60
52848	2/9/2021	02799	WAVE 103745301-000E 2/1/2021	2/1/2021	RIMS INTERNET W/SSF	400.00	400.00
Sub total for TRI COUNTIES BANK:						5,362.98	5,362.98

5 checks in this report.

Grand Total All Checks: 5,362.98

Bank : first TRI COUNTIES BANK

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
52849	2/11/2021	01340	NAVIA BENEFIT SOLUTIONS 02112021 B	2/11/2021	FLEX 125 PLAN: PAYMENT	703.61	
			02112021 B	2/11/2021	DEPENDENT CARE: PAYMEN	292.31	995.92
52850	2/11/2021	01375	NATIONWIDE RETIREMENT S:02112021 B	2/11/2021	NATIONWIDE: PAYMENT	3,125.00	
			02112021 M	2/11/2021	NATIONWIDE: PAYMENT	950.00	4,075.00
52851	2/11/2021	02377	CALIFORNIA STATE DISBURS:02112021 B	2/11/2021	WAGE GARNISHMENT: PAYM	547.84	547.84
94340	2/11/2021	00521	UNITED STATES TREASURY 02112021 M	2/11/2021	FEDERAL TAX: PAYMENT	908.55	908.55
94341	2/11/2021	01360	VANTAGE TRANSFER AGENT:02112021 M	2/11/2021	ICMA CONTRIBUTION: PAYME	464.42	464.42
94342	2/11/2021	00631	P.E.R.S. 02112021 M	2/11/2021	PERS MISC NON-TAX: PAYME	694.17	694.17
94343	2/11/2021	00282	CALIFORNIA PUBLIC EMPLOY:02112021 M	2/11/2021	ANTHEM TRADITIONAL: PAYM	8,141.33	8,141.33
94344	2/11/2021	00282	CALIFORNIA PUBLIC EMPLOY:02112021 B	2/11/2021	ANTHEM TRADITIONAL: PAYM	69,901.64	69,901.64
94345	2/11/2021	00130	EMPLOYMENT DEVELOPMEN:02112021 M,B	2/11/2021	CALIFORNIA STATE TAX: PAY	12,519.20	12,519.20
94346	2/11/2021	00521	UNITED STATES TREASURY 02112021 B	2/11/2021	FEDERAL TAX: PAYMENT	56,268.13	56,268.13
94347	2/11/2021	00631	P.E.R.S. 02112021 B	2/11/2021	PERS - BUYBACK: PAYMENT	44,634.83	44,634.83
94348	2/11/2021	01360	VANTAGE TRANSFER AGENT:02112021 B	2/11/2021	ICMA CONTRIBUTION: PAYME	5,131.79	5,131.79
94349	2/11/2021	00068	COLMA PEACE OFFICER'S 02112021 B	2/11/2021	COLMA PEACE OFFICERS: P/	606.83	606.83

Sub total for TRI COUNTIES BANK:

204,889.65

13 checks in this report.

Grand Total All Checks: 204,889.65

Bank : first TRI COUNTIES BANK

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
52852	2/16/2021	00020	ASSOCIATED SERVICES INC 121020070	1/1/2021	WATERLOGIC RENTAL	40.00	
			121020069	2/1/2021	MTN H/C BWC	9.00	49.00
52853	2/16/2021	00071	CSG CONSULTANTS, INC. 11/28/20-12/25/2	1/26/2021	CSG	84,906.04	84,906.04
52854	2/16/2021	00087	CITY OF DALY CITY AR245635	2/3/2021	COST SHARE OF ELECTRICA	182.26	182.26
52855	2/16/2021	00093	CITY OF SOUTH SAN FRANCISCO 1518365	1/28/2021	TRAFFIC SIGNAL MAINTENAN	3,519.28	3,519.28
52856	2/16/2021	00110	DEPARTMENT OF TRANSPORTS L210428	1/28/2021	SIGNALS & LIGHTING	1,223.13	1,223.13
52857	2/16/2021	00236	LAURETTA PRINTING COMPAN 32183	2/4/2021	500 NOTE CARDS AND ENVE	461.13	461.13
52858	2/16/2021	00307	PACIFIC GAS & ELECTRIC 3007220528-6	2/8/2021	PG&E	3,252.97	3,252.97
52859	2/16/2021	00307	PACIFIC GAS & ELECTRIC 118932206	2/8/2021	1773 MISSION ROAD NEW ST	2,106.75	2,106.75
52860	2/16/2021	00334	S.B.R.P.S.T.C. 133823INV	2/11/2021	MARCH 8-10, 2021 FTP/SAC V	133.00	133.00
52861	2/16/2021	00412	TELECOMMUNICATIONS ENG46963	2/10/2021	Facilities Mgmt & Maintenance	1,515.00	1,515.00
52862	2/16/2021	00414	TERMINEX INTERNATIONAL L17380706	2/16/2021	TERMITE BAITING SERVICE F	403.00	
			404578011	2/8/2021	PEST CONTROL	244.00	
			404578012	2/8/2021	601 F St.	79.00	726.00
52863	2/16/2021	00592	METROPOLITAN TRANSPORT4926-AR11892	12/23/2020	3/1/21-2/28/22 STREETSAVER	750.00	750.00
52864	2/16/2021	01030	STEPFORD, INC. 2101069	2/4/2021	FUJITSU SCANSNAP IX1500 S	699.53	699.53
52865	2/16/2021	01399	WESTLAKE ECO SOFT TOUCHJanuary 2021	2/1/2021	PD CAR WASH	35.85	35.85
52866	2/16/2021	01414	VERANO OWNERS ASSOCIAT3	3/1/2021	VERANO OWNERS ASSOCIAT	385.00	385.00
52867	2/16/2021	01863	RODRIGUEZ, RYAN Work Boots Reir	1/23/2021	11/29/2020 WORK BOOT REIM	130.00	130.00
52868	2/16/2021	02216	RAMOS OIL CO. INC. 731578	1/20/2021	PD GASOLINE PURCHASES 1	1,696.70	
			730207	1/10/2021	PD GASOLINE PURCHASES 1	1,591.81	
			732988	1/31/2021	PD GASOLINE PURCHASES 2	1,513.91	
			733367	1/31/2021	RECREATION GASOLINE PUF	53.90	4,856.32
52869	2/16/2021	02499	GE CAPITAL INFORMATION 5061319445	2/1/2021	PD COPY FEES	424.46	
			5061323504	2/1/2021	CCC COPY FEES	222.88	647.34
52870	2/16/2021	02499	GE CAPITAL INFORMATION 104608240	1/31/2021	A10 CCC COPY MACHINE	274.44	274.44
52871	2/16/2021	02827	CORODATA SHREDDING, INC.RS3249675	1/31/2021	STORAGE, PICKUP/DELIVER	60.31	60.31
52872	2/16/2021	02863	PLACEWORKS, INC. 74391	1/31/2021	GENERAL PLAN UPDATE SUF	267.75	267.75
52873	2/16/2021	03061	NICK BARBIERI TRUCKING, LI2222932	1/31/2021	PW GAS PURCHASES	366.94	366.94
52874	2/16/2021	03262	FEHR & PEERS 143244-21	1/15/2021	BIKE PEDESTRIAN IMPROVEI	4,146.61	7,623.61
			143404-22	2/10/2021	BIKE PEDESTRIAN IMPROVEI	3,477.00	
52875	2/16/2021	03273	THE HOME DEPOT PRO 597282755	1/28/2021	PW PURCHASES	206.47	206.47
52876	2/16/2021	03396	NAVARRO, DINORA 02/04/2021 Reir	2/5/2021	02/04/21 TARGET MOMMY & I	33.32	33.32
52877	2/16/2021	03397	BEHAVIORAL ANALYSIS TRAINV04194	12/17/2020	INVESTIGATIVE INTERVIEW S	481.00	481.00

Sub total for TRI COUNTIES BANK: 114,892.44

26 checks in this report.

Grand Total All Checks: 114,892.44

Bank : first TRI COUNTIES BANK

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
52878	2/16/2021	03034	MARCH 2021	2/16/2021	HEALTH REIMBURSEMENT A	60,335.24	60,335.24
Sub total for TRI COUNTIES BANK:						60,335.24	60,335.24

1 checks in this report.

Grand Total All Checks:

60,335.24

Bank : first TRI COUNTIES BANK

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
52879	2/24/2021	00307	PACIFIC GAS & ELECTRIC 02/11/2021	2/11/2021	PG&E	1,874.63	1,874.63
52880	2/24/2021	00674	SMC DEPT OF HOUSING:HOUHCD21-35	1/22/2021	COLMA'S PORTION OF PAYM	18,500.00	18,500.00
52881	2/24/2021	01030	STEPFORD, INC. 2005961	2/4/2021	HOURS IN EXCESS OF CONT	1,887.50	1,887.50
52882	2/24/2021	01037	COMCAST CABLE 02/11-03/10 601	2/7/2021	8155 20 022 0096715 601 F ST	110.06	110.06
52883	2/24/2021	01183	BEST BEST & KRIEGER LLP 898318	2/18/2021	CITY ATTORNEY SERVICES	19,527.00	
			898320	2/18/2021	JANUARY 2021 ADV. FRIENDS	2,364.42	
			898319	2/18/2021	CITY ATTORNEY SPECIAL SE	2,328.80	24,220.22
52884	2/24/2021	01653	KAISER PERMANENTE MEDIC January 2021	2/9/2021	HEALTH & SAFETY SERVICES	20.00	20.00
52885	2/24/2021	02566	STARVISTA 5765	1/31/2021	FIRST CHANCE PROGRAM	3,385.42	3,385.42
52886	2/24/2021	03334	AT&T MOBILITY NATIONAL AC287296200335X	2/2/2021	WIRELESS	1,349.96	1,349.96
52887	2/24/2021	03362	THE CBR GROUP, INC. 2628PL Deposit	6/30/2020	2628PL DEPOSIT REFUND	2,000.00	2,000.00
52888	2/24/2021	03398	BELSON OUTDOORS, LLC 190183	2/5/2021	3 PP6CSS VINTAGE PARISIAN	6,159.29	6,159.29

Sub total for TRI COUNTIES BANK:

59,507.08

10 checks in this report.

Grand Total All Checks:

59,507.08

Bank : first TRI COUNTIES BANK

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
52889	2/24/2021	00117	DELTA DENTAL OF CALIFORNIA BE004327516	3/1/2021	DENTAL INSURANCE	13,084.32	13,084.32
52890	2/24/2021	00623	January 2021	1/31/2021	FIRST AID SUPPLIES	129.67	
			December 2020	1/31/2021	FIRST AID SUPPLIES	65.20	194.87
52891	2/24/2021	02224	STANDARD INSURANCE COMMARCH 2021	2/12/2021	LIFE INSURANCE	205.00	205.00
Sub total for TRI COUNTIES BANK:							13,484.19

3 checks in this report.

Grand Total All Checks:

13,484.19

Bank : first TRI COUNTIES BANK

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
52892	2/26/2021	00047	02262021 B	2/26/2021	CLEA: PAYMENT	220.50	220.50
52893	2/26/2021	01340	02262021 B	2/26/2021	FLEX 125 PLAN: PAYMENT	703.60	
52894	2/26/2021	01375	02262021 B	2/26/2021	DEPENDENT CARE: PAYMENT	292.31	995.91
52895	2/26/2021	02224	02262021 B	2/26/2021	NATIONWIDE: PAYMENT	3,125.00	3,125.00
52896	2/26/2021	02377	02262021 B	2/26/2021	LIFE INSURANCE: PAYMENT	430.50	430.50
94350	2/26/2021	00130	02262021 B	2/26/2021	WAGE GARNISHMENT: PAYMENT	547.84	547.84
94351	2/26/2021	00521	02262021 B	2/26/2021	CALIFORNIA STATE TAX: PAYMEI	13,312.96	13,312.96
94352	2/26/2021	00631	02262021 B	2/26/2021	FEDERAL TAX: PAYMENT	59,197.34	59,197.34
94353	2/26/2021	01360	02262021 B	2/26/2021	PERS - BUYBACK: PAYMENT	44,240.37	44,240.37
94354	2/26/2021	00068	02262021 B	2/26/2021	ICMA CONTRIBUTION: PAYMENT	5,132.92	5,132.92
					COLMA PEACE OFFICERS: PAYM	606.83	606.83

Sub total for TRI COUNTIES BANK:

127,810.17

10 checks in this report.

Grand Total All Checks: 127,810.17





STAFF REPORT

TO: Mayor and Members of the City Council
 FROM: Michael P. Laughlin, AICP, City Planner
 Suzanne Avila, AICP, Deputy City Planner
 VIA: Brian Dossey, City Manager
 MEETING DATE: March 10, 2021
 SUBJECT: 2020 General Plan and Housing Element Annual Report

RECOMMENDATION

Staff recommends that the City Council make the following motion:

MOTION ACCEPTING THE 2020 ANNUAL REPORT ON THE IMPLEMENTATION OF THE GENERAL PLAN, INCLUDING THE HOUSING ELEMENT.

EXECUTIVE SUMMARY

The Town is required to submit an annual report on the implementation of the General Plan and Housing Element to the State. Prior to staff sending the report to the state, the City Council must accept the report.

FISCAL IMPACT

The preparation of the 2020 Annual Report on the status of implementation of the General Plan and Housing Element does not have an impact on the Town's adopted budget.

BACKGROUND

California Government Code Section 65400 requires that an Annual Report be prepared that details the status of implementation of the General Plan and the Housing Element. This report is to be submitted to the City Council, the Governor's Office of Planning and Research (OPR), and the California Department of Housing and Community Development (HCD) before April 1 each year.

ANALYSIS

The Colma General Plan was adopted in 1999. Some policies are quite outdated and are evidence of the need for the General Plan update that is in progress. However, many of

the policies still apply. The City Council has held study sessions on updates to the General Plan. The discussion below highlights actions that have been taken in 2020 with regard to each element of the existing General Plan:

Housing Element

No new housing units were built in Colma in 2020, so many pages of the Annual Housing Report (Attachment A) are blank. The following list summarizes the policy highlights of Housing Element implementation in the last calendar year:

- A new Accessory Dwelling Unit (ADU) Ordinance was adopted by the City Council to comply with new state laws. The ordinance became effective in July 2020. A new webpage was recently created to assist property owners in understanding what is required to add or construct a new ADU or Junior ADU.
- The only housing category where Colma has not produced any units in the current RHNA cycle is in the moderate-income category.
- Colma continues to provide funding to programs such as the Human Investment Project (HIP), and Lifemoves as discussed in the Housing Element. These non-profits provide housing related services to Colma and the broader San Mateo County community.

Additional information about Housing Element compliance can be found in Tables B and D of the attached Annual Progress Report.

Circulation Element

No policy implementation occurred this year on the General Plan Circulation Element. The Town largely completed improvements on Mission Road which added and improved sidewalks and added safety improvements and green infrastructure. In addition, the Town completed a Bicycle and Pedestrian plan for El Camino Real.

Land Use Element

No policy implementation occurred this year on the General Plan Land Use Element.

Open Space and Conservation Element

The Town was certified as a Tree City for a third year and has applied for Tree City status for 2021.

Noise Element

No policy implementation occurred this year on the General Plan Noise Element.

Safety Element

No policy implementation occurred this year on the General Plan Safety Element.

Historical Resources Element

No policy implementation occurred this year on the General Plan Historical Resources Element.

2023-2031 Housing Element

Separate from the 2040 General Plan Update, the Town is required to update the Housing Element for the 2023-2031 housing cycle (6th Cycle) by December 2022. The Regional Housing Needs Assessment (RHNA) allocations for Colma is currently 202 units. This is a much higher allocation than the Town received for the current housing cycle (59 units). The workplan for the 2023-2031 Housing Element Update is attached for the Council's information.

Council Adopted Values

The Annual Report on the General Plan complies with the Council's commitment to ***Responsibility*** through the periodic review of the implementation of adopted policies and programs.

Sustainability Impact

A motion to accept the 2020 annual report on the implementation of the general plan will have no impact on sustainability.

Alternatives

The City Council could take no action. Doing so is not recommended, as the Town would not be in compliance with the requirements of Government Code Section 65400 to submit an annual report.

CONCLUSION

Staff recommends that the City Council, by motion, accept the 2020 Annual Report on the status of Implementation of the General Plan and Housing Element.

ATTACHMENTS

- A. 2020 Annual Element Progress Report, Tables A-H
- B. Housing Element Update Workplan



Jurisdiction	Colma	
Reporting Year	2020	(Jan. 1 - Dec. 31)

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
 (CCR Title 25 §6202)

This table is auto-populated once you enter your jurisdiction name and current year data. Past year information comes from previous APRs.
 Please contact HCD if your data is different than the material supplied here

Table B													
Regional Housing Needs Allocation Progress													
Permitted Units Issued by Affordability													
		1	2								3	4	
Income Level		RHNA Allocation by Income Level	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total Units to Date (all years)	Total Remaining RHNA by Income Level
Very Low	Deed Restricted	20				31						31	
	Non-Deed Restricted												
Low	Deed Restricted	8				34						34	
	Non-Deed Restricted												
Moderate	Deed Restricted	9											9
	Non-Deed Restricted												
Above Moderate		22			6	4						10	12
Total RHNA		59											
Total Units					6	69						75	21

Note: units serving extremely low-income households are included in the very low-income permitted units totals
 Cells in grey contain auto-calculation formulas

ANNUAL ELEMENT PROGRESS REPORT

Housing Element Implementation

(CCR Title 25 §6202)

Jurisdiction	Colma	
Reporting Year	2020	(Jan. 1 - Dec. 31)

Table D

Program Implementation Status pursuant to GC Section 65583

Housing Programs Progress Report

Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.

1	2	3	4
Name of Program	Objective	Timeframe in H.E	Status of Program Implementation
Program 1.1 Manufactured Housing Design Standards	Allows for construction of single family residences at lower costs, thereby reducing the cost of housing.	Ongoing.	Ordinance 720 adopted in 2013. Planning Department is responsible for making developers aware of this provision.
Program 1.2 General Plan Consistency Review and Annual Report	Increase awareness to decision makers of annual progress toward meeting Housing Element Goals.	Ongoing.	Continue internal consistency review annually and make report available to the public.
Program 2.1 Second Unit Ordinance	To increase the number of second dwelling units; and To encourage the development of second units in areas of the town where they are permitted or conditionally permitted (C and R zones)	Ongoing.	Accessory Dwelling Unit Ordinance adopted in 2017. Planning Department is responsible for providing information to prospective developers in areas where second units are permitted.
Program 3.1 Planned Development Districts and Mixed Use.	To optimize the use of developable land to maximize the General Plan density of each developable site; and To allow for implementation of Density Bonus provisions when appropriate	Ongoing.	Planning Department is responsible for the review of planned development applications. City Council is responsible for the adoption of planned development rezones.
Program 3.2 Density Bonus Provisions for Affordable Housing.	To increase the supply of housing units through the use of density bonus provisions.	Ongoing.	Density Bonus Ordinance Adopted in 2005. Planning Department continues to make developers aware of density bonus provisions.

Program 3.3 High-Density Housing Near Colma and South San Francisco BART Stations.	To facilitate the development of housing units and affordable housing units in proximity to the BART station.	Ongoing.	Ongoing provision of information to prospective property buyers
Program 3.4 Planner Responsibility to Promote Affordable Housing and Mixed-Use.	To assist in the development of affordable units	Ongoing.	Ongoing implementation of existing program.
Program 3.5 Planned Development Zoning Provisions for Single Family Attached Development.	To optimize the use of developable land to maximize the General Plan density of each developable site; and To allow for implementation of Density Bonus provisions when appropriate	Ongoing.	Ongoing enforcement of existing ordinance and standards.
Program 3.6 Ensure No Net Loss of Required Units.	To assure that all units identified in the Housing Element will be built on designated sites or alternative sites.	Ongoing.	Ongoing provision of information to developers and enforcement of the no net loss provision.
Program 3.7 Inclusionary Housing.	To create new affordable housing units both for rent and for sale.	Complete. .	Inclusionary Housing Ordinance adopted in 2005. Nexus Study and Housing Impact Fees adopted 2016
Program 4.1 Reasonable Accommodations Ordinance Public Information, Ordinance Amendment and Monitoring	To assure that reasonable accommodation is made for individuals to have equal access to housing.	Ongoing.	Town amended ordinance in 2007. The Planning Department continues to monitor the implementation of the Town's codes, policies and procedures to ensure that they comply with the "reasonable accommodation" for disabled provisions and all fair housing laws.
Program 4.2 Senior Housing.	To maintain affordable housing for seniors within the community.	Ongoing.	Town of Colma Administration and the Department of Public Works responsible for maintenance/management of the facility.
Program 4.3 Emergency Shelters.	Allowance for an emergency shelter	Ongoing.	Planning Department responsible for advising a potential developer of an emergency shelter of the zoning provisions. Building Department responsible for processing building permit.
Program 4.4 Inform local developers of opportunities to provide transitional and supportive housing.	Allowance for transitional and supportive housing	Ongoing.	Planning Department is continuing to provide information regarding the Town's transitional and supportive housing opportunities to local developers through counter handouts and interactions. Information is also on the Town's website.

Program 4.5 Amend the Zoning Code within one year of adoption of the Colma Housing Element to clarify that transitional and supportive housing is considered a residential use of the property, subject only to those restrictions that apply to other residential dwellings of the same type in the same zone.	Allowance for transitional and supportive housing in residential zones	Ongoing.	Municipal Code amended in 2013. Planning Department to inform those that make inquiries to the Planning Department of the provisions.
Program 4.6. Reach out to local service providers of special needs groups to assist in the identification and analysis of constraints to the provision of housing for persons with disabilities.	To assure that equal access and opportunities are provided to persons with disabilities for housing.	Ongoing.	-
Program 5.1 Knowledgeable Housing Referral.	To assure that referrals can be made to provide equal access to housing.	Ongoing.	Planning Department is responsible for the ongoing management of the existing program.
Program 5.2 Human Investment Project (HIP) Support.	Supports better utilization of existing housing stock and provides affordable housing. It also supports better maintenance of existing housing stock.	Ongoing.	Planning Department is responsible for the ongoing management of the existing program. City Council responsible for the approval of any monetary support
Program 5.3 Section 8 Rental Assistance.	To assure that information is provided to qualified applicants to provide equal access to housing.	Ongoing.	Planning Department is responsible for the ongoing management of the existing program.
Program 5.4 Housing Recordkeeping.	To conserve and improve the condition of the existing housing stock.	Ongoing.	Planning Department is responsible for the ongoing management of the existing program.
Program 5.5 Address needs of Extremely Low-Income Households.	To assist developers and property owners in making affordable units available, which, in turn, provides equal housing opportunities.	Ongoing.	Planning Department will lead the outreach and information dispersal efforts.

Program 6.1 Greenbuilding Regulations for Residential Uses.	To create new and sustainable residential development To retrofit existing structures to increase efficiency and reduce energy use and cost	Ongoing.	After there is a better understanding of the Cal Green Building Code requirements, the town will study the feasibility of adopting a green building ordinance. Town adopted a Water Efficient Landscape Ordinance in 2015.
Program 6.2 Encourage use of cool roofing systems and other energy conservation measures to reduce a building's energy usage.	•To create new and sustainable residential development •To retrofit existing structures to increase efficiency and reduce energy use and cost	Ongoing.	The Planning and Building Department provide information to the public on programs to assist in the provision of energy efficiency measures during new construction or as a residential retrofit.
Program 7.1 "Rebuilding Together Peninsula" Participation.	To conserve and improve the condition of the existing housing stock.	Ongoing.	Ongoing participation in existing program
Program 7.2 Minor Housing Repair Grant Program.	To conserve and improve the condition of the existing housing stock.	Ongoing.	Study was conducted in December 2016 and the program was found infeasible. Permit fees for standard residential repairs have been kept to encourage property maintenance.
Program 7.3 Neighborhood Improvement (Code Enforcement).	To conserve and improve the condition of the existing housing stock.	Completed. Ongoing code enforcement program.	Ordinance adopted September 12, 2012.
Program 7.4 Low-interest loan program for very-low, low, and moderate income homeowners.	To conserve and improve the condition of the existing housing stock. To allow low income homeowners to remain in their homes	Completed.	Study completed in 2016. Program was determined to be infeasible.
Program 7.5 Underground Utilities in the Mission Road Corridor.	To make Mission Road more attractive for new residential development.	Ongoing.	Portions completed but suspended due to recession. Project to remain in CIP until implemented.
Program 7.6 Nuisance Abatement and Property Maintenance process to Improve Individual Properties and Neighborhood Pride.	To conserve and improve the condition of the existing housing stock	Ongoing.	Planning Department is responsible for ongoing enforcement of municipal zoning code
Program 7.7 Organize Community Clean Up Days.	To conserve and improve the condition of the existing housing stock.	Ongoing.	Planning and Recreation departments organize community clean-up days on an annual basis.

Jurisdiction	Colma	
Reporting Period	2020	(Jan. 1 - Dec. 31)

ANNUAL ELEMENT PROGRESS REPORT

Housing Element Implementation

(CCR Title 25 §6202)

Note: "+" indicates an optional field
Cells in grey contain auto-calculation formulas

Table F

Units Rehabilitated, Preserved and Acquired for Alternative Adequate Sites pursuant to Government Code section 65583.1(c)

Please note this table is optional: The jurisdiction can use this table to report units that have been substantially rehabilitated, converted from non-affordable to affordable by acquisition, and preserved, including mobilehome park preservation, consistent with the standards set forth in Government Code section 65583.1, subdivision (c). Please note, motel, hotel, hostel rooms or other structures that are converted from non-residential to residential units pursuant to Government Code section 65583.1(c)(1)(D) are considered net-new housing units and must be reported in Table A2 and not reported in Table F.

Activity Type	Units that Do Not Count Towards RHNA ⁺ Listed for Informational Purposes Only				Units that Count Towards RHNA ⁺ Note - Because the statutory requirements severely limit what can be counted, please contact HCD to receive the password that will enable you to populate these fields.				The description should adequately document how each unit complies with subsection (c) of Government Code Section 65583.1 ⁺
	Extremely Low-Income ⁺	Very Low-Income ⁺	Low-Income ⁺	TOTAL UNITS ⁺	Extremely Low-Income ⁺	Very Low-Income ⁺	Low-Income ⁺	TOTAL UNITS ⁺	
Rehabilitation Activity									
Preservation of Units At-Risk									
Acquisition of Residential Units									
Mobilehome Park Preservation									
Total Units by Income									





2031 Housing Element Updates

work plan / schedule overview

BASE PACKAGE

GETTING STARTED PACKAGE

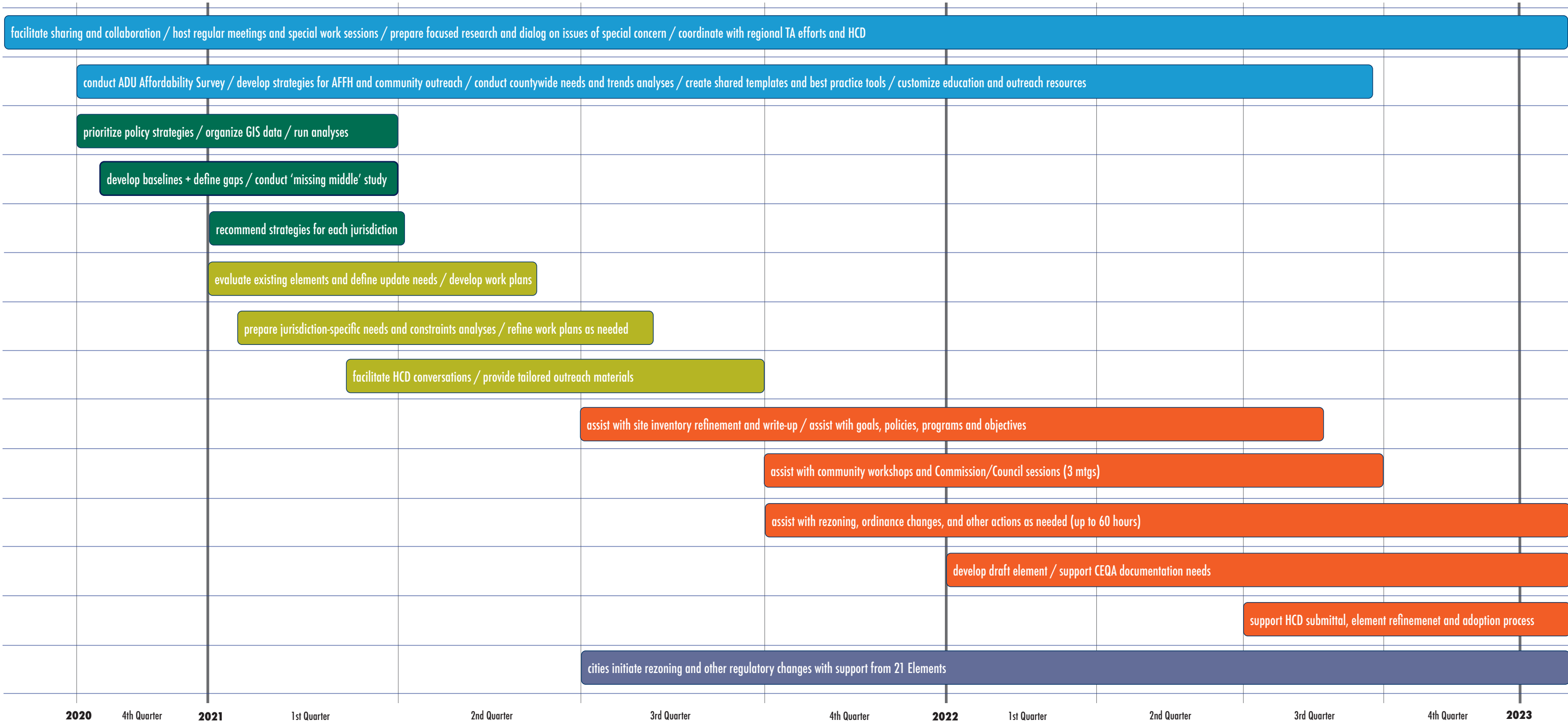
FOUNDATIONS PACKAGE

FULL PACKAGE

Phase One - Start Analyses; Develop Work Plans; Launch Engagement

Phase Two - Focus on Sites; Continue Engagement; Develop Policies

Phase Three - Continue Engagement ; Release Complete Draft Element; Submit to HCD; Adopt by January 2023







STAFF REPORT

TO: Mayor and Members of the City Council
 FROM: Pak Lin, Administrative Services Director
 VIA: Brian Dossey, City Manager
 MEETING DATE: March 10, 2021
 SUBJECT: Pension and OPEB Update

RECOMMENDATION

Staff seeks comments, questions, impressions, and opinions from each Council member regarding the Pension and OPEB status update.

EXECUTIVE SUMMARY

As with most cities, pension and other post-employment benefit (OPEB) plan obligations are and will continue to be some of the Town's largest financial concerns for decades to come. The Town of Colma is managing these liabilities very well but it is important that the liabilities receive appropriate and regular attention.

With its current participants and benefit levels, the Town's accrued pension liability (AL) is projected to exceed \$47.9 million on the June 30, 2020 Annual Valuation Report¹. The AL is the funding target level if the plan(s) were fully funded. At the same balance sheet date, the market value of assets (MVA) in trust with CalPERS is approximately \$37.8 million. The shortfall between the AL and the MVA is the Town's Unfunded Accrued Liability (UAL) or \$10.2 million. The UAL represents the amount the Town is short of its funding target as of June 30, 2020. The MVA as a percent of the AL is known as the funded status. The Town's funded status is 78.8% as of the same balance sheet date.

The Town's OPEB plan has a significantly smaller AL at \$16.6 million and an actuarial projection of assets of \$3.9 million, leaving a net OPEB (unfunded) liability of \$12.6 million, or a funded status of 24.59%. These statistics have a valuation date of June 30, 2018, projected forward for use on the Town's June 30, 2020 balance sheet.

A pension primer can be found in attachment A of this report.

¹ CalPERS Annual Valuation Reports are typically one year behind. For example, the July 2020 report is for Valuation Report as of June 30, 2019 and the reported cost is for FY 2021-22. As a result, financial impact experienced in FY 2018-19 will change the normal cost and unfunded accrued liability in FY 2021-22 (the two-year lag)

FISCAL IMPACT

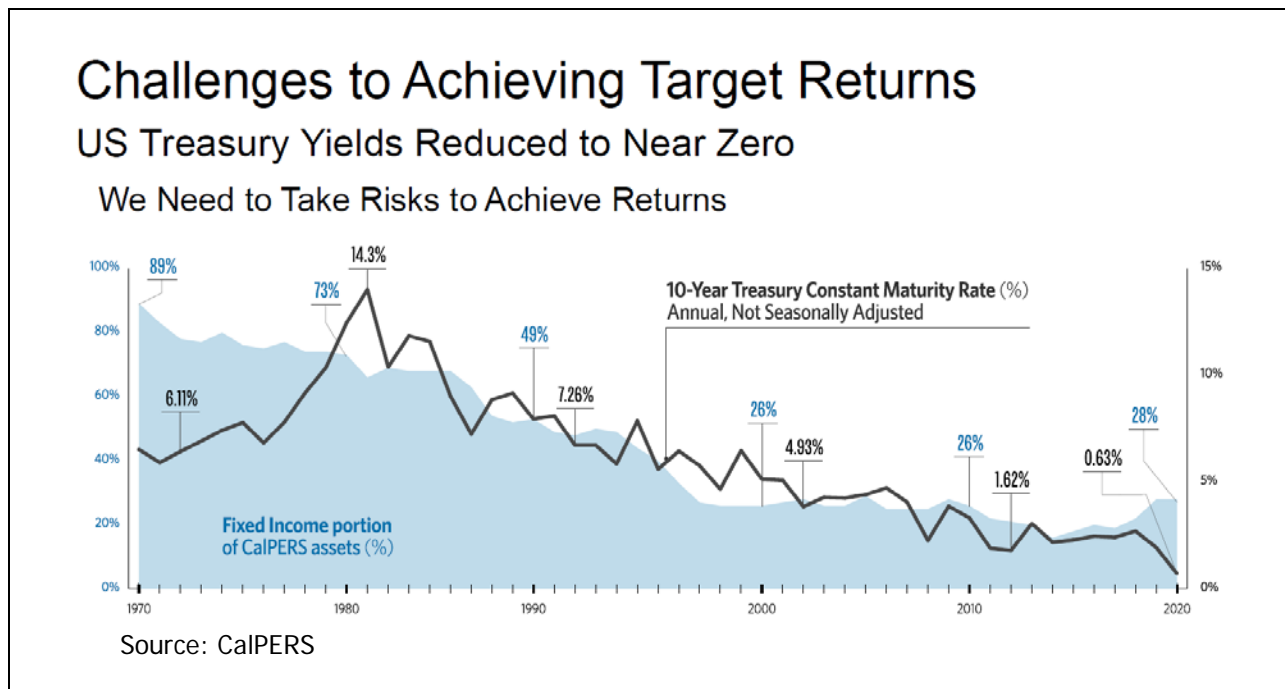
There is no fiscal impact related to the staff recommended action.

BACKGROUND & ANALYSIS

As previously stated, as with most local agencies, pension and other post-employment benefit (OPEB) plan obligations are and will continue to be some of the Town's largest financial concerns for decades to come. The Town hired GovInvest to provide additional actuarial and analytical support. According to GovInvest consultants, the Town of Colma is managing these liabilities very well with one of the most progressive funding strategies they have seen deployed by local agencies. Still, it is important that these liabilities receive appropriate and regular attention.

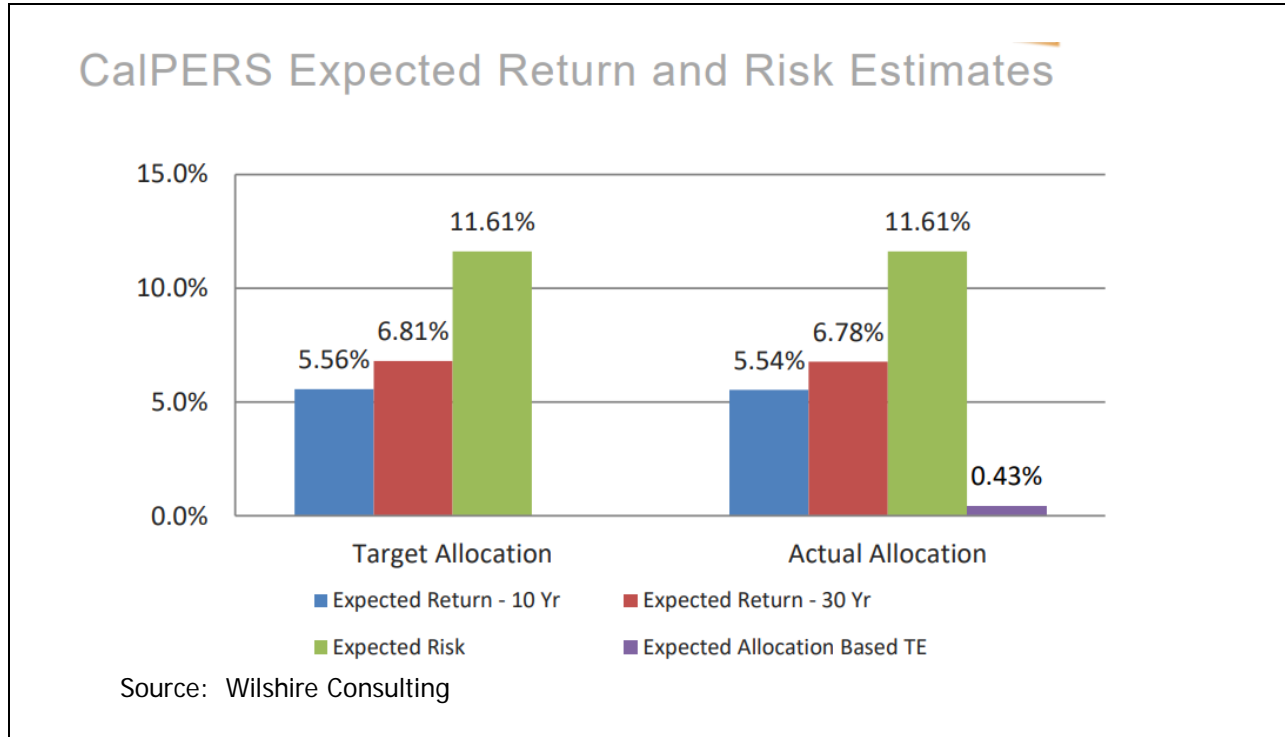
Lower Capital Market Assumptions (CMAs) and the Funding Dilemma

Nearly 28% of the CalPERS investment portfolio is made up of fixed income instruments. As illustrated in the following chart, US Treasury yields have declined to nearly zero and retirement plan administrators are faced with the uncomfortable dilemma of taking on more risk to achieve the target rate of return or otherwise lowering the discount rate to levels that may make the promised benefit levels increasingly unaffordable to plan sponsors.



Representing approximately two-thirds of overall pension plan funding, investment earnings are one of the most important of all pension plan assumptions. If actual investment earnings fall below the assumed earnings assumption (discount rate) of 7%, the plans' funded status suffers. If the investment earnings assumption continues to decrease, the viability of pension plans come into question because even more of the promised benefit cost must be shouldered by the employer. As is illustrated below, CalPERS' investment advisors estimate that PERS will earn an average of 5.54% over the next 10-year period and only 6.78% on average for the next 30 years. Given the current earnings target of 7%, these estimates may be an early indicator that the

CalPERS board may need to lower their target discount rate further. This CalPERS board decision is expected to be made in November of 2021.



The Town of Colma has been out in front of this issue and is one of only a few agencies *already* funding the pension plan assuming the plan will only earn 6.5% on average. The City Council and staff should be commended for their leadership and forward thinking on this issue.

PENSION FUNDING PROGRESS AND PROJECTED COSTS

During the last six-year period, CalPERS lowered their assumed earnings target from 7.5% to 7.0% and underperformed the target rate of return three out of the last 5 years. Even so, the Town's funding progress increased from nearly 71% in 2016 to nearly 79% in 2020, not including the additional \$1.5 million in the Town's pension pre-funding trust. Including assets in the prefunding trust would bring the funded status to nearly 82%.

PENSION FUNDING PROGRESS

Fiscal Year Ended (FYE)	2016	2017	2018	2019	2020
Accrued Liability (AL)	\$35,215,939	\$38,992,378	\$43,550,209	\$46,709,996	\$47,909,098
Market Value of Assets (MVA)	\$24,929,314	\$28,792,778	\$32,931,305	\$35,690,685	\$37,755,188
Unfunded Accrued Liability (UAL)	10,286,625	10,199,600	10,618,904	11,019,311	10,153,910
Funded Status	70.79%	73.84%	75.62%	76.41%	78.81%

INVESTMENT RETURN

CalPERS Assumption	7.39%	7.25%	7.00%	7.00%	7.00%
Actual Experience	0.60%	11.20%	8.60%	6.70%	4.70%
Experience Gain/Loss	-6.79%	3.95%	1.60%	-0.30%	-2.30%

Annual pension costs also continue to remain at elevated levels but are relatively flat compared to most local agencies that are experiencing rapidly climbing UAL contributions through FY 2025, due to massive experience losses and changes in actuarial assumptions due to the Great Recession. There is a two-year lag between the actuarial valuation year (above) and the pension cost contribution year (below). Largely due to the decrease in discount rates, employer normal costs for this period grew at a 4.9% compound annual growth rate (CAGR).

ANNUAL PENSION COST TREND

Fiscal Year Beginning July, 1	2018	2019	2020	2021	2022
Employee Contribution	\$406,127	\$423,332	\$433,248	\$444,378	\$458,235
Employer Normal Cost	\$687,045	\$748,941	\$825,029	\$819,148	\$834,383
Unfunded Liability Contribution	\$1,728,131	\$831,020	\$980,457	\$1,107,529	\$951,270
Employer Contribution @ 7%	2,415,176	1,579,961	1,805,486	1,926,677	1,785,653*

* As a margin for adverse investment experience, the Town's funding strategy has been to fund employer costs assuming a discount rate of 6.5% which would amount to an additional \$435,000 in total contribution.

OPEB Funded Status and Cost Trend

Unlike the Pension Plan administered by CalPERS, the Town of Colma and most OPEB plans throughout the state are single employer plans administered by the local agency itself. Therefore, City Council and management have significantly more control over OPEB plan assumptions and funding. The investment strategies and assumptions are largely up to the City Council, but they should reasonably conform to actuarial standards of practices (ASOP). The economic factors impacting OPEB investments are very similar to those that pension plans face. The Town has elected to use a moderately conservative investment strategy (70% fixed income and cash and 30% equities) for the OPEB plan with a discount rate/expected rate of return of approximately 5.5%.

	OPEB FUNDING PROGRESS		
	Actual	Actual	Projected
Measurement Period:	2017-18	2018-19	2019-20
Reporting Period:	2018-19	2019-20	2020-21
Accrued Liability (AL)	15,649,149	16,641,989	16,598,083
Actuarial Value of Assets (AVA)	1,610,173	2,749,061	4,081,841 *
Unfunded Accrued Liability	14,038,976	13,892,928	12,516,242
Funded Status	10.29%	16.52%	24.59% *

* The actual market value of assets (MVA) at 6/30/20 was \$5,802,691 so the funded status on an MVA basis was 34.96%.

	Actual	Actual	Projected	Projected	Projected
Measurement Period:	2017-18	2018-19	2019-20	2020-21	2020-22
Reporting Period:	2018-19	2019-20	2020-21	2021-22	2021-23
Normal Service Cost	758,157	780,902	684,418	703,240	722,579
Unfunded Liability Contribution	873,184	899,380	910,620	1,005,937	1,111,593
Actuarial Determined Cost (ADC)	1,631,341	1,680,282	1,595,038	1,709,177	1,834,172

The OPEB UAL is being amortized over a closed 20-year term with 18 years remaining on the repayment schedule.

Next Step

Staff will review and propose changes to the Town’s reserve policy and unfunded liabilities strategies for City Council consideration.

Council Adopted Values

Periodic review of the Town’s Pension and OPEB liabilities are in alignment with the Town’s Responsibility and Vision attributes in the Town’s Value-Based Code of Conduct.

CONCLUSION

Staff seeks comments, questions, impressions, and opinions from each Council member regarding the Pension and OPEB status update.

ATTACHMENTS

A. Pension Primer

Defined Benefit Pension Plan Primer

QUICK NOTES

DEFINED BENEFIT (DB) VS. DEFINED CONTRIBUTION (DC) PLANS:

DB plans are an employer-sponsored retirement plans where the benefit to be paid to the retiree is known. (e.g. pension) Whereas, DC plans are retirement plans where the contribution paid during employment is known. (e.g. 401k and 457b)

PENSION LIABILITIES TERMS:

Accrued liability (AL) represents the total dollars needed as of the valuation date to fund all benefits earned in the past for current members and former plan members. This represents the present value of future benefits earned for service *already* earned/rendered.

Funded Status is the ratio of MVA to AL ($MVA \div AL$)

Market Value of Assets (MVA) represents the fair value of assets set aside, in trust, to fund the AL as of a given measurement date.

Present Value of Projected Benefits (PVPB) present value of projected benefits represents the total dollars needed as of the valuation date to fund all benefits earned in the past and expected to be earned in the future for current and former plan participants. In other words, it is the target balance of plan assets necessary to fund the promised benefit to plan participants at their projected retirement date.

Unfunded Accrued Liability (UAL) represents the arithmetic difference between the AL and the MVA. It is a measure of the funding shortfall relative to the AL.

The Town of Colma participates in the CalPERS agent multiple-employer, defined-benefit (DB) pension plan under §401(a) of the internal revenue code (IRC). This code section also provides for defined contribution (DC) plans where the employer's sole responsibility is to make a defined contribution (DC), if any, and all other risks are borne by the employee. However, in a DB plan, the employer guarantees some pre-defined benefit level at retirement and the City bears all risks associated with the promise.

In many states, including California, it is extremely difficult to unwind a defined benefit plan. California Supreme Court decisions dating back 70 years, collectively known as the California rule, guarantee that public workers are entitled to the retirement benefits in effect when they start their employment. Courts have ruled that a public employer who changes the terms of a pension must in turn provide a benefit of equal value. While plans can be closed to new participants, plan sponsors can face an enormous plan termination liability which assumes that no further employer contributions will be made and that all future investment earnings are invested at a risk-free investment rate of return.

Characteristics of DB Plans

All DB pensions plans include a collection of demographic and economic assumptions that drive both the target benefit and cost of the plan over time. These assumptions include expected investment earnings, payroll growth, life expectancy and others. The collection of assumptions forms the foundation for the "normal cost" of the plan, that is if actual results meet all of the actuarial and economic assumptions the normal cost will fully fund the target benefit.

Discount Rate

The discount rate is an important actuarial assumption that drives the cost of the plan. It represents long-term *expected* rate of investment return that can be expected from the plan's investment strategy and portfolio. Since the promised benefit formula is fixed and guaranteed by the employer, a decrease in the assumed investment return (discount rate) directly impacts the employer's cost of the promised benefit. Since nearly 2/3 of a plan's funding is derived from accumulated investment earnings, any change to discount rate can have a profound impact on the employer's cost of funding the benefit. With respect to the CalPERS plan, the discount rate has been as high at 8.75% but has since dropped to 7.0% and further reductions in the discount rate may be in the not-too-distant future.

Key Impacts to Accrued Liabilities

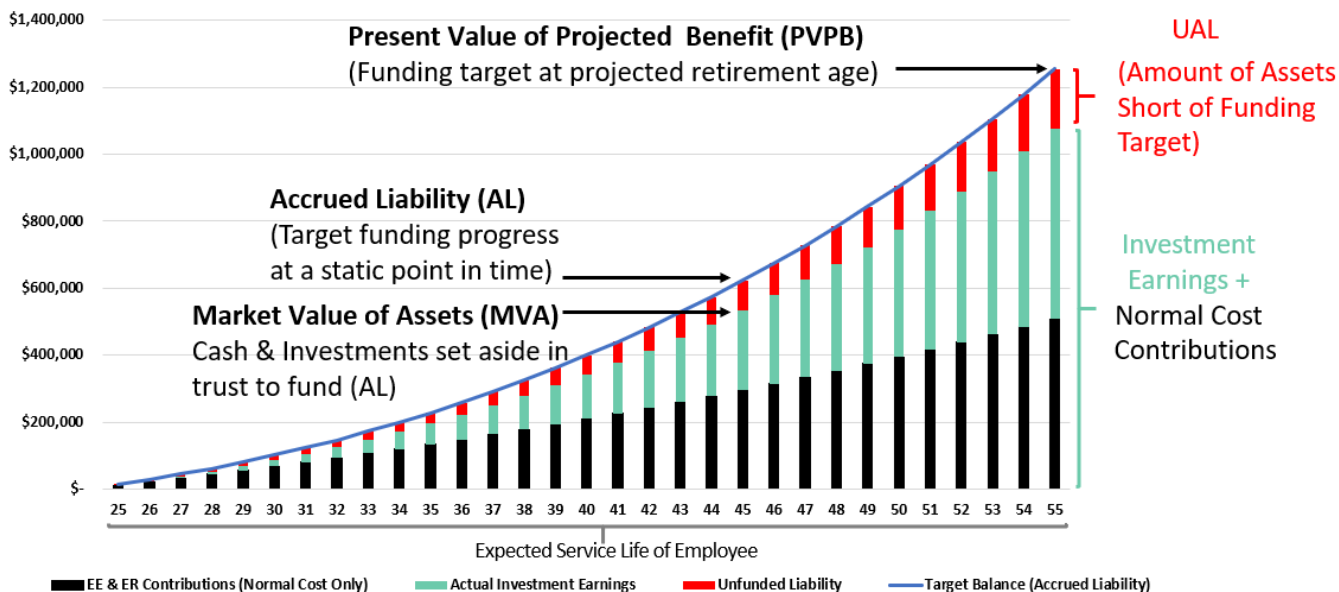
Experience Gains/Losses

When actual results differ from the assumptions, these deviations are called “experience gains and losses.” Each year, experience gains and losses are measured and added to or subtracted from the unfunded accrued liability (UAL) in the form of a new gain/loss layer or “base” and are phased-in (amortized) into the City’s annual required contributions over a period not to exceed 20 years (previously 30 years). The collective layers of gain/loss (positive or negative) bases form the UAL which may have a remaining term between 1 and 29 years.

Changes in Actuarial Assumptions

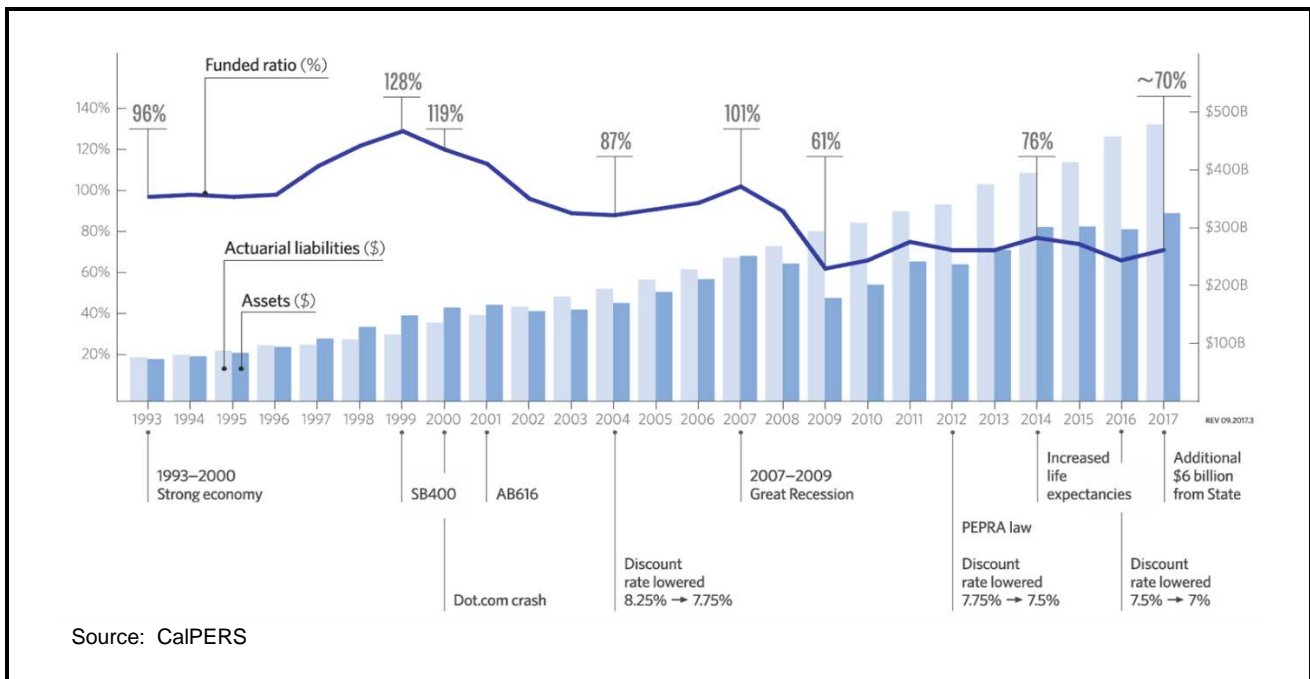
When long-term plan assumptions are adjusted up or down, these changes are called “changes in actuarial assumptions.” Changes in assumptions create their own, new gain/loss bases which are also amortized into the plan cost over a period not to exceed 20 years. Different than experience gains/losses, changes in long-term assumptions also impact the ongoing normal cost of the plan.

Illustration of Key Actuarial Terms



Historical Factors Impacting CalPERS Funded Status

The events that contributed to large unfunded pension liabilities for public employers and a lower funded status for the pension system as a whole can be summarized in the following illustration:



In the late 80's and 90's, CalPERS' investment returns were very strong, resulting in most plans accumulating more assets than their plan liabilities. By 1999, the CalPERS system reached its peak funded status where plan assets climbed to 128% of plan liabilities. Since investment earnings offset employer plan costs, the plan benefits appeared to be relatively inexpensive. Senate bill (SB) 400 and assembly bill (AB) 616 provided employers the ability to significantly enhance pension benefit levels to both safety and miscellaneous plans. Many local agencies began implementing the enhanced benefit levels, seemingly for free since plan assets exceeded plan liabilities. Any remaining agencies that had not increased benefits quickly felt pressure from bargaining units that argued their agency needed to follow suit, in order to remain competitive in attracting and retaining employees or lose out to surrounding communities. Agency after agency increased pension benefit levels to keep pace with their neighboring communities.

Subsequent market corrections and recessions revealed that the benefit enhancements were in fact not free and were prohibitively expensive. At its peak, the expected average annual return or discount rate was 8.75% and was supported by historical earnings patterns. Since then, market returns have not supported the previous investment income assumptions. Therefore, pension plan administrators, including CalPERS, have been forced to adjust the discount rate assumption downward which in turn increases the cost of the promised employee benefit to employers. The current CalPERS discount rate now stands at 7%. Even still, as fixed income yields have contracted to near zero levels, investment portfolio managers are faced with the dilemma of taking on more investment risk or lowering discount rates even further.

Over the last two decades both experience losses and changes in assumptions have significantly impacted the funded status of the CalPERS pension plans, driving the employer costs to worrisome levels contributing to pension reform and the current pension crisis. In 2012, the California legislature passed the Public Employees' Pension Reform Act (PEPRA), championed by former Gov. Jerry Brown. PEPRA took effect January 1, 2013 and places limits on the level of pension benefits. While this reform is significant, due to a provision in the California constitution often referred to as the "California Rule," the PEPRA limitation only applies to employees hired after January 1, 2013 AND are either new to the pension system or had a break in service in excess of 6 months. Therefore, the impact of PEPRA will not provide employers significant relief for decades to come.





STAFF REPORT

TO: Mayor and Members of the City Council
 FROM: Brian Dossey, City Manager
 Christopher J. Diaz, City Attorney
 MEETING DATE: March 10, 2021
 SUBJECT: Creekside Villas Rental Policy Review

RECOMMENDATION

None. This item is a study session. Staff will receive comments, questions, and feedback during the presentation.

EXECUTIVE SUMMARY

Recent questions have been raised about the Creekside Villas rental policy surrounding eligibility and rental rates. Therefore, staff is presenting a study session on Colma Administrative Code 2.02. (attachment A)

FISCAL IMPACT

None. However, if City Council chooses to increase rental rates for new tenants, it would add revenue to the City Properties Enterprise Fund.

BACKGROUND/ANALYSIS

Recent inquiries over eligibility for former employees and officials who have policy-making authority or influence over the implementation of the housing program have been raised in terms of the one-year delay in applying for residency. Based on these inquiries, the City Attorney's Office did conduct some initial research generally finding that the one-year delay in the existing policy wasn't based on a clear law, but could have a basis in similar areas of the law. In order to confirm this analysis, the City Attorney's office submitted a request for advice to the Fair Political Practices Commission (FPPC), the State agency charged with enforcing ethics laws. The FPPC (attachment B) provided advice and confirmed that there are no provisions in existing state law that would prohibit a former employee or official from becoming a tenant at Creekside Villas within the one-year period as described in CAC 2.02.040. Therefore, if Council chose to amend this provision, it could do so as no law exists imposing this one-year limitation.

Rental rates at Creekside Villas have not been changed since 2005. Staff has also chosen not to implement the allowable CPI increase each year due to creating a hardship on existing tenants.

Therefore, in effort to generate additional revenue for the City Properties Enterprise Fund, staff would like the Council to discuss the possibility of raising rental rates at Creekside Villas for new/future tenants, after a current rental unit becomes vacant, beginning on July 1, 2021.

Council consideration:

1. Would City Council consider changing CAC 2.02.040 (ii) Disqualified persons – allowing a former employee or official to apply for tenancy at Creekside Villas less than one year? (i.e. from one year to six months?)
2. Would City Council consider increasing the rental rate for new/future tenants at Creekside Villas beginning on July 1, 2021? (i.e. from \$902 per month to \$1,150 per month)

Council Adopted Values

The City Council is acting *responsibly* by reviewing the Colma Administrative Code 2.02 and considering changes to the rental policies at Creekside Villas.

CONCLUSION

Staff seeks feedback on Creekside Villas rental policies that pertain to tenancy and rental rates. Upon conclusion of the presentation staff will seek direction for future Council action.

ATTACHMENTS

- A. CAC 2.040
- B. November 19, 2020 letter from the FPPC

CHAPTER 2. COMMUNITY PROGRAMS

Subchapter 2.02 - Senior Housing Complex

2.02.010. Goals. These policies and procedures are intended to enhance the quality of life for senior residents and give a limited preference to Colma residents for residency at the Colma Senior Housing Complex.

2.02.020. Rental Policy. It is the policy of the Town of Colma to rent, lease, or permit occupancy of an apartment at the Senior Housing Complex only to Eligible Persons, as defined herein, at the rent specified herein.

2.02.030. Eligible Persons.

(a) Only persons who meet all of the following criteria are eligible to occupy an apartment at the Colma Senior Housing Complex, 1180 El Camino Real, Colma, California:

- (i) He or she must be 62 years or older at the commencement of the tenancy;
- (ii) He or she must be able to care for himself or herself, without assistance from others, must not have a recurring need for supportive care and must not require the availability of continuous skilled nursing care; and
- (iii) He or she must be financially able to pay the rent or must have established eligibility for financial assistance from the county.

(b) Not more than two persons may occupy an apartment.

(c) No person shall be discriminated against because of race, religion, color, creed, national origin, sex, sexual orientation, marital status, or any sensory, mental or physical disabilities unless such disability requires the recurring need for supportive care and requires the availability of continuous skilled nursing care.

(d) The City Manager may waive the age requirement, or the priority for residents set forth below, for a tenant who is employed by the Property Manager to provide substantial maintenance and management services for the Complex.

2.02.040. Disqualified Persons.

(a) The following individuals, by virtue of their position or relationship, are ineligible to become a tenant in the Senior Housing Complex:

- (i) All employees and officials of the TOWN who, by virtue of their position, have policy-making authority or influence over the implementation of the housing program;
- (ii) All former employees and officials of the Town who, by virtue of their position or relationship, for one year prior to the date of application for tenancy, had policy-making authority or influence over the implementation of the housing program;

(iii) The spouse or dependents of any employee or official described in the two preceding paragraphs.

(b) A person who was not disqualified under the foregoing at the time he or she first became a tenant in the Senior Housing Complex shall not thereafter become disqualified as a tenant solely by virtue of the subsequent relationship or position of such person, his or her spouse, or his or her dependent, as a Town employee or official.

2.02.050. Application and Priority Process.

(a) Whenever the Property Manager receives notice that an apartment is about to become vacant, the Property Manager, shall first notify any existing tenant who has requested such notification of the availability of the apartment. An existing tenant shall have first priority to take occupancy of the apartment provided that he or she enters into a lease agreement for the apartment within ten days after receipt of the notice. The apartment then left vacant by the tenant shall be let in accordance with this section.

(b) The Property Manager, after consulting with the City Manager, shall establish a beginning date for accepting applications to rent the apartment, which shall be after the first publications of notices described in the next paragraph. The Application Period shall last from the beginning date to the date when a lease for the apartment is executed.

(c) The Property Manager shall publish a notice of availability at least once in the *LiveWire* publication and at least once in two newspapers widely circulated in the cities of Colma, South San Francisco, and Daly City, including at least one newspaper that reaches non-English-speaking communities. Examples of appropriate newspapers include the San Mateo Times and the San Mateo Independent News. Town shall submit proof of publication to the City Planner. The Property Manager shall maintain a list of applicants in order of the date that the applicant submitted a complete application during the Application Period. A complete application means an application from an eligible person which contains all information requested by the Property Manager in the application form. An application from an ineligible person shall not be deemed complete until the date that the person becomes eligible under the terms of this resolution. Applications received before the beginning of an Application Period shall be considered to have been received as of the first day of the Application Period.

(d) Subject to the provisions of subparagraph (a) above, during the first sixty days after an apartment has become vacant, the first eligible person with more than two years residency in the Town of Colma who submits a complete application shall be given priority over all other applicants, except that if two or more such eligible persons submitted a complete application on the same day, priority among those persons shall be determined by lot.

(e) Sixty days after an apartment has become vacant, any eligible person may rent the apartment, without regard to his or her prior residency, and the first eligible person, without regard to the place of his or her prior residency, who submits a complete application shall be given priority over all other applicants, except that:

(i) All applications by persons in this category submitted prior to the sixtieth day after shall be deemed to have been submitted on the sixty-first day after the vacancy occurs; and

(ii) If two or more such eligible persons submit a complete application on the same day, priority among those persons shall be determined by lot.

(iii) The Property Manager shall not be required to maintain a list of applicants after the advertised apartment is rented.

2.02.060. Policies for Establishing Rents.

(a) The rent for tenants who have occupied an apartment since before February 9, 2005 shall be \$791.00 per month, adjusted for inflation on August 1 of each year beginning August 1, 2011, or as soon thereafter as the City Manager can calculate the adjustment and provide at least 60 days' notice of the rent increase to each tenant at the Senior Housing Complex.

(b) The rent for tenants who have occupied an apartment from and after February 9, 2005 shall be \$902.00 per month, adjusted for inflation on August 1 of each year beginning August 1, 2011, or as soon thereafter as the City Manager can calculate the adjustment and provide at least 60 days' notice of the rent increase to each tenant at the Senior Housing Complex.

(c) "Adjusted for Inflation" means an adjustment made according to the following formula, where "Consumer Price Index" or "CPI" means the United States Department of Labor, Bureau of Labor Statistics Consumer Price Index entitled "Consumers Price Index of All Urban Consumers, San Jose-Oakland-San Francisco Area, Housing (Rent of Primary Residence), 1982-84=100 [Series ID CUURA422SEHA]": if the CPI for June of any year following 2004 exceeds the index for June 2004 (the Base Index), the amount subject to adjustment for inflation (Base Amount) shall be multiplied by the last previous CPI Index and divided by the Base CPI Index to obtain the Adjusted Amount, which shall be rounded to the nearest dollar; otherwise, there shall be no adjustment." Notwithstanding the foregoing, the adjustment shall not exceed five percent (5%).

[History: Res. 2011-28, 9/14/11]

2.02.070. Restrictions on Use.

Residential Use Only. An apartment in the Senior Housing Complex shall be used for residential purposes only except that it may be used for a home office provided that the home office use is incidental to use of the apartment as a residence and that the tenant shall have first obtained a Use Permit from the Town.

No Subleasing. A tenant occupying a Senior Housing apartment may not sublet or rent the apartment or assign the lease.

No Violations. No person may use or permit the Affordable Unit or any portion of the Affordable Unit to be used or occupied in any manner or for any purpose that is in any way in violation of any valid law, ordinance, or regulation of any federal, state, county, or local governmental authority, body, or entity, or in violation of any Covenants, Conditions and Restrictions applicable to the unit. No person may maintain, commit, or permit the maintenance or commission of any nuisance as now or hereafter defined by any statutory or decisional law applicable to the Affordable Unit or any part of the Affordable Unit."

2.02.080. Rules and Regulations. The City Manager may establish reasonable rules and regulations governing the use and occupancy of the premises including but not limited to rules and regulations governing the form of the application and supporting documentation, parking, use of the common areas, pets, overnight visitors, noise, and trash disposal.

2.02.090. Right to Inspect. Town may inspect any apartment at the Senior housing Complex, subject to tenant's privacy rights and upon reasonable advance notice, to determine compliance with this resolution.

SECTION 2. ONE-TIME EXCEPTION.

(a) The City Council finds that:

(i) Since on or before December 8, 2004, there have been two vacant apartments at the Senior Housing Complex;

(ii) Prior to December 8, 2004, the Property Manager was maintaining a list of prospective applicants for the Senior Housing Complex pending clarification of the Town's policies;

(iii) On December 8, 2004, the City Council declared a moratorium on renting any vacant units in the Senior Housing Complex pending its review of the Town's rental policies;

(iv) Since December 8, 2004, other persons have expressed interest in renting an apartment at the Complex; and

(v) It is necessary and proper to adopt a one-time exception to the policies set forth hereinabove to handle the applications on hand for the two vacant apartments.

(b) Notwithstanding the foregoing, there shall be a one-time exception to the policies set forth hereinabove, as set forth in an Order in the Minutes of the meeting of February 9, 2005.



STATE OF CALIFORNIA
 FAIR POLITICAL PRACTICES COMMISSION
 1102 Q Street • Suite 3000 • Sacramento, CA 95811
 (916) 322-5660 • Fax (916) 322-0886

November 19, 2020

Christopher J. Diaz
 BEST BEST & KRIEGER LLP
 City Attorney
 Town of Colma
 2001 N. Main Street 390, Walnut Creek, CA 94596

Re: Your Request for Advice
Our File No. A-20-080

Dear Mr. Diaz:

This letter responds to your request for advice regarding Government Code Section 1090, et seq.¹ Please note that we are only providing advice under Section 1090, not under other general conflict of interest prohibitions such as common law conflict of interest, including Public Contract Code.

Also, note that we are not a finder of fact when rendering advice (*In re Oglesby* (1975) 1 FPPC Ops. 71), and any advice we provide assumes your facts are complete and accurate. If this is not the case or if the facts underlying these decisions should change, you should contact us for additional advice.

We are required to forward your request regarding Section 1090 and all pertinent facts relating to the request to the Attorney General's Office and the San Mateo County District Attorney's Office, which we have done. (Section 1097.1(c)(3).) We did not receive a written response from either entity. (Section 1097.1(c)(4).) We are also required to advise you that, for purposes of Section 1090, the following advice "is not admissible in a criminal proceeding against any individual other than the requestor." (See Section 1097.1(c)(5).)

QUESTIONS

1. Are there any provisions of the Act that would apply in determining whether a member of the Colma City Council is prohibited from becoming a tenant in the Town-owned Creekside Villas (the "Complex") within one year after leaving office?
2. Assuming former members of the City Council have a prohibitory financial interest under Section 1090 in a lease for the Complex, would Section 1091.5(a)(3) nonetheless apply to allow them to become tenants in the Complex?

¹ All statutory references are to the Government Code, unless otherwise indicated.

CONCLUSIONS

1. No. There are no provisions under the Act that would prohibit a member of the Colma City Council from becoming a tenant in the Complex within one year after leaving office.

2. Yes. As explained below, assuming former members of the City Council have a prohibitory financial interest under Section 1090 in a lease for the Complex, Section 1091.5(a)(3) would apply to allow them to become tenants in the Complex.

FACTS AS PRESENTED BY REQUESTER

Your law firm serves as City Attorney to the Town of Colma and you seek advice on behalf of the Colma City Council. Colma is a general law City located in San Mateo County. Colma owns a senior housing complex, known as Creekside Villas (the “Complex”). In 2005, the Colma City Council adopted certain rental policies “to enhance the quality of life for senior residents and give a limited preference to Colma residents for residency at [the Complex].” (Colma Administrative Code (“CAC”), § 2.02.010.)

The policies include eligibility rules and restrictions governing Colma’s ability to rent, lease, or permit occupancy of a unit at the Complex. A person applying for tenancy in the Complex must be 62 years or older at the commencement of the tenancy, must not have a recurring need for supportive care and must not require the availability of continuous skilled nursing care, and must be financially able to pay the rent. (CAC, § 2.02.030(a).) There are also procedures for determining priority for residents based on prior residency and when a rental application is completed. (CAC, § 2.02.050.)

The City Manager has some decision-making authority to waive the age requirement or the priority for residents for a tenant who is employed by the Complex’s property manager to provide substantial maintenance and management services for the Complex. (CAC, § 2.02.030(d).) The policies further provide that the following individuals, by virtue of their position or relationship, are ineligible to become a tenant in the Complex:

- All employees and officials of the Town who, by virtue of their position, have policy-making authority or influence over the implementation of the housing program;

- All former employees and officials of the Town who, by virtue of their position or relationship, for one year prior to the date of application for tenancy, had policy-making authority or influence over the implementation of the housing program.

In addition, the Town’s policies require an annual rent adjustment for inflation using a formula based on changes in the consumer price index. (CAC, § 2.02.060.) From time to time, the City Council makes decisions regarding the annual rent adjustment for the Complex, which includes suspending or increasing rent.

You provided a document titled “Hildebrand Real Estate Group Application Process for Creekside Villas Colma,” which states there is a Town policy requiring that any vacancy must be kept for interested residents of the Town of Colma for 60 days after becoming available. If multiple

Town residents express interest within the 60-day period, the names of each interested resident are drawn via lottery at the 60th day and applications are accepted in the order of the lottery draw. There is no pre-qualification of applicants prior to the lottery. If the first applicant does not qualify, then the next name drawn in the lottery submits their application and this continues until a qualified applicant has been selected. If no Town residents express interest, then individuals residing outside the Town may be considered.

The Application Process document then explains the qualifying process:

Qualifications: Hildebrand Real Estate Group confirms the Town of Colma resident by verifying their residency either with the resident card or driver's license along with verifying that the applicant(s) meet the age requirement. A credit check is run on the applicant(s). Generally, the applicant(s) should gross 2 ½ to 3 times the monthly rent. For instance, if the rent is \$902.00, the applicant should gross at least \$2,255.00. If the applicant(s) has a credit score of less than 700 and/or negative credit and/or insufficient income, then a co-signer may be required. The co-signer must submit an application and their credit is checked. The same credit criteria are required of the co-signer and the co-signer must show sufficient income to assist the tenant in paying rent if the tenant becomes unable to pay. Hildebrand Real Estate Group considers any negative credit on the credit check and may overlook negative credit due to medical bills. The same income and credit check qualification method is used for all of Hildebrand Real Estate Group tenant applicants for all properties managed or owned by Hildebrand Real Estate Group.

According to the property manager (Hildebrand Real Estate Group), they do not have authority to change any of the lease terms – the Town makes use of the standard California Association of Realtor form lease agreements that are fairly standard with set terms.

ANALYSIS

The Act

Specified local governmental officials, including city councilmembers, who leave governmental service are subject to the Act's one-year ban for local officials in Section 87406.3, also known as the local "one-year ban."

The local "one-year ban" prohibits certain former local officials from communicating with their former agencies, for compensation and in representation of another person, for the purpose of influencing any legislative or administrative actions, including quasi-legislative and quasi-judicial actions, or any discretionary actions involving the issuance, amendment, awarding, or revocation of a permit, license, grant or contract, or the sale or purchase of goods or property. (Section 87406.3.)

The local one-year ban would not apply to a former councilmember seeking to become a tenant in the Complex within one year of leaving office because the councilmember would not be

communicating with his or her former agency, for compensation and in representation of another person. Accordingly, no provisions of the Act would apply to prohibit a former councilmember from becoming a tenant in the Complex within one year of leaving office.²

Section 1090

Section 1090 generally prohibits public officers, while acting in their official capacities, from making contracts in which they are financially interested. Section 1090 is concerned with financial interests, other than remote or minimal interests, that prevent public officials from exercising absolute loyalty and undivided allegiance in furthering the best interests of their agencies. (*Stigall v. Taft* (1962) 58 Cal.2d 565, 569.) Section 1090 is intended “not only to strike at actual impropriety, but also to strike at the appearance of impropriety.” (*City of Imperial Beach v. Bailey* (1980) 103 Cal.App.3d 191, 197.)

Under Section 1090, “the prohibited act is the making of a contract in which the official has a financial interest.” (*People v. Honig* (1996) 48 Cal.App.4th 289, 333.) A contract that violates Section 1090 is void. (*Thomson v. Call* (1985) 38 Cal.3d 633, 646.) When an officer with a proscribed financial interest is a member of the governing body of a public entity, the prohibition of Section 1090 also extends to the entire body, and it applies regardless of whether the terms of the contract are fair and equitable to all parties. (*Id.* at pp. 646-649.)

As mentioned, the Town has already established that officials (including councilmembers), under the circumstances described, are prohibited from becoming a tenant at the Complex. Your request centers on whether Section 1090 would prohibit a councilmember, after leaving office, from becoming a tenant where the councilmember: 1) participated in both the establishment of the housing program and decisions regarding the annual rent adjustment for the Complex; or 2) did not participate in the establishment of the housing program, but participated in decisions regarding the annual rent adjustment for the Complex. Assuming Section 1090 potentially applies to a former councilmember under these circumstances, the determinative issue is whether any exception to Section 1090’s prohibition would nonetheless permit a councilmember to apply for tenancy after leaving office.

The Legislature has expressly defined certain financial interests as “remote” or “noninterest” exceptions to Section 1090’s general prohibition. Where a remote interest is present, the contract may be lawfully executed provided (1) the officer discloses his or her financial interest in the contract to the public agency; (2) the interest is noted in the public body’s official records; and (3) the officer completely abstains from any participation in the making of the contract. (Section 1091.) Where a noninterest is present, the contract may be executed without the abstention. (Section 1091.5.)

Relevant to the present situation is the noninterest exception set forth in Section 1091.5(a)(3) for “public services generally provided.” That exception provides that an officer or employee “shall not be deemed to be interested” in a public contract if his or her interest in that

² As your letter suggests, Section 87406.3(c) does not preclude a local governmental agency from adopting its own ordinance or policy restricting the activities of former agency officials so long as the ordinance or policy is more restrictive than Section 87406.3.

contract is “[t]hat of a recipient of public services generally provided by the public body or board of which he or she is a member, on the same terms and conditions as if he or she were not a member of the body or board.”

The California Supreme Court considered the application of this noninterest exception and read the exception to establish the following rule:

If the financial interest arises in the context of the affected official’s or employee’s role as a constituent of his or her public agency and recipient of its services, there is no conflict so long as the services are broadly available to all others similarly situated, rather than narrowly tailored to specially favor any official or group of officials, and are provided on substantially the same terms as for any other constituent.

(*Lexin v. Superior Court* (2010) 47 Cal.4th 1050, 1092.)

With respect to an agency’s permissible exercise of discretion in providing a public service generally provided under the exception, the Supreme Court stated:

The presence of discretion in the formation of a contract that section 1091.5(a)(3) purportedly permits is not fatal, unless the discretion can be exercised to permit the special tailoring of benefits to advantage one or more board members over their constituency as a whole. Absent such a risk of favoritism, discretion is unproblematic.

(*Id.* at p. 1100.)

Thus, the noninterest exception set forth in Section 1091.5(a)(3) applies if: (1) the interest arises in the context of the affected official’s or employee’s role as a constituent of the public agency and recipient of its services; (2) the service at issue is broadly available to all those whom are similarly situated and is not narrowly tailored to specially favor an official or group of officials; and (3) the service at issue is provided on substantially the same terms as for any other constituent.

In the *Hentschke* Advice Letter, No. A-14-187, the Commission analyzed whether the exception applied to a turf replacement program generally available to all retail water customers of any of the San Diego Water Authority’s member public agencies. The program, which provided monetary incentives to retail water customers who replace existing turf with water efficient landscaping, was available on a first-come, first-served basis. Each applicant was required to participate in a training course, replace existing turf with qualifying plants, and fill out the standard application form and agree to program terms. Even though the program administrator had some decision-making authority to determine that the replacement met all the program requirements (such as the amount of turf replaced and whether qualifying plants are used), the Commission concluded that the exception applied because the determination did not involve discretion to pick and choose among applicants or to vary benefits from one applicant to the next.

Here, if a former councilmember were to submit an application for tenancy at the Complex, his or her interest in the lease would arise in the context of the former councilmember being a Town constituent and a recipient of Town services. In addition, leasing a residence in the Complex is broadly available to all Town residents 62 years of age or older,³ and not narrowly tailored to specially favor an official or group of officials. Similar to the situation in *Hentschke*, to avoid favoritism where multiple residents are interested, the names of each interested resident are drawn via lottery and applications are accepted in the order of the lottery draw. And although the property manager does have some decision-making authority to determine if an applicant qualifies (generally ensuring rent-to-income ratio and credit score meets specified level), those determinations appear relatively ministerial in nature and do not involve discretion to pick and choose among applicants. Finally, the terms of any lease for a former councilmember would be provided on substantially the same terms as for any other constituent because the property manager does not have authority to change any terms of the lease, which is based on the standard California Association of Realtor form lease agreements that are fairly standard with set terms.⁴

Accordingly, assuming a former councilmember has a prohibitory financial interest in a lease for the Complex under Section 1090, the noninterest exception under Section 1091.5(a)(3) applies to permit the councilmember to lease a residence at the Complex.

If you have other questions on this matter, please contact me at (916) 322-5660.

Sincerely,

Dave Bainbridge
General Counsel

By: *Jack Woodside*
Jack Woodside
Senior Counsel, Legal Division

JW:aja

³ The exception is still applicable even where program services are available to a relatively small number of applicants because “[p]ublic agencies provide many kinds of ‘public services’ that only a limited portion of the public needs or can use.” (92 Ops.Cal.Atty.Gen. 67, 70 (2009).)

⁴ The present matter is different from those matters where the exception has been found not to apply because administering officials were required to exercise judgment or discretion in scrutinizing applications. (See *Hodge Advice Letter*, No. C-14-012 [exception does not permit a city councilmember to enter into a Mills Act contract with the city where officials are required to negotiate the terms of each contract, engage in the continued enforcement through periodic inspections to determine compliance with the contract terms, and make determinations concerning contract renewal and imposition of penalties]; see also 92 Ops.Cal.Atty.Gen. 67, 70 (2009) [grants for the purchase or retrofit of certain engines and equipment awarded only after each application individually scrutinized to determine its statutory compliance, and weighed according to such factors as emissions performance, cost-effectiveness and considerations of whether the engine is cleaner than required under the applicable air quality laws. In addition, the evaluation may include a determination that an application is made in good faith and credible].)



STAFF REPORT

TO: Mayor and Members of the City Council
 FROM: Pak Lin, Administrative Services Director
 VIA: Brian Dossey, City Manager
 MEETING DATE: March 10, 2021
 SUBJECT: FY 2020-21 Mid-Year Financial Update & Budget Amendment

RECOMMENDATION

Staff recommends that the City Council make/adopt the following:

MOTION ACCEPTING THE FISCAL YEAR 2020-21 MID-YEAR FINANCIAL REPORT THROUGH DECEMBER 31, 2020 AND AUTHORIZING A COPY TO BE POSTED ON THE TOWN'S WEBSITE;

AND

RESOLUTION APPROPRIATING FUNDS AND AMENDING BUDGET FOR FISCAL YEAR 2020-21 TO INCREASE GENERAL FUND APPROPRIATION BY \$158,000 AND CAPITAL PROJECT FUND BY \$225,000 AND USE \$140,000 OF UNASSIGNED CAPITAL RESERVE FUND.

EXECUTIVE SUMMARY

Mid-year financial reports serve as a communication tool on the financial health of the Town and offers early warnings of potential financial concerns. Especially during the COVID-19 pandemic, it is essential to understand whether the Town operates within its revenue constraints and whether further spending cuts are needed because of the revenue constraints.

In reviewing the Town's finances through December 31, 2020, the General Fund revenues are trending to meet the FY 2020-21 budget. The FY 2020-21 budget accounts for the financial impact of the COVID-19 financial crisis, including \$1.0 million reduction in sales tax revenues and \$3.1 million in cardroom tax compared to prior fiscal years.

In response, the Town deferred spending and reduced contributions to combat future liabilities. These measures are temporary fixes and may result in increased costs in the future. But as of December 31, 2020, the Town will be able to stay within its operating budget as approved by the City Council on October 28, 2020.

With that said, there are five budget amendments being proposed – two of the items were discussed during the October 28, 2020 City Council meeting. The remaining three items are related to capital projects that are time sensitive. The items are (1) increase the accrued leave

payout budget to \$138,000, (2) increase HR software budget by \$20,000 for wellness app, (3) add the following three projects to the FY 2020-21 Capital Program:

- F Street Retaining Wall - \$25,000
- Housing Element Update - \$100,000 (\$85,000 grant funded)
- Zoning Code Update - \$100,000.

FISCAL IMPACT

Increase capital project budget by \$225,000 for F Street Retaining Wall, Housing Element Update, and Zoning Code Update projects and utilize \$140,000 of Capital Reserve Fund (31). Increase budget for Accrued Leave Payout Reserve (Fund 12) by \$138,000. Increase HR software budget by \$20,000 for wellness app.

BACKGROUND

In response to the COVID-19 pandemic, the Town rolled over the FY 2019-20 Operating Budget to FY 2020-21 and ratified the FY 2020-21 portion of the 2019-2024 Five-Year Capital Program. This allowed the Town to shift its focus from budget development to pandemic response.

In May 2020, the City Council reviewed the impact of the COVID-19 financial crisis on the Town's financial health. On May 27, 2020, the City Council approved the use of unassigned general fund reserves to bridge the operating deficit in FY 2019-20 and FY 2020-21, up to \$2.5 million in FY 2019-20 and up to \$2.2 million in FY 2020-21.

On October 28, 2020, the City Council approved an amendment to the entire FY 2020-21 to reflect the Town's financial condition based on seven months of data. Below is the final approved budget.

Town-wide Financial	General Fund	Special Revenues Funds	Debt Service Funds	Capital Funds	Vehicle Replacement Fund	Enterprise Funds	Total
Revenues by Categories							
Sales tax	10,432,019	-	-	-	-	-	10,432,019
Cardroom tax	1,109,236	-	-	-	-	-	1,109,236
Property and other taxes	729,229	-	-	-	-	-	729,229
Licenses and permits	156,357	-	-	-	-	-	156,357
Fines and forfeitures	86,888	-	-	-	-	-	86,888
Charges for services	153,935	-	-	-	-	892,885	1,046,820
Revenues from other agencies	146,168	267,861	-	825,000	-	-	1,239,030
Use of money and property	373,091	51,070	64	-	-	185,805	610,030
Other revenues	21,451	-	-	1,656	-	-	23,107
Total Revenues	13,208,374	318,931	64	826,656	-	1,078,690	15,432,716
Expenditures by Department							
General Government	3,921,822	-	297,218	-	-	-	4,219,040
Public Safety	7,446,489	208,683	-	-	-	-	7,655,172
Planning, Building & Engineering	2,103,875	14,340	-	-	-	1,044,186	3,162,401
Recreation	714,354	-	-	-	-	-	714,354
Facilities	471,186	-	-	-	-	75,822	547,008
Capital	-	-	-	3,042,788	20,000	-	3,062,788
Total Expenditures	14,657,726	223,023	297,218	3,042,788	20,000	1,120,007	19,360,763
Operating Surplus / (Deficit)	(1,449,352)	95,908	(297,154)	(2,216,132)	(20,000)	(41,317)	(3,928,047)
Transfers In/(Out)							
General Fund Transfers	(748,670)	-	297,369	300,000	-	151,301	-
Net Transfers Out/(In)	(748,670)	-	297,369	300,000	-	151,301	-
Change in Fund Balance	(2,198,022)	95,908	215	(1,916,132)	(20,000)	109,984	(3,928,047)

ANALYSIS

As of December 31, 2020, the Town is on track to meet its revenue projection and to stay within its expenditure budget.

GENERAL FUND:

TABLE 1: GENERAL FUND BUDGET TO ACTUAL THRU DEC 2020						
GENERAL FUND (IN THOUSANDS)	2019-20 Actuals			2020-21 Budget to Actuals		
	Thru 6/30/20	Thru 12/31/19	% of Actual	Budget	Thru 12/31/20	% of Budget
REVENUES:						
SALES TAX	11,400	3,874	34%	10,432	4,454	43%
CARDROOM TAX	4,264	1,914	45%	1,109	612	55%
PROPERTY AND OTHER TAXES	752	341	45%	729	343	47%
USE OF MONEY AND PROPERTY	610	183	30%	373	115	31%
OTHER REVENUES	710	278	39%	390	217	56%
REVENUES TOTAL	17,736	6,591	37%	13,033	5,741	44%

Through December 31, 2020, the Town received 44% of its projected general fund revenues and is consistent when compared to the same period in the prior year. The FY 2020-21 Budget accounts for the reduced sales and cardroom tax revenues due to the COVID-19 financial crisis.

TABLE 2: GENERAL FUND BUDGET TO ACTUAL THRU DEC 2020						
GENERAL FUND (IN THOUSANDS)	2019-20 Actuals			2020-21 Budget to Actuals		
	Thru 6/30/20	Thru 12/31/19	% of Actual	Budget	Thru 12/31/20	% of Budget
EXPENDITURES (BY CATEGORIES):						
SALARY, WAGES, & BENEFITS	11,044	5,728	52%	9,874	5,132	52%
PROFESSIONAL & CONTRACT SERVICES	3,049	1,100	36%	2,531	912	36%
SUPPLIES & SERVICES	1,373	554	40%	931	426	46%
FACILITY OPERATIONS	721	236	33%	471	171	36%
INSURANCE (LIABILITY / PROPERTY)	741	623	84%	730	669	92%
CAPITAL OUTLAY	43	6	14%	1	1	180%
EXPENDITURES TOTAL	16,972	8,247	49%	14,537	7,311	50%

General Fund expenditures are also trending similar to the same period in the prior fiscal year. Salary, Wages, & Benefits would trend higher in the first six months because the Town paid the unfunded pension liabilities in July for the entire fiscal year. Professional & Contract Services tend to have a one to two months delay due to delayed billing from consultants. Insurance premiums are paid in the beginning of the year.

CAPITAL PROGRAM:

The Town's **Capital Program** is the other major fund(s). Of the 15 projects listed below, six projects were deferred due to the COVID-19 financial crisis, three projects were added due to urgency, and four active projects are scheduled to be completed in 2021.

TABLE 3: CAPITAL PROGRAM SUMMARY				
BUDGET TO ACTUAL THROUGH December 2020	STATUS @ 6/30/2020	2020-21 Amended Budget	Actuals Through Dec 2020	% of Annual Budget
ANNUAL ROADWAY REHAB & PREVENTION (906)	Deferred	-	-	n/a
AUTO/FLEET REPLACEMENT (987)	Ongoing	20,000	19,973	100%
CLIMATE ACTION PLAN (994)	Active	9,609	9,167	95%
COLMA CREEK CHANNEL REPAIRS (934)	Deferred	-	-	n/a
EL CAMINO REAL BICYCLE & PEDESTRIAN (914)	Active	52,019	36,259	70%
FINANCIAL SOFTWARE REPLACEMENT (965)	Deferred	-	-	n/a
GENERAL PLAN UPDATE (991)	Active	271,644	99,509	37%
LAWNDALE & ECR LANDSCAPE & MEDIAN (956)	Deferred	-	-	n/a
MISSION ROAD IMPROVEMENTS (903)	Active	2,419,517	1,475,997	61%
RECREATION OPS AND FAC MASTER PLAN (995)	Deferred	-	-	n/a
STORM DRAIN SYSTEM ASSESSMENT (972)	Deferred	-	-	n/a
TOWN'S IT INFRASTRUCTURE UPGRADES (986)	Ongoing	50,000	6,180	12%
HOUSING ELEMENT UPDATE (TBD)	New	100,000	-	0%
ZONING CODE UPDATE (TBD)	New	100,000	-	0%
F STREET RETAINING WALL (TBD)	New	25,000	-	0%
CAPITAL PROGRAM TOTAL		3,047,789	1,647,085	54%

BUDGET AMENDMENT:

Overall, the City Council approved budget in October 2020 is sufficient for the fiscal year. The items below are to enhance the Town's services.

- Increase General Fund (11&12) operating budget by \$150,000:
 - \$20,000 in HR software budget for the acquisition of Cordico app and to enhance Human Resources digital support.
 - \$138,000 in the leave payout budget (Fund 12) to utilize the Accrued Leave Payout Reserve as intended.
- Add three Capital Projects (31) and increase budget by \$225,000:
 - \$100,000 for Housing Element Update, with \$85,000 grant funded and remaining \$15,000 funded by capital reserve. This project is the next part of the General Plan Update. The plan must be completed and certified by the State by January 2023.
 - \$100,000 for Zoning Code Update. This project is also the next phase of the General Plan Update. Work on this project is expected to begin in early 2022.
 - \$25,000 for the repairs to the F Street Retaining Wall. The retaining wall has deteriorated and is in need of repair. The \$25,000 budget is for the assessment and design of the wall restoration. The construction costs for the repairs will be presented to the City Council after the design phase is completed.

GENERAL FUND RESERVES:

General Fund unassigned reserves are at \$8.0 million as of December 31, 2020. The table below summarizes the various General Fund reserves for FY 2018-19, FY 2019-20 and at the midpoint for FY 2020-21.

TABLE 4: GENERAL FUND RESERVES HISTORY			
GENERAL FUND RESERVE	Actual @ 6/30/2019	Actual @ 6/30/2020	Actual @ 12/31/2020
COMMITTED RESERVES (12)			
BUDGET STABILIZATION	12,000,000	12,000,000	12,000,000
DEBT REDUCTION	600,000	600,000	600,000
ACCRUED LEAVE PAYOUT	650,000	715,000	540,670
COMMITTED RESERVES TOTAL	13,250,000	13,315,000	13,140,670
ASSIGNED RESERVES (11)			
LITIGATION	100,000	100,000	100,000
INSURANCE	100,000	100,000	100,000
DISASTER RESPONSE & RECOVERY	750,000	750,000	750,000
ASSIGNED RESERVES TOTAL	950,000	950,000	950,000
UNASSIGNED RESERVE (11)	10,982,278	9,568,432	7,959,222
TOTAL GENERAL FUND RESERVE	25,182,278	23,833,432	22,049,892

A summary of the reserve balance for all funds can be found in Attachment A.

Reasons For the Recommended Action/Findings

Acceptance of the report provides disclosure of current year revenue and expenditure trends.

Council Adopted Values

Periodic review of the Town's financial condition aligns with the City Council adopted *responsibility* value. It exemplifies financial accountability and ensures reasonable use of public funds. Additionally, publishing the accepted report on the Town's website promotes meaningful public involvement and thereby aligns with the City Council adopted *fairness* value.

CONCLUSION

Staff is requesting that the City Council:

- receive and file the report, and direct Staff to post a copy to the Town website, and
- adopt a resolution

ATTACHMENTS

- A. Resolution
- B. 2020-21 Mid-Year Financial Report



RESOLUTION NO. 2021-__
OF THE CITY COUNCIL OF THE TOWN OF COLMA

**RESOLUTION APPROPRIATING FUNDS AND AMENDING BUDGET FOR FISCAL YEAR
2020-2021 TO INCREASE GENERAL FUND APPROPRIATION BY \$158,000 AND
CAPITAL PROJECT FUND BY \$225,000 AND USE \$140,000 OF UNASSIGNED CAPITAL
RESERVE FUND**

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

1. Background

- (a) On March 18, 2020 by Resolution 2020-10, the City Council adopted the FY 2020-21 Budget as a roll over budget from FY 2019-20 based on the COVID-19 pandemic, which included \$21.0 million in total expenditures.
- (b) On May 27, 2020, by Resolution 2020-22, the City Council approved the use of unassigned General Fund reserves to bridge the operating deficit in FY 2019-20 and FY 2020-21, up to \$2.5 million in FY 2019-20 and up to \$2.2 million in FY 2020-21.
- (c) On October 28, 2020, by Resolution 2020-46, the City Council approved an amendment to the entire FY 2020-21 to reflect the Town's financial condition based on seven months of data, which included \$19.4 million in total expenditures.
- (d) The City Manager recommends that the FY 2020-21 Budget be further amended by appropriating funds and transferring funds as described herein.

2. Finding

The City Council finds that the total expenditures in the 2020-21 Budget, after the proposed amendment and previously approved amendments, will be \$19.7 million. This amount does not exceed the appropriations limits for fiscal year 2020-21, which is \$54,582,281.

3. Amendment to Budget

- (a) The FY 2020-21 Adopted Budget for the Town of Colma shall be and hereby is amended as follows:
- (i) The sum of \$20,000 is hereby appropriated in General Fund 11 to be allocated for the Human Resources software budget for the acquisition of the Cordico application and to enhance Human Resources digital support.
- (ii) The sum of \$138,000 is hereby appropriated in General Fund Reserve 12 to be allocated for leave payout to utilize the Accrued Leave Payout Reserve as intended.
- (iii) The sum of \$225,000 is hereby appropriated in Capital Project Fund 31 to be allocated for the following:
- \$100,000 for Housing Element Update, with \$85,000 grant funded and remaining \$15,000 funded by capital reserve.

- \$100,000 for the Zoning Code Update.
- \$25,000 for F Street Retaining Wall. The retaining wall has deteriorated and is in need of repair. The \$25,000 budget is for the assessment and design of the wall. The construction cost will be presented to the City Council after the design phase is completed.

(iv) The City Manager shall re-calculate the estimated operating and CIP balances to include the changes described in this Resolution.

(b) The funds described in this amendment are hereby appropriated as described above.

Certification of Adoption

I certify that the foregoing Resolution No. 2021-__ was duly adopted at a regular meeting of said City Council held on March 10, 2021 by the following vote:

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

Dated _____

Diana Colvin, Mayor

Attest: _____
Caitlin Corley, City Clerk



FY 2020-21 MID-YEAR FINANCIAL REPORT

(JULY 1, 2020 – December 31, 2020)

GENERAL FUND: BUDGET VS ACTUAL

General Fund revenues through December 31, 2020 are \$5.7 million – 44% of budget. **Sales tax** and **cardroom tax** revenues represent 88% of total revenues through December 31, 2020. Sales and cardroom tax revenue budget were significantly reduced from prior years due to the COVID-19 financial crisis. The FY 2020-21 projection for sales tax was \$1.0 million less than historical average. Cardroom tax was projected to be \$3.0 million less than historical. With the availability of two COVID-19 vaccines and positive direction of COVID-19 cases, the Town expects to meet budget.

In response to the COVID-19 financial crisis, the Town deployed a number of cost cutting measures, including deferring all major equipment and vehicle purchases, halting recruitment for less critical positions, reducing contribution to pension and OPEB trust contribution, and restricting spending on non-essential services. By December 30, 2020, the Town spent 50% of budgeted expenditure and expects to stay within budget by June 30, 2021.

In May 2020, the City Council authorized to reduce the Town's unassigned reserve by \$2.2 million to bridge the operating deficit as a result of the COVID-19 financial crisis. As of December 30, 2020, the Town is expecting to use less than requested for FY 2020-21.

GENERAL FUND RESERVES

As show in Table 2 (RIGHT), unassigned General Fund reserves reduced at June 30, 2020 and December 31, 2020 is resulted from the COVID-19 financial crisis. Due to the COVID-19 pandemic, businesses and operations halted immediately impacting the Town's cardroom and sales tax revenues. In May, the City Council approved the use unassigned reserve in the amounts of \$2.54 million in FY 2019-20 and \$2.20 million in FY 2020-21 to bridge the operating deficit. Through cost containment and better than expected sales tax revenue, the Town's unassigned reserve reduced \$1.5 million, rather than the Council approved \$2.54 million.

TABLE 1: GENERAL FUND BUDGET TO ACTUAL THRU DEC 2020

GENERAL FUND (IN THOUSANDS)	2019-20 Actuals			2020-21 Budget to Actuals		
	Thru 6/30/20	Thru 12/31/19	% of Actual	Budget	Thru 12/31/20	% of Budget
REVENUES:						
SALES TAX	11,400	3,874	34%	10,432	4,454	43%
CARDROOM TAX	4,264	1,914	45%	1,109	612	55%
PROPERTY AND OTHER TAXES	752	341	45%	729	343	47%
USE OF MONEY AND PROPERTY	610	183	30%	373	115	31%
OTHER REVENUES	710	278	39%	390	217	56%
REVENUES TOTAL	17,736	6,591	37%	13,033	5,741	44%
EXPENDITURES (BY CATEGORIES):						
SALARY, WAGES, & BENEFITS	11,044	5,728	52%	9,874	5,132	52%
PROFESSIONAL & CONTRACT SERVICES	3,049	1,100	36%	2,531	912	36%
SUPPLIES & SERVICES	1,373	554	40%	931	426	46%
FACILITY OPERATIONS	721	236	33%	471	171	36%
INSURANCE (LIABILITY / PROPERTY)	741	623	84%	730	669	92%
CAPITAL OUTLAY	43	6	14%	1	1	100%
EXPENDITURES TOTAL	16,972	8,247	49%	14,537	7,311	50%
OTHER FINANCING SOURCES IN (OUT):						
NET TRANSFERS	(1,775)	(89)	5%	(699)	(39)	6%
OTHER FINANCING SOURCES TOTAL	(1,775)	(89)	5%	(699)	(39)	6%
NET CHANGE IN GENERAL FUND	(1,011)	(1,746)	173%	(2,202)	(1,609)	73%
EXPENDITURES (BY DEPARTMENT):						
GENERAL GOVERNMENT	4,000	2,187	55%	3,853	2,118	55%
PUBLIC SAFETY	8,441	4,232	50%	7,444	3,900	52%
PUBLIC WORKS & PLANNING	2,694	1,038	39%	2,104	913	43%
FACILITY OPERATIONS	721	236	33%	471	171	36%
RECREATION	1,116	555	50%	664	209	31%
EXPENDITURES TOTAL	16,972	8,247	49%	14,537	7,311	50%

TABLE 2: GENERAL FUND RESERVES HISTORY

GENERAL FUND RESERVE	Actual @ 6/30/2019	Actual @ 6/30/2020	Actual @ 12/31/2020
COMMITTED RESERVES (12)			
BUDGET STABILIZATION	12,000,000	12,000,000	12,000,000
DEBT REDUCTION	600,000	600,000	600,000
ACCRUED LEAVE PAYOUT	650,000	715,000	540,670
COMMITTED RESERVES TOTAL	13,250,000	13,315,000	13,140,670
ASSIGNED RESERVES (11)			
LITIGATION	100,000	100,000	100,000
INSURANCE	100,000	100,000	100,000
DISASTER RESPONSE & RECOVERY	750,000	750,000	750,000
ASSIGNED RESERVES TOTAL	950,000	950,000	950,000
UNASSIGNED RESERVE (11)	10,982,278	9,568,432	7,959,222
TOTAL GENERAL FUND RESERVE	25,182,278	23,833,432	22,049,892

This report summarizes the Town's mid-year financial status by providing an analysis of revenues and expenditures through the first half of the fiscal year for the General Fund and other non-major funds. The intent of this report is to provide a brief update on how these funds are performing in comparison to the adjusted budget. This mid-year financial report is prepared using a "soft-close", an abbreviated closing procedure, for timely reporting. Only major transactions, such as sales tax, property tax, sewer assessment revenues, sewer contracts, and other major contracts were accrued for this mid-year report.

CAPITAL PROGRAM:

TABLE 3: CAPITAL PROGRAM SUMMARY

BUDGET TO ACTUAL THROUGH December 2020	STATUS @ 6/30/2020	2020-21 Amended Budget	Actuals Through Dec 2020	% of Annual Budget
ANNUAL ROADWAY REHAB & PREVENTION (906)	Deferred	-	-	n/a
AUTO/FLEET REPLACEMENT (987)	Ongoing	20,000	19,973	100%
CLIMATE ACTION PLAN (994)	Active	9,609	9,167	95%
COLMA CREEK CHANNEL REPAIRS (934)	Deferred	-	-	n/a
EL CAMINO REAL BICYCLE & PEDESTRIAN (914)	Active	52,019	36,259	70%
FINANCIAL SOFTWARE REPLACEMENT (965)	Deferred	-	-	n/a
GENERAL PLAN UPDATE (991)	Active	271,644	99,509	37%
LAWNDALE & ECR LANDSCAPE & MEDIAN (956)	Deferred	-	-	n/a
MISSION ROAD IMPROVEMENTS (903)	Active	2,419,517	1,475,997	61%
RECREATION OPS AND FAC MASTER PLAN (995)	Deferred	-	-	n/a
STORM DRAIN SYSTEM ASSESSMENT (972)	Deferred	-	-	n/a
TOWN'S IT INFRASTRUCTURE UPGRADES (986)	Ongoing	50,000	6,180	12%
HOUSING ELEMENT UPDATE (TBD)	New	100,000	-	0%
ZONING CODE UPDATE (TBD)	New	100,000	-	0%
F STREET RETAINING WALL (TBD)	New	25,000	-	0%
CAPITAL PROGRAM TOTAL		3,047,789	1,647,085	54%

Part of the strategy in cost cutting, was deferring non-essential capital programs in FY 2019-20 and FY 2020-21. Six projects were deferred and the funding were redirected to grant funded projects. Three projects are added to the list due to the importance of these projects.

ADDITIONAL DETAILS AND INFORMATION

This format was prepared by the Finance Department to highlight in summary fashion key indicators of the Town Financial performance. Additional Financial Reports and Budgets – including earlier Quarterly Financial Reports, Audits and Budgets – are also available on the Town website www.colma.ca.gov. This report will also be posted on the Town website after it has been reviewed by the City Council.

FUND BALANCE SUMMARY – ALL FUNDS

Table 4, below, is a summary of fund balances for all Town's funds. The various City Council designated reserve funds are listed within the General Fund (11) and General Fund Reserves (12) below.

TABLE 4: FUND BALANCE SUMMARY FOR ALL FUNDS

FUND TITLE		Fund	AUDITED Fund Balance @ 7/1/20	Revenues YTD 12/31/20	Expenditures YTD 12/31/20	Net Transfers In/(Out)	Net Change in Fund Balance	Fund Balance @ 12/31/20
GENERAL FUND	GENERAL FUND	11						
	LITIGATION RESERVE		100,000	0	0	0	0	100,000
	INSURANCE RESERVE		100,000	0	0	0	0	100,000
	DISASTER RESERVE		750,000	0	0	0	0	750,000
	UNASSIGNED		9,568,432	5,741,433	(7,311,491)	(39,152)	(1,609,210)	7,959,222
	GENERAL FUND RESERVE	12				0	0	
	BUDGET STABILIZATION		12,000,000	0	0	0	0	12,000,000
	DEBT REDUCTION		600,000	0	0	0	0	600,000
	ACCRUED LEAVE PAYOUT RESER		715,000	0	(126,303)	(48,027)	(174,330)	540,670
GENERAL FUND TOTAL		23,833,432	5,741,433	(7,437,794)	(87,179)	(1,783,540)	22,049,892	
SPECIAL FUNDS	GAS TAX	21	111,001	35,516	(6,131)	0	29,385	140,386
	MEASURE A	22	331,659	28,581	0	0	28,581	360,240
	HOUSING IMPACT FEES	25	276,242	1,186	0	0	1,186	277,428
	MEASURE W	26	30,259	7,483	0	0	0	37,742
	PUBLIC SAFETY GRANTS	27	6,865	0	(275)	0	(275)	6,590
	COPS GRANT	29	124,776	104,138	(110,735)	0	(6,598)	118,178
	SPECIAL FUNDS TOTAL		880,802	176,904	(117,141)	0	52,279	902,822
CAPITAL	CAPITAL IMPROVEMENT	31	2,157,961	9,212	(282,517)	0	(273,304)	1,884,657
	STREET CAPITAL	32	1,459,138	169,743	(1,512,256)	0	(1,342,513)	116,625
	CAPITAL FUNDS TOTAL		3,617,099	178,955	(1,794,772)	0	(1,615,817)	2,001,282
DEBT	COP DEBT SERVICE	43	1,296	1	(88,434)	87,179	(1,254)	42
	DEBT FUND TOTAL		1,296	1	(88,434)	87,179	(1,254)	42
ISF	VEHICLE / FLEET REPLACEMENT ISF	61	745,688	3,154	(19,973)	0	(16,819)	728,869
	INTERNAL SERVICE FUND (ISF) TOTAL		745,688	3,154	(19,973)	0	(16,819)	728,869
ENTERPRISE	SEWER OPERATING	81		494,137	(1,015,284)	0	(521,146)	(521,146)
	SEWER CAPITAL	82	10,438	0	0	0	0	10,438
	CITY PROPERTIES	83	132,845	78,782	(48,599)	0	30,183	163,028
	ENTERPRISE FUND TOTAL		143,283	572,920	(1,063,882)	0	(490,963)	(347,680)
TOTAL FOR ALL FUNDS (NON TRUST)			29,221,600	6,673,367	(10,521,998)	0	(3,856,114)	25,335,227
TRUST	OPEB TRUST	71	5,082,881	0	0	0	0	5,082,881
	RETIREMENT TRUST	72	1,458,087	0	0	0	0	1,458,087
	TRUST FUNDS TOTAL		6,540,968	0	0	0	0	6,540,968
TOTAL FOR ALL FUNDS (NON TRUST)			35,762,568	6,673,367	(10,521,998)	0	(3,856,114)	31,876,195