



SAN RAFAEL CITY COUNCIL – MONDAY, NOVEMBER 18, 2019

**SPECIAL MEETING AT 5:00 PM
CITY MANAGER’S CONFERENCE ROOM, CITY HALL
1400 FIFTH AVENUE, SAN RAFAEL, CALIFORNIA**

1. Bicycle and Pedestrian Advisory Committee Interviews

Interview Applicants and Consider Appointments to Fill Three Four-Year Terms and One Alternate Four-Year Term on the Bicycle and Pedestrian Advisory Committee to the End of November 2023 Due to the Expiration of Terms of Marc Solomon, Philip Mooney, Jim Geraghty and Alternate Member Barry Bergman (CC)

Recommended Action – Interview Applicants and Make Appointments

**REGULAR MEETING
COUNCIL CHAMBERS, CITY HALL
1400 FIFTH AVENUE, SAN RAFAEL, CALIFORNIA**

AGENDA

OPEN SESSION – THIRD FLOOR CONFERENCE ROOM, CITY HALL – 5:30 P.M.

1. Mayor Phillips to announce Closed Session items.

CLOSED SESSION – THIRD FLOOR CONFERENCE ROOM, CITY HALL – 5:30 P.M.

2. Closed Session:
 - a. Conference with Labor Negotiators – Government Code Section 54957.6
Lead Negotiator: Timothy L. Davis (Burke, Williams & Sorensen)
Agency Designated Representatives: Jim Schutz, Cristine Alilovich, Nadine Hade, Van Bach, Police Chief Diana Bishop, Fire Chief Christopher Gray
Employee Organizations: SEIU - Childcare; San Rafael Police Mid-Management Association; Public Employee Union, Local 1; San Rafael Firefighters’ Association; San Rafael Police Association; SEIU Local 1021; Western Council of Engineers; San Rafael Fire Chief Officers’ Association

OPEN TIME FOR PUBLIC EXPRESSION – 7:00 PM

The public is welcome to address the City Council at this time on matters not on the agenda that are within its jurisdiction. Please be advised that pursuant to Government Code Section 54954.2, the City Council is not permitted to discuss or take action on any matter not on the agenda unless it determines that an emergency exists, or that there is a need to take immediate action which arose following posting of the agenda. Comments may be no longer than two minutes and should be respectful to the community.

CITY MANAGER’S REPORT:

3. City Manager’s Report:

CONSENT CALENDAR:

The opportunity for public comment on consent calendar items will occur prior to the City Council's vote on the Consent Calendar. The City Council may approve the entire consent calendar with one action. In the alternative, items on the Consent Calendar may be removed by any City Council or staff member, for separate discussion and vote.

4. Consent Calendar Items:

a. **Approval of Minutes**

Approve Minutes of City Council / Successor Agency Regular and Special Meetings of Monday, November 4, 2019 and the Special Meeting of October 29, 2019 (CC)
Recommended Action – Approve minutes as submitted

b. **Design Review Board Reappointment**

Reappoint Donald Blayney to Fill One Four-Year Alternate Member Term on the Design Review Board to the End of December 2023 (CC)
Recommended Action – Approve staff recommendation

c. **Short-Term Rental Ordinance**

Final Adoption of Ordinance 1976: An Ordinance of the City of San Rafael City Council Amending Section 14.03.030 and Section 3.20.020 of the San Rafael Municipal Code, and Adding New Chapter 10.110 Entitled “Short-Term Rental Program” (CC)
Recommended Action – Final Adoption of Ordinance 1976

d. **Noise Ordinance Amendments for Utility Power Outages**

Final Adoption of Ordinance 1977: An Ordinance of the City of San Rafael City Council Amending Chapter 8.13 of the San Rafael Municipal Code Entitled “Noise” to Add an Exemption from Noise Regulations for the Use of Generators for Emergencies and Utility Power Outages (CC)
Recommended Action – Final Adoption of Ordinance 1977

e. **Affordable Housing Agreement for 211-215 Belle Avenue**

Resolution Authorizing the City Manager to Sign a Below Market Rate Agreement for a Rental Unit at 211-215 Belle Avenue (APN 014-065-05) (CD)
Recommended Action – Adopt Resolution

f. **San Rafael Downtown Business Improvement District (BID) Assessment Annual Renewal**

Resolution Declaring the City Council's Intention to Levy an Annual Assessment for the Downtown San Rafael Business Improvement District (ED)
Recommended Action – Adopt Resolution

g. **Caltrans Maintenance Agreement**

Resolution Approving and Authorizing the City Manager to Execute a Project Specific Maintenance Agreement with the State of California Department of Transportation (Caltrans) for Maintenance of Portions of Lucas Valley Road and Smith Ranch Road Within State Right-Of-Way (PW)
Recommended Action – Adopt Resolution

h. Southern Heights Retaining Wall

Resolution Approving and Authorizing the City Manager to Execute a Professional Services Agreement with Mark Thomas and Company, Inc. for Engineering Design and Environmental Clearance Services Associated with the Southern Heights Boulevard at Courtright Road Retaining Wall Project In an Amount Not to Exceed \$114,000 (PW)

Recommended Action – Adopt Resolution

SPECIAL PRESENTATIONS:

5. Special Presentations:

- a. Proclamation Supporting Shop San Rafael

PUBLIC HEARINGS:

6. Public Hearings:

- a. **Tri-Annual Building Code Ordinance Amendments**

Final Adoption of Ordinance 1974: An Ordinance of the City of San Rafael City Council Amending Title 12 of the San Rafael Municipal Code Adopting the 2019 California State Construction Codes with Amendments (CD)

Recommended Action – Final Adoption of Ordinance 1974

- b. **Tri-Annual Fire Code Ordinance Amendments**

Final Adoption of Ordinance 1975: An Ordinance of the City of San Rafael City Council Amending Chapter 4.08 of the San Rafael Municipal Code to Adopt By Reference the California Fire Code 2019 Edition with Amendments, the International Fire Code 2018 Edition, and Appendix A of the 2018 International Wildland-Urban Interface Code and Adopting Findings of Fact Supporting the Amendments to Such Codes (FD)

Recommended Action – Final Adoption of Ordinance 1975

OTHER AGENDA ITEMS

7. Other Agenda Items:

- a. **Exclusive Negotiating Agreement with Goldstone Management Inc.**

Resolution Approving and Authorizing the City Manager to Execute An Agreement to Negotiate Exclusively with Goldstone Management Inc. Regarding Redevelopment of 1009 and 1001 Fourth Street, 924-926 Third Street, and the Third Street and Lootens Plaza Parking Garage (ED)

Recommended Action – Adopt Resolution

- b. **East San Rafael Parking Study**

Report on Initial Implementation of the East San Rafael Parking Study (PW)

Recommended Action – Accept report

- c. **Year-End Financial Statements and Related Audit Reports**

Fiscal Year 2018-2019 Annual Financial Report; Gann Appropriations Limit; Memorandum on Internal Control; And the Child Development Program (Childcare) Financial Report (Fin)

Recommended Action – Accept reports

d. **SEIU Local 1021 – Child Care Unit Memorandum of Understanding**

Resolution Approving the Memorandum the Understanding Between the City and SEIU Local 1021 – Child Care Unit Pertaining to Compensation and Working Conditions (November 1, 2019 Through October 31, 2021) (HR)

Recommended Action – Adopt Resolution

e. **Third Street Rehabilitation – Contract for Design and Environmental Services**

Resolution Approving and Authorizing the City Manager to Execute a Professional Services Agreement with CSW/Stuber-Stroeh Engineering Group, Inc. for Engineering Design and Environmental Clearance Services Associated with the Third Street Rehabilitation Project In An Amount Not to Exceed \$925,782 (PW)

Recommended Action – Adopt Resolution

COUNCILMEMBER REPORTS / REQUESTS FOR FUTURE AGENDA ITEMS:

(including AB 1234 Reports on Meetings and Conferences Attended at City Expense)

8. Councilmember Reports:

SAN RAFAEL SUCCESSOR AGENCY:

1. Consent Calendar: - None.

ADJOURNMENT:

Any records relating to an agenda item, received by a majority or more of the Council less than 72 hours before the meeting, shall be available for inspection in the City Clerk's Office, Room 209, 1400 Fifth Avenue, and placed with other agenda-related materials on the table in front of the Council Chamber prior to the meeting. Sign Language interpreters and assistive listening devices may be requested by calling (415) 485-3066 (voice), emailing Lindsay.lara@cityofsanrafael.org or using the California Telecommunications Relay Service by dialing "711", at least 72 hours in advance of the meeting. Copies of documents are available in accessible formats upon request. Public transportation is available through Golden Gate Transit, Line 22 or 23. Paratransit is available by calling Whistlestop. Wheels at (415) 454-0964. To allow individuals with environmental illness or multiple chemical sensitivity to attend the meeting/hearing, individuals are requested to refrain from wearing scented products.



SAN RAFAEL CITY COUNCIL STAFF REPORT

Department: City Clerk

Prepared by: Lindsay Lara, City Clerk

City Manager Approval: 

TOPIC: BICYCLE AND PEDESTRIAN ADVISORY COMMITTEE INTERVIEWS

SUBJECT: INTERVIEW APPLICANTS AND CONSIDER APPOINTMENTS TO FILL THREE FOUR-YEAR TERMS AND ONE ALTERNATE FOUR-YEAR TERM ON THE BICYCLE AND PEDESTRIAN ADVISORY COMMITTEE TO THE END OF NOVEMBER 2023 DUE TO THE EXPIRATION OF TERMS OF MARC SOLOMON, PHILIP MOONEY, JIM GERAGHTY AND ALTERNATE MEMBER BARRY BERGMAN

RECOMMENDATION:
Interview the following applicants and consider appointments to fill three four-year terms and one alternate four-year term on the Bicycle and Pedestrian Advisory Committee to the end of November 2023 due to the expiration of terms of Marc Solomon, Philip Mooney, Jim Geraghty and Alternate Member Barry Bergman.

Name	Name
Andrew Cullen	Jim Geraghty
Anne Coyne	Marc Solomon
Barry Bergman	Philip Mooney (telephone)

BACKGROUND:
At the meeting of September 3, 2019, the City Council called for applications to fill three four-year terms and one alternate member four-year term to the end of November 2023. These vacancies were due to the expiration of terms of Marc Solomon, Philip Mooney, Jim Geraghty and Alternate Member Barry Bergman. Eleven (11) applications were received in the City Clerk’s office; however, two applicants were removed because they lived outside of city limits. Due to the volume of applications received, a subcommittee of the City Council carried out an initial review of the nine (9) applications and selected six (6) to be interviewed by the full City Council.

COMMUNITY OUTREACH:
The call for applications for the Bicycle and Pedestrian Advisory Committee was advertised in Snapshot (the City Manager’s e-newsletter), the City website, Nextdoor and Facebook social media platforms.

FISCAL IMPACT: There is no fiscal impact associated with this item.

FOR CITY CLERK ONLY

Council Meeting:

Disposition:

RECOMMENDED ACTION:

Interview applicants and consider appointments to fill three four-year terms and one alternate four-year term on the Bicycle and Pedestrian Advisory Committee to the end of November 2023 due to the expiration of terms of Marc Solomon, Philip Mooney, Jim Geraghty and Alternate Member Barry Bergman.

ATTACHMENT:

1. Six (6) Applications
2. Bicycle and Pedestrian Advisory Committee Guidelines

Profile

Andrew J Cullen
First Name Middle Initial Last Name

Which Boards would you like to apply for?

Bicycle & Pedestrian Advisory Committee: Submitted

[Redacted]
Email Address

[Redacted]
Street Address

[Redacted]
Suite or Apt

San Rafael
City

CA
State

94901
Postal Code

Are you a resident of San Rafael

Yes No

Resident of the City of San Rafael for how many years?

14

[Redacted]
Primary Phone

[Redacted]
Alternate Phone

Lawrence Berkeley National Laboratory
Employer

Environment, Health and Safety Professional
Job Title

Business Address

[Redacted]

How did you learn about this vacancy? *

Other

Interests & Experiences

Do you participate in any civic activities?

I participate in bicycle and pedestrian civic activities through the Marin County Cycle Coalition (MCBC) to increase accessibility and safety.

List any civic organizations of which you are a member:

MCBC

Education:

UC Berkeley, B.S. Chemistry, 2013 UC Berkeley, M.P.H. 2018-Present

Why are you interested in serving on a board or commission?

I grew up in San Rafael and plan to reside in the city foreseeable future. I have a deep interest in making San Rafael the best that it can be. In the last 4 years that I have returned to living in San Rafael (post college), I have seen the city dramatically improve. Businesses are revitalizing the downtown and mass transit is coming to town. Issues still exist that I want to help shape the future of. Homelessness is still too prevalent, affordable housing is on the decline, and bicycle/pedestrian safety remains a challenge. My studies in public health program at UC Berkeley has engaged me in many areas of community health and built environment. I am interested in serving on the Citizens Advisory Committee on Economic Development and Affordable Housing to implement solutions that improve every corner of San Rafael. I have the perspective, skills and experience to make a difference in my city and I want to be a part of the change. As an Environment, Health and Safety professional at Berkeley Lab, I am passionate about creating a safe work place and protecting the environment. In working for a compliance driven department within the Department of Energy, I have repeatedly collaborated with stakeholders to develop solutions that enables world-class science while meeting regulatory requirements. I know that these skills will translate well to the challenging and diverse problems that San Rafael has. I firmly believe that the San Rafael needs a young adult voice on this committee. San Rafael is a place that I can see myself starting and raising a family in the next 5 years. I want to help shape San Rafael into a place that allows people to reach economic success and positive health outcomes regardless of socio-economic, immigration, or other determinants.

Describe possible areas in which you may have a conflict of interest with the City:

None.

[Andrew Cullen Resume 092519.pdf](#)

Upload a Resume

Demographics (Optional)

The demographic information you choose to provide is **VOLUNTARY** and **OPTIONAL** and refusal to provide it will not subject you to any adverse treatment. This information will be considered confidential, kept separate from your application and will not be used for evaluating applications or making appointments. The City of San Rafael will use this information solely to conduct research and compile statistical reports regarding the composition of its Board and Commission applicants.

Ethnicity:

To which gender to your most identify?



How old are you?



ANDREW CULLEN, CHMM, CSP

CONTACT



Tel: [REDACTED]



[REDACTED]



Linkedin.com/andrew-cullen



[REDACTED]
San Rafael, CA, 94901

EDUCATION

University of California, Berkeley

Anticipated 2020

School of Public Health

Masters of Public Health, Environmental Health Sciences

University of California, Berkeley

2013

College of Chemistry

Bachelors of Science, Chemistry

RELEVANT EXPERIENCE

Waste Management Professional

June 2018 - Present

Lawrence Berkeley National Laboratory

- Provide guidance, direction and recommendations to research and operations personnel to improve safety and regulatory compliance of hazardous waste
- Develop relationships with multi-disciplinary teams to support planning and implementing improvements to EH&S programs
- Identify and strengthen technical program areas to ensure compliance with applicable regulations and to reduce risk to the institution
- Classify and certify waste with the application of generator process knowledge to meet on-site and off-site TSDF WACs and DOT regulations
- Interpret federal, state and local regulations applicable to waste management

Chemistry Lab Technician

August 2016 – June 2018

College of Marin

- Oversaw and strengthened EH&S procedures in chemistry teaching labs
- Optimized chemical inventories, safety inspections and labeling programs
- Projected and purchased supplies and equipment by managing a budget
- Strategized meeting program needs of students, faculty and staff

Junior Research Specialist I

July 2013 – July 2014

University of California, Berkeley

- Influenced and implemented new EH&S policies by participating in the Chemical Safety Committee
- Optimized EH&S controls in a research space that contained chemical, biological (BSL2), and radioactive hazards
- Oriented and oversaw training of new lab members in EH&S
- Conducted organic synthesis and biological labeling research under limited supervision and collaborated with a team of scientists
- Communicated research findings through written reports and presentations

Undergraduate Researcher

August 2012 – July 2013

University of California, Berkeley

- Invented a synthetic pathway for Si-Rhodamines and cyclooctynes for use in copper-free click labeling in bacterial and mammalian cells
- Analyzed data and constructed manuscripts to communicate results
- Publicized research results through poster and PowerPoint presentations

Certifications

CHMM, 2018-Present

Certified Hazardous Materials Manager

CSP, 2019-Present

Certified Safety Professional

Training

- OSHA 40-Hour HAZWOPER
- DOT Basic Awareness
- DOT Advance Radiation Shipper
- EPA RCRA/CWA/CAA
- CA Title 22/HSC
- IATA

Skills and Abilities

- Project Management
- Program Development/Implementation
- Research Methods
- Waste Management Regulations
- Chemistry, Statistics and Public Health
- Written and Oral Communication
- Self-Motivated and Independent
- Collaborative with Diverse Groups
- Resourceful

PUBLICATIONS

Peyton Shieh, M. Sloan Siegrist, **Andrew J. Cullen**, and Carolyn R. Bertozzi. "Imaging bacterial peptidoglycan with near-infrared fluorogenic azide probes" *Proceedings of the National Academy of Sciences U. S. A.* **2014**, *111*, 5456-6461.

Profile

Anne B Coyne
First Name Middle Initial Last Name

Which Boards would you like to apply for?

Bicycle & Pedestrian Advisory Committee: Submitted

[Redacted]
Email Address

[Redacted]
Street Address

[Redacted]
Suite or Apt

San Rafael CA 94901
City State Postal Code

Are you a resident of San Rafael

Yes No

Resident of the City of San Rafael for how many years?

San Rafael

[Redacted]
Primary Phone

[Redacted]
Alternate Phone

CPA non employed at present
Employer Job Title

Business Address

[Redacted]

How did you learn about this vacancy? *

Other

Interests & Experiences

Do you participate in any civic activities?

I was involved with the SiteLeadership Council, PTA at San Rafael schools and have served as treasurer for the Canal Ministry. I was an executive founding board member of the Lincoln-San Rafael neighborhood committee. Most recently I have been involved with Big Brothers Big Sisters of the Bay Area, as a Big Sister and a board member for 9 years, 2 years as Board President. Currently I am a CASA, Court Appointed Special Advocate for the Marin court system.

List any civic organizations of which you are a member:

MCBC, Marin Cycling Club, Big Brothers Big Sisters of the Bay Area, Dominican's Women, Leadership and Philanthropy Council

Education:

CSUN, graduated with a BS in accounting

Why are you interested in serving on a board or commission?

I believe it takes people to bring about change and as an avid cyclist in Marin I believe in making cycling safer and more accessible. I have cycled the Cape Century Ride in South Africa, and in Croatia, Chile, Italy, and other areas around the US; and am very aware that safe cycling practices can enhance a community. I have participated in the MCC Marin Metric Century, the Wine Country Metric Century and the Grand Fondo, and the Jense ride in Marin. Recently I cycled the CicLAvia, in Hollywood a fun community cycling event where streets are closed to motor vehicles and open for the public to walk, bike, and skate through the open streets. I have cycled in Long Beach where they have been front runners in implementing safe cycling paths for their community. There are many ways to educate the public and make cycling and walking more accessible for everyday transportation as well as recreational purposes. By being a part of this committee, I hope to contribute my experiences and network with other communities so we can be the leader in Marin promoting safe cycling and walking opportunities.

Describe possible areas in which you may have a conflict of interest with the City:

None

[Resume_9-2019.pdf](#)

Upload a Resume

Demographics (Optional)

The demographic information you choose to provide is **VOLUNTARY** and **OPTIONAL** and refusal to provide it will not subject you to any adverse treatment. This information will be considered confidential, kept separate from your application and will not be used for evaluating applications or making appointments. The City of San Rafael will use this information solely to conduct research and compile statistical reports regarding the composition of its Board and Commission applicants.

Ethnicity:

None Selected

To which gender to your most identify?

None Selected

How old are you?

None Selected

ANNE BUNKELL COYNE, CPA

San Rafael, California 94901

Profile

Accomplished business professional with a proven record of financial analysis, leadership through team building and strong interpersonal skills. Demonstrated ability to prioritize multiple tasks; goal orientated and dedicated to moving an organization to reach its full potential.

- Analytical, problem solving abilities
- Collaborative leader and team builder
- Versatile, resourceful, innovative thinker
- Mentors and motivates talent
- Clear thinker; solution driven
- Energetic, creative open to new ideas

CASA, Court Appointed Special Advocate for Marin County (2017-Present)

Big Brothers Big Sisters of the North Bay and Bay Area (November 2011-2019)

Board President (2017-2019) Board Director and Big Sister

- Developed new programs to engage “Bigs” within the organization; planned quarterly events
- Created a Big Advisor program to mentor new “Bigs” in the organization
- Actively participated in the strategic planning process, collecting and disseminating data
- Fundraising and ambassador role, recruiting new board leadership

Bekins Moving and Storage, Controller (1984-1988)

- Responsible for profit and growth of the Northern California Division (revenues of \$14 million)
- Opened new office, hired and managed financial and admin staff (accounting staff of 30)
- Implemented sales and marketing programs
- Analyzed operations and implemented cost saving programs
- Prepared monthly and annual financial statements

Accenture (formerly Arthur Andersen), Consultant (1980-1984)

- Designed and programmed financial accounting systems
- Interviewed management and developed detailed business specs for each client
- Worked in South Africa developing an import/export system
- Developed and lead multiple training programs

Volunteer Experience (1988-2011)

Kappa Kappa Gamma National Fraternity

President, Marin-San Francisco Alumnae Association

St. John's Church, Ross

Finance and Search Committee

Lincoln-San Rafael Neighborhood Association

Executive Founding Board Member

San Rafael Canal Ministry

Treasurer, Board of Directors

Education

California State University, Northridge, Bachelor of Science in Accounting

Awards

Heart of Marin Nominee, 2014

Committee Involvement

Marin Cycling Club, Marin County Bicycling Coalition

Dominican's Women, Leadership and Philanthropy Council

Dominican Toastmasters, President (2014-2015)

Profile

Barry _____ D _____ Bergman _____
First Name Middle Initial Last Name

Which Boards would you like to apply for?

Bicycle & Pedestrian Advisory Committee: Submitted

Email Address

Street Address

Suite or Apt

San Rafael _____
City

CA _____
State

94901 _____
Postal Code

Are you a resident of San Rafael

Yes No

Resident of the City of San Rafael for how many years?

4+

Primary Phone

Alternate Phone

W-Trans _____
Employer

Senior Planner _____
Job Title

Business Address

How did you learn about this vacancy? *

Other

Interests & Experiences

Do you participate in any civic activities?

No

List any civic organizations of which you are a member:

None

Education:

Master of Regional Planning (MRP)

Why are you interested in serving on a board or commission?

I am currently serving as an alternate on the BPAC and would like to continue to serve on the Commission. I see this as an opportunity to apply my professional expertise to help make San Rafael a safer and more desirable place to walk and bike, and by extension a better place to live. I am currently working as a transportation planning consultant, including numerous projects that focus on enhancing bicyclist and pedestrian access and safety. With my knowledge of policies, facility design and traffic operations, and experience working in local government, I believe I would offer a significant contribution to the city as a member of the Bicycle and Pedestrian Advisory Committee.

Describe possible areas in which you may have a conflict of interest with the City:

N/A

[Bergman-resume-Sept2019.pdf](#)

Upload a Resume

Demographics (Optional)

The demographic information you choose to provide is **VOLUNTARY** and **OPTIONAL** and refusal to provide it will not subject you to any adverse treatment. This information will be considered confidential, kept separate from your application and will not be used for evaluating applications or making appointments. The City of San Rafael will use this information solely to conduct research and compile statistical reports regarding the composition of its Board and Commission applicants.

Ethnicity:

To which gender to your most identify?

[Redacted]

How old are you?

[Redacted]

BARRY D. BERGMAN

San Rafael, CA 94901 •

SUMMARY

Transportation planning professional with over 20 years' experience in the private sector, public agencies and nonprofits. Expertise in project and program management, with focus on developing and implementing policies, projects and programs to support bicycling, walking and transit use. Skilled at preparing effective written communications, including grant applications, plans, staff reports, and materials for nontechnical audiences. Adept at forging strong working relationships with elected officials, transportation advocates, and business and community leaders.

PROFESSIONAL EXPERIENCE:

Senior Planner, W-Trans, 2018-present. Responsibilities include managing local and countywide planning studies and grantwriting. Selected projects:

- Active Transportation Program grant application development (six applications)
- Sonoma County Safe Routes to School Evaluation
- Lower Russian River Trail Feasibility Study
- Highway 20 Northshore Communities Traffic Calming Plan and Engineered Feasibility Study
- Eleventh Street Corridor Multimodal Engineered Feasibility Study
- Mendocino County Zero Electric Vehicle and Alternative Fuels Readiness Plan
- City of Milpitas General Plan Circulation Element

Manager of Trail Development, Rails-to-Trails Conservancy, 2012-2018. Led development and implementation of projects and programs for RTC's Western Region office. Selected accomplishments:

- Led RTC's consulting activities in California, providing expertise to city and county agencies to address technical challenges and community concerns associated with trail development projects.
- Developed and presented educational modules for Caltrans Active Transportation Program workshops to support disadvantaged communities; participated in ATP application review.
- Provided technical leadership to the Bay Area Trails Collaborative, including directing a multi-agency effort to develop a regional trail map and providing support to MTC for the development of a regional bicycle and pedestrian count program.
- Developed grant proposals and secured funding from Caltrans and private foundations.
- Provided broad range of trail development technical assistance services to agency staff and trail advocates throughout California and other western states.
- Cultivated partnerships with residents and agency staff in economically disadvantaged communities to solicit input on planning projects.
- Delivered presentations at numerous public workshops and professional conferences.

Transportation Planning Consultant, 2010-2012. Performed bicycle planning tasks for the City of Alameda and Alameda County Transportation Commission. Selected accomplishments:

- Developed City of Alameda Bicycle Facility Design Standards.
- Enhanced countywide bicycle and pedestrian count program through identification of count locations,

Barry D. Bergman

coordination of partner agencies, monitoring data counters, and data analysis.

- Evaluated local jurisdictions' compliance with requirements for receipt of funding.
- Prepared work scope for countywide Safe Routes to School program.

Transportation Coordinator, City of Alameda Public Works Dept., Alameda, CA, 2002-2011.

Performed broad range of transportation planning and operations activities, including serving as lead staff for bicycle, transit, and paratransit planning. Selected accomplishments:

- Staffed Transportation Commission and the City of Alameda/AC Transit Interagency Liaison Committee, a coordinating body including elected officials and senior agency staff.
- Served as project manager for Bicycle Master Plan Update, West End Shuttle Study, and Cross Alameda Trail Feasibility Study.
- Served as key team member for General Plan Transportation Element update.
- Led numerous public outreach initiatives, including developing, implementing, and analyzing surveys; and organizing and leading public workshops. Also served as primary point of contact for the public regarding bicycle and transit issues.
- Restructured and managed City's Paratransit Program, requiring community outreach activities, oversight of transportation service providers, and development of a local shuttle route.
- Coordinated closely with AC Transit to modify bus routes and stop locations, and developed guidelines for deployment of bus stop amenities.
- Prepared staff reports and delivered presentations to the City Council, Transportation Commission, Planning Board, and other boards and commissions.
- Reviewed and analyzed Environmental Impact Reports, site plans, and Transportation Demand Management plans for proposed development projects.
- Prepared successful grants to secure funding for numerous bicycle and pedestrian infrastructure and planning projects, and administered planning project grants.
- Supervised consultants, staff, and interns on project basis.
- Represented City on county and regional paratransit, bicycle, and pedestrian committees.

Senior Transportation Planner, Baltimore Metropolitan Council, Baltimore, MD, 1995-2002.

Performed broad range of transportation planning activities, including serving as lead staff for bicycle, transit, and paratransit planning. Selected accomplishments:

- Managed region's first Bicycle, Pedestrian, and Greenways Transportation Plan and regionwide bicycle suitability analysis.
- Prepared bicycle, pedestrian, transit, and financial analysis chapters for two updates of the Baltimore Regional Transportation Plan; led subcommittees through policy development and project prioritization.
- Reviewed and evaluated local jurisdiction funding requests and presented funding recommendations to MPO board and committees.
- Delivered project presentations to MPO board, its committees, and at professional conferences.
- Facilitated Regional Bicycle and Pedestrian Advisory Group.
- Represented the MPO on the MD East Coast Greenway Committee, MD Human Services Transportation Coordination Committee, and Baltimore Mayor's Bicycle Advisory Committee.
- Organized and led community outreach activities, including regional forums, workshops, and public meetings.
- Led development of the region's first Bike to Work Day activities.

Barry D. Bergman

EDUCATION:

Master of Regional Planning, 1993

University of Massachusetts, Amherst, MA

Emphasis: growth management; environmental policy

Bachelor of Science, 1985

Cornell University, Ithaca, NY

Major: Human Development and Family Studies

PROFESSIONAL AFFILIATIONS:

American Institute of Certified Planners

American Planning Association

Association of Pedestrian and Bicycle Professionals

Profile

Jim Geraghty
First Name Middle Initial Last Name

Which Boards would you like to apply for?

Bicycle & Pedestrian Advisory Committee: Submitted

[Redacted]
Email Address

[Redacted]
Street Address

[Redacted]
Suite or Apt

San Rafael
City

CA
State

94901
Postal Code

Are you a resident of San Rafael

Yes No

Resident of the City of San Rafael for how many years?

30+

[Redacted]
Primary Phone

[Redacted]
Alternate Phone

retired
Employer Job Title

Business Address

[Redacted]

How did you learn about this vacancy? *

Friend / Colleague

Interests & Experiences

Do you participate in any civic activities?

Yes. I currently serve on the BPAC, BPAC alternate for the 2040 Plan, Board Marin Community Clinic, Board Sustainable San Rafael, Board Community Media Center of Marin

List any civic organizations of which you are a member:

See above and: Multicultural Center of Marin Marin Rapid Response Network Coalition for a Livable Marin

Education:

Some College

Why are you interested in serving on a board or commission?

As a biker and pedestrian I'm connected to and see the needs in the city. I also understand the new mobility technologies, like ebikes, and scooters and their impacts and needs for infrastructure if we are to reduce automobile traffic and congestion on our surface roads. A recent study demonstrated that tire wear from automobile contributes 50% of plastic particulates that go into our Bay and Oceans. Encouraging biking and walking can lower that pollution, making our oceans and ourselves healthier.

Describe possible areas in which you may have a conflict of interest with the City:

I don't have any conflicts of interests.

Upload a Resume

Demographics (Optional)

The demographic information you choose to provide is **VOLUNTARY** and **OPTIONAL** and refusal to provide it will not subject you to any adverse treatment. This information will be considered confidential, kept separate from your application and will not be used for evaluating applications or making appointments. The City of San Rafael will use this information solely to conduct research and compile statistical reports regarding the composition of its Board and Commission applicants.

Ethnicity:

To which gender to your most identify?

[Redacted]

How old are you?

[Redacted]

Profile

Marc _____ S _____ Solomon _____
First Name Middle Initial Last Name

Which Boards would you like to apply for?

Bicycle & Pedestrian Advisory Committee: Submitted

Email Address

Street Address

Suite or Apt

San Rafael _____
City

CA _____
State

94901 _____
Postal Code

Are you a resident of San Rafael

Yes No

Resident of the City of San Rafael for how many years?

4

Primary Phone

Alternate Phone

Hazen and Sawyer _____
Employer

Vice President _____
Job Title

Business Address

How did you learn about this vacancy? *

Other

Interests & Experiences

Do you participate in any civic activities?

City of San Rafael BPAC San Rafael Sanitation District Alternate Commissioner on the Central Marin Sanitation Agency Board of Commissioners

List any civic organizations of which you are a member:

See above

Education:

Bachelor of Science in Engineering from Duke University Master of Science in Public Health from Tulane University

Why are you interested in serving on a board or commission?

I have always participated in my community. When living in Sonoma County i was active on the School Board, Chamber of Commerce, and a number of other informal civic organizations. Since moving to San Rafael I have been looking for areas that I could participate and provide value. Since I am an avid bicyclist, hiker, and walker the BPAC is the perfect organization where i can provide value both as a citizen and a professional engineer.

Describe possible areas in which you may have a conflict of interest with the City:

No known conflict of interest.

[San Rafael-
Bicycle Comm Sept 22 2018.docx](#)

Upload a Resume

Demographics (Optional)

The demographic information you choose to provide is **VOLUNTARY** and **OPTIONAL** and refusal to provide it will not subject you to any adverse treatment. This information will be considered confidential, kept separate from your application and will not be used for evaluating applications or making appointments. The City of San Rafael will use this information solely to conduct research and compile statistical reports regarding the composition of its Board and Commission applicants.

Ethnicity:

None Selected

To which gender to your most identify?



How old are you?

None Selected

Marc S. Solomon, P.E.

Education

B.S./Civil Engineering/Duke University/North Carolina
M.S./Public Health/ Tulane University/ Louisiana

Professional Registrations

PE: CA/WA/OR/OH/
PA/LA
Water Treatment Plant Operator License
Water Distribution System Operator License
Board Certified Environment Engineer
Diplomat, Water Resource Engineer
Value Engineer Certification

Memberships

City of San Rafael BPAC
Chamber of Commerce, Past Board Member
Leadership Santa Rosa Class XIV
Leadership Santa Rosa, Past Chair (7 years)
Santa Rosa Junior College
Adjunct Instructor
Sonoma County Agricultural Preservation and Open Space, Past Citizens Advisory Board
Water Environment Federation
American Academy of Environmental Engineers
American Water Works Association
WateReuse Association

PROFESSIONAL SUMMARY

Mr. Solomon brings a strong technical foundation with well-balanced experience in managing engineering, environmental, and surveying staff. His broad technical experience has exposed him to all phases of a project including planning, design, construction, and Operations & Maintenance. As a practicing engineer Mr. Solomon has a very well-rounded technical background in all aspects of infrastructure. This technical experience and his interpersonal skills enhances Marc's ability to work effectively at all levels inside and outside an organization with elected officials, executives, engineers, regulatory agencies, contractors, civic organizations, and the general public.

Marc's diverse background includes public agency, private sector, and nonprofit experience. This tri-sector experience bolsters his knowledge and credibility and allows him to engage and collaborate across public, private, and community sectors. He brings a unique background in all phases of the engineering industry including CIP preparation, customer service, project management, technical capabilities, financial management, strategic planning, human resources, and overall leadership.

Mr. Solomon is known as a collaborator and consensus-builder. Through collaboration he is able to gain the trust of people and therefore lead them in problem solving. As a consensus-builder Marc can bring together diverse opinions and develop a clear vision of the long-term strategies. His roll-up-the-sleeves style and good interpersonal skills allows Marc to develop trust within his teams. Throughout his career Mr. Solomon has a strong record of achieving budget objectives while maintaining strong morale; this is accomplished with a blend of a collegial approach, strong management skills, and setting a clear vision for the organization.

Marc brings an energetic and articulate personality. Some of Mr. Solomon's leadership characteristics and skills include:

- Maintains a high level of authenticity and Integrity.
- Sets clear goals and maintains accountability.
- Clearly communicates a vision.
- Inspires and leads by example.
- Acts as mentor and coach providing guidance, direction, and encouragement.
- Challenges individuals and the team.
- Recognizes good work and people.
- Helps people see beyond their self-interests and focus on team interests.

Marc S. Solomon, P.E.

- Self-awareness, self-discipline, and judicious self-expression.

EMPLOYMENT HISTORY

Hazen and Sawyer, San Francisco Bay Area, CA

Feb 2014-Present

Position Descriptions

- Northern California Manager

Accomplishments

- Started the northern California operation for Hazen and developed a strong team of professionals serving water and wastewater agencies throughout northern California.
- Principal and project manager for multi-discipline, multi-million dollar design and construction CIP projects.
- Water, wastewater, and recycled water subject matter expert.
- Managing CEQA projects throughout California.
- Instituted succession planning as part of all hiring.
- Instituted a safety program in light of the majority of work being performed at treatment plants.
-

Winzler & Kelly/GHD, San Francisco Bay Area, CA

Jan 1993-Feb 2014

Position Descriptions (in chronological order)

- Engineering and Survey Manager.
- San Diego Office Manager responsible for 24 FTEs
- Santa Rosa Office Manager responsible for 95 FTEs
- Northwest Region Manager responsible for 175 FTEs
- Southwest Region Manager responsible for 90 FTEs

Accomplishments

- Senior project manager, construction manager, and principal for multi-discipline, multi-million dollar design and construction CIP projects. Subject matter expert for wastewater pump stations and pipelines.
- Interim City Engineer for the City of Rohnert Park and City of Cotati: prepared CIPs, selected consultants, provided construction management, managed development review, provided permitting, and interacted with elected officials and the public.
- Operations manager responsibilities included strategic goal setting; financials; annual budget preparation; recruit, train, coach, and mentor staff; and overall region leadership.
- Turned-around the lowest performing region into a top performer with development of a high performing team, improved management process, and established accountability.

Marc S. Solomon, P.E.

- Instituted succession planning as part of all hiring.
- Instituted a safety program in each operation unit.
- Conceived, developed, initiated, and led company leadership program entitled “LEADERSHIP Winzler & Kelly”, which gained national recognition for developing talent. The program was developed using the Leadership Santa Rosa (LSR) model after Marc’s 7-years as LSR Chair.
- Mentored and coached staff annually; including the training of 8 office managers.
- Initiated and led the development and roll-out of a Customer Relations Management program at all levels in the organization. Mr. Solomon has presented numerous seminars on customer service.
- Initiated office/region business plan development, quarterly business plan reviews, and forecasting.
- Active participant on the Executive Management Team.
- Adjunct instructor at Santa Rosa Junior College and guest lecturer at various organizations.
- LSR Chair for 7 years.
- Initiated Winzler & Kelly’s participation in the PD’s Celebrate Community program.

GS Dodson and Associates, Walnut Creek, CA

July 1986-Jan 1993

Position Descriptions

- Engineering Manager and Senior Project Manager

Accomplishments

- Developed Capital Improvement Programs (CIP) for numerous agencies and cities.
- Project manager and construction manager for CIP projects for Bay Area’s largest water and wastewater agencies as well as other California agencies and cities.
- Nationally-recognized wastewater pump station and pipeline subject-matter expert; designed the world’s largest raw wastewater pump station.
- Responsible for developing short- and long-term strategic goals for the company.
- Managed engineering and CAD staff and created CAD standards.
- Developed company Project Management and QA/QC manuals.
- Responsible for staff hiring, retention, morale, and mentoring.
- Officer of the company and member of the Executive Committee.
- Guest lecturer at various organizations including University of California, Berkeley.

Profile

Philip R Mooney
First Name Middle Initial Last Name

Which Boards would you like to apply for?

Bicycle & Pedestrian Advisory Committee: Appointed

[Redacted]
Email Address

[Redacted]
Street Address

[Redacted]
Suite or Apt

San Rafael
City

CA
State

94901
Postal Code

Are you a resident of San Rafael

Yes No

Resident of the City of San Rafael for how many years?

5 years

[Redacted]
Primary Phone

[Redacted]
Alternate Phone

Sonoma State University
Employer

Instructional Faculty and SSPII
Instructional Technician -
Department of Geology
Job Title

Business Address

[Redacted]

How did you learn about this vacancy? *

City Manager's Newsletter

Interests & Experiences

Do you participate in any civic activities?

I currently serve on the Bicycle and Pedestrian Advisory Committee. Ride Leader for the San Rafael Bike Dawgs High School MTB Team

List any civic organizations of which you are a member:

Gerstle Park Neighborhood Association

Education:

Bachelors in Environmental Geology from DePauw University in Greencastle, IN Masters in Geology from University of California - Davis

Why are you interested in serving on a board or commission?

I believe that prioritizing alternative forms of transportation can fundamentally improve a city. I'm a proponent of walkable cities, bicycle friendly infrastructure, and plentiful public transportation options. Well thought out projects that lower the activation energy of choosing to walk or bike will have clear benefits for San Rafael, namely creating a connected, safe, and personable community, reducing car congestion, improving public health, and increasing accessibility for all economic levels. My long term goal is to help create a community where my 2 year old daughter doesn't need to rely on a car to get around!

Describe possible areas in which you may have a conflict of interest with the City:

None come to mind

[Philip_Mooney_Resume_2.pdf](#)

Upload a Resume

Demographics (Optional)

The demographic information you choose to provide is **VOLUNTARY** and **OPTIONAL** and refusal to provide it will not subject you to any adverse treatment. This information will be considered confidential, kept separate from your application and will not be used for evaluating applications or making appointments. The City of San Rafael will use this information solely to conduct research and compile statistical reports regarding the composition of its Board and Commission applicants.

Ethnicity:

To which gender to your most identify?

[Redacted]

How old are you?

[Redacted]

SUMMARY OF QUALIFICATIONS

Academic training in geology, experience teaching, and superb people skills. Extensive background in the cycling world as both a professional racer and marketing/communication specialist.

PROFESSIONAL EXPERIENCE

Instructional Faculty & Technician: *Sonoma State University Department of Geology* Dec. 2013- Present

- Instructor for introductory undergraduate geology courses, including lectures and labs.
- Lead and co-lead undergraduate level field geology courses consisting of up to 36 students on 5-10 day camping-based field trips in locations throughout the western US and Canada.
 - Courses include Introduction to Geologic Mapping, Structural Geology, Sedimentology, Paleontology, and Igneous and Metamorphic Petrology.
 - Coordinate all logistics of field trips including: reservations, transportation, gear, food, and teaching supplies on 8 separate trips totaling 46 days of field work each year.
- Manage Sonoma State Universities thin section laboratory and rock cutting room. Developed the thin section lab protocol and wrote a guide to producing petrographic thin sections.
- Manage complete inventory of SSU Department of Geology supplies worth in excess of \$1 million.

Team Manager: *Team Marc Pro Cycling Domestic Elite Road Cycling Team* Aug. 2014-Present

- Recruited and secured team sponsors to support a road bicycle racing team, with total sponsorship in excess of \$300,000. Recruit and manage a 15-rider roster of elite cyclists racing a comprehensive international race schedule. Hire and support staff members for races around the world.
- Manage all internal and external team communication.

Professional Cyclist: *UCI Continental Professional Road Cyclist* Jan. 2011- Dec. 2013

Team Raleigh (UK) : Team Jamis-Sutter Home (USA) : Team Jamis-Hagens Berman (USA)

- Full-time professional cyclist on the UCI European Tour (2011) & UCI America Tour (2012, 2013).
- Served in a team management, marketing, and communications role in addition to racing.
 - Wrote all official team press releases and external communications which were distributed to an email list of 4,000+, numerous cycling media contacts, a social media following of 5,000+, and prominently displayed on the team website.

ACADEMIC TRAINING

University of California, Davis, Davis, CA

Masters in Geology, 3.94 GPA, Structural Geology, Sedimentary Basin Analysis, and Tectonics

DePauw University, Greencastle, IN

Bachelor of Arts Degree, 3.77 GPA, Major in Environmental Geosciences, Science Research Fellow

OTHER SKILLS AND EXPERIENCE

Leadership & Community Service:

- Numerous leadership positions in various cycling organizations including serving as the assistant Coach of the San Rafael Bike Dawgs High School Mountain Bike Team

Miscellaneous:

- USA Cycling Pro Category XC Mountain Bike Racer, Category 1 Road Bike Racer, and Category 1 Cyclocross Racer
- Certified as a NOLS Wilderness First Responder with extensive experience camping and backpacking
- PADI certified open water diver

BICYCLE AND PEDESTRIAN ADVISORY COMMITTEE

PURPOSE

The Bicycle and Pedestrian Advisory Committee meets twice a year to review the City's progress in implementing the San Rafael Bicycle and Pedestrian Master Plan and other related issues as directed by the City Council. The Committee will also promote public involvement and support for bicycling and walking as viable alternatives to driving.

QUALIFICATIONS

All members of the Bicycle and Pedestrian Advisory Committee must be individuals with a strong interest and enthusiasm for planning and improving bicycle and pedestrian facilities.

The Advisory Committee shall consist of seven (7) members. Members of the Committee may either be:

Residents of San Rafael; or
Business owners within the City of San Rafael

Two additional members of the committee shall be youth representatives.

Committee members will be appointed by the City Council.

TIME COMMITMENT

The Advisory Committee shall meet six times per year. The meetings shall comply with all provisions of the Brown Act.

In the Council Chambers of the City of San Rafael, Monday, November 4, 2019



Regular Meeting

San Rafael City Council

Minutes

Present: Mayor Phillips
Vice Mayor McCullough
Councilmember Bushey
Councilmember Colin
Councilmember Gamblin

Absent: None

Also Present: City Manager Jim Schutz
City Attorney Robert Epstein
City Clerk Lindsay Lara

[How To Participate In Your City Council Meeting](#)

OPEN SESSION – THIRD FLOOR CONFERENCE ROOM, CITY HALL

1. None.

CLOSED SESSION – THIRD FLOOR CONFERENCE ROOM, CITY HALL

2. Closed Session: - None.

Mayor Phillips called the City Council meeting to order at 7:01 p.m.

OPEN TIME FOR PUBLIC EXPRESSION – 7:00 PM

[Salamah Locks, Marin Commission on Aging](#), provided a report on the Commission

CITY MANAGER’S REPORT:

3. **City Manager’s Report:**

- [City Manager Jim Schutz announced upcoming community workshops on housing challenges, to be held on Wednesday November 6, 2019 at the San Rafael Corporate Center from 7-9 p.m. and on Thursday November 14, 2019 in the Council Chambers from 7-9 p.m.; and gave a presentation on the PGE Public Safety Power Shutoff and the Emergency Operations Center activity from October 26, 2019 and introduced Emergency Management Coordinator Quinn Gardner who provided comments](#)
- [Mayor Phillips expressed thanks to staff for their work during the PGE Public Safety Power Shutoff](#)

CONSENT CALENDAR:

4. **Consent Calendar Items:**

Items 4.d and 4.e are held from the Consent Calendar

Mayor Phillips invited public comment on the remaining items, however there was none

Councilmember Bushey moved and Councilmember Colin seconded to approve the remainder of the Consent Calendar items

- a. **Approval of Minutes**
Approve Minutes of City Council / Successor Agency Regular Meeting of Monday, October 21, 2019 (CC)
[Regular Meeting Minutes 2019-10-21](#)
Approved minutes as submitted

- b. **Special Library Parcel Tax Committee Vacancy**
Call for Applications to Fill One Unexpired Four-Year Term on the Special Library Parcel Tax Committee Due to the Resignation of Pamela Cook (CC)
[Special Library Parcel Tax Committee Vacancy](#)
Approved staff recommendation

- c. **Revision of the City of San Rafael Alarm Ordinance**
Final Adoption of Ordinance 1973: An Ordinance of the City of San Rafael City Council Amending Chapter 8.20 of the San Rafael Municipal Code Regulating Intrusion Detection Alarm Systems (CC)
[Revision of the City of San Rafael Alarm Ordinance](#)
Final Adoption of Ordinance 1973

- f. **Janitorial Services for the Downtown Library, Child Care Centers and Terra Linda Pool Restrooms**
Resolution Authorizing the City Manager to Execute A One-Year Agreement with Trinity Public Sector Solutions to Provide Janitorial Services at the Downtown Library, Child Care Centers and Terra Linda Pool Restroom In An Amount Not to Exceed \$90,000 (PW)
[Janitorial Services - Downtown Library, Child Care Centers and Terra Linda Pool](#)
RESOLUTION 14735 - RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A ONE-YEAR AGREEMENT WITH TRINITY PUBLIC SECTOR SOLUTIONS TO PROVIDE JANITORIAL SERVICES AT THE DOWNTOWN LIBRARY, CHILD CARE CENTERS AND TERRA LINDA POOL RESTROOM IN AN AMOUNT NOT TO EXCEED \$90,000

- g. **Termination of Local Emergency**
Resolution Proclaiming the Termination of a Local Emergency (CC)
[Termination of Local Emergency](#)
RESOLUTION 14736 - RESOLUTION PROCLAIMING THE TERMINATION OF A LOCAL EMERGENCY

AYES: Councilmembers: Bushey, Colin, Gamblin, McCullough & Mayor Phillips
NOES: Councilmembers: None
ABSENT: Councilmembers: None

The following items were held from the Consent Calendar:

Councilmember McCullough provided comments on both items 4.d and 4.e

Mayor Phillips invited public comment on Items 4.d and 4.e, however there was none

Councilmember McCullough moved and Councilmember Bushey seconded to pass Charter Ordinance No. 1974 to print

- d. **Tri-Annual Building Code Ordinance Amendments**
Introduction: An Ordinance of the City of San Rafael City Council Amending Title 12 of the San Rafael Municipal Code Adopting the 2019 California State Construction Codes with Amendments and Setting a Public Hearing Date for Adoption (CD)

[Tri-Annual Building Code Ordinance Amendments](#)

Ordinance No. 1974 passed to print

ORDINANCE NO. 1974 - AN ORDINANCE OF THE SAN RAFAEL CITY COUNCIL AMENDING TITLE 12 (BUILDING REGULATIONS) OF THE MUNICIPAL CODE OF THE CITY OF SAN RAFAEL, BY REPEALING TITLE 12 AND AMENDING TITLE 12 THEREOF; ADOPTING THE 2019 EDITION OF THE CALIFORNIA BUILDING CODE, THE CALIFORNIA RESIDENTIAL CODE, THE CALIFORNIA MECHANICAL CODE, THE CALIFORNIA PLUMBING CODE, THE CALIFORNIA ELECTRICAL CODE, THE CALIFORNIA EXISTING BUILDING CODE, THE CALIFORNIA GREEN BUILDING STANDARDS CODE, THE CALIFORNIA ENERGY CODE, AND THE CALIFORNIA REFERENCED STANDARDS CODE WITH APPENDICES AND AMENDMENTS HEREIN; ADOPTING THE 2018 EDITION OF THE INTERNATIONAL PROPERTY MAINTENANCE CODE AND THE INTERNATIONAL POOL AND SPA CODE WITH AMENDMENTS HEREIN; ADOPTING ADMINISTRATIVE AND PROGRAM PROVISIONS FOR THE CODES; AND ADOPTING FINDINGS OF FACT SUPPORTING THE AMENDMENTS TO THE CODES.

- e. **Tri-Annual Fire Code Ordinance Amendments**
Introduction: An Ordinance of the City of San Rafael City Council Amending Chapter 4.08 of the San Rafael Municipal Code to Adopt By Reference the California Fire Code 2019 Edition with Amendments, the International Fire Code 2018 Edition, and Appendix A of the 2018 International Wildland-Urban Interface Code and Adopting Findings of Fact Supporting the Amendments to Such Codes and Setting a Public Hearing Date for Adoption (FD)

[Tri-Annual Fire Code Ordinance Amendments](#)

Ordinance No. 1975 passed to print

ORDINANCE NO. 1975 - AN ORDINANCE OF THE CITY OF SAN RAFAEL CITY COUNCIL AMENDING CHAPTER 4.08 OF THE SAN RAFAEL MUNICIPAL CODE TO ADOPT BY REFERENCE THE CALIFORNIA FIRE CODE 2019 EDITION WITH AMENDMENTS, THE INTERNATIONAL FIRE CODE 2018 EDITION, AND APPENDIX A OF THE 2018 INTERNATIONAL WILDAND-URBAN INTERFACE CODE AND ADOPTING FINDINGS OF FACT SUPPORTING THE AMENDMENTS TO SUCH CODES

AYES: Councilmembers: Bushey, Colin, Gamblin, McCullough & Mayor Phillips
NOES: Councilmembers: None
ABSENT: Councilmembers: None

SPECIAL PRESENTATION:

5. Special Presentation:

a. Presentation of Helen Putnam Award to the City of San Rafael by League of California Cities

City Manager Jim Schutz provided background on the Helen Putnam Award and commented on the Together San Rafael initiative

Senior Planner Ali Giudice, Police Detective Todd Berringer and Engineering Technician Dylan Frisbie commented on their experience with Together San Rafael and how it had impacted the agency.

Nancy Hall Bennett, League of California Cities, presented the City Council with the Helen Putnam Award

Mayor Phillips accepted the Helen Putnam Award on behalf of the City and invited staff to join the City Council in receipt of the award

b. Presentation of Proclamation to Mark Bustillos for His Service on the Park and Recreation Commission

Mayor Phillips presented the Proclamation to Mark Bustillos for his service on the Park and Recreation Commission

c. Presentation of Proclamation to the San Rafael Pacifics

Mayor Phillips presented the Proclamation to San Rafael Pacifics for their back-to-back Championship win

PUBLIC HEARINGS

6. Public Hearings:

a. Short-Term Rental Ordinance and Policy Resolution

1) Consideration of An Ordinance of the City of San Rafael City Council Amending Section 14.03.030 and Section 3.20.020 of the San Rafael Municipal Code, and Adding New Chapter 10.110 Entitled “Short-Term Rental Program” (CD)

2) Resolution of the City of San Rafael City Council Adopting Policies and Procedures for the Administration of the “Short-Term Rental Program” as Set Forth in San Rafael Municipal Code Chapter 10.110 (CD)

[Short-Term Rental Ordinance and Policy Resolution](#)

Additional Correspondence as of 11/04/2019

Community Development Professional Analyst Ethan Guy presented the staff report

Councilmembers provided comments

Mayor Phillips declared the public hearing open

Speakers: Roger Roberts, Speaker, Linda Comella Kruger, John Reynolds, Bob McAllister, Cheryl Marzich, Ravon Widgey, Charlie Comella, Sean Terheyden

There being no further comment from the audience, Mayor Phillips closed the public hearing

Staff responded to questions from the public and the City Council

Councilmembers provided comments

Councilmember Colin moved and Councilmember Bushey seconded to pass Charter Ordinance No. 1976 to print

ORDINANCE NO. 1976 - AN ORDINANCE OF THE CITY OF SAN RAFAEL CITY COUNCIL AMENDING SECTION 14.03.030 AND SECTION 3.20.020 OF THE SAN RAFAEL MUNICIPAL CODE, AND ADDING NEW CHAPTER 10.110 ENTITLED "SHORT-TERM RENTAL PROGRAM"

AYES: Councilmembers: Bushey, Colin, Gamblin, McCullough & Mayor Phillips
NOES: Councilmembers: None
ABSENT: Councilmembers: None

Councilmember Colin moved and Councilmember Bushey seconded to adopt the Resolution with an amendment that the policy be reviewed in one year

RESOLUTION 14737 - RESOLUTION ADOPTING POLICIES AND PROCEDURES FOR THE ADMINISTRATION OF THE "SHORT-TERM RENTAL PROGRAM" AS SET FORTH IN SAN RAFAEL MUNICIPAL CODE CHAPTER 10.110

AYES: Councilmembers: Bushey, Colin, Gamblin, McCullough & Mayor Phillips
NOES: Councilmembers: None
ABSENT: Councilmembers: None

- b. **Noise Ordinance Amendments for Utility Power Outages**
Consideration of An Ordinance of the City of San Rafael City Council Amending Chapter 8.13 of the San Rafael Municipal Code Entitled "Noise" to Add an Exemption from Noise Regulations for the Use of Generators for Emergencies and Utility Power Outages (CD)

[Noise Ordinance Amendments for Utility Power Outages](#)

Community Development Director Paul Jensen introduced Chief Building Official Don Jeppson who presented the Staff Report

Staff responded to questions from the City Council

Mayor Phillips declared the public hearing open

Speakers: Gigi Dixon, Speaker

There being no further comment from the audience, Mayor Phillips closed the public hearing

Councilmembers provided comments

Councilmember Gamblin moved and Councilmember McCullough seconded to pass Charter Ordinance No. 1977 to print with an amendment to increase the decibel level to 69

ORDINANCE NO. 1977 - AN ORDINANCE OF THE CITY OF SAN RAFAEL CITY COUNCIL AMENDING CHAPTER 8.13 OF THE SAN RAFAEL MUNICIPAL CODE ENTITLED "NOISE" TO ADD AN EXEMPTION FROM NOISE REGULATIONS FOR THE USE OF GENERATORS FOR EMERGENCIES AND UTILITY POWER OUTAGES

AYES: Councilmembers: Bushey, Colin, Gamblin, McCullough & Mayor Phillips
NOES: Councilmembers: None
ABSENT: Councilmembers: None

OTHER AGENDA ITEMS

7. Other Agenda Items:

- a. **Local 1021 - Child Care Unit Memorandum of Understanding Discussion and Consideration of a Memorandum of Understanding (MOU) Pertaining to Compensation and Working Conditions for SEIU Local 1021 - Child Care Unit (November 1, 2019 Through October 31, 2021) (HR)**
[SEIU Local 1021 - Child Care Unit Memorandum of Understanding](#)

Human Resources Coordinator Sylvia Gonzalez-Shelton presented the staff report

Mayor Phillips invited public comment, however there was none

Councilmember McCullough moved and Councilmember Colin seconded to direct staff to return with Resolution adopting MOU

Directed staff to return with Resolution adopting MOU

AYES: Councilmembers: Bushey, Colin, Gamblin, McCullough & Mayor Phillips
NOES: Councilmembers: None
ABSENT: Councilmembers: None

COUNCILMEMBER REPORTS / REQUESTS FOR FUTURE AGENDA ITEMS:

8. Councilmember Reports:

- Mayor Phillips reported a BioMarin Expansion Subcommittee of Mayor Phillips and Vice-Mayor McCullough was formed

SAN RAFAEL SUCCESSOR AGENCY:

1. Consent Calendar: - None.

ADJOURNMENT:

Mayor Phillips adjourned the City Council meeting at 9:06 p.m.

LINDSAY LARA, City Clerk

APPROVED THIS ____ DAY OF _____, 2019

GARY O. PHILLIPS, Mayor

DRAFT

In the Council Chambers of the City of San Rafael, Tuesday, October 29, 2019



Special Meeting

San Rafael City Council

Minutes

Present: Mayor Phillips
Councilmember Bushey
Councilmember Colin
Councilmember Gamblin

Absent: Vice-Mayor McCullough

Also Present: City Manager Jim Schutz
City Clerk Lindsay Lara

In accordance with California Government Code Section 54956, Mayor Gary Phillips has called a special emergency meeting of the City Council of the City of San Rafael to be held on October 29, 2019, at 8:00 a.m. for the following purposes:

- 1. Call special meeting of the City Council to order**
 - a. City Councilmember Kate Colin teleconferencing from 7951 Fleur Du Lac Drive, Truckee, CA 96161**

Mayor Phillips called the meeting to order at 8:00 a.m.

- 2. Public Safety Power Shutoff Local Emergency Resolution Ratifying and Modifying the City Manager/Director of Emergency Services' Proclamation of the Existence of a Local Emergency**
[Public Safety Power Shutoff Local Emergency](#)

City Manager Jim Schutz commented on the item and introduced Fire Chief Chris Gray and Emergency Management Coordinator Quinn Gardner who presented the staff report and updated the City Council on emergency operations.

Staff responded to questions from the City Council, and the City Council provided comments.

Mayor Phillips invited public comment; however, there was none.

Councilmember Bushey moved and Councilmember Gamblin seconded to adopt the Resolution

Minutes subject to approval at the City Council meeting of November 18, 2019

RESOLUTION 14734 - RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN RAFAEL, COUNTY OF MARIN, RATIFYING AND MODIFYING THE CITY MANAGER/DIRECTOR OF EMERGENCY SERVICES' PROCLAMATION OF THE EXISTENCE OF A LOCAL EMERGENCY

AYES: Councilmembers: Bushey, Colin, Gamblin & Mayor Phillips
NOES: Councilmembers: None
ABSENT: Councilmembers: Vice-Mayor McCullough

3. Public Comments

None

4. Adjournment

Mayor Phillips adjourned the meeting at 8:22 a.m.

LINDSAY LARA, City Clerk

APPROVED THIS ____ DAY OF _____, 2019

GARY O. PHILLIPS, Mayor

In the City Manager's Conference Room, City of San Rafael, Monday, November 4, 2019



Special Meeting

San Rafael City Council

Minutes

Present: Mayor Phillips
Vice-Mayor McCullough
Councilmember Bushey
Councilmember Colin
Councilmember Gamblin

Absent: None

Also Present: City Manager Jim Schutz
City Clerk Lindsay Lara
Library and Recreation Director Susan Andrade-Wax

Mayor Phillips called the meeting to order at 6:00 p.m.

**1. Park and Recreation Commission Interviews
Interview Applicants and Consider Appointments to Fill Two Four-Year Terms to the End of October 2023 and One Unexpired Four-Year Term to the End of May 2022 on the San Rafael Park and Recreation Commission (CC)**

[Park and Recreation Commission Interviews](#)

The City Council interviewed the following applicants: Ariel Gutierrez, Cicily Emerson, Jeren Seibel and Mark Machado. Applicant Laurie Etheridge withdrew her application.

Councilmember Bushey moved and Councilmember Colin seconded to approve to reappoint Mark Machado and appoint Cicily Emerson to the end of October 2023; appoint Ariel Gutierrez to the end of May 2022; and to appoint Jeren Seibel as alternate member to the end of October 2020.

AYES: Councilmembers: Bushey, Colin, Gamblin, McCullough & Mayor Phillips
NOES: Councilmembers: None
ABSENT: Councilmembers: None

ADJOURNMENT:

Mayor Phillips adjourned the meeting at 6:47 p.m.

LINDSAY LARA, City Clerk

APPROVED THIS _____ DAY OF _____, 2019

GARY O. PHILLIPS, Mayor



SAN RAFAEL CITY COUNCIL STAFF REPORT

Department: City Clerk

Prepared by: Lindsay Lara, City Clerk

City Manager Approval:

A handwritten signature in black ink, appearing to be 'AS', written over a horizontal line.

TOPIC: DESIGN REVIEW BOARD REAPPOINTMENT

SUBJECT: REAPPOINT DONALD BLAYNEY TO FILL ONE FOUR-YEAR ALTERNATE MEMBER TERM ON THE DESIGN REVIEW BOARD TO THE END OF DECEMBER 2023

RECOMMENDATION:

Reappoint Donald Blayney to fill one four-year alternate member term on the Design Review Board to the end of December 2023.

BACKGROUND:

At the meeting of October 7, 2019, the City Council called for applications for the Design Review Board to fill one four-year alternate member term to the end of December 2023. This vacancy was due to the expiration of term of Donald Blayney. One (1) application was received by the deadline of Tuesday, October 29, 2019, and staff recommends the reappointment of Donald Blaney as alternate member to the end of December 2023.

The [Design Review Board](#) (DRB) consists of design professionals appointed by the City Council to provide advice on new development projects and most exterior changes to existing buildings. Development applications are evaluated based on our General Plan and Zoning Ordinance design policies and criteria, with the goal of having new projects harmonize with the natural environment and surrounding area.

The Board is advisory, with final permit decisions made by the Planning Division staff, the Zoning Administrator, Planning Commission or City Council, depending on the complexity of the project. The scope of the DRB authority is to review and make recommendations on design matters such as architecture, mass, bulk, site planning, site improvements, color, materials, and landscaping. [Meetings](#) are held on the first and third Tuesday of each month at 7:00 p.m. at San Rafael City Hall in the Council Chambers, located at 1400 Fifth Avenue, San Rafael, CA 94901.

FISCAL IMPACT: There is no fiscal impact associated with this action.

COMMUNITY OUTREACH:

The call for applications for the Design Review Board was advertised in through mass email notification, the City website, Nextdoor and Facebook social media platforms.

RECOMMENDED ACTION:

Reappoint Donald Blayney to fill one four-year alternate member term on the Design Review Board to the end of December 2023.

FOR CITY CLERK ONLY

Council Meeting:

Disposition:

ATTACHMENT:

1. One (1) application
2. Municipal Code Excerpt

Profile

Donald _____ L _____ Blayney _____
First Name Middle Initial Last Name

Which Boards would you like to apply for?

Design Review Board: Submitted

Email Address

Street Address

Suite or Apt

SR _____
City

CA _____ 94901 _____
State Postal Code

Are you a resident of San Rafael

Yes No

Resident of the City of San Rafael for how many years?

30+

Primary Phone

Alternate Phone

Donald L Blayney _____ owner _____
Employer Job Title

Business Address

How did you learn about this vacancy? *

Friend / Colleague

Interests & Experiences

Do you participate in any civic activities?

See below

List any civic organizations of which you are a member:

Currant member of the DRB. Current member of the 2020 General Plan Steering Committee.

Education:

Cal Poly, san Luis Obispo, 1976

Why are you interested in serving on a board or commission?

giving back to my community

Describe possible areas in which you may have a conflict of interest with the City:

None

[DRB_application19.doc](#)

Upload a Resume

Question applies to Design Review Board, Park and Recreation Commission, Planning Commission

NOTE: All Design Review Board, Planning Commission and Park & Recreation Commission members are required to file Fair Political Practices Commission Conflict of Interest Statements, which are open to public review.

[Resolution # 12129]

Demographics (Optional)

The demographic information you choose to provide is **VOLUNTARY** and **OPTIONAL** and refusal to provide it will not subject you to any adverse treatment. This information will be considered confidential, kept separate from your application and will not be used for evaluating applications or making appointments. The City of San Rafael will use this information solely to conduct research and compile statistical reports regarding the composition of its Board and Commission applicants.

Ethnicity:

To which gender to your most identify?

[Redacted]

How old are you?

[Redacted]

Civic and Community Activities / Organizations

For your review and consideration I am applying for a position to the City of San Rafael Design Review Board. I feel that I will bring a wealth of experience and knowledge to the Board. The following is a brief summary of my qualifications and involvement with the City of San Rafael and its public agencies.

Special Qualification

1. I am a practicing registered Landscape Architect (LA#3370) with over 39 years of planning experience and collaboration experience with various city agencies.
2. I have a small Landscape Architect and Planning firm located here in San Rafael.
3. I have lived in or in close proximity to San Rafael since 1980, permanent residency since 1994.
4. I have been before the San Rafael Design Review, Planning Commission and the City Council numerous times as part of the project management of several projects located here in San Rafael.
5. I have an excellent understanding of the City's process and dealing with the City Agencies.
6. Member of the Landscape Architects Technical Committee.
7. Member of the American Society of Landscape Architects

Civic Activities

8. Appointed Member - 2020 General Plan Steering Committee - Present
9. Appointed Member - City of San Rafael Design Review Board – 2016 to Present.
10. Member of the Andersen Drive Vision Committee and the Landscape Architect charged with the visual design of Andersen Drive and the Albert Park Palm Promenade.
11. Member of the North San Rafael Promenade Charette.
12. Member of the North San Rafael Vision In Action (VIA) Committee.
13. Member of the San Rafael 2020 General Plan Update Committee, -Quality of Community Life Task Group.
14. I Chaired the Design Committee for the Falkirk Cultural Center Master Plan.
15. Graduate of the San Rafael Citizen Police Academy, 2000.
16. Appointed member of the Canalfront Advisory Committee.

Community Activities

17. Member of the San Rafael City School District Technology Committee, 2005 to 2009.
18. Member of the Glenwood Elementary School Foundation 1999 to 2009, Chairmen 2006 to 2009.
19. Vice President of the Peacock Gap HOA 1994 to 2003.
20. Architectural review chairman Peacock Gap HOA, 1994 to 2006.
21. Past President of the Peacock Point HOA, 2005 and current vice president, 2008 to present.
22. Prepared plans and Specification and coordinated the DSA submittal for the Glenwood Elementary School Shade Structure.
23. Prepared Master Plan for the Davidson Middle School Sports Fields and various on site plazas.
24. Prepared New Entry planting plan and 8th grade plaza for Davidson Middle School.

As you can see from Civic and Community involvement above I feel I will bring a wealth of experience to the Design Review Board and with my tenure of volunteerism for our City and participating in and chairing committees I feel that I am qualified for this position, and willing to serve my community.

My reasons for Serving

My willingness to give back to my community and a desirer to help determine the direction of our City, a strong desirer to help better our community and to protect and preserve the City of Rafael as we move forward.

I very much look forward to joining the team.

14.25.070 Design Review Board.

A. Purpose and Authority. The Design Review Board shall serve as an advisory body to the city for the purpose of reviewing and formulating recommendations on all major physical improvements requiring environmental and design review permits and on other design matters, including minor physical improvements, referred to the Board by the Planning Director, Planning Commission, or City Council.

B. Membership of the Design Review Board. The Design Review Board shall consist of a total of five (5) regular members and may include one alternate member appointed by the City Council. The Design Review Board members shall be qualified as follows:

1. At least two (2) members shall be licensed architects or licensed building designers;
2. At least one member shall be a licensed landscape architect;
3. At least one of the five (5) members shall have background or experience in urban design;
4. The alternate member may have qualifications in any of the above fields of expertise;
5. All board members shall reside in the City of San Rafael; and
6. In addition to the five (5) council-appointed Board members and one alternate member, one planning commissioner shall attend Board meetings. This liaison planning commissioner shall be appointed by the commission chairperson. An additional commissioner shall be appointed to serve as an "alternate liaison" in case of absence. The planning commission liaison should be present at all Design Review Board meetings to offer advice and direction to the Board on matters of commission concern.

C. Alternate Member. The alternate member may temporarily fill a vacancy created when a regular member: (1) leaves office prior to completion of the member's term; (2) cannot attend a meeting; or (3) cannot participate on a particular matter due to a conflict of interest.

D. Term of Office. The term of office for each Design Review Board member shall be four (4) years. Of the members of the Board first appointed, one shall be appointed for the term of one year; one for the term of two (2) years; one for the term of three (3) years; and two (2) for the term of four (4) years. The term of office for the alternate board member shall be four (4) years concurrent with the term of the chairperson.

E. Removal or Vacancy of Membership. Any member of the Board or the alternate member can be removed at any time by a majority vote by the City Council. A vacancy shall be filled in the same manner as the original appointment. The person appointed to fill a vacancy shall serve for the remainder of the unexpired term.

F. Meetings. At least one regular Design Review Board meeting shall be held each month on a date selected by the Board, unless there is no business to conduct.

G. Quorum. Three (3) of the members of the Board, either regular members or two (2) regular members and the alternate board member, shall be required to constitute a quorum for the transaction of the business of the Board and the affirmation vote of a majority of those present is required to take any action.

H. Compensation of the Design Review Board. All members of the Board shall serve as such without compensation.

I. The Design Review Board may adopt, and amend as necessary, Rules of Order to ensure efficient and responsive Board meetings. (Ord. 1838 § 53, 2005; Ord. 1794 § 2, 2003; Ord. 1625 § 1 (part), 1992).

ORDINANCE NO. 1976

AN ORDINANCE OF THE CITY OF SAN RAFAEL CITY COUNCIL AMENDING SECTION 14.03.030 AND SECTION 3.20.020 OF THE SAN RAFAEL MUNICIPAL CODE, AND ADDING NEW CHAPTER 10.110 ENTITLED "SHORT-TERM RENTAL PROGRAM"

THE CITY COUNCIL OF THE CITY OF SAN RAFAEL DOES ORDAIN AS FOLLOWS:

DIVISION 1. FINDINGS.

WHEREAS, on June 10, 2016 the City of San Rafael began monitoring short-term rental activity and trends within the City;

WHEREAS, as of December 2018, there were 286 active short-term rentals in the City of San Rafael, an increase from 150 active short-term rentals from when monitoring first began in 2016;

WHEREAS, on August 20, 2018, staff presented the City Council with a comprehensive report on a broad range of housing topics and issues and the City Council directed staff to follow up on four specific housing issues and return to the City Council with an informational report on potential short-term rental policy options;

WHEREAS, on February 19, 2019, staff presented the City Council with an informational report on short-term rental approaches, including analysis of active short-term rentals, best practices, and regulatory and enforcement options. The City Council requested that staff conduct expanded community outreach and additional analysis on the impacts of short-term rentals on the City's housing stock, and of the use of accessory structures as short-term rentals;

WHEREAS, on March 20, 2019, staff held a stakeholder meeting with the Federation of Neighborhoods and presented a summary of the short-term rental related activity to date in San Rafael including a summary of actions from the February 19, 2019 City Council Meeting. Attendees expressed no major concerns around short-term rental regulation;

WHEREAS, on April 4, 2019, staff met with approximately 25 San Rafael short-term rental hosts using the Airbnb platform. Staff presented a summary of the short-term rental-related activity to date including a summary of actions from the February 19, 2019 City Council meeting. Attendees expressed no major concerns around short-term rental regulation;

WHEREAS, beginning on March 22, 2019 and concluding on April 22, 2019, staff conducted an online community survey of potential short-term rental regulations. 409 individuals responded to the survey during the month that it was made available, and survey results indicate support for the development of a short-term rental program;

WHEREAS, on May 29 and May 30, 2019, staff held community meetings to present the findings of the community survey and presented a "Straw-man" proposal-- intended to generate

discussion of disadvantages and to provoke the generation of new and better proposals for the creation of a short-term rental program;

WHEREAS, on June 18, 2019, staff met with the San Rafael Chamber of Commerce Government Affairs Committee and made the same presentation reviewing the results of the community survey used during the Community Meetings. Attendees expressed no major concerns around short-term rental regulation; and

WHEREAS, on August 5, 2019, staff presented the City Council with additional analysis and overview of the community outreach associated with the development of a potential short-term rental program for the City of San Rafael, and draft program regulations, program costs and revenues, and a draft ordinance. The City Council directed staff to return with an ordinance and program regulations for City Council consideration that creates a short-term rental program;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN RAFAEL DOES ORDAIN AS FOLLOWS:

DIVISION 2. AMENDMENTS TO MUNICIPAL CODE.

- A. Section 14.03.030 of the San Rafael Municipal Code is hereby amended by amending the definitions of “Hotel” and “Home Occupation” and adding a definition of “short-term rental” as follows (strike-outs indicate deletions, double-underlining indicates additions):

"Hotel" means any building or portion thereof ~~containing multiple guest rooms~~ designed for compensation, primarily for the accommodation of transient travelers, with eating, drinking, banquet and recreational facilities related to the hotel use, but not including those facilities defined as residential care facilities.

"Home occupation" means an accessory use of a dwelling unit, conducted entirely within the dwelling unit, carried on by one (1) or more persons, all of whom reside within the dwelling unit, as further defined in [Section 14.16.220](#), Home occupations, but not including those facilities defined as short-term rentals in Section 14.03.030 of this Code.

"Short-term rental" means the rental of all or a portion of a dwelling unit for less than 30 days consecutive tenancy.

- B. Section 3.20.020 of the San Rafael Municipal Code is hereby amended to amend the definition of “Hotel” as follows (strike-outs indicate deletions, double-underlining indicates additions):

““Hotel” means any structure, or any portion of any structure, which is occupied or intended or designed for occupancy by transients for dwelling, lodging or sleeping purposes, and includes any hotel, inn, tourist home or house, motel, studio hotel, bachelor hotel, lodging house, rooming house, apartment house, dormitory, public or private club, mobile home or house trailer at a fixed location, short-term rental or other similar structure or portion thereof.”

C. Title 10 of the San Rafael Municipal Code, entitled “Businesses, Professions, Occupations, Industries and Trades” is hereby amended by adding new Chapter 10.110, entitled “Short-Term Rental Program” to read in its entirety as follows:

10.110.010 Purpose and intent

Notwithstanding any other provision of this Title, all Short-Term Rentals as defined in Section 14.03.030 of this Code, as may be amended or superseded, are subject to the policies and procedures specified in the San Rafael City Council’s “Policies and Procedures for the Administration of the ‘Short Term Rental Program’ as set forth in San Rafael Municipal Code Chapter 10.110” (“Program”), as adopted and amended from time to time by City Council resolution, and all Short-Term Rentals shall comply with such Policy.

10.110.020 Violations a public nuisance; penalties, nuisance abatement, and other remedies

Any Short-Term Rental operated, conducted, or maintained contrary to the provisions of this chapter and/or the Program shall be, and the same is hereby declared to be, unlawful and a public nuisance, and the City Attorney may, in addition to or in lieu of prosecuting a criminal action hereunder, commence an action or actions, proceeding or proceedings, for the abatement, removal and enjoinder thereof, in the manner provided by law. Such remedies shall be in addition to any other judicial and administrative penalties and remedies available to the City under Chapters 1.40, 1.42, 1.44, or 1.46 of this code, or under State law.

DIVISION 3. CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA).

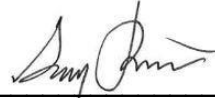
The City Council finds that adoption of this Ordinance is exempt from the California Environmental Quality Act ("CEQA") pursuant to section 15301 of the State CEQA Guidelines for operation, repair, maintenance, or minor alteration of existing structures or facilities.

DIVISION 4. SEVERABILITY.

If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this Ordinance. The Council hereby declares that it would have adopted the Ordinance and each section, subsection, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared invalid.

DIVISION 5. EFFECTIVE DATE; PUBLICATION.

This Ordinance shall be published once, in full or in summary form, before its final passage, in a newspaper of general circulation, published, and circulated in the City of San Rafael, and shall be in full force and effect January 1, 2020. If published in summary form, the summary shall also be published within fifteen (15) days after the adoption, together with the names of those Councilmembers voting for or against same, in a newspaper of general circulation published and circulated in the City of San Rafael, County of Marin, State of California.



GARY O. PHILLIPS, Mayor

ATTEST:



LINDSAY LARA, City Clerk

The foregoing Ordinance No. 1976 was introduced at a Regular Meeting of the City Council of the City of San Rafael, held on the fourth day of November 2019 and ordered passed to print by the following vote, to wit:

AYES: Councilmembers: Bushey, Colin, Gamblin, McCullough & Mayor Phillips

NOES: Councilmembers: None

ABSENT: Councilmembers: None

and will come up for adoption as an Ordinance of the City of San Rafael at a Regular Meeting of the Council to be held on the eighteenth day of November 2019.



LINDSAY LARA, City Clerk

Marin Independent Journal

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San Rafael, CA 94903
415-382-7335
legals@marinij.com

2070419

CITY OF SAN RAFAEL
CITY OF SAN RAFAEL
CITY CLERK, ROOM 209
1400 FIFTH AVENUE, SAN RAFAEL, CA 94901
SAN RAFAEL, CA 94915-1560

PROOF OF PUBLICATION (2015.5 C.C.P.)

STATE OF CALIFORNIA County of Marin

I am a citizen of the United States and a resident of the County aforesaid: I am over the age of eighteen years, and not a party to or interested in the above matter. I am the principal clerk of the printer of the MARIN INDEPENDENT JOURNAL, a newspaper of general circulation, printed and published daily in the County of Marin, and which newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of Marin, State of California, under date of FEBRUARY 7, 1955, CASE NUMBER 25566; that the notice, of which the annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

11/08/2019

I certify (or declare) under the penalty of perjury that the foregoing is true and correct.

Dated this 8th day of November, 2019.



Signature

PROOF OF PUBLICATION

Legal No. **0006423220**

SUMMARY OF ORDINANCE NO. 1976

AN ORDINANCE OF THE CITY OF SAN RAFAEL CITY COUNCIL AMENDING SECTION 14.03.030 AND SECTION 3.20.020 OF THE SAN RAFAEL MUNICIPAL CODE, AND ADDING NEW CHAPTER 10.110 ENTITLED "SHORT-TERM RENTAL PROGRAM"

This Summary concerns a proposed ordinance of the City Council of the City of San Rafael, designated as Ordinance No. 1976, which will amend portions of Title 3 (Finance and Taxation), Title 10 (Businesses, Professions, Occupations, Industries and Trades), and (Title 14 (Zoning) of the San Rafael Municipal Code to include definitions related to "Short-Term Rental" activities and adding a new chapter establishing a new "Short-Term Rental Program". Ordinance No. 1976 is scheduled for adoption by the San Rafael City Council at its regular meeting of November 18, 2019. The City Clerk has been directed to publish this Summary pursuant to City Charter and California Government Code section 36933(c)(1).

SUMMARY OF AMENDMENT TO MUNICIPAL CODE

The proposed ordinance would include amendments to the City's Zoning Ordinance to: add a definition for "Short-Term Rentals" (SRMC Section 14.03.030); amend the definition for "Hotel" by removing "multiple guest rooms" (SRMC Section 14.03.030); and amend the definition of "Home Occupation" to explicitly not apply to short-term rentals (SRMC Section 14.03.030). The ordinance would also amend the City's Transient Occupancy Tax provisions to amend the definition of "Hotel" to include "Short-Term Rental" (SRMC Section 3.20.020). In addition to these changes, the ordinance creates a new chapter, SRMC Chapter 10.110-Short-Term Rental Program, establishing the "Short-Term Rental Program" with policies and procedures as specified in the San Rafael City Council's Resolution No. 14737 adopted on November 4, 2019.

Copies of Ordinance No. 1976 will be available for public review as of Wednesday, November 13, 2019, at the San Rafael City Clerk's Office, 1400 Fifth Avenue, 2nd Floor, Room 209 during regular business hours, 8:30 a.m. to 5:00 p.m., and on the City's website: <https://www.cityofsanrafael.org>. You may also contact the City Clerk at (415) 485-3066 or the Planning Department at (415) 485-3085 for information.

/s/
LINDSAY LARA
San Rafael City Clerk
Dated: 11/08/2019
No. 1453 Nov 8, 2019

ORDINANCE NO. 1977

AN ORDINANCE OF THE CITY OF SAN RAFAEL CITY COUNCIL AMENDING CHAPTER 8.13 OF THE SAN RAFAEL MUNICIPAL CODE ENTITLED “NOISE” TO ADD AN EXEMPTION FROM NOISE REGULATIONS FOR THE USE OF GENERATORS FOR EMERGENCIES AND UTILITY POWER OUTAGES

THE CITY COUNCIL OF THE CITY OF SAN RAFAEL DOES ORDAIN AS FOLLOWS:

DIVISION 1. FINDINGS

WHEREAS, the City Council of the City of San Rafael deems it necessary to adopt an ordinance to add exemptions to the Noise regulations of the San Rafael Municipal Code to allow emergency use of portable generators not connected to a building’s electrical system and placement of stationary generators permanently installed and connected to a building’s electrical system, finding the need to do so based upon the following facts:

1. In February 2019, PG&E announced plans to proactively de-energize high voltage transmission lines and distribution lines in certain circumstances to prevent destructive wildland fires. Power outages could last over a week. PG&E has suggested that customers prepare for outages lasting longer than two days, particularly those who live in high-risk fire areas. Before shutting off power, PG&E says it will attempt to notify affected customers, with up to 48 hours notice.
2. Of the 18 Northern California fires in October 2017, all but the Tubbs fire were caused by PG&E’s electrical grid, according to state fire investigators. Last year’s devastating Camp fire in Butte County, the deadliest and most destructive wildfire in state history, was also traced back to a PG&E transmission tower.
3. The massive and destructive wildfires from the past few years are the new normal in California. In 2017, Northern California wildfires killed 44 people and destroyed 6,412 homes. In 2018, the Woolsey Fire and Camp Fire killed at least 85 people and destroyed more than 18,000 structures. As of May 2019, insurance claims for these fires reached \$12 billion.
4. Many residents in San Rafael depend on reliable electrical power for daily needs as well as medical needs including medical equipment and care in their homes. Loss of power for any significant duration places their safety and lives at risk.

WHEREAS, adoption of this Ordinance is consistent with the City's General Plan policies;
and

WHEREAS, the Council finds this Ordinance is defined as an emergency project under the California Environmental Quality Act (CEQA) Guidelines Section 15269c and is therefore exempt from environmental review. This exemption applies to specific, short-term actions or

activities that are undertaken or deemed necessary to prevent or mitigate an emergency. Short-term use of a generator during a power outage would fall in this category; and

WHEREAS, for all the foregoing reasons, the City Council finds and declares that adoption of this Ordinance is necessary for the preservation of the public health, safety and welfare and is hereby declared.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN RAFAEL DOES HEREBY ORDAIN AS FOLLOWS:

DIVISION 2. MUNICIPAL CODE AMENDMENTS.

Chapter 8.13 of the San Rafael Municipal Code, entitled "Noise" is hereby amended as follows:

1. Section 8.13.020 is hereby amended to add a new definitions to read in its entirety as follows (**as shown below by strikethroughs for deletions and underline/italics for insertions**):

8.13.020 - Definitions.

For the purposes of this chapter, certain terms are defined as follows:

- A. "'A'-Weighted Sound Level (dBA)" means a decibel scale that approximates the way the human ear responds to various acoustic frequencies.
- B. "Commercial property" means property zoned for commercial, office, marine, marine commercial, or water uses, as provided in the City of San Rafael Zoning Ordinance, San Rafael Municipal Code Title 14, or properties zoned as planned development where the principal use is commercial, marine, marine commercial, or water use.
- C. "Constant" noise means a continuous noise produced where there is no noticeable change in the level of the noise source. Examples would include such noises as those associated with air conditioners and pool equipment.
- D. "Daytime" for purposes of this chapter means the period between seven a.m. (7:00 a.m.) and nine p.m. (9:00 p.m.) Sunday through Thursday and between seven a.m. (7:00 a.m.) and ten p.m. (10:00 p.m.) on Friday and Saturday.
- E. *"Emergencies or utility power outages" means: Any city, county, or state declared emergencies; any interruption of utility power due to preventive utility shut-off measures or due to damage to utility infrastructure from accidents, earthquakes, fires, floods, storms, winds, or other acts; or any event deemed to be an emergency by city officials to preserve and protect life or property.*
- F. "Decibel" means the measurement unit used for the level of sound/noise.
- G. "Holidays" mean those holidays designated as federal holidays and the day after Thanksgiving.
- H. "Industrial property" means property zoned for industrial or light industrial use as provided in the City of San Rafael Zoning Ordinance, San Rafael Municipal Code Title 14, or properties zoned as planned development where the principal use is industrial or light industrial.

- I. "Intermittent" noise means repetitive noises where there is a distinction between the onset and decay of the sound. Examples would include hammering and dog barking.
- J. "Mixed use property" means property zoned for both residential and for office and/or commercial use as provided in the City of San Rafael Zoning Ordinance, San Rafael Municipal Code Title 14.
- K. "Multi-family residential structure" means any dwelling structure where two or more dwellings are separated by a common wall, floor, or ceiling, including but not limited to apartments, condominiums and townhouses.
- L. "Nighttime" for purposes of this chapter means the period between nine p.m. (9:00 p.m.) and seven a.m. (7:00 a.m.) Sunday through Thursday and between ten p.m. (10:00 p.m.) and seven a.m. (7:00 a.m.) on Friday and Saturday.
- M. "Noise level" means the maximum constant or intermittent sound level produced by a source or group of sources as measured with a sound level meter using fast response and "A"-weighting. In order to measure a noise level, the controls of the sound level meter should be arranged to the setting appropriate to the type of noise being measured.
- N. "Portable generator" means any UL listed diesel or gas fired generator not connected to a building's electrical system and only intended to provide power during emergencies or utility power outages. Generators must not exceed 69 dBA during full speed diagnostics and normal operations when measured at 7 meters with no loads, must meet setback requirements for mechanical equipment provided in the City of San Rafael Zoning Ordinance, San Rafael Municipal Code Title 14 and must meet all fuel storage requirements provided in the California Fire Code." ~~"Sound level meter" means a device for measuring sound level in decibel units within the performance specifications in the American National Standards Institute Standard S1.4, "Specification for Sound Level Meters."~~
- O. "Property plane" means a vertical plane including the property line that determines the property boundaries in space.
- P. "Public property" means property zoned for public/quasi-public or parks/open space use as provided in the City of San Rafael Zoning Ordinance, San Rafael Municipal Code Title 14, or the San Rafael City Plaza, or any public street, right-of-way, or easement.
- Q. "Residential power equipment" means any mechanically powered saw, sander, drill, grinder, leaf blower, lawnmower, hedge trimmer, edger, or any other similar tool or device, when used in or on any residential property.
- R. "Residential property" means property zoned for residential use as provided in the City of San Rafael Zoning Ordinance, San Rafael Municipal Code Title 14, or properties zoned for mixed use or as planned development where the principal use is residential.
- S. "Routine testing" means the required and routine testing per manufacturer's recommendations to maintain and keep ready stationary generators; usually on a weekly or monthly schedule.
- T. "Sound level meter" means a device for measuring sound level in decibel units within the performance specifications in the American National Standards Institute Standard S1.4, "Specification for Sound Level Meters."

U. "Stationary generator" means any UL 2200 listed natural gas and/or propane fired generator permanently connected to the building's electrical system and only intended to provide power during emergencies or utility power outages. Generators must not exceed 69 dBA during full speed diagnostics and normal operations when measured at 7 meters with no loads and must meet setback requirements for mechanical equipment provided in the City of San Rafael Zoning Ordinance, San Rafael Municipal Code Title 14.

2. Section 8.13.070 is hereby amended to read in its entirety as follows (as shown below by ~~strikethroughs~~ for deletions and underline/italics for insertions):

8.13.070 - Exemptions.

The following shall be exempt from the provisions of this chapter:

- A. Aerial warning devices which are required by law to protect the health, safety and welfare of the community;
- B. Emergency vehicle responses and all necessary equipment utilized for the purpose of responding to an emergency, or necessary to restore, preserve, protect or save lives or property from imminent danger of loss or harm;
- C. Aviation, railroad, and public transit operations;
- D. The operation of any municipal or public utility vehicles;
- E. Public safety training exercises conducted between the hours of eight a.m. (8:00 a.m.) and eight p.m. (8:00 p.m.);
- F. Uses established through any applicable discretionary review process containing specific noise conditions of approval and/or mitigation measures;
- G. Work on capital improvements, or repairs on public property by employees or contractors of the city;
- H. Vehicle noise subject to regulation under the California Vehicle Code;
- I. Emergency repair work performed by, or at the request of, a property owner on his or her private property, where the delay required to obtain an exception permit under this chapter would result in substantial damage, personal injuries, or property loss to the owner, provided that such emergency work shall be subject to such reasonable conditions as may be imposed by authorized city employees to mitigate the noise level of the activity.
- J. Portable Generator used during emergencies or utility power outages per manufacturer's recommendations.
- K. Stationary Generator installed and used during emergencies, utility power outages or routine testing per manufacturer's recommendations. Routine testing for stationary generators shall be conducted between the hours of ten a.m. (10:00 a.m.) and four p.m. (4:00 p.m.).

DIVISION 3. CALIFORNIA ENVIRONMENTAL QUALITY ACT

This Ordinance is exempt from the California Environmental Quality Act ("CEQA") since it is an emergency project under the California Environmental Quality Act (CEQA) Guidelines Section

15269c, which applies to specific, short-term actions or activities that are undertaken or deemed necessary to prevent or mitigate an emergency.

DIVISION 4. SEVERABILITY

If any provision of this Ordinance or the application of any such provision to any person or circumstance, shall be held invalid, the remainder of this Ordinance, to the extent it can be given effect, or the application of those provisions to persons or circumstances other than those to which it is held invalid, shall not be affected thereby, and to this end the provisions of this Ordinance are severable.

DIVISION 5. EFFECTIVE DATE OF ORDINANCE.

This Ordinance shall be published once, in full or in summary form, before its final passage, in a newspaper of general circulation, published, and circulated in the City of San Rafael, and shall be in full force and effect thirty (30) days after its final passage. If published in summary form, the summary shall also be published within fifteen (15) days after the adoption, together with the names of those Councilmembers voting for or against same, in a newspaper of general circulation published and circulated in the City of San Rafael, County of Marin, State of California.



GARY O. PHILLIPS, Mayor

ATTEST:



LINDSAY LARA, City Clerk

The foregoing Ordinance No.1977 was introduced at a Regular Meeting of the City Council of the City of San Rafael, held on the fourth day of November 2019 and ordered passed to print by the following vote, to wit:

AYES: Councilmembers: Bushey, Colin, Gamblin, McCullough & Mayor Phillips

NOES: Councilmembers: None

ABSENT: Councilmembers: None

and will come up for adoption as an Ordinance of the City of San Rafael at a Regular Meeting of the Council to be held on the eighteenth day of November 2019.



LINDSAY LARA, City Clerk

Marin Independent Journal

4000 Civic Center Drive, Suite 301
San Rafael, CA 94903
415-382-7335
legals@marinij.com
2070419

CITY OF SAN RAFAEL
CITY OF SAN RAFAEL
CITY CLERK, ROOM 209
1400 FIFTH AVENUE, SAN RAFAEL, CA 94901
SAN RAFAEL, CA 94915-1560

PROOF OF PUBLICATION (2015.5 C.C.P.)

STATE OF CALIFORNIA County of Marin

I am a citizen of the United States and a resident of the County aforesaid: I am over the age of eighteen years, and not a party to or interested in the above matter. I am the principal clerk of the printer of the MARIN INDEPENDENT JOURNAL, a newspaper of general circulation, printed and published daily in the County of Marin, and which newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of Marin, State of California, under date of FEBRUARY 7, 1955, CASE NUMBER 25566; that the notice, of which the annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

11/08/2019

I certify (or declare) under the penalty of perjury that the foregoing is true and correct.

Dated this 8th day of November, 2019.



Signature

PROOF OF PUBLICATION

Legal No. **0006423350**

SUMMARY OF ORDINANCE NO. 1977

AN ORDINANCE OF THE SAN RAFAEL CITY COUNCIL AMENDING CHAPTER 8.13 OF THE SAN RAFAEL MUNICIPAL CODE ENTITLED "NOISE" TO ADD AN EXEMPTION FROM NOISE REGULATIONS FOR THE USE OF GENERATORS DURING EMERGENCIES AND UTILITY POWER OUTAGES

This Summary concerns a proposed Ordinance of the City Council of the City of San Rafael, designated as Ordinance No. 1977, which will amend Chapter 8.13 of the City of San Rafael Municipal Code regulating Noise. Ordinance No. 1977 is scheduled for adoption by the San Rafael City Council at its regular meeting of November 18, 2019. The City Clerk has been directed to publish this Summary pursuant to City Charter and California Government Code section 36933(c)(1).

SUMMARY OF AMENDMENT TO MUNICIPAL CODE

This Ordinance amends San Rafael Municipal Code Chapter 8.13 to amend or add definitions including new definitions for "emergencies or utility power outages," "portable generators," and "stationary generators"; and to exempt from the ordinance's noise regulations the use of portable and stationary generators during emergencies and utility power outages.

For a complete copy of the text of the Ordinance amending the Municipal Code, please contact the City Clerk at (415) 485-3066 or the Community Development Department, Planning Division at (415) 485-3085. Copies of the Ordinance containing this Municipal Code amendment are also available for public review as of Wednesday, November 8, 2019, at the San Rafael City Clerk's office, 1400 Fifth Avenue, 2nd Floor, Room 209, during regular business hours, 8:30 a.m. to 5:00 p.m.

/s/ _____
LINDSAY LARA, City Clerk
San Rafael City Clerk

Dated: 11/08/2019
No. 1454 November 8, 2019



SAN RAFAEL
THE CITY WITH A MISSION

Agenda Item No: 4.e

Meeting Date: November 18, 2019

SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Community Development

Paul A. Jensen

**Prepared by: Paul A. Jensen
Community Development Director**

City Manager Approval: _____

[Signature]

TOPIC: AFFORDABLE HOUSING AGREEMENT FOR 211-215 BELLE AVENUE

SUBJECT: RESOLUTION AUTHORIZING THE CITY MANAGER TO SIGN A BELOW MARKET RATE AGREEMENT FOR A RENTAL UNIT AT 211-215 BELLE AVENUE (APN 014-065-05)

RECOMMENDATION:

Adopt Resolution authorizing the City Manager to execute a Below Market Rate Housing Agreement for 211-215 Belle Avenue.

BACKGROUND:

Property Facts and History:

The subject property is a level, 12,100 square foot lot located at 211-215 Belle Avenue. The property is developed with four residential units (contained in two buildings) and a detached cottage, which is located within the rear yard area. The detached cottage is approximately 600 square feet and includes a full kitchen and bathroom. The property is within the Medium Density Residential (MR3) zoning district, which requires a minimum lot area of 3,000 square feet per dwelling unit. Therefore, given the property size, the current zoning permits a maximum of four dwelling units for this property.

The Community Development Department, Code Enforcement Division administers citywide a hotel and apartment inspection program (HIP Program). The HIP Program covers proactive inspections of residential properties containing three or more residential units. In June 2019, the Code Enforcement Division conducted an apartment inspection at this property. This property inspection disclosed that a kitchen had been constructed in the detached cottage, which defines it as a dwelling unit per City code. However, at the time of this inspection, there was no evidence that the cottage had been occupied by a tenant. The kitchen addition was done without benefit of City approvals or permits. Consistent with standard City policy and practice, the Code Enforcement staff issued a Notice & Order to the property owner to remove the kitchen from the cottage.

FOR CITY CLERK ONLY

File No.: _____

Council Meeting: _____

Disposition: _____

Legalization of Cottage as a Dwelling Unit

Immediately following the issuance of the Notice & Order, the property owner contacted the Planning Division to seek relief to legalize the cottage as a single dwelling unit. Planning Division staff determined that the legalization of the cottage as a dwelling unit could be permitted through the approval of a density bonus pursuant to [San Rafael Municipal Code \(SRMC\) Section 14.16.030](#) and [California Government Code Section 65915](#). However, in doing so, the bonus unit must be made available and restricted for rent to a below market rate (BMR) household. Legalization of the cottage would also require the securing of the appropriate building permits.

The Marin Housing Authority (MHA) manages the City's BMR rental and for-sale program. Consistent with the City/MHA management agreement, MHA has prepared a BMR Agreement between the City and the property owner (attached), which sets forth the following terms and conditions for renting the cottage as a dwelling unit:

- As a dwelling unit, the cottage must be restricted for rental as a BMR unit for a minimum term of 55 years;
- The size and layout of the cottage would accommodate a two-person household. As such, the unit must be made available for a two-person household qualifying as low-income (70% of the median), which is a combined annual income of \$76,600 and a maximum monthly rent of \$1,864.00 exclusive of a \$51.00 utility allowance (2019 income and rent cap). The annual income and rent would be adjusted every year for inflation;
- The property owner is required to submit an annual report to MHA verifying the tenant's income and the rent amount that has been paid.

The BMR Agreement must be approved by the City Council.

ANALYSIS:

Staff finds that the requested density bonus complies with the provisions of SRMC Section 14.16.030 and California Government Code Section 95915. The requested bonus is modest and would provide housing to a two-person household qualifying as low-income. While City building permits will be needed to legalize the cottage as a dwelling unit, this structure is well-built and well-maintained by the property owner. In fact, the cottage presents an excellent example of accommodating additional housing in an infill area that is close to downtown, shopping and transit.

FISCAL IMPACT:

There is no cost to the City for the project. The BMR Agreement requires the property owner to pay an annual administration fee of \$100.00 for BMR rental unit.

The City contracts with MHA to administer the City's affordable program for rental developments pursuant to a service contract dated May 2, 2016. The net annual cost of the MHA rental administration contract is about \$15,000 per year and is funded by the affordable housing fees collected by the Community Development Department from a commercial development linkage fee and affordable housing in-lieu fee. The affordable housing in-lieu fees are stored in Fund 243.

OPTIONS:

The City Council has the following options to consider on this matter:

- Adopt the attached Resolution to approve the BMR Agreement between the property owner and the City of San Rafael and authorizing the City Manager to execute the agreement.
- Deny the request.
- Direct staff to return with additional information.

- Take no action.

RECOMMENDED ACTION:

Adopt the Resolution

ATTACHMENTS:

1. Resolution
2. Below Market Rate Housing Agreement with accompanying exhibits and attachments

RESOLUTION NO.

RESOLUTION OF THE SAN RAFAEL CITY COUNCIL AUTHORIZING THE CITY MANAGER TO SIGN A BELOW MARKET RATE AGREEMENT FOR A RENTAL UNIT AT 211-215 BELLE AVENUE (APN 014-065-05)

WHEREAS, in June 2019, the San Rafael Community Development Department, Code Enforcement Division conducted an inspection of a four-unit apartment complex at 211-215 Belle Avenue. The inspection disclosed a detached cottage that was converted to a dwelling unit without City approvals or permits. Code Enforcement issued a Notice & Order to the property owner to remove the kitchen from the cottage; and

WHEREAS, the subject property, which is approximately 12,100 square feet in size is located within the Medium Density Residential (MR3) District, which permits a maximum of four dwelling units on the property. Permitting the cottage as an additional dwelling unit would exceed the density allowed by the MR3 District; and

WHEREAS, immediately following the issuance of the Notice & Order, the property owner of 211-215 Belle Avenue contacted the Planning Division to seek relief to legalize the cottage as a dwelling unit. Planning Division staff determined that the legalization of the cottage as a dwelling unit could be permitted through the approval of a density bonus pursuant to San Rafael Municipal Code (SRMC) 14.16.030 and California Government Code Section 65915; and

WHEREAS, for the cottage to be legalized and eligible for a density bonus, the unit must meet the City's requirements to be restricted as an affordable, below-market-rate (BMR) rental unit. Per SRMC Section 14.16.030, the unit must be affordable to a low-income household for a minimum term of 55 years; and

WHEREAS, the Marin Housing Authority (MHA) manages the City's BMR rental program. MHA has prepared a BMR Agreement between the City of San Rafael and the property owner setting forth terms and conditions for renting the cottage to a two-person household qualifying as low-income (70% of the median). The property owner has reviewed and signed the BMR Agreement; and

WHEREAS, the BMR Agreement has been reviewed and approved by the City Attorney as to content and form.

NOW THEREFORE BE IT RESOLVED that the City Manager is hereby authorized to execute, on behalf of the City of San Rafael the BMR Agreement for the property located at 211-215 Belle Avenue.

I, **LINDSAY LARA**, City Clerk of the City of San Rafael, hereby certify that the foregoing resolution was duly and regularly introduced and adopted at a regular meeting of the City Council held on the 18th day of November 2019, by the following vote, to wit:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

LINDSAY LARA, City Clerk

ATTACHMENT 2
BMR AGREEMENT AND ACCOMPANYING EXHIBITS
FOR 211-215 BELLE AVENUE

RECORDING REQUESTED By and
WHEN RECORDED MAIL TO:

City of San Rafael
Attn: City Clerk
1400 Fifth Avenue
San Rafael, Ca 94901

No fee for recording pursuant to
Government Code Section 27383

REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS
(Below Market Rate Rental Unit Agreement with No Condominium Map; Density Bonus Law)

Development Name:

Location: 211-215 Belle Avenue, San Rafael (APN 014-065-05)

Owner: Ignoffo Family Trust

This Regulatory Agreement and Declaration of Restrictive Covenants (the "Agreement") is made and entered into this _____ day of _____, _____, among the **CITY OF SAN RAFAEL**, a municipal corporation ("City"); the **HOUSING AUTHORITY OF THE COUNTY OF MARIN**, a public body, corporate and politic, created under the Housing Authority Law of the State of California ("Marin Housing Authority"); and **The Ignoffo Family Trust** or any of their successors in interest (collectively the "Owner"), collectively the "Parties".

RECITALS

A. The City has adopted a density bonus ordinance (Section 14.16.030.H of the San Rafael Municipal Code) (the "Density Bonus Ordinance") to conform with state density bonus law (Government Code Sections 65915 – 65918) (together "Density Bonus Law"). Density Bonus Law allows a density bonus, concessions, and other regulatory incentives when an Owner proposes to provide rental housing affordable to Very Low Income or Low-Income Households, as defined below.

B. Owner is the owner of certain real property located at 211-215 Belle Avenue, San Rafael, County of Marin, California, which is more particularly described in attached Exhibit A incorporated herein by this reference (the "Property"). In consideration of certain valuable land use and economic benefits conferred by the City upon the Property under Density Bonus Law, Owner, for itself, its successors, heirs, grantees and assigns, hereby agrees to comply with the requirements of Density Bonus Law as applied to the Property.

C. The Property contains a two, main structures containing four (4) residential units and one, cottage, which is presently used as a studio. The Owner desires to legalize the cottage as a dwelling unit to be rented to a Low-Income household (the "Affordable Unit") for the Density Bonus Term as defined below. The Property zoning and City General Plan land use designation allow a maximum development of four (4) residential units on the Property. Therefore, legalization of the cottage structure as an additional, fifth dwelling unit on the Property requires the approval of a Density Bonus.

D. Under Density Bonus Law, Owner has applied for, and the City has granted, the following regulatory incentives in exchange for the Owner's provision of the Affordable Unit:

- One Concession, which is the provision of one, uncovered off-street parking space for the one-bedroom cottage unit.

Any Concession(s), Waiver(s), or Parking Reduction incorporated into the Development are collectively "Incentives."

E. Density Bonus Law requires the City to ensure, and the Owner to agree to, continued affordability of the Affordable Unit for the Density Bonus Term. To ensure their continued affordability for the Density Bonus Term, this Agreement shall be executed and recorded against the Property prior to issuance of all City building permits necessary to convert the cottage from a studio to a dwelling unit.

F. Owner acknowledges and agrees that the Project Approvals provided adequate and proper notice pursuant to Government Code Section 66020 of Owner's right to protest any requirements for fees, dedications, reservations, and other exactions as may be included in this Agreement, that no protest in compliance with Section 66020 was made within ninety (90) days of the date that notice was given, and that the period has expired in which Owner may protest any and all fees, dedications, reservations, and other exactions as may be included in this Agreement.

G. Marin Housing Authority is authorized by law to participate in programs that provide housing for households of very low, low, and moderate income. The City has contracted with Marin Housing Authority to administer the City's affordable housing program.

NOW THEREFORE, it is hereby agreed by and between the Parties hereto as follows:

AGREEMENT

The Parties agree and acknowledge that the above recitals are true and accurate and are incorporated into this Agreement by this reference.

1. Definitions and Exhibits

1.1 Definitions. In addition to those terms defined in the Recitals and in other sections of this Agreement, the following terms are specially defined for the purposes of this Agreement:

A. "Affordable Rent" is the maximum allowable Rent for an Affordable Unit that does not exceed: (ii) for Low Income Households, is equal to or less than one-twelfth (1/12) of thirty percent (30%) of seventy percent (70%) of Area Median Income, assuming a two person household; and (iii) for Median Income Households, is equal to or less than one-twelfth (1/12) of thirty percent (30%) of one hundred percent (100%) of Area Median Income, as adjusted for Assumed Household Size. Affordable Rent cannot exceed the rent for Market Rate Units. An example of the calculations and methodology to be used to determine the Affordable Rent is illustrated in Exhibit B attached hereto.

B. "Area Median Income" means median yearly income in Marin County as published pursuant to California Code of Regulations, Title 25, Section 6932, or successor provision.

C. "Assumed Household Size" shall be based on presumed maximum occupancy levels of one person in a studio apartment, two (2) persons in a one-bedroom unit, three (3) persons in a two-bedroom unit, and one additional person for each additional bedroom thereafter.

D. "Density Bonus Term" is the period that commences when the City, Marin Housing Authority, and the Owner record the Regulatory Certificate described in Section 5 and that terminates fifty-five (55) years after the date of the recordation of the Regulatory Certificate.

E. "Eligible Household" is a household which has been determined to be eligible to rent an Affordable Unit in compliance with Density Bonus Law and this Agreement.

F. "Household Income" is the combined, gross, pre-tax income of all occupants of the applicant household, including the income of any co-signors on the lease.

G. "Low Income Affordable Unit" means an Affordable Unit reserved for occupancy by Low Income Households at an Affordable Rent.

H. "Low Income Household" means a household whose Household Income does not exceed the lower income limits applicable to Marin County, adjusted for household size, as published annually by the California Department of Housing and Community Development; generally, a household with a Household Income between fifty percent (50%) and eighty percent (80%) of Area Median Income, adjusted for actual household size.

I. "Market Rate Units" are Units which are not Affordable Units.

J. "Median Income Household" means a household whose Household Income does not exceed the Area Median Income applicable to Marin County, adjusted for household size, as published annually by the California Department of Housing and Community Development; generally, a household with a Household Income between eighty percent (80%) and one hundred percent (100%) of Area Median Income, adjusted for actual household size.

K. "Rent" is the total of monthly payments as calculated by the Marin Housing Authority and paid by the Tenant of an Affordable Unit for all of the following: (1) use and occupancy of the Affordable Unit and land and all facilities associated with the Affordable Unit, including but not limited to parking, bicycle storage, storage lockers, and use of all common areas; (2) any separately charged fees or service charges assessed by the Owner which are required of all tenants of Units in the Project, except security deposits; (3) an allowance for utilities paid by the Tenant as established by the Marin Housing Authority, including garbage collection, sewer, water, electricity, gas and other heating, cooking and refrigeration fuel, but not telephone service or cable TV; and (4) any other interest, taxes, fees or charges for use of the land or associated facilities that are assessed by a public or private entity other than the Owner and paid by the Tenant.

L. "Tenant" is a household occupying an Affordable Unit pursuant to a valid lease or rental agreement with the Owner.

M. "Tenant Lease" is defined in Section 3.4.

N. "Very Low-Income Household" means a household whose Household Income does not exceed the very low income limits applicable to Marin County, adjusted for household size, as published

annually by the California Department of Housing and Community Development; generally, a household with a Household Income at or below fifty percent (50%) of Area Median Income.

O. "Very Low-Income Affordable Unit" means an Affordable Unit reserved for rent by Very Low-Income Households at an Affordable Rent.

1.2 Exhibits. The following exhibits are attached to and incorporated into this Agreement:

Exhibit A	Legal Description of the Property.
Exhibit B	Sample Calculation of Affordable Rent.
Exhibit C	Household Income Certification.
Exhibit D	Certificate of Continuing Compliance.
Exhibit E	Notice of Commencement of Density Bonus Term

2. Construction of Development and Affordable Unit

2.1 Satisfaction of Affordable Housing Requirement. The Affordable Housing Requirements shall be satisfied with respect to the Property if: (a) the Owner legalizes the conversion of the cottage to a dwelling unit; and (b) Owner offers cottage for rent as an Affordable Unit to an Eligible Household in compliance with Section 3 below.

2.2 Affordable Unit. To satisfy Owner's affordable housing requirements for the Development under Density Bonus Law and the Density Bonus Ordinance, at initial occupancy of the Development, Owner shall rent one (1) Affordable Unit to a Low-Income Household at Affordable Rents, as specified in Section 3 below, for the Density Bonus Term.

2.3 Location of Affordable Unit. The Affordable Unit shall be maintained on the Property in the location(s) shown or described in Exhibit B attached hereto.

3. Rent Regulatory Provisions

The provisions of this Section 3 are applicable until the expiration of the Density Bonus Term.

3.1 Affordability and Occupancy Covenants.

A. Occupancy Requirements. Subject to the provisions of Section 3.2 below, the Affordable Unit shall be rented to and occupied by or, if vacant, available for occupancy by, a Low-Income Household. The Affordable Unit shall not be kept vacant or used for any purpose except for residential use and, when vacant, shall be offered for rent to Eligible Households at Affordable Rent.

B. Allowable Rent. Subject to the provisions of Section 3.2 below, the maximum Rent charged to Tenants of the Affordable Unit shall not exceed Affordable Rent.

C. Approval of Rents. Initial Rent for the Affordable Unit shall be approved by the Marin Housing Authority prior to occupancy at the time the Owner submits the marketing plan required by Section 4.2 below. Marin Housing Authority shall review all proposed Rent increases to determine whether the proposed increases are consistent with the provisions of this Agreement. Owner shall certify to Marin Housing Authority that Owner is not charging any fee other than Affordable Rent to Tenants of the Affordable Unit for all the components of Rent defined in Section 1.1 above.

D. Schedule of Affordable Rents. The City has provided the Owner with a schedule of Affordable Rents for the Affordable Unit in effect on the date of this Agreement, set forth in attached Exhibit B. Marin Housing Authority annually determines Affordable Rents (including utility allowances) based on changes in Area Median Income and utility allowances, and Owner shall obtain a copy of the schedule from Marin Housing Authority.

3.2 Increased Income of Tenants.

A. Increase from Low Income to at or below Median Income. If, upon annual recertification of a Tenant's Household Income, the Owner determines that a former Very Low Income or Low Income Household's Income has increased and exceeds the qualifying income for a Very Low Income or Low Income Household, but does not exceed the qualifying limit for a Median Income Household, then, upon expiration of the Tenant's lease and after thirty (30) days written notice to the Tenant, the Tenant's rent may be increased to Affordable Rent for Median Income Households.

B. Increase from Low Income, or Median Income to Above Area Median Income. If, upon recertification of a Tenant's Household Income, the Owner determines that the Tenant's Household Income has increased and exceeds the qualifying income for a Median Income Household, then the Tenant shall be given written notice that: (i) Tenant's Rent shall be increased sixty (60) days after the date in the notice to an amount to be determined by Owner but not to exceed Rent for a comparable Market-Rate Unit; and (ii) Tenant shall vacate the Affordable Unit six (6) months from the date of the notice or upon expiration of the Tenant's lease, whichever is later. If, prior to the date by which the Tenant must vacate the Affordable Unit, another Unit is vacated which is not designated as an Affordable Unit and is of appropriate bedroom size, the Owner may, at the Owner's option, request the City to approve a change in the location of the Affordable Unit; allow the Tenant to remain in the original Unit; and designate the newly vacated Unit as an Affordable Unit if approved by the City.

3.3 Agreement to Limitation on Rents. The Development has received Incentives from the City under the Density Bonus Law and the Density Bonus Ordinance, which is a form of assistance specified in Chapter 4.3 (commencing with Section 65915) of Division 1 of Title 7 of the Government Code. Sections 1954.52(b) and 1954.53(a) (2) of the Costa-Hawkins Act provide that, where an Owner has received such assistance, certain provisions of the Costa-Hawkins Act do not apply if an Owner has so agreed by contract. The Owner hereby agrees to limit Rents as provided in this Agreement in consideration of the Owner's receipt of the Incentives and further agrees that any limitations on Rents imposed on the Affordable Unit are in conformance with the Costa-Hawkins Act. The Owner further warrants and covenants that the terms of this Agreement are fully enforceable.

3.4 Lease Provisions. The Owner shall use a form of Tenant lease (the "Tenant Lease") approved by the City for the Affordable Unit. The City shall not withhold approval from any form that:

- A. provides that the Tenant's Household Income is subject to annual certification;
- B. provides for termination of the lease for failure: (1) to provide any information required under this Agreement or reasonably requested by the Owner to establish or recertify the Tenant's qualification, or the qualification of the Tenant's household, as an Eligible Household in accordance with this Agreement, or (2) to qualify as an Eligible Household as a result of any material misrepresentation made by such Tenant with respect to the Household Income computation or certification;

C. provides that the Rent may not be raised more often than once every twelve (12) months. The Owner will provide each Tenant with at least sixty (60) days written notice of any increase in Rent applicable to such Tenant;

D. prohibits subleasing of the Affordable Unit or any portion of the Affordable Unit or any spaces reserved for the use of the Tenant, contain nondiscrimination provisions, and includes the Tenant's obligation to inform the Owner of any need for maintenance or repair;

E. includes reasonable rules of conduct consistent with California law;

F. allows termination of the tenancy only for an increase in Tenant's Household Income above qualifying income for Low Income Households or for good cause, including violation of the terms and conditions of the Tenant Lease, violations of applicable federal, state, or local law, or other good cause;

G. includes at Owner's option, the obligation for Tenant to provide a security deposit not exceeding one month's rent.

4. Income Certification, Reporting, and Annual Fee.

4.1 Prohibition on Discrimination in Tenant Selection (Section 8 Vouchers and Certificate Holders). The Owner will review applications from prospective tenants of the Affordable Unit, on the same basis as all other prospective tenants, of persons who are recipients of federal certificates for rent subsidies pursuant to the existing housing program under Section 8 of the United States Housing Act or any successor. The Owner shall not apply selection criteria to Section 8 certificate or voucher holders that are more burdensome than criteria applied to all other prospective tenants for the Affordable Unit, nor shall the Owner apply or permit the application of management policies or lease provisions with respect to the Development which have the effect of precluding occupancy of Affordable Unit by such prospective tenants.

4.2 Income Certification. Upon initial occupancy and annually thereafter, the Owner will obtain, complete and maintain on file Household Income certifications (Exhibit C), or a similar form as may be approved by the City, for each Tenant renting the Affordable Unit. Owner shall make a good faith effort to verify that the Household Income certifications provided by a Tenant is accurate by taking two or more of the following steps as a part of the verification process for all members of the Tenant household age eighteen (18) or older: (a) obtaining a minimum of the three (3) most current pay stubs; (b) obtaining an income tax return for the most recent tax year including copies of any income tax returns where the Tenant is claimed as a dependent; (c) conducting a credit agency or similar search; (d) obtaining the three (3) most current savings and checking account bank statements; (e) obtaining an income verification form from a current employer; (f) obtaining an income verification form from the Social Security Administration and/or the California Department of Social Services if an adult member of the Tenant's household receives assistance from either of such agencies; or (g) if the Tenant is unemployed and has no such tax return, obtain another form of independent verification. The Owner shall maintain copies of annual Household Income certifications and to maintain that form on file for a minimum of five years and shall permit the City or their designee to inspect the household income certifications at the Owner's office upon three days' notice. The Owner shall provide any additional information reasonably requested by the City or its designee.

4.3 Annual Report. The Owner shall submit to the City and Marin Housing Authority by June 30 of each year a report, in a form prescribed by or otherwise acceptable to the City, verifying compliance by Owner with the terms of this Agreement and certified as correct by the Owner under penalty of perjury. Exhibit

D Certification of Continuing Compliance, or a similar form as may be approved by the City, may be used to meet this requirement. The annual report shall include without limitation the following information:

A. Certifications of eligibility for all Tenants of the Affordable Unit at the time of initial occupancy and upon the yearly anniversary of their continuing tenancies.

B. Verified Household Income statements. Owner shall retain in the Tenant's file all verifications of Tenant's Household Income.

C. Number of persons in each Affordable Unit.

D. Certification of the amount of Rent charged for the year for the Affordable Unit.

E. Certification that Owner is not charging any fee other than Affordable Rent to Tenants of the Affordable Unit for all the components of Rent defined in Section 1.1 above.

F. Other information reasonably required by the City.

4.4 Other Reports. Within fifteen (15) days after receipt of a written request, Owner shall provide any other information or completed forms requested by the City or Marin Housing Authority to ensure compliance with this Agreement.

4.5 Records. The Owner shall maintain complete, accurate, and current records pertaining to the Units for five (5) years after creating such records and shall permit any duly authorized representative of the City or Marin Housing Authority to inspect and copy such records, including the records pertaining to Household Income and household size of Tenant households.

4.6 Annual Monitoring fee. The Owner agrees to pay to the City during the Density Bonus Term an annual monitoring fee payable on or before June 30 of each year as established by the City. The initial annual monitoring fee is shown on Exhibit D.

5. Commencement of Density Bonus Term. The Density Bonus Term shall commence on the date that the Owner, City, and Marin Housing record a Notice stating that the Affordable Unit is rented and occupied by an Eligible Household. Such notice shall identify the beginning and end dates of the Density Bonus Term (Exhibit E).

6. Management of Property and Property Maintenance.

6.1 Management Responsibilities. The Owner is responsible for all management functions with respect to the Development, including, without limitation, the annual recertification of household size and Household Income (subject to review by the City or its assignee), selection of Tenants, maintenance of a waiting list for the Affordable Unit, evictions, collection of Rents and deposits, maintenance, landscaping, routine and extraordinary repairs, replacement of capital items, and security. The City and Marin Housing Authority shall have no responsibility over management of the Development.

6.2 Property Maintenance. The City places prime importance on quality maintenance to ensure that all developments within the City which include affordable housing units are not allowed to deteriorate due to below-average maintenance. Owner shall provide the Affordable Unit with the same level and quality of maintenance, including performance of repairs and periodic replacement of fixtures, as the Market-Rate Units.

The Owner agrees to maintain all interior and exterior improvements, including landscaping, on the Property in good condition and repair (and, as to landscaping, in a healthy condition) and in accordance with all applicable laws, rules, ordinances, orders and regulations of all federal, state, county, municipal, and other governmental agencies and bodies having or claiming jurisdiction and all their respective departments, bureaus, and officials.

6.3 Remedies. In the event that the Owner breaches any of the covenants contained in this Section 6 and such default continues for a period of ten (10) days after written notice from the City specifying the nature of the breach with respect to graffiti, debris, waste material, or a health or safety violation, or thirty (30) days after written notice from the City specifying the nature of the breach with respect to general maintenance, landscaping and building improvements, then the City, in addition to whatever other remedy it may have at law or in equity, shall have the right (but is not required) to enter upon the Property after ten (10) days' prior written notice to the Owner describing the nature of the City's intended actions and to perform or cause to be performed all acts and work necessary to protect, maintain, and preserve the improvements and landscaped areas on the Property, as specified in a correction plan approved by the City, and to attach a lien on the Property, or to assess the Property, in the amount of the expenditures incurred by the City or its agents arising from such acts and work of protection, maintenance, and preservation by the City and/or costs of such cure, plus an administrative charge equal to fifteen percent (15%) of the amount of such expenditures (the expenditures plus the administrative charges are the "Correction Costs"), if Owner does not remit the full amount of the Correction Costs to the City within thirty (30) days after City notifies Owner of the full amount of the Correction Costs.

6.4 Taxes and Assessments. Owner shall pay all real and personal property taxes, assessments, if any, and charges and all franchise, income, employment, old age benefit, withholding, sales, and other taxes assessed against it, or payable by it, at such times and in such manner as to prevent any penalty from accruing, or any lien or charge from attaching to the Property; provided, however, that Owner shall have the right to contest in good faith, any such taxes, assessments, or charges. In the event Owner exercises its right to contest any tax, assessment, or charge against it, Owner, on final determination of the proceeding or contest, shall immediately pay or discharge any decision or judgment rendered against it, together with all costs, charges and interest.

6.5 Damage or Destruction of Development. If all of the Units on the Property are demolished, the Incentives granted to Owner under Density Bonus Law shall terminate and the terms of this Agreement shall terminate and be of no further force and effect.

7. Enforcement

7.1 Covenants Running with the Land. The City, Marin Housing Authority, and Owner hereby declare their express intent that the covenants and restrictions set forth in this Agreement shall apply to and bind Owner and its heirs, executors, administrators, successors, transferees, and assignees having or acquiring any right, title or interest in or to any part of the Property and shall run with and burden such portions of the Property until terminated in accordance with Section 7.2. Until all or portions of the Property are expressly released from the burdens of this Agreement, each and every contract, deed or other instrument hereafter executed covering or conveying the Property or any portion thereof shall be held conclusively to have been executed, delivered, and accepted subject to such covenants and restrictions, regardless of whether such covenants or restrictions are set forth in such contract, deed or other instrument. In the event of foreclosure or transfer by deed-in-lieu of all or any portion of the Property prior to completion and sale of the Affordable Unit, title to all or any portion of the Property shall be taken subject to this Agreement. Owner acknowledges

that compliance with this Agreement is a requirement of Density Bonus Law and the Project Approvals, and that no event of foreclosure or trustee's sale may remove these requirements from the Property.

7.2 Release of Property from Agreement.

A. Prior to the expiration of the Density Bonus Term, Owner shall provide all notifications required by Government Code Sections 65863.10 and 65863.11 or successor provisions and any other notification required by any state, federal, or local law.

B. Upon the expiration of the Density Bonus Term, City and Marin Housing Authority shall execute and record a release of the Development, the Property, and each Unit in the Development from the burdens of this Agreement within thirty (30) days following written notice from the Owner, if at the time the Owner is in compliance with all terms of this Agreement.

7.3 Default. Failure of the Owner to satisfy any of Owner's obligations under the terms of this Agreement within thirty (30) days after the delivery of a notice of default from the City will constitute a default under this Agreement and a failure to satisfy the Project Approvals and Density Bonus Law. In addition to remedies for breach of this Agreement, the City or Marin Housing Authority, if authorized by the City, may exercise any and all remedies available to it, including but not limited to:

A. withholding, conditioning, suspending or revoking any permit, license, subdivision approval or map, or other entitlement for the Development, including without limitation final inspections for occupancy and/or certificates of occupancy;

B. instituting against the Owner, or other parties, a civil action for declaratory relief, injunction or any other equitable relief, or relief at law, including without limitation an action to rescind a transaction and/or to require repayment of any funds received in connection with such a violation;

C. where one or more persons have received financial benefit as a result of violation of this Agreement or of any requirement imposed under the Density Bonus Law, instituting legal action to recover as necessary, a penalty in any amount up to and including the amount of financial benefit received, in addition to recovery of the benefit received;

D. requiring the Owner or his/her successors in interest to the Property to pay the City Rent or any other payment received by the Owner for the Affordable Unit from the date of any unauthorized use of the Affordable Unit or in excess of Affordable Rent; and

E. Any other means authorized under the City of San Rafael Municipal Code, Density Bonus Law, or any other federal or state statute.

7.4 Remedies Cumulative. No right, power, or remedy given to the City or Marin Housing Authority by the terms of this Agreement or Density Bonus Law is intended to be exclusive of any other right, power, or remedy; and each and every such right, power, or remedy shall be cumulative and in addition to every other right, power, or remedy given to the City by the terms of this Agreement, Density Bonus Law, or by any statute or ordinance or otherwise against Owner and any other person. Neither the failure nor any delay on the part of the City or Marin Housing Authority to exercise any such rights and remedies shall operate as a waiver thereof, nor shall any single or partial exercise by the City or Marin Housing Authority of any such right or remedy preclude any other or further exercise of such right or remedy, or any other right or remedy.

7.5 Attorney's Fees and Costs. If either party initiates an action to enforce its rights under the Agreement and elects at the initiation of the action to seek the recovery of attorneys' fees, the prevailing party in such an action shall be entitled to an award of reasonable attorneys' fees and costs in addition to any other recovery under this Agreement.

8. General Provisions

8.1 Appointment of Other Agencies. At its sole discretion, the City may designate, appoint or contract with any other public agency, for-profit or non-profit organization to perform some or all of the City's obligations under this Agreement.

8.2 Records. Owner shall retain all records related to compliance with obligations under this Agreement for a period not less than five (5) years from the date of origination of such records and make them available to City or Marin Housing Authority employees or others designated by the City for inspection and copying on five (5) business days' written notice. The City and Marin Housing Authority shall be entitled to monitor compliance with this Agreement and Density Bonus Law, and Owner shall cooperate with City monitoring, including obtaining Tenant Rent and Household Income verification upon request of the City.

8.3 Nondiscrimination. The Affordable Unit shall be available for occupancy to members of the general public. The Owner shall not give preference to any particular class or group of persons in renting the Affordable Unit, except to the extent that the Affordable Unit is required to be rented to Eligible Households and as required by this Agreement, including, without limitation, as set forth in Section 3 above; provided, however, there shall be no discrimination against or segregation of any person or group of persons, on account of race, color, creed, religion, sex, sexual orientation, marital status, national origin, source of income (e.g., SSI), age (except for lawful senior housing), ancestry, or disability, in the leasing, transferring, use, occupancy, tenure, or enjoyment of any Unit nor shall the Owner or any person claiming under or through the Owner, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of Tenants of any Unit or in connection with the employment of persons for the construction, operation and management of the Development.

8.4 Hold Harmless. Owner will indemnify and hold harmless (without limit as to amount) City and Marin Housing Authority and their elected officials, officers, employees and agents in their official capacity (hereinafter collectively referred to as "Indemnitees"), and any of them, from and against all loss, all risk of loss and all damage (including expense) sustained or incurred because of or by reason of any and all claims, demands, suits, actions, judgments and executions for damages of any and every kind and by whomever and whenever made or obtained, allegedly caused by, arising out of or relating in any manner to the Development, the Affordable Unit, or Owner's performance or non-performance under this Agreement, including claims pursuant to California Labor Code Section 1720 et seq., and shall protect and defend Indemnitees, and any of them with respect thereto, except to the extent arising from the active negligency, sole negligence or willful misconduct of the Indemnitees. The provisions of this Section shall survive expiration or other termination of this Agreement or any release of part or all of the Property from the burdens of this Agreement, and the provisions of this Section shall remain in full force and effect.

8.5 Notices. All notices required pursuant to this Agreement shall be in writing and may be given by personal delivery or by registered or certified mail, return receipt requested, to the Party to receive such notice at the addressed set forth below:

To the City: City of San Rafael
Community Development Department
1400 Fifth Avenue
San Rafael, Ca 94915-1560

To the Owner: Ignoffo Family Trust

To Marin Housing Authority: Marin Housing Authority
Executive Director
4020 Civic Center Drive
San Rafael, CA 94903-4173

Any party may change the address to which notices are to be sent by notifying the other parties of the new address, in the manner set forth above.

8.6 Integrated Agreement. This Agreement constitutes the entire Agreement between the Parties and no modification hereof shall be binding unless reduced to writing and signed by the Parties hereto.

8.7 Each Party's Role in Drafting the Agreement. Each Party to this Agreement has had an opportunity to review the Agreement, confer with legal counsel regarding the meaning of the Agreement, and negotiate revisions to the Agreement. Accordingly, neither Party shall rely upon Civil Code Section 1654 in order to interpret any uncertainty in the meaning of the Agreement.

8.8 Amendment of Agreement; Approvals and Consents.

A. Amendments to this Agreement, including any proposal to change any condition of the Project Approvals, shall be subject to the review and approval of the decision-making body which approved the Development. No amendment may be approved that is inconsistent with State law, the San Rafael Municipal Code, or any adopted affordable housing guidelines. Upon approval, a new Agreement or amendments to this Agreement, as appropriate, shall be executed and recorded.

B. The City has authorized the City Manager to execute this Agreement and has authorized the City Manager to deliver such approvals or consents as are required by this Agreement. Marin Housing Authority has authorized the Executive Director to execute this Agreement and has authorized Executive Director to deliver such approvals or consents as are required by this Agreement. Any consents or approvals required under this Agreement shall not be unreasonably withheld or made, unless it is specifically provided that a sole discretion standard applies.

C. This Agreement, and any section, subsection, or covenant contained herein, may be amended only upon the written consent of the City, Marin Housing Authority, and the Owner.

8.9 No Claims. Nothing contained in this Agreement shall create or justify any claim against the City or Marin Housing Authority by any person that Owner may have employed or with whom Owner may have contracted relative to the purchase of materials, supplies or equipment, or the furnishing or the performance of any work or services with respect to the Property or the construction of the Development or construction of the Affordable Unit.

8.10 Applicable Law and Venue. This Agreement shall be governed by California law. Venue for any dispute arising out of this Agreement shall be Marin County.

8.11 Waivers. Any waiver by the City or Marin Housing Authority of any obligation or condition in this Agreement must be in writing. No waiver will be implied from any delay or failure by the City or Marin Housing Authority to take action on any breach or default of Owner or to pursue any remedy allowed under this Agreement or applicable law. Any extension of time granted to Owner to perform any obligation under this Agreement shall not operate as a waiver or release from any of its obligations under this Agreement. Consent by the City or Marin Housing Authority to any act or omission by Owner shall not be construed to be consent to any other or subsequent act or omission or to waive the requirement for Marin Housing Authority's or the City's written consent to future waivers.

8.12 Title of Parts and Sections. Any titles of the sections, subsections, or subparagraphs of this Agreement are inserted for convenience of reference only and shall be disregarded in interpreting any part of the Agreement's provisions.

8.13 Multiple Originals; Counterpart. This Agreement may be executed in multiple originals, each of which is deemed to be an original, and may be signed in counterparts.

8.14 Recording of Agreement. This Agreement shall be recorded against the Property in the Official Records of the County of Marin prior to the recordation of any parcel map or final subdivision map or issuance of any building permit for the Development, whichever occurs first.

8.15 Severability. In the event any limitation, condition, restriction, covenant, or provision contained in this Agreement is to be held invalid, void or unenforceable by any court of competent jurisdiction, the remaining portions of this Agreement shall nevertheless be and remain in full force and effect.

9. Exhibits. The following exhibits are attached to this Agreement:

- | | |
|-----------|---|
| Exhibit A | Legal Description of the Property. |
| Exhibit B | Unit Description and Sample Calculation of Affordable Rent. |
| Exhibit C | Household Income Certification. |
| Exhibit D | Certificate of Continuing Compliance. |
| Exhibit E | Notice of Commencement of Density Bonus Term. |

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

OWNER:

Ignoffo Family Trust

By: *Ruth Ignoffo*
Bob Ignoffo

CITY:

City of San Rafael, a municipal corporation

By: _____
Jim Schutz, City Manager

ATTEST:

Lindsay Lara, City Clerk

MARIN HOUSING AUTHORITY:

Housing Authority of the County of Marin, a public body, corporate and politic, created under the Housing Authority Law of the State of California

By: _____
Lewis A. Jordan, Executive Director

APPROVED AS TO FORM:

Robert F. Epstein, City Attorney

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Marin)

On 10/14/2019 before me, Brenna Kathleen Nurmi
(insert name and title of the officer)

personally appeared Ruth Ann Ignoffo + Robert John Ignoffo,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that ~~he/she~~ they executed the same in
~~his/her~~ their authorized capacity(ies), and that by ~~his/her~~ their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature B. Nurmi

(Seal)



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STATE OF CALIFORNIA

COUNTY OF MARIN

On _____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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WITNESS my hand and official seal.

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Notary Public

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I certify UNDER PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Name: _____

EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY

**“Lot #9, Block C, San Rafael Development Company Subdivision”
(RM Bk 2, Page 116)**

**211-215 BELLE AVENUE
APN 014-065-05**



SUBJECT COTTAGE
↓



211-215 BELLE AVENUE

APN 014-065-05



NORTH

EXHIBIT B

UNIT DESCRIPTION AND SAMPLE CALCULATION OF AFFORDABLE RENT

TOTAL NUMBER OF VERY LOW AND LOW INCOME UNITS: One

One 1 Bedroom unit @ Low Income.

ALLOWABLE RENT CALCULATION (MAXIMUM RENT): Housing expense includes utility allowance per schedule below (allowances from Marin Housing). Low Income is 60% of Area Median Income. The rent will be calculated based on a two person household, regardless of the actual size of the household. Actual households can exceed the household size indicated but the rental calculation will not change.

For example, using the 2019 Area Median Income such calculation would be as follows:

The **One Bedroom** Housing Expense shall not exceed 1/12 of 30% of 70% (Low income).

The maximum qualifying tenant income is 70% of Area Median Income for Low income or a lesser income as defined by the **Owner**.

Household Size	2 Person		
Unit Type	1 BRM		
Median Income	109,450		
70%	76,600		
Monthly Income	6,385		
30% of Income	1,915		
Monthly Utility Allowance	(51)		
Allowable Rent	1,864		

EXHIBIT C

HOUSEHOLD INCOME CERTIFICATION

SAN RAFAEL BELOW MARKET RATE RENTAL MONITORING PROGRAM

Project Name: 211-215 Belle Avenue Date: _____

MONTHLY RENT \$ _____

OCCUPANT/HOUSEHOLD NAME: _____

TOTAL HOUSEHOLD GROSS ANNUAL INCOME: _____

Total household income is the combined, gross, pre-tax income of all occupants of the household including any co-signors on the lease. Income includes all wages, salaries, governmental assistance, as reported as gross income for federal income tax; or verified by pay stubs, bank account records, governmental assistance records or other relevant documentation.

Attached hereto are the tax returns, pay stubs or other evidence of the income of the persons listed below:

Name of household member	Relationship to head of household	Age	Place of Employment/Source of income

I/We understand and have read and answered fully, frankly and personally each of the above questions under penalty of perjury and do hereby swear they are true.

Occupant-Head of Household

Date: _____

PROPERTY OWNER TO MAINTAIN THIS DOCUMENT FOR FIVE YEARS FOR INSPECTION PURSUANT TO AGREEMENT WITH THE CITY

EXHIBIT "D"
CERTIFICATION OF CONTINUING COMPLIANCE
SAN RAFAEL

BELOW MARKET RATE RENTAL UNIT AGREEMENT MONITORING PROGRAM

Certification Year: 2019
 Project Name: 211-215 Belle Avenue
 Owner: Ignoffo Trust
 Address: 211-215 Belle Avenue, San Rafael, CA

Number of Units at: % of Median:
 0 Very Low 50%
 1 Low 70%
 0 Moderate 80%

Date: _____

Annual Monitoring Fee: _____

The undersigned, in accordance with the City of San Rafael BELOW MARKET RATE AGREEMENT for this Project, hereby certifies that during the preceeding twelve (12) months, the following units were occupied in accordance with the AGREEMENT and does hereby further certify that the representations set forth herein are true and correct to the best of the undersigned's knowledge.

Apt. #	Resident	Resident SSN#	Type (studio, 1 bdrm, etc.)	Rent Class (% of Median)	Reg. Rent Max.	Scheduled Rent	Status (Rented or Vacant)	Occupancy Date	# of Residents	Max. Income for Residents	Certified Income	Note

% of Median Income								
Occu- pants	50% Income	Monthly Rent	Occupants	70% Income	Monthly Rent	Occupants	80% Income	Monthly Rent
1			1			1		
2			2	\$76,615.00	\$1,864.00	2		
3			3			3		
4			4			4		

Utility Allowance	
Unit Type	Allowance
Studio	
1 Bdrm	\$51.00
2 Bdrm	
3 Bdrm	

Notes Number matches the number in the Note column above

1	
2	

Attach additional sheets if necessary.

Contact Person:
 Address:
 Email:

Phone:
 Fax:

Owner's Signature: _____

EXHIBIT E

RECORDING REQUESTED By and
WHEN RECORDED MAIL TO:

City of San Rafael
Attn: City Clerk
1400 Fifth Avenue
San Rafael, Ca 94901

No fee for recording pursuant to
Government Code Section 27383

NOTICE OF COMMENCEMENT OF DENSITY BONUS TERM

A. The **CITY OF SAN RAFAEL**, a municipal corporation ("City"); the **HOUSING AUTHORITY OF THE COUNTY OF MARIN**, a public body, corporate and politic, created under the Housing Authority Law of the State of California ("Marin Housing Authority"); and **IGNOFFO FAMILY TRUST** or any successor in interest ("Developer"), collectively the "Parties," entered into that certain Regulatory Agreement and Declaration of Restrictive Covenants executed on _____ and recorded in the Official Records of the County of Marin, California (the "Official Records") on _____ as Document No. _____ (the "Affordability Restrictions") as to the property located in the City at 211-215 Belle Avenue and described in **EXHIBIT A** attached hereto and incorporated by reference herein (the "Property"). The Affordability Restrictions are an equitable servitude and covenant running against the land for the benefit of the City. All capitalized terms not otherwise defined in this Notice of Commencement shall have the meaning ascribed to them in the Affordability Restrictions.

B. Section 5 of the Affordability Restrictions provides that the Density Bonus Term, as defined in the Affordability Restrictions, shall commence on the date that this Notice of Commencement is recorded in the Official Records.

NOW, THEREFORE, the Parties hereby declare as follows:

1. The Affordable Unit has been rented and is occupied by an Eligible Household.
2. The beginning date of the Density Bonus Term is _____. The Density Bonus Term shall terminate on _____, 55 years from the date of this Notice.

Signatures on following page

OWNER:

Igneffo Family Trust

By: 


CITY:

City of San Rafael, a municipal corporation

By: _____
Jim Schutz, City Manager

ATTEST:

Lindsay Lara, City Clerk

MARIN HOUSING AUTHORITY:

Housing Authority of the County of Marin, a public body, corporate and politic, created under the Housing Authority Law of the State of California

By: _____
Lewis A. Jordan, Executive Director

APPROVED AS TO FORM:

Robert F. Epstein, City Attorney

ACKNOWLEDGMENT

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State of California
County of Marin)

On 10/14/2019 before me, Brenna Kathleen Nurmi
(insert name and title of the officer)

personally appeared Ruth Ann Ignoffo + Robert John Ignoffo,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature B. Nurmi

(Seal)



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STATE OF CALIFORNIA

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Notary Public

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Name: _____

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

**“Lot #9, Block C, San Rafael Development Company Subdivision”
(RM Bk 2, Page 116)**

**211-215 BELLE AVENUE
APN 014-065-05**



SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Economic Development

Prepared by: Simon Vuong
Economic Development Coordinator

City Manager Approval:

A handwritten signature in black ink, appearing to be the initials 'AS', written over a horizontal line.

TOPIC: SAN RAFAEL DOWNTOWN BUSINESS IMPROVEMENT DISTRICT (BID) ASSESSMENT ANNUAL RENEWAL

SUBJECT: RESOLUTION DECLARING THE CITY COUNCIL'S INTENTION TO LEVY AN ANNUAL ASSESSMENT FOR THE DOWNTOWN SAN RAFAEL BUSINESS IMPROVEMENT DISTRICT

RECOMMENDATION:

Accept report and adopt resolution declaring the City Council's intention to levy an annual assessment for the Downtown San Rafael Business Improvement District and set a public hearing on the proposed assessment for December 2, 2019.

BACKGROUND:

[Section 36500](#) of the California Streets and Highways Code allows for the creation of a business improvement district (BID) within a municipality, whereby businesses within the district self-assess an annual fee in order to pay for improvements and activities which benefit the overall business district. The intent of the state law is to provide a funding mechanism for business districts to promote economic vitality. San Rafael Municipal Code [10.09.080](#) requires an annual report to be prepared annually for upcoming assessments.

Businesses in Downtown San Rafael first set up a business district in [1979](#). This original district included approximately 125 businesses along Fourth Street between Lincoln Avenue and E Street. In 2013, the City Council [voted](#) to replace it with a larger district of approximately 700 businesses along Fourth Street. The expanded district includes the West End and some side streets, as well as non-ground floor tenants and other tenants not included in the original BID.

For 2019, the [BID Board of Directors](#) has focused on marketing and communication with their membership and the public. This communication has happened via website updates, email blasts, and social media posts, hosting event information and various BID initiatives. The BID Board has also been actively collaborating with downtown stakeholders, including the Chamber of Commerce and the City, the Downtown San Rafael Arts District (DSRAD), and AIM Farmers Market on various special events and initiatives. The Board has also hosted member mixers, continued to work on beautification efforts,

FOR CITY CLERK ONLY

Council Meeting:

Disposition:

promoted BID events and Downtown initiatives via social media and traditional print media. Additionally, the Board has led numerous special events, including Clean & Green Day, May Madness, Spring/Summer Sidewalk Sale, Hops & Vines Stroll, Trick-or-Treat, West End Village Celebration, and Shop Local Saturday. Additional information relating to these efforts is included in the BID 2019 Annual Report (Attachment 2).

ANALYSIS

Approval of BID 2019 Annual Report

The BID Board is required to prepare a report for each fiscal year for which assessments are to be levied and collected to pay the costs of the improvements and activities described in the report. The report may propose changes, including, but not limited to, the boundaries of the parking and business improvement area or any benefit zones within the area, the basis and method of levying the assessments, and any changes in the classification of businesses, if a classification is used. The BID Board has filed its 2019 Annual Report (Attachment 2) for City Council review and approval. The report does not propose any changes to the BID.

BID Renewal Process

Per State law, to renew the annual assessment, the City Council must first adopt a Resolution of Intention to Levy an Annual Assessment and set a public hearing for a future date. The method of calculating the amount of the assessment on each business is established by San Rafael Municipal Code Section [10.09.050](#) and varies depending upon the type of business and whether the business is located in the Standard BID Zone or the Premium BID Zone.

In accordance with State law, the annual renewal process for the BID assessment will take place at two City Council meetings as follows:

Meeting #1 – November 18, 2019

Resolution of Intention to Levy an Annual Assessment: This meeting is intended to notify the public of the process. The only action required is to approve the BID annual report, which reviews past BID Board accomplishments, and adopt the resolution declaring the City Council's intention to levy an annual assessment and setting the date for a public hearing. These actions do not commit the City Council to any ultimate decision other than initiating the annual renewal process.

Meeting #2 – December 2, 2019

Public Hearing on Annual Assessment: This is the meeting to receive additional input from the public on the annual assessment for the BID and to confirm the levy of an assessment for the upcoming year.

COMMUNITY OUTREACH:

The BID will notify its members of the annual renewal process through its member communications, including the BID e-newsletter, notifications on the BID website, and through agenda items at the monthly BID Board meeting.

FISCAL IMPACT:

Adoption of the resolution does not have a direct fiscal impact on the City other than ongoing staff time related to assessment billing and processing, as well as administration of the annual renewal. To the extent that the BID activities enhance the business climate within the district, this will generate increased sales tax revenue for the City.

OPTIONS:

The City Council has the following options to consider on this matter:

- 1) Approve the report and adopt the resolution as presented.
- 2) Approve the report with modifications and adopt the resolution.
- 3) Decline to approve the report and decline to adopt the resolution.

RECOMMENDED ACTION:

Approve the annual report and adopt the resolution declaring City Council's intention to levy an annual assessment for the Downtown San Rafael Business Improvement District and set a public hearing for December 2, 2019.

ATTACHMENTS:

1. Resolution
2. BID 2019 Annual Report, including:
 - Exhibit A: BID Map
 - Exhibit B: BID 2019 Assessment Formula
 - Exhibit C: BID Budget
 - Exhibit D: Memo – BID Financial Summary

RESOLUTION NO.

RESOLUTION OF THE SAN RAFAEL CITY COUNCIL DECLARING THE CITY COUNCIL'S INTENTION TO LEVY AN ANNUAL ASSESSMENT FOR THE DOWNTOWN SAN RAFAEL BUSINESS IMPROVEMENT DISTRICT

WHEREAS, California Streets and Highways Code Sections 36500 et seq. authorizes cities to establish parking and business improvement areas for the purpose of promoting economic revitalization and physical maintenance of business districts, in order to create jobs, attract new businesses and prevent erosion of business districts; and

WHEREAS, the Downtown San Rafael Business Improvement District ("BID") was established in 2013 to amend the existing Parking and Business Improvements District instituted in 1979 in the commercial area on and around the Fourth Street corridor in San Rafael; and

WHEREAS, pursuant to San Rafael Municipal Code Chapter 10.09 and California Streets and Highways Code Section 36533, the Advisory Board of the BID shall prepare an annual report for each calendar year in which assessments are to be levied which the City Council shall review; and

WHEREAS, the BID Advisory Board has prepared and filed with the City Clerk its "BID 2019 Annual Report" and the City Council has reviewed and approved the report;

NOW THEREFORE BE IT RESOLVED by the City Council of the City of San Rafael as follows:

1. The City Council intends to levy and collect an annual benefit assessment for calendar year 2020 on businesses in the Downtown San Rafael Business Improvement District to pay for selected improvements and activities of the BID.
2. The boundaries of the entire area to be included in the BID, and the boundaries of each separate benefit zone within the BID, are set forth in Exhibit A to the BID 2019 Annual Report on file with the City Clerk.
3. The types of improvements and activities proposed to be funded by the levy of assessments on business in the BID are set forth in Exhibit B to the BID 2019 Annual Report on file with the City Clerk.
4. The method and the basis for levying the benefit assessment on businesses within the BID are set forth in San Rafael Municipal Code Section 10.09.050.
5. All funds of the BID shall be expended on improvements and activities within the BID.

6. New businesses shall not be exempt from payment of the fee.

7. A public hearing to consider the levy of the BID assessment shall be held before the City Council on December 2, 2019 at 7 p.m. in the Council Chambers, 1400 Fifth Avenue, San Rafael, California. At the public hearing the testimony of all interested persons, for or against the levy of the BID assessment or on any of the matters included in the assessment, will be heard and all protests collected.

8. A protest against the assessment of the BID, or any aspect of the assessment may be made in writing or orally at the public hearing. To be counted as a part of a majority protest against the assessment of the BID, a protest must be in writing and from a business in the BID. A written protest may be withdrawn from the record at any time before the conclusion of the public hearing. Each written protest shall contain a written description of the business in which the person signing the protest is interested, sufficient to identify the business, and its address. If the person signing the protest is not shown on the official records of the City of San Rafael as the owner of the business, then the protest shall contain or be accompanied by written evidence that the person is the owner of the business. Any written protest of the regularity of the proceedings shall be in writing and clearly state the irregularity or defect to which objection is made.

9. If at the conclusion of the public hearing on December 2, 2019 there is a record of written protests by business owners within the BID who will pay fifty percent (50%) or more of the total assessments of the entire BID, no further proceedings to amend the BID shall occur. New proceedings to amend the BID shall not be undertaken again for a period of at least one year from the date of the finding of the majority written protest by the City Council. If the majority written protest is against a specific activity, inclusion of a specific area or type of business, or a specific assessment amount, adjustments may be made to the amendment proposal.

10. Further information regarding the Downtown San Rafael Business Improvement District may be obtained from the Office of Economic Development at 1125 B Street, San Rafael, CA 94901.

11. The City Clerk is directed to give notice of said public hearing by publishing the notice once in a newspaper of general circulation in the City of San Rafael, at least seven days before the hearing; and by mailing a complete copy of this Resolution of Intention to those interested parties who have filed a written request with the local agency for mailed notice of public meetings or hearings on new or increased general taxes.

I, LINDSAY LARA, Clerk of the City of San Rafael, hereby certify that the foregoing Resolution was duly and regularly introduced and adopted at a regular meeting of the City Council of the City of San Rafael, held on Monday, the 18th day of November 2019, by the following vote, to wit:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

Lindsay Lara, City Clerk



BID 2019 Annual Report

BID Board of Directors 2020

President – Erika Bowker
Pleasures of the Heart

Vice President – Adam Dawson
Mike's Bikes

Secretary - Bonnie Ayers Namkung
Marketing & Communications

Treasurer - Jed Greene
Five Corners Group

Directors

Past President - Jaime Ortiz,
Bank of Marin

Jeff Brusati, T & B Sports

Tobi Lessem, Bodywise Massage

Elisabeth Setten, Art Works Downtown

Morgan Schaufler, Youth in Arts

Ogi Teker, Istanbul Rug



2017-2019 Jaime Ortiz

2020 Erika Bowker

President's Message

Dear Fellow BID Members,

The BID Board is happy to present a summary of our 2019 accomplishments. We focused on promoting our Downtown as a great shopping, entertainment, arts and business destination, through new and established events, beautification, our website and marketing campaigns.

Please welcome Erika Bowker, BID board member and co-owner of Pleasures of the Heart, as she takes the reins as board president for 2020. She is also our social media director, as well as a big community booster who will lead the BID with care and enthusiasm.

As I finish my term, I thank you for your support, energy and ideas for moving our Downtown forward. I encourage you to contact Erika or Eda and get involved in improving your community!

Jaime Ortiz, President



2019 ACCOMPLISHMENTS

- **Monthly newsletters & website updates** – highlighted events/presented current content for BID members and public visitors
- **Collaborations** – worked with Downtown San Rafael Arts District (DSRAD), SR Chamber, AIM Farmers Markets, the City Economic Development Dept. and SR City government
- **Member mixers** –presented socials with relevant topics/speakers on beautification, 2040 General Plan and small business development. Thanks to our host businesses!
- **Beautification initiatives** – spearheaded the West End pilot lighting project, Clean & Green Day, and worked with the City on initiatives
- **Pilot art program** – initiated art installation in empty storefront windows
- **Social media director** – board member Erika Bowker actively posts to 3,000+ followers on Instagram and Facebook, multiplying the effects by engaging with Downtown businesses that have social media and email campaigns
- **Meet Your Neighbor** – Sharon Christovich and Bonnie Ayers Namkung created a business profile feature on the BID website to promote community and interaction
- **Downtown/Event promotion** – marketed through print and digital media: BID website, Facebook page, Nextdoor, Marin newspapers, as well as 35+ PR sites and articles. Strategic paid ad boosts on Facebook, coached merchants to feature events on their websites, newsletters and email lists to increase participants and shoppers
- **Parking improvements** - worked with City Parking Department to achieve free weekend parking program in City garages

2019 EVENTS

- **Clean & Green Day** - celebrated Earth Day by giving merchants brooms/dustpans and spearheading 5 groups to spiff up sidewalks, parking meters, trash cans and storefronts
- **31st May Madness** - thousands of visitors enjoyed the 200+ vintage and sports cars
- **Spring & Summer Sidewalk Sales** - April and August events, 65+ participating businesses and hundreds of shoppers discovering treasures, bargains and ringing registers
- **Hops & Vines Stroll** - created new event, exposed hundreds of new shoppers and diners to our unique breweries, taprooms and businesses Downtown. Sold out both participating business locations and public tickets, with 400+ event goers. Mission accomplished!
- **Trick or Treat on Fourth Street** - Sat. Oct. 26, 1-3 p.m., annual Downtown-wide children's event with dancers, pet parade and costume contest by Woodland's Pet Food & Treats
- **West End Village Celebration** - Sun. Nov. 3, 11-7 p.m., for family fun and music, produced for the community to highlight the West End Village and benefit several local nonprofits
- **Shop Local Saturday** - Nov. 24, features ad campaigns highlighting the many reasons to shop and play Downtown. Please plan your Shop Local/Shop Small promotions *now!*

Mission

The Business Improvement District promotes the common interests of downtown business owners. We help maintain and develop a downtown that is a welcoming place to shop, dine, work, live and enjoy.

Vision

Downtown is the cultural heart and soul of our city, where activity, dining entertainment, and commerce blend with creative and entrepreneurial spirit. Downtown is where hometown pride and community thrive.

Block Captains

Adam Dawson, Mike's Bikes
Joanne Vosmek, Copperfield's Books
Bonnie Ayers Namkung, Marketing
Erika Bowker, Pleasures of the Heart
Sharon Christovich, Folk Art Gallery
Jeff Brusati, T & B Sports
Joel Eis, Rebound Bookstore

BID Executive Director

Eda Lochte
info@srbid.org



2020 BID Work Plan

Beautification, Marketing & Promotion

Our efforts will support the economic vitality of downtown by promoting an environment that's clean, safe, welcoming and uniquely engaging. Among our areas of focus:

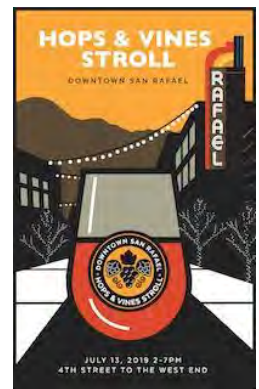
- **Beautification/streetscape** – participate in establishing arts and culture identity to elevate Downtown, advise and advocate for wayfinding signage, lights, murals, landscaping, sidewalk cleaning, etc.
- **Marketing and promotion** – partner to develop downtown map highlighting DSRAD organizations as destinations, carry on with social media outreach and build list to reach more BID and community members. Assist in filling vacant store spaces.
- **Social media and branding** – update Instagram/Facebook, boost event promotions and share member news. Brand the downtown via use of logo and BID website updates, including profiles of downtown businesses, via new Meet Your Neighbor column.

Beautification, Marketing & Promotion – continued...

- **Collaboration** - Cross-promote with the San Rafael Chamber of Commerce and newly formed Downtown San Rafael Arts District (DSRAD)
- **Promote activity/vibrancy** – Continue signature and new events, Shop Local campaign, support expansion of the City’s pilot criss-cross street lighting and outdoor dining programs
- **Support local organizations** – Continue donations as possible, such as 2019 giving to Camp Chance, Terra Linda High School auto repair department, DSRAD, and the San Rafael Downtown Streets Team

2020 Planned Events

We plan to continue our 2019 events, producing our own or assisting with other groups’ signature events through organization, communication, marketing and financial backing. We hope to continue the highly successful new **Hops & Vines Stroll**, which showcased our local breweries, taprooms and unique businesses.



The BID Organization

Our 2020 agenda emphasizes ensuring the BID’s organizational foundation is strong, fiscally responsible and able to promote Downtown to members and the community. Our intention is to:

- **Communicate with members** – continue engagement through routine communications via website, email, newsletters, block captains, mixers, and the annual meeting
- **Add board members and volunteers** – actively recruit committee members and engage prospective board members
- **Raise BID funding** - explore supplemental funding sources through business sponsorship of events and more
- **Collaborate with local groups** – take advantage of partnership with Chamber and DSRAD to expand the BID’s reach and create more visibility and excitement for Downtown.

Learn more about people and events in your neighborhood: DowntownSanRafael.org

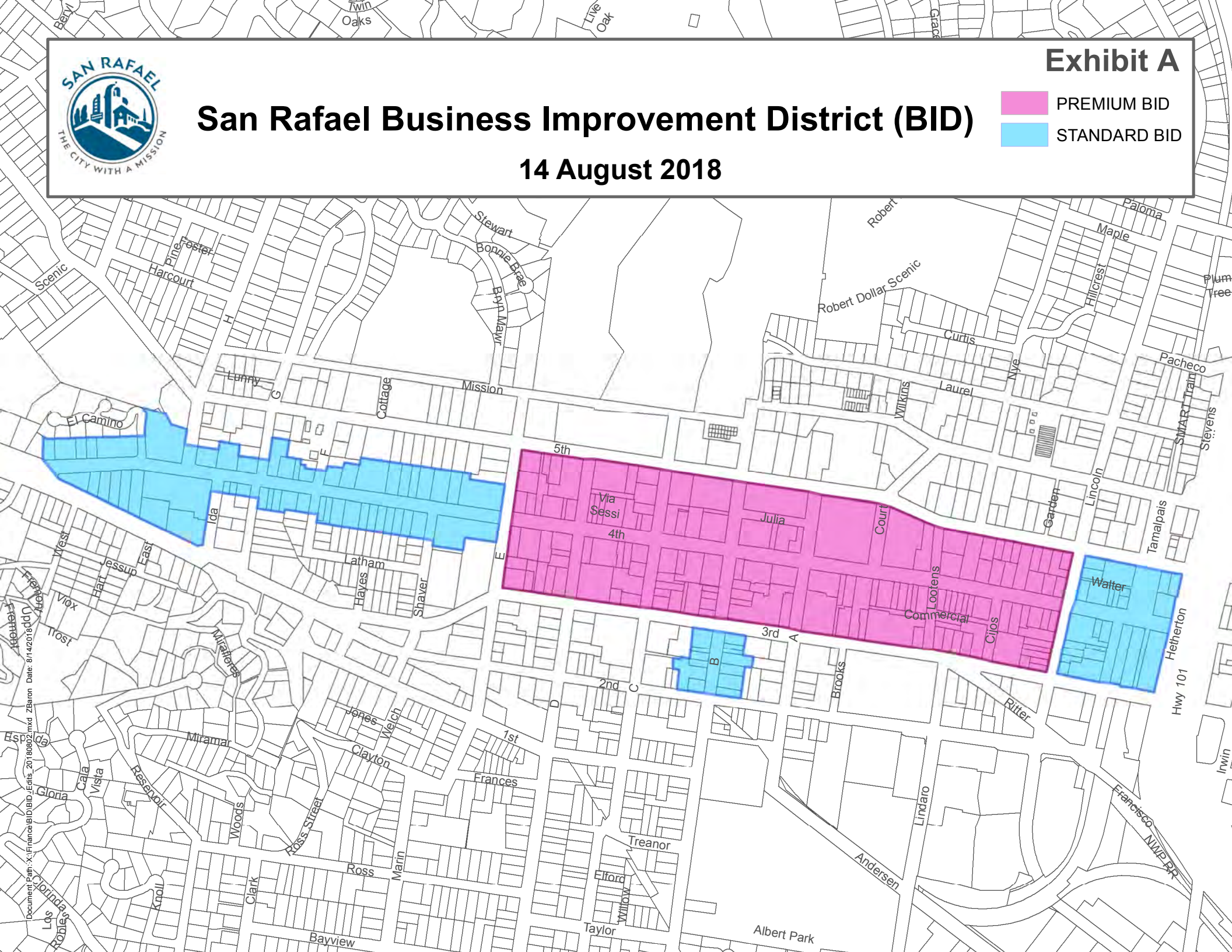


San Rafael Business Improvement District (BID)

14 August 2018

Exhibit A

- PREMIUM BID
- STANDARD BID



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Exhibit B**2019 BID Assessment**

Type of Business	Standard	Premium
Retail on the Ground Floor, Restaurant, Personal Services on the Ground Floor	\$175	\$225
Retail on the Ground Floor, Restaurant, Personal Services on Ground Floor with Less than \$100,000 in Gross Receipts	\$150	\$175
Offices, Professional, Personal Services, not on Ground Floor, Retail not on Ground Floor	\$75	\$100
Personal Services Sole Practitioner	\$25	\$50
Non-Profit Organization and Fine Artists	\$50	\$50
Financial Institution	\$375	\$425

San Rafael Downtown BID Budget

Exhibit C

	2018 Year End Fund Balance	\$50,435	2019 Year End Fund Balance	\$54,248
Revenues	2019 Programs	Year 2019 Estimated Year End	2020 Programs	Year 2020 Proposed Budget
	BID Assessments	\$83,396	BID Assessments	\$83,500
	Event Income - May Madness	\$38,571	Event Income	\$56,000
	Interest	\$6		
Total Operating Income		\$121,973	\$139,500	
Expenses				
Events	May Madness	(\$15,044)	May Madness	(\$13,000)
	Trick or Treat	(\$700)	Trick or Treat	(\$700)
	Sidewalk Sales	(\$1,587)	Hops and Vines	(\$12,000)
	West End Celebration	(\$3,517)	Shop Local Saturday	(\$1,000)
	Mixers	(\$171)	West End Celebration	(\$3,000)
	Hops and Vines	(\$2,886)	Sidewalk Sales	(\$1,000)
	Event Staffing	(\$24,613)	Mixers	(\$750)
			West End Events	(\$2,000)
			Event Staffing	(\$30,000)
Events subtotal		(\$48,517)	(\$63,450)	
Initiatives	Camp Chance	(\$4,190)	Beautification	(\$10,000)
	Community Donations (from May Madness)	(\$10,000)	Art District	(\$2,500)
	Downtown SR Arts District(DSRAD)	(\$5,000)	Downtown Promotion Initiative	(\$3,000)
			Community Donations (from May Madness)	(\$10,000)
Initiatives subtotal		(\$19,190)	(\$25,500)	
Marketing & Promotions	Event Advertising/Marketing	(\$18,730)	Event Advertising/Marketing	(\$22,000)
	Website Maintenance	(\$1,000)	Website Maintenance	(\$2,000)
	BID Member Communication	(\$424)	BID Member Communication	(\$500)
	Social Media	(\$705)	Social Media	(\$4,000)
Marketing & Promotions Subtotal		(\$20,859)	(\$28,500)	
Operating Expenses	Staffing	(\$17,902)	Staffing	(\$17,000)
	Insurance	(\$5,736)	Insurance	(\$5,000)
	tele/supplies/office	(\$999)	tele/supplies/office	(\$2,000)
	profess/accounting/banking	(\$4,543)	profess/accounting/banking	(\$1,500)
	meeting/travel exp	(\$181)	meeting/travel exp	(\$1,000)
	other	(\$233)		
Operating Expenses Subtotal		(\$29,594)	(\$26,500)	
Total Expenses		(\$118,160)	(\$143,950)	
Net Profit/(Loss)		\$3,813		(\$4,450)
Projected 2018 Ending Fund Balance/Carryover to 2019		\$54,248	2020 Ending Fund Balance	\$49,798

*Fund balance does not include Target Fund balance of \$20,962. BID is the custodian of the Target Fund.

Memorandum

To: San Rafael City Council

From: Jed Greene, Treasurer
San Rafael Business Improvement District

Date: October 21, 2019

Re: San Rafael Business Improvement District Financial Summary

This memorandum highlights the significant 2019 financial activity of the San Rafael Business Improvement District (BID) and the 2020 proposed budget.

2019

For 2019, the BID is projected to have a net income of approximately \$3,800, leaving a cash balance of \$54,248.

Proceeds from BID assessments were down approximately 10% in 2018. In 2019, the BID assessments increased and appear to be back to the historic levels. The increase in assessment fees largely contributed to our net income for the year. Our expenses were on budget, with higher expenses related to one of our new events but slightly lower expenses related to marketing and advertising.

The May Madness event continues to be a very successful event for the BID. Absent the allocation of the Executive Director fees, the event generated approximately \$20,000 in profit. Other community members and organizations help operate the event and those contributors, as well as the BID, agreed to donate some of the profit to Camp Chance and the Terra Linda High School auto shop program.

2020

The BID projects to have a cash balance of approximately \$54,000 to begin 2020. With this cash balance, proceeds from the BID assessments and event revenues, the BID plans to host several events Downtown, invest in the beautification of Downtown and continue to work with and help the community around us including the DSRAD (Downtown San Rafael Arts District). As a result, the BID projects to have a net loss of \$4,450, leaving us with a cash balance of \$49,798 at the end of the year.



SAN RAFAEL
THE CITY WITH A MISSION

Agenda Item No: 4.g

Meeting Date: November 18, 2019

SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Public Works

Prepared by: Bill Guerin,
Director of Public Works

City Manager Approval: _____

TOPIC: CALTRANS MAINTENANCE AGREEMENT

SUBJECT: RESOLUTION APPROVING AND AUTHORIZING THE CITY MANAGER TO EXECUTE A PROJECT SPECIFIC MAINTENANCE AGREEMENT WITH THE STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION (CALTRANS) FOR MAINTENANCE OF PORTIONS OF LUCAS VALLEY ROAD AND SMITH RANCH ROAD WITHIN STATE RIGHT-OF-WAY

RECOMMENDATION:

Adopt a resolution approving and authorizing the City Manager to execute a Project Specific Maintenance Agreement (PSMA) with the State of California Department of Transportation (Caltrans) for maintenance of portions of Lucas Valley Road and Smith Ranch Road within State right-of-way.

BACKGROUND:

Throughout the early and mid-1900s, the State of California retained large swaths of real estate for planning and construction of the present-day freeway system, including U.S. Highway 101. Cities that desire to provide access to the freeway system must request approval from Caltrans to construct local streets in the State right of way. While local streets are built within State right-of-way to allow public access to the freeway system, Caltrans, as the State Department of Transportation, typically does not maintain these streets. Maintenance roles and responsibilities are therefore transferred to local municipalities utilizing maintenance agreements. The portions of Lucas Valley/Smith Ranch Roads within Caltrans right-of-way require such a maintenance agreement, in this case a Project Specific Maintenance Agreement (PSMA).

In February 1959, Caltrans entered into a Freeway Maintenance Agreement (FMA) with the then-owner of Lucas Valley Road, the County of Marin (County). Revisions to the original FMA were subsequently agreed to in December 1969. In 1972, the City annexed a portion of north San Rafael, including Lucas Valley Road within State right-of-way near Highway 101. Consequently, the City inherited all maintenance responsibilities outlined in the 1969 Revised FMA. No further revisions have been made to the Revised FMA since 1969, despite the construction of Smith Ranch Road in the late 1970s.

FOR CITY CLERK ONLY

File No.:

Council Meeting:

Disposition:

SAN RAFAEL CITY COUNCIL AGENDA REPORT / Page: 2

On September 17, 2018, the City Council held a public hearing and approved the Final Environmental Impact Report related to a Kaiser Permanente medical office building at 1650 Los Gamos Drive. As a condition of approval for this permitted private development project, Kaiser Permanente is required to complete off-site improvements, including a new sidewalk, bicycle facilities, and roadway resurfacing.

These off-site improvements include parts of Lucas Valley Road which are located within State right-of-way. These areas require Kaiser Permanente to obtain a Caltrans encroachment permit for construction. With the introduction of new roadway features to be constructed by Kaiser and considering that the City also has a public works project to resurface Lucas Valley and Smith Ranch Roads with new asphalt, improved curb ramps, and other improvements, Caltrans desires to define roles and responsibilities for maintenance by executing a PSMA. This PSMA will supplement the original 1969 Freeway Maintenance Agreement but not replace it.

ANALYSIS:

The Kaiser-proposed roadway improvements on Lucas Valley Road include installation of roadway elements not contemplated by the 1969 Revised FMA. Since 1972, the City has retained maintenance responsibilities for the roadway, curbs, sidewalks, walls, and drainage facilities. In addition to those roadway elements outlined in the 1969 FMA, the proposed PSMA (Attachment 2) will also include City responsibility for maintaining street lighting, roadway striping, landscaping, graffiti removal, and guardrails. Caltrans will retain responsibility for maintenance of the freeway bridge structure itself.

If the PSMA for Lucas Valley Road is not executed, Caltrans will not issue the City an encroachment permit to resurface Lucas Valley and Smith Ranch Roads. Likewise, this will impact Kaiser Permanente's ability to install roadway improvements within State right-of-way that were a condition of approval from the City during the planning process.

FISCAL IMPACT:

Maintenance expenses associated with the proposed PSMA will vary from year to year, depending on the nature of the work to be performed. Routine maintenance items, such as cleaning of storm drain basins or graffiti removal, can be performed in-house by Public Works staff at minimal expense.

It is anticipated that most routine maintenance expenses associated with the PSMA will be paid for from Gas Tax Funds (fund no. 206), unless other grant funding becomes available.

OPTIONS: The City Council has the following options to consider relating to this matter:

1. Adopt a resolution authorizing the City Manager to execute a Project Specific Maintenance Agreement with the State of California for maintenance of roadway features on Lucas Valley/Smith Ranch Roads.
2. Do not adopt a resolution and provide further direction to staff.

RECOMMENDED ACTION: Adopt a resolution approving and authorizing the City Manager to execute a Project Specific Maintenance Agreement (PSMA) with the State of California Department of Transportation (Caltrans) for maintenance of portions of Smith Ranch Road and Lucas Valley Road within State right-of-way.

ATTACHMENT:

SAN RAFAEL CITY COUNCIL AGENDA REPORT / Page: 3

1. Resolution
2. Project Specific Maintenance Agreement relating to Lucas Valley Road and Smith Ranch Road, with Exhibit A

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN RAFAEL APPROVING AND AUTHORIZING THE CITY MANAGER TO EXECUTE A PROJECT SPECIFIC MAINTENANCE AGREEMENT WITH THE STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION (CALTRANS) FOR MAINTENANCE OF PORTIONS OF LUCAS VALLEY ROAD AND SMITH RANCH ROAD WITHIN STATE RIGHT-OF-WAY

WHEREAS, Caltrans as the State Department of Transportation generally does not maintain local city streets within State right-of-way; and

WHEREAS, portions of local streets Lucas Valley Road and Smith Ranch Road within State right-of-way will be improved with new roadway features requiring maintenance; and

WHEREAS, Kaiser Permanente proposes to convert the existing general office building at 1650 Los Gamos Drive to a Medical Office Building requiring the installation of roadway features, including curbs, gutters, sidewalks, asphalt pavement, and striping, some of which will be located within State right-of-way; and

WHEREAS, the City of San Rafael proposes to resurface Lucas Valley and Smith Ranch Roads with new asphalt, curb ramps and other improvements; and

WHEREAS, Caltrans is requiring the City to maintain those roadway infrastructure elements as more fully described in the proposed Project Specific Maintenance Agreement attached to the Staff Report to the City Council for this matter; and

WHEREAS, City and State agree that the City will perform maintenance as described in the Project Specific Maintenance Agreement;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN RAFAEL RESOLVES as follows:

1. The Council hereby approves and authorizes the City Manager to execute the Project Specific Maintenance Agreement with the State of California Department of Transportation for maintenance of portions of Lucas Valley Road and Smith Ranch Road within State right-of-way, subject to final approval as to form by the City Attorney.

2. The Director of Public Works is hereby authorized to take any and all such actions and make changes as may be necessary to accomplish the purpose of this resolution.

I, **LINDSAY LARA**, Clerk of the City of San Rafael, hereby certify that the foregoing resolution was duly and regularly introduced and adopted at a regular meeting of the Council of said City on the 18th day of November 2019, by the following vote, to wit:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

LINDSAY LARA, City Clerk

**PROJECT SPECIFIC MAINTENANCE AGREEMENT
WITH CITY OF SAN RAFAEL**

THIS AGREEMENT is made effective this _____ day of _____, 20__, by and between the State of California, acting by and through the Department of Transportation, hereinafter referred to as "STATE" and the City of San Rafael; hereinafter referred to as "CITY" and collectively referred to as "PARTIES".

SECTION I

RECITALS

1. CITY intends to construct operational improvements to Lucas Valley Road and Los Gamos Drive within the right of way limits of State Route (SR) 101, consisting of hereinafter referred to as "PROJECT", and
2. The CITY annexed Lucas Valley Rd/Smith Ranch Rd between Redwood Dr and Los Gamos Drive in 1972, which is located within STATE right of way, and
3. The PARTIES hereto mutually desire to identify the maintenance responsibilities for PROJECT improvements constructed under Encroachment Permit Numbers 0419-6MC1034 and _____, and within the segment of Lucas Valley Rd/Smith Ranch Rd between Redwood Dr and Los Gamos Drive, located within STATE right of way.

NOW THEREFORE, IT IS AGREED AS FOLLOWS:

SECTION II

AGREEMENT

1. In consideration of the mutual covenants and promises herein contained, CITY and STATE agree as follows:
 - 1.1. The degree or extent of maintenance work to be performed, and the standards therefore, shall be in accordance with the provisions of Section 27 of the Streets and Highways Code and the then current edition of the State Maintenance Manual.

- 1.2. Exhibit A consists of plan drawings that delineate the areas within STATE right of way which are the responsibility of the CITY to maintain in accordance with this Maintenance Agreement.
- 1.3. When a change to this agreement is necessary, PARTIES can revise the Exhibit A by a mutual written-execution of the exhibit.
2. CITY must obtain the necessary Encroachment Permits from STATE's District 4 Encroachment Permit Office prior to entering STATE right of way to perform CITY maintenance responsibilities. This permit will be issued at no cost to CITY.
3. LUCAS VALLEY ROAD UNDERCROSSING (Bridge Number 27-0059)
 - 3.1. STATE will maintain the entire structure of all STATE-constructed vehicular and pedestrian undercrossings of STATE freeways except as hereinafter provided.
 - 3.2. CITY will maintain the roadway sections, including the traveled way, shoulders, curbs, sidewalks, wall surfaces (including eliminating graffiti), drainage inlets/basins, lighting installations (including street lighting and lighting fixtures mounted to the underside of the STATE-constructed vehicular undercrossing noted above in Article 3.1) and traffic service facilities that may be required for the benefit or control of traffic using that undercrossing.
 - 3.3. CITY will request STATE's District Encroachment Permit Engineer to issue the necessary Encroachment Permit for any proposed change in minimum vertical clearances between CITY roadway surface and the structure that results from modifications to the roadway (except when said modifications are made by STATE). If the planned modifications will result in a reduction in the minimum clearance within the traveled way, an estimate of the clearance reduction must be provided to STATE's Transportation Permit Engineer prior to starting work. Upon completion of that work, a vertical clearance diagram will be furnished to STATE's Transportation Permit Engineer that shows revised minimum clearances for all affected movements of traffic, both at the edges of the traveled way and at points of minimum clearance within the traveled way.
4. WALLS AND COLUMNS - CITY is responsible for debris removal, cleaning and painting to keep CITY 's side of any sound wall structure free of debris, dirt, and graffiti.

5. LANDSCAPED AREAS - CITY is responsible for the maintenance of any plantings or other types of roadside development lying outside of the fenced area restricting walk-on access to the freeway.
6. LOCAL ROADS: LUCAS VALLEY ROAD, LOS GAMOS DRIVE AND SMITH RANCH ROAD - CITY, at CITY's expense, will be responsible for maintaining the portion of local roads located within STATE right of way, including, but not limited to: pavement treatments in and near crosswalks, all pavement markings, all signs, guardrails, sidewalks, curbs, gutters, curb ramps, city street lights, crosswalks and drainage facilities as describe in Exhibit A.
7. INTERCHANGE OPERATION - It is STATE's responsibility to provide efficient operation of freeway interchanges, including ramp connections to local streets and roads
8. BICYCLE LANES – CITY will maintain, at CITY expense, safe bicycle facilities to be constructed under the encroachment permits identified in Section 1, Paragraph 3 above for bicycle travel along the entire length of the path by providing sweeping and debris removal when necessary; and all signing and striping and bicycle pavement markings and non-STATE standard materials (Thermoplastic green bike lane striping, etc) required for the direction and operation of that bicycle facility.
9. LEGAL RELATIONS AND RESPONSIBILITIES
 - 9.1. Nothing within the provisions of this Agreement is intended to create duties or obligations to or rights in third parties not parties to this Agreement or to affect the legal liability of a PARTY to the Agreement by imposing any standard of care with respect to the operation and maintenance of STATE highways and local facilities different from the standard of care imposed by law.
 - 9.2. Neither CITY nor any officer or employee thereof is responsible for any injury, damage or liability occurring by reason of anything done or omitted to be done by STATE under or in connection with any work, authority or jurisdiction conferred upon STATE under this Agreement. It is understood and agreed that STATE shall fully defend, indemnify and save harmless CITY and all of their officers and employees from all claims, suits or actions of every name, kind and description brought forth under, including, but not limited to, tortious, contractual, inverse condemnation or other theories or assertions of liability occurring by reason of anything done or omitted to be done by STATE under this Agreement.

9.3. Neither STATE nor any officer or employee thereof is responsible for any injury, damage or liability occurring by reason of anything done or omitted to be done by CITY under or in connection with any work, authority or jurisdiction conferred upon CITY under this Agreement. It is understood and agreed that CITY shall fully defend, indemnify and save harmless STATE and all of its officers and employees from all claims, suits or actions of every name, kind and description brought forth under, including section but not limited to, tortious, contractual, inverse condemnation or other theories or assertions of liability occurring by reason of anything done or omitted to be done by CITY under this Agreement.

10. PREVAILING WAGES:

10.1. Labor Code Compliance- If the work performed under this Agreement is done under contract and falls within the Labor Code section 1720(a)(1) definition of "public works" in that it is construction, alteration, demolition, installation, or repair; or maintenance work under Labor Code section 1771, then CITY must conform to the provisions of Labor Code sections 1720 through 1815, and all applicable provisions of California Code of Regulations found in Title 8, Chapter 8, Subchapter 3, Articles 1-7. CITY agrees to include prevailing wage requirements in its contracts for public works. Work performed by CITY's own forces is exempt from the Labor Code's Prevailing Wage requirements.

10.2. Requirements in Subcontracts - CITY shall require its contractors to include prevailing wage requirements in all subcontracts for work performed under this Agreement when the work to be performed by the subcontractor is a "public work" as defined in Labor Code Section 1720(a)(1) and Labor Code Section 1771. Subcontracts shall include all prevailing wage requirements set forth in CITY's contracts

11. SELF-INSURED - CITY is self-insured. CITY agrees to deliver evidence of self-insured coverage providing general liability insurance, coverage of bodily injury liability and property damage liability, naming the STATE, its officers, agents and employees as the additional insured in an amount of \$1 million per occurrence and \$2 million in aggregate and \$5 million in excess. Coverage shall be evidenced by a certificate of insurance in a form satisfactory to the STATE that shall be delivered to the STATE with a signed copy of this Agreement.

11.1. SELF-INSURED using Contractor - If the work performed under this Agreement is done under contract CITY shall require its contractors to

maintain in force, during the term of this agreement, a policy of general liability insurance, including coverage of bodily injury liability and property damage liability, naming the STATE, its officers, agents and employees as the additional insured in an amount of \$1 million per occurrence and \$2 million in aggregate and \$5 million in excess. Coverage shall be evidenced by a certificate of insurance in a form satisfactory to the STATE that shall be delivered to the STATE with a signed copy of this Agreement.

12. TERMINATION - This Agreement may be terminated by timely mutual written consent by PARTIES, and CITY's failure to comply with the provisions of this Agreement may be grounds for a Notice of Termination by STATE.

13. TERM OF AGREEMENT - This Agreement shall become effective on the date first shown on its face sheet and shall remain in full force and effect until amended or terminated at any time upon mutual consent of the PARTIES or until terminated by STATE for cause.

PARTIES are empowered by Streets and Highways Code Section 114 and 130 to enter into this Agreement and have delegated to the undersigned the authority to execute this Agreement on behalf of the respective agencies and covenants to have followed all the necessary legal requirements to validly execute this Agreement.

IN WITNESS WHEREOF, the PARTIES hereto have set their hands and seals the day and year first above written.

THE CITY OF SAN RAFAEL

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

By: _____
GARY O. PHILLIPS, Mayor

BOB FRANZOIA
Acting Director of Transportation

Initiated and Approved

By: _____
JIM SCHUTZ, City Manager

By: _____
DAVID AMBUEHL
Deputy District Director
Maintenance District

ATTEST:

By: _____
LINDSAY LARA, City Clerk

As to Form and Procedure:

By: _____
ROBERT F. EPSTEIN, City
Attorney

By: _____
Attorney
Department of Transportation

EXHIBIT "A"

(Plan map identifying the applicable STATE Routes (Freeway proper) and CITY road(s) and facilities)

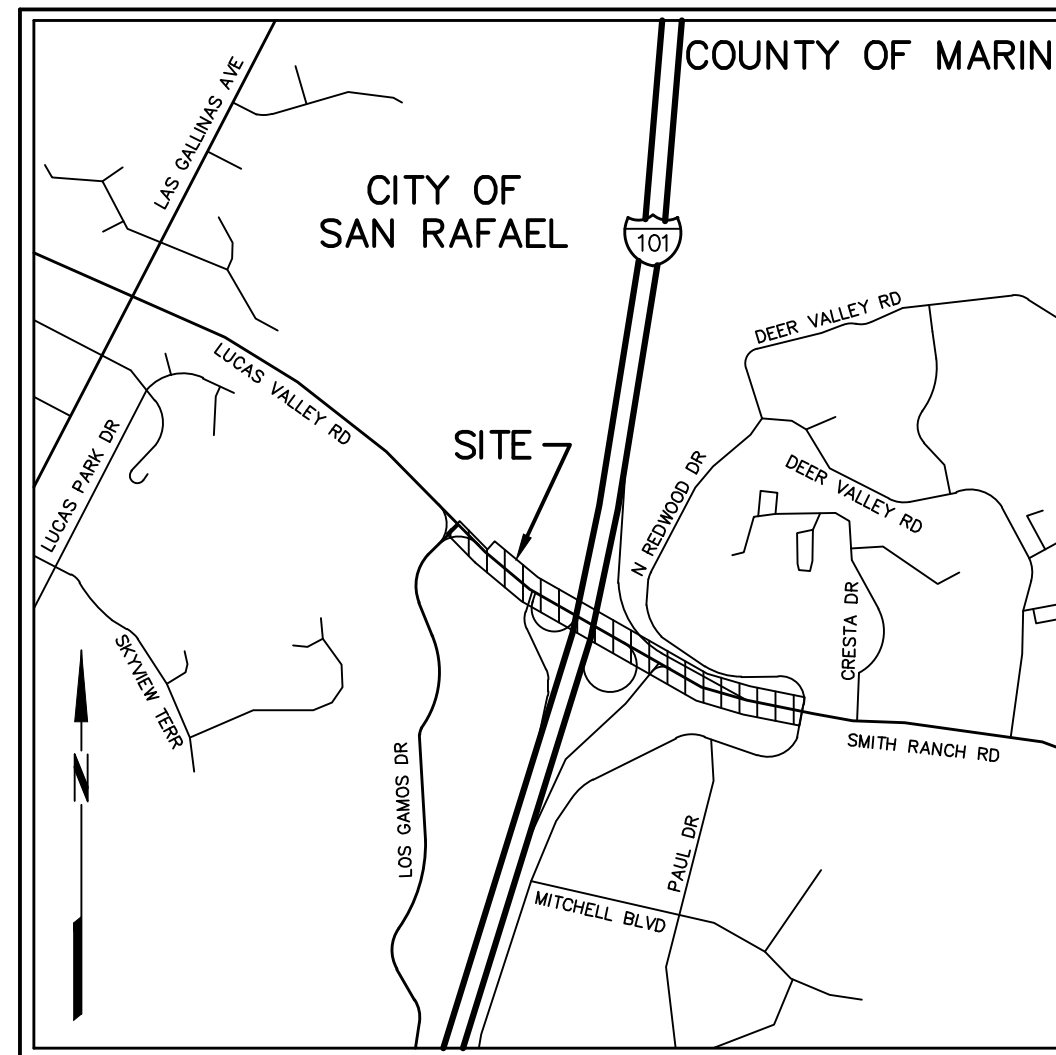
DRAFT

Dist	COUNTY	ROUTE	POST MILES TOTAL PROJECT	SHEET No.	TOTAL SHEETS
04	MRN	101	14.7	1	2

EXHIBIT "A"

STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION

MAINTENANCE AGREEMENT WITH CITY OF SAN RAFAEL



VICINITY MAP
NOT TO SCALE

SYMBOLS & LEGEND

- RIGHT OF WAY (R/W)
- ▨ AREA WITHIN STATE RIGHT OF WAY TO BE MAINTAINED BY CITY
- ▩ STRUCTURE MAINTAINED BY STATE. ROADWAY MAINTAINED BY CITY.

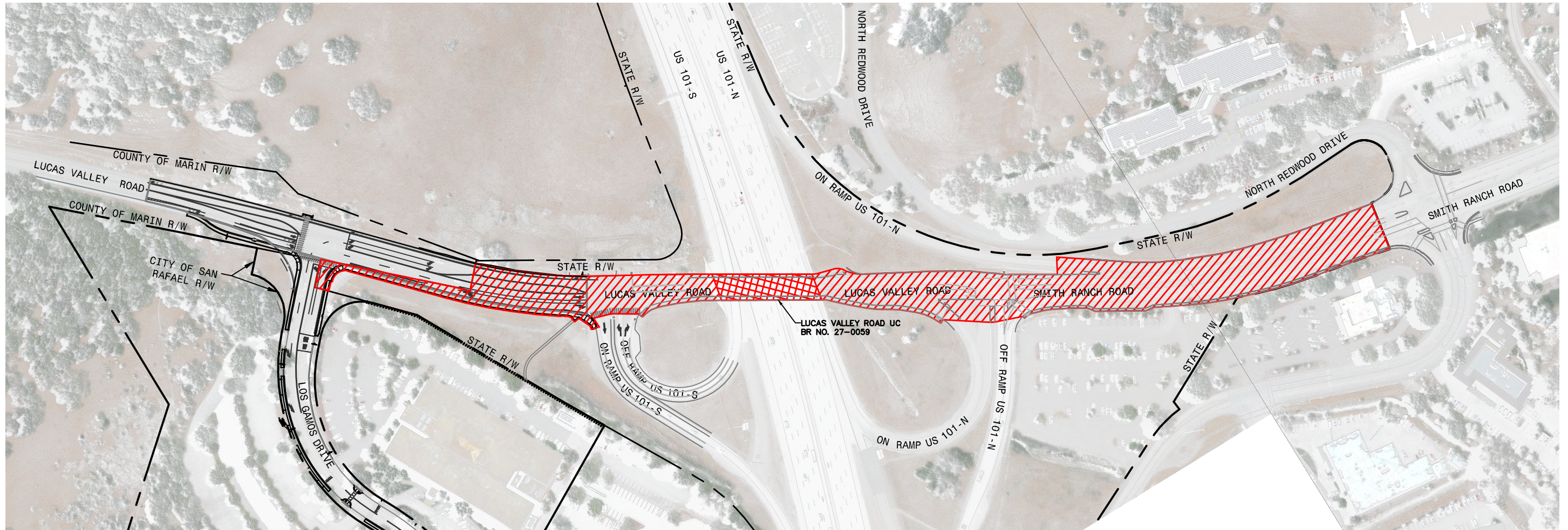
RIGHT OF WAY SHOWN HEREON IS FOR REFERENCE ONLY AND DOES NOT CONSTITUTE A FORMAL SURVEY BOUNDARY.

LOCATION MAP LUCAS VALLEY ROAD AND SMITH RANCH ROAD CITY OF SAN RAFAEL, CALIFORNIA NOVEMBER 2019




Plot Nov 06, 2019 at 8:36am

Dist	COUNTY	ROUTE	POST MILES TOTAL PROJECT	SHEET No.	TOTAL SHEETS
04	MRN	101	14.7	2	2

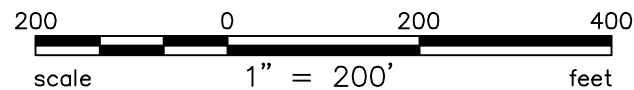
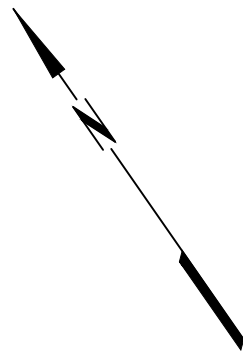
EXHIBIT "A"



SYMBOLS & LEGEND

-  RIGHT OF WAY (R/W)
-  AREA WITHIN STATE RIGHT OF WAY TO BE MAINTAINED BY CITY
-  STRUCTURE MAINTAINED BY STATE. ROADWAY MAINTAINED BY CITY.

RIGHT OF WAY SHOWN HEREON IS FOR REFERENCE ONLY AND DOES NOT CONSTITUTE A FORMAL SURVEY BOUNDARY.



MAINTENANCE EXHIBIT
LUCAS VALLEY ROAD AND SMITH RANCH ROAD
CITY OF SAN RAFAEL, CALIFORNIA
NOVEMBER 2019

JOB NO. 20178006

SHEET 2 OF 2 SHEET

Plot Nov 06, 2019 at 8:40am



SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Public Works

Prepared by: Bill Guerin,
Director of Public Works

City Manager Approval: _____

TOPIC: SOUTHERN HEIGHTS RETAINING WALL

SUBJECT: A RESOLUTION APPROVING AND AUTHORIZING THE CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH MARK THOMAS AND COMPANY, INC. FOR ENGINEERING DESIGN AND ENVIRONMENTAL CLEARANCE SERVICES ASSOCIATED WITH THE SOUTHERN HEIGHTS BOULEVARD AT COURTRIGHT ROAD RETAINING WALL PROJECT IN AN AMOUNT NOT TO EXCEED \$114,000.

RECOMMENDATION:

Adopt a resolution approving and authorizing the City Manager to execute a professional services agreement with Mark Thomas and Company for engineering design and environmental clearance services associated with the Southern Heights Boulevard at Courtright Road Retaining Wall project in an amount not to exceed \$114,000.

BACKGROUND:

Southern Heights Boulevard is a two-way local street located in the hills above San Rafael. The City desires to install a retaining wall system along the outside edge of Southern Heights Boulevard between 78 Southern Heights Boulevard and the private driveway (i.e., Courtright Road) leading to 82 Southern Heights Boulevard. Additionally, the project will include storm drain design, utility coordination/relocation, and other roadway improvements. On September 9, 2019, the City issued a request for proposals, as the design will require an engineer with a background in retaining wall design.

ANALYSIS:

On October 9, 2019, in response to the RFP, Public Works received proposals from two qualified firms. Proposals were evaluated by City staff based on an understanding of the Scope of Work, previous experience with similar projects, qualified personnel, and familiarity with City procedures for project delivery.

City staff found Mark Thomas and Company to be the most qualified consultant for this project. After successful negotiations, Mark Thomas and Company submitted a revised fee proposal in the sum of \$114,000 to perform the engineering design and environmental clearance services, which was found to be complete and within industry standards. Staff has incorporated the

FOR CITY CLERK ONLY

File No.:

Council Meeting:

Disposition:

SAN RAFAEL CITY COUNCIL AGENDA REPORT / Page: 2

consultant's proposal into a Professional Services Agreement for City Council approval. (Attachment 2)

FISCAL IMPACT: Funding for this project is available within the Gas Tax Fund #206. Upon completion of the design, a construction cost estimate will be produced.

OPTIONS: The City Council has the following options to consider relating to this matter:

1. Adopt a resolution authorizing the City Manager to execute the professional services agreement with Mark Thomas and Company.
2. Do not accept the proposal from Mark Thomas and Company and provide further direction to staff.

RECOMMENDED ACTION: Adopt a resolution approving and authorizing the City Manager to execute a professional services agreement with Mark Thomas and Company for engineering design and environmental clearance services associated with the Southern Heights Boulevard at Courtright Road Retaining Wall project in an amount not to exceed \$114,000.

ATTACHMENT:

1. Resolution
2. Professional Services Agreement with Exhibits A (Scope of Work) and B (Cost Proposal)

RESOLUTION NO.

A RESOLUTION OF THE SAN RAFAEL CITY COUNCIL APPROVING AND AUTHORIZING THE CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH MARK THOMAS AND COMPANY, INC. FOR ENGINEERING DESIGN AND ENVIRONMENTAL CLEARANCE SERVICES ASSOCIATED WITH THE SOUTHERN HEIGHTS BOULEVARD AT COURTRIGHT ROAD RETAINING WALL PROJECT IN AN AMOUNT NOT TO EXCEED \$114,000

WHEREAS, the City desires to implement a retaining wall system along a portion of Southern Heights Boulevard to support and protect the City's roadway near Courtright Road; and

WHEREAS, the City requires outside professional assistance to design and secure environmental clearance for the aforementioned project; and

WHEREAS, in response to a request for proposals (RFP), the Department of Public Works received two proposals; and

WHEREAS, staff has reviewed the proposals and identified Mark Thomas and Company to be the most qualified firm; and

WHEREAS, the proposal of \$114,000 from Mark Thomas and Company was found to be complete and within industry standards;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN RAFAEL

RESOLVES as follows:

1. The City Council hereby approves and authorizes the City Manager to execute a Professional Services Agreement with Mark Thomas and Company, Inc. for engineering design and environmental clearance services associated with the Southern Heights Boulevard at Courtright Road Retaining Wall Project in the amount not to exceed \$114,000, as included in the Staff Report for this matter, subject to final approval as to form by the City Attorney.

2. Funds totaling \$114,000 will be appropriated for this project from the Gas Tax Fund (Fund No. 206).
3. The Director of Public Works is hereby authorized to take any and all such actions and make changes as may be necessary to accomplish the purpose of this resolution.

I, **LINDSAY LARA**, Clerk of the City of San Rafael, hereby certify that the foregoing resolution was duly and regularly introduced and adopted at a regular meeting of the Council of said City on Monday, the 18th day of November 2019, by the following vote, to wit:

AYES: **COUNCILMEMBERS:**
NOES: **COUNCILMEMBERS:**
ABSENT: **COUNCILMEMBERS:**

LINDSAY LARA, City Clerk

**AGREEMENT FOR PROFESSIONAL SERVICES WITH MARK THOMAS AND
COMPANY, INC. FOR THE SOUTHERN HEIGHTS AT COURTRIGHT RETAINING
WALL PROJECT**

This Agreement is made and entered into this ____ day of _____, 20 __, by and between the CITY OF SAN RAFAEL (hereinafter "CITY"), and Mark Thomas and Company, Inc. (hereinafter "CONSULTANT").

RECITALS

WHEREAS, the CITY has determined that professional services are required to design a retaining wall system at Southern Heights Boulevard at Courtright Road; and

WHEREAS, the CONSULTANT has agreed to render such services.

AGREEMENT

NOW, THEREFORE, the parties hereby agree as follows:

1. **PROJECT COORDINATION.**

A. **CITY'S Project Manager.** Shawn Graf is hereby designated the PROJECT MANAGER for the CITY and said PROJECT MANAGER shall supervise all aspects of the progress and execution of this Agreement.

B. **CONSULTANT'S Project Director.** CONSULTANT shall assign a single PROJECT DIRECTOR to have overall responsibility for the progress and execution of this Agreement for CONSULTANT. Julie Passalacqua is hereby designated as the PROJECT DIRECTOR for CONSULTANT. Should circumstances or conditions subsequent to the execution of this Agreement require a substitute PROJECT DIRECTOR, for any reason, the CONSULTANT shall notify the CITY within ten (10) business days of the substitution.

2. **DUTIES OF CONSULTANT.**

CONSULTANT shall perform the duties and/or provide services outlined in the CONSULTANT'S proposal dated October 9, 2019, marked as Exhibit A, and Scope of Work dated October 15, 2019, marked as Exhibit B, attached hereto, and incorporated herein.

3. **DUTIES OF CITY.**

CITY shall pay the compensation as provided in Paragraph 4, and perform the duties as described in Exhibit A and Exhibit B, attached hereto and incorporated herein.

4. COMPENSATION.

For the full performance of the services described herein by **CONSULTANT**, **CITY** shall pay **CONSULTANT** on a time and materials basis for services rendered in the rates shown in Exhibit A and Exhibit B, attached hereto, and incorporated herein, in a total contract amount not to exceed **\$114,000.00**.

Payment will be made monthly upon receipt by **PROJECT MANAGER** of itemized invoices submitted by **CONSULTANT**.

5. TERM OF AGREEMENT.

The term of this Agreement shall commence on the date of execution of this Agreement and end on December 31, 2021. Upon mutual agreement of the parties, and subject to the approval of the City Manager, the term of this Agreement may be extended for an additional period of up to 1 year.

6. TERMINATION.

A. **Discretionary.** Either party may terminate this Agreement without cause upon thirty (30) days written notice mailed or personally delivered to the other party.

B. **Cause.** Either party may terminate this Agreement for cause upon fifteen (15) days written notice mailed or personally delivered to the other party, and the notified party's failure to cure or correct the cause of the termination, to the reasonable satisfaction of the party giving such notice, within such fifteen (15) day time period.

C. **Effect of Termination.** Upon receipt of notice of termination, neither party shall incur additional obligations under any provision of this Agreement without the prior written consent of the other.

D. **Return of Documents.** Upon termination, any and all **CITY** documents or materials provided to **CONSULTANT** and any and all of **CONSULTANT**'s documents and materials prepared for or relating to the performance of its duties under this Agreement, shall be delivered to **CITY** as soon as possible, but not later than thirty (30) days after termination. If the **CITY** terminates this agreement with the **CONSULTANT**, **CITY** shall pay **CONSULTANT** the sum due the **CONSULTANT** under this Agreement prior to termination, unless the cost of completion to the **CITY** exceeds the funds remaining in the Agreement. In which case the overage shall be deducted from any sum due the **CONSULTANT** under this agreement and the balance, if any, shall be paid the **CONSULTANT** upon demand.

7. OWNERSHIP OF DOCUMENTS.

A. The written documents and materials prepared by the **CONSULTANT** in connection with the performance of its duties under this Agreement, shall be the sole property of **CITY**.

B. It is understood and agreed that all calculations, drawings and specifications, whether in hard copy or machine-readable form, are intended for one-time use in the construction of the project for which this Agreement has been entered into.

C. The **CONSULTANT** is not liable for claims, liabilities, or losses arising out of, or connected with the modification, or misuse by the **CITY** of the machine-readable information and data provided by the **CONSULTANT** under this Agreement; further, the **CONSULTANT** is not liable for claims, liabilities, or losses arising out of, or connected with any use by the **CITY** of the project documentation on other projects for additions to this project, or for the completion of this project by others, except only such use as may be authorized in writing by the **CONSULTANT**.

8. **INSPECTION AND AUDIT.**

Upon reasonable notice, **CONSULTANT** shall make available to **CITY**, or its agent, for inspection and audit, all documents and materials maintained by **CONSULTANT** in connection with its performance of its duties under this Agreement. **CONSULTANT** shall fully cooperate with **CITY** or its agent in any such audit or inspection.

9. **ASSIGNABILITY.**

The parties agree that they shall not assign or transfer any interest in this Agreement nor the performance of any of their respective obligations hereunder, without the prior written consent of the other party, and any attempt to so assign this Agreement or any rights, duties or obligations arising hereunder shall be void and of no effect.

10. **INSURANCE.**

A. **Scope of Coverage.** During the term of this Agreement, **CONSULTANT** shall maintain, at no expense to **CITY**, the following insurance policies:

1. A commercial general liability insurance policy in the minimum amount of one million dollars (\$1,000,000) per occurrence/two million dollars (\$2,000,000) aggregate, for death, bodily injury, personal injury, or property damage.

2. An automobile liability (owned, non-owned, and hired vehicles) insurance policy in the minimum amount of one million dollars (\$1,000,000) dollars per occurrence.

3. If any licensed professional performs any of the services required to be performed under this Agreement, a professional liability insurance policy in the minimum amount of two million dollars (\$2,000,000) per occurrence/four million dollars (\$4,000,000) aggregate, to cover any claims arising out of the **CONSULTANT's** performance of services under this Agreement. Where **CONSULTANT** is a professional not required to have a professional license, **CITY** reserves the right to require **CONSULTANT** to provide professional liability insurance pursuant to this section.

4. If it employs any person, **CONSULTANT** shall maintain worker's compensation insurance, as required by the State of California, with statutory limits, and employer's liability insurance with limits of no less than one million dollars (\$1,000,000) per accident for bodily injury or disease. **CONSULTANT's** worker's compensation insurance shall be specifically endorsed to waive any right of subrogation against **CITY**.

B. Other Insurance Requirements. The insurance coverage required of the **CONSULTANT** in subparagraph A of this section above shall also meet the following requirements:

1. Except for professional liability insurance or worker's compensation insurance, the insurance policies shall be specifically endorsed to include the **CITY**, its officers, agents, employees, and volunteers, as additional insureds (for both ongoing and completed operations) under the policies.

2. The additional insured coverage under **CONSULTANT'S** insurance policies shall be "primary and noncontributory" with respect to any insurance or coverage maintained by **CITY** and shall not call upon **CITY's** insurance or self-insurance coverage for any contribution. The "primary and noncontributory" coverage in **CONSULTANT'S** policies shall be at least as broad as ISO form CG20 01 04 13.

3. Except for professional liability insurance or worker's compensation insurance, the insurance policies shall include, in their text or by endorsement, coverage for contractual liability and personal injury.

4. By execution of this Agreement, **CONSULTANT** hereby grants to **CITY** a waiver of any right to subrogation which any insurer of **CONSULTANT** may acquire against **CITY** by virtue of the payment of any loss under such insurance. **CONSULTANT** agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation, but this provision applies regardless of whether or not **CITY** has received a waiver of subrogation endorsement from the insurer.

5. If the insurance is written on a Claims Made Form, then, following termination of this Agreement, said insurance coverage shall survive for a period of not less than five years.

6. The insurance policies shall provide for a retroactive date of placement coinciding with the effective date of this Agreement.

7. The limits of insurance required in this Agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and noncontributory basis for the benefit of **CITY** (if agreed to in a written contract or agreement) before **CITY'S** own insurance or self-insurance shall be called upon to protect it as a named insured.

8. It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits shall be available to **CITY** or any other additional insured party. Furthermore, the requirements for coverage and limits shall be: (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured; whichever is greater. No representation is made that the minimum Insurance requirements of this agreement are sufficient to cover the obligations of the **CONSULTANT** under this agreement.

C. **Deductibles and SIR's.** Any deductibles or self-insured retentions in **CONSULTANT's** insurance policies must be declared to and approved by the **PROJECT MANAGER** and City Attorney, and shall not reduce the limits of liability. Policies containing any self-insured retention (SIR) provision shall provide or be endorsed to provide that the SIR may be satisfied by either the named insured or **CITY** or other additional insured party. At **CITY's** option, the deductibles or self-insured retentions with respect to **CITY** shall be reduced or eliminated to **CITY's** satisfaction, or **CONSULTANT** shall procure a bond guaranteeing payment of losses and related investigations, claims administration, attorney's fees and defense expenses.

D. **Proof of Insurance.** **CONSULTANT** shall provide to the **PROJECT MANAGER** or **CITY'S** City Attorney all of the following: (1) Certificates of Insurance evidencing the insurance coverage required in this Agreement; (2) a copy of the policy declaration page and/or endorsement page listing all policy endorsements for the commercial general liability policy, and (3) excerpts of policy language or specific endorsements evidencing the other insurance requirements set forth in this Agreement. **CITY** reserves the right to obtain a full certified copy of any insurance policy and endorsements from **CONSULTANT**. Failure to exercise this right shall not constitute a waiver of the right to exercise it later. The insurance shall be approved as to form and sufficiency by **PROJECT MANAGER** and the City Attorney.

11. INDEMNIFICATION.

A. Except as otherwise provided in Paragraph B., **CONSULTANT** shall, to the fullest extent permitted by law, indemnify, release, defend with counsel approved by **CITY**, and hold harmless **CITY**, its officers, agents, employees and volunteers (collectively, the "**City Indemnitees**"), from and against any claim, demand, suit, judgment, loss, liability or expense of any kind, including but not limited to attorney's fees, expert fees and all other costs and fees of litigation, (collectively "**CLAIMS**"), arising out of **CONSULTANT'S** performance of its obligations or conduct of its operations under this Agreement. The **CONSULTANT's** obligations apply regardless of whether or not a liability is caused or contributed to by the active or passive negligence of the **City Indemnitees**. However, to the extent that liability is caused by the active negligence or willful misconduct of the **City Indemnitees**, the **CONSULTANT's** indemnification obligation shall be reduced in proportion to the **City Indemnitees'** share of liability for the active negligence or willful misconduct. In addition, the acceptance or approval of the **CONSULTANT's** work or work product by the **CITY** or any of its directors, officers or employees shall not relieve or reduce the **CONSULTANT's** indemnification obligations. In the event the **City Indemnitees** are made a party to any action, lawsuit, or other adversarial proceeding arising from **CONSULTANT'S** performance of or operations under this Agreement, **CONSULTANT** shall provide a defense to the **City Indemnitees** or at **CITY'S** option reimburse the **City Indemnitees** their costs of defense, including reasonable attorneys' fees, incurred in defense of such claims.

B. Where the services to be provided by **CONSULTANT** under this Agreement are design professional services to be performed by a design professional as that term is defined under Civil Code Section 2782.8, then, to the extent permitted by law including without limitation, Civil Code sections 2782, 2782.6 and 2782.8, **CONSULTANT** shall indemnify and hold harmless the **CITY** and its officers, officials, and employees (collectively **City Indemnitees**) from and against

damages, liabilities or costs (including incidental damages, Court costs, reasonable attorney's fees as may be determined by the Court, litigation expenses and fees of expert witnesses incurred in connection therewith and costs of investigation) to the extent they are caused by the negligence, recklessness, or willful misconduct of **CONSULTANT**, or any subconsultants, or subconsultant or anyone directly or indirectly employed by them, or anyone for whom they are legally liable (collectively Liabilities). Such obligation to hold harmless and indemnify any indemnity shall not apply to the extent that such Liabilities are caused in part by the negligence or willful misconduct of such City Indemnitee.

C. The defense and indemnification obligations of this Agreement are undertaken in addition to, and shall not in any way be limited by, the insurance obligations contained in this Agreement, and shall survive the termination or completion of this Agreement for the full period of time allowed by law.

12. NONDISCRIMINATION.

CONSULTANT shall not discriminate, in any way, against any person on the basis of age, sex, race, color, religion, ancestry, national origin or disability in connection with or related to the performance of its duties and obligations under this Agreement.

13. COMPLIANCE WITH ALL LAWS.

CONSULTANT shall observe and comply with all applicable federal, state and local laws, ordinances, codes and regulations, in the performance of its duties and obligations under this Agreement. **CONSULTANT** shall perform all services under this Agreement in accordance with these laws, ordinances, codes and regulations. **CONSULTANT** shall release, defend, indemnify and hold harmless **CITY**, its officers, agents and employees from any and all damages, liabilities, penalties, fines and all other consequences from any noncompliance or violation of any laws, ordinances, codes or regulations.

14. NO THIRD PARTY BENEFICIARIES.

CITY and **CONSULTANT** do not intend, by any provision of this Agreement, to create in any third party, any benefit or right owed by one party, under the terms and conditions of this Agreement, to the other party.

15. NOTICES.

All notices and other communications required or permitted to be given under this Agreement, including any notice of change of address, shall be in writing and given by personal delivery, or deposited with the United States Postal Service, postage prepaid, addressed to the parties intended to be notified. Notice shall be deemed given as of the date of personal delivery, or if mailed, upon the date of deposit with the United States Postal Service. Notice shall be given as follows:

TO CITY's Project Manager:

Shawn Graf
City of San Rafael
111 Morphew Street
San Rafael, CA 94901

TO CONSULTANT's Project Director:

Julie Passalacqua
701 University Avenue, Suite 200
Sacramento, CA 95825

16. INDEPENDENT CONTRACTOR.

For the purposes, and for the duration, of this Agreement, **CONSULTANT**, its officers, agents and employees shall act in the capacity of an Independent Contractor, and not as employees of the **CITY**. **CONSULTANT** and **CITY** expressly intend and agree that the status of **CONSULTANT**, its officers, agents and employees be that of an Independent Contractor and not that of an employee of **CITY**.

17. ENTIRE AGREEMENT -- AMENDMENTS.

A. The terms and conditions of this Agreement, all exhibits attached, and all documents expressly incorporated by reference, represent the entire Agreement of the parties with respect to the subject matter of this Agreement.

B. This written Agreement shall supersede any and all prior agreements, oral or written, regarding the subject matter between the **CONSULTANT** and the **CITY**.

C. No other agreement, promise or statement, written or oral, relating to the subject matter of this Agreement, shall be valid or binding, except by way of a written amendment to this Agreement.

D. The terms and conditions of this Agreement shall not be altered or modified except by a written amendment to this Agreement signed by the **CONSULTANT** and the **CITY**.

E. If any conflicts arise between the terms and conditions of this Agreement, and the terms and conditions of the attached exhibits or the documents expressly incorporated by reference, the terms and conditions of this Agreement shall control.

18. SET-OFF AGAINST DEBTS.

CONSULTANT agrees that **CITY** may deduct from any payment due to **CONSULTANT** under this Agreement, any monies which **CONSULTANT** owes **CITY** under any ordinance, agreement, contract or resolution for any unpaid taxes, fees, licenses, assessments, unpaid checks or other amounts.

19. WAIVERS.

The waiver by either party of any breach or violation of any term, covenant or condition of this Agreement, or of any ordinance, law or regulation, shall not be deemed to be a waiver of any other term, covenant, condition, ordinance, law or regulation, or of any subsequent breach or violation of the same or other term, covenant, condition, ordinance, law or regulation. The subsequent acceptance by either party of any fee, performance, or other consideration which may become due or owing under this Agreement, shall not be deemed to be a waiver of any preceding breach or violation by the other party of any term, condition, covenant of this Agreement or any applicable law, ordinance or regulation.

20. COSTS AND ATTORNEY'S FEES.

The prevailing party in any action brought to enforce the terms and conditions of this Agreement, or arising out of the performance of this Agreement, may recover its reasonable costs (including claims administration) and attorney's fees expended in connection with such action.

21. CITY BUSINESS LICENSE / OTHER TAXES.

CONSULTANT shall obtain and maintain during the duration of this Agreement, a **CITY** business license as required by the San Rafael Municipal Code **CONSULTANT** shall pay any and all state and federal taxes and any other applicable taxes. **CITY** shall not be required to pay for any work performed under this Agreement, until **CONSULTANT** has provided **CITY** with a completed Internal Revenue Service Form W-9 (Request for Taxpayer Identification Number and Certification).

22. SURVIVAL OF TERMS.

Any terms of this Agreement that by their nature extend beyond the term (or termination) of this Agreement shall remain in effect until fulfilled and shall apply to both Parties' respective successors and assigns.

23. APPLICABLE LAW.

The laws of the State of California shall govern this Agreement.

24. COUNTERPARTS AND ELECTRONIC SIGNATURE.

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one document. This Agreement may be executed by electronic signatures (e.g. using DocuSign or e-SignLive) or signatures transmitted in portable document format ("pdf"), and copies of this Agreement executed and delivered by means of electronic or pdf signatures shall have the same force and effect as copies hereof executed and delivered with original manually executed signatures. The parties may rely upon electronic and pdf signatures as if such signatures were manually executed originals and agree that an electronic or pdf signature page may be introduced into evidence in any proceeding arising out of or related to this Agreement as if it were an original manually executed signature page.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day, month and year first above written.

CITY OF SAN RAFAEL

CONSULTANT

JIM SCHUTZ, City Manager

By: *ZS*

Name: *Zach Siviglia*

Title: *Vice President*

ATTEST:

[If **CONSULTANT** is a corporation, add signature of second corporate officer]

LINDSAY LARA, City Clerk

By: *R.M. Bragan*

Name: *Matt Bragan*

Title: *Secretary*

APPROVED AS TO FORM:

ROBERT F. EPSTEIN, City Attorney



MARK THOMAS

October 9, 2019

Shawn Graf
City of San Rafael
1400 Fifth Avenue
San Rafael, CA 94901
Shawn.Graf@CityofSanRafael.org

Dear Shawn:

The City of San Rafael (City) intends to install a retaining wall system along the outside edge of Southern Heights Boulevard near the private driveway known as Courtright Road. The retaining wall and associated roadway improvements are needed to mitigate settlement and lateral soil creep evident along this stretch of Southern Heights Boulevard. Mark Thomas has the experience and expertise to help the City successfully deliver this project. We bring the following key benefits to the City.

- **Retaining Wall Expertise.** Mark Thomas has extensive experience evaluating and designing retaining wall structures. This includes the design of soldier pile walls, sub-horizontal ground anchor walls, mechanically stabilized embankment walls, crib walls, and standard cantilever retaining walls. Our focus is on determining the best-suited retaining wall type that can be constructed given the site constraints and provides long-term slope stability.
- **Highly Skilled Project Manager.** Julie Passalacqua, PE is our proposed project manager. She has more than 16 years of experience managing structures projects and designing a variety of retaining wall structures. She has delivered projects from planning through final design and through to construction support. She also has extensive experience working with the City on different structures projects. Julie will be supported by in-house experts and by our environmental subconsultant, LSA Associates.
- **Local Experience.** We have been working with the City for several years on projects such as the Southern Heights Bridge Replacement and Lincoln Avenue Bridge Repair. We have established great working relationship with City staff and have a thorough understanding of the project's goals.

As Vice President of Mark Thomas, I am legally authorized to negotiate a contract with the City and to bind the firm. We reviewed the sample contract agreement and provided comments and recommendations on the next page. We acknowledge receipt of Addendum 1 dated September 12, 2019 and Addendum 2 dated September 25, 2019. We look forward to working with the City on this project. If you have any questions regarding this proposal, please contact Julie at (925) 938-0383 or via email at jpassalacqua@markthomas.com.

Sincerely,
MARK THOMAS



Sasha Dansky, PE, QSD
Principal/Vice President



Julie Passalacqua, PE
Project Manager



(925) 938-0383
5000 OAK ROAD, SUITE 650
WAINUT CREEK, CA 94597

MARKTHOMAS.COM

Exhibit A



PROJECT UNDERSTANDING

Proposed Improvements

As noted in the RFP, Southern Heights Boulevard is a narrow, two-way local roadway that traverses the Southern Heights Neighborhood in the hills above the City. A portion of Southern Heights Boulevard, just uphill from the private driveway known as Courtright Road, has experienced lateral soil creep and settlement as evidenced by cracking of the roadway surface. The steep slope between Southern Heights Boulevard and Courtright Road has experienced erosion and minor sloughing, most likely as a result of surface runoff from Southern Heights Boulevard.

It is our understanding that the City intends to construct a retaining wall system along the outside edge of Southern Heights Boulevard. It will provide slope stability for roadway and mitigate the risk of landslides. The wall will extend approximately from the northwest corner of 78 Southern Heights Boulevard to the intersection of Southern Heights Boulevard and Courtright Road. The proposed improvements will also include roadway resurfacing and drainage improvements. There are several utilities within the project area including overhead communication lines, and underground gas, water and sewer lines. Although these lines pass directly through the project site, there do not appear to be any direct conflicts that may result in relocation of these utilities.

Environmental Considerations

The City will be the lead agency for the CEQA document and therefore has the authority to determine which level document to complete for the project. Based on our review of the existing conditions and proposed improvements, we recommend the project be processed as a CEQA Categorical Exemption (CE). Pursuant to CEQA Section 15301(c), the project will be exempt because it consists of minor construction, repair and maintenance of existing City infrastructure and does not introduce an expansion of use beyond existing conditions.

Our initial research indicates there are no critical biological resources in the project area - no critical habitat, refuges or wetlands. There are also no known cultural resources in the project area, but these are more difficult to distinguish. We recommend the City conduct a formal cultural resources study to determine if prehistoric or historic resources are present in the project area. If the cultural resources study is negative, the CE will be the sufficient level of CEQA documentation. If the cultural resources study is positive, a higher level of CEQA documentation may be warranted.

SCOPE OF WORK

TASK 1. PROJECT MANAGEMENT AND COORDINATION

Task 1.1. Communication and Schedule

Mark Thomas will provide ongoing general project management throughout the duration of the project. This includes preparing contract paperwork, memos, letters and emails, making phone calls, and tracking project issues/action items/decision. Management activities also include the development and maintenance of a critical path method (CPM) design schedule and preparation of monthly invoices and progress reports. The schedule will be updated as progress is made, with critical path activities clearly shown for team review purposes. The schedule and billings will be submitted in the form and in sufficient detail to track the project status and contract expenditures as outlined by the City at the beginning of the project. For the scope of work, Mark Thomas assumes a project duration of 9 months, excluding the duration for bidding and construction assistance.

Mark Thomas will schedule, prepare for, and attend project meetings with the City to share project information, identify critical issues, make decisions, assign project tasks, and identify items critical to project delivery. Two project team meetings, to be held at the City offices, are assumed. In addition, it is assumed that 4 conference



calls will be held to provide regular check-ins with City staff. Mark Thomas will prepare and distribute agendas prior to each meeting and prepare meeting minutes with action items within one week after the meeting.

Task 1.2. Quality Control

Independent QC reviews will be performed at each level of completions by an experienced staff member not directly involved with the project. QC Checklists specific to the discipline involved in creating the deliverable will be used, with comments, responses by the design team, and verification of implementation fully documented.

TASK 1 DELIVERABLES:

- Project Schedule
- Meeting Agendas and Minutes
- Monthly Invoices and Progress Reports

TASK 2. ENGINEERING DESIGN

Task 2.1. 30% Design Submittal

Prior to development of the 30% design, Mark Thomas will conduct a site visit to assess the existing conditions and make observations related to sight distance, environmental impacts, potential utility conflicts, and privately-owned improvements within the public right of way. This site visit would be in conjunction with the City, LSA, and regulatory permitting agencies, if needed, so that the extent of project improvements and construction methods can be understood.

Mark Thomas will prepare 30% level concept plans for the roadway improvements and retaining wall. It is assumed that the roadway improvements will consist of roadway resurfacing, construction of a concrete v-ditch, and storm drain improvements. Consistent with the Geotechnical Evaluation Memo prepared by Miller Pacific, the retaining wall is assumed to be a soldier pile wall. The design detail will be sufficient to prepare a Caltrans planning type cost estimate and identify risks, construction phasing alternatives, and additional investigations needed to verify assumptions.

Mark Thomas will submit the 30% design concepts to City staff to obtain feedback before proceeding with final engineering and design. It is assumed presentations of the 30% design to stakeholder groups or at community meetings will be completed by the City. Support for or attendance at community and stakeholder meetings is not included in this scope of services.

Task 2.2. Utility Coordination

Mark Thomas will be responsible for utility coordination throughout the project development. Coordination with utilities will follow the standard "A, B, C" Utility Process, including but not limited to:

- Identifying utility conflicts
- Facilitating relocation designs; and
- Obtaining commitments for relocation schedules.

We will reach out to utility owners with facilities in the project area and to the City of San Rafael Sanitation District to request their latest facility maps and as-builts to verify if the utility mapping provided by the City is complete. It is assumed that all relocations, including dry and wet utilities, will be included in the project construction documents and that no facility upgrades or replacements will need to be addressed with the project.



Task 2.3. Drainage Analysis

Mark Thomas will conduct a drainage analysis using the Rational Method and HEC-RAS to analyze the existing drainage facilities and drainage patterns in the area of the project to determine the proposed facilities needed to effectively manage roadway and hillside storm water runoff and to accommodate the proposed improvements. Mark Thomas will map the existing storm drainage system from surveys and City GIS information. Drainage shed areas will be estimated from available topographic maps and field reviews. Tributary areas will be defined, and flow rates calculated for concrete ditches and pipelines. The calculations will define pipe/culvert lengths, sizes, peak flow velocities, and hydraulic grade lines.

A Draft and Final Drainage Memo will be prepared to outline existing and proposed storm drain conditions. Mark Thomas will use the hydraulic analysis and pipe sizing calculations performed as part of the drainage study to design new drainage systems required for the project. It is assumed there will be no changes to the existing drainage patterns or upgrades to drainage facilities away from the site. It is also assumed that no additional geotechnical analysis will be required.

Task 2.4. 60% PS&E Submittal

Mark Thomas will prepare 60% plans, specifications and cost estimate for submittal to the City. Project design will be based on the approved 30% design plans. Plans will be prepared in accordance with the City of San Rafael design standards using AutoCAD. The plans will be at a level ready for a detailed quality control check and for the utility companies to begin relocation design (“B Plans”).

Mark Thomas will prepare structural calculations and plans for the retaining wall along Southern Heights Boulevard. It is assumed that the retaining wall will consist of a soldier pile wall with timber or precast concrete lagging and that tiebacks will not be necessary. The structure design will be performed in accordance with AASHTO LRFD Bridge Design Specifications, 6th Edition with California Amendments. The latest updated versions of the Caltrans Bridge Design Manuals will be used.

It is anticipated that the following plan sheets will be prepared.

SHEET NAME	NUMBER OF SHEETS
Title Sheet	1
Standard Abbreviations/General Notes	1
Typical Cross Sections	1
Demolition	1
Layout Plan and Profile	1
Construction Details	2
Drainage and Utilities	1
Water Pollution Control	1
Retaining Wall General Plan	2
Retaining Wall Details	4
Total Sheets	15

Mark Thomas will develop quantities and prepare construction cost estimates for the repair project. Construction costs will be developed using current bid results from similar projects, Caltrans database information and from Caltrans latest Construction Cost Manual. All estimates will be done in Caltrans BEES format using Microsoft Excel.

Mark Thomas will develop project special provisions using 2018 Caltrans Standard Specifications. The special provisions will be prepared using Microsoft Word. It is assumed that the City will incorporate their boilerplate contract language into the specifications.

**Task 2.5. 90% PS&E Submittal**

Comments from the City on the 60% submittal will be addressed and incorporated into the 90% PS&E package. Mark Thomas will prepare a Comment Response Matrix listing the comment, source, and proposed resolution. Once the comment resolutions are agreed upon, Mark Thomas will update the PS&E to the 90% design level. The 90% PS&E will be provided to the City for review and comment.

Task 2.6. 100% PS&E Submittal

Comments from the City on the 90% submittal will be addressed and incorporated into the 100% (Final) PS&E package. Mark Thomas will prepare a Comment Response Matrix listing the comment, source, and proposed resolution. Once the comment resolutions are agreed upon, Mark Thomas will update the PS&E to the 100% (Final) design level. The 100% (Final) PS&E will be of sufficient detail for the City to use in bidding and constructing the project improvements.

TASK 2 DELIVERABLES:

- 30% Concept Plans
- Utility "A, B, C" Letters and Coordination Matrix
- Draft and Final Drainage Analysis Memo
- PS&E at 60%, 90% and 100% (Final) levels (Hard Copies and PDF)
- Comment Response Matrix with comments provided by the City on the 60% and 90% PS&E
- Final Construction Documents including Plans in AutoCAD, Specifications in MS Word.
- All deliverables to be submitted in pdf format

TASK 3. ENVIRONMENTAL COMPLIANCE AND PERMITTING**Task 3.1. CEQA Clearance**

The project is a minor alteration of an existing roadway including retaining wall for the purpose of slope stabilization. These activities are eligible for a Categorical Exemption (CE) under CEQA Guidelines 15301(c). Based on our review of the proposed project and known environmental constraints, we believe the project may qualify for a CE.

In order to determine whether a CE is appropriate, the following technical study will be prepared:

Task 3.1.1. Cultural Resources Evaluation

LSA's will complete research, field survey, and reporting tasks, as described below. The following Cultural Resources scope of work assuming negative findings for cultural resources.

Research

- California Historical Resources Information System (CHRIS): A CHRIS records search will be conducted at the Northwest Information Center (NWIC) to identify any previous cultural resources or cultural resources studies in the project site and search radius.
- Native American Heritage Commission (NAHC): LSA will contact the NAHC to conduct a Sacred Lands File search, which will identify the presence or absence of locations that may have traditional or cultural value to tribal organizations, regardless of archaeological value, in or adjacent to the project site.
- Local Reference: LSA will contact the Marin County Historical Society to inquire about the history of the property.
- Lastly, we will review background information, historical maps and records, cultural resources inventories, and pertinent literature to determine the pre-contact and historic context and assess the archaeological site sensitivity of the property.

**Field Survey**

An LSA cultural resources analyst will conduct a field survey of the project site. The field survey will be documented in field notes and photographs. We will need access to the project site in order to complete this task (to be provided by client).

Reporting

LSA will prepare a report that describes the methods, results, and recommendations of the study, especially regarding additional work that may be necessary to address the requirements of CEQA. Note: If any cultural resources are identified on the property, the resource(s) must be recorded before the report can be finalized. The draft report will be submitted to the City in PDF format. . Following resolution of any comments, the final report will be resubmitted in PDF format and will also be submitted to the NWIC in fulfillment of a requirement to access their archives.

Task 3.1.2. Notice of Exemption

LSA will prepare the one-page CEQA Notice of Exemption form and assist with the County Clerk filing. LSA has budgeted 6 hours of staff time to advise on unanticipated environmental issues that may arise and/or assist with the Notice of Exemption filing. Should the project require the preparation of an Initial Study/Mitigated Negative Declaration (IS/MND) LSA will prepare a separate scope and fee for that task.

TASK 3 DELIVERABLES:

- Draft and Final Cultural Resources Report
- CEQA Notice of Exemption

TASK 4. FINAL BID PHASE AND BID PHASE SUPPORT**Task 4.1. Bidding and Construction Support**

Mark Thomas will assist the City during the bidding process and during construction of the project. This work may include answering bid inquiries from prospective bidders, attending pre-bid meetings, and preparing addenda to the PS&E documents during the advertisement period. During construction, the work may include responding to Requests for information (RFIs) by the contractor, providing consultation and interpretation of the contract documents, preparing Contract Change Orders (CCOs), reviewing soldier pile shop drawings, and preparing record drawings.

It is assumed that the City will retain construction management services to manage the project through construction including oversight of the Contractor and day-to-day construction activities. Mark Thomas can provide this service for an additional scope and fee if requested by the City.

PROJECT ASSUMPTIONS

This scope of work has been prepared using the following assumptions:

- Topographic survey and boundary mapping will be provided by the City.
- The Geotechnical Evaluation Memo provides sufficient information for design of the retaining wall. If additional information is required, the City will contract with Miller Pacific to provide this additional information.
- Landscape and irrigation design are not included in this scope of work.
- Regulatory permits are not required.

SCOPE OF WORK

TASK 1. PROJECT MANAGEMENT AND COORDINATION

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Mark Thomas will provide ongoing general project management throughout the duration of the project. This includes preparing contract paperwork, memos, letters and emails, making phone calls, and tracking project issues/action items/decision. Management activities also include the development and maintenance of a critical path method (CPM) design schedule and preparation of monthly invoices and progress reports. The schedule will be updated as progress is made, with critical path activities clearly shown for team review purposes. The schedule and billings will be submitted in the form and in sufficient detail to track the project status and contract expenditures as outlined by the City at the beginning of the project. For the scope of work, Mark Thomas assumes a project duration of 6 months, excluding the duration for bidding and construction assistance.

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Task 1.2. Quality Control

Independent QC reviews will be performed at each level of completions by an experienced staff member not directly involved with the project. QC Checklists specific to the discipline involved in creating the deliverable will be used, with comments, responses by the design team, and verification of implementation fully documented.

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It is anticipated that the following plan sheets will be prepared.

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TASK 2 DELIVERABLES:

- 30% Concept Plans
- Utility "A" Letters and Coordination Matrix
- PS&E at 90% and 100% (Final) levels (Hard Copies and PDF)
- Comment Response Matrix with comments provided by the City on the 90% PS&E
- Final Construction Documents including Plans in AutoCAD, Specifications in MS Word.
- *All deliverables to be submitted in pdf format*

TASK 3. ENVIRONMENTAL COMPLIANCE AND PERMITTING

Task 3.1. CEQA Clearance

The project is a minor alteration of an existing roadway including retaining wall for the purpose of slope stabilization. These activities are eligible for a Categorical Exemption (CE) under CEQA Guidelines 15301(c). Based on our review of the proposed project and known environmental constraints, we believe the project may qualify for a CE.

In order to determine whether a CE is appropriate, the following technical study will be prepared:

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LSA's will complete research, field survey, and reporting tasks, as described below. The following Cultural Resources scope of work assuming negative findings for cultural resources.

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Task 3.1.2. Notice of Exemption

LSA will prepare the one-page CEQA Notice of Exemption form and assist with the County Clerk filing. LSA has budgeted 6 hours of staff time to advise on unanticipated environmental issues that may arise and/or assist with the Notice of Exemption filing. Should the project require the preparation of an Initial Study/Mitigated Negative Declaration (IS/MND) LSA will prepare a separate scope and fee for that task.

TASK 3 DELIVERABLES:

- Draft and Final Cultural Resources Report
- CEQA Notice of Exemption

TASK 4. FINAL BID PHASE AND BID PHASE SUPPORT

Task 4.1. Bidding Support

Mark Thomas will assist the City during the bidding process of the project. This work may include answering bid inquiries from prospective bidders, attending pre-bid meetings, and preparing addenda to the PS&E documents during the advertisement period.

PROJECT ASSUMPTIONS

This scope of work has been prepared using the following assumptions:

- Topographic survey and boundary mapping will be provided by the City.
- The Geotechnical Evaluation Memo provides sufficient information for design of the retaining wall. If additional information is required, the City will contract with Miller Pacific to provide this additional information.
- Drainage analysis is not included in this scope of services.
- Landscape and irrigation design are not included in this scope of work.
- Regulatory permits are not required.
- Construction support services will be provided for an additional scope and fee to be approved by the City prior to the start of work.

COST PROPOSAL FOR PROJECT SCOPE: San Rafael-Southern Heights Blvd Retaining Wall

MARK THOMAS													Subs	TOTAL COST	
	Engineering Manager \$299	Project Manager \$205	Technical Lead \$205	Sr. Project Engineer \$177	Design Engineer II \$134	Design Engineer I \$108	Technician \$96	Project Accountant \$115	Sr. Project Coordinator \$129	Sr. Project Assistant \$100	Total Hours	Total MT Cost	LSA Associates		
1.0 PROJECT MANAGEMENT & COORDINATION															
1.1 Communication & Schedule	20	16						4	10	2	52	\$11,210	2,860	\$14,070	
1.2 Quality Control	20			16							36	\$8,812	-	\$8,812	
Subtotal Phase 1	40	16	0	16	0	0	0	4	10	2	88	\$20,022	\$2,860	\$22,882	
2.0 ENGINEERING DESIGN															
2.1 30% Design Submittal			16		20	40	20				96	\$12,200	-	\$12,200	
2.2 Utility Coordination			4		4	16					24	\$3,084	-	\$3,084	
2.3 90% PS&E Submittal		32	40	20	48	140	80				360	\$47,532	-	\$47,532	
2.4 100% PS&E Submittal		8	16		12	32	20				88	\$11,904	-	\$11,904	
Subtotal Phase 2	0	40	76	20	84	228	120	0	0	0	568	\$74,720	\$0	\$74,720	
3.0 ENVIRONMENTAL COMPLIANCE & PERMITTING															
3.1 CEQA Clearance		4									4	\$820	-	\$820	
3.1.1 Cultural Resources Evaluation		8									8	\$1,640	8,090	\$9,730	
3.1.2 Notice of Exemption											0	\$0	820	\$820	
Subtotal Phase 3	0	12	0	0	0	0	0	0	0	0	12	\$2,460	\$8,910	\$11,370	
4.0 FINAL BID PHASE & BID PHASE SUPPORT															
4.1 Bidding Support		6	8		6						20	\$3,674	-	\$3,674	
Subtotal Phase 4	0	6	8	0	6	0	0	0	0	0	20	\$3,674	\$0	\$3,674	
TOTAL HOURS	40	74	84	36	90	228	120	4	10	2	688				
OTHER DIRECT COSTS												\$445	\$909	\$1,354	
TOTAL COST	\$11,960	\$15,170	\$17,220	\$6,372	\$12,060	\$24,624	\$11,520	\$460	\$1,290	\$200		\$101,321	\$12,679	\$114,000	



SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Community Development

Prepared by: Don Jeppson, AIA CBO
Chief Building Official

City Manager Approval: _____

TOPIC: TRI-ANNUAL BUILDING CODE ORDINANCE AMENDMENTS

SUBJECT: ADOPTION OF AN ORDINANCE AMENDING TITLE 12 OF THE SAN RAFAEL MUNICIPAL CODE ADOPTING THE 2019 CALIFORNIA STATE CONSTRUCTION CODES WITH AMENDMENTS

RECOMMENDATION:

Hold a public hearing and adopt the Ordinance adopting by reference the 2019 California State Construction Codes, with local amendments.

BACKGROUND:

The State of California Code of Regulations Title 24 construction codes are typically updated and published on a three-year cycle. The California Building Standards Commission publishes the tri-annual codes and State law mandates that these codes become effective throughout California 180 days after the publication date. For this latest cycle, the publication date was July 1, 2019, meaning that the current cycle of State construction codes becomes effective on January 1, 2020. This is done to foster uniformity in fire prevention, life/safety and construction standards statewide. Local jurisdictions are permitted to further amend the published codes based on and to suit local climatic, geological, or topographical conditions.

The proposed ordinance adopts the latest version of California Title 24 construction codes. Specifically, this includes the 2019 California Building Code, 2019 California Residential Code, the 2019 California Mechanical Code, the 2019 California Plumbing Code, the 2019 California Electrical Code, the 2018 International Property Maintenance Code, the 2018 International Pool and Spa Code, the 2019 California Existing Building Code, the 2019 California Green Building Standards Code, and the California Referenced Standard Code with appendices and local amendments. State law mandates that these codes become effective statewide on January 1, 2020, with or without the incorporation of local jurisdiction amendments. Building permit applications filed with the City prior to January 1, 2020 would be subject to the currently-adopted codes and City ordinance.

The purpose of the codes is to establish the minimum requirements to safeguard the public health, safety and general welfare through requirements for structural strength, means of egress, access to persons

FOR CITY CLERK ONLY

Council Meeting: _____

Disposition: _____

with disabilities, sanitation, adequate lighting and ventilation, and energy conservation; and to provide safety to fire fighters and emergency responders during emergency operations. Below is a summary of each of these codes:

2019 California Building Code: The provisions of this code shall apply to the construction, alteration, movement, enlargement, replacement, repair, equipment, use and occupancy, location, maintenance, removal and demolition of every building or structure or any appurtenances connected or attached to such buildings or structures.

2019 California Residential Code: The provisions of this code shall apply to the construction, alteration, movement, enlargement, replacement, repair, equipment, use and occupancy, location, removal and demolition of detached one- and two-family dwellings and townhouses not more than three stories above-grade in height with a separate means of egress and their accessory structures not more than three stories above the grade plane in height.

2019 California Mechanical Code: The provisions of this code shall apply to the installation, alteration, repairs and replacement of mechanical systems, including equipment, appliances, fixtures, fittings, and appurtenances, including ventilating, heating, cooling, air conditioning and refrigeration systems, incinerators, and other energy related systems.

2019 California Plumbing Code: The provisions of this code shall apply to the installation, alteration, repairs and replacement of plumbing systems, including equipment, appliances, fixtures, fittings, and appurtenances, where connected to a water or sewage system, gas system, and all aspects of medical gas system.

2019 California Electrical Code: The provisions of this code shall apply to the installation and removal of electrical conductors, equipment, and raceways; signaling and communications conductors, equipment, and raceways; and optical fiber cables and raceways to public and private properties, including yards, lots, parking lots, buildings, structures, mobile homes, recreational vehicles, and floating buildings.

2018 International Property Maintenance Code: The provision of this code shall apply to all existing residential and nonresidential structures and all existing premises and constitute minimum requirements and standards for premises, structures, equipment and facilities for light, ventilation, space, heating, sanitation, protection from the elements, life safety, safety from fire and other hazards, and for safe and sanitary maintenance; the responsibility of owners, operators and occupants; the occupancy of existing structures and premises, and for administration, enforcement and penalties.

2018 International Pool and Spa Code: The provisions of this code shall apply to the construction, alteration, movement, renovation, replacement, repair and maintenance of aquatic recreation facilities, pools, and spas. The pools and spas covered by this code are either permanent or temporary and shall be only those that are designed and manufactured to be connected to a circulation system and that are intended for swimming, bathing or wading. The purpose of this code is to establish minimum standards to provide a reasonable level of safety and protection of life, health, property and public welfare by regulating and controlling the design, construction, installation, quality of materials, location and maintenance or use of pools and spas.

2019 California Existing Building Code: The provisions of this code provide flexibility to permit the use of alternative approaches to achieve compliance with minimum requirements to safeguard the public health, safety and welfare insofar as they are affected by the repair, alteration, change

of occupancy, addition and relocation of existing buildings. This code shall apply to the repair, alteration, change of occupancy, addition and relocation of all existing buildings, regardless of occupancy.

2019 California Historical Building Code: The provisions of this code provide regulations for the preservation, restoration, rehabilitation, relocation or reconstruction of buildings or properties designated as qualified historical buildings or properties. The intent is to facilitate and provide cost effective solutions for the preservation and continuing use of historical buildings or properties, while providing reasonable safety for building occupants and access for persons with disabilities.

2019 California Energy Code: The provisions of this code shall set minimum efficiency requirements for new and renovated buildings, assuring reductions in energy use and emissions over the life of the building.

2019 California Green Building Standards Code: The provisions of this code improve public health, safety and general welfare by enhancing the design and construction of buildings through use of building concepts having a reduced negative impact or positive environmental impact and encouraging sustainable construction practices.

2019 California Referenced Standard Code: The provisions of this code provide constructions standards.

The ordinance was introduced at the City Council meeting on November 4, 2019, but the public hearing on the proposed ordinance has been set for this meeting per the procedure for adopting codes by reference set forth in Government Code Sections 50022.1 through 50022.10.

ANALYSIS:

Most of the proposed local amendments are carried over from previous years. Existing Title 12 is replaced with a new format that should be easier for users to read compared to the previous format. This change in Title 12 supports goals in the Permit Simplicity Initiative and has the support of the Marin Builders Association. A couple of new provisions are added, including street addressing and reducing square footage in efficiency dwellings. The reduction of square footage in efficiency dwellings supports the initiative in Planning to facilitate smaller junior or accessory dwelling units.

Regarding the 2019 California Green Building Code, the ordinance has been drafted to recommend adoption of the Cal Green standards with the higher Tier 1 standards recommended for new construction only. This recommendation is consistent with the City Council's action [with the last code adoption](#). On average, the 2019 California Energy Code changes will increase the cost of constructing a new home by about \$9,500. However, this will save \$19,000 in energy and maintenance costs over 30 years. [CalGreen website](#) has additional information on costs and comparisons to previous adopted codes. Further review of the proposed Marin County Reach Codes is needed before staff can bring a recommendation to the City Council. Marin County Reach Codes are local modifications to the energy code to promote additional efficiencies and standardize policies. Staff may bring a recommendation to adopt the Marin County Reach Codes to the City Council some time in 2020 for consideration.

COMMUNITY OUTREACH:

A notice was published in the Marin Independent Journal notifying the public of the purpose and timing of these proceedings. In addition, staff has discussed the proposed code amendments to the representatives of the Marin Builders Association (MBA). MBA has no comments, concerns or recommended changes to the code amendments.

FISCAL IMPACT:

There is no fiscal impact associated with this action.

ENVIRONMENTAL REVIEW:

It has been determined that the proposed ordinance amendments are covered by the 'general rule' that the California Environmental Quality Act (CEQA) applies only to projects which have the potential to cause a significant, physical environmental impact. Pursuant to CEQA Section 15061(b)(3), the ordinance amendments are not subject to environmental review.

OPTIONS:

The City Council has the following options to consider on this matter:

1. Adopt the proposed Ordinance.
2. Decline to adopt the Ordinance. Should the City Council decide to postpone or decline to adopt the Ordinance, the State codes will become effective on January 1, 2020, without the benefit of the recommended local amendments.

RECOMMENDED ACTION:

Adopt the ordinance.

ATTACHMENT:

1. Ordinance
2. Public Hearing Notice
3. Summary Ordinance

ORDINANCE NO. 1974

AN ORDINANCE OF THE SAN RAFAEL CITY COUNCIL AMENDING TITLE 12 (BUILDING REGULATIONS) OF THE MUNICIPAL CODE OF THE CITY OF SAN RAFAEL, BY REPEALING TITLE 12 AND AMENDING TITLE 12 THEREOF; ADOPTING THE 2019 EDITION OF THE CALIFORNIA BUILDING CODE, THE CALIFORNIA RESIDENTIAL CODE, THE CALIFORNIA MECHANICAL CODE, THE CALIFORNIA PLUMBING CODE, THE CALIFORNIA ELECTRICAL CODE, THE CALIFORNIA EXISTING BUILDING CODE, THE CALIFORNIA GREEN BUILDING STANDARDS CODE, THE CALIFORNIA ENERGY CODE, AND THE CALIFORNIA REFERENCED STANDARDS CODE WITH APPENDICES AND AMENDMENTS HEREIN; ADOPTING THE 2018 EDITION OF THE INTERNATIONAL PROPERTY MAINTENANCE CODE AND THE INTERNATIONAL POOL AND SPA CODE WITH AMENDMENTS HEREIN; ADOPTING ADMINISTRATIVE AND PROGRAM PROVISIONS FOR THE CODES; AND ADOPTING FINDINGS OF FACT SUPPORTING THE AMENDMENTS TO THE CODES.

THE CITY COUNCIL OF THE CITY OF SAN RAFAEL DOES ORDAIN AS FOLLOWS:

DIVISION 1. AMENDMENTS TO MUNICIPAL CODE.

Title 12 of the Municipal Code of the City of San Rafael is hereby repealed in its entirety and amended to read as follows:

TITLE 12 – BUILDING REGULATIONS

CHAPTER 12.100 - ADOPTED CODES

12.100.010 Adopted codes. The following recognized codes are hereby adopted by City of San Rafael together with the supplements, listed changes, additions and deletions as noted:

1. 2019 Edition, California Building Code (“CBC”), chapters 2 through 28, 30, 31, 32, 33, 35 and Appendices C, H, I, and N.
2. 2019 Edition, California Electrical Code (“CEC”).
3. 2019 Edition, California Energy Code (“CEgC”).
4. 2019 Edition, California Existing Building Code (“CEBC”), chapters 2 through 16 and Appendices.
5. 2019 Edition, California Green Building Construction Standards Code (“CalGreen”), chapters 1 through 8 and Appendices A4 and A5.
6. 2019 Edition, California Historical Building Code (“CHBC”).
7. 2019 Edition, California Mechanical Code (“CMC”) chapters 2 through 17.
8. 2019 Edition, California Plumbing Code (“CPC”), chapters 2 through 17 and Appendices A, C, D, and I.
9. 2019 Edition, California Referenced Standards Code.
10. 2019 Edition, California Residential Code (“CRC”), chapters 2 through 10, chapter 44, and Appendices H, J, K, O, Q, R, S, T, and X.
11. 2018 International Property Maintenance Code (“IPMC”) chapters 1 through 8 and Appendix A.
12. 2018 Edition, International Swimming Pool and Spa Code (“ISPSC”), chapters 2 through 11.

12.100.020 Local Design Criteria. The following are the local climatic and geographic design criteria:

Seismic Design Category: D/D2
Ground Snow Load (P_g): None
Weathering: Negligible

Climate Zone: 2
Termite Damage: Moderate to Heavy
Design Rainfall: 2"

Wind Exposure: C, unless site complies with definition for Exposure B.
Basic Design Wind Speed (V): Risk Category I: 85 mph;
Risk Category II: 90 mph
Risk Category III 95 mph
Risk Category IV: 120 mph.

12.100.030 Definition of words and terms. As used in the adopted codes and Title 12, inclusive, of the Municipal Code, City of San Rafael.

1. "Adopted codes" shall mean the codes listed in Section 12.100.10, as amended.
2. "Authority having jurisdiction" shall mean the chief building official or designated representative.
3. "Department" shall mean the San Rafael Building Division.
4. "FEMA" shall mean the Federal Emergency Management Agency.
5. "Jurisdiction" and other similar terms shall be construed to mean the City of San Rafael, California.
6. "SRMC" shall mean the Municipal Code, City of San Rafael.
7. "This code" shall mean the Building Code of the City of San Rafael.

12.100.040 Designation of the chief building official. Wherever the terms, "building official," "code official," "administrative authority," "chief building inspector," "chief electrical inspector," "building inspector," "authority having jurisdiction" and other similar terms that appear in the SRMC, or in those codes therein adopted by reference, they shall mean the "chief building official," or his designated representative.

12.100.050 Repeal of conflicting sections. All sections within the Municipal Code and those codes therein adopted by reference which are in conflict with the provisions of this chapter are hereby repealed.

CHAPTER 12.101 - GENERAL

12.101.010 Title. These regulations shall be known as the Building Codes of the City of San Rafael Building Code, hereinafter referred to as "this code".

12.101.020 Scope. The provisions of this code shall apply to the construction, alteration, movement, enlargement, replacement, repair, equipment, use and occupancy, location, maintenance, removal and demolition of every building or structure or any appurtenances connected or attached to such buildings or structures.

12.101.020.1 Appendices. Provisions in any appendices of the adopted codes shall not apply unless specifically adopted.

12.101.020.2 California Building Code. The provisions of this code shall apply to the construction, alteration, movement, enlargement, replacement, repair, equipment, use and occupancy, location, maintenance, removal and demolition of every building or structure or any appurtenances connected or attached to such buildings or structures.

Exception: Detached one- and two-family dwellings and townhouses not more than three stories above grade plane in height with a separate means of egress and their accessory structures not more than three stories above grade plane in height, shall comply with this code or the California Residential Code.

12.101.020.3 California Existing Building Code. The California Existing Building Code is to provide flexibility to permit the use of alternative approaches to achieve compliance with minimum requirements to safeguard the public health, safety and welfare insofar as they are affected by the repair, alteration, change of occupancy, addition and relocation of existing buildings. This code shall apply to the repair, alteration, change of occupancy, addition and relocation of all existing buildings, regardless of occupancy, subject to the criteria of Sections 12.101.6.1 and 12.101.6.2.

12.101.020.4 California Mechanical Code. The California Mechanical Code shall apply to the installation, alteration, repairs and replacement of mechanical systems, including equipment, appliances, fixtures, fittings, and appurtenances, including ventilating, heating, cooling, air conditioning and refrigeration systems, incinerators, and other energy related systems.

12.101.020.5 California Plumbing Code. The California Plumbing Code shall apply to the installation, alteration, repairs and replacement of plumbing systems, including equipment, appliances, fixtures, fittings, and appurtenances, where connected to a water or sewage system, gas system, and all aspects of medical gas system. The provision of the California Plumbing Code shall apply to private sewage disposal systems.

12.101.020.6 California Residential Code. The provisions of the California Residential Code for One- and Two-family Dwellings shall apply to the construction, alteration, movement, enlargement, replacement, repair, equipment, use and occupancy, location, removal and demolition of detached one- and two-family dwellings and townhouses not more than three stories above-grade in height with a separate means of egress and their accessory structures not more than three stories above the grade plane in height.

Exception: The following shall be permitted to be constructed in accordance with this code where provided with a residential fire sprinkler system complying with IRC Sections R313:

1. Live/work units located in townhouses and complying with the requirements of Section 419 of the California Building Code.
2. Owner-occupied lodging houses with five or fewer guestrooms.
3. A care facility for five or fewer persons receiving custodial care within a dwelling unit.
4. A care facility for five or fewer persons receiving medical care within a dwelling unit.
5. A care facility for five or fewer persons receiving care within a dwelling unit.

12.101.020.7 International Swimming Pool and Spa Code. The International Swimming Pool and Spa Code shall apply to the construction, alteration, movement, renovation, replacement, repair and maintenance of aquatic recreation facilities, pools, and spas. The pools and spas covered by this code are either permanent or temporary, and shall be only those that are designed and manufactured to be connected to a circulation system and that are intended for swimming, bathing or wading.

12.101.020.7.1 Purpose. The purpose of this code is to establish minimum standards to provide a reasonable level of safety and protection of life, health, property and public welfare by regulating and controlling the design, construction, installation, quality of materials, location and maintenance or use of pools and spas.

12.101.030 Intent. The intent of this code is to establish the minimum requirements to safeguard the public health, safety and general welfare through structural strength, means of egress facilities, stability, sanitation, adequate light and ventilation, energy conservation, and safety to life and property from fire and other hazards attributed to the built environment and to provide safety to fire fighters and emergency responders during emergency operations.

It is not the purpose of this code to create or otherwise establish or designate any particular class or group of persons who will or should be especially protected or benefited by the terms of this code.

12.101.040 Referenced codes. Any law cited in this code, including in the adopted codes as amended, shall be considered part of the requirements of this code to the prescribed extent of each such reference.

CHAPTER 12.102 - APPLICABILITY

12.102.010 General. Where there is a conflict between a general requirement and a specific requirement, the specific requirement shall be applicable. Where, in any specific case, different sections of this code specify different materials, methods of construction or other requirements, the most restrictive shall govern. Where the requirements of this code conflict with requirements of any other part of the California Building Standards Code, Title 24, the most restrictive requirement shall prevail.

12.102.020 Other laws. The provisions of this code shall not be deemed to nullify any provisions of local, state or federal law.

12.102.030 Application of references. References to chapter or section numbers, or to provisions not specifically identified by number, shall be construed to refer to such chapter, section or provision of this code.

12.102.040 Referenced codes and standards. The codes and standards referenced in this code shall be considered part of the requirements of this code to the prescribed extent of each such reference. Where differences occur between provisions of this code and referenced codes and standards, the provisions of this code shall apply.

12.102.050 Partial invalidity. In the event that any part or provision of this code is held to be illegal or void, this shall not have the effect of making void or illegal any of the other parts or provisions.

12.102.060 Existing structures. The legal occupancy of any structure existing on the date of adoption of this code shall be permitted to continue without change, except as is specifically covered in this code, the California Existing Building Code or the California Fire Code, or as is deemed necessary by the building official for the general safety and welfare of the occupants and the public.

12.101.060.1 Buildings not previously occupied. A building or portion of a building that has not been previously occupied or used for its intended purpose in accordance with the laws in existence at the time of its completion shall comply with the provisions of the California Building Code or California Residential Code, as applicable, for new construction or with any current permit for such occupancy.

12.101.060.2 Buildings previously occupied. The legal occupancy of any building existing on the date of adoption of this code shall be permitted to continue without change, except as is specifically covered in this code, the California Fire Code, the California Existing Building Code, or the International Property Maintenance Code, or as is deemed necessary by the building official for the general safety and welfare of the occupants and the public.

CHAPTER 12.103 - DEPARTMENT OF BUILDING & SAFETY

12.103.010 Creation of enforcement agency. The Building Division is hereby created and established within the Community Development Department which shall be under the direction, control, and supervision of the chief building official.

12.103.020 Appointment. The building official shall be appointed by the city council upon recommendation of the city manager and shall serve at the pleasure of the council in the unclassified service of the city. The building official has such powers and shall perform such duties as are conferred upon him by the provisions of the California Code or as may be assigned by the city council.

12.103.030 Deputies and staff. In accordance with the prescribed procedures of this jurisdiction and with the concurrence of the appointing authority, the building official shall have the authority to appoint a deputy building official, the related technical officers, inspectors, plan examiners and other employees. Such employees shall have powers as delegated by the building official.

CHAPTER 12.104 - DUTIES AND POWERS OF BUILDING OFFICIAL

12.104.010 General. The building official is hereby authorized and directed to enforce all the provisions of this code. For such purposes, the building official shall have the powers of a law enforcement officer, may prepare, sign and serve written citations pursuant to the provisions of Penal Code Section 836.5, and may otherwise enforce this code and related provisions in Title 1 of SRMC, pursuant to any applicable enforcement provisions therein, against all persons accused of violating the provisions of this code, related provisions in the SRMC, and any amendments to them. The building official shall have the authority to render interpretations of this code and to adopt policies and procedures in order to clarify the application of its provisions. Such interpretations, policies and procedures shall be in compliance with the intent and purpose of this code. Such policies and procedures shall not have the effect of waiving requirements specifically provided for in this code.

12.104.020 Applications and permits. The building official shall receive applications, review construction documents and issue permits for the erection, and alteration, demolition and moving of buildings and structures, inspect the premises for which such permits have been issued and enforce compliance with the provisions of this code.

12.104.020.1 Determination of substantially improved or substantially damaged existing buildings and structures in flood hazard areas. For applications for reconstruction, rehabilitation, repair, alteration, addition or other improvement of existing buildings and structures located in a flood hazard area, the building official shall determine if the proposed work constitutes substantial improvement or repair of substantial damaged, and where required by this code, the building official shall require the building to meet the requirements of Section 1612.

12.104.030 Notices and orders. The building official shall issue all necessary notices or orders to ensure compliance with this code. No person shall remove or deface any notice or order posted by the building official, except as authorized by the building official.

12.104.040 Inspections. The building official shall make required inspections, or the building official shall have the authority to accept reports of inspection by approved agencies or individuals. Reports of such inspections shall be in writing and be certified by a responsible officer of such approved agency or by the responsible individual. The building official is authorized to engage such expert opinion as deemed necessary to report upon unusual technical issues that arise, subject to the approval of the appointing authority.

12.104.050 Identification. The building official shall carry proper identification when inspecting structures or premises in the performance of duties under this code.

12.104.060 Right of entry. Where it is necessary to make an inspection to enforce the provisions of this code, or where the building official has reasonable cause to believe that there exists in a structure or upon a premises a condition which is contrary to or in violation of this code which makes the structure or premises unsafe, dangerous or hazardous, the building official is authorized to enter the structure or premises at reasonable times to inspect or to perform the duties imposed by this code, provided that if such structure or premises be occupied that credentials be presented to the occupant and entry requested. If such structure or premises is unoccupied, the building official shall first make a reasonable effort to locate the owner or other person having charge or control of the structure or premises and request entry. If entry is refused, the building official shall have recourse to the remedies provided by law to secure entry, including the warrant provisions of Section 1822.50 et. Seq. of the Code of Civil Procedure of the State of California.

12.104.070 Department records. The building official shall keep official records of applications received, permits and certificates issued, fees collected, reports of inspections, and notices and orders issued. Such records shall be retained in the official records for the period required for retention of public records.

12.104.080 Liability. The building official, member of the board of appeals or employee charged with the enforcement of this code, while acting for the jurisdiction in good faith and without malice in the discharge of the duties required by this code or other pertinent law or ordinance, shall not thereby be civilly or criminally rendered liable personally and is hereby relieved from personal

liability for any damage accruing to persons or property as a result of any act or by reason of an act or omission in the discharge of official duties.

12.104.080.1 Legal defense. Any suit or criminal complaint instituted against an officer or employee because of an act performed by that officer or employee in the lawful discharge of duties and under the provisions of this code shall be defended by legal representative of the jurisdiction until the final termination of the proceedings. The building official or any subordinate shall not be liable for cost in any action, suit, or proceeding that is instituted in pursuance of the provisions of this code.

12.104.080.2 Duty. Any duty created by this code or based on this code runs to the public, and no private cause of action is created by a breach of such duty. No document, certificate, inspection or approval given pursuant to this code may be construed to be a representation or warranty of any kind, including without limitation a representation or warranty that a building or structure is complete, that it is in compliance with this code or any other law, that it was inspected, that it is safe or ready for occupancy or that it meets any particular degree of quality of workmanship. The amount and quality of inspection and other services provided is discretionary with the building official and may vary in response to the amount of staff, their work load, training and experience, funding and other pertinent factors affecting whether and how inspection is made or whether any hazard, deficiency or similar matter is observed.

12.104.090 Approved materials and equipment. Materials, equipment and devices approved by the building official shall be constructed and installed in accordance with such approval.

12.104.090.1 Used materials and equipment. Materials that are reused shall comply with the requirements of this code for new materials. Used equipment and devices shall not be reused unless approved by the building official.

12.104.100 Modifications. Wherever there are practical difficulties involved in carrying out the provisions of this code, the building official shall have the authority to grant modifications for individual cases, upon application of the owner or owner's representative, provided the building official shall first find that special individual reason makes the strict letter of this code impractical and the modification is in compliance with the intent and purpose of this code and that such modification does not lessen health, accessibility, life and fire safety, or structural requirements. The details of action granting modifications shall be recorded and entered in the files of the department.

12.104.100.1 Flood hazard areas. The Building Official shall not grant modifications to any provision required in flood hazard areas as established by CBC Section 1612.3 of this code unless a determination has been made that:

1. A showing of good and sufficient cause that the unique characteristics of the size, configuration or topography of the site render the elevation standards of Section 1612 inappropriate.
2. A determination that failure to grant the variance would result in exceptional hardship by rendering the lot undevelopable.
3. A determination that granting of a variance will not result in increased flood heights, additional threats to public safety, extraordinary public expense, cause fraud on or victimization of the public, or conflict with existing laws or ordinances.

4. A determination that the variance is the minimum necessary to afford relief, considering the flood hazard.
5. Submission to the applicant of written notice specifying the difference between the design flood elevation and the elevation to which the building is to be built, stating that the cost of flood insurance will be commensurate with the increased risk resulting from the reduced floor elevation, and stating that construction below the design flood elevation increases risks to life and property.

12.104.110 Alternative materials, design and methods of construction and equipment. The provisions of this code are not intended to prevent the installation of any material or to prohibit any design or method of construction not specifically prescribed by this code, provided that any such alternative has been approved. An alternative material, design or method of construction shall be approved where the building official finds that the proposed design is satisfactory and complies with the intent of the provisions of this code, and that the material, method or work offered is, for the purpose intended, at least the equivalent of that prescribed in this code in quality, strength, effectiveness, fire resistance, durability and safety. Where the alternative material, design or method of construction is not approved, the building official shall respond in writing, stating the reasons why the alternative was not approved. Alternative systems shall satisfy ASCE 7 Section 1.3, unless more restrictive requirements are established by this code for an equivalent system.

12.104.110.1 Research reports. Supporting data, where necessary to assist in the approval of materials or assemblies not specifically provided for in this code, shall consist of valid research reports from approved sources.

12.104.110.2 Tests. Whenever there is insufficient evidence of compliance with the provisions of this code, or evidence that a material or method does not conform to the requirements of this code, or in order to substantiate claims for alternative materials or methods, the building official shall have the authority to require tests as evidence of compliance to be made at no expense to the jurisdiction. Test methods shall be as specified in this code or by other recognized test standards. In the absence of recognized and accepted test methods, the building official shall approve the testing procedures. Tests shall be performed by an approved agency. Reports of such tests shall be retained by the building official for the period required for retention of public records.

CHAPTER 12.105 - PERMITS

12.105.010 Required. Any owner or authorized agent who intends to construct, enlarge, alter, repair, move, demolish, or change the occupancy of a building or structure, or to erect, install, enlarge, alter, repair, remove, convert or replace any electrical, gas, mechanical or plumbing system, the installation of which is regulated by this code, or to cause any such work to be done, shall first make application to the building official and obtain the required permit.

12.105.010.1 Emergency repairs. Where equipment replacements and repairs must be performed in an emergency, the permit application shall be submitted within the next working business day to the building official, which shall include an explanation and proof of the emergency.

12.105.010.2 Annual permit. Instead of an individual permit for each alteration to an already approved electrical, gas, mechanical or plumbing installation, the building official is

authorized to issue an annual permit upon application therefore to any person, firm or corporation regularly employing one or more qualified trade persons in the building, structure or on the premises owned or operated by the applicant for the permit.

12.105.010.3 Annual permit records. The person to whom an annual permit is issued shall keep a detailed record of alterations made under such annual permit. The building official shall have access to such records at all times or such records shall be filed with the building official as designated.

12.105.020 Work exempt from permit. Exemptions from permit requirements of this code shall not be deemed to grant authorization for any work to be done in any manner in violation of the provisions of this code or any other laws or ordinances of this jurisdiction. Permits shall not be required where exempted by law and for the following:

Building:

1. Nonhabitable one-story detached accessory structures on residentially zoned property or on a lot with an established principal residential use, used as tool and storage sheds, gazebos, playhouses, or similar uses, provided the floor area does not exceed 120 square feet (18.58 m²); and height does not exceed 15 feet (5 mm); and does not include electrical, mechanical, or plumbing; and meets required setbacks for a structure as defined in Title 14.
2. Residential fences not over 7 feet (2134 mm) high or masonry fenced walls not over 36 inches (914 mm) when outside the front yard or street yard and not used as swimming pools barriers. When in front yard or street yard must comply with requirements of Title 14.
3. Oil derricks.
4. Retaining walls or rockery walls that are not over 48 inches (1219 mm) in height measured from the bottom of the footing to the top of the wall. Walls must not support a surcharge or impound Class I, II or IIIA liquids.
5. Water tanks supported directly on grade if the capacity does not exceed 5,000 gallons (18 925 L) and the ratio of height to diameter or width does not exceed 2 to 1.
6. Patios, sidewalks and driveways not more than 30 inches (762 mm) above adjacent grade, without foundations, and not over any septic system, basement or story below, and not part of an accessible route or means of egress.
7. Painting, papering, flooring, carpeting, counter tops and similar finish work. Striping or restriping of parking lots shall require a permit.
8. Temporary (not to exceed 180 days) motion picture, television and theater stage sets and scenery.
9. Prefabricated swimming pools accessory to a Group R-3 occupancy that are less than 24 inches (610 mm) deep, do not exceed 5,000 gallons (18 925 L) and are installed entirely above ground.
10. Shade cloth structures constructed for nursery or agricultural purposes, with no associated electrical, plumbing, or mechanical and comply with Title 14.
11. Swings and other playground equipment accessory to detached one- and two-family dwellings.
12. Window awnings supported by an exterior wall that do not project more than 54 inches (1372 mm) from the exterior wall and do not project more than 24 inches (610 mm) into any setback and do not require additional support; Group R-3 and U occupancies only.

13. Nonfixed and movable fixtures, cases, racks, counters and partitions not over 5 feet 9 inches (1753 mm) in height.
14. Roofing repair if the roof is less than 100 square feet (9.29 m²) or still under its one year warranty.
15. Replacement of doors when the opening, location, and casement remain the same, meets the adopted energy code requirements, meets the current safety glazing requirements, and has the same fire rating and closer requirements as the door being replaced.
16. Repair or replacement of garage doors when the opening size and location remain the same, no new electrical, meets the current safety glazing requirements, and installed per manufacturer's recommendations.
17. Decks not exceeding 200 square feet (18.58 m³) in area, that are not more than 30 inches (762 mm) above grade at any point, are not attached to a building, are not part of any path of egress and meets required setbacks as defined in Title 14.
18. Replacement of glazing or replacement of glazing in hazardous locations with tempered glazing.
19. Grading under 50 cubic yards (38.23 m³) pursuant to Title 14.

Electrical:

Repairs and maintenance:

1. Minor repair work, including the replacement of lamps or the connection of approved portable electrical equipment to approved permanently installed receptacles.
2. Reinstallation of attachment plug receptacles, but not the outlets therefore.
3. Replacement of branch circuit over-current devices of the required capacity in the same location.
4. Repair or replacement of current carrying parts of any switch, contactor or control device.
5. Repair or replacement of electrodes or transformers of the same size and capacity for signs or gas tube systems.
6. Repair or replacement of fixed motors, transformers or fixed approved appliances of the same type and rating in the same location.
7. Removal of electrical wire, coax or communication wire.
8. Replacement of light fixtures in single family and accessory structures.

Temporary uses:

1. Listed cord-and-plug connected temporary decorative lighting.
2. Listed temporary construction lighting or wiring.
3. Carnivals and circuses.
4. Installation of any temporary system required for the testing or servicing of electrical equipment or apparatus.
5. Temporary wiring for experimental purposes in suitable experimental laboratories.

Electrical wiring, devices and appliances: Electrical wiring, devices, appliances, apparatus or equipment operating at less than 25 volts and not capable of supplying more than 50 watts of energy.

Radio and television transmitting stations: The provisions of this code shall not apply to electrical equipment used for radio and television transmissions but do apply to equipment and wiring for a power supply and the installations of towers and antennas.

Gas:

1. Portable heating, cooking or clothes drying appliances.
2. Replacement of any minor part that does not alter approval of equipment or make such equipment unsafe.
3. Portable fuel cell appliances that are not connected to a fixed piping system and are not interconnected to a power grid

Mechanical:

1. Portable heating appliance.
2. Portable ventilation equipment.
3. Portable cooling unit.
4. Steam, hot or chilled water piping within any heating or cooling equipment regulated by this code.
5. Replacement of any part that does not alter approval of equipment or make such equipment unsafe.
6. Portable evaporative cooler.
7. Self-contained refrigeration system containing 10 pounds (4.54 kg) or less of refrigerant and actuated by motors of 1 horsepower (746 W) or less.
8. Portable fuel cell appliances that are not connected to a fixed piping system and are not interconnected to a power grid.

Plumbing:

1. The stopping of leaks in drains, water, soil, waste or vent pipe: provided, however, that if any concealed trap, drain pipe, water, soil, waste or vent pipe becomes defective and it becomes necessary to remove and replace the same with new material, such work shall be considered as new work and a permit shall be obtained and inspection made as provided in this code.
2. The clearing of stoppages or the repairing of leaks in pipes, valves or fixtures and the removal and reinstallation of water closets, provided such repairs do not involve or require the replacement or rearrangement of valves, pipes or fixtures.
3. The repair or replacement of residential sinks, lavatories, or water closets and their associated valves and traps, provided such do not require the modification, replacement or rearrangement of the water, waste, or vent pipes or require an electrical connection.

12.105.020.1 Repairs. Application or notice to the building official is not required for ordinary repairs to structures, replacement of lamps or the connection of approved portable electrical equipment to approved permanently installed receptacles. Such repairs shall not include the cutting away of any wall, partition or portion thereof, the removal or cutting of any structural beam or load-bearing support, or the removal or change of any required means of egress, or rearrangement of parts of a structure affecting the egress requirements; nor shall ordinary repairs include addition to, alteration of, replacement or relocation of any standpipe, water supply, sewer, drainage, drain leader, gas, soil, waste, vent or similar piping, electric wiring or mechanical or other work affecting public health or general safety.

12.105.020.2 Public service agencies. A permit shall not be required for installation, alteration, or repair of generation, transmission, distribution or metering or other related equipment that is under the ownership and control of public service agencies by established right.

12.105.030 Application for permit. To obtain a permit, the applicant shall first file an application therefore in writing on a form furnished by the building official for that purpose. Such application shall:

1. Identify and describe the work to be covered by the permit for which application is made;
2. Describe the land on which the proposed work is to be done by legal description, street address or similar description that will readily identify and definitely locate the proposed building or work;
3. Indicate the use and occupancy for which the proposed work is intended;
4. Be accompanied by construction documents and other information as required in Chapter 12.107;
5. State the valuation of the proposed work;
6. Be signed by the applicant, or the applicant's authorized agent; and
7. Give such other data and information as required by the building official.

12.105.030.1 Action on application. The building official shall examine or cause to be examined applications for permits and amendments thereto within a reasonable time after filing. If the application or the construction documents do not conform to the requirements of pertinent laws, the building official shall reject such application in writing, stating the reasons therefore. If the building official is satisfied that the proposed work conforms to the requirements of this code and laws and ordinances applicable thereto, the building official shall issue a permit therefore as soon as practicable.

12.105.030.2 Time limitation of application. An application for a permit for any proposed work shall be deemed to have been abandoned 180 days after the date of filing, unless such application has been pursued in good faith or a permit has been issued; except that the building official is authorized to grant one extension of time for an additional period not exceeding 180 days. The extension shall be requested in writing and justifiable cause demonstrated.

12.105.040 Validity of permit. The issuance or granting of a permit shall not be construed to be a permit for, or an approval of, any violation of any of the provisions of this code or of any other ordinance of the jurisdiction. Permits presuming to give authority to violate or cancel the provisions of this code or other ordinances of the jurisdiction shall not be valid. The issuance of a permit based on construction documents and other data shall not prevent the building official from requiring the correction of errors in the construction documents and other data. The building official is also authorized to prevent occupancy or use of a structure where in violation of this code or of any other ordinances of this jurisdiction.

12.105.050 Expiration. All building permits for the construction of buildings issued by the building official under the provisions of this code and the SRMC shall expire and become invalid 180 days after the date of issuance. The building official is authorized to grant, in writing, one or more extensions of time, for periods not more than 180 days each. The extension shall be requested in writing and justifiable cause demonstrated. All other permits including permits issued for grading, fences, and utilities, shall expire and become invalid 180 days after the date of issuance.

All work authorized by a permit that has expired must stop and may only continue upon application for and approval of either a renewal of the expired permit or a new permit. Renewal of a permit is prohibited if the work authorized by a permit is not commenced and inspected within the permit period after issuance or if any permit is not renewed within the renewal grace period after expiration.

Exception: The building official may allow an invalid permit to be renewed only upon a determination by the building official that unforeseen and extraordinary circumstances are established by the applicant and the other provisions of this Section 12.105.5 are satisfied.

12.105.050.1 New permits. Any new permit issued for the same purpose will require a new application and payment of all permit fees as required by this code existing at the time of application for new permit. New permits shall be governed by this code and any other applicable policy, regulation or law, local, state or federal, existing at the time of application for new permit.

12.105.050.2 Renewals. Renewals of an expired permit must be applied for within the renewal grace period from the permit expiration date and all additional fees paid. A renewal may be granted in writing by the building official only if the building official is satisfied that justifiable cause exists for a renewal or a site inspection by the building official establishes that all work is within the scope and is authorized by the and the work is not complete. Renewals shall extend the time of the permit from the date of expiration of the original permit or the last renewal. The renewals shall have the same duration as the original permit.

Exceptions: If the building official is satisfied with proof from the applicant of his active military service that prevented timely completion of the authorized work, the building official may grant a one-time extension for a reasonable period of time not to exceed 2 years at no cost to the applicant. If the authorized work is not completed within this extension of time, a renewal of the original permit, if possible hereunder, or a new permit will be required pursuant to the provisions of this code.

If at the time of expiration of the permit or its renewal the authorized work is in the final inspection stage as defined in Chapter 12.109, the building official may grant a one time 90-day extension at no cost. If work under this extension is not completed within the 90 days, a renewal of the original permit, if possible hereunder, or a new permit will be required pursuant to the provisions of this code.

12.105.050.3 Renewal limit. Permits may be renewed 3 times. After the expiration of the third renewal, the applicant shall apply for a new permit.

12.105.050.4 Renewal Grace Period. Building permits shall have a grace period of not more than 12 months from the expiration date of the permit. All other permits including grading, fences, and utilities, shall have a grace period of not more than 3 months from the expiration date of the permit.

Temporary permits for structures and uses shall not have a grace period and any extension to the permit shall comply with Chapter 12.107.

12.105.060 Suspension or revocation. The building official is authorized to suspend or revoke a permit issued under the provisions of this code whenever this code or any other applicable

policy, regulation or law, local, state or federal, is violated, or whenever the permit is issued in error or on the basis of incorrect, inaccurate or incomplete information, or in violation of any ordinance or regulation or any of the provisions of this code.

12.105.070 Placement of permit. The building permit or copy shall be kept on the site of the work until the completion of the project. The "Notification of Building Permit Issuance" placard shall be prominently posted and displayed on the front of the building or structure where the building permit activity occurs and shall be clearly visible from the street or right-of-way and shall remain in place for the duration of construction until the final inspection is passed.

CHAPTER 12.106 – FLOOR AND ROOF DESIGN LOADS

12.106.010 Live loads posted. In commercial, institutional or industrial buildings, for each floor or portion thereof designed for loads exceeding 50 psf (2.40kN/m²), such design live loads shall be conspicuously posted by the owner or the owner's authorized agent in that part of each story in which they apply, using durable signs. It shall be unlawful to remove or deface such notices.

12.106.020 Issuance of certificate of occupancy. A certificate of occupancy required by Section 111 shall not be issued until the floor load signs, required by section 12.106.1 have been installed.

12.106.030 Restrictions on loading. It shall be unlawful to place, or cause or permit to be placed, on any floor or roof of a building, structure or portion thereof, a load greater than is permitted by this code.

CHAPTER 12.107 - SUBMITTAL DOCUMENTS

12.107.010 General. Submittal documents consisting of construction documents, statement of special inspections, geotechnical report and other data shall be submitted in two or more sets with each permit application. The construction documents shall be prepared by a registered design professional where required by the statutes of the jurisdiction in which the project is to be constructed. Where special conditions exist, the building official is authorized to require additional construction documents to be prepared by a registered design professional.

Exception: The building official is authorized to waive the submission of construction documents and other data not required to be prepared by a registered design professional if it is found that the nature of the work applied for is such that review of construction documents is not necessary to obtain compliance with this code.

12.107.020 Construction Documents. Construction documents shall be in accordance with Sections 12.107.020.1 through 12.107.020.8.

12.107.020.1 Information on construction documents. Construction documents shall be dimensioned and drawn upon suitable material. Electronic media documents are permitted to be submitted when approved by the building official. Construction documents shall be of sufficient clarity to indicate the location, nature and extent of the work proposed and show in detail that it will conform to the provisions of this code and relevant laws, ordinances, rules and regulations, as determined by the building official.

12.107.020.2 Fire protection system shop drawings. Shop drawings for the fire protection system(s) shall be submitted to indicate conformance with this code and the construction documents and shall be approved prior to the start of system installation. Shop drawings shall contain all information as required by the referenced installation standards in Chapter 9 of the IBC.

12.107.020.3 Means of egress. The construction documents shall show in sufficient detail the location, construction, size and character of all portions of the means of egress in compliance with the provisions of this code. In other than occupancies in Groups R-2, R-3, and I-1, the construction documents shall designate the number of occupants to be accommodated on every floor, and in all rooms and spaces.

12.107.020.4 Exterior wall envelope. Construction documents for all buildings shall describe the exterior wall envelope in sufficient detail to determine compliance with this code. The construction documents shall provide details of the exterior wall envelope as required, including flashing, intersections with dissimilar materials, corners, end details, control joints, intersections at roof, eaves or parapets, means of drainage, water-resistive membrane and details around openings. The construction documents shall include manufacturer's installation instructions that provide supporting documentation that the proposed penetration and opening details described in the construction documents maintain the weather resistance of the exterior wall envelope. The supporting documentation shall fully describe the exterior wall system that was tested, where applicable, as well as the test procedure used.

12.107.020.5 Exterior balconies and elevated walking surfaces. Where balconies and other elevated walking surfaces are exposed to water from direct or blowing rain, snow, or irrigation, and the structural framing is protected by an impervious moisture barrier, the construction documents shall include details for all elements of the impervious moisture barrier system. The construction documents shall include manufacturer's installation instructions.

12.107.020.6 Site plan. The construction documents submitted with the application for permit shall be accompanied by a site plan showing to scale the size and location of new construction and existing structures on the site, distances from lot lines, the established street grades and the proposed finished grades and, as applicable, flood hazard areas, floodways, and design flood elevations; and it shall be drawn in accordance with an accurate boundary line survey. In the case of demolition, the site plan shall show construction to be demolished and the location and size of existing structures and construction that are to remain on the site or plot. The building official is authorized to waive or modify the requirement for a site plan when the application for permit is for alteration or repair or when otherwise warranted.

12.107.020.6.1 Design flood elevations. Where design flood elevations are not specified, they shall be established in accordance with CBC Section 1612.3.1.

12.107.020.7 Structural information. The construction documents shall provide the information specified in CBC Section 1603.

12.107.020.8 Relocatable buildings. Construction documents for relocatable buildings shall comply with CBC Section 3112.

12.107.030 Examination of documents. The building official shall examine or cause to be examined the accompanying construction documents and shall ascertain by such examinations whether the construction indicated and described is in accordance with the requirements of this code and other pertinent laws or ordinances.

12.107.030.1 Approval of construction documents. When the building official issues a permit, the construction documents shall be approved, in writing or by stamp, as "Reviewed for Code Compliance." One set of construction documents so reviewed shall be retained by the building official. The other set shall be returned to the applicant, shall be kept at the site of work and shall be open to inspection by the building official or a duly authorized representative.

12.107.030.2 Previous approvals. This code shall not require changes in the construction documents, construction or designated occupancy of a structure for which a lawful permit has been heretofore issued or otherwise lawfully authorized, and the construction of which has been pursued in good faith within 180 days after the effective date of this code and has not been abandoned.

12.107.030.3 Phased approval. The building official is authorized to issue a permit for the construction of foundations or any other part of a building or structure before the construction documents for the whole building or structure have been submitted, provided that adequate information and detailed statements have been filed complying with pertinent requirements of this code. The holder of such permit for the foundation or other parts of a building or structure shall proceed at the holder's own risk with the building operation and without assurance that a permit for the entire structure will be granted.

12.107.030.4 Design professional in responsible charge. Where it is required that documents be prepared by a registered design professional, the building official shall be authorized to require the owner to engage and designate on the building permit application a registered design professional who shall act as the registered design professional in responsible charge. If the circumstances require, the owner shall designate a substitute registered design professional in responsible charge who shall perform the duties required of the original registered design professional in responsible charge. The building official shall be notified in writing by the owner if the registered design professional in responsible charge is changed or is unable to continue to perform the duties.

The registered design professional in responsible charge shall be responsible for reviewing and coordinating submittal documents prepared by others, including phased and deferred submittal items, for compatibility with the design of the building.

Where structural observation is required, the statement of special inspections shall name the individual or firms who are to perform structural observation and describe the stages of construction at which structural observation is to occur.

12.107.030.5 Deferred submittals. For the purposes of this section, deferred submittals are defined as those portions of the design that are not submitted at the time of the application and that are to be submitted to the building official within a specified period.

Deferral of any submittal items shall have the prior approval of the building official. The registered design professional in responsible charge shall list the deferred submittals on the construction documents for review by the building official.

Documents for deferred submittal items shall be submitted to the registered design professional in responsible charge who shall review them and forward them to the building official with a notation indicating that the deferred submittal documents have been reviewed and been found to be in general conformance to the design of the building. The deferred submittal items shall not be installed until the design and submittal documents have been approved by the building official.

12.107.040 Amended construction documents. Work shall be installed in accordance with the approved construction documents, and any changes made during construction that are not in compliance with the approved construction documents shall be resubmitted for approval as an amended set of construction documents.

12.107.050 Retention of construction documents. One set of approved construction documents shall be retained by the building official for a period of not less than 180 days from date of completion of the permitted work, or as required by state or local laws.

CHAPTER 12.108 - TEMPORARY STRUCTURES AND USES

12.108.010 General. The building official is authorized to issue a permit for temporary structures and temporary uses. Such permits shall be limited as to time of service but shall not be permitted for more than 180 days. The building official is authorized to grant extensions for demonstrated cause.

12.108.020 Conformance. Temporary structures and uses shall conform to the structural strength, fire safety, means of egress, accessibility, light, ventilation and sanitary requirements of this code as necessary to ensure public health, safety and general welfare.

12.108.030 Temporary power. The building official is authorized to give permission to temporarily supply and use power in part of an electric installation before such installation has been fully completed and the final certificate of completion has been issued. The part covered by the temporary certificate shall comply with the requirements specified for temporary lighting, heat or power in the electrical code.

12.108.040 Termination of approval. The building official is authorized to terminate such permit for a temporary structure or use and to order the temporary structure to be removed or use to be discontinued.

CHAPTER 12.109 - FEES

12.109.010 Payment of fees. A permit shall not be valid until the fees prescribed by law have been paid, nor shall an amendment, renewal or an extension to a permit be released until the additional fee, if any, has been paid.

12.109.020 Schedule of permit fees. On buildings, structures, grading, electrical, gas, mechanical and plumbing systems or alterations requiring a permit, a fee for each permit or renewal shall be paid required, in accordance with the Master Fee Schedule Resolution as adopted by the San Rafael City Council.

12.109.030 Building permit valuations. The applicant for a permit shall provide an estimated permit value at time of application. Permit valuations shall include total value of work, including materials and labor, for which the permit is being issued, such as electrical, gas, mechanical, plumbing equipment and permanent systems. If, in the opinion of the building official, the valuation is underestimated on the application, the permit shall be denied, unless the applicant can show detailed estimates to meet the approval of the building official. Final building permit valuation shall be set by the building official.

12.109.040 Plan review fees. When submittal documents are required by this code a plan review fee shall be paid at the time of submittal. The review fee shall be a percentage of the building permit fees in accordance with the Master Fee Schedule Resolution as adopted by the San Rafael City Council.

12.109.050. Investigative fee. An investigation fee shall be collected in advance, whether or not a permit is then or subsequently issued, when any person who commences any work on a site, building, structure, electrical, gas, mechanical or plumbing system before obtaining the necessary permits further set forth Section 114 hereof.

12.109.060 Related fees. The payment of the fee for the construction, alteration, removal or demolition for work done in connection to or concurrently with the work authorized by a building permit shall not relieve the applicant or holder of the permit from the payment of other fees that are prescribed by law.

12.109.070 Refunds.

12.109.070.1 Refund of permit fees. The building official may authorize the refunding of not more than 80 percent of the permit fee when:

1. No work authorized by the building permit has been done under a permit issued in accordance with this code; and
2. A written application for a refund is submitted to the building official within 180 days after the date the permit was issued.

12.109.070.2 Refund of plan review fees. The building official may authorize the refunding of not more than 80 percent of the plan review fee when:

1. The application for a permit for which a plan review fee has been paid is withdrawn by the applicant before any plan reviewing is done; and
2. A written application for refund is submitted to the building official within 180 days after the date the application is withdrawn.

Exception: The building official shall refund 100 percent of the plan review fee paid pursuant to Section 12.109.040 if the building official requires the applicant to apply for a permit that is not required by this code.

12.109.070.3 Refund of master plan permit fees. The building official may authorize the refunding of not more than 80 percent of the permit fee for master plans when:

1. No work authorized by the building permit has been done under a permit issued in accordance with this code;

2. A written application for a refund is submitted to the building official within 180 days after the date the permit was issued; and
3. A new permit is paid for and issued for a different master plan

12.109.070.4 Refund of other fees. The building official shall refund 100 percent of any application fees tendered to the building official if no review is performed or if the application was received in error.

12.109.080 Witness Fee. Time spent in preparation for and/or in deposition or as an expert witness shall be reimbursed at the hourly rate in accordance with the Master Fee Schedule Resolution as adopted by the San Rafael City Council. The fee for the Building Official and managers within the department shall be twice the hourly rate as indicated.

12.109.090 Fees for Temporary or Partial Certificates of Occupancy. The fee for issuance of a temporary or partial certificate of use or occupancy in accordance with the Master Fee Schedule Resolution as adopted by the San Rafael City Council. If additional inspections are required prior to the issuance of the temporary or partial certificate, all costs of such inspections shall be paid by the applicant at the hourly rate in accordance with the Master Fee Schedule Resolution. If the temporary certificate of occupancy is not issued within 30 days from the application date, the application is void and a new application will be required.

CHAPTER 12.110 - INSPECTIONS

12.110.010 General. Construction or work for which a permit is required shall be subject to inspection by the building official and such construction or work shall remain visible and able to be accessed for inspection purposes until approved. Approval as a result of an inspection shall not be construed to be an approval of a violation of the provisions of this code or of other ordinances of the jurisdiction. Inspections presuming to give authority to violate or cancel the provisions of this code or of other ordinances of the jurisdiction shall not be valid. It shall be the duty of the owner or the owner's authorized agent to cause the work to remain visible and able to be accessed for inspection purposes. Neither the building official nor the jurisdiction shall be liable for expense entailed in the removal or replacement of any material required to allow inspection.

12.110.020 Preliminary inspection. Before issuing a permit, the building official is authorized to examine or cause to be examined buildings, structures and sites for which an application has been filed.

12.110.030 Required inspections. The building official, upon notification, shall make the inspections set forth in Sections 12.110.030.1 through 12.110.030.14.

12.110.030.1 Footing and foundation inspection. Footing and foundation inspections shall be made after excavations for footings are complete and any required reinforcing steel is in place. For concrete foundations, any required forms shall be in place prior to inspection. Materials for the foundation shall be on the job, except where concrete is ready mixed in accordance with ASTM C 94, the concrete need not be on the job.

12.110.030.2 Concrete slab and under-floor inspection. Concrete slab and under-floor inspections shall be made after in-slab or under-floor reinforcing steel and building service equipment, conduit, piping accessories and other ancillary equipment items are in place, but before any concrete is placed or floor sheathing installed, including the subfloor.

12.110.030.3 Building elevation. In flood hazard areas, the elevations of the lowest floor, including crawl space and basement, the next higher floor, the attached garage floor, the lowest machinery or equipment serving the building, the lowest adjacent grade and the highest adjacent grade shall be certified by an engineer or land surveyor on a FEMA Elevation Certification. The completed certifications shall be submitted to the City Engineer for review and approval prior to the final inspection.

12.110.030.4 Exterior shearwall inspection. To be made prior to the application of exterior siding or cover.

12.110.030.5 Frame inspection. Framing inspections shall be made after the roof is complete, all framing, lathing, fireblocking and bracing are in place and pipes, chimneys and vents to be concealed are complete and the rough electrical, plumbing, heating wires, pipes and ducts are approved.

12.110.030.5.1 Moisture content verification. Moisture content of framing members shall be verified in accordance with the California Green Building Standards Code, Chapter 4, Division 4.5.

12.110.030.6 Insulation inspection. To be made after the frame inspection has been approved.

12.110.030.7 Lath, gypsum board and gypsum panel product inspection. Lath, gypsum board and gypsum panel products inspections shall be made after lathing, gypsum board and gypsum board panel products, interior and exterior, is in place, but before any plastering is applied or gypsum board and gypsum panel product joints and fasteners are taped and finished.

12.110.030.8 Weather-exposed balcony and walking surface waterproofing. Where balconies or other elevated walking surfaces are exposed to water from direct or blowing rain, snow or irrigation, and the structural framing is protected by an impervious moisture barrier, all elements of the impervious moisture barrier system shall not be concealed until inspected and approved.

Exception: Where special inspections are provided in accordance with CBC Section 1705.1.1, Item 3.

12.110.030.9 Fire-resistant penetrations. Protection of joints and penetrations in fire-resistance-rated assemblies, smoke barriers, and smoke partitions shall not be concealed from view until inspected and approved.

12.110.030.10 Energy efficiency inspections. Inspections shall be made to determine compliance with adopted energy code and shall include, but not be limited to, inspections for: envelope insulation R and U values, fenestration U value, duct system R value, and HVAC and water-heating equipment efficiency.

12.110.030.11 Other inspections. In addition to the inspections specified above, the building official is authorized to make or require other inspections of any construction work to ascertain compliance with the provisions of this code and other laws that are enforced by the building official.

12.110.030.12 Special inspections. For special inspections, see Chapter 17.

12.110.030.13 Final inspection. The final inspection shall be made after all work required by the building permit is completed.

12.110.030.13.1 Flood hazard documentation. If located in a floor hazard area, documentation of the elevation of the lowest floor as required by CBC Section 1612.4 shall be submitted to the building official prior to final inspection.

12.110.030.14 Business license inspection. A business license inspection shall be required when there is a change in ownership, tenant or use of any building that requires the issuance of a business license by the City of San Rafael. This inspection will seek compliance with all applicable fire, health and safety laws and regulations but shall not be deemed to waive the requirements provided in this code and in the SRMC for change of use.

12.110.030.15 Additional inspections: When an inspection is scheduled by the applicant and the work or portion of the work is not complete or ready and requires additional inspections for approval, the building official may require the applicant to pay in advance for additional inspections before the work or inspections may continue. The fee for additional inspections is set forth in accordance with the Master Fee Schedule Resolution as adopted by the San Rafael City Council.

12.110.040 Inspection agencies. The building official is authorized to accept reports of approved inspection agencies, provided such agencies satisfy the requirements as to qualifications and reliability.

12.110.050 Inspection requests. It shall be the duty of the holder of the building permit or their duly authorized agent to notify the building official when work is ready for inspection. It shall be the duty of the permit holder to provide access to and means for inspections of such work that are required by this code.

12.110.060 Approval required. Work shall not be done beyond the point indicated in each successive inspection without first obtaining the approval of the building official. The building official, upon notification, shall make the requested inspections and shall either indicate the portion of the construction that is satisfactory as completed, or notify the permit holder or his or her agent wherein the same fails to comply with this code. Any portions that do not comply shall be corrected and such portion shall not be covered or concealed until authorized by the building official.

CHAPTER 12.111 - CERTIFICATE OF OCCUPANCY

12.111.010 Use and occupancy. A building or structure shall not be used or occupied, and a change of occupancy of a building or structure or portion thereof shall not be made, until the building official has issued a certificate of occupancy therefor as provided herein. Issuance of a certificate of occupancy shall not be construed as an approval of a violation of the provisions of this code or of other ordinances of the jurisdiction.

Exception: Certificates of occupancy are not required for work exempt from permits in accordance with section 12.105.020 of this Code.

12.111.020 Certificate issued. After the building official inspects the building or structure and does not find violations of the provisions of this code or other laws that are enforced by the building official, the building official shall issue a certificate of occupancy that contains the following:

1. The building permit number.
2. The address of the structure.
3. The name and address of the owner or the owner's authorized agent.
4. The name of the building official.
5. The edition of the code under which the permit was issued.
6. The use and occupancy, in accordance with the provisions of this code.
7. The type of construction as defined in this code.
8. The design occupant load, if applicable.
9. If an automatic sprinkler system is provided, whether the sprinkler system is required.
10. Any special stipulations and conditions of the building permit.

12.111.030 Temporary occupancy. The building official is authorized to issue a temporary certificate of occupancy before the completion of the entire work covered by the permit, provided that such portion or portions shall be occupied safely. The building official shall set a time period during which the temporary certificate of occupancy is valid.

12.111.040 Revocation. The building official is authorized to, in writing, suspend or revoke a certificate of occupancy or completion issued under the provisions of this code wherever the certificate is issued in error, or on the basis of incorrect information supplied, or where it is determined that the building or structure or portion thereof is in violation of any ordinance or regulation or any of the provisions of this code.

CHAPTER 12.112 - SERVICE UTILITIES

12.112.010 Connection of service utilities. A person shall make connections from a utility, source of energy, fuel or power to any building or system that is regulated by this code for which a permit is required, until released by the building official.

12.112.020 Temporary connection. The building official shall have the authority to authorize the temporary connection of the building or system to the utility source of energy, fuel or power.

12.112.030 Authority to disconnect service utilities. The building official shall have the authority to authorize disconnection of utility service to the building, structure or system regulated by this code and the referenced codes and standards in case of emergency where necessary to eliminate an immediate hazard to life or property or where such utility connection has been made without approval required by Section 12.112.010 or 12.112.020. The building official shall notify the serving utility, and wherever possible the owner and occupant of the building, structure or service system of the decision to disconnect prior to taking such action. If not notified prior to disconnecting, the owner or occupant of the building, structure or service system shall be notified in writing, as soon as practical thereafter.

CHAPTER 12.113 - BOARD OF APPEALS

12.113.010 General. There shall be and is hereby created a board of appeals to consider an order, decision or determination made by the building official for the purpose of correcting an error, omission or oversight relative to the application and interpretation of this code. The board shall be formed as needed. The request for appeal shall be filed in writing with the building department and be specific on issues to be reviewed.

12.113.020 Limitations on authority. The board of appeal shall have no authority relative to the interpretation of the administrative provisions of this code nor shall the board be empowered to waive requirements of this code. Concerning the other provisions of the code, the board shall not consider any matter de novo, but shall simply re-examine the decisions of the building official to determine whether such decisions are supported by substantial evidence, are reasonable, are not arbitrary, and are within the intent and purpose of this code.

12.113.030 Qualifications. The board of appeal shall consist of three members who are qualified by experience and training to pass on matters pertaining to building construction in the particular discipline at issue and are not employees of the jurisdiction. The board members shall be approved by the city council from a list of experts in the particular discipline, selected and approved by both parties. The board may adopt rules of procedure for conducting its business and shall render all decisions and findings in writing to both parties.

Exception: Nothing contained in this section shall prevent the mayor or city council from appointing the mayor and city council as the board of appeals.

12.113.040 Limitations of time. The time within which a request for appeals must be made will be during the application process and active life of the permit.

12.113.050 Fee. A nonrefundable filing fee in accordance with the Master Fee Schedule Resolution must be paid upon filing a request for appeal.

CHAPTER 12.114 - VIOLATIONS

12.114.010 Unlawful acts. It shall be unlawful for any person, firm or corporation to erect, construct, alter, grade, extend, repair, move, remove, demolish or occupy any building, structure or equipment regulated by this code, or cause same to be done, in conflict with or in violation of any of the provisions of this code.

12.114.020 Notice of violation. The building official is authorized to serve a notice of violation or order on the person responsible for the erection, construction, alteration, extension, repair, moving, removal, demolition or occupancy of a building or structure or land in violation of the provisions of this code, or in violation of a permit or certificate issued under the provisions of this code. Such order shall direct the discontinuance of the illegal action or condition and the abatement of the violation.

12.114.030 Enforcement. If the notice of violation is not complied with promptly, the building official is authorized to institute or seek the institution of the appropriate measure or process to prosecute, restrain, correct or abate such violation, or to require the removal or termination of the unlawful occupancy of the building or structure in violation of the provisions of this code or related provisions of the SRMC or of the order or direction made pursuant thereto. Such enforcement

may include any combination of applicable enforcement actions authorized by this code and the SRMC, including without limitation prosecution as a misdemeanor. A separate offense may be charged for each day a violation is committed, continued, permitted or otherwise maintained.

12.114.030.1 Work commencing before permit issuance. Any person who commences any work on a site, building, structure, electrical, gas, mechanical or plumbing system before obtaining the necessary permits shall be subject to and pay an investigative fee in addition to the required permit fees, as well as be subject to any other applicable enforcement measures provided in this code. An investigation fee shall be collected in advance, whether or not a permit is then or subsequently issued. The investigation fee shall be three times the amount of the permit fee for that work and shall be in addition to the normal permit fees as specified in the Master Fee Schedule Resolution. The payment of such fee shall not exempt any person from compliance with all other provisions of this code and related provisions in the SRMC nor from any penalty prescribed by law. The building official may also require of any person working without a building permit to be responsible for the cost of third party inspection to insure that the project is completed in accordance with the applicable code and approved plans.

Exception: The building official may waive or reduce the investigative fee if the building official determines that a permit application has been pursued in a timely manner and in good faith, and it is in the best interest of the jurisdiction.

12.114.040 Violation penalties. Any person who violates a provision of this code or fails to comply with any provision of this code or fails to comply with any of the requirements thereof or who erects, constructs, alters, or repairs a building or structure in violation of the approved construction documents or directive of the building official, or of a permit or certificate issued under the provisions of this code, shall be subject to penalties as prescribed by law.

CHAPTER 12.115 - STOP WORK ORDER

12.115.010 Authority. Whenever the building official finds any work regulated by this code or related provisions of the SRMC being performed in a manner either contrary to the provisions of this code, related provisions of the SRMC or dangerous or unsafe, the building official is authorized to issue a stop work order.

12.115.020 Issuance. The stop work order shall be in writing and shall be given to the owner of the property involved, or to the owner's agent, or to the person doing the work. Upon issuance of a stop work order, the cited work shall immediately cease. The stop work order shall state the reason for the order, and the conditions, including any mitigation, under which the cited work will be permitted to resume.

12.115.030 Unlawful continuance. Any person who shall continue any work after having been served with a stop work order, except such work as that person is directed to perform to remove a violation or unsafe condition, shall be subject to penalties as prescribed by law.

CHAPTER 12.116 - UNSAFE STRUCTURES AND EQUIPMENT

12.116.010 Conditions. Structures or existing equipment that are or hereafter become unsafe, insanitary or deficient because of inadequate means of egress facilities, inadequate light and

ventilation, or which constitute a fire hazard, or are otherwise dangerous to human life or the public welfare, or that involve illegal or improper occupancy or inadequate maintenance, shall be deemed an unsafe condition. Unsafe structures shall be taken down and removed or made safe, as the building official deems necessary and as provided for in this section. A vacant structure that is not secured against entry shall be deemed unsafe.

12.116.020 Record. The building official shall cause a report to be filed on an unsafe condition. The report shall state the occupancy of the structure and the nature of the unsafe condition.

12.116.030 Notice. If an unsafe condition is found, the building official shall serve on the owner, agent or person in control of the structure, a written notice that describes the condition deemed unsafe and specifies the required repairs or improvements to be made to abate the unsafe condition, or that requires the unsafe structure to be demolished within a stipulated time. Such notice shall require the person thus notified to declare immediately to the building official acceptance or rejection of the terms of the order.

12.116.040 Method of service. Such notice shall be deemed properly served if a copy thereof is: delivered to the owner personally; sent by certified or registered mail addressed to the owner at the last known address with the return receipt requested; or delivered in any other manner as prescribed by local law. If the certified or registered letter is returned showing that the letter was not delivered, a copy thereof shall be posted in a conspicuous place in or about the structure affected by such notice. Service of such notice in the foregoing manner upon the owner's agent or upon the person responsible for the structure shall constitute service of notice upon the owner.

12.116.050 Restoration. Where the structure or equipment determined to be unsafe by the building official is permitted to be restored to a safe condition, to the extent that repairs, alterations or additions are made, or a change of occupancy occurs during the restoration of the structure, such repairs, alterations, additions or change of occupancy shall comply with the California Existing Building Code.

CHAPTER 12.200 - CALIFORNIA BUILDING CODE AMENDMENTS

12.200.010 General. For purpose of this Chapter:

Deleted language from the base code has been ~~stricken through~~.
Added language to the base code has been underlined.

12.200.020 Amendments. The 2019 California Building Code is amended or modified as follows:

Amend Section 202 to read as follows:

The definition of "Kitchen" is amended as follows:

KITCHEN. An area in which the preparation of food for eating occurs (that has provisions for cooking or heating of food, or washing and storing of dishware and utensils, or refrigeration or storing of food).

The definition of "Substantial Remodel" is added to read as follows:

SUBSTANTIAL REMODEL. Substantial remodel shall mean the alteration of any structure which combined with any additions to the structure, performed within any three (3) year period, affects a floor area which exceeds fifty percent (50%) of the existing floor area of the structure. When any changes are made in the building, such as walls, columns, beams or girders, floor or ceiling joists and coverings, roof rafters, roof diaphragms, foundations, piles or retaining walls or similar components, the floor area of all rooms affected by such changes shall be included in computing floor areas for purposes of applying this definition. This definition does not apply to the replacement and upgrading of residential roof coverings or exterior wall finishes.

Amend Section 903.2 is amended to read as follows:

903.2 Where Required. Approved automatic fire sprinkler systems in ~~new buildings and structures~~ shall be provided in the locations described in Sections 903.2.1 through 903.2.12 and in all of the following:

1. Newly constructed buildings or facilities, except detached Group U occupancies not more than one thousand (1,000) square feet in floor area and provided with exterior wall and opening protection as per Table 602 of the California Building Code.
2. Newly created, attached, second dwelling units which meet the definition of a substantial remodel.
3. All other existing buildings, fire sprinkler systems may be required by the fire chief in accordance with the following:
 - 3.1. All buildings where improvements occur during any three (3) year period which cumulatively meet the definition of a substantial remodel.
 - 3.2. All buildings, except R-3 occupancies, in excess of three thousand (3,000) square feet which have more than ten percent (10%) floor area added within any three (3) year period. Exceptions may be granted by the fire chief when alternate means of protection are installed as approved by the fire code official.
 - 3.3. A change in the use of a building that results in a higher fire or life safety hazard when the square footage of the area changing use is more than 50% of the square footage of the existing building.
 - 3.4. Where fire sprinklers are required by provisions of this code, they shall be extended throughout the building.
4. All public storage facilities. Exceptions may be granted by the fire chief when alternate means of protection are installed as approved by the fire code official
5. All tunnels used for the transportation of people or any type of vehicle.

The requirements for fire sprinkler systems in this code section are not meant to disallow the provisions for area increase, height increase, or fire-resistive-rated substitution if otherwise allowed by this code.

Exception [Unchanged.]

Section 903.2.1 through 903.2.17. [Unchanged.]

Amend Section 903.2.18 by deleting the exception.

Section 903.2.19. [Unchanged.]

Amend Section 907.2.10.2.3 by adding the following sentence at the end of the paragraph:

Replacement of an existing smoke alarm which is hardwired, and/or interconnected shall be made with an alarm of the same functionality.

Amend Section 1015.2 by adding the following concluding sentence:

Guards are also required at waterfront bulkheads, fixed piers and gangways.

Add Section 1015.8.2 & 1015.8.3 to read as follows:

1015.8.2 Existing Hotels. The provisions of sections 1015.8 shall apply retroactively to all existing hotels.

1015.8.3 Clear area adjacent to hotel window opening. There shall be no furniture, fixed or moveable, placed within thirty-six inches (36") of any openable portion of a window. Hotels shall also provide notice to prospective guests of this requirement.

Amend Section 1207.4 (1) to read as follows:

1. The unit shall have a living room not less than ~~220~~ 150 square feet (~~20.4~~ 13.9 m²) of floor area. An additional 100 square feet (9.3 m²) of floor area shall be provided for each occupant of such unit in excess of two.

Amend Section 1505.1 by deleting the last sentence and the referenced Table 1505.1.

Exception [Unchanged]

Sections 1505.1.1 and 1505.1.2. [Unchanged]

Amend Section 1505.1.3 to read as follows:

1505.1.3 Roof coverings within all other areas. The entire roof covering of every existing structure, where more than 50% of the total roof area is replaced within any one-year period, the entire roof covering of every new structure, and any roof covering applied in the alteration, repair or replacement of the roof of every existing structure, shall be a fire-retardant roof covering that is at least Class ~~C-A~~.

Amend Section 1505.1.4 to read as follows:

1505.1.4 Roofing requirements in a Wildland-Urban Interface Fire Area. Roofing requirements" for structures located in a Wildland-Urban Interface Fire Area shall be a fire-retardant roof covering that is least class A and shall also comply with Section 705A.

Add Section 1807.4 to read as follows:

1807.4 Wooden retaining walls. Wooden retaining walls may not be used to support any building surcharge or vehicular way. In addition, wooden retaining walls shall not be employed to retain soils above or below a building where failure of the wall may subject the building to damage.

Amend Section 3202.2.3 to read as follows:

3202.2.3 Awnings. The vertical clearance from the public right-of-way to the lowest part of any awning, including valances, shall be not less than ~~7 feet (2134 mm)~~ 8 feet (2439 mm).

CHAPTER 12.210 - CALIFORNIA ELECTRICAL CODE AMENDMENTS

12.210.010 No amendment. The 2019 California Electrical Code is not amended or modified.

CHAPTER 12.220 - CALIFORNIA ENERGY CODE AMENDMENTS

12.220.010 No amendment. The 2019 California Energy Code is not amended or modified.

CHAPTER 12.230 - CALIFORNIA EXISTING BUILDING CODE AMENDMENTS

12.230.010 General. For purpose of this Chapter:

Deleted language from the base code has been ~~stricken through~~.
Added language to the base code has been underlined.

12.230.020 Amendments. The 2019 California Existing Building Code is amended or modified as follows:

Add Section 406.2.1 & 406.2.2 to read as follows:

406.2.1 Existing Hotels. The provisions of sections 406.2 shall apply retroactively to all existing hotels.

406.2.2 Clear area adjacent to hotel window opening. There shall be no furniture, fixed or moveable, aced within thirty-six inches (36") of any openable portion of a window. Hotels shall also provide notice to prospective quests of this requirement.

CHAPTER 12.235 - CALIFORNIA GREEN BUILDING CONSTRUCTION STANDARDS CODE AMENDMENTS

12.235.010 General. For purpose of this Chapter:

Deleted language from the base code has been ~~stricken through~~.
Added language to the base code has been underlined.

12.235.020 Amendments. The 2019 California Green Building Construction Standards is amended or modified as follows:

Delete Section 101.4

Amend Section 101 by adding the following:

101.4 Appendices. In addition to complying with the mandatory provisions of the California Green Building Standards Code, new buildings for which an application for a building permit is submitted on or after January 1, 2020, shall comply with Tier 1 measures of Appendix A4, or Tier 1 measures of Appendix A5, depending on occupancy type.

CHAPTER 12.240 - CALIFORNIA HISTORICAL BUILDING CODE AMENDMENTS

12.240.010 No amendment. The 2019 California Historical Building Code is not amended or modified.

CHAPTER 12.245 - CALIFORNIA MECHANICAL CODE AMENDMENTS

12.245.010 No amendment. The 2019 California Mechanical Code is not amended or modified.

CHAPTER 12.250 - CALIFORNIA PLUMBING CODE AMENDMENTS

12.250.010 No amendment. The 2019 California Plumbing Code is not amended or modified.

CHAPTER 12.255 - CALIFORNIA RESIDENTIAL CODE AMENDMENTS

12.255.010 General. For purpose of this Chapter:

Deleted language from the base code has been ~~stricken through~~.
Added language to the base code has been underlined.

12.255.020 Amendments. The 2019 California Residential Code is amended or modified as follows:

Amend Section R202 to read as follows:

The definition of "Kitchen" is amended as follows:

KITCHEN. An area in which the preparation of food for eating occurs that has provisions for cooking or heating of food, or washing and storing of dishware and utensils, or refrigeration or storing of food.

The definition of "Substantial Remodel" is added to read as follows:

SUBSTANTIAL REMODEL. Substantial remodel shall mean the alteration of any structure which combined with any additions to the structure, performed within any three (3) year period, affects a floor area which exceeds fifty percent (50%) of the existing floor area of the structure. When any changes are made in the building, such as walls, columns, beams or girders, floor or ceiling joists and coverings, roof rafters, roof diaphragms, foundations, piles or retaining walls or similar components, the floor area of all rooms affected by such changes shall be included in computing floor areas for purposes of applying this definition. This definition does not apply to the replacement and upgrading of residential roof coverings or exterior wall finishes.

Delete exception to Section R313.1 and amend Section R313.1 to read as follows:

R313.1 Townhouse automatic fire sprinkler systems. An automatic residential fire sprinkler system shall be installed in all newly constructed townhouses and in existing townhouses where alterations and/or additions to the existing structure, performed over any 3-year period, qualify as a "Substantial Remodel" as defined in this code. Any addition to a building with an existing fire sprinkler system shall have that system extended to the new portions) of the building irrespective of the size of the addition.

R313.1.1 [Unchanged]

Amend Section R313.2 to read as follows:

R313.2 One-and two-family dwellings automatic fire systems. An Automatic residential fire sprinkler system shall be installed in all newly constructed one-and two-family dwellings and in existing one-and two-family dwellings where alterations and/or additions to the existing structure, performed over any 3-year period, qualify as a "Substantial Remodel" as defined in this code. Any addition to a building with an existing fire sprinkler system shall have that system extended to the new portions) of the building irrespective of the size of the addition.

R313.2.1. [Unchanged]

Amend Section R313.3.1.2 by deleting exception #4.

Amend Section R314.7.2 by adding the following:

Smoke alarms shall be tested and maintained in accordance with the manufacturer's instructions. Smoke alarms that no longer function shall be replaced. Replacement of an existing smoke alarm which is hardwired, and/or interconnected shall be made with an alarm of the same functionality.

Amend Section R902.1.3 to read as follows:

R902.1.3 Roof coverings within all other areas. The entire roof covering of every existing structure, where more than 50% of the total roof area is replaced within any one-year period, the entire roof covering of every new structure, and any roof covering applied in the alteration, repair or replacement of the roof of every existing structure, shall be a fire-

retardant roof covering that is at least Class ~~C-A~~ and shall also comply with Section R337.5.

Amend Section R902.1.4 to read as follows:

R902.1.4 Roofing requirements in a Wildland-Urban Interface Fire Area. Roofing requirements" for structures located in a Wildland-Urban Interface Fire Area shall be a fire-retardant roof covering that is least class A and shall also comply with Section R337.5.

CHAPTER 12.260 – INTERNATIONAL PROPERTY MAINTENANCE CODE AMENDMENTS

12.260.010 General. For purpose of this Chapter only:

Deleted language from the base code has been ~~stricken through~~.
Added language to the base code has been underlined.

12.260.020 Amendments. The 2018 International Property Maintenance Code is amended or modified as follows:

Delete Section 101.1, 103, 104, 106, and 107

Amend Section 108.3 to read as follows:

108.3 Notice. Whenever the code official has condemned a structure or equipment under the provisions of this section, notice shall be posted in a conspicuous place in or about the structure affected by such notice and served on the owner, owner's authorized agent or the person or persons responsible for the structure or equipment in accordance with Section ~~407.3~~ 1.08.060 of the San Rafael Municipal Code. If the notice pertains to equipment, it shall also be placed on the condemned equipment. The notice shall be in the form prescribed in Section ~~407.2~~ 1.08.060 of the San Rafael Municipal Code.

Amend Section 109.2, 109.3 and 109.4 to read as follows:

109.2 Temporary safeguards. Notwithstanding other provisions of this code, whenever, in the opinion of the code official, there is imminent danger due to an unsafe condition, the code official ~~shall~~ may order the necessary work to be done, including the boarding up of openings, to render such structure temporarily safe whether or not the legal procedure herein described has been instituted; and shall cause such other action to be taken as the code official deems necessary to meet such emergency.

109.3 Closing streets. When necessary for public safety, the code official ~~shall~~ may temporarily close structures and close or order the authority having jurisdiction to close, sidewalks, streets, public ways and places adjacent to unsafe structures, and prohibit the same from being utilized.

109.4 Emergency repairs. For the purposes of this section, the code official ~~shall~~ may employ the necessary labor and materials to perform the required work as expeditiously as possible.

Delete Section 109.5 and 109.6.

Amend Section 110.1 to change "two years" to "one year" in the first sentence.

Amend Section 110.2 and 110.3 to read as follows:

110.2 Notices and orders. All notices and orders shall comply with ~~Section 107~~ Chapter 1.46 of San Rafael Municipal Code.

110.3 Failure to comply. If the owner of a premises fails to comply with a demolition order within the time prescribed, the code official ~~shall~~ may cause the structure to be demolished and removed, either through the forces of the an available public agency or by contract or arrangement with private persons, and the cost of such demolition and removal shall be charged against the real estate upon which the structure is located and shall be a lien upon such real estate.

Delete Section 111 and 112.

Amend Section 202 to read as follows:

The definition for "Code Official" is added as follows:

CODE OFFICIAL. Where used in this code, the term code official shall mean the planning manager, code enforcement manager, or the building official of the City of San Rafael, and their designees.

Amend Section 302.4 to read as follows:

302.4 Weeds. Premises and exterior property shall be maintained free from weeds or plant growth in excess of 6 inches tall. Noxious weeds shall be prohibited. Weeds shall be defined as all grasses, annual plants and vegetation, other than trees or shrubs, provided however, this term shall not include cultivated flowers and gardens. [Rest of section to remain unchanged.]

Amend Section 304.14 to read as follows:

304.14 Insect Screens. ~~During the period from [DATE] to [Date] every~~ Every door, window and other outside opening required for ventilation of habitable rooms, food preparation areas, food service areas or any areas where products to be included or utilized in food for human consumption are processed, manufactured, packaged or stored shall be supplied with approved tightly fitting screens of not less than 16 mesh per inch (16 mesh per 25 mm), and every screen door used for insect control shall have a self-closing device in good working condition.
Exception [Unchanged.]

Amend Section 308.2.2 to add these words to the end of the sentence:

or securing the doors in an approved manner.

Amend Section 308.3.1 by adding the following:

Every person maintaining or using any solid waste can or receptacle shall keep the same clean and sanitary.

Amend Section 308.3.2 by adding the following:

Within all residential districts in the city, no person shall use, locate or maintain (store) any solid waste can, garbage container or other waste receptacle within the public right-of-way other than on the day of removal service. Such waste receptacles shall be stored out of public view on non-service dates, whenever practical, or stored nearest the main structure.

Amend Section 602.3 to read as follows:

602.3 Heat supply. Every owner and operator of any building who rents, leases or lets one or more dwelling units or sleeping units on terms, either expressed or implied, to furnish heat to the occupants thereof shall supply heat during the period from [DATE] to [DATE] to maintain a temperature of not less than 68°F (20°C) in all habitable rooms, bathrooms and toilet rooms.
Exceptions [Unchanged.]

Amend Section 602.4 to read as follows:

602.4 Occupiable work spaces. Indoor occupiable work spaces shall be supplied with heat during the period from [DATE] to [DATE] to maintain a temperature of not less than 65°F (18°C) during the period the spaces are occupied.
Exceptions [Unchanged.]

CHAPTER 12.265 – INTERNATIONAL SWIMMING POOL AND SPA CODE AMENDMENTS

12.265.010 General. For purpose of this Chapter:

Deleted language from the base code has been ~~stricken through~~.
Added language to the base code has been underlined.

12.265.020 Amendments. The 2018 International Swimming Pool and Spa Code is amended or modified as follows:

Amend Section 202 to add the following definition:

PRIVATE SWIMMING POOL means a swimming pool or pool located at and intended primarily for the use of the occupants of a single or two-family dwelling unit.

Amend Section 301 by adding the following:

301.2 Existing swimming pools. Any person who owns or is in possession of an existing private swimming pool that does not conform to the requirements of this section shall make the pool conform to the requirements of this section within ninety (90) days from its effective date.

Exceptions: The chief building official is hereby authorized to exempt any private swimming pool from the provisions of Health and Safety Code 115922:

1. If it is secured from unauthorized entry by a natural or artificial barrier that provides

the same or a greater degree of protection than would an enclosure.

An application for exception shall be filed in writing with the chief building official. The application shall contain a brief statement evidencing that the applicant is entitled to the exception and such other information as the chief building official may prescribe.

Delete Section 302 and 305.

Amend Section 305 by adding the following:

305.1 General. Pool barriers and enclosure shall meet the requirements of the California Swimming Pool Safety Act. The text in CBC 3109.2 contains the statutory language that is required to be duplicated and published in California Code of Regulations, Title 24. As such the section numbers reflect those within the Health and Safety Code.

305.2 Enclosure required for private swimming pools. Every person who owns or is in possession of any land on which there is situated a private swimming pool shall secure the pool from unauthorized entry by an enclosure that meets all of the requirements of Health and Safety Code 115923. The enclosure shall be specifically designed to prevent unauthorized entry from adjacent private and/or public property. This enclosure shall be in addition to the "safety features" required by Health and Safety Code 115922.

CHAPTER 12.300 - ADDRESSING OF BUILDINGS AND PROPERTIES

12.300.010 General. Regulations regarding address numbers of residential and commercial buildings and properties.

12.300.020 Intent. The purpose of this regulation is to provide minimum standards under which the city can provide a logical and consistent system for addressing which is easily recognizable by emergency response personnel and others trying to locate an address. The regulations and standards prescribed in this section shall be followed for address assignment or reassignment.

12.300.030 Duty of owner or agent. Every property owner or agent thereof, shall apply for and receive from the building official an assigned address number for every residential, multi-residential, and every commercial building located within the City of San Rafael which does not have address numbers complying with the provisions this code.

12.300.040 Duty of the building official. It shall be the duty of the building official or his designee to decide on a number and assign addressing in conformance with this code and the recognized standards of the City. Whenever the building official has knowledge of any violation of this chapter, the building official may notify and direct the property owner to correct the violation within 30 days. If the owner cannot be located, the agent or occupant of the premises where said violation occurs shall be notified. If after 30 days the complaint has not been corrected, the building official may act to enforce this chapter.

12.300.050 Standards. The recognized standards used to determine the location, method or configuration of the addressing used by City are the recommended address standards.

12.300.060 Unlawful use of numbers; size of figures. All buildings shall have the assigned address numbers posted. It shall be unlawful for any person, whether the owner or occupant of

the building or any apartment therein, to place, maintain or allow to remain thereon, any number other than the one required by this section. The address number shall be posted in the location specified in this code. The required, posted numbers shall be Arabic numerals and be visible from the street.

1. Residential dwellings shall have numbers not less than 4 inches in height with a proportionate width.
2. All commercial buildings shall have numbers not less than 6 inches in height with a proportionate width. For multi-tenant buildings, assigned unit numbers 4 inches in height may be posted on the doors in lieu of the street number provided that the street address is posted in a location that is clearly visible and distinguishable from the unit numbers.
3. The address number shall be a lighted sign or shall be at a minimum constructed with a contrasting color and background or with a reflective surface. All numbers shall be made of substantial and permanent material and shall be so placed or fixed so as not to be easily effaced or removed.
4. The assigned address must be posted for all buildings or structures under construction.

12.300.070 Location. Residential address numerals shall be posted to the immediate left of the front door of the dwelling, unless the garage is the furthest projecting building element, then the numerals shall be posted to the immediate left of the garage door. When such location is not visible from the street or access roadway fronting such residential dwelling, the required numerals shall be posted on a sign at the driveway entrance on the road which it departs. The sign shall not be located within the road right-of-way and shall be mounted to a minimum 4x4-redwood post or equivalent, set to a height range of 42 inches to 60 inches.

Commercial address numerals shall be posted over the main entrance doors, as well as on the rear door of the business. For multi-tenant buildings, assigned unit numbers may be posted on the front doors in lieu of street address, provided that the street address numerals are posted in locations that are clearly visible and distinguishable from the unit numbers. When such location is not visible from the street or roadway fronting such commercial building, the required numerals shall be at a location and a size specified by the Public Works Department and the Fire Department.

12.300.080 Use of odd and even numbers. For streets running east and west, all buildings located on the north side shall be numbered with odd numbers and all buildings located on the south side shall be numbered with even numbers. For streets running north and south, all buildings located on the west side shall odd numbers and all buildings located on the east side shall be numbered with even numbers.

12.300.090 Allotment of numbers. The City's address system is based on the grid system outlined within recognized standards. The City shall have 1,000 addresses per mile, or 528 feet per hundred block and shall be in numerical sequence beginning from the baseline. Some neighborhood areas may have a baseline different than noted above and such baseline is isolated to that specific geographic area. When assigning the address numbers, the middle of a structure shall determine the address number or driveway at the discretion of the building official.

12.300.100 Retention of old numbers; limitation. Whenever any property owner or agent of any property owner has been notified to change the numbers of the building, the old numbers may be temporarily retained, in addition to the new numbers. In no case shall the old numbers be retained for a period longer than 60 days after the final notice to change has been mailed.

12.300.110 Additional numbering on curbs permissible. A person or agent thereof, owning any building otherwise in compliance with the above provisions of this chapter, may pursuant to this section, paint or cause to be painted upon the curb the address number of such building. The number shall be located on the outer (street) side of the city curb located in front of said building, and within the extended property lines. No other number or letter shall be used. The use of curb numbering authorized by this section is not required, nor shall it take the place of those requirements for numbering set forth above. All building numbers placed on curbs shall be of good quality black enamel paint, nearly centered upon a 16 inch background of good quality white outdoor reflective paint. The curb numbers themselves shall be 4 inches high and formed by use of standard stencil series "C". Whenever possible, when the property is serviced by one or more driveways, the curb numbers shall be placed not less than one foot and not more than three feet from the driveway edge nearest the main front entrance to the building. Curb numbers permitted by this section shall not be painted on any curb when such painting or numbering would conflict with any required restricted curb zones set forth by the Public Works Department, including the "blue," "red," "yellow," "green," "white," and "orange" zones.

Every person desirous of painting house numbers on curbs as a business venture or in conjunction with any business venture shall have obtained a city business license.

It is unlawful for any person, firm, partnership, corporation or other association to paint or cause to be painted any house number on a curb without first having obtained the permission of the owner or occupant of the property adjacent to the curb.

CHAPTER 12.310 - APARTMENTS AND HOTELS - PERIODIC HOUSING INSPECTION PROGRAM AND CARETAKER REQUIREMENTS

12.310.010 Declaration of purpose. The council finds that the establishment of a periodic housing inspection program for apartments and hotels, and the specification of caretaker requirements for apartments, is necessary to protect the public health, safety and welfare, by ensuring the proper maintenance of such housing, by identifying and requiring correction of substandard housing conditions in such housing, and by preventing conditions of deterioration and blight in such housing that could adversely affect economic conditions and the quality of life in the city.

12.310.020 Definitions. The following words and phrases whenever used in this chapter shall be construed as defined in this section:

1. "Apartment" means any building or buildings, located on one parcel of property, containing three (3) or more rental dwelling units as defined in Section 14.03.030 of this code.
2. "Hotel" means any building or buildings, located on one parcel of property, containing six (6) or more guest rooms, intended or designed to be used, or that are used, rented or hired out to be occupied, or that are occupied for sleeping purposes by guests.
3. "Guest" is any person hiring or occupying a room for living or sleeping purposes.
4. "Guest room" means any room or rooms used or intended to be used by a guest for sleeping purposes.
5. "Occupant" means a person occupying a dwelling unit in an apartment or a guest occupying a guest room in a hotel.
6. "Owner" means the record owner of the property on which an apartment or hotel is located, as shown on the official records of the county assessor for the county of Marin,

or the person or persons who own the business operating the hotel or apartment if different than the record owner of the property.

Words and phrases used in this chapter, but not specifically defined herein, shall have the meanings stated elsewhere in this code or in the adopted codes. Where not defined in this chapter or this code, words and phrases used in this chapter shall have the meaning generally prescribed by dictionary definition.

12.310.030 Periodic housing inspections. Every owner of an apartment or hotel located within the city of San Rafael shall permit the city's periodic inspection of the apartment and hotel, and the property on which such apartment or hotel is located, following notice from the city. The community development director, or his or her designee, shall cause each apartment and hotel to be inspected by the city's code enforcement officials once every five (5) years, or more frequently as needed, to ensure compliance with all applicable city ordinances or other laws relating to such housing, including the substandard housing provisions of this code.

12.310.040 Scope of chapter. This chapter shall not apply to:

1. A dwelling unit occupied by the record owner of the property on which the dwelling unit is located, as shown on the official records of the county assessor for the county of Marin;
2. A dwelling unit in a residential condominium as defined in San Rafael Municipal Code Section 15.50.020(b);
3. Housing accommodations in any hospital; state-licensed community care facilities; housing accommodations in any convent, monastery, or other facility occupied exclusively by members of a religious order; extended medical care facilities; asylum; on-campus fraternity or sorority houses; or on-campus housing accommodations owned, operated or managed by an institution of higher education, a high school, or an elementary school for occupancy by students;
4. Housing accommodations which a government unit, agency or authority owns, operates or manages, or which are specifically exempted from municipal regulation by state or federal law or administrative regulation. This exception shall not apply once the governmental ownership, operation, or management regulation is discontinued;
5. Mobile homes, or mobile home parks, or recreation vehicles, or recreational vehicle parks as defined in California Civil Code and California Health and Safety Code.;
6. Housing accommodations in buildings that have been vacated and secured against entry to the satisfaction of the city.

12.310.050 Complaint-based inspections. Nothing contained herein shall prevent or restrict the authority of the city's code enforcement officials to inspect any apartment or hotel, or the premises thereof, in response to a citizen complaint alleging code violations or other violations of law at such an apartment or hotel, and to pursue all code enforcement remedies permissible under this code or other laws following such a complaint-based inspection of an apartment or hotel.

12.310.060 Notices. The community development director, or his or her designee, shall give a minimum of five (5) business days advance written notice of the date and time of the periodic inspection to the owner of the apartment or hotel and to the occupants thereof. Such notice shall provide the address and phone number where additional information concerning the inspection may be obtained. Notice to the owner of the apartment or hotel shall be mailed by first class mail to the owner's last known address as it appears in the records of the county assessor. Notice

shall be given to the occupants of the apartment or hotel by posting an official notice of such inspection in a public area on the premises of such apartment or hotel.

12.310.070 Right of entry. Upon presentation of proper credentials, the city's code enforcement officials, after having obtained the consent of the owner of the apartment or hotel, or of the occupant, may enter the apartment or hotel at reasonable times during daylight hours to perform the inspection. If consent for such an inspection is refused or cannot be obtained, the city's code enforcement officials are authorized to obtain an inspection warrant to conduct such an inspection pursuant to Code of Civil Procedure Sections 1822.50 et seq.

12.310.080 Violations. If an inspection of an apartment or hotel, or the premises thereof, conducted pursuant to this chapter reveals the existence of any violations of applicable city ordinances or other laws relating to such housing, including the substandard housing provisions, the city's code enforcement officials may seek to remedy such violations as permitted by law, including the provisions of Chapters 1.42, 1.44 or 1.46 of this code.

12.310.090 Certificate of compliance. Following completion of an inspection of an apartment or hotel and correction of any violations of applicable city ordinances or other laws related to such housing, the city shall issue to the owner a certificate of compliance indicating satisfaction of the provisions of this chapter as of the date of such certificate.

12.310.100 Inspection fee. The city may collect from any owner of an apartment or hotel, for which the owner is receiving compensation from the occupants, an annual housing inspection fee sufficient to cover the city's administrative costs and expenses for the periodic housing inspection program provided in this chapter. The annual housing inspection fees shall be established by resolution adopted by the city council pursuant to the provisions of Chapter 3.34 of this code. The city may collect the annual housing inspection fees by billing the owners directly for the amount due or by collecting the amount due from the owners as part of their property tax bills issued by the county tax collector pursuant to an agreement between the city and the county of Marin.

12.310.110 Failure to pay inspection fee. If the owner of an apartment or hotel fails to pay the annual housing inspection fees as provided hereunder, the city may recover the unpaid fees, plus accrued interest at the maximum rate permitted by law, from the owner in a civil action in which the city may be entitled to recover its reasonable attorney's fees. Alternatively, the city may record a lien for any unpaid annual housing inspection fees against the property to which the fees relate in the manner provided in Section 12.310.120.

12.310.120 Housing inspection fee lien. Prior to recording a lien for unpaid annual housing inspection fees against a property, the community development director, or his or her designee, shall prepare and file with the city clerk a report identifying the property, the owner, and the amount of a proposed housing inspection fee lien to cover such unpaid fees.

The city clerk shall fix a time, date and place of hearing said report and any protests or objections thereto by the city council and shall cause written notice of such hearing to be served on the owner not less than ten (10) days prior to the date of such hearing. Notice shall be given by regular first-class mail addressed to the owner at the last known address as shown on the records of the county assessor for the county of Marin.

After conducting the hearing, the city council shall adopt a resolution confirming, discharging, or modifying the amount of the proposed housing inspection fee lien.

The city clerk shall cause to be recorded in the county recorder's office a notice of housing inspection fee lien to which the city council's supporting resolution shall be attached. Such notice shall specify the amount of the lien, the name of the city of San Rafael on whose behalf the lien is imposed, the street address, legal description, the assessor's parcel number of subject property and name and address of the owner as shown on the records of the county assessor for the county of Marin. Upon recordation of such notice of housing inspection fee lien, it shall attach as a lien against the subject property and shall have the same effect and priority as recordation of an abstract of judgment.

Upon receiving a report from the director of management services that payment in full has been received by the city of the amount specified in the notice of housing inspection fee lien, the city clerk shall record a notice of satisfaction of the inspection fee lien with the county recorder. Recordation of such notice of satisfaction shall cancel the city's lien against the property.

12.310.130 Caretaker requirements for apartments. Regardless of the number of dwelling units in an apartment, the owner shall post in a conspicuous public place on the premises of the apartment a notice containing the name, address and telephone number of the resident caretaker or resident owner who is responsible for management of the apartment, or of the nonresident owner or nonresident owner's agent who is responsible for management of the apartment.

In any apartment with sixteen (16) or more dwelling units, a caretaker employed by the owner shall reside upon the apartment premises and shall be responsible for management of the apartment, unless the owner resides upon the premises and has assumed such management responsibility. Alternatively, in any apartment with sixteen (16) or more dwelling units, there shall be a designated caretaker's office which shall be staffed during the hours of eight a.m. (8:00 a.m.) to five p.m. (5:00 p.m.) by the owner or a caretaker employed by the owner and responsible for management of the apartment during such hours, and there shall be a posted telephone number for the owner or the owner's agent, to which a telephone complaint may be made during all other hours, a response to which shall be made within a reasonable time period.

CHAPTER 12.315 - EXPEDITED PERMITTING PROCESS FOR ELECTRIC VEHICLE CHARGING STATIONS

12.315.010 Purpose. The purpose of this section is to promote and encourage the use of electric vehicles by creating an expedited, streamlined permitting process for electric vehicle charging stations while promoting public health and safety and preventing specific adverse impacts due to the installation and use of such charging stations. This chapter implements California Government Code Section 65850.7.

12.315.20 Definitions. For purposes of this section, the following definitions shall apply:

1. "Electric vehicle charging station" or "charging station" means any level of electric vehicle supply equipment station that is designed and built and installed in compliance with Article 625 and other general requirements of the California Electrical Code in effect at the time of installation and delivers electricity from a source outside an electric vehicle into a plug-in electric vehicle.
2. "Specific, adverse impact" means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified, and written public health or safety standards, policies, or condition as they existed on the date the application was deemed complete.
3. "Electronic submittal" means the utilization of one or more of the following: electronic

mail or email, the internet, or facsimile.

4. A "feasible method to satisfactorily mitigate or avoid the specific adverse impact" includes, but is not limited to, any cost-effective method, condition, or mitigation imposed on an application for a permit.

12.315.030 Expedited permit process. The building official shall develop, maintain and administer an application checklist of all requirements for which electric vehicle charging stations shall comply in order to be eligible for expedited review. The application checklist shall be published and made available on the city website. The checklist shall include information on how and where to file an application including instructions for electronic submittal, necessary worksheet, and an application form.

12.315.040 Permit application processing. The city building division shall make every attempt to review and approve for permit issuance all applications for electric vehicle charging stations in an expedited fashion when completed applications are received which meet all the requirements of the application checklist, as follows:

1. The city shall administratively approve an application to install an electric vehicle charging station through the issuance of a building permit or similar nondiscretionary permit.
2. For outdoor electric vehicle charging stations that are not attached to a building, zoning review and clearance from the planning division shall be required prior to the issuance of a building permit or similar nondiscretionary permit. Single-family residences are exempt from this zoning review and clearance.
3. Review of the application to install an electric vehicle charging station shall be limited to the building official's review of whether the application meets all health and safety requirements of local, state, federal law, and the local utility authority. The requirements of local law shall be limited to those standards and regulations necessary to ensure that the electric vehicle charging station will not have a specific, adverse impact upon the public health or safety.
4. Upon city confirmation that the application and supporting documents are complete and meet the requirements of the federal, state and local codes, the city shall approve the application and issue all required permits or authorizations.
5. In the event the application and supporting documents are incomplete, the city shall issue a written correction notice to the applicant detailing all deficiencies in the application and list any additional information required to be eligible for expedited permit issuance.
6. In the event the building official, in consultation with the community development director, makes a finding, based on substantial evidence, that the electric vehicle charging station could have a specific, adverse impact upon the public health or safety, the city may require the applicant to apply for a use permit, which shall be subject to the following:
 - a. An application for a use permit shall be filed and processed pursuant to Title 14 (zoning) of this Code. The city zoning administrator shall conduct the required public hearing and take action on the use permit application.
 - b. The zoning administrator may not deny an application for a use permit to install an electric vehicle charging station unless it makes written findings based upon substantial evidence in the record, that the proposed installation would have a specific, adverse impact upon the public health or safety, and there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact. The findings

shall include the basis for the rejection of potential feasible alternatives of preventing the adverse impact.

- c. Any conditions imposed on a use permit application shall be crafted to mitigate the specific, adverse impact upon the public health or safety at the lowest cost possible.
- d. The zoning administrator's decision on the use permit may be appealed to the planning commission pursuant to the time limits and processing provisions set forth in Title 14.

12.315.050 Fees. Fees for permits subject to this application process shall be as set forth in the master fee schedule resolution of the city council, as amended from time to time.

CHAPTER 12.320 - EXPEDITED PERMIT PROCESS FOR SMALL RESIDENTIAL ROOFTOP SOLAR SYSTEMS

12.320.010 Purpose. The purpose of this chapter is to implement an expedited, streamlined solar permitting process that complies with the Solar Rights Act and California Assembly Bill 2188 (Chapter 521, Statutes 2014) in order to achieve timely and cost-effective installations of small residential rooftop solar energy systems. The provisions herein encourage the use of solar systems by removing unreasonable barriers and minimizing costs to property owners and the City, expand the ability of property owners to install solar energy systems and allow the City to achieve these goals while continuing to protect the public health and safety.

12.320.020 Definitions. As used for interpretation in this chapter, unless a different meaning is apparent from the context or specified elsewhere in the code, the following terms shall have the meanings set forth below:

"Solar energy system" means either of the following:

1. Any solar collector or other solar energy device whose primary purpose is to provide for the collection, storage, and distribution of solar energy for space heating, space cooling, electric generation, or water heating.
2. Any structural design feature of a building, whose primary purpose is to provide for the collection, storage, and distribution of solar energy for electricity generation, space heating or cooling, or for water heating.

"Small residential rooftop solar energy system" is one that meets all of the following:

1. A solar energy system that is no larger than 10 kilowatts alternating current nameplate rating or 30 kilowatts thermal;
2. A solar energy system that conforms to all applicable state fire, structural, electrical, and other building codes as adopted or amended by the City, and all state and City health and safety standards;
3. A solar energy system that is installed on a single family dwelling or duplex;
4. A solar panel or module array that does not exceed the maximum legal building height as defined by the City's zoning ordinance.

"Electronic submittal" means the utilization of one or more of the following:

1. Email;
2. The internet (when that functionality becomes available); or
3. Facsimile.

"Association" means a nonprofit corporation or unincorporated association created for the

purpose of managing a common interest development.

"Common interest development" means any of the following, as defined in sections 4000 through 4190, inclusive, of the California Civil Code, or successor statutes:

1. A community apartment project.
2. A condominium project.
3. A planned development.
4. A stock cooperative.

"Reasonable restrictions" on a solar energy system are those restrictions that do not significantly increase the cost of the system or significantly decrease its efficiency or specified performance, or that allow for an alternative system of comparable cost, efficiency, and energy conservation benefits.

"Restrictions that do not significantly increase the cost of the system or decrease its efficiency or specified performance" means:

1. For water heater systems or solar swimming pool heating systems: an amount exceeding ten percent (10%) of the cost of the system, but in no case more than 1,000 dollars, or decreasing the efficiency of the solar energy system by an amount exceeding ten percent (10%), as originally specified and proposed.
2. For Photovoltaic Systems: an amount not to exceed 1,000 dollars over the system cost as originally specified and proposed, or a decrease in system efficiency of an amount exceeding ten percent (10%) as originally specified and proposed.

"Specific, adverse impact" means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified, and written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete.

12.320.030 Applicability. This chapter applies to the permitting of all small residential rooftop solar energy systems in the City of San Rafael. Small residential rooftop solar energy systems legally established or permitted prior to October 21, 2015 are not subject to the requirements of this Chapter unless physical modifications or alterations are undertaken that materially change the size, type, or components of a small rooftop energy system in such a way as to require new permitting. Routine operation and maintenance or like-kind replacements shall not require a permit.

12.320.040 Solar energy system requirements. All solar energy systems shall meet the following requirements:

1. All solar energy systems shall meet applicable health and safety standards and requirements imposed by the State and the City and local fire department.
2. Solar energy systems for heating water in single-family residences and for heating water in commercial or swimming pool applications shall be certified by an accredited listing agency as defined by the California Plumbing and Mechanical Codes.
3. Solar energy systems for producing electricity shall meet all applicable safety and performance standards established by the California Electrical Code, the Institute of Electrical and Electronics Engineers, and accredited testing laboratories such as Underwriters Laboratories and, where applicable, rules of the Public Utilities Commission regarding safety and reliability.

12.320.050 Duties. Duties of Community Development Department and building official are as

follows:

1. All documents required for the submission of an expedited solar energy system application shall be made available for public review on the City's website.
2. Electronic submittal of the required permit application and documents by email (and the Internet when that technology becomes available) shall be made available to all small residential rooftop solar energy system permit applicants.
3. An applicant's electronic signature shall be accepted on all forms, applications, and other documents in lieu of a wet signature.
4. The City's building division shall adopt and maintain standard plans and checklists of all requirements for which all small residential rooftop solar energy systems shall comply to be eligible for expedited review. The standard plans and checklist of requirements shall be posted and made available for public review on the City's website.
5. The small residential rooftop solar system permit process, standard plans, and checklists shall substantially conform to recommendations for expedited permitting, including the checklist and standard plans contained in the most current version of the *California Solar Permitting Guidebook* adopted by the Governor's Office of Planning and Research.
6. All fees prescribed for the permitting of small residential rooftop solar energy system must comply with Government Code Section 65850.55, Government Code Section 66015, Government Code Section 66016, and State Health and Safety Code Section 17951, and successor statutes.

12.320.060 Permit review and inspection requirements. Permit review and inspection requirements are as follows:

1. Upon receipt of a complete application that meets the requirements of the approved checklist and standard plan, the building official or his designee shall issue a building permit or other nondiscretionary permit the same day or the next day, for an application submitted over-the-counter, or within three (3) business days for applications that have been filed electronically.
2. Review of the application shall be limited to review by the building official or his designee to determine if the application: 1) meets all applicable state fire, structural, electrical, and other building codes as adopted or amended by the City, and all state and City health and safety standards; and 2) contains all information requested in the applicable standard plan and checklist.
3. If an application is deemed incomplete by the building official, a written correction notice shall be sent in a timely manner to the applicant detailing all deficiencies in the application and any additional information or documentation required to be eligible for expedited permit issuance upon resubmission of the application.
4. The building official may require an applicant to apply for an administrative use permit if he/she finds, based on substantial evidence, that the solar energy system could have a specific, adverse impact upon the public health and safety. Such decisions may be appealed to the City Planning Commission.
5. A use permit and/or an environmental and design review may be required for properties on the City's list of historic resources as determined by the Community Development Director.
6. If a use permit is required, the Community Development Director or his/her designee may deny an application for the use permit if he/she makes written findings, based upon substantive evidence in the record that: 1) the proposed installation would have a specific, adverse impact upon public health or safety; and 2) there is no feasible method

to satisfactorily mitigate or avoid the adverse impact. Such findings shall include the basis for the rejection of the potential feasible alternative for preventing the adverse impact. The Community Development Director's decisions may be appealed to the City Planning Commission.

7. Any condition imposed on a use permit or an environmental and design review permit application shall be crafted to mitigate the specific, adverse impact upon health and safety at the lowest possible cost to the applicant.
8. For purposes of this chapter, a "feasible method to satisfactorily mitigate or avoid the specific, adverse impact" includes, but is not limited to, any cost-effective method, condition, or mitigation successfully-imposed by the City on another similarly-situated solar energy application. The City shall use its best efforts to ensure that the selected method, condition, or mitigation that does not significantly increase the cost of the system or decrease its efficiency or specified performance as defined in this chapter.
9. The City shall not condition approval of an application on the approval of an association, as defined in 'Section 4080 of the Civil Code.
10. Only one inspection shall be required and performed by the Building Division for small residential rooftop solar energy systems eligible for expedited review.
11. The inspection shall be done in a timely manner and should include consolidated inspections. An inspection will be scheduled within one business day of a request and the applicant shall be provided with a four-hour inspection window.
12. If a small residential rooftop solar energy system fails inspection, a subsequent inspection is authorized but need not conform to the requirements of this Chapter.

CHAPTER 12.325 - MOVING AND RELOCATION OF BUILDINGS OR STRUCTURES

12.325.010 Purpose and scope. The purpose and scope of this chapter is to provide minimum standards to safeguard life, health, property and public welfare by regulating the moving and relocation of buildings or structures within the city.

12.325.020 Permit required. It is unlawful for any person, firm or corporation to move or cause to be moved, any building or structure that exceeds eight feet (87) in width, twenty-five feet (257) in length and fifteen feet (157) in height when loaded on moving dollies, into, out of, through or within the city without first having obtained a house mover's permit from the building official. A house moving permit shall not be issued until a relocation permit is obtained from the building official unless the structure is being moved from a location outside the city to a location outside the city.

12.325.030 Application for house mover's permit. Application for house mover's permit shall be made upon forms furnished by the building department and shall contain the following information:

1. Applicant's name, address and phone number;
2. That the applicant is a holder of a valid state house moving license;
3. That the applicant is a holder of a valid city business license;
4. That the applicant has on file with said city a bond as required by Section 12.325.050;
5. That the applicant has on file with the city a certificate of insurance as required by Section 12.325.060;
6. That the route over which the building is to be moved is specified;
7. That the written approval be obtained from the superintendent of streets, fire chief, police chief and utility companies of the route over which the building is to be moved;

8. The relocation permit number;
9. Other information which the superintendent of streets or the building official may require.

12.325.040 Fee for house mover's permit. Every person to whom a permit is issued shall pay to the building official, a permit fee in accordance with the Master Fee Schedule Resolution as adopted by the San Rafael City Council.

In addition, the permittee shall deposit with the Department of Public Works, the sum in accordance with the Master Fee Schedule Resolution plus any additional sum as required to cover the expense to the city for use of city personnel and/or removal and replacement of and repairs to any city property or equipment belonging to the city, occasioned by the moving of such building or structure.

12.325.050 Bond required. Before a house mover's permit may be issued hereunder, the house mover shall have filed with the city clerk a bond approved by the city attorney in favor of the city in the sum of one thousand dollars, executed by a responsible surety company conditioned that the principal will strictly comply with all requirements of this chapter and any ordinance hereafter in effect regulating the moving of buildings or structures in said city; that the principal sum will pay for any and all damages to any fence, tree, pavement, street or sidewalk or any other property belonging to the city resulting from the moving of any house or structure by him, that the principal sum shall be forfeited to the city if the permittee fails to comply with all conditions and regulations of the granting of such permit by the building official and that the principal will indemnify and keep harmless said city against any and all damages, judgments, costs and expense which may in any wise accrue against the city in consequence of the granting to him or exercise by him of any permit hereunder; which bond shall operate as a continuing bond for the purpose of this chapter for a term of two years from and after the date thereof.

12.325.060 Insurance required. No permit to move a building authorized by the building official shall be issued until the permittee has filed with the city clerk a policy of public liability and property damage, or approved certificate thereof, issued by a responsible insurance company authorized to do business in the state. Said policy shall provide liability insurance in an amount of at least two hundred fifty thousand dollars each person and seven hundred fifty thousand dollars each accident, and property damage insurance in an amount of at least one hundred thousand dollars per accident, and insure the permittee and shall insure to the benefit of any and all person suffering loss or damage either to persons or property by reason of wrongful or negligent acts in moving the building. Said policy shall also contain a clause or special endorsement indemnifying and saving harmless the city against any loss, damage, costs and expenses which may in any wise accrue against said city in consequence of the granting of the permit for moving any building or structure.

12.325.070 Obstructing streets. No building or structure in process of moving shall be permitted to remain in anyone location or any public street or way or projecting over a public sidewalk, street or way, for a period longer than two hours except by written permission first obtained from the superintendent of streets, fire chief and police chief, and no such building or structure shall be permitted to obstruct traffic on any railroad for a longer time than is necessary and the railroad company shall be notified at least twenty-four hours in advance by the house mover of the intention to move any building or structure across any said railroad.

No building or structure when removed from its foundation shall be permitted to remain at its original site or transitional site for a period longer than forty-eight hours, without written approval

from the building official.

12.325.080 Safety requirement. The moving of said structure or building shall be during the hours specified by the chief of police. During the period from a half hour after sunset to a half hour before sunrise, light lanterns shall be hung at least every five feet along each end or side of any building or structure while in a public street or way.

At all times while any building or structure is in a public street or way, the house mover shall maintain "street closed" warning barriers at both ends of the block, and during the period from a half hour after sunset to a half hour before sunrise, lighted lanterns shall be maintained not more than five feet apart on such barriers, but not less than three in all on each barrier. In lieu of the barriers the house mover may, with the approval of the chief of police, employ the use of emergency police vehicles. The fee for the use of such vehicles shall be as determined by the chief of police. The house mover shall keep the fire department advised at all times of the location of any building or structure on any public street or way.

12.325.090 Wires, cables, guys and poles. If the moving of any building hereunder requires any interference with any fire alarm, communication, or public utility structure, the applicant shall notify the public utility involved of the tentative time of such moving, the route of such moving, and the estimated loaded height of the building and moving equipment. Applicant shall bear the cost of any measures required to protect said structures from destruction or damage due to the moving of any building hereunder, and shall indemnify such public utility against any and all damages or claims of whatever kind or nature, direct or consequential, caused directly or indirectly by the relocation of any building hereunder or by any measures required to protect such structures. Applicant shall furnish the public utility involved with an advance cash deposit in the amount of the estimated cost of protecting such structures, subject to adjustment upon completion of moving to reflect the actual cost of such protective measures. No permit hereunder shall be issued by the building official unless applicant furnished satisfactory proof that any requirements of the public utilities have been fulfilled.

12.325.100 Relocation permit required. It is unlawful for any person, firm or corporation to move any structures from or onto any lot, piece or parcel of land located within the city until a relocation permit has been obtained as provided in this chapter.

12.325.110 Application for relocation permit. Every application for a relocation permit shall be:

1. Made in writing upon a form furnished by the building official and shall set forth such information as may reasonably be required,
2. Fees: each application shall be accompanied by a filing fee in accordance with the Master Fee Schedule Resolution.

12.325.120 Action on application. No permit shall be issued to relocate any building or structure within the city, which is so constructed or in such condition as to be dangerous or which is infested with pests or unsanitary; or which, if it be a dwelling for inhabitation, is unfit for human habitation; or which is so dilapidated, defective, unsightly or in such a condition of deterioration or disrepair that its relocation at the proposed site would cause appreciable harm to or be materially detrimental to the property or improvements in the district within a radius of one thousand feet from the proposed site, or if the structure is of a type prohibited at the proposed site, by any fire district ordinance, or by any other law or ordinance; provided, however, that if the condition of the building or structure, in the judgment of the building official, admits of practicable and effective

repair, the permit may be issued upon condition as hereinafter provided. If the unlawful, dangerous or defective condition of the building or structure proposed to be relocated is such that remedy or correction cannot practically and effectively be made, the permit shall be denied.

The building office shall, in granting any relocation permit, consider among other conditions the following:

1. Conformance to the zoning, building, housing, electrical, plumbing and heating codes of the city. The building official shall determine what repairs, alterations, or remodeling will be required to conform to all the requirements of the aforementioned codes;
2. That public improvements, such as concrete, curb and gutters, sidewalks, retaining walls, drainage, driveways and street trees are required to conform to city codes, ordinances and regulations;
3. That the structure when completed and in place will have a finished appearance and be so constructed as to not unreasonably depreciate other properties in the vicinity.

Where the building or structure is to be moved outside the city limits, the building official shall require the removal of foundations, walls, walks, debris, or other materials or structures remaining on the premises after the removal of the building. The repair of sidewalks, curbs and gutters, the removal of abandoned driveways and approaches, the filling in of basements, trenches and other excavations, or other work to return the premises to a state that will not be detrimental nor injurious to the public or either in the district as herein limited.

12.325.130 Relocation permit bond required. No relocation permit shall be issued unless the applicant shall first post with the city clerk of the city a bond executed by the owner of the premises where the building or structure is to be removed from the city or the owner of the premises from which the building or structure is to be moved, as principal and by a surety company authorized to do business in this state as surety. The bond, which shall be in form joint and several and shall name the city as obligee and shall be in an amount equal to the cost, plus twenty-five percent of the work required to be done in order to comply with all the conditions of such relocation permit, as estimated by the building official. In lieu of a surety bond, the applicant may post a bond executed by the said owner, as principal, and which is secured by a deposit of cash in the amount named above and conditioned as required in the case of a surety bond, such a bond as so secured is hereinafter called a "cash bond" for the purpose of this section.

12.325.130.1 Conditions of Relocation Permit Bond. Every bond posted pursuant to this section shall be conditioned as follows:

1. That each and all of the terms and conditions of relocation permit shall be complied with to the satisfaction of the building official;
2. That all of the work required to be done pursuant to the condition of the relocation permit shall be fully performed and completed within the time limit specified in the relocation permit; or, if no time limit is specified, within ninety days after the date of the issuance by the building official of the housemover's permit elsewhere in this chapter provided for. The time limit herein specified, or the time limit specified in any permit, may be extended for good and sufficient cause by the building official. No such extension of time shall be valid unless written and no such extension shall release any surety upon any bond.

12.325.130.2 Default in Performance of Conditions Notice to Be Given. Whenever the building official finds that a default has occurred in the performance of any term or condition

of any permit, written notice thereof shall be given to the principal and to the surety on the bond. Such notice shall state the work to be done, the estimated cost thereof and the period of time deemed by the building official to be reasonably necessary for the completion of such work and shall be served upon the principal by certified mail, return receipt requested.

After receipt of such notice the surety or principal-must, within the time specified, either cause the required work to be performed or failing therein, must pay over to the building department the estimated cost of doing the work, as set forth in the notice. Upon receipt of such moneys the building department may proceed by such mode as it deems convenient to cause the required work to be performed and completed but no liability shall be incurred therein other than for the expenditure of the said sum in hand therefor.

12.325.130.3 Cash Bond Manner of Enforcement. If a cash bond has been posted, notice of default as provided above shall be given to the principal and if compliance is not had within the time specified, the building department may proceed without further notice of proceedings whatever, to use the cash deposit to cause the required work to be done, by contractor or otherwise in the discretion of the department. The balance, if any of such cash deposit shall, upon the completion of the work be returned to the depositor or to his successors or assigns.

12.325.130.4 Period of Termination of Bond. The term of each bond posted pursuant to this section shall begin upon the date of the posting thereof and shall end upon the completion, to the satisfaction of the building official of the performance of all the terms and conditions of the relocation permit. Such completion shall be evidenced by a statement thereof, signed by the building official, a copy of which will be sent to any surety or principal upon request. When a cash bond has been posted, the cash shall be returned to the depositor, or to his successors or assigns, upon the termination of the bond, except any portion thereof that may have been used or deducted as elsewhere in this section provided.

12.325.130.5 Entry Upon Premises. The building official or other department of the city, the surety and the duly authorized representatives of either shall have access to the premises described in the relocation permit for the purpose of inspecting the progress of the work. In the event of any default in the performance of any term or condition of the relocation permit, the surety, or any person employed or engaged on its behalf, the building department, or any person employed or engaged on its behalf shall have the right to go upon the premises to complete the required work or to remove or demolish the building or structure. It is unlawful for the owner, or his representatives, successors or assigns, or any other person to interfere with or obstruct the ingress or egress to or from any such premises of any authorized representative or agent of any surety, or the city engaged in the work of completing, demolishing or removing any building or structure for which a relocation permit has been issued, after a default has occurred in the performance of the terms or conditions thereof.

12.325.140 Appeals. Any applicant for a house moving permit or for a relocation permit or any person aggrieved by any decision of the building official, may appeal such decision to the city council by filing with the city clerk a written notice of appeal within ten days of such decision. The appeal shall state the grounds upon which it is made and the particular decision from which the appeal is to be made. At the next regular meeting following the filing of notice of appeal the city council shall set a date for a public hearing and said public hearing shall be held not more than forty-five days thereafter. The decision of the city council shall be rendered within thirty days after the public hearing. In the event a decision is not rendered within the time limit specified above,

the notice of appeal is automatically rejected.

CHAPTER 12.335 -REPORT OF RESIDENTIAL BUILDING RECORD

12.335.010 Purpose. The city finds that it is necessary to maintain and upgrade the condition of the aging housing stock within the city to ensure the basic health and life safety of its residents. A report of residential building record prepared and issued upon the resale of residential property provides a reasonable and effective method of disclosing building conditions, unpermitted improvements, and mandatory items of correction to meet the city codes governing basic health and life safety. In addition, the city finds that a report of residential building record provides a valuable disclosure of building conditions to the purchaser, and an opportunity for the city to enforce building and zoning codes.

12.335.020 Definitions. For purposes of this section, the following definitions shall apply:

1. "Building official" means the building official, an authorized deputy, designated building inspector or other designated employee of the community development department building division charged with enforcement and administration of this chapter.
2. "Owner" means any person, co-partnership, association, corporation or fiduciary, or their authorized agent(s) having legal or equitable title or any interest in any real property.
3. "Purchaser" means any person, partnership, association, corporation or fiduciary, or their authorized agent(s) acquiring legal or equitable title or any interest in any real property.
4. "Report" means the report of residential building record.
5. "Residential building" means any improved property designed or permitted to be used for dwelling purposes (e.g., single-family dwelling, two-family (duplex) dwelling or multiple-family dwelling (apartment), or town home), situated in the city and shall include all the buildings or structures located on the improved real property.

12.335.030 Report required. Prior to the sale or exchange of any residential building, the owner thereof shall obtain from the city a report of residential building record, which documents the findings of a city permit records search and city inspection.

12.335.040 Application for report. An owner required by this chapter to obtain a report shall file an application to the community development department, building division, on forms provided by the department containing such information that may be deemed necessary.

12.335.050 Fees. A report shall be subject to an application fee made payable upon application to the city by the owner. The filing fee for the report shall be as set forth in the city's master fee schedule.

12.335.060 Contents of report. Upon application of the owner and payment of the fee, the building division shall review pertinent city records and inspect the premises in question. Upon completion of the review and the inspection, the building division shall make available to the owner a written report of residential building record, which shall contain in respect to the residential building and property the following information:

1. The street address and assessor's parcel number of subject property;
2. A statement documenting the zoning district classification for the property and a list of

- the zoning permits and/or approvals that have been granted to the property;
3. A list of the record of construction permits that are on file with the building division and, if any, the active or expired building permits that have been issued for work not yet completed on those premises;
 4. A list of past code enforcement cases and actions taken by the city;
 5. A statement confirming the type and number of residential buildings and dwelling units observed at the time of the city inspection;
 6. A statement as to whether there are any nonconformities or illegalities in the structures on the property or the uses such as, but not limited to, undocumented dwelling units or unpermitted improvements observed at the time of the city inspection;
 7. A statement listing any violations observed at the time of the city inspection and the required remedy for such violations (e.g., obtaining retroactive permits or abatement);
 8. A statement of advisory notations from the city on improvements observed at the time of the city inspection;
 9. The name of the city building inspector that conducted the city inspection supporting the report findings, along with the name and contact information of the building division employee that is available to assist in addressing questions and issues;
 10. The dates of report issuance and expiration; and
 11. A return receipt and buyer's certification form.
 12. A notification of the appeal process available to the owner who wishes to contest the contents of the report.

12.335.070 Policies, practices and procedures for administering the report program. The report program shall be administered and enforced by the community development department consistent with city policies, practices and procedures adopted by resolution of the city council. The adopted policies, practices and procedures shall address and incorporate, among others, the following:

1. Time frames and procedures for report processing and remedies;
2. The specifics on the scope of the city inspection for owner and purchaser awareness and to minimize redundancy with the privately-commissioned inspection reports prepared as part of the resale transaction;
3. A list of unpermitted improvements disclosed during the city inspection that are waived from obtaining a retroactive permit(s);
4. Policies for fees for the report application, appeals, refunds and waivers; and
5. Measures to facilitate customer awareness and knowledge of the report program.

12.335.080 Delivery and receipt of report to purchaser. When completed, the report shall be made available to the seller (owner) or their authorized agent(s) who shall acknowledge receipt of the same. The owner or their authorized agent(s) shall deliver the report to the purchaser or transferee prior to the consummation of the sale. The purchaser or transferee shall execute an acknowledgment of receipt of the report and deliver a copy of said receipt to the community development department building division.

12.335.090 Appeals. The report results and/or findings may be appealed to the community development director by the owner or his or her authorized representative. All appeals must be filed in writing with the community development department within five working days of the date of issuance of the report and accompanied by an appeal fee as set forth and adopted in the city's master fee schedule. The community development director shall review and render a written determination on the appeal within ten working days of the filing date of the appeal.

12.335.100 Expiration and extension. The report of residential building record shall be valid for a period of six months from the date of issuance by the city. Prior to the expiration date of the report, the owner may request, and the city may issue one extension of up to three additional months. There shall be no fee for the issuance of the extension. In the event the property is not sold and is remarketed after the report has expired, a new report shall be requested and issued by the city.

12.335.110 Exceptions. The provisions of this chapter shall not apply to:

1. The first sale of any residential building if such sale is within a twelve-month period from the recordation of the notice of completion of the residential building;
2. A re-conveyance by a trustee pursuant to the provisions of a deed of trust;
3. A transfer of property made without valuable consideration (e.g., transfer by reason of death or transfer into or out of a revocable trust);
4. A transfer of property made solely between co-owners; and
5. The transfer of a mobile home or trailer occupying land pursuant to a mouth-to-mouth rental or annual lease agreement, which does not involve the transfer or conveyance of real property.

12.335.120 Compliance with law. No statements contained in a report of a residential building record issued by the city shall authorize the use or occupancy of any residential building contrary to the provisions of any law or ordinance. Every report issued under this chapter shall contain a provision stating that the issuance of such report shall not constitute a representation by the city that the property or its present use is or is not in compliance with the law, and that the report does not constitute a full disclosure of all material facts affecting the property or the desirability of its sale.

12.335.130 Failure to obtain a report. Except as provided in this chapter, it is unlawful for the owner of a residential building in the city to sell or exchange the same without first having obtained a report pursuant to this chapter and delivering it to the purchaser. Any person violating any of the provisions of this chapter is guilty of an infraction and upon conviction thereof shall be punished by a fine not exceeding five hundred dollars.

CHAPTER 12.340 - UNREINFORCED MASONRY BUILDING MITIGATION PROGRAM

12.340.010 Purpose. The purpose of this chapter is to promote public safety and welfare by reducing the risk of death or injury that may result from the effects of earthquakes on unreinforced masonry buildings. Such buildings have been widely recognized for sustaining life-hazardous damage, including partial or complete collapse during moderate to strong earthquakes. The provisions of this chapter are intended as minimum standards for structural seismic resistance established primarily to reduce the risk of life loss or injury. Compliance with these standards will not necessarily prevent loss of life or injury or prevent earthquake damage to rehabilitated buildings. This chapter does not require alteration of existing electrical, plumbing, mechanical or fire safety systems unless they constitute a hazard to life or property. This chapter provides systematic procedures and standards for identification and classification of unreinforced masonry buildings based on their present use. Priorities, time periods and standards are also established under which these buildings are required to be structurally analyzed and repaired. Qualified Historical Buildings shall comply with the State Historical Building Code (SHBC) established under Part 8, Title 24 of the California Administrative Code.

12.340.020 Scope. The provisions of this chapter shall apply to all buildings which on the effective date of the ordinance codified in this chapter have unreinforced masonry bearing walls as defined in this chapter.

The building official, or his authorized representative, shall create and maintain a list of the existing unreinforced masonry buildings in the city. This list shall be kept current and additions and deletions of buildings from this list shall be made at any time changes in building status are determined.

Exception: This chapter shall not apply to detached one (1) family or two (2) family dwellings, detached apartment houses containing less than five (5) dwelling units and which are used solely for residential purposes, and warehouses.

12.340.030 Definitions. For purposes of this chapter, the applicable definitions in the Uniform Building Code shall also apply (for the purposes of this chapter, all references to the Uniform Building Code shall refer to the 1985 Edition):

1. "Essential building" means any building housing a hospital or other medical facility having surgery or emergency treatment areas; fire or police stations; municipal government disaster operation and communication centers.
2. "High risk building" means any building, not classified as an essential building, having an occupant load of one hundred (100) or more, as determined by Section 3302(a).

Exception: A high risk building shall not include the following:

- a. Any building having exterior walls braced with masonry cross walls or wood frame cross walls spaced less than forty feet (407) apart in each story. Cross walls shall be defined as walls having full story height with a minimum length of one and one-half (1 1/2) times the story height;
 - b. Any building used for its intended purpose, as determined by the building official, for less than twenty (20) hours per week.
3. "Medium risk building" means any building, not classified as a high risk building or an essential building, having an occupant load of fifty (50) occupants or more as determined by Section 3302(a).
 4. "Low risk building" means any building, not classified as an essential building, having an occupant load of less than fifty (50) occupants as determined by Section 3302(a).
 5. "Open front" is an exterior building wall plane on one (1) side only without vertical elements of the lateral force resisting system in one (1) or more stories.
 6. "Pointing" is the partial reconstruction of the bed joints of an unreinforced masonry wall as defined in U.B.C. Standard No.24.42.
 7. "Unreinforced masonry bearing wall" is a wall which provides the vertical support for a floor or roof for which the total superimposed load exceeds one hundred (100) pounds per linear foot of wall.

12.340.040 Rating classifications. The rating classifications shown in Table No. 12.340.040A below are established and each building within the scope of this chapter shall be placed in one (1) such rating classification by the building official. The total occupant load of the entire building as determined by Section 3302(a) shall be used to determine the rating Classification.

Exception: For the purpose of this chapter, any buildings, portions of which are constructed to act independently when resisting seismic forces, may be placed in separate rating classifications.

**TABLE 12.340.040A
Rating Classifications**

Type of building	Classification
Essential building	I
High risk building	II
Medium risk building	III
Low risk building	IV

12.340.050 General requirements. All buildings subject to the provisions of this chapter shall be seismically strengthened as follows:

1. Parapet bracing shall be provided except where adjacent structures will prevent parapets from falling away from buildings.
2. Floors and roofs shall be anchored to their supporting walls.
3. Open fronts shall be seismically braced.
4. Mortar joints shall be pointed.
5. Any special site-specific conditions felt by the building official of the designer to be an immediate hazard to public health and safety shall be corrected.

The design standard for compliance with the items listed in this section shall be in conformance with subsection (d) of this section.

Should a property owner wish to strengthen his building beyond the requirements of this section, such additional work shall comply with the requirements of subsection (d) of this section.

Unreinforced masonry buildings to be strengthened pursuant to items (1) through (5) of this section and subsection (c) of this section shall be designed and repaired in compliance with the applicable sections of Appendix Chapter 1 of the 1991 Edition of the Uniform Code for Building Conservation or other recognized standards acceptable to the building official. Deviations from these standards may be made if, in the opinion of the structural engineer and the building official, compliance with the standards would result in extreme hardship and the deviations are not likely to result in damage from earthquake forces that would injure occupants or passersby.

12.340.060 Administration.

Service of Order. The building official shall issue an order to the owner of each building within the scope of this chapter in accordance with the maximum time periods for service of such orders set forth in Table 12.340.060 A. The maximum time period for the service of such orders shall be measured from the effective date of the ordinance codified in this chapter.

**TABLE 12.340.060A
Service Priorities**

Rating Classification	Occupant Load	Maximum Time Periods for Service Order by City
I (Highest Priority)	Any	0
II	100 or more	180 days
III	50 to and including	2 years

	99	
IV (Lowest Priority)	Less than 50	2 years

12.340.060.1 Time Limits for Compliance. The owner of a building within the scope of this chapter shall comply with the requirements set forth above by submitting to the building official:

1. Within two hundred seventy (270) days after the service of the order, a structural analysis, which is subject to approval by the building official, and which shall demonstrate that the building meets the minimum requirements of this chapter; or
2. Within two hundred seventy (270) days after the service of the order, a structural analysis, plans, and a building permit application for the proposed structural alterations of the building necessary to comply with the minimum requirements of this chapter; or
3. Within two hundred seventy (270) days after the service of the order, plans for the demolition of the building.

12.340.060.2 After plans are submitted and approved by the building official, the owner shall obtain a building permit and commence and complete the required construction or demolition within the time limits set forth in Table 12.340.060 B. These time limits shall commence from the date the order is served in accordance with this section.

**TABLE 12.340.060B
Compliance Time Limits**

Required Action	Obtain Building Permit	Commence Construction	Complete Construction
Complete structural alterations or building demolition	1 year (from service of order)	180 days ¹	1 year ¹
1. Measured from date of building permit issuance. All the other time limits are measured from the date of the order.			

12.340.060.3 Contents of Order. The order shall be in writing and shall be served by certified or registered mail upon the owner as shown on the last equalized assessment, and upon the person, if any, in apparent charge or control of the building. The order shall specify that the building has been determined by the building official to be within the scope of this chapter and, therefore, is required to meet the minimum seismic standards of this chapter. The order shall specify the rating classification of the building and shall be accompanied by a copy of Sections 12.340.5 and 12.340.6 which set forth the owner's alternatives and time limits for compliance.

12.340.060.4 Appeal from Order. The owner of the building may appeal to the city council, sitting as the board of appeals, the building official's initial determination that the building is within the scope of this chapter. Such appeal shall be filed with the board within sixty (60) days from the service date of the order described in Section 12.340.6. Any such appeal shall be decided by the board no later than sixty (60) days after the date that the appeal is filed. The appeal shall be made in writing upon appropriate forms provided

therefor, by the building official and the grounds thereof shall be state clearly and concisely. Filing of an appeal hereunder shall toll the time periods specified in subsection (b) of this section.

Each appeal shall be accompanied by a filing fee as set forth by resolution of the city council. Appeals or requests for slight modifications from any other determinations, orders or actions by the building official pursuant to this chapter, shall be made in accordance with the normal appeal procedures established in this code.

12.340.060.5 Recordation. At the time that the order is served, the building official shall file with the office of the county recorder a certificate stating that the subject building is within the scope of Chapter 12.340, Unreinforced Masonry Building Mitigation Program. The certificate shall also indicate that the owner thereof has been ordered to structurally analyze the building and to structurally alter or demolish it where it is not found to comply with Chapter 12.340.

If the building is found not to be within the scope of this chapter, or as a result of structural alterations is found to be structurally capable of resisting minimum seismic forces required by this chapter, or is demolished, the building official shall file with the office of the county recorder a certificate terminating the status of the subject building as being classified within the scope of Section 12.34, Unreinforced Masonry Building Mitigation Program.

12.340.060.6 Program Status Reports to the City Council. The building official may submit an annual report to the city council on the status of the unreinforced masonry building mitigation.

CHAPTER 12.345 - WOOD-BURNING APPLIANCES

12.345.010 Purpose. The purpose of this chapter is to improve air quality within the county by regulating the type of wood-burning appliances that may be installed and maintained within the city.

12.345.020 Definitions. For the purposes of this chapter the following definitions shall apply:

1. "Bay area air quality management district" means the air quality agency for the San Francisco Bay Area pursuant to California Health and Safety Code.
2. "EPA" means the United States Environmental Protection Agency.
3. "EPA certified wood heaters" means any wood heater that meets the standard in Title 40 Part 60.530 Subpart AAA Code of Federal Regulations in effect at the time of installation and is certified and labeled pursuant to those regulations. An EPA certified wood heater may be freestanding, built-in, or an insert within a fireplace.
4. "Fireplace" means any permanently installed masonry or factory-built wood-burning appliance designed to be used with an air-to-fuel ratio greater than or equal to thirty-five is to one (35:1).
5. "Gas fireplace" means any masonry or factory-built fireplace in which a device that has been designed to burn natural gas or liquefied petroleum gas in a manner that simulates the appearance of burning wood has been permanently installed so the burner pan and associated equipment are affixed to the masonry or metal base of the fireplace.
6. "Insert" means any wood heater designed to be installed in an existing masonry or factory-built fireplace.

7. "Pellet-fueled heater" means any appliance that operates exclusively on solid fuel pellets
8. "Solid fuel" means wood or any other non-gases or non-liquid fuel.
9. "Wood-burning appliance" means a fireplace, wood heater, or pellet-fired heater or similar device burning solid fuel used for aesthetic or space-heating purposes.
10. "Wood heater" means an enclosed, wood-burning appliance that is not a fireplace capable of and intended for space heating that meets all the following criteria:
 - a. An air-to-fuel ratio in the combustion chamber averaging less than thirty-five is to one (35:1) as determined by the test procedures prescribed and approved by the building official;
 - b. A usable firebox volume less than twenty (20) cubic feet (0.57 cubic meters);
 - c. A minimum burn rate less than eleven (11) lb/hr (kg/hr); and
 - d. A maximum weight of less than one thousand seven hundred sixty (1,760) lbs. (eight hundred (800) kg).
11. "Wood stove" means a freestanding wood heater.

For the purpose of this chapter, fixtures and devices that are normally sold separately, such as flue pipe, chimney and masonry components that are not an integral part of the appliance or heat distribution ducting do not count as part of the appliance weight.

12.345.030 Exemptions. Wood-burning appliances specifically designed for cooking, outdoor fireplaces, gas and pellet-fueled appliances, and permanently installed or dedicated gas log fireplaces and wood-burning fireplaces legally installed prior to the effective date of the ordinance codified in this chapter, shall be exempt from all provisions of this chapter. The building official may approve an alternate wood-burning appliance, provided the building official finds that the proposed alternate appliance meets or exceeds the standards established for a EPA Phase II-certified wood heater.

12.345.040 Permit required. A building permit is required for the installation or replacement of any wood-burning appliance. Submittal for a building permit shall include documentation that the appliance is in compliance with the requirements of this chapter.

12.345.050 New construction, additions or remodels. Non-EPA Phase II-certified wood heaters or wood-burning fireplaces will not be allowed to be installed in new construction, additions or remodels of any size. Pellet-fueled and gas appliances will be allowed. Conversion of a gas fireplace to a wood-burning fireplace is prohibited.

12.345.060 Removal or replacement of non-compliant appliances upon remodel. A non-EPA Phase II-certified wood-burning appliance, with the exception of an existing wood-burning fireplace legally installed prior to the effective date of the ordinance codified in this chapter, shall be removed, rendered inoperable or replaced with a compliant appliance when:

1. The combination of the addition, alteration or remodeling exceeds fifty percent (50%) of the floor area of the existing structure, thereby constituting a substantial remodel; and
2. The appliance is located within the room or area of the renovation.

DIVISION 2 FINDINGS.

California Health and Safety Code Sections 17958.5, 17958.7, and 18941.5 require that findings be made in order to change or modify building standards found in the California Building

Standards Code based on local climatic, geologic, or topographic conditions. Therefore, the San Rafael City Council hereby finds that these changes or modifications to the Building Code as adopted in Chapter 12.210 of the San Rafael Municipal Code; the Residential Code as adopted in Chapter 12.255; and the Existing Building Code as adopted in Chapter 12.230 are reasonably necessary because of the following local climatic, geological and topographical conditions:

I. Climatic conditions:

- a) Most of the annual rainfall in San Rafael occurs during the winter, it receives no measurable precipitation between May and October. During this time, temperatures average between 70 and 90 degrees. These conditions eliminate most of the moisture in the natural vegetation and heavily wooded hillsides. The area also suffers periodic droughts that can extend the dry periods to other months of the year. These conditions can be further exacerbated by occasional off-shore hot, dry, Santa-Ana winds; all of which contribute to an elevated fire hazard.
- b) Most of the annual rainfall in San Rafael occurs during the winter, and some portions of San Rafael are subject to tidal influences, there are times that flooding conditions occur in low-lying areas

II. Geologic conditions:

- a) San Rafael lies near several earthquake faults, including the very active San Andreas Fault, there are significant potential hazards such as road closures, fires, collapsed buildings, and isolation of residents requiring assistance.
- b) Many areas of the city, including some highly developed industrial and commercial areas, are located on bay alluvial soils which are subject to liquefaction in the event of an earthquake.

III. Topographic conditions:

- a) Much of San Rafael is located in hilly areas, and many of the residential areas are heavily landscaped, and many exist adjacent to hilly open space areas which are characterized by dry vegetation and have limited access. In addition, the steepness of grades located in the hills and canyons results in narrow and winding roads, and limited water supply, making timely access, rescue and firefighting activities by emergency providers difficult.
- b) The major arterial route between San Francisco and Marin and Sonoma county areas, Highway 101, bisects the City of San Rafael; should that highway become impassable, alternative routes via surface streets in San Rafael may cause heavy traffic congestion, limiting emergency access.

More specifically, the above modified building standards are listed below with the corresponding climatic, geological or topographical condition which necessitates the modification.

CBC Section Numbers	Climatic, geological and topographical condition
903.2	<i>Ia, IIa, IIIa, IIIb</i>
907.2.10.2.3	<i>Ia, IIa, IIIa</i>
1015.8	<i>Ib, IIa</i>

1505.1	<i>la, IIIa</i>
1807	<i>lb, IIa, IIIb</i>
3109	<i>IIIa</i>
3202.2.3	<i>IIa, IIb, IIIb</i>

CEBC Section Numbers	
406	<i>lb, IIa</i>

CRC Section Numbers	
R313.1	<i>la, IIa, IIIa, IIIb</i>
R313.2	<i>la, IIa, IIIa, IIIb</i>
R314.7.2	<i>la, IIa, IIIa</i>
R902.1	<i>la, IIIa</i>

DIVISION 3. CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

This Ordinance is exempt from the California Environmental Quality Act (CEQA), pursuant to 14 CCR Section 15061(b)(3), since it can be seen with certainty that there is no possibility that the adoption of this Ordinance may have a significant effect on the environment. (14 Cal. Code Regs. Section 15061(b)(3), 'general rule' provision).

DIVISION 4 SEVERABILITY.

If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portion of this Ordinance. The City Council of the City of San Rafael hereby declares that it would have adopted the Ordinance and each section, subsection, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases shall be declared invalid.

DIVISION 5. EFFECTIVE DATE OF ORDINANCE.

This Ordinance shall be published once, in full or in summary form, before its final passage, in a newspaper of general circulation, published and circulated in the City of San Rafael and shall be in full force and effective on January 1, 2020. If published in summary form, the summary shall also be published within fifteen (15) days after the adoption, together with the names of those Council members voting for or against same, in a newspaper of general circulation published and circulated in the City of San Rafael, County of Marin, State of California.



 GARY O. PHILLIPS, Mayor

ATTEST:



LINDSAY LARA, City Clerk

The foregoing Ordinance No. 1974 was introduced at a Regular Meeting of the City Council of the City of San Rafael, held on the 4th day of November 2019 and ordered passed to print by the following vote, to wit:

AYES: COUNCILMEMBERS: Bushey, Colin, Gamblin, McCullough & Mayor Phillips

NOES: COUNCILMEMBERS: None

ABSENT: COUNCILMEMBERS: None

and will come up for adoption as an Ordinance of the City of San Rafael at a Regular Meeting of the Council to be held on the 18th day of November 2019.



LINDSAY LARA, City Clerk

Marin Independent Journal

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2070419

CITY OF SAN RAFAEL
CITY OF SAN RAFAEL
CITY CLERK, ROOM 209
1400 FIFTH AVENUE, SAN RAFAEL, CA 94901
SAN RAFAEL, CA 94915-1560

PROOF OF PUBLICATION (2015.5 C.C.P.)


STATE OF CALIFORNIA County of Marin

I am a citizen of the United States and a resident of the County aforesaid: I am over the age of eighteen years, and not a party to or interested in the above matter. I am the principal clerk of the printer of the MARIN INDEPENDENT JOURNAL, a newspaper of general circulation, printed and published daily in the County of Marin, and which newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of Marin, State of California, under date of FEBRUARY 7, 1955, CASE NUMBER 25566; that the notice, of which the annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

11/08/2019

I certify (or declare) under the penalty of perjury that the foregoing is true and correct.

Dated this 8th day of November, 2019.



Signature

PROOF OF PUBLICATION

Legal No. **0006422825**

CITY OF SAN RAFAEL

NOTICE OF PUBLIC HEARING BEFORE THE SAN RAFAEL CITY COUNCIL

AN ORDINANCE OF THE SAN RAFAEL CITY COUNCIL AMENDING TITLE 12 (BUILDING REGULATIONS) OF THE MUNICIPAL CODE OF THE CITY OF SAN RAFAEL, BY REPEALING TITLE 12 AND AMENDING TITLE 12 THEREOF; ADOPTING THE 2019 EDITION OF THE CALIFORNIA BUILDING CODE, THE CALIFORNIA RESIDENTIAL CODE, THE CALIFORNIA MECHANICAL CODE, THE CALIFORNIA PLUMBING CODE, THE CALIFORNIA ELECTRICAL CODE, THE CALIFORNIA EXISTING BUILDING CODE, THE CALIFORNIA GREEN BUILDING STANDARDS CODE, THE CALIFORNIA ENERGY CODE, AND THE CALIFORNIA REFERENCED STANDARDS CODE WITH APPENDICES AND AMENDMENTS HEREIN; ADOPTING THE 2018 EDITION OF THE INTERNATIONAL PROPERTY MAINTENANCE CODE AND THE INTERNATIONAL POOL AND SPA CODE WITH AMENDMENTS HEREIN; ADOPTING ADMINISTRATIVE AND PROGRAM PROVISIONS FOR THE CODES; AND ADOPTING FINDINGS OF FACT SUPPORTING THE AMENDMENTS TO THE CODES.

DATE/TIME: Monday, November 18, 2019 at 7:00 p.m.

LOCATION: City Council Chambers, City Hall, 1400 Fifth Avenue, San Rafael, CA

PURPOSE: To receive public comments and to consider adoption of a proposed ordinance to amend Title 12 (Building Regulations) of the San Rafael Municipal Code, by repealing Title 12 and amending Title 12 herein; adopting the 2019 Edition of the California Building Code, the California Residential Code, the California Mechanical Code, the California Plumbing Code, the California Electrical Code, the California Existing Building Code, California Green Building Standards Code, the California Energy Code, and the California Referenced Standards Code with appendices and amendments; adopting the 2018 Edition of the International Property Maintenance Code International Swimming Pool and Spa Code with amendments; adopting administrative and program provisions for the codes; and adopting findings of fact supporting the amendments to the codes.

IF YOU CANNOT ATTEND: You can send a letter with your comments regarding the proposed ordinance to Lindsay Lara, City Clerk, City of San Rafael, 1400 5th Avenue, San Rafael, CA 94901, or an email to lindsay.lara@cityofsanrafael.org. You can also hand deliver a letter prior to the public hearing.

FOR MORE: For additional information regarding the above, you can contact Don Jeppson, Chief Building Official for the City of San Rafael at (415) 485-3357. Office hours are Monday-Friday, 8:30 AM to 5:00 PM.

Lindsay Lara
City Clerk
City of San Rafael

No.1444 November 8, 2019

Marin Independent Journal

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2070419

CITY OF SAN RAFAEL
CITY OF SAN RAFAEL
CITY CLERK, ROOM 209
1400 FIFTH AVENUE, SAN RAFAEL, CA 94901
SAN RAFAEL, CA 94915-1560

PROOF OF PUBLICATION (2015.5 C.C.P.)

STATE OF CALIFORNIA County of Marin

I am a citizen of the United States and a resident of the County aforesaid: I am over the age of eighteen years, and not a party to or interested in the above matter. I am the principal clerk of the printer of the MARIN INDEPENDENT JOURNAL, a newspaper of general circulation, printed and published daily in the County of Marin, and which newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of Marin, State of California, under date of FEBRUARY 7, 1955, CASE NUMBER 25566; that the notice, of which the annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

11/13/2019

I certify (or declare) under the penalty of perjury that the foregoing is true and correct.

Dated this 13th day of November, 2019.



Signature

PROOF OF PUBLICATION

Legal No. **0006424670**

SUMMARY OF ORDINANCE NO. 1974

AN ORDINANCE OF THE SAN RAFAEL CITY COUNCIL AMENDING TITLE 12 (BUILDING REGULATIONS) OF THE MUNICIPAL CODE OF THE CITY OF SAN RAFAEL, BY REPEALING TITLE 12 AND AMENDING TITLE 12 THEREOF; ADOPTING THE 2019 EDITION OF THE CALIFORNIA BUILDING CODE, THE CALIFORNIA RESIDENTIAL CODE, THE CALIFORNIA MECHANICAL CODE, THE CALIFORNIA PLUMBING CODE, THE CALIFORNIA ELECTRICAL CODE, THE CALIFORNIA EXISTING BUILDING CODE, THE CALIFORNIA GREEN BUILDING STANDARDS CODE, THE CALIFORNIA ENERGY CODE, AND THE CALIFORNIA REFERENCED STANDARDS CODE WITH APPENDICES AND AMENDMENTS HEREIN; ADOPTING THE 2018 EDITION OF THE INTERNATIONAL PROPERTY MAINTENANCE CODE AND THE INTERNATIONAL POOL AND SPA CODE WITH AMENDMENTS HEREIN; ADOPTING ADMINISTRATIVE AND PROGRAM PROVISIONS FOR THE CODES; AND ADOPTING FINDINGS OF FACT SUPPORTING THE AMENDMENTS TO THE CODES

This Summary concerns a proposed Ordinance of the City Council of the City of San Rafael, designated as Ordinance No. 1974, which will amend Title 12 of the City of San Rafael Municipal Code concerning Building Regulations. Ordinance No. 1974 is scheduled for adoption by the San Rafael City Council at its regular meeting of November 18, 2019. The City Clerk has been directed to publish this Summary pursuant to City Charter and California Government Code section 36933(c)(1).

SUMMARY OF AMENDMENT TO MUNICIPAL CODE

This Ordinance would amend the San Rafael Municipal Code by amending Title 12 to adopt by reference the 2019 Edition of the California Building Code, the California Residential Code, the California Mechanical Code, the California Plumbing Code, the California Electrical Code, the California Existing Building Code, the California Green Building Standards Code, the California Energy Code, and the California Referenced Standards Code, with Appendices and amendments; adopt the 2018 Edition of the International Property Maintenance Code and the International Pool and Spa Code with amendments; adopt administrative and program provisions for the codes; and adopt findings of fact supporting specified local amendments to the codes.

For a complete copy of the text of the Ordinance amending the Municipal Code, please contact the City Clerk at (415) 485-3066 or the Community Development Department, Planning Division at (415) 485-3085. Copies of the Ordinance containing this Municipal Code amendment are also available for public review at the San Rafael City Clerk's office, 1400 Fifth Avenue, 2nd Floor, Room 209, during regular business hours, 8:30 a.m. to 5:00 p.m.

/s/ _____
LINDSAY LARA, City Clerk
San Rafael City Clerk

Dated: November 8, 2019

No. 1467 Nov. 13, 2019



SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Fire

Prepared by: Christopher Gray, Fire Chief

City Manager Approval: _____

A handwritten signature in black ink, appearing to be 'AS', written over a horizontal line.

TOPIC: Tri-Annual Fire Code Ordinance Amendments

SUBJECT: ADOPTION OF ORDINANCE 1975 AMENDING CHAPTER 4.08 OF THE SAN RAFAEL MUNICIPAL CODE TO ADOPT BY REFERENCE THE CALIFORNIA FIRE CODE 2019 EDITION WITH AMENDMENTS, THE INTERNATIONAL FIRE CODE 2018 EDITION, AND APPENDIX A OF THE 2018 INTERNATIONAL WILDLAND-URBAN INTERFACE CODE AND ADOPTING FINDINGS OF FACT SUPPORTING THE AMENDMENTS TO SUCH CODES

RECOMMENDATION:

Staff recommends that the City Council hold a public hearing and adopt Ordinance 1975.

BACKGROUND:

At its meeting of [November 4, 2019](#), the City Council passed Ordinance 1975 to print and set a public hearing on the Ordinance for November 18, 2019. The Ordinance amends San Rafael Municipal Code Chapter 4.08 by adopting the latest version of Title 24 the California Fire Code; specifically, the 2019 California Fire Code with amendments, the 2018 International Fire Code, and Appendix A of the 2018 International Wildland-Urban Interface Code along with certain local amendments to those codes. State law mandates that the fire code become effective statewide on January 1, 2019, with or without local amendments. Since the Ordinance is adopting these codes by reference per Government Code Sections 50022.1 through 50022.11, the public hearing occurs at the time of the Council's second consideration of the ordinance.

ANALYSIS:

California Code of Regulations Title 24, the California Fire Code, is published on a three-year cycle. The California Building Standards Commission publishes the tri-annual code and State law mandates that this code become effective throughout California 180 days after the publication date. This is done in order to foster uniformity in fire prevention and construction standards statewide. Local jurisdictions are permitted to amend the published codes based on findings of particular local climatic, geological, or topographical conditions. The proposed ordinance contains local amendments that have been carried over from previous years.

This update contains clerical updates that reflect revised code sections of both the California Fire Code and City Municipal Code. There are no substantial amendments being proposed at this time.

FOR CITY CLERK ONLY

Council Meeting:

Disposition:

ENVIRONMENTAL REVIEW:

It has been determined that the ordinance is exempt from review under the California Environmental Quality Act (CEQA) pursuant to the 'general rule' exemption in CEQA Guidelines Section 15061(b)(3) applicable to projects that do not have the potential to cause a significant physical environmental impact.

FISCAL IMPACT:

No fiscal impact to the City is anticipated since this only involves an update to the Fire Code with local amendments.

OPTIONS:

The City Council should hold the public hearing, accept comments, and adopt the Ordinance as proposed. Should the City Council decide not to adopt the Ordinance, the 2019 California Fire Code will become effective on January 1, 2019, without the recommended local amendments.

ACTION REQUIRED:

Adopt the Ordinance.

ATTACHMENTS:

1. Ordinance 1975
2. Public Hearing Notice
3. Summary Ordinance

ORDINANCE NO. 1975

AN ORDINANCE OF THE CITY OF SAN RAFAEL CITY COUNCIL AMENDING CHAPTER 4.08 OF THE SAN RAFAEL MUNICIPAL CODE TO ADOPT BY REFERENCE THE CALIFORNIA FIRE CODE 2019 EDITION WITH AMENDMENTS, THE INTERNATIONAL FIRE CODE 2018 EDITION, AND APPENDIX A OF THE 2018 INTERNATIONAL WILDLAND-URBAN INTERFACE CODE AND ADOPTING FINDINGS OF FACT SUPPORTING THE AMENDMENTS TO SUCH CODES

WHEREAS, the City of San Rafael may adopt a fire prevention code by reference pursuant to Article 2 commencing with Section 50022 of Chapter 1 of Part 1 of Division 1 of Title 5 of the Government Code; and

WHEREAS, pursuant to Health and Safety Code Section 13869, the City of San Rafael may adopt building standards relating to fire and panic safety that are more stringent than those building standards adopted by the State Fire Marshal and contained in the California Building Standards Code when such modified standards are reasonably necessary because of local climatic, geological or topographical conditions; and

WHEREAS, pursuant to Sections 17958.5, 17958.7, and 18941.5 of the State of California Health and Safety Code, changes or modifications to the 2019 California Building Standards Code are needed and are reasonably necessary because of local climatic, geographic and topographic conditions; and

WHEREAS, this Ordinance was introduced and passed to print at a meeting of the San Rafael City Council on the 4th day of November 2019;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN RAFAEL DOES ORDAIN AS FOLLOWS:

DIVISION 1. Title 4, Chapter 4.08 of the Municipal Code of the City of San Rafael is hereby amended to read as follows:

CHAPTER 4.08. FIRE CODE

Sections:	4.08.010	Purpose.
	4.08.020	Adoption of the California Fire Code, 2019 Edition and the International Fire Code, 2018 Edition, with Amendments and Appendix A of the 2018 International Wildland-Urban Interface Code
	4.08.030	Definitions.
	4.08.040	Administration and Enforcement of the Fire Code.
	4.08.050	The Fire Chief has Powers of Police and

	authority to arrest and issue citations.
4.08.060	Restrictions on the storage of flammable and combustible liquids in aboveground tanks outside of buildings.
4.08.070	Restrictions on the storage and dispensing of liquefied petroleum gases (LP-gas).
4.08.080	Explosives and blasting agents prohibited.
4.08.090	Restrictions on storage of compressed natural gas.
4.08.100	Restrictions on storage of stationary tanks of flammable cryogenic fluids.
4.08.110	New materials, processes or occupancies which may require permits.
4.08.120	Amendments to the Fire Code.
4.08.130	Enforcement and Penalties.
4.08.140	Appeals.

4.08.010 Purpose.

The 2019 California Fire Code which consists of certain portions of the 2018 International Fire Code as amended by the California Building Standards Commission described in Section 4.08.020 are adopted for the following purposes:

1. To prescribe regulations and building standards in order to protect life and property from fire, explosion, earthquake and other disasters;
2. To provide for permits as prescribed herein;
3. To establish and maintain a Fire Prevention Bureau;
4. To provide penalties for violations of this code.

4.08.020 Adoption of the California Fire Code, 2019 Edition and the International Fire Code, 2018 Edition, with Amendments.

The City Council hereby adopts by reference, for the purpose of prescribing regulations governing conditions hazardous to life and property from fire or explosion, those certain codes which contain building standards and fire safety standards known as the 2019 California Fire Code (International Fire Code, 2018 Edition as amended by the State of California) as published by the California Building Standards Commission, together with appendices B, C, D, F, I and K thereto; and the 2018 International Fire Code; save and except such portions as are herein added, deleted, modified or amended. Where conflicts occur between provisions of the 2019 California Fire Code and the 2018 International Fire Code, the provisions of the 2019 California Fire Code as amended shall apply

4.08.030 Definitions.

Except as words are defined in section 4.08.120, the words used in this chapter and in the adopted codes listed in 4.08.020 shall have the meaning as defined below.

The following words are defined:

1. Whenever the words "Building Code" are used, they shall mean the California Building Code, as adopted by the City of San Rafael, with amendments.
2. Whenever the words "Residential Code" are used, they shall mean the California Residential Code, as adopted by the City of San Rafael, with amendments.
3. Whenever the words "Fire Code" are used, they shall mean this chapter and the codes and standards adopted in section 4.08.020, with amendments.
4. Whenever the word "Jurisdiction" is used, it shall mean the City of San Rafael.

4.08.040 Administration and Enforcement of the Fire Code.

A. The Fire Chief has the authority to interpret, administer and enforce this code. The Fire Chief may delegate any or all of his authority under this code to such duly authorized subordinates in the Fire Department as he may designate and the actions of such duly authorized subordinates shall be construed as valid actions of the Fire Chief.

B. The Fire Chief shall have the authority and powers of a Code Enforcement Official, as specified in San Rafael Municipal Code Chapters 1.08 and 1.40, in performing the duties under this code.

C. The Fire Chief shall have the authority to order the immediate abatement of any hazard, located within or on public or private property and any public thoroughfare or railroad, when deemed by the Fire Chief to be an imminent hazard to the life, health, safety and the well-being of the public, firefighters and other City employees.

D. Whenever the Fire Chief finds an activity or use regulated by this code being performed or used in a manner contrary to the provisions of this code or in a dangerous or unsafe manner, the Fire Chief is authorized to issue an order to cause the activity or use to cease or desist immediately.

4.08.050 The Fire Chief has Powers of Police and authority to arrest and issue citations.

A. The Fire Chief and his duly authorized subordinates shall have the powers of a police officer in performing their duties under this code. When requested to

do so by the Fire Chief, the Chief of Police is authorized to assign such available police officers as necessary to assist them in enforcing the provisions of this code.

B. The Fire Chief and his duly authorized subordinates shall have authority to arrest or to cite any person who violates any provision of the Fire Code, in the manner provided for the arrest or release on citation and notice to appear with respect to misdemeanors or infractions, as prescribed by Chapters 5, 5C and 5D of Title 3 of Part 2 of the California Penal Code, including Section 853.6, or as the same hereafter may be amended.

C. It is the intent of the City Council that the immunities provided in Penal Code Section 836.5 be applicable to the aforementioned Fire Chief and his duly authorized subordinates exercising their arrest or citation authority within the course and scope of their employment pursuant to this code.

4.08.060 Restrictions on the storage of flammable and combustible liquids in aboveground tanks outside of buildings.

A. Pursuant to Sections 5704.2.9.6.1 and 5706.2.4.4 of the Fire Code, except as provided in Subsection B of this Section, the storage of flammable and combustible liquids outside buildings in aboveground tanks is prohibited in all areas of the City.

B. Providing storage of flammable and combustible liquids is within an approved aboveground fuel storage tank as required by the Fire Code, such storage and quantities are permitted in the following districts as defined in Title 14 of the Municipal Code:

1. Districts designated as I, LI/O, M, MC, or CCI/O shall be permitted to have a maximum of ten thousand (10,000) gallons at any one (1) site.
2. Districts designated as PD, providing that they are industrial use in nature, shall be permitted to have a maximum of ten thousand (10,000) gallons at any one (1) site.
3. Districts designated as GC, C/O, FBWC, or PD (providing that they are commercial use) shall be permitted to store a maximum of five thousand (5,000) gallons at any one (1) site.
4. Discretion may be exercised by the Fire Chief to modify the maximum capacities allowed by this section, in accordance with regulations and standards adopted by the Fire Chief to protect against any increased hazards to life or property.

C. Bulk plants for the storage of flammable or combustible liquids are prohibited within the jurisdiction.

D. Prior to the Fire Department authorizing installation of a tank system, the applicant shall apply for and obtain Environmental and Design Review Permit approval from the Community Development Department as provided in Chapter 14.25.

4.08.070 Restrictions on the storage and dispensing of liquefied petroleum gas (LP-gas).

- A. Pursuant to Section 6104.2 of the California Fire Code, except as provided in Subsection B of this Section, the storage of LP-gas is prohibited in all areas of the City.
- B. Storage, limited to one thousand (1,000) gallons of LP-gas at any one (1) site, is permitted in the following districts as defined in Title 14 of the Municipal Code, except that up to one thousand five hundred (1,500) gallons of LP-gas may be permitted at any one (1) site, provided that the LP-gas storage tank system is protected in a manner approved by the Fire Chief:
 - 1. Districts designated as I, LI/O or CCI/O;
 - 2. Districts designated as PD, providing that they are industrial use in nature;
 - 3. Districts designated as GC, C/O, FBWC, HO, 2/3 MUE, 2/3 MUW, M, MC or PD (providing that they are commercial use) only if the tank system is wholly protected in a manner approved by the Fire Chief.
- C. The storage of any LP-gas tank system in any residential district is prohibited unless there are no natural gas lines available to be connected to the residence.
- D. The dispensing of LP-gas is prohibited in all districts except such dispensing is permitted in those districts outlined in Subsection B of this Section.
- E. Exceptions to the Restrictions.
 - 1. Limited quantities only when used in conjunction with home LP-gas barbecues, recreational vehicles or similar uses;
 - 2. Limited quantities only when used in conjunction with LP-gas driven vehicles;
 - 3. Limited quantities only when used in conjunction with construction projects for which a Building Permit has been issued;
 - 4. Existing bulk LP-gas facilities shall be able to continue their use and shall be able to relocate their facilities with the express permission of the Fire Chief and the City Council.
- F. Prior to the Fire Department authorizing installation of a tank system, the applicant shall apply for and obtain Environmental and Design Review Permit approval from the Community Development Department as provided in Chapter 14.25.

4.08.080 Explosives and blasting agents prohibited.

Except where a Fire Permit is issued in accordance with Section 105.6.14, Section 105.6.40, or Section 105.6.51 of the Fire Code, the manufacture, storage, handling, sale, or use of any explosives, explosive materials, blasting agents, fireworks or pyrotechnic special effects is prohibited within the jurisdiction.

4.08.090 Restrictions on storage of compressed natural gas.

Compressed natural gas facilities are prohibited in all areas of the City except the following districts as defined in Title 14 of the Municipal Code:

1. Districts designated as I, LI/O or CCI/O;
2. Districts designated as PD providing that they are industrial use in nature.

4.08.100 Restrictions on storage of stationary tanks of flammable cryogenic fluids.

Pursuant to Chapter 55 of the Fire Code, the storage of flammable cryogenic fluids in stationary containers is prohibited in all areas of the City except the following districts as defined in Title 14 of the Municipal Code:

1. Districts designated as I, LI/O or CCI/O;
2. Districts designated as PD providing that they are industrial use in nature.

4.08.110 New materials, processes or occupancies which may require permits.

The Fire Chief shall determine and specify, after giving affected persons an opportunity to be heard, any new materials, process or occupancies which shall require permits in addition to those now enumerated in the Fire Code. The Fire Chief shall post such list in a conspicuous place in his office and distribute copies thereof to interested persons.

4.08.120 Amendments to the Fire Code.

The 2019 California Fire Code and the 2018 International Fire Code are amended or modified, as follows:

Section 1.11.2.1 is hereby amended to read as follows:

1.11.2.1.1 Enforcement. Pursuant to Health & Safety Code Section 13146, the Fire Chief shall have the responsibility for enforcement of building standards adopted by the State Fire Marshal and published in the California Building Standards Code relating to fire and panic safety and other regulations of the State Fire Marshal, for Group R-3 occupancies and all buildings and property subject to regulation by the City.

Section 102.5 is hereby amended to read as follows:

102.5 Application of California Residential Code. Where structures are designed and constructed in accordance with the *California Residential Code*, the provisions of this code shall apply as follows:

1. Design and construction provisions: Provisions of this code pertaining to the exterior of the structure shall apply including, but not limited to, premises identification, fire apparatus access and water supplies. Provisions of this code pertaining to the interior of the structure shall apply when specifically required by this code, including but not limited to Section 903.2. Where interior or exterior systems or devices are installed, construction permits required by Section 105.7 of this code also shall apply.
2. Administrative, operational and maintenance provisions: All such applicable provisions of this code shall apply.

Section 103.1 is hereby amended to read as follows:

103.1 Fire Prevention Bureau. The Fire Prevention Bureau is established within the Fire Department under the direction of the Fire Chief. The function of the Fire Prevention Bureau shall include the interpretation, implementation, administration and enforcement of the Fire Code and adopted standards. The Fire Prevention Bureau is authorized to enforce the provisions of other codes and ordinances of the City pertaining to the storage, handling and use of hazardous materials, fire and life safety, and the fire protection system requirements of the Building Code and the Residential Code.

Section 103.4.1 is deleted.

Section 104.12 is hereby added to read as follows:

104.12 Liability of persons causing a Fire Department response. The Fire Department may recover the costs and expenses of a Fire Department response (incident) within the responsibility for enforcement of the Fire Chief, including all costs and expenses of the Fire Department and other mutual aid Fire Departments responding to the incident, where the incident has been caused by the willful misconduct or negligence of the party that caused the incident. These response costs shall be a debt of the business, corporation, individual or other responsible party owed to the Fire Department and to the other responding mutual aid Fire Departments. The City may collect response costs on behalf of itself, and also may collect response costs on behalf of the other mutual aid Fire Departments with their consent. The mutual aid Fire Departments also may collect their response costs directly from the responsible party. The City shall compute and bill the responsible party for such response

costs and expenses, with payment due within thirty (30) days following the mailing of the bill, unless an appeal is filed as provided in Section 4.08.140 A of the San Rafael Municipal Code. Upon failure to pay the response costs and expenses when due, the responsible person shall be liable, in a civil action brought by the City, for such response costs and expenses, and costs of the litigation, including reasonable attorneys' fees.

104.12.1 Liability for correction and abatement. Where the Fire Chief determines that a violation of any provision of this Chapter constitutes an immediate threat to public health or safety, the Fire Chief is authorized to take such corrective action as may be necessary to cause the summary abatement of the violation. The City may recover the costs and expenses associated with the correction and abatement of a violation or hazardous condition, including all costs and expenses incurred by the City and contractors hired by the City to cause the correction and abatement. These correction and abatement costs shall be a debt of the owner, business, corporation, individual or other responsible party owed to the City. The City shall compute and bill the responsible party for such correction and abatement costs and expenses, with payment due within thirty (30) days following the mailing of the bill, unless an appeal is filed as provided in Section 4.08.140 A of the San Rafael Municipal Code. Upon failure to pay the correction and abatement costs and expenses when due, the responsible person shall be liable, in a civil action brought by the City, for such correction and abatement costs and expenses, and costs of the litigation, including reasonable attorneys' fees.

Section 104.13 is hereby added to read as follows:

Section 104.13. Fire prevention resource sharing. Other enforcement agencies shall have authority to render necessary assistance to the City in plan review, inspection, code interpretation, enforcement and other fire prevention services when authorized and as delegated by the Fire Chief, by written agreement

Section 105.6.32 is hereby modified by deleting the exception.

Section 105.7 is hereby amended to read as follows:

105.7 Required construction permits. The fire code official is authorized to issue construction permits for work as set forth in Sections 105.7.1 to 105.7.18.

Section 105.7.26 is hereby added to read as follows:

105.7.26 Vegetation Management Fire Protection Plan. A construction permit is required to implement a vegetation management fire protection plan for a new structure located in the Wildland-Urban Interface as designated in San Rafael Municipal Code Section 4.12.010. The vegetation management fire protection plan shall comply with Chapter 49 of this code and the Vegetation Management Standards in San Rafael Municipal Code Section 4.12.030.

Section 110.4 is hereby amended to read as follows:

110.4 Violation penalties. Persons who shall violate a provision of this Chapter and the Fire Code or shall fail to comply with any of the requirements thereof or who shall erect, install, alter, repair or do work in violation of the approved construction documents or direction of the Fire Chief, or of a permit or certificate used under provisions of this code, shall be subject to the enforcement and penalties set forth in Section 4.08.130 of the San Rafael Municipal Code. Each day that a violation continues shall be deemed a separate offense.

Section 111.4 is hereby amended to read as follows:

111.4 Failure to comply. Any person who shall continue to work after having been served with a stop work order, or any person who shall continue an activity or a use after having been served with a cease and desist order, shall be guilty of misdemeanors/infractions and are subject to the penalties set forth in San Rafael Municipal Code Section 4.08.130.

Section 113.2 is hereby amended to read as follows:

113.2 Master fee schedule. The fees for permits and other services shall be as established in the Master Fee Schedule Resolution of the City Council as adopted from time to time. The fee shall be set to cover the cost to review the application, issue a permit, and inspect the intended construction, activities, operations, use, or functions. The fees must be paid to the City prior to engaging in the construction, activities, operations, use or functions.

Exception: The applicant for a given permit shall be exempt from payment when the event is sponsored by the City, or work to be conducted is located on properties owned by the City, or as otherwise determined by the Fire Chief.

Where it is determined during inspections that the construction, activity, or use repeatedly fails to comply with the requirements of the Fire Code, and additional inspections or re-inspections are required to verify compliance, the Fire Chief may require those additional inspections be billed at the fully burdened hourly rate as published by the City's Finance Director.

Section 113.3 is hereby amended as follows:

113.3 Work commencing before permit issuance. Any person who commences any work, activity, operation or use regulated by this code before obtaining the necessary permits may be subject to an additional investigation fee as determined by the Fire Chief; the investigation fee shall be two (2) times the normal permit fee, and shall be in addition to the normal permit fee as specified in the Master Fee Schedule Resolution.

Section 113.6 is hereby added to read as follows

113.6 After hours inspection fees. An after-hours inspection is an inspection conducted outside of normal work hours; 8:30 AM – 5:00 PM, Monday – Friday. Where an afterhours inspection is performed before or following normal work hours that inspection may be charged by the hour. Where an inspector is called back to duty to perform an afterhours inspection, that inspection may be charged at four (4) hours minimum, then by the hour for any additional hours required over four (4). The afterhours inspection fee shall be charged at a rate of one and one-half (1½) times the fully burdened hourly rate as published by the City's Finance director.

Section 113.7 is hereby added to read as follows

113.7 Operational permit applications. Application for Operational Permits (i.e: Assembly, Pyrotechnic, Tents, etc.) shall be submitted at least ten (10) business days prior to the scheduled event date. Applications submitted less than ten (10) business days prior to the event date may be charged one and one-half (1½) times the regular permit rate.

Section 202 is hereby amended by adding the definition of "Coverings" as follows:

COVERINGS. As applied to the definition of Substantial Remodel only, coverings shall mean materials including, but not limited, to gypsum board, lath and plaster, paneling (including wood paneling), floor boards, brick and mortar, or other materials attached to rough framing of the building elements. Coverings do not include finishes, such as carpet, tile, paint or wall paper.

Section 202 is hereby amended to read as follows:

FALSE ALARM. False alarm shall mean an alarm signal, willful, knowing or otherwise, initiating a response by the Fire Department where an emergency

situation did not or does not exist.

Section 202 is hereby amended by adding the definition of “Fire Prevention Standards” as follows:

FIRE PREVENTION STANDARDS. Fire prevention standards shall mean those supplemental rules and regulations that have been approved by the Fire chief to provide additional guidance and interpretation of this code.

Section 202 is hereby amended by adding the definition of “Fire Road” as follows:

FIRE ROAD. Fire road shall mean any improved or unimproved road, public or private, that provides access for firefighting equipment and personnel to undeveloped areas.

Section 202 is hereby amended by changing the first sentence of the definition of “Fireworks” to read as follows:

FIREWORKS. Fireworks shall mean any composition or device for the purpose of producing a visible or audible effect for entertainment purposes by combustion, deflagration, or detonation, and any “safe and sane” fireworks as defined by section 12529 of the State of California Health and Safety Code, and including 1.4G fireworks and 1.3G fireworks as set forth hereafter.
[Remainder is unchanged]

Section 202 is hereby amended by adding the definition of “Pre-plans” as follows:

PRE-PLANS. Pre-plans shall mean detailed plans of buildings and premises where there may be special challenges for emergency operations. These pre-plans include information on the building's location, occupancy, hazards, fire department connections and hydrants, access, building layout, and other pertinent data that would assist the fire department in case of an emergency.

Section 202 is hereby amended by adding the definition of “Public Storage Facility” as follows:

PUBLIC STORAGE FACILITY. A public storage facility shall mean any business that sells, leases or rents space to the public, whether it is a building, storage container or similar configuration.

Section 202 is hereby amended by adding the definition of “Substantial Remodel” as follows:

SUBSTANTIAL REMODEL. Substantial remodel shall mean the alteration of any structure which combined with any additions to the structure, performed within any three (3) year period, affects a floor area which exceeds fifty percent (50%) of the existing floor area of the structure. When any changes are made in the building, such as walls, columns, beams or girders, floor or ceiling joists and coverings, roof rafters, roof diaphragms, foundations, piles or retaining walls or similar components, the floor area of all rooms affected by such changes shall be included in computing floor areas for purposes of applying this definition. This definition does not apply to the replacement and upgrading of residential roof coverings or exterior wall finishes.

Section 202 is hereby amended by adding the definition of “Temporary” as follows:

TEMPORARY. Temporary shall mean any occupancy, activity, or use for a period of less than one hundred eighty (180) days.

Section 304.1.2 is hereby amended to read as follows:

304.1.2 Vegetation. At the direction of the Fire Chief to reduce the fire hazard, weeds, grass, vines, brush, trees, or other growth that is capable of being ignited and endangering public or private property, a fire apparatus access road, a public thoroughfare, or a railroad, shall be cut and mulched or removed by the owner or occupant of the premises or by the responsible public agency in accordance with 304.1.2.1 and 304.1.2.2.

304.1.2.1 Vegetation clearance. Vegetation located within ten (10) feet of the outlet of a chimney or stove pipe shall be cut and mulched or removed. Vegetation located within one hundred (100) feet of a building shall be cut and mulched or removed. Vegetation located within ten (10) feet of a fire apparatus access road, a public thoroughfare, or a railroad shall be cut and mulched or removed. The minimum clearances specified above may be increased by the Fire Chief where there may be special challenges for emergency operations.

304.1.2.2 Wildland-Urban Interface areas. Vegetation clearance requirements in Wildland-Urban Interface areas shall be in accordance with Chapter 49 of this code and San Rafael Municipal Code Chapter 4.12.

Section 307.4.2 is hereby amended to read as follows:

307.4.2 Recreational Fires. Recreational fires within the jurisdiction limits of the City are subject to Sections 307.4.2.1 through 307.4.2.4.

307.4.2.1 City property. Recreational fires are prohibited on City owned property.

Exception: Where a Fire Permit is issued in accordance with Section 105.6.30.

307.4.2.2 Wildland-Urban interface properties. Recreational fires are prohibited in Wildland-Urban Interface areas as designated in San Rafael Municipal Code Section 4.12.010.

Exception: Where a Fire Permit is issued in accordance with Section 105.6.30.

307.4.2.3 Other properties. For all properties other than those identified in Section 307.4.2.1 and 307.4.2.2 above, recreational fires shall be conducted in compliance with all of the following:

307.4.2.3.1. Recreational fires shall be conducted in accordance with applicable Fire Prevention Standards;

307.4.2.3.2. Recreational fires shall not be conducted within 25 feet of a structure or combustible materials;

307.4.2.3.3. Conditions which could cause a fire to be spread within 25 feet of a structure shall be eliminated prior to ignition;

307.4.2.3.4. Recreational fires shall be conducted under the constant supervision and control of the Owner or tenant of the property;

307.4.2.3.5. A charged portable fire extinguisher with a minimum capacity of 4-A, or a charged garden hose, shall be available for use at the location of the recreational fire.

307.4.2.3.6. Upon completion of use, the Owner or tenant of the property shall ensure the recreational fire is completely extinguished prior to leaving the recreational fire unattended.

307.4.2.4 Fire Department Response. Where the Fire Department responds to the location of a recreational fire, the Fire Department Officer in charge of the response is authorized to extinguish the fire for non-compliance with Section 307.4.2, any Fire Permit that has been issued, or the applicable Fire Prevention Standards, or where the recreational fire is a fire hazard.

Section 307.4.3 is hereby modified by deleting the exception.

Section 308.1.2 is hereby amended to add the following concluding sentence:

Smoking is prohibited within all Parks as defined in San Rafael Municipal Code Section 8.10.015 and Open Space areas as defined in San Rafael Municipal Code Section 19.10.020, located within jurisdiction limits.

Section 320 is hereby added as follows:

Section 320 Fireworks

320.1 Fireworks prohibited. Except where a Fire Permit is issued in accordance with Section 105.6.14, Section 105.6.36, or Section 105.6.40 of the Fire Code, the manufacture, storage, sale, possession, handling, or use of any fireworks as defined in Section 202, is prohibited within jurisdiction limits.

320.2 Seizure. The Fire Chief shall seize, remove or cause to be removed, at the expense of the owner or person in possession, all stocks of fireworks offered or exposed for sale, stored, used or held in violation of this code.

Section 408.1.1 is hereby added as follows:

408.1.1 Pre-plans. Pre-plans shall be developed for buildings and premises where there may be special challenges for emergency operations, as determined by the Fire Chief.

Section 503.1.2. is hereby amended by adding the following concluding sentence:

The Fire Chief is authorized to require additional fire apparatus access roads for all newly constructed vehicle parking areas and for all new or altered structures, facilities, uses, or hazards.

Section 503.1.4 is hereby added as follows:

503.1.4 Fire roads. Fire Roads shall be provided for firefighting equipment, apparatus and personnel to undeveloped areas of the City so as to gain access to improved, unimproved, and undeveloped areas in a manner approved by the Fire Chief. Any vehicle or other obstruction to Fire Department access may be towed away or removed at the owner's expense.

Section 503.2.3 is hereby amended to read as follows:

503.2.3 Surface. Except for fire roads, fire apparatus access roads shall be designed and maintained to support the imposed loads of fire apparatus and shall be surfaced with asphalt or concrete so as to provide all-weather driving capabilities.

Section 503.2.6.1 is hereby added as follows:

503.2.6.1 Load testing. Bridges, Piers and Wharfs used for fire apparatus access shall be load tested to the original designed capacity when required by the Fire Chief.

Section 503.4 is hereby amended by adding the following concluding sentence:

Any vehicle or other obstruction may be towed away or removed at the owner's expense.

Section 503.4.2 is hereby added as follows:

503.4.2 Prohibition on vehicular parking on private access ways. If, in the judgment of the Fire Chief, it is necessary to prohibit vehicular parking along private access ways serving existing facilities, buildings, or portions of buildings in order to keep them clear and unobstructed for fire apparatus access, the Fire Chief may issue an Order to the owner, lessee or other person in charge of the premises to paint the curbs red or install signs or other appropriate notices to the effect that parking is prohibited by Order of the Fire Department. From the effective date of the order, it shall be unlawful for such owner, lessee or other person in charge of the premises to fail to install, maintain in good condition, the form of notice so prescribed. When such areas are marked or signed as provided herein, no person shall park a vehicle adjacent to any such curb or in the private access way contrary to such markings or signs. Any vehicle so parked in the private access way may be towed away at the expense of the owner of the vehicle.

Section 505.1 is hereby amended to read as follows:

505.1 Address numbers. New and existing buildings shall have approved address numbers, building numbers or approved building identification placed in a position that is plainly legible and visible from the street or road fronting the property. Numbers painted on the curb do not satisfy this requirement. These numbers shall contrast with their background. Address numbers shall be Arabic numerals or alphabet letters. Said numbers shall be either internally or externally illuminated in all new construction or substantial remodels. Number sizes shall be as follows: Minimum of one-half-inch (1/2") stroke by four inches (4") high for residential applications, minimum one-half-inch (1/2") stroke by six inches (6") high for commercial applications. Larger sizes may be required by the Fire Chief based on distance from the street or road fronting the property. All buildings abutting on any public or private street,

avenue, drive, road, place or lane within the City shall be given and marked with an official address number. Where access is by means of a private way, a monument, or other sign may be required by the Fire Chief to identify the building. The Chief Building Official shall decide the proper number to be assigned to any building. Where required by the Fire Chief, address numbers shall be provided in additional approved locations to facilitate emergency response. Address numbers shall be maintained.

505.1.1 Multi-tenant buildings. Numbers or letters shall designate all separate occupancies within new or existing multi-tenant buildings. Size shall be minimum one-quarter-inch (1/4") stroke by two inches (2") high and on a contrasting background for tenant spaces accessed from an interior corridor, and as indicated in Section 505.1 for spaces with exterior access doors. In multi-story or larger buildings, directional address numbers or letters shall be provided at a central location. Said addresses or numbers shall be posted at a height no greater than 5 feet, 6 inches (5' - 6") above the finished floor and shall be either internally or externally illuminated in all new construction or substantial remodels.

505.1.2 Rear addressing. Where required by the Fire Chief, approved numbers or addresses shall be placed on all new and existing buildings in such a position as to be plainly visible and legible from the fire apparatus road at the back of a property or where rear parking lots or alleys provide an acceptable vehicular access. Number stroke and size shall comply with Section 505.1.

Section 506.1 is hereby amended by adding the following concluding sentences:

506.1. Key Boxes. Except for single family dwellings, all buildings which have installed therein an automatic fire alarm system, automatic fire sprinkler system or a security gate, shall have an approved key box system installed. All facilities that are required to have Hazardous Materials Business Plans shall have an approved key box system installed. All electronic operated vehicular gates, including gates serving single family dwellings, shall have an approved key switch override system mounted on a stanchion or wall as approved by the Fire Chief.

Section 507.5.1.2 is hereby added as follows:

507.5.1.2 Fire hydrant upgrades. When additions or alterations to structures are made, the nearest existing fire hydrant shall be upgraded to the minimum standard of a Clow model 950, wet barrel type hydrant with one (1) four and one-half inch (4½") outlet and one (1) two and one-half inch (2½") outlet for single family dwellings, or for all other applications or structures to a Clow model 960, wet barrel type hydrant with one (1) four and one-half inch (4½") outlet and two (2) two and one-half inch (2½") outlets.

Exceptions 1: If the cost of upgrading the fire hydrant exceeds two percent (2%) of the cost of the project, based on the Building Permit valuation.

Exception 2: This section does not apply where an automatic fire sprinkler system is installed throughout the building.

Section 903.2 is hereby amended to read as follows:

903.2 Where Required; All Occupancies and Facilities. An automatic fire sprinkler system shall be installed in all of the following:

1. Every newly constructed, building or facility.

Exception: Freestanding structures not more than one thousand (1,000) square feet and provided with exterior wall and opening protection as per Table 602 of the Building Code.

2. Newly created, attached, second dwelling units which meet the definition of a substantial remodel.

3. All other existing buildings, where be required by the Fire Chief in accordance with the following:

i. All buildings where improvements occur during any three (3) year period which meet the definition of a substantial remodel.

ii. All buildings in excess of three thousand (3,000) square feet which have more than ten (10) percent floor area added within any three (3) year period.

iii. A change in the use of a building that results in a higher fire or life safety hazard when the square footage of the area changing use is more than fifty (50) percent of the square footage of the existing building.

iv. Where fire sprinklers are required by the provisions above, they shall be extended throughout the building.

4. All public storage facilities.

5. All tunnels used for the transportation of people or any type of vehicle.

The requirements for fire sprinklers in this code section are not meant to disallow the provisions for area increase, height increase, or fire-resistive-rated substitution if otherwise allowed by the Building Code or Residential Code.

Sections 903.2.1 through 903.2.17 remain the same.

Section 903.2.18 is hereby modified by deleting the exception.

Section 907.2.11.2.3 is amended to add the following concluding sentence:

“Replacement of existing smoke alarms which are hardwired and/or interconnected shall be made with an alarm of the same functionality.

Section 907.8.5.1 is hereby added as follows:

907.8.5.1 False and nuisance fire alarm – public nuisance. A protected premises fire alarm shall constitute a public nuisance if it actuates three (3) or more false or nuisance alarms within any calendar year. This section shall be effective thirty (30) days after fire alarm system installation is operational.

907.8.5.1.1 False alarm response fee. Where a protected premises fire alarm constitutes a public nuisance as specified in Section 907.8.5.1, the owner or lessee shall be responsible for the City's false and nuisance alarm response fees as specified in the Master Fee Schedule Resolution adopted by the City Council.

Section 1015.2 is amended by adding the following sentence to the end of the paragraph before the Exceptions:

Guards are also required at waterfront bulkheads, fixed piers and gangways.

Section 1015.8.2 and 1015.8.3 are added as follows:

1015.8.2 Existing Hotels. The provisions of sections 1015.8 shall apply retroactively to all existing hotels.

1015.8.3 Clear area adjacent to hotel window opening. There shall be no furniture, fixed or moveable, placed within thirty-six inches (36") of any openable portion of a window. Hotels shall also provide notice to prospective guests of this requirement.

Section 1030.3.1 is added as follows:

1030.3.1 Group I-2 Hospital Obstructions. In Group I-2 Hospitals, the required clear width for aisles, corridors and ramps that are part of the required means of egress shall comply with Section 1018.2. The facility shall have a plan to maintain the required clear width during emergency situations.

Exception: In areas required for bed movement, equipment shall be permitted in the required width where all the following provisions are met:

1. The equipment is low hazard and wheeled.
2. The equipment does not reduce the effective clear width for the means of egress to less than 5 feet (1525 mm).
3. The equipment is limited to:
 - 3.1 Equipment and carts in use;
 - 3.2 Medical emergency equipment;

- 3.3 Infection control carts; and
- 3.4 Patient lift and transportation equipment.
- 4. Medical emergency equipment and patient lift and transportation equipment, when not in use, is required to be located on one side of the corridor.
- 5. The equipment is limited in number to a maximum of one per patient sleeping room or patient care room within each smoke compartment.

Section 1103.8.1 is hereby amended by adding the following subsections, following the Exceptions:

A. On or after January 1, 1986, every single-family dwelling and factory-built housing, as defined in Health and Safety Code Section 19971, which is sold shall have operable smoke alarms installed. The smoke alarms shall be approved and listed by the State Fire Marshal and installed in accordance with section 907.2.11.2. Battery operated smoke alarms shall be deemed to satisfy the requirements of this section.

B. On or after January 1, 1993, every apartment building shall have installed a hardwired smoke alarm with battery back-up located within every dwelling unit. This smoke alarm shall be located outside of sleeping rooms and the primary power shall be from the building wiring, with no intervening switches other than the circuit breaker. The smoke alarm shall be approved and listed by the State Fire Marshal.

Section 1104.5.2 is added as follows:

1104.5.2 Change of ownership. Buildings, portions of buildings, or occupancies shall meet the requirements of Section 1104.5 upon a change of ownership.

Section 5704.3.3.11 is added as follows:

5704.3.3.11 Storage of flammable and combustible liquids and other hazardous materials. The storage of flammable or combustible liquids or other hazardous materials in public storage facilities is prohibited. Such facilities shall post legible and durable signs to indicate same in a manner and locations as specified by the Fire Chief. This section shall apply to new and existing public storage facilities.

Exception: Only those quantities of flammable and combustible liquids necessary for normal maintenance of the facility.

Appendix D103.5, Subsection 1 is hereby amended to read as follows:

D103.5, Subsection 1 Gate Opening Width. Except for a single one- or

two-family dwelling, the minimum unobstructed gate width shall be twenty (20) feet. For a single one- or two-family dwelling, the minimum unobstructed gate width shall be sixteen (16) feet, except where a narrower width is approved by the Fire Chief for exceptional circumstances.

4.08.130 Enforcement and penalties.

A. In addition to the enforcement powers and remedies provided in the Fire Code, the Fire Chief shall have the power to enforce the provisions of this code as provided in Chapters 1.40, 1.42, 1.44, and 1.46 .

B. Violations of the Fire Code as adopted in this code are misdemeanors/infractions and are subject to the penalties set forth in Section 1.42.010 of the San Rafael Municipal Code.

C. The imposition of one (1) penalty for any violation shall not excuse the violation or permit it to continue and all such persons shall be required to correct or remedy such violations or defects within a reasonable time and, when not otherwise specified each day that a violation occurs or continues, after a final notice has been delivered shall constitute a separate offense. The application of both penalties shall not be held to prevent the enforced correction of prohibited conditions.

D. Nothing contained in Subsections A through C of this Section shall be construed or interpreted to prevent the City from recovering all costs associated with a Fire Department response as described in Section 104.12 of the Fire Code.

E. Any violation of any provision of this code shall constitute a public nuisance, and shall entitle the City to collect the costs of abatement and related administrative costs, by a code enforcement assessment lien and special assessment pursuant to Section 1.46.160 of the San Rafael Municipal Code, or by a nuisance abatement lien and special assessment pursuant to Government Code Sections 38773.1 and 38773.5. Prior to recordation of such a lien or processing such a request for special assessment, the City shall give written notice to the record owner of the affected property. In addition, the City shall be entitled to collect such abatement costs and related administrative costs, together with litigation costs and attorneys' fees, in a civil action pursuant in Section 1.42.020 of the San Rafael Municipal Code.

4.08.140 Appeals.

A. Any person receiving a bill for Fire Department response costs and expenses pursuant to Section 104.12 of the Fire Code, may file within thirty (30) days after the date of mailing the bill, an administrative appeal against imposition of the civil penalty or response costs and expense. The appeal shall be in writing and filed with the Fire Chief, and shall include a copy of the bill and statement of the grounds for appeal. The Fire Chief shall conduct an administrative hearing

on the appeal, after giving the appellant at least ten (10) days' advance written notice of the time and place of the hearing. Within ten (10) days after the hearing, the Hearing Officer shall give written notice of the decision to the appellant, which decision shall be final. If the appeal is denied in part or full, all amounts due shall be paid within thirty (30) days after the mailing of the notice of the decision of the Hearing Officer.

B. Whenever the Fire Chief shall disapprove an application or refuse to grant a permit applied for, or when it is claimed that the provisions of the code do not apply or that the true intent and meaning of the code have been misconstrued or wrongly interpreted, the applicant may appeal from the decision of the Fire Chief to the City Council within ten (10) days from the date of the decision. The provisions of this section shall not apply to corrective actions for the clearance of vegetative as specified in 304.1 through 304.1.2.2 of the Fire Code, or to matters for which an appeal is provided pursuant to 4.08.140(A) above.

DIVISION 2.

California Health and Safety Code Sections 17958.5, 17958.7, and 18941.5 require that findings be made in order to change or modify building standards found in the California Building Standards Code based on local climatic, geologic, or topographic conditions.

Therefore, the San Rafael City Council hereby finds that these changes or modifications to the Fire Code as adopted in Title 4 of the San Rafael Municipal Code are reasonably necessary because of the following local climatic, geological and topographical conditions:

I. Climatic conditions

- a. **Precipitation.** Most of the annual rainfall in San Rafael occurs during the winter; it receives no measurable precipitation between May and October. During this time, temperatures average between 70 and 90 degrees. These conditions eliminate most of the moisture in the natural vegetation and heavily wooded hillsides. The area also suffers periodic droughts that can extend the dry periods to other months of the year. These conditions can be further exacerbated by high off-shore winds, or hot, dry, inland winds.
- b. **Relative Humidity.** Humidity generally ranges from 50% during daytime to 86% at night. It drops to 20% during the summer months and occasionally drops lower typically at the most extreme periods of the wildland fire season.
- c. **Temperatures.** Temperatures have been recorded as high as 108 degrees F. Average summer highs are in the 75 degree to 90 degree range.
- d. **Winds.** Prevailing winds are from the northwest. However, winds are experienced from virtually every direction at one time or another. Velocities are generally in the 5 – 15 mph range, gusting to 30 mph, particularly during the summer months. Extreme winds, up to 50 mph, have been known to occur.

II. Geological conditions

- a. San Rafael lies near several earthquake faults, including the very active San Andreas Fault; there are significant potential hazards such as road closures, fires, collapsed buildings, and isolation of residents requiring assistance.
- b. Many areas of the City, including some highly developed industrial and commercial areas are located on bay alluvial soils which are subject to liquefaction in the event of an earthquake.

III. Topographical conditions

- a. Much of San Rafael is located in hilly areas, and many of the residential areas are heavily landscaped, and many exist adjacent to hilly open space areas which are characterized by dry vegetation and have limited access. In addition, the steepness of grades located in the hills and canyons results in narrow and winding roads, and limited water supply.
- b. The major arterial route between San Francisco and Marin and Sonoma county areas, Highway 101, bisects the City of San Rafael; should that highway become impassable, alternative routes via surface streets in San Rafael may cause heavy traffic congestion, limiting emergency access or delaying response.

More specifically, the above modified building standards are listed below with the corresponding climatic, geological or topographical condition which necessitates the modification, as follows:.

Section Number	Climatic, geological and topographical condition
1.11.2.1	Ia, IIa, IIIa, IIIb
102.5	Ia, Ib, Ic, Id, IIa, IIIa, IIIb
103.1	Ia, Ib, Ic, Id, IIa, IIb, IIIa, IIIb
104.12	Ia, Ib, IIa, IIb, IIIa, IIIb
104.13	Ia, IIb, IIc, IId, IIa, IIb, IIIa, IIIb
105.6.32	Ia, IIa, IIb, IIIa, IIIb
105..7.26	Ia, Ib, Ic, Id, IIa, IIb, IIIa, IIIb
110.4	Ia, Ib, IIa, IIb, IIIa, IIIb
111.4	Ia, Ib, IIa, IIb, IIIa, IIIb
113.2	Ia, IIa, IIIa
113.3	Ia, IIa, IIIa
113.6	Ia, IIa, IIIa
113.7	Ia, IIa, IIIa

202	la, lb, Ila, IId, IIIa, IIIb
304.1.2	la,lc, Id, Ila, IIIa, IIIb
307.4.2	la, lb, lc, Id, Ila, IIIa, IIIb
307.4.3	la, Ila, lc, Id, IId, IIIa, IIIb
310.8	la, Ila, IIIa, IIIb
320	la,1b, 1c, 1d, Ila, IIIa, IIIb
408.1.1	la, lb, Ila, IId, IIIa, IIIb
503.1.2	la, lb, Ila, IId, IIIa, IIIb
503.1.4	la, lb, Ila, IIIa
503.2.3	la, lb, Ila, IId, IIIa, IIIb
503.2.6.1	la, Ila, IId, IIIa
503.4	la, 1b, lc, Id, Ila, , IIIa
503.4.2	la, lb, Ila, IId, IIIa, IIIb
505.1	la,lb, lc, Id, Ila, IIIa, IIIb
506.1	la, Ila, lc, Id, IId, IIIa
507.5.1.2	la, IIIa, IIIb
903.2	la, Ila, IIIa,IIIb
903.2.18	la, Ila, IIIa
907.8.5.1	la, lb, Ila, IId, IIIa, IIIb
1013.2	lb, Ila
1029.6	Ila, IId, IIIb
1030.3.1	Ila, IId, IIIa, IIIb
1103.8.1	la, Ila, IIIa
1104.5.2	la, Ila, IIIa
5704.3.3.11	la, Ila, IIIb
Appendix D103.5	la, lb, lc, Id, Ila, IIIa, IIIb

DIVISION 3.

All former Ordinances or parts thereof conflicting or inconsistent with the provisions of this Ordinance codified in this chapter or the Codes hereby adopted are hereby repealed.

DIVISION 4.

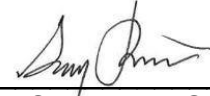
If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portion of this Ordinance. The City Council of the City of San Rafael hereby declares that it would have adopted the Ordinance and each section, subsection, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases shall be declared invalid.

DIVISION 5.

The City Council finds that adoption of this Ordinance is exempt from the California Environmental Quality Act (CEQA), pursuant to 14 CCR Section 15061(b)(3), since it can be seen with certainty that there is no possibility that the adoption of this Ordinance may have a significant effect on the environment.

DIVISION 6.

This Ordinance shall be published once, in full or in summary form, before its final passage, in a newspaper of general circulation, published and circulated in the City of San Rafael and shall be in full force and effective on January 1, 2020. If published in summary form, the summary shall also be published within fifteen (15) days after the adoption, together with the names of those Council members voting for or against same, in a newspaper of general circulation published and circulated in the City of San Rafael, County of Marin, State of California.



GARY O. PHILLIPS, Mayor

ATTEST:



LINDSAY LARA, City Clerk

The foregoing Ordinance No. 1975 was introduced at a Regular Meeting of the City Council of the City of San Rafael, held on the fourth day of November 2019 and ordered passed to print by the following vote, to wit:

AYES: COUNCILMEMBERS: Bushey, Colin, Gamblin, McCullough & Mayor Phillips

NOES: COUNCILMEMBERS: None

ABSENT: COUNCILMEMBERS: None

and will come up for adoption as an Ordinance of the City of San Rafael at a Regular Meeting of the Council to be held on the eighteenth day of November 2019.



LINDSAY LARA, City Clerk

Marin Independent Journal

4000 Civic Center Drive, Suite 301
San Rafael, CA 94903
415-382-7335
legals@marinij.com

2070419

CITY OF SAN RAFAEL
CITY OF SAN RAFAEL
CITY CLERK, ROOM 209
1400 FIFTH AVENUE, SAN RAFAEL, CA 94901
SAN RAFAEL, CA 94915-1560

PROOF OF PUBLICATION (2015.5 C.C.P.)

STATE OF CALIFORNIA County of Marin

I am a citizen of the United States and a resident of the County aforesaid: I am over the age of eighteen years, and not a party to or interested in the above matter. I am the principal clerk of the printer of the MARIN INDEPENDENT JOURNAL, a newspaper of general circulation, printed and published daily in the County of Marin, and which newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of Marin, State of California, under date of FEBRUARY 7, 1955, CASE NUMBER 25566; that the notice, of which the annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

11/08/2019

I certify (or declare) under the penalty of perjury that the foregoing is true and correct.

Dated this 8th day of November, 2019.



Signature

PROOF OF PUBLICATION

Legal No. **0006423046**

CITY OF SAN RAFAEL

NOTICE OF PUBLIC HEARING BEFORE THE SAN RAFAEL CITY COUNCIL

AN ORDINANCE OF THE CITY OF SAN RAFAEL CITY COUNCIL AMENDING TITLE 4 (FIRE REGULATIONS) OF THE MUNICIPAL CODE OF THE CITY OF SAN RAFAEL, BY REPEALING TITLE 4 AND AMENDING TITLE 4 THERETO; ADOPTING THE 2019 EDITION OF THE CALIFORNIA FIRE CODE, THE 2018 INTERNATIONAL FIRE CODE, AND APPENDIX A OF THE 2018 INTERNATIONAL WILDLAND-URBAN INTERFACE CODE WITH AMENDMENTS HEREIN; ADOPTING ADMINISTRATIVE AND PROGRAM PROVISIONS FOR THE CODES; AND ADOPTING FINDINGS OF FACT SUPPORTING THE AMENDMENTS TO THE CODES.

DATE/TIME: Monday, November 18, 2019 at 7:00 p.m.

LOCATION: City Council Chambers, City Hall, 1400 Fifth Avenue, San Rafael, CA

PURPOSE: To receive public comments and to consider adoption of a proposed ordinance to amend Title 4 (Fire Regulations) of the San Rafael Municipal Code, by repealing Title 4 and amending Title 4 herein; adopting the 2019 Edition of the California Fire Code, the 2018 International Fire Code, and Appendix A of the International Wildland-Urban Interface Code with amendments; adopting administrative and program provisions for the codes; and adopting findings of fact supporting the amendments to the codes.

IF YOU CANNOT ATTEND: You can send a letter with your comments regarding the proposed ordinance to Lindsay Lara, City Clerk, City of San Rafael, 1400 5th Avenue, San Rafael, CA 94901, or an email to lindsay.lara@cityofsanrafael.org. You can also hand deliver a letter prior to the public hearing.

FOR MORE: For additional information regarding the above, you can contact Robert Sinnott, Deputy Fire Chief for the City of San Rafael at (415) 485-5067. Office hours are Monday-Friday, 8:30 AM to 5:00 PM.

Lindsay Lara
City Clerk
City of San Rafael

No. 1448 November 8, 2019

Marin Independent Journal

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2070419

CITY OF SAN RAFAEL
CITY OF SAN RAFAEL
CITY CLERK, ROOM 209
1400 FIFTH AVENUE, SAN RAFAEL, CA 94901
SAN RAFAEL, CA 94915-1560

PROOF OF PUBLICATION (2015.5 C.C.P.)

STATE OF CALIFORNIA County of Marin

I am a citizen of the United States and a resident of the County aforesaid: I am over the age of eighteen years, and not a party to or interested in the above matter. I am the principal clerk of the printer of the MARIN INDEPENDENT JOURNAL, a newspaper of general circulation, printed and published daily in the County of Marin, and which newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of Marin, State of California, under date of FEBRUARY 7, 1955, CASE NUMBER 25566; that the notice, of which the annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

11/13/2019

I certify (or declare) under the penalty of perjury that the foregoing is true and correct.

Dated this 13th day of November, 2019.



Signature

PROOF OF PUBLICATION

Legal No. **0006424671**

SUMMARY OF ORDINANCE NO. 1975

AN ORDINANCE OF THE CITY OF SAN RAFAEL CITY COUNCIL AMENDING CHAPTER 4.08 OF THE SAN RAFAEL MUNICIPAL CODE TO ADOPT BY REFERENCE THE CALIFORNIA FIRE CODE 2019 EDITION, THE INTERNATIONAL FIRE CODE 2018 EDITION, AND APPENDIX A OF THE 2018 INTERNATIONAL WILDLAND-URBAN INTERFACE CODE, WITH AMENDMENTS, AND ADOPTING FINDINGS OF FACT SUPPORTING THE AMENDMENTS TO SUCH CODES

This Summary concerns a proposed Ordinance of the City Council of the City of San Rafael, designated as Ordinance No. 1975, which will amend Chapter 4.08 of the San Rafael Municipal Code concerning Fire Codes. Ordinance No. 19745 is scheduled for adoption by the San Rafael City Council at its regular meeting of November 18, 2019. The City Clerk has been directed to publish this Summary pursuant to City Charter and California Government Code section 36933(c)(1).

SUMMARY OF AMENDMENT TO MUNICIPAL CODE

This Ordinance would amend the San Rafael Municipal Code by Amending Chapter 4.08 to adopt by reference the 2019 edition of the California Fire Code, the 2018 International Fire Code, and Appendix A of the International Wildland-Urban Interface Code, with local amendments; adopt administrative and program provisions for the codes; and adopt findings of fact supporting specified local amendments to the codes.

For a complete copy of the text of the Ordinance amending the Municipal Code, please contact the City Clerk at (415) 485-3066 or the Deputy Fire Chief at (415) 485-5067. Copies of the Ordinance containing this Municipal Code amendment are also available for public review at the San Rafael City Clerk's office, 1400 Fifth Avenue, 2nd Floor, Room 209, during regular business hours, 8:30 a.m. to 5:00 p.m.

/s/ _____
LINDSAY LARA, City Clerk
San Rafael City Clerk

Dated: November 8, 2019

no. 1466 Nov 13, 2019



SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Economic Development

**Prepared by: Simon Vuong, Economic Development
Coordinator**

City Manager Approval:

TOPIC: EXCLUSIVE NEGOTIATING AGREEMENT WITH GOLDSTONE MANAGEMENT INC.

SUBJECT: RESOLUTION APPROVING AND AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT TO NEGOTIATE EXCLUSIVELY WITH GOLDSTONE MANAGEMENT INC. REGARDING REDEVELOPMENT OF 1009 AND 1001 FOURTH STREET, 924-926 THIRD STREET, AND THE THIRD STREET AND LOOTENS PLAZA PARKING GARAGE

RECOMMENDATION:

Adopt the resolution approving and authorizing the City Manager to execute an Agreement to Negotiate Exclusively with Goldstone Management Inc., to acquire a City-owned public parking garage and develop a mixed-use residential/retail development project.

BACKGROUND:

For the past two (2) years, the City has discussed a proposal from Goldstone Management Inc. ("Developer"), specifically Paul Goldstone, to acquire the City's public parking garage located near the southeast intersection of Third Street and Lootens Plaza (the "City Parcel"). The Developer owns three contiguous parcels at 1009 4th St, 1001 4th St, and 924-926 3rd St. improved with three commercial structures and an approximately 30-space, street level parking lot (the "Developer Parcels"). Please see Attachment 2 for a site map of the City and Developer parcels.

The Developer proposes to acquire an ownership interest in the City Parcel and to merge the City Parcel with the Developer Parcels, demolish existing structures, and build upon the entire site a mixed-use residential/retail development, including a market hall style food emporium. A new, fully automated parking garage ("Automated Multi-Use Garage") would replace the 171 public parking spaces located in the existing parking structure on the City Parcel and provide additional private parking to serve the retail and residential components of the proposed Project ("Project").

ANALYSIS:

The Developer has requested that the City enter into an exclusive negotiating agreement ("ENA") concerning the purchase of the City Parcel. The ENA would be a window of time where both the City and Developer agree to negotiate terms of an agreement exclusive of any third party in order to realize a project that each party would not be able to achieve alone. Entering into the ENA would serve two purposes: First, it commits the parties to work together and negotiate in good

FOR CITY CLERK ONLY

Council Meeting:

Disposition:

faith for a set period of time, potentially drafting a Disposition and Development Agreement (DDA) for City Council review and possible approval. Second, it obligates the developer to reimburse the City for certain costs and expenses incurred by the City in connection with negotiating and drafting the DDA.

A DDA between the City and the Developer would expressly define the process involved for disposition of the City Parcel and the development of the Project, and would also describe tasks, milestones, and other commitments required to successfully complete the Project. The DDA can be used to strengthen the public planning process by encouraging private participation in the achievement of comprehensive planning and economic development goals and reducing the total costs of development. A DDA can reduce the risks associated with development, thereby enhancing the City's ability to obtain public benefits beyond those achievable through existing ordinances and regulations.

Elements of the Proposed ENA:

The proposed ENA is attached as Attachment 3, and contains the following material terms:

Negotiation Period:

The negotiations will be conducted in two stages to occur over twenty-one (21) months. However, the ENA allows for a time extension of up to 90 days at any stage of the process, resulting in a not exceed term of 24 months.

Extensions: The Preliminary Stage and/or DDA Stage of the Negotiation Period may each be extended if the City Manager determines at their sole discretion that the Parties have made substantial progress toward meeting the performance milestones identified in the ENA. The cumulative total of all such extensions may not exceed ninety (90) days.

Preliminary Stage: The "Preliminary Stage" of the Negotiation Period will begin on the effective date of the ENA should the City Council approve it and will expire six (6) months after or when a "Preliminary Stage Feasibility Confirmation" is reached, whichever is earlier. During this Preliminary Stage, both Parties will work together to assess whether the proposed Automated Multi-Use Garage is feasible from a technical, financial, and operational perspective, and to negotiate a proposed "DDA Term Sheet". If the Automated Multi-Use Garage and DDA Term Sheet is acceptable to both parties, then the milestone will be memorialized in writing as a Preliminary Stage Feasibility Confirmation.

If the Project is determined to be infeasible or it does not meet the City's needs and objectives, then either party making such determination may terminate the ENA. If the Parties have not executed a Preliminary Stage Feasibility Confirmation by the expiration of the Preliminary Stage, then the ENA is terminated.

The City and the Developer agree to negotiate diligently and in good faith to perform the tasks necessary for successful completion of the Preliminary Stage, and if the Preliminary Stage conditions are satisfied, both Parties can to continue to complete the DDA Stage tasks. The City agrees for the Negotiation Period not to negotiate with, solicit offers or proposals regarding, or respond to detailed inquiries from any other person or entity regarding the conveyance of the City Parcel and/or the development of the site or any portion thereof.

During the Preliminary Stage of the Negotiation Period, the Developer must retain a parking consultant to prepare for City review and input a detailed plan describing all aspects of operation

and joint use of the proposed Automated Multi-Use Garage (“Parking Plan”), including: design, access, operation and maintenance, funding, public parking rates, assigned parking spaces for different users for different times of the day, etc. The City will retain its own parking consultant, at Developer’s cost, to peer review the Developer’s Parking Plan and advise the City on any changes needed.

DDA Stage: A DDA would set forth the terms under which the City would transfer the City Parcel to the Developer, and it would also describe how the Developer would endeavor to develop the proposed Project on the site. The Developer and its successors, at their expense, would agree to operate the Automated Multi-Use Garage and provide ongoing public parking in perpetuity for the benefit of the City and the public in accordance with agreed upon pricing to be set forth under the terms of the DDA.

The “DDA Stage” of the Negotiation Period will commence on the effective date of the Preliminary Stage Feasibility Confirmation and expire fifteen (15) months thereafter. Commencement of the DDA Stage is also contingent upon the Developer delivering the Preliminary Stage Deposit to the City, currently identified as \$50,000. During the DDA Stage, both Parties will continue to negotiate and draft a comprehensive DDA and undertake the other DDA Stage tasks described in the Schedule of Performance (Attachment 3, p.16).

A “DDA Term Sheet” will also be drafted, that will address, among other things: transfer value of City parcel, land use and market operations, details of the Project drawings (plan and elevation view), costs of the DDA, use of Lauren’s Place (adjacent public civic plaza) for outdoor seating, timelines for entitlement and construction (including physical and environmental testing), conditions for close of escrow (such as land use approvals, building permits, construction contracts), financing details, City remedies, prevailing wage requirements, and a parking agreement.

A “DDA” resulting from the negotiations will only become effective if the DDA has been considered and approved by the City Council at a duly noticed public meeting. If a DDA is executed by the City and the Developer, that DDA will govern the rights and obligations of both Parties.

Developer Deposit and Future Costs:

The Developer will be responsible for paying for staff and consultant time spent in connection with implementation of the ENA, including costs associated with evaluating the feasibility of the Automated Multi-Use Garage and drafting of the DDA Term Sheet as well as preparation of a document addressing the environmental impacts of the Project per the California Environmental Quality Act (CEQA). These costs also include third-party consultant costs of attorneys, financial consultants, parking consultants, environmental consultants, and planning consultants hired by the City in connection with the Project.

The Preliminary Stage deposit of \$50,000 will be paid by the developer. For DDA Stage, both Parties must reach mutual agreement on an amount of funding that would be necessary for the DDA Stage during the Preliminary Stage. Prompt deposits are required to initiate these stages and associated work, otherwise this ENA may be terminated, and the City will have no obligation to continue incurring costs in connection with this Project.

The City will provide the Developer with monthly invoices reflecting the draw on deposits for work completed by the City and its consultants.

Other Terms & Conditions:

Right of Entry & City Data:

The City will provide Developer reasonable access to all portions of the City Parcel for purposes of obtaining data, making surveys and tests necessary to evaluate the development potential of the City Parcel and other land use due diligence. Any engineering or environmental reports or data that are furnished by the City will need to be verified independently by the Developer and the Developer may not solely rely on the accuracy of City Reports.

Developer Responsibilities:

The Developer must notify the City if there is a change in the identity of its principals, officers, or managers, which is subject to City approval. Developer must also fully disclose financial data, including development and operating assumptions related to Project costs and potential methods of financing to be used in the acquisition of the City Parcel and development of the proposed Project. The City must also receive a progress report on the status of all work undertaken on behalf of the Developer within ten (10) days following the City's request.

City Responsibilities:

The City will cooperate with Developer by providing full disclosure regarding any existing condition of the City Parcel or improvements. The City will share with Developer any studies and information received as part of City's own parking and traffic flow studies as they relate to the site or the proposed Project.

Limitations of the ENA:

With the execution of the ENA, the City is not committing itself to conveying the City Parcel to the Developer. Execution of the ENA is merely a period of exclusive negotiations according to the outlined terms, reserving final discretion and approval by the City as to any DDA. In addition, nothing in the ENA is to be construed to limit the application of CEQA, and the City will act independently regarding such CEQA approvals independent of the ENA. The City is not obligated to approve the proposed Project, DDA, or any other agreement. The City is also not precluded from rejecting the DDA and/or proposed Project or from imposing mitigation measures as a condition of approval. If the City rejects the DDA or proposed Project, the ENA automatically terminates.

Schedule of Performance:

The Preliminary Stage is expected to take no more than 6 months, which would include the Developer retaining a parking consultant, analysis of the parking plan, and negotiation of a term sheet. The DDA Stage is expected to take no more than 15 months, which would include work required by the California Environmental Quality Act (CEQA) and preparation of a DDA proposal. Please see Attachment 3, p. 16 for more details.

FISCAL IMPACT:

City staff will monitor and provide regular oversight to ensure costs do not exceed the developer paid deposit of \$50,000 during the Preliminary Stage. Therefore, there will be no fiscal impact to the City if the ENA is approved.

COMMUNITY OUTREACH:

In March 2019, the Developer circulated a survey to the public, encouraging participation and soliciting comments and feedback on what the public envisions for the future of the site. The results are still being analyzed.

OPTIONS:

1. Adopt the resolution approving the ENA as proposed.
2. Request further information

RECOMMENDED ACTION:

Adopt the resolution approving and authorizing the City Manager to execute the Agreement to Negotiate Exclusively with Goldstone Management, Inc.

ATTACHMENTS:

1. Letter of Intent
2. Site Map
3. Agreement to Negotiate Exclusively
4. Resolution



Ms. Danielle O'Leary
Economic Development Manager
City of San Rafael
1125 B Street
San Rafael, CA 94901

RE: LETTER OF INTENT FOR ERNA, 930 3RD STREET, SAN RAFAEL, CA

Dear Ms. O'Leary:

The purpose of this letter is to introduce myself, set forth my vision, and outline the terms and conditions upon which we propose to enter into an ERNA ("Exclusive Right to Negotiate Agreement") with the City for a subsequent purchase of the Property as more particularly described below.

By way of introduction to the San Rafael City Council, I am a Bay Area native with an over 40-year track record creating innovative food, housing, retail and technology companies. My latest projects have been focused on the revitalization and rehabilitation of large mixed-use properties that have contributed to energizing local community neighborhoods. The appeal to us of the proposed San Rafael Market Hall project is its potential to improve the quality of life and provide an admirable example, i.e., a benchmark, to help incentivize creative business investment in Downtown San Rafael. My projects have served to successfully enhance neighborhoods and created gathering spaces via mixed-use developments in Berkeley, Oakland and Santa Cruz. Our vision in San Rafael is no exception; this proposal provides much needed housing, entertainment and food services to an area that is poised to economically benefit from forward thinking and forward-looking development. This project will bring an extremely desirable synergy to downtown San Rafael by creating housing that will be situated near highly patronized transit, eatery and recreational facilities. It also proposes a uniquely designed Market Hall that will attract local food services to provide the neighborhood with universally popular quality foods and services tailored to the needs and wants of the local community. The San Rafael Market Hall project, while contributing to the regions local housing needs will create a strong economic driver that will benefit the downtown businesses. This community-focused vision ultimately brings a solid focal point back to the downtown area that will create a hub for people of all ages that will likely drive economic vitality for years to come.

TRANSACTION TERMS TO BE NEGOTIATED IN THE ERNA

1. **SELLER:** The City of San Rafael, a Municipal corporation
2. **BUYER:** Paul Goldstone or an affiliated as yet to be formed LLC.

8. PERMITS AND APPROVALS:

In Addition to following the City's existing zoning and general plan applicable to the rental housing component of the Project site, the Project shall contain below market rate rental homes in accordance with Government Code, §§ 65915-65918

9. MAINTENANCE &
LIABILITY OF PUBLIC
GARAGE:


Upon completion of the New Public Garage, the Buyer shall become the sole responsible party for all costs related to the maintenance, security, insurance, and all liabilities associated within the garage.

The Buyer and any subsequent owners of the Property containing the New Public Garage will be solely responsible for the maintenance and long-term upkeep, and replacement, when required, of the entire garage superstructure, the automated parking systems therein and all related components.

Thank you for the opportunity to present this Letter of Intent. I understand that there are many details related to the general business terms outlined in this LOI that will require more discussion, but I greatly look forward to the opportunity to working with you and developing an economically feasible project that enhances the community and supports the San Rafael Business Improvement District.

Thank you very much for your consideration. We look forward to constructing a development and accompanying parking that will make this location the top one in the entirety of Marin County to live, work and recreate.

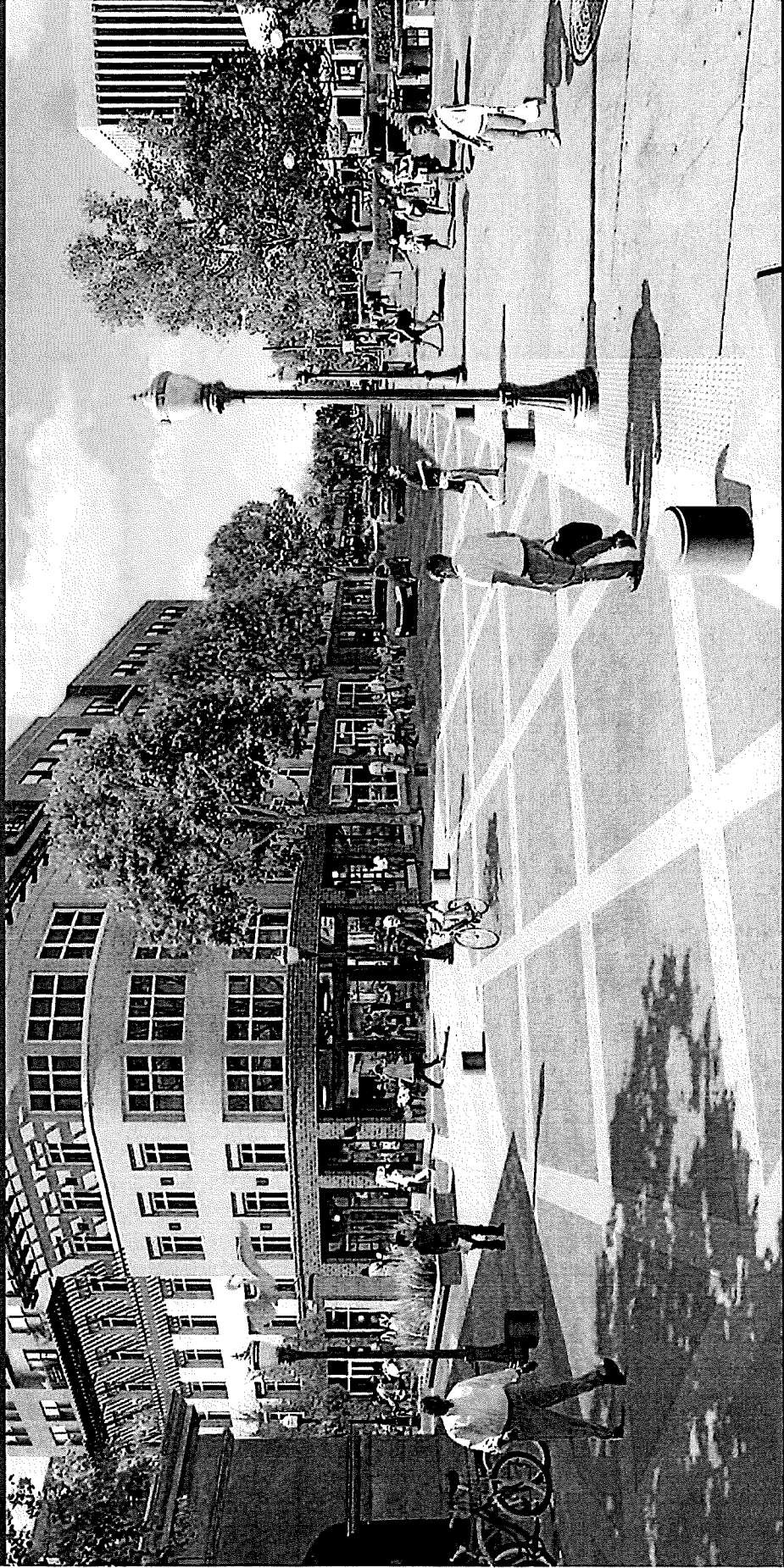
Sincerely,

DocuSigned by:

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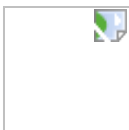
2/15/2019

Paul Goldstone
Goldstone Management

**San Rafael, CA
4th Street at Lauren Place**



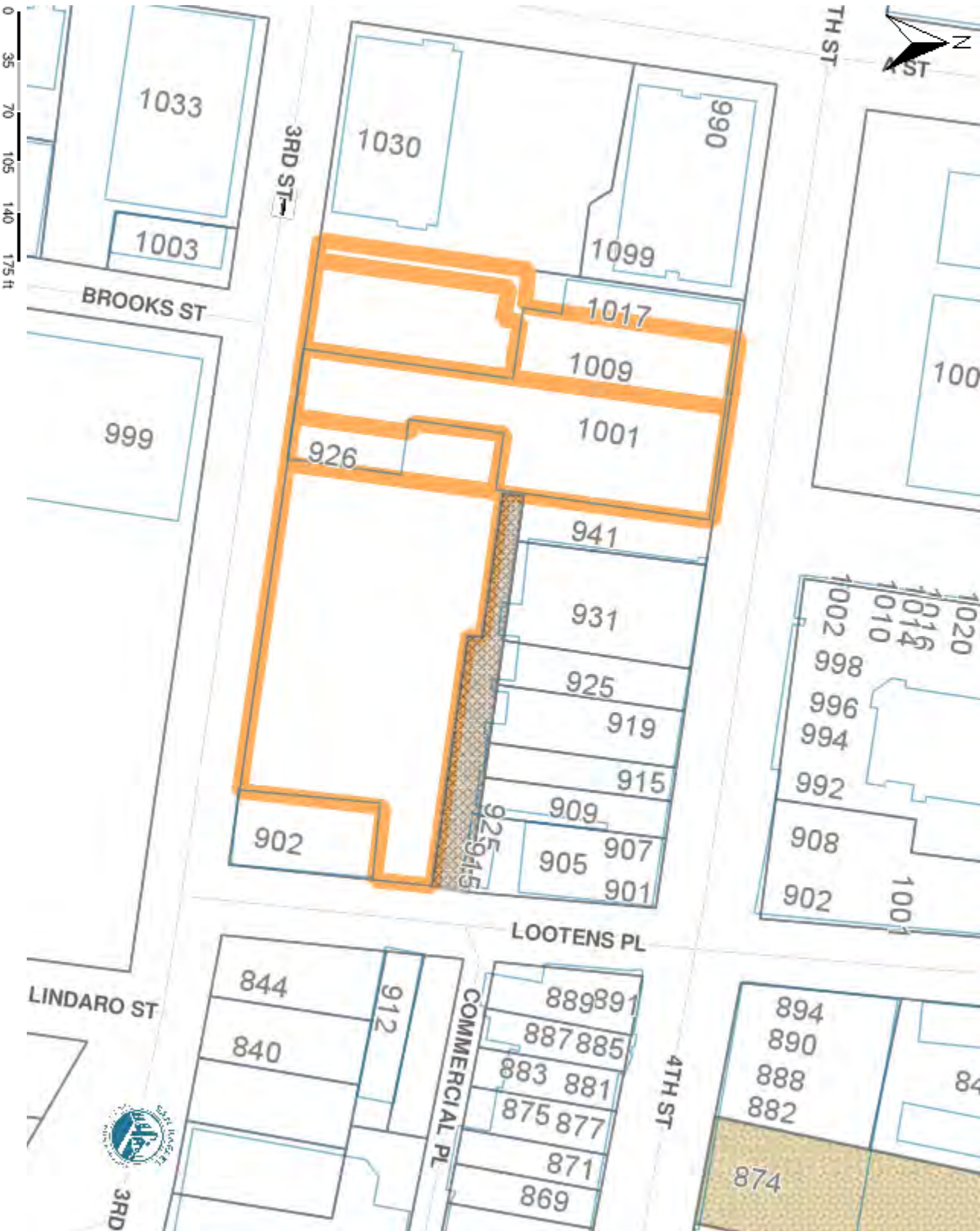
Urban Advantage



1001 - 1009 4th St, 924-926 3rd St

While we strive to produce maps with good accuracy and with current accompanying data, the accuracy of the information herein cannot be guaranteed. This map was prepared using programmatic computer aided drafting techniques, and it does not represent legal boundary survey data.

	Bay Waters
	Bay Waters
	Parcels
	Parcels
	ROW
	ROW
	Other Easements
	EASEMENTS
	MMWD Easements
	EASEMENTS
	Boat Docks
	Boat Docks
	Buildings
	Buildings
	OneWayArrows
	One Way Arrows
	Medians
	Medians
	Street Centerline
	Street Centerline
	Street Names
	Street Names
	Label
	SITUS
	San Rafael Sphere of Influence
	San Rafael Sphere of Influence
	San Rafael City Limit
	City Limit Line



AGREEMENT TO NEGOTIATE EXCLUSIVELY

THIS AGREEMENT TO NEGOTIATE EXCLUSIVELY (“**Agreement**”) dated for reference purposes as of _____ 2019 (“**Effective Date**”), is entered into by and between the City of San Rafael, a municipal corporation (“**City**”), and Goldstone Management Inc., a California corporation (“**Developer**”). City and Developer are sometimes referred to individually herein as a “**Party**”, and collectively as the “**Parties**”.

R E C I T A L S:

A. City owns that certain real property designated as APN: 011-263-22 (“**City Parcel**”) located near the southeast corner of Third Street and Lootens Plaza in downtown San Rafael, as depicted on the “**Site Map**” attached hereto as Exhibit A. The City Parcel is improved with an existing 171-space two-story public parking garage.

B. Developer owns three parcels immediately adjacent to the City Parcel, designated as APNs 011-263-18 and -19 (1009 4th Street, San Rafael), 011-263-04 (1001 4th Street, San Rafael) and 011-263-16 (924-926 3rd Street, San Rafael) (the “**Developer Parcels**” and, collectively with the City Parcel, the “**Site**”) as depicted on the Site Map. The Developer Parcels are improved with three commercial structures and an approximately 30-space, street level parking lot.

C. Developer proposes to acquire an ownership interest in the City Parcel, and to effect a voluntary merger of the City Parcel with the Developer Parcels in order to clear the existing improvements and build upon the Site a mixed-use residential/retail development, including a market hall style food emporium and a fully automated parking garage (“**Automated Multi-Use Garage**”) that would replace the 171 public parking spaces located in the existing parking structure on the City Parcel and provide additional private parking to serve the retail and residential components of the proposed Project (collectively, the “**Project**”).

D. City and Developer desire to enter into this Agreement setting forth the terms under which City and Developer will diligently and in good faith endeavor to accomplish the following: (1) during a Preliminary Stage (defined below) of negotiations, for the Parties to (i) determine, each in its sole and absolute discretion, whether an automated parking garage of the type proposed by Developer appears to be feasible from a financial, design and operational perspective and to otherwise meet the City's and Developer's respective parking objectives, and (ii) attempt to agree upon a Term Sheet setting forth the key terms of a DDA (defined below) with respect to the Site and proposed Project; and (2) if, and only if, the Parties memorialize their successful completion of the Preliminary Stage of the negotiations via a Preliminary Stage Feasibility Confirmation, for the Parties to proceed to a DDA Stage of negotiations during which the Parties would negotiate and draft a comprehensive Disposition and Development Agreement (“**DDA**”) setting forth the terms under which City would transfer the City Parcel to Developer and Developer would develop the proposed Project, including the Automated Multi-Use Garage, on the Site and Developer and its successors and assigns, at its and their expense, would agree to operate the Automated Multi-Use Garage and provide ongoing public parking in perpetuity for

the benefit of City and the public in accordance with agreed upon pricing requirements to be set forth under the terms of the DDA.

A G R E E M E N T S:

CITY AND DEVELOPER HEREBY AGREE AS FOLLOWS:

1. NEGOTIATION PERIOD

1.1 Good Faith Negotiations. City and Developer, acknowledging that time is of the essence, agree for the Negotiation Period set forth in Section 1.2 below, to negotiate diligently and in good faith and endeavor to perform the tasks and due diligence necessary for successful completion of the Preliminary Stage, and if the Preliminary Stage conditions are satisfied, for the Parties to endeavor to complete the DDA Stage tasks which, if successfully concluded, would culminate in presentation of a comprehensive DDA to the City Council for its consideration and potential approval. City agrees, for the Negotiation Period, not to negotiate with, solicit offers or proposals regarding, or respond to inquiries from (other than to notify the inquiring party, person or entity that City is subject to an agreement to negotiate exclusively), any other person or entity regarding the conveyance of the City Parcel and/or the development of the Site or any portion thereof. A DDA resulting from the negotiations hereunder shall become effective only if and after such DDA has been considered and approved by the City Council at a duly noticed public meeting called for such purpose. If a DDA is executed by City and Developer, the DDA shall thereafter govern the rights and obligations of the Parties.

1.2 Negotiation Period Duration.

(a) The negotiations shall be conducted in two stages, the combined duration of which shall not exceed twenty-one (21) months, plus extensions, if any, as provided in subsection (b) below (“**Negotiation Period**”). The “**Preliminary Stage**” of the Negotiation Period shall commence on the Effective Date and expire six (6) months thereafter, subject to potential extension as provided in subsection (b) below, or on the date the Parties execute a Preliminary Stage Feasibility Confirmation (defined below) whichever is earlier. During the Preliminary Stage, the Parties shall work together in good faith to assess whether the proposed Automated Multi-Use Garage is feasible from a technical, financial, and operational perspective, and to negotiate a proposed DDA Term Sheet (defined below). If, on or before expiration of the Preliminary Stage, either Party determines in its sole and absolute discretion that the proposed Automated Multi-Use Garage is impractical or infeasible or otherwise does not meet its needs and objectives, or that the key terms of a DDA Term Sheet as proposed by the other Party are unacceptable to such Party, then the Party making such determination may terminate this Agreement by written notice to the other Party. If, however, on or before expiration of the Preliminary Stage each Party determines in its sole and absolute discretion that the proposed Automated Multi-Use Garage appears to be feasible and is likely to meet such Party’s needs and objectives and that the DDA Term Sheet is acceptable to such Party, then the Parties shall memorialize the achievement of such milestones in writing (“**Preliminary Stage Feasibility Confirmation**”) and, in such event, the Parties shall proceed to the DDA Stage (defined below) of the Negotiation Period. If the Parties have not executed a Preliminary Stage Feasibility

Confirmation by the expiration of the Preliminary Stage (as it may be extended as provided for in subsection (b) below), then this Agreement shall terminate and neither Party shall have any further rights or obligations under this Agreement, except for those obligations which by their terms survive expiration or termination hereof. The “**DDA Stage**” of the Negotiation Period shall commence, if at all, on the effective date of the Preliminary Stage Feasibility Confirmation and expire fifteen (15) months thereafter, subject to potential extension as provided in subsection (b) below. Commencement of the DDA Stage shall also be contingent upon Developer delivering the DDA Stage Deposit to City as provided in Section 3.3 below. During the DDA Stage, the Parties will endeavor to negotiate and draft a comprehensive DDA and undertake the other DDA Stage tasks described in the Schedule of Performance.

(b) Extensions. The Preliminary Stage and/or DDA Stage of the Negotiation Period may each be extended from time to time if the City Manager determines in his or her sole discretion that the Parties have made substantial progress toward meeting the performance milestones identified in this Agreement and in the Schedule of Performance to merit such extension. However, the cumulative total of all such extensions granted by the City Manager shall not exceed ninety (90) days.

2. NEGOTIATION PERIOD TASKS AND PERFORMANCE MILESTONES.

2.1 Preliminary Stage Tasks. During the Preliminary Stage of the Negotiation Period, Developer, in addition to undertaking the other Preliminary Stage tasks set forth in the Schedule of Performance, will retain [REDACTED] [tbi], as its parking consultant, to prepare for City review and input a detailed plan describing all aspects of operation and joint use of the proposed Automated Multi-Use Garage (“**Parking Plan**”), including:

- (a) The proposed design of the Automated Multi-Use Garage, including the proposed automated parking solutions,
- (b) City’s access, use and/or ownership or other rights with respect to the public space portions of the Automated Multi-Use Garage,
- (c) Plans for ensuring the ongoing operation and maintenance of the public parking portions of the Automated Multi-Use Garage, and of the Automated Multi-Use Garage as a whole,
- (d) Funding of long term operation and maintenance costs,
- (e) Method of establishing and adjusting public parking rates to ensure those rates will be consistent with public parking rates in other City owned garages and lots,
- (f) Designation of flex spaces, if any, which are publicly available during regular daytime and early evening business hours but revert to residential use at night.

City will retain Watry Design, Inc. or such other parking consultant as City may select as its parking consultant, the costs of which shall be included in City Costs (defined below) and

reimbursed by Developer, to peer review Developer's Parking Plan and advise City on changes or adjustments that may be required to meet City's needs.

In addition to the Parking Plan related tasks and other Preliminary Stage tasks described in the Schedule of Performance, during the Preliminary Stage of the Negotiation Period, Developer and City will endeavor to negotiate and draft a mutually acceptable term sheet ("**Term Sheet**") setting forth the key terms for inclusion in the proposed DDA. The Term Sheet will address, among other things, the following:

- i) Transfer value of the City Parcel and the existing improvements thereon based on a fair market value appraisal methodology agreeable to the Parties;
- ii) Details of the proposed Project land use and operational characteristics, generally consisting of a European-style Market Hall facility with numerous and varied food vendors selling both prepared food and specialty groceries;
- iii) Details of the proposed Project structures, in plan and elevation, along with conceptual renderings;
- iv) A budget for the anticipated amount of City Costs (defined below) to be incurred during the DDA Stage, if the Parties proceed to such stage (collectively, "**Anticipated DDA Stage Costs**"), all of which shall be paid by Developer, and the amount and form of a security deposit ("**DDA Stage Deposit**") guaranteeing Developer's payment of same;
- v) Details of Developer's proposed use of Lauren's Place, the public civic plaza and right of way adjacent to the City parcel and Developer's Parcels, for outdoor seating as well as access and potential ingress and egress into the proposed Market Hall facility via grant of easement or license or encroachment permit as the parties may mutually determine;
- vi) Agreed-upon timelines for entitlements and documentation necessary for commencement of construction;
- vii) Conditions precedent for close of escrow, including identification of all land use approvals, building permits, and construction contracts with a general contractor that Developer will have to obtain;
- viii) Financing details, including any debt and equity financing that Developer may have to obtain, and appropriate evidence of debt and equity commitments that Developer will need to provide to City's financial consultant prior to City's consideration of a DDA for approval and prior to closing;
- ix) City remedies, including reverter rights, if Developer fails to timely commence or complete construction of the proposed Project by specified dates;

- x) City remedies if Developer or its successors or assigns fails to continuously operate and maintain the public portions of the Automated Multi-Use Garage following initial construction thereof;
- xi) Prevailing wage requirements for all stages of construction;
- xii) Details of the parking agreement between City and Developer that would govern the Automated Multi-Use Garage;
- xiii) Outline of the City entitlement process to be administered and processed separately from the DDA, the costs of which will be borne exclusively by Developer; and
- xiv) Physical and environmental investigation and Site testing.

2.2 DDA Stage Tasks. If the Parties proceed to the DDA Stage of the Negotiation Period, then City and Developer, in addition to undertaking the other DDA Stage tasks as set forth in the Schedule of Performance, will endeavor to negotiate and draft a mutually acceptable DDA, including ancillary agreements, to be considered for approval by the City Council prior to expiration of the Negotiation Period.

3. DEVELOPER PAYMENT OF CITY COSTS.

3.1 General. Subject to the terms set forth below, Developer shall be responsible for paying all City Costs (defined below) incurred in connection with the implementation of this Agreement, including: (a) during the Preliminary Stage, the City Costs associated with evaluation of the feasibility of the Automated Multi-Use Garage and the negotiation and drafting of the DDA Term Sheet, and (b) during the DDA Stage, the City Costs associated with the negotiation and drafting of the proposed DDA and preparation of an appropriate California Environmental Quality Act (“CEQA”) document addressing the environmental impacts of the proposed Project. As used in this Agreement, “**City Costs**” means and includes all of City’s reasonable out-of-pocket costs and expenses paid to third-party consultants and attorneys, including City’s outside legal counsel, Burke Williams & Sorensen LLP; City’s financial consultant, Keyser Marston Associates, Inc., and City’s parking consultant, Watry Design, Inc., and, if applicable, planning and CEQA consultants, in connection with evaluation of the proposed Automated Multi-Use Garage; negotiation and drafting of a DDA Term Sheet; drafting, negotiation and production of the DDA and ancillary agreements; preparation of an appropriate CEQA document; and other work product as required to implement the Project.

3.2 Preliminary Stage Costs. Developer’s obligation to reimburse City Costs incurred during the Preliminary Stage (“**Preliminary Stage Costs**”) will be capped at Fifty Thousand Dollars (\$50,000). Concurrently with Developer’s execution of this Agreement, Developer shall deliver to City cash or other immediately available funds in the amount of Fifty Thousand Dollars (\$50,000) (“**Preliminary Stage Deposit**”) as security for Developer’s obligation to pay Preliminary Stage Costs as provided herein. Developer’s obligation to reimburse all such Preliminary Stage Costs shall survive the expiration or termination of this Agreement with respect to any and all Preliminary Stage Costs incurred on or before the date which is ten (10)

days following the date of such expiration or termination, provided, however, that in no event will Developer's liability for Preliminary Stage Costs exceed the amount of the Preliminary Stage Deposit then held by City.

3.3 DDA Stage Costs. As provided for under Section 2.1, subsection iv above, Developer and City shall endeavor to reach mutual agreement on a budget for the Anticipated DDA Stage Costs and the amount and form of a DDA Stage Deposit as Preliminary Stage milestones. Concurrently with the Parties execution of the Preliminary Stage Feasibility Confirmation, Developer shall deliver to City cash or other immediately available funds in the full amount of the DDA Stage Deposit as security for Developer's obligation to pay City Costs incurred during the DDA Stage as provided in this Section 3. If City determines that in order to carry out its DDA Stage obligations under this Agreement, the DDA Stage City Costs will exceed the Anticipated DDA Stage Costs, City shall give written notice to Developer, which written notice (each, an "**Additional DDA Stage Cost Notice**") shall include detailed projections, prepared in good faith to the best of the City's ability, of all future City Costs to be incurred during the remainder of the DDA Stage. Upon receipt of an Additional DDA Stage Cost Notice, Developer shall then have ten (10) days to approve or disapprove in writing City's request for approval of the increase in Anticipated DDA Stage Costs. If Developer approves an Additional DDA Stage Cost Notice, Developer's approval shall be accompanied by delivery of additional DDA Stage Deposit funds in the amount of the additional anticipated City Costs as approved by Developer. If Developer has disapproved or failed to provide written approval of such request to City within such ten (10) day period, this Agreement may be terminated by City upon five (5) days' written notice to Developer. If City terminates this Agreement as provided in this Section 3.3, City shall promptly return the unexpended and uncommitted portion of the DDA Stage Deposit (including any augmentations of same), if any, to Developer and, except for those obligations which by their terms survive termination hereof, neither Party shall have any further rights against or liability to the other Party under this Agreement. The approval of any proposed increase in Anticipated DDA Stage Costs shall be deemed an amendment of this Agreement. Developer's obligation to pay for all such DDA Stage City Costs shall survive the expiration or termination of this Agreement with respect to any and all City Costs incurred on or before the date which is ten (10) days following the date of expiration or termination as set forth herein, provided, however, that in no event will Developer's liability for DDA Stage City Costs exceed the amount of the DDA Stage Deposit, including any augmentations of same, then held by City.

3.4 Developer Acknowledgments. Developer acknowledges and agrees that if it fails to timely approve a requested augmentation of the Anticipated DDA Stage Costs budget or timely augment the DDA Stage Deposit as provided above, City shall have no obligation to continue incurring any City Costs or continue negotiating in connection with the proposed Project or DDA and City may terminate this Agreement upon written notice to Developer as provided in Section 3.3 above. Developer further covenants that if City ceases negotiation of the DDA or refuses to continue incurring City Costs as a result of Developer's failure to approve such requested augmentation of the Anticipated DDA Stage Costs budget or augment the DDA Stage Deposit as described above, Developer shall not directly or indirectly initiate any litigation against City or its officials, employees, agents, contractors or volunteers in connection with such City action.

3.5 City Right to Draw on Deposits. Subject to the limitations set forth above, City may pay all City Costs from the Preliminary Stage Deposit or DDA Stage Deposit (including any augmentations of same) as applicable as such City Costs are incurred. The Preliminary Stage Deposit and DDA Stage Deposit shall be the sole and exclusive remedy of the City for any and all City Costs. City shall transmit to Developer monthly a copy of each invoice, bill or other evidence that City has incurred as City Costs, including itemized invoices and receipts for any reimbursable expenses. City's legal and advisory services invoices shall be redacted as necessary to preserve attorney-client privilege.

3.6 Close Out Period. In the event that either City or Developer terminates this Agreement, then (i) City shall cease incurring City Costs with respect to the proposed Project, other than Project close out expenses which City may continue to incur for up to ten (10) days following expiration or termination of this Agreement ("**Close Out Period**"); (ii) Developer shall remain obligated to pay all City Costs incurred prior to the effective date of expiration or termination and Project close out expenses incurred during such Close Out Period, solely to the extent of the Preliminary Stage Deposit or DDA Stage Deposit (including any augmentations of same) held by City on the date this Agreement is terminated; and (iii) Developer shall have no responsibility to pay or reimburse City for any City Costs incurred with respect to the proposed Project after the date of expiration or termination other than Project close out expenses incurred during the Close Out Period.

4. RIGHT OF ENTRY.

4.1 Access Agreement and City Reports. City shall provide Developer reasonable access to all portions of the City Parcel and improvements thereon for the purpose of obtaining data and making surveys and tests necessary to evaluate the development potential of the City Parcel and otherwise to conduct the land use due diligence relating to the Project as contemplated hereunder, including, without limitation, the right to make borings to investigate the soils and environmental condition of the City Parcel. Said right of access shall be memorialized via an access agreement in a form reasonably acceptable to City. Developer acknowledges and agrees that any engineering, environmental reports and related data (collectively, "**City Reports**"), if any, provided by City will be and are furnished without warranty of any kind and on the express condition that Developer will make its own independent verification of the accuracy, reliability and completeness of such information as Developer deems appropriate, and that Developer will not rely on the City Reports. Developer shall determine the appropriate scope of investigation of the physical and environmental conditions of the City Parcel and existing improvements thereon. All costs of said investigation, including a Phase 1 and Phase 2 environmental site assessment (if required), and geotechnical and soils investigations, if any, shall be paid and borne by Developer at its sole cost and expense and shall not be considered part of City Costs.

5. ADDITIONAL DEVELOPER RESPONSIBILITIES

5.1 Full Disclosure. Developer shall provide to City (a) the names of its principals, officers and/or those with managerial authority, joint venturers, negotiators, development managers, consultants and directly-involved managerial employees (collectively, "**Developer**

Parties”); and (b) all other material information concerning Developer reasonably requested by City. Any material change in the identity of the Developer Parties shall be subject to the approval of City, which shall not be unreasonably withheld.

5.2 Project Cost and Revenue Documentation. Upon request by City, Developer shall provide City or its designees with development and operating assumptions related to Project costs and revenues by category, including detailed information regarding extra-ordinary Project costs, if any, attributable to the Automated Multi-Use Garage or other individual Project components and full disclosure regarding the potential methods of financing to be used in the acquisition of the City Parcel and development of the proposed Project. Developer acknowledges that detailed information regarding such development and operating assumptions will be necessary in order for City and its financial consultants to evaluate the financial terms of the proposed DDA.

5.3 Progress Reports. Developer shall keep City advised as to the status of all work to be undertaken by or on behalf of Developer as described in the Schedule of Performance. Within ten (10) days following City’s request, which may be made from time to time during the Negotiation Period, Developer shall submit to City a written progress report advising City on the status of all work being undertaken by or on behalf of Developer.

6. CITY’S RESPONSIBILITIES

6.1 City Assistance and Cooperation. City shall cooperate with Developer by providing full disclosure regarding any existing condition of the City Parcel or the improvements thereon. City shall share with Developer any studies and information received as part of City’s own parking and traffic flow studies as they relate to the Site or the proposed Project.

7. GENERAL PROVISIONS

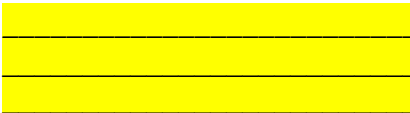
7.1 No Brokerage Fees. City shall not be liable for any real estate commission or brokerage fees which may arise from the proposed transfer of the City Parcel or any portion thereof or interest therein. Developer represents and warrants to City that it has not engaged any broker, agent or finder other than [REDACTED] (“**Developer’s Broker**”) in connection with the acquisition or development of the City Parcel. Developer shall be solely responsible for payment of all costs and fees payable to Developer’s Broker. Developer further agrees to indemnify, defend and hold City harmless from any claim by any other broker, agent or finder retained by, or alleged to have been retained by, Developer. Developer’s indemnity obligations under this Section 7.1 shall survive expiration or termination of this Agreement.



7.2 Notices. Any approval, disapproval, demand or other notice which either Party may desire to give to the other Party under this Agreement must be in writing and may be given by any commercially acceptable means, including personal delivery, or overnight courier, to the Party to whom the notice is directed at the address of the Party as set forth below, or at any other address as that Party may later designate by notice.

To City: City of San Rafael
1400 Fifth Avenue, Room 203
San Rafael, CA 94901
Attention: Jim Schutz, City Manager

With a copy to: City of San Rafael
1400 Fifth Avenue, Room 202
San Rafael, CA 94901
Attention: Robert Epstein, City Attorney

With a copy to: Burke, Williams & Sorensen, LLP
1901 Harrison St., Suite 900
Oakland, CA 94612
Attention: Gerald J. Ramiza

To Developer: 
Attention: Paul Goldstone

With a copy to: 
Attention: 

Any notice shall be deemed received on the date of delivery if delivered by personal service, three (3) business days after mailing if sent by first class mail, and on the date of delivery or refused delivery as shown by the records of the overnight courier if sent via overnight courier.

7.3 Limitations of this Agreement. By its execution of this Agreement, City is not committing itself to or agreeing to undertake: (i) disposition of the City Parcel to Developer; or (ii) any other acts or activities requiring the subsequent independent exercise of discretion by City or any agency or department thereof. This Agreement does not constitute a disposition of property by City. Execution of this Agreement by City is merely an agreement to enter into a period of exclusive negotiations according to the terms hereof, reserving final discretion and approval by City as to any DDA, including Automated Multi-Use Garage parking agreement, and all proceedings and decisions in connection therewith. In addition, nothing in this Agreement shall be construed to limit the application of CEQA to any DDA or the proposed Project or control the actions of City in meeting its CEQA obligations. In fulfilling its obligations under CEQA, City shall act independently, reserving full and complete discretion with respect to any such CEQA approvals without reference to this Agreement. City shall not be liable, in any respect, to Developer for its action or inaction in fulfilling its CEQA obligations. City will not consider the approval of any DDA or the proposed Project, unless and until it has

fully reviewed and considered the environmental impacts in accordance with CEQA. City is not, and shall not be considered to be, obligated by this Agreement, or otherwise, to approve the proposed Project or any DDA, or any changes to the foregoing, or any other agreement. After CEQA review, City is not obligated, by this Agreement or otherwise, to adopt findings of overriding considerations for approval of or to take any other action in support of the proposed Project or any DDA or any changes to the foregoing, nor is City precluded from rejecting the DDA and/or proposed Project or from imposing mitigation measures as a condition of approval, which measures mitigate or avoid direct or indirect environmental effects of the proposed Project. If City rejects the DDA or proposed Project, this Agreement shall automatically terminate and, except for those obligations which by their terms survive termination hereof, neither Party shall have any further rights or obligations hereunder.

7.4 Integration. This Agreement contains the entire understanding between the Parties relating to the matters set forth herein. All prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged in this Agreement and shall be of no further force or effect.

7.5 Modifications. Any alteration, change or modification of or to this Agreement, in order to become effective, shall be made in writing and in each instance signed on behalf of each Party.

7.6 Severability. If any term, provision, condition or covenant of this Agreement or its application to any Party or circumstances shall be held, to any extent, invalid or unenforceable, the remainder of this Agreement, or the application of the term, provision, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected, and shall be valid and enforceable to the fullest extent permitted by law.

7.7 No Assignment. The qualifications and identity of Developer are of particular concern to City. It is because of those unique qualifications and identity that City has entered into this Agreement with Developer. Accordingly, except as otherwise expressly provided below, Developer may not transfer or assign any or all of its rights or obligations under this Agreement except with the prior written consent of the City, which consent shall be granted or withheld in the City's sole absolute discretion, and any such attempted transfer or assignment without the prior written consent of City shall be void. Notwithstanding the foregoing, the Parties acknowledge that Developer intends to form a new special purpose entity to develop the proposed Project and to enter into the proposed DDA. Developer may assign its rights and obligations under this Agreement to Developer's affiliate company, [REDACTED], or a new special-purpose entity, provided Paul Goldstone retains full management and control of the assignee entity or entities.

7.8 Successors and Assigns. Subject to the limitations on assignment set forth in Section 7.7 above, this Agreement shall be binding upon, and inure to the benefit of, the Parties, their heirs, executors, personal representatives, nominees, successors and assigns.

7.9 Indemnity. Developer shall indemnify, defend (with counsel reasonably acceptable to City), protect and hold City, and its officers, employees, elected officials, agents and representatives, harmless from, all third-party claims, demands, damages, defense costs or liability of any kind or nature arising directly or indirectly from the implementation of this Agreement, including any City Parcel investigation and/or acquisition activities under Section 4 above, including damages to property or injuries to persons, accidental death, and reasonable attorneys' fees and costs, whether such activities or performance thereof be by Developer or its employees, agents, contractors or subcontractors and whether such damage shall accrue or be discovered before or after expiration or termination of this Agreement. Developer's indemnity obligations under this Section 7.9 shall not extend to claims, demands, damages, defense costs or liability for property damage, bodily injury or death, to the extent (i) occasioned by the sole negligence or willful misconduct of City or its officers, employees, elected officials, agents or representatives; or (ii) related to the discovery or disturbance by Developer or its contractors, subcontractors or agents during due diligence of any pre-existing hazardous materials or hazardous substances on the City Parcel. Developer's obligations under this Section 7.9 shall survive the expiration or other termination of this Agreement.

7.10 Confidentiality. Any information provided by Developer to City, including financial statements, pro formas and other financial projections (whether in written, graphic, electronic or any other form), that is clearly marked as "CONFIDENTIAL/PROPRIETARY INFORMATION" ("**Confidential Information**") shall be subject to the provisions of this Section 7.10. Subject to the terms of this Section, City shall use good faith diligent efforts to prevent disclosure of the Confidential Information to any third parties, except as may be required by the California Public Records Act (Government Code Section 6253 *et seq.*) or other applicable local, state or federal law (collectively, "**Public Disclosure Laws**"). Notwithstanding the preceding sentence, City may disclose Confidential Information to its officials, employees, agents, attorneys and advisors, but only to the extent necessary to carry out the purpose for which the Confidential Information was disclosed.

Developer acknowledges that City has not made any representations or warranties that any Confidential Information received from Developer will be exempt from disclosure under any Public Disclosure Laws. In the event the City's legal counsel determines that the release of the Confidential Information is required by Public Disclosure Laws, or order of a court of competent jurisdiction, City shall notify Developer of City's intention to release the Confidential Information. If the City Attorney, in his or her discretion, determines that only a portion of the requested Confidential Information is exempt from disclosure under the Public Disclosure Laws, City may redact, delete or otherwise segregate the Confidential Information that will not be released from the non-exempt portion to be released. Developer further acknowledges that in connection with City Council's consideration of any DDA as contemplated by this Agreement, City will need to present a summary of Developer's financial projections, including anticipated costs of development, anticipated project revenues, and returns on cost and investment.

If any litigation is filed seeking to make public any Confidential Information, City and Developer shall cooperate in defending the litigation, and Developer shall pay City's reasonable out-of-pocket costs of defending such litigation and shall indemnify City against all costs and attorneys' fees awarded to the plaintiff in any such litigation. Alternatively, Developer may elect

to disclose the Confidential Information rather than defend the litigation. Developer's obligations under this Section 7.10 shall survive the expiration or termination of this Agreement.

The restrictions set forth herein shall not apply to Confidential Information to the extent such Confidential Information: (a) is now, or hereafter becomes, through no act or failure to act on the part of City or its representatives, generally known or available; (b) is known by the City at the time of receiving such information as evidenced by City's public records; (c) is hereafter furnished to City by a third party, as a matter of right and without restriction on disclosure; (d) is independently developed by City without any breach of this Agreement and without any use of or access to Developer's Confidential Information as evidenced by City's records; (e) is not clearly marked "CONFIDENTIAL/PROPRIETARY INFORMATION" as provided above (except where Developer notifies City in writing, prior to any disclosure of the Confidential Information, that omission of the "CONFIDENTIAL/PROPRIETARY INFORMATION" mark was inadvertent), or (f) is the subject of a written permission to disclose provided by Developer to City.

7.11 Waiver of Lis Pendens. It is expressly understood and agreed by the Parties that no lis pendens shall be filed against any portion of the Site, including the City Parcel, or proposed Project with respect to this Agreement or any dispute or act arising from it. The provisions of this Section shall survive the expiration or other termination of this Agreement.

7.12 Counterparts. This Agreement may be signed in multiple counterparts which, when signed by both parties, shall constitute a binding agreement.

7.13 Interpretation. As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others where and when the context so dictates. The word "including" shall be construed as if followed by the words "without limitation." This Agreement shall be interpreted as though prepared jointly by both Parties. Titles and captions are for convenience of reference only and do not define, describe or limit the scope or the intent of this Agreement or any of its terms.

7.14 Authority. If Developer is a corporation, limited liability company, partnership, trust, association or other entity, Developer and each person executing this Agreement on behalf of Developer does hereby covenant and warrant that (a) Developer is duly incorporated or otherwise established or formed and validly existing under the laws of its state of incorporation, establishment or formation, (b) Developer has and is duly qualified to do business in California, (c) Developer has full corporate, partnership, trust, association or other power and authority to enter into this Agreement and to perform all of Developer's obligations hereunder, and (d) each person (and all of the persons if more than one signs) signing this Agreement on behalf of Developer is duly and validly authorized to do so. City and each person executing this Agreement on behalf of City does hereby covenant and warrant that (i) City is a municipal corporation duly established and validly existing under the laws of the State of California, (ii) City has full power and authority to enter into this Agreement and to perform all of City's obligations hereunder, and (iii) each person (and all of the persons if more than one signs) signing this Agreement on behalf of City is duly and validly authorized to do so.

7.15 Limitation of Remedies. In the event of an uncured default by either Party under this Agreement, the non-defaulting Party's exclusive remedy is to terminate this Agreement. In no event shall either Party have the right, and each Party expressly waives the right, to seek monetary damages of any kind (including but not limited to actual damages, economic damages, consequential damages, or lost profits) in the event of a default by the other Party under this Agreement.

7.16 Governing Law. This Agreement, and the interpretation and enforcement thereof, shall be governed by the laws of the State of California without regard to conflicts of law principles.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the dates set opposite their signatures. The effective date of this Agreement shall be the date this Agreement is signed by City.

CITY:

CITY OF SAN RAFAEL, a California
municipal corporation

DATED: _____, 2019

By: _____

Jim Schutz, City Manager

ATTEST:

Lindsay Lara, City Clerk

APPROVED AS TO FORM:

By: _____

Robert Epstein, City Attorney

DEVELOPER:

**GOLDSTONE MANAGEMENT INC., a
California corporation**

By: _____

Name: _____

Title: _____

By: _____

Name: _____
Title: _____

EXHIBIT A

**DIAGRAM AND LEGAL DESCRIPTIONS OF THE CITY PARCEL
AND DEVELOPER PARCELS**

[to be inserted]

EXHIBIT A

EXHIBIT B

SCHEDULE OF PERFORMANCE

<i>Preliminary Stage (6 months)</i>		
1.	Concurrent with execution of Agreement	Developer deposits Preliminary Stage Deposit with City
2.	Promptly following Effective Date	Developer retains its parking consultant
3.	Within 120 days of the Effective Date	Developer submits Parking Plan to City for review
4.	Prior to expiration of Preliminary Stage	City and Developer discuss differences in Parking Plan analysis and endeavor to reach consensus
5.	Promptly following Effective Date	Developer and City commence negotiation and drafting of Term Sheet
6.	Prior to expiration of Preliminary Stage	Developer and City reach agreement on principal business terms of a proposed DDA as evidenced by a non-binding Term Sheet.
7.	Prior to expiration of Preliminary Stage	Developer and City memorialize successful completion of all Preliminary Stage tasks by executing a Preliminary Stage Feasibility Confirmation or Agreement terminates as provided in Section 1.2.
<i>DDA Stage (15 months)</i>		
*DDA Stage applicable only if Developer and City have memorialized successful completion of all Preliminary Stage tasks.		

EXHIBIT B

8.	Upon execution of Preliminary Stage Feasibility Confirmation	Developer deposits DDA Stage Deposit with City
9.	Within 30 days following commencement of DDA Stage	Developer and City prepare a CEQA project description
10.	Prior to expiration of DDA Stage	City's CEQA consultant prepares the CEQA document
11.	Prior to expiration of DDA Stage and, in any event, prior to City Council's consideration of a DDA	Developer and City negotiate and draft a proposed DDA

EXHIBIT B

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN RAFAEL APPROVING AND AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT TO NEGOTIATE EXCLUSIVELY WITH GOLDSTONE MANAGEMENT INC. REGARDING REDEVELOPMENT OF 1009 AND 1001 FOURTH STREET, 924-926 THIRD STREET, AND THE THIRD STREET AND LOOTENS PLAZA PARKING GARAGE

WHEREAS, the City of San Rafael owns the real property and parking garage located at Third Street and Lootens Plaza ("City Parcel"); and

WHEREAS, the City adopted a goal to "provide a vibrant Downtown" in "our Vision of Downtown" in 1993, which was later incorporated into the goals of the General Plan as Goal 6. General Plan Goal 6 includes the following implementation policies:

- NH 16 to substantially expand Downtown's economic success and increase opportunities for retail, office and residential development;
- NH 22 to create a popular and attractive residential environment that contributes to the activity and sense of community in Downtown; and
- NH 34 to encourage activities that will promote the Fourth Street Retail Core as being "Alive after Five"; and

WHEREAS, one of the City Council goals is to provide neighborhood and economic vitality by supporting the development of key Downtown sites, and the City Council's Economic Development Committee has adopted "support development of key sites such as 1001-1009 Fourth Street" as one of its eight priorities; and

WHEREAS, Goldstone Management, Inc. ("Developer") has proposed redeveloping the City Parcel and adjoining properties that Developer owns at 1009 and 1001 Fourth Street and 924-926 Third Street, into a mixed-use residential/retail development, including a market hall-style food emporium and a fully automated parking garage ("Project"); and

WHEREAS, Developer has requested that the City enter into an exclusive negotiating agreement to acquire the City Parcel, and in combination with the Developer's adjacent parcels that have already been assembled, will create a significant mixed-use development, provide much needed housing, entertainment, and food services in the form of a Market Hall, create a strong economic driver that will benefit downtown businesses, and re-establish the focal point of the Downtown area; and

WHEREAS, the staff report accompanying this Resolution provides additional information about the potential Project and a copy of the proposed "Agreement to Negotiate Exclusively" ("ENA"); and

WHEREAS, staff engaged Burke, Williams & Sorensen, LLP and Keyser Marston Associates, Inc. to evaluate the terms of the proposed ENA and their preliminary analysis indicates that the current proposal provides adequate financial consideration for the City to consider further negotiations regarding the potential Project; therefore staff recommends that the City Council approve execution of the ENA; and

WHEREAS, funds have been appropriated in the Economic Development Department budget for the current Burke, Williams & Sorensen, LLP and Keyser Marston Associates, Inc. contracts for consulting services during the term of the ENA; and

WHEREAS, the City Council intends and understands that in entering into the ENA the City is not committing to grant any land use approvals for the Project or to approve any further agreement with the Developer;

NOW THEREFORE BE IT RESOLVED by the City Council of the City of San Rafael as follows:

1. The City Council hereby finds and determines that the above recitals are true, correct and incorporated herein.

2. The City Council hereby approves the ENA and authorizes the City Manager to execute on behalf of the City the ENA in substantially the form submitted to the City Council in connection with the consideration of this Resolution, subject to such minor changes as the City Manager and City Attorney may approve, provided, however, that nothing in this Resolution, the preparation of the ENA or the conduct of the negotiations pursuant to the ENA shall be deemed to commit the City to approve any land use approvals for the Project or to approve any further agreement with the Developer.

3. The City Council authorizes and directs the City Manager and his designees to take such steps as are reasonable and necessary to performance of the City's obligations under the ENA and to carry out the terms and conditions of the ENA.

4. This Resolution shall take immediate effect upon adoption.

I, LINDSAY LARA, Clerk of the City of San Rafael, hereby certify that the foregoing resolution was duly and regularly introduced and adopted at a regular meeting of the City Council of the City of San Rafael held on the eighteenth day of November 2019, by the following vote:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

LINDSAY LARA, City Clerk



SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Public Works/Parking Services

**Prepared by: Bill Guerin,
Director of Public Works**

City Manager Approval:

A handwritten signature in black ink, appearing to be 'AS', written over a horizontal line.

TOPIC: EAST SAN RAFAEL PARKING STUDY

**SUBJECT: REPORT ON INITIAL IMPLEMENTATION OF THE EAST SAN RAFAEL
PARKING STUDY**

RECOMMENDATION: Accept report.

BACKGROUND:

Parking in East San Rafael has gotten progressively worse over many years because of limited parking options for residents of that neighborhood. In 2017, the City hired a consultant, W-Trans, to study the parking availability in East San Rafael and to make recommendations to alleviate the overcrowded conditions. W-Trans prepared a report dated May 11, 2017 that included short, medium and long term solutions to the parking challenge. Following a City Council study session on September 18, 2017, staff was directed to pursue short-term strategies as recommended by W-Trans. The short-term strategies in the report included:

- Time-limited parking; restrict parking to 24 continuous hours rather than the City's current maximum of 72 hours in residential areas, restrict parking to 4 hours in certain commercial areas, and allow for the towing of vehicles that overstay the limitations.
- Public/private off-street parking partnerships; negotiate with (then) Mi Pueblo and Country Club Bowl to allow overnight parking.
- Expand and improve transit service; Request Marin Transit make operational improvements to bus service in East San Rafael.

While the underlying authority existed for time-limited parking, the authority to enforce these time limits and remove vehicles if necessary did not exist. In order to implement time-limited parking within areas of the City, amendments to the Municipal Code were necessary and the City Council was required to approve them. On January 16, 2018, City Council adopted a new parking ordinance amending the City's Municipal Code to address the surplus of vehicles on the streets in East San Rafael. The ordinance changes allowed the City to:

- Change time limits on residential streets from 72 hours to 24 hours;
- Change time limits on certain commercial streets to 4 hours; and
- Allow towing of vehicles parked beyond the time-limit instead of just ticketing

FOR CITY CLERK ONLY

Council Meeting:

Disposition:

SAN RAFAEL CITY COUNCIL AGENDA REPORT / Page: 2

Since the approval of this ordinance, City staff implemented the recommended short-term strategies by:

- Creating custom signs for East San Rafael;
- Determining the appropriate time limits for each block (4-hours or 24-hours);
- Working with residents and business owners on acceptable sign locations; and
- Adding painted parking markers (Ts and Ls) on street segments identified by Parking Enforcement Officers where spaces might be otherwise preserved through strategically parking vehicles.

Letters were sent to the affected public in East San Rafael in July 2018, along with contact information to notify the public of the changes and allow the public to express any concerns or to request changes. New parking signs were installed in August and September 2018, and the Ts and Ls were installed by Public Works crews on Harbor Street, Canal Street, and Kerner Boulevard in September 2018.

Agreements were not pursued beyond initial contacts with the two large parking lots in the area because Mi Pueblo was for sale and has since changed hands (it is now Cardenas Market) and the bowling alley has been proposed for development of multi-family housing.

Marin Transit did make operational changes to improve service in East San Rafael and the City, through a grant, made improvements to the bus stop structures.

Parking warnings, notifying the residents that parking enforcement changes were forthcoming, were issued in October 2018. Actual enforcement of the new regulations began in November 2018. One additional parking enforcement officer was hired by Parking Services to increase enforcement in the area. The area is enforced seven days per week, except City holidays. The new changes have been effective at reducing the number of parked vehicles, with increased compliance rates as well as fewer vehicles overall that are parking on the streets.

The attached table summarizes the citations before and after program implementation, broken down by month and by area (Attachment A).

Before implementation began, the City committed to evaluate the short-term changes after one year. However, the residents of the neighborhood requested an update after 6 months. An interim parking occupancy survey was conducted in April 2019 to monitor and evaluate the parking program's progress to-date. Figure 1 shows the subareas studied and Table 1 provides a summary of the 2017 and 2019 parking occupancy data collected during similar periods in both years.

The findings indicate that the changes have had a positive effect on reducing the number of parked vehicles in East San Rafael with 69% occupancy during weekday mornings (compared to 85% during a similar time period in 2017), 91% occupancy during the weekday evenings (compared 103% in 2017), and 85% during Saturday evenings (compared to 104% in 2017).

Overall, based on the results of the interim parking surveys:

- The initial results indicate the time limited parking in combination with increased enforcement has been effective, with some streets experiencing more of a parking reduction than others.

SAN RAFAEL CITY COUNCIL AGENDA REPORT / Page: 3

- The measures implemented to date have proven to be effective in managing the limited supply of on-street parking.
- The total number of vehicles parking on streets in East San Rafael has been reduced from 2017 levels, and overall parking occupancy levels have been reduced during each time of day.

Figure 1 – Parking Subarea Locations

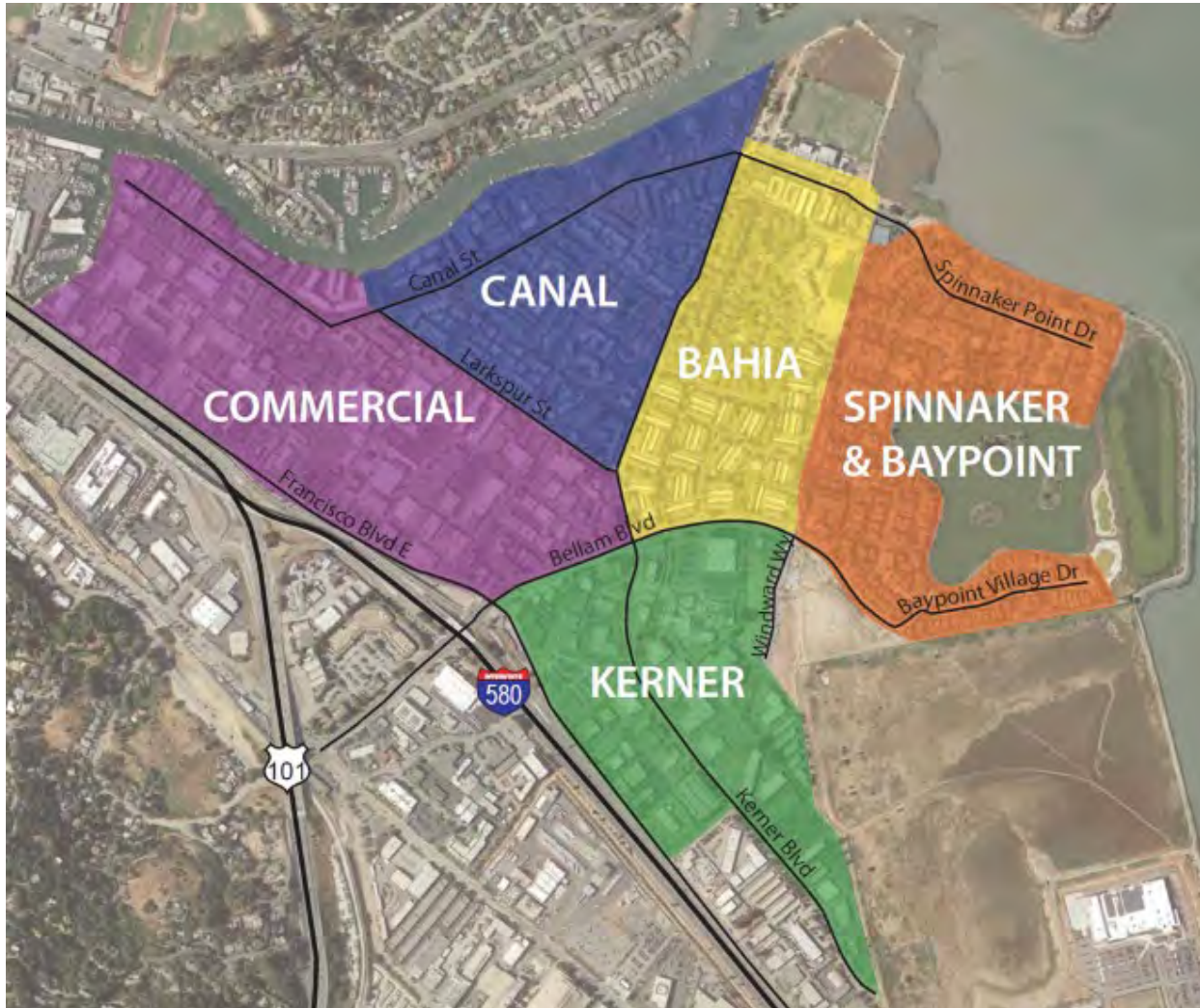


Table 1 – Parking Occupancy Results							
Location	Time Period	Supply	Time of Peak Parking Utilization	2017 (Month X to Month Y)		2019(Month X to Month Y)	
				# Spaces	% Occupancy	# Spaces	% Occupancy
Commercial Subarea							
	Weekday Morning	668	1:00 PM	649	97%	474	71%
	Weekday Evening	668	12:00 AM	818	122%	718	107%
	Saturday	668	12:00 AM	822	123%	641	96%
Canal Subarea							
	Weekday Morning	596	12:00 PM	547	92%	507	85%
	Weekday Evening	640	12:00 AM	775	121%	724	113%
	Saturday	640	12:00 AM	793	124%	673	105%
Bahia Subarea							
	Weekday Evening	311	11:00 PM	329	106%	282	91%
	Saturday	311	11:00 PM	326	105%	264	85%
Spinnaker/Baypoint Subarea							
	Weekday Evening	426	12:00 AM	408	96%	398	93%
	Saturday	426	12:00 AM	386	91%	383	90%
Kerner Blvd Subarea							
	Weekday Morning	358	9:00 AM	268	75%	166	46%
	Weekday Evening	358	12:00 AM	263	73%	134	37%
	Saturday	358	12:00 AM	240	67%	127	35%
A Boro Community Center							
	Weekday Evening	79	10:00 PM	66	84%	73	92%
	Saturday	79	11:00 PM	81	103%	75	95%
Country Club Bowl							
	Weekday Morning	137	12:00 PM	16	12%	51	37%
	Weekday Evening	137	8:00 PM	44	32%	58	42%
	Saturday	137	7:00 PM	79	58%	61	45%
Sanitary District No 1-Marin							
	Weekday Morning	19	1:00 PM	25	132%	26	137%
Summary				2017		2019	
	Weekday Morning	1778		1505	85%	1224	69%
	Weekday Evening	2619		2703	103%	2387	91%
	Saturday	2619		2727	104%	2224	85%

Staff conducted outreach to stakeholders to discuss the findings and assess reaction to changes in parking regulations. City staff and W-Trans met with:

SAN RAFAEL CITY COUNCIL AGENDA REPORT / Page: 5

- Chamber of Commerce East San Rafael Working Group on September 5th,
- Chief Executive Officer of the Canal Alliance on September 27, 2019, and
- a Community Forum at the Boro Community Center on October 21, 2019.

A Spanish interpreter was present for the Community Forum, which was attended by about 50 residents of the Canal, Spinnaker and Baypoint neighborhoods.

In general, the recent stakeholder meetings indicated that reductions in daytime parking have been noticed throughout East San Rafael, but parking during the evenings continues to be a concern.

ANALYSIS:

In order to realize the potential benefits of the 2017 East San Rafael Parking Study, and because certain streets have experienced more parking reduction than others, staff recommends the following measures:

- a. Continuation of parking enforcement, with emphasis on nighttime and key street segments that are still impacted more than others.
- b. Encourage people to park where there are available spaces, such as Kerner Boulevard south of Bellam Boulevard, through time limit changes, sidewalk, crosswalk, lighting and safety improvements, and notification to the public.
- c. Explore public-private partnerships with the larger parking lots in East San Rafael.
- d. Add parking capacity. Schoen Park, the Boro Community Center and Kerner Blvd. all have capacity to add additional parking.
- e. Continue to meet with stakeholders to provide an update on the parking program on what has been done, the effectiveness, what is coming next, etc.
- f. Pursue active transportation measures to reduce the need for vehicle travel, so that car ownership is no longer the only choice for mobility in the area, and ultimately reduce the need for a car. These measures might include working with Marin Transit to provide subsidized transit passes to encourage more bus travel; adding secure bicycle lockers; widening the sidewalk on Francisco Boulevard East (ongoing); and studying the feasibility of Class IV bike lanes on Bellam Boulevard.
- g. Conduct a second post-implementation survey of on-street parking occupancy levels in September 2020 to assess the program's effectiveness and develop next steps. Also, document community engagement, comments received, and other changes relative to parking during this period, and report findings and recommendations to the City Council and stakeholders.

FISCAL IMPACT: There is no fiscal impact.

RECOMMENDATION: Accept the report.

ATTACHMENTS:

1. Attachment A – East San Rafael Parking Study Area Parking Citations Summary

**East San Rafael Parknig Study Area
 Parking Citations Summary
 June 2018 - July 2019**

Location	<u>2018</u>					<u>2019</u>							Total by Area	
	June	August	September	October	November	December	January	February	March	April	May	June		July
1 - Bahia	78	112	45	339	197	93	81	83	124	94	45	75	92	1,458
2 - Canal	209	225	146	515	296	185	256	194	238	196	112	227	204	3,003
3 - Commercial	315	294	196	1325	448	285	355	380	320	213	120	210	195	4,656
4 - Kerner	97	89	49	535	231	100	96	98	65	44	33	49	48	1,534
5 - Spinnaker & Baypoint	48	40	32	477	165	40	81	61	93	88	31	63	44	1,263
Total by Month	747	760	468	3191	1337	703	869	816	840	635	341	624	583	11,914




Agenda Item No: 7.c
Meeting Date: November 18, 2019

SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Finance

Prepared by: Nadine Atieh Hade,
Finance Director

City Manager Approval: 

TOPIC: YEAR-END FINANCIAL STATEMENTS AND RELATED AUDIT REPORTS

SUBJECT: FISCAL YEAR 2018-2019 ANNUAL FINANCIAL REPORT; GANN APPROPRIATIONS LIMIT; MEMORANDUM ON INTERNAL CONTROL; AND THE CHILD DEVELOPMENT PROGRAM (CHILDCARE) FINANCIAL REPORT

RECOMMENDATION:
Accept the Fiscal Year 2018-2019 Annual Financial Report, the Gann Appropriations Limit Report, the Memorandum on Internal Control, and the Child Development Program Financial Report

BACKGROUND:
As required by local code, State law, bond covenants, and best practices, the City of San Rafael completes an annual audit of its financial activities. The auditing firm of Maze and Associates, Accountancy Corporation conducted the audit for fiscal year 2018-2019. Their work was completed in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget Circular A-133, Audits of State and Local Government and Non-Profit Organizations.

The requirements of Section 1.5 of Article XIII B of the California Constitution are met with an agreed-upon procedure report applied to the Gann Appropriation Limit calculated for the year ending June 30, 2020. A Memorandum on Internal Control is also prepared by the auditors to address the City's controls over its financial activities. These reports are also attached to this staff report.

Also, as part of the fiscal year-end closing activities, the Finance and Library & Recreation departments worked with Maze and Associates to complete the annual audit of the City's childcare program, as required by the State of California.

These final reports were presented to the City Council Finance Committee on November 12, 2019 at which time it was agreed that staff would bring the reports forward to the full City Council.

FOR CITY CLERK ONLY

Council Meeting: _____

Disposition: _____

ANALYSIS:

Overview

The Fiscal Year 2018-2019 ended in a better financial position than originally budgeted mainly due to an increase in sales tax. The year-over-year \$1.5 million increase in sales taxes was attributed to a large order of buses purchased by the Golden Gate Bridge Highway and Transportation District and unexpected one-time merchant gains primarily attributable to building and construction which is not expected to be ongoing. Furthermore, the State implemented a new sales tax remittance system in the last fiscal year and as a result of system errors, sales tax remittance was delayed for months which caused the current fiscal year to include sales tax revenue that should have been for the prior year had it been remitted timely. Property tax revenues remained strong, with growth in line with the prior year. The City's General Fund Emergency Reserves continue to meet the target level of ten percent of operating expenses established by City Council Policy. Although the City's year ending fund balances are strong, critical unmet needs have accumulated as a result of the past, multi-year deferral of various capital improvements, maintenance and technology support projects and initiatives.

Fiscal year 2018-2019 marks the fifth year of implementation of the pension accounting standard issued by the Governmental Accounting Standards Board (GASB) known as GASB 68, and the third year of implementation of the new Other Postemployment Benefits (OPEB) accounting standard issued by the Governmental Accounting Standards Board (GASB) known as GASB 75. These requirements, which affect all public agencies with defined benefit retiree plans, are designed to enhance the comparability of financial statements by requiring the measurement of pension-related assets and liabilities at fair value, using a consistent and detailed definition of fair value and accepted valuation techniques. The net impact of reporting under GASB 68 lowers the City's net position as of June 30, 2019 by \$112 million from a reporting perspective. The net pension liability as of this date was measured to be \$110.6 million. The net impact of reporting under GASB 75 lowers the City's net position as of June 30, 2018 by \$28.9 million. The net OPEB liability as of this date was measured to be \$33 million.

The full annual funding of the City's Retiree and OPEB costs have been incorporated into the adopted fiscal year 2019 2020 budget; therefore, there is no negative impact on City operations or services resulting from the reporting of financial information under these reporting standards.

The City made major progress on the Measure E – Public Safety Facility initiative, completing Fire Station 52 during the fiscal year with Fire Station 57's completion soon to follow. Construction expenses for the year totaled \$23.9 million, of which 58% were in support of the Public Safety Center and the remainder split evenly between stations 52 and 57. Total project-to-date spending is approximately \$48.4 million.

Fiscal Year 2018-19 Annual Financial Report – Citywide Financial Results

The actual results of the City's financial activities are presented in the attached Comprehensive Annual Financial Report. The report includes Government-wide financial statements with governmental activities and business-type activities presented separately. Net position is one indicator of the City's financial position. At the end of the fiscal year, net position of the City governmental activities was \$136.9 million, an increase of \$16.8 million from the prior year adjusted balance. This increase is largely attributable to the large activity of capital projects being performed during the year. The Parking Fund, reported as a business-type activity, ended the fiscal year with a net position of \$9.8 million, or \$0.2 million less than that of the previous fiscal year. The fund's cash balance makes up 33% of total net position.

Additional explanatory information is provided in the Management's Discussion and Analysis (MD&A) section beginning on page five of the attached CAFR. The MD&A provides key highlights and a summary view of financial activities for the year.

Financial Results: General Fund

General fund operating revenues exceeded expenditures by \$2.2 million. Measure E revenues of \$4.1 million dedicated to public safety facilities construction and infrastructure were transferred out of the General Fund in support of the projects whereas \$2.2 million was transferred from bond proceeds in the Essential Facilities Capital Projects Fund to cover interest payments.

The fund balance of the General Fund as of June 30, 2019 was \$12.5 million (an increase of \$310 thousand from the prior year balance): \$37 thousand is non-spendable, \$11.4 million is assigned and \$1.1 million is unassigned. The assigned portion of the balance includes \$7.9 million for emergency and cash flow needs.

Gann Appropriations Limit

The Agreed-Upon Procedures report for the Gann Appropriations Limit required three procedures to be performed including testing the accuracy of the calculations and comparison of information presented. No exceptions were noted in these procedures for compliance with the Proposition 111 fiscal year 2019-2020 Appropriations Limit calculation.

Memorandum on Internal Control

The auditors are required to communicate to the City Council matters that come to their attention relating to the audit in a report entitled Memorandum on Internal Control and Required Communications. No additional issues were raised during this audit.

Childcare Financial Report

The Childcare Program had positive operating results, with \$3.6 million in total revenues and \$3.5 million in expenditures for the fiscal year. The fund balance increased from \$1.6 million to \$1.7 million of which funds have been accumulated for capital improvements which are scheduled to occur in fiscal year 19-20. The audit resulted in no adverse findings.

FISCAL IMPACT:

No fiscal impact occurs by the City Council's acceptance of these reports. The fiscal year 2018-2019 Comprehensive Annual Financial Report and related reports are presented as the actual results of the City and related entities' financial activities for the year.

OPTIONS:

The City Council has the following options to consider on this matter:

1. Accept the report;
2. Accept report with modifications.
3. Direct staff to return with more information.
4. Take no action.

RECOMMENDED ACTION:

Staff recommends that City Council accept the reports as presented. The reports will remain as "draft" until City Council has accepted the reports.

ATTACHMENTS:

1. FY 2018-19 Draft Comprehensive Annual Financial Report
2. FY 2018-19 Draft Gann Appropriations Limit
3. FY 2018-19 Draft Memorandum of Internal Controls and Required Communications
4. FY 2018-19 Draft Child Development Program Financial Report



SAN RAFAEL
THE CITY WITH A MISSION

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDING JUNE 30, 2019



Loch Lomond Marina, San Rafael, California



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended
June 30, 2019

City of San Rafael, California
1400 Fifth Avenue
San Rafael, California 94901

Prepared by the Finance Department of the City of San Rafael





Porchfest, Gerstle Park

INTRODUCTORY SECTION



CITY OF SAN RAFAEL, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2019

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INTRODUCTORY SECTION

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CITY OF SAN RAFAEL, CALIFORNIA
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November 8, 2019

Honorable Mayor, Members of the City Council and Residents of San Rafael:

The Comprehensive Annual Financial Report (“CAFR”) of the City of San Rafael (“City”) for the year ended June 30, 2019, is hereby submitted as required by local ordinances, state statutes and bond covenants. This financial report has been prepared in conformance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB) and includes the report of the independent certified public accounting firm, Maze and Associates Accountancy Corporation, which has issued an unmodified, or “clean” opinion on the City’s financial statements for the fiscal year ended June 30, 2019.

The independent audit of the financial statements is part of a broader, federally mandated examination known as a “Single Audit”, which is designed to meet the needs of federal grantor agencies. The standards governing Single Audits require the independent auditor to report on the audited agency’s internal controls and compliance with legal requirements, with special emphasis on such controls and requirements involving the administration of federal funding. These reports will be available in the City’s separately issued Single Audit Report.

City Management is responsible for both the data accuracy, and the completeness and fairness of the presentation of this report. To the best of our knowledge and belief, the data presented is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the various funds and component units of the City. Further, the CAFR is prepared in accordance with procedures and policies set by the Government Finance Officers Association. The analysis of the financial condition and the result of operations can be found in the financial section of the Management’s Discussion and Analysis document. The CAFR is organized into three sections:

1. Introductory section, which is unaudited, includes this letter of transmittal, an organizational chart and a list of the City’s elected and appointed officials.
2. Financial section, includes the general-purpose financial statements, related footnote disclosures, and the combining and individual fund and account group financial statements and schedules, as well as the independent auditors' report.
3. Statistical section, which is unaudited, includes selected financial and demographic information, presented on a multi-year basis. Generally, ten-year data is presented for expenditures, revenues, assessed valuation for local properties and construction activity.



REPORTING ENTITY – PROFILE OF THE GOVERNMENT

The City of San Rafael is located 17 miles north of San Francisco in Marin County. Protected by its Mediterranean like setting along the shores of the San Francisco Bay, the City enjoys a mild climate year-round. As the County seat, San Rafael is considered the commercial, financial, cultural and civic hub of Marin County. Abundant recreational facilities are available in and around the City. The City's park and recreational resources include 19 city parks, 393 acres of developed parkland, city and county open space, and China Camp State Park. San Rafael is close to other attractions, including the Golden Gate Bridge, Muir Woods, Point Reyes National Seashore, Mount Tamalpais, multiple state parks, San Francisco, Oakland and the Sonoma and Napa wine country.

In 1874, the City of San Rafael became the first incorporated city in the county, later becoming a charter city in 1913 by vote of City residents. The City Council comprises five members; four are elected at-large to four-year terms while the mayor is elected separately to a four-year term. The City's land area is 22 square miles, including seventeen square miles of land and 5 of water and tidelands. San Rafael's population on January 1, 2019 was 61,343 and is projected to grow at an average rate of 0.3% per year.

Downtown San Rafael is the location of many community events, including the Thursday night Summer Market Festivals three months out of the year, Second Friday Art Walks, the Twilight Criterium Bike Race, Mill Valley Film Festival, Winter Wonderland/Parade of Lights, and is one of only 14 Cultural Arts Districts in the State of California. San Rafael is also the heart of the County's cultural activities with venues such as the Marin Center, which presents numerous ballets, concerts, speaking engagements as well as the award-winning Marin County Fair; the Falkirk Cultural Center, providing art exhibits and children's programming; the Christopher B. Smith Film Center, and a host of other diverse dining and entertainment venues. The City is also home to the distinguished Dominican University of California.

The City of San Rafael provides a full range of municipal services required by statute or charter, namely: police and fire protection, construction and maintenance of streets, parks, storm drains and other infrastructure, recreation, childcare, permits, planning, code enforcement, and a library system serving two locations along with a temporary pop-up at the Northgate Mall. The City performed certain infrastructure construction and economic development activities through a separate Redevelopment Agency until its dissolution on February 1, 2012. The City of San Rafael accepted the role of Successor Agency to the Redevelopment Agency per Council action on January 3, 2012, and now conducts its economic development activities with funding from its General Fund.

The City and California Municipal Finance Authority compose the San Rafael Joint Powers Financing Authority, originally established by the City and former Redevelopment



Agency for the purpose of financing redevelopment and other projects. The San Rafael Sanitation District is a discretely presented component unit of the City of San Rafael and is presented independent of City financial information. For a further explanation of these entities, refer to Note 1 – Summary of Significant Accounting Policies in the Financial Section of the CAFR.

The City participates in various organizations through formally organized and separate entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, these agencies exercise full powers and authorities within the scope of the related Joint Powers Agreement including the preparation of annual budgets, accountability for all funds, and the power to make and execute contracts. Obligations and liabilities of the separate entities are not those of the City. For a further explanation of these separate entities, refer to Note 12 – Jointly Governed Organizations in the CAFR.

The City's net pension liability under GASB 68 reported as of June 30, 2019 is based on the latest available GASB 67/68 report prepared by the Marin County Employees Retirement Association (MCERA), which was prepared as of June 30, 2018. The next annual report is anticipated to be completed within the upcoming 30 days. The City does not expect the report to have a material impact in the measurement of its net pension obligation of \$110.6 million reported in this year's financial reports.

During fiscal year 2018-2019, the City made significant progress towards improving our essential facilities. Building from over a decade of community efforts to address San Rafael's aging essential public safety facilities, the Essential Facilities project includes a total of seven projects recommended for either replacement or renovation, including a new public safety center across the street from City Hall. These new buildings will be seismically-safe and provide modern facilities for our firefighters, police officers, paramedics and dispatchers. They include an upgraded dispatch and communications center, and a new classroom and training tower for emergency preparedness. The remodel for Fire Station 54 and Fire Station 55 commenced in mid-2019 and is scheduled for completion during the fiscal year 2020-2021. Construction of Fire Station 57 located at 3530 Civic Center Drive is expected to be completed before the end of 2019. Fire Station 52 located at 210 3rd Street was successfully completed in April 2019.

ECONOMIC FACTORS

The City has a diversified economic base, which includes an assortment of high-tech, financial, service-based, entertainment and industrial businesses. Downtown San Rafael provides a mix of restaurants, retail shops and financial institutions. The City's varied economic base is reflected in its property tax base, which is 74% residential, 19% commercial, 2% industrial, and 5% unsecured and others. The top 25 sales tax producers provide 52% of overall sales tax revenues.



The California economy is one of the largest in the world when measured by annual gross domestic product, the growth of which exceeds that of the entire United States. Unemployment has reached a record low of 4.0% in September and the current period of employment expansion has reached 115 months, surpassing the longest previous expansion of the 1960's.

Locally, Marin County's economic indicators remain positive with an unemployment rate that is among the lowest in the State at 2.4% and per capita income is about twice the national average at \$68,879. The housing market also remains in strong standing with the median sales price for a single-family home increasing 15% in 2018.

Demographic Data

The following is a sample of demographic and economic attributes that make San Rafael an exceptional place to live and work.

- ☒ Economic development organizations in San Rafael include the San Rafael Chamber of Commerce, Downtown Business Improvement District, and the Marin Economic Forum.
- ☒ Marin County's top 10 employers include Kaiser Permanente, Marin Health Medical Center, Dominican University of California, Marin Community Clinics, Novato Community Hospital, Hospice by the Bay, W Bradley Electric, Wells Fargo, Community Action Marin, and BioMarin.
- ☒ Major shopping areas, as measured in available retail square footage, include the Downtown corridor (938,000 aggregate), Northgate Mall (725,000), Montecito Center (130,000) and Northgate One (113,900).
- ☒ The top three sales tax categories in 2018 for San Rafael were: 1. Autos and Transportation (25.1%), 2. Building and Construction (16.9%), and 3. General Consumer Goods (13.9%).
- ☒ Several hotels and motels support tourism activity, led by a combined 471 rooms in the Embassy Suites and Four Points Sheraton. Citywide, the total number of hotel rooms is 787.
- ☒ Establishing and maintaining affordable residential housing for sale and lease continues to be a challenge both in San Rafael and throughout Marin County. The median rent for an apartment in San Rafael is \$2,605. The median home value in San Rafael is \$1,051,500.



Recent growth and economic vibrancy:

- San Rafael ranked No. 6 on the 2018 Milken Institute Best-Performing Small Cities Index. This index provides an objective benchmark for examining the underlying factors and identifying unique characteristics of economic growth in metropolitan areas. The index uses metrics such as job creation, wage gains, and technology developments to evaluate the relative growth of metropolitan areas.
- San Rafael ranked No. 3 on the SMU National Center for Arts Research Vibrancy Index. This overall index is composed of three dimensions: supply, demand, and government support. Supply is assessed by the total number of arts providers in the community, including the number of arts and culture organizations and employees, independent artists, and entertainment firms. Demand is gauged by the total nonprofit arts dollars in the community, including program revenue, contributed revenue, total expenses, and total compensation. Lastly, the level of government support is based on state and federal arts dollars and grants.
- San Rafael was named one of the most unique art towns in the United States in an article published by The Storage Space citing Art Works Downtown, the Marin Society of Artists, Youth in Arts, and the California Film Institute as highlights.
- The Grand Avenue Pedestrian bridge was completed connecting downtown with east San Rafael communities and providing improved accessibility for bicyclists and pedestrians.
- As part of San Rafael's Essential Facility projects, the city completed construction of Fire Station 52 located at 210 3rd Street replacing the original station built in 1958.
- San Rafael implemented a pilot program to regulate cannabis business activity, including zoning changes and licensing in an effort to enhance revenues for regulatory efforts and other city services.

FINANCIAL INFORMATION

The City's management is responsible for establishing and maintaining internal controls to ensure that the City's assets are adequately protected from loss, theft or misuse. In addition, management controls ensure that proper accounting data is collected so as to prepare reports in conformance with generally accepted accounting principles.



Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived. All internal control evaluations occur within the above framework. It is management's belief that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance that financial transactions are properly recorded.

The City develops a budget based upon City Council priorities and department objectives. The Finance Department maintains a traditional line item budget by major function. Budget control is accomplished at the functional or division level within each fund. This budget creates a comprehensive management and fiscal system aimed at achieving the objectives of each operating level consistent with those that have been set for the community by the City Council. Each department director is responsible for accomplishing goals within his or her functional area and monitoring the use of her or his budget allocations consistent with policies set by the City Council and monitored by the City Manager.

ACKNOWLEDGMENTS

The preparation of this City-wide document would not have been possible without the assistance of each of the City's departments. In addition, Finance support staff Sara Smith, Shawn Plate, Whitney Fry, Andrew Thompson and Flora Xu, led by Accounting Manager Van Bach and Finance Director Nadine Atieh Hade were key to the timely issuance of this report. We believe this document meets the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting requirements and will be submitting it to the GFOA to determine its eligibility. If accepted, this will mark the eighth consecutive year for which the City received the award.

Lastly, we appreciate the ongoing leadership and support from the Mayor, City Councilmembers and the City Council Finance Committee made up of Mayor Phillips and Councilmember John Gamblin. Their strong commitment to financial accountability and stewardship provide inspiration to the organization and motivate a high level of achievement.

Respectfully submitted,



Jim Schutzy
City Manager



Nadine Atieh Hade
Finance Director



SAN RAFAEL
THE CITY WITH A MISSION

MISSION STATEMENT

The Mission of the City of San Rafael is to enhance the quality of life and to provide for a safe, healthy, prosperous and livable environment in partnership with the community.

VISION STATEMENT

Our vision for San Rafael is to be a vibrant economic and cultural center reflective of our diversity, with unique and distinct neighborhoods in a beautiful natural environment, sustained by active and informed residents and a responsible innovative local government.

January 1996



SAN RAFAEL
THE CITY WITH A MISSION

City Council and Staff

As of November 8, 2019

City Council

Gary O. Phillips, Mayor
Andrew McCullough, Vice Mayor
Kate Colin, Councilmember
Maribeth Bushey, Councilmember
John Gamblin, Councilmember

Elected Officials

Rob Epstein, City Attorney
Lindsay Lara, City Clerk

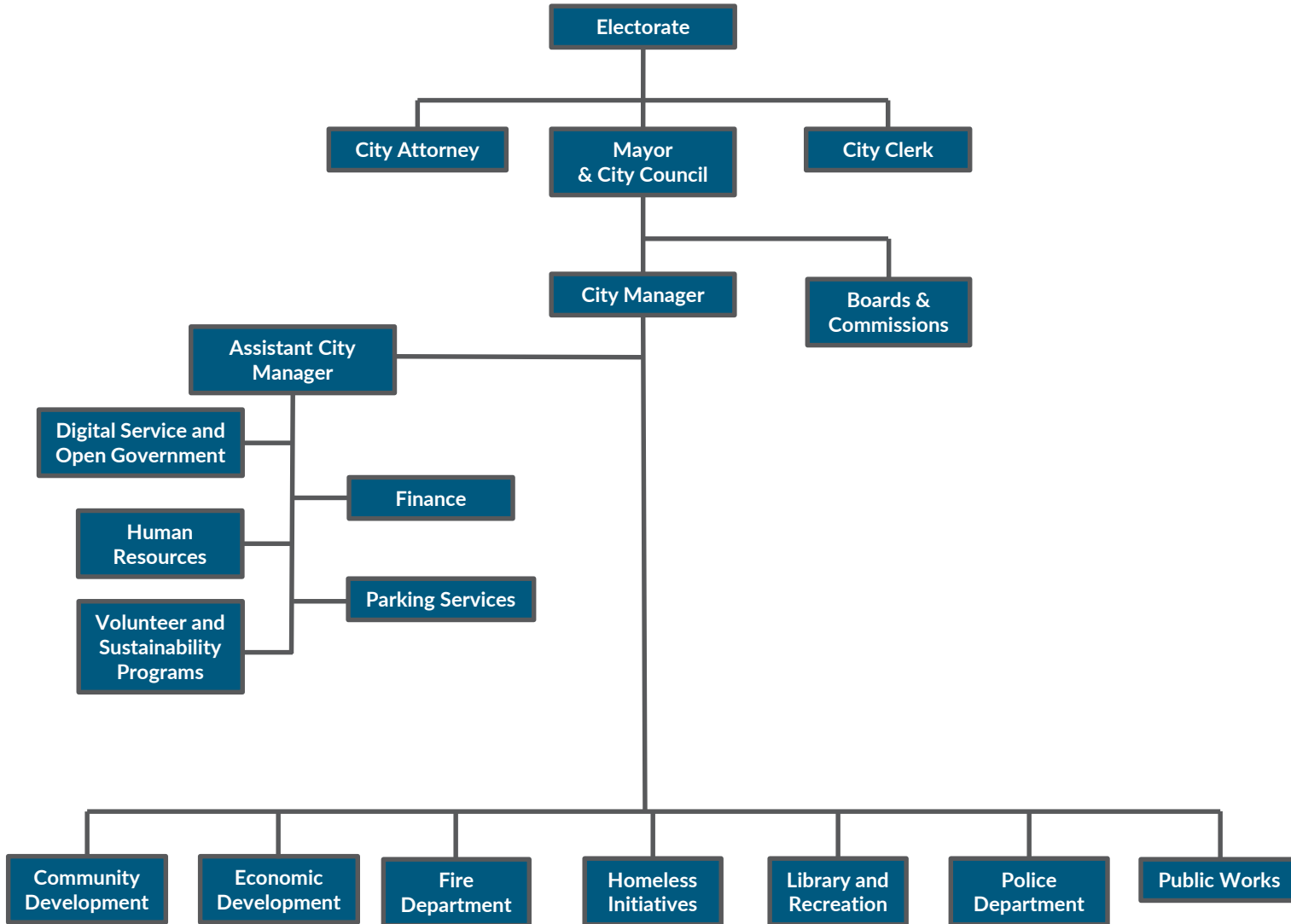
Executive Team

Jim Schutz, City Manager
Cristine Alilovich, Assistant City Manager
Diana Bishop, Chief of Police
Chris Gray, Fire Chief
Bill Guerin, Public Works Director
Paul Jensen, Community Development Director
Susan Andrade-Wax, Library & Recreation Director
Nadine Atieh Hade, Finance Director
Rebecca Woodbury, Director of Digital Service & Open Government
Shibani Nag, Human Resources Director
Andrew Hening, Homeless Initiatives Director



LOCATION MAP

ORGANIZATIONAL CHART





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of San Rafael
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO





Station 52

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council
City of San Rafael, California

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of San Rafael (City), California, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the component unit financial statements of the San Rafael Sanitation District, which represents 24%, 36%, and 14%, respective, of the assets, net position, and revenues of the primary government. Those financial statements were audited by other auditors, whose report thereon has been furnished to us and our opinion, insofar as it relates to the amounts included for the San Rafael Sanitation District, is based solely on the report of these auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinions, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information and the discretely presented component unit of the City as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of matter

Management adopted the provisions of the following Governmental Accounting Standards Board Statement, which became effective during the year ended June 30, 2019:

Governmental Accounting Standards Board Statement 88 – *Certain Disclosures Related to Debt including Direct Borrowings and Direct placements*. See Note 6 to the financial statements for relevant disclosures.

The emphasis of these matters does not constitute a modification of our opinion.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Introductory Section, Supplementary Information, and Statistical Section as listed in the Table of Contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The Supplementary Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2019 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Maze & Associates

Pleasant Hill, California
November 8, 2019



**Management's Discussion and Analysis
Fiscal Year Ended June 30, 2019**

This analysis of the City of San Rafael's (City) financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2019. Please read it in conjunction with the basic financial statements and the accompanying notes to those basic financial statements.

FINANCIAL HIGHLIGHTS

Government-wide:

- *Net Position* – The assets and deferred outflows of the City exceeded its liabilities and deferred inflows as of June 30, 2019 by \$146.8 million.
- *Activities* – During the fiscal year the City's total revenues of \$123.2 were greater than expenses of \$106.6 million for governmental and business-type activities.
- *Changes in Net Position* – The City's total net position increased by \$16.5 million in fiscal year 2018-2019 as compared to the net position of the previous year. Net position of governmental activities increased by \$16.7 million, while net position of the business-type activities decreased by \$200 thousand.

Fund Level:

- *Governmental Funds* – As of the close of fiscal year 2018-2019, the City's governmental funds reported combined ending fund balances of \$67.8 million, a decrease of \$20.0 million primarily due expenditure of bond proceeds from the fund balance of the prior year. Of this total amount, \$65 thousand is nonspendable, \$53.3 million is restricted, \$1.9 million is committed, \$11.5 million is assigned, and \$1.1 million is unassigned.
- Governmental fund revenues totaled \$117.6 million, an increase of \$10.2 million from the those of the previous fiscal year. Approximately \$8 million was attributable to the Gas Tax Fund in the form of grant and federal reimbursements for expenses incurred on capital projects. The remainder was due to positive trends in property tax and sales tax performance, and reimbursements from the County of Marin for major improvements to Fire Station 57. Aside from these items, the City experienced modest to moderate growth in revenues.
- Governmental fund expenditures increased by \$18.5 million to \$138.9 million, from \$120.4 million in the prior year, due primarily to public safety infrastructure and other capital improvement program expenditures.
- Enterprise fund operating revenue increased \$158 thousand to a total of \$5.4 million. Enterprise operating expenditures totaled \$4.9 million, an increase of \$0.3 million over the previous year.

OVERVIEW OF FINANCIAL STATEMENTS

The Comprehensive Annual Financial Report is composed of the following:

1. Introductory section, which includes the Transmittal Letter and general information
2. Management's Discussion and Analysis (this part)
3. Basic Financial Statements, which include the Government-wide and the Fund financial statements along with the Notes to these financial statements
4. Combining statements for Non-Major Governmental Funds, Internal Services Funds, and Fiduciary Funds
5. Statistical Information

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2019

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which have three components: 1) Government-wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to the Basic Financial Statements.

The basic financial statements include the City (primary government) and all legally separate entities (component units) for which the government is financially accountable. This report also contains other supplementary information in addition to the basic financial statements for further information and analysis.

Government-wide Financial Statements

The government-wide financial statements present the financial picture of the City and provide readers with a broad view of the City's finances. These statements present governmental activities and business-type activities separately and include all assets of the City (including infrastructure) as well as all liabilities (including long-term debt). Additionally, certain interfund receivables, payables, and other interfund activity have been eliminated as prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34.

The *Statement of Net Position and the Statement of Activities and Changes in Net Position* report information about the City as a whole. These statements include *all* assets and liabilities of the City using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account, regardless of when cash is received or paid.

The *Statement of Net Position* presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities and Changes in Net Position* presents information showing how the City's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows.

In the *Statement of Net Position* and the *Statement of Activities and Changes in Net Position*, City activities are separated as follows:

Governmental Activities – Most of the City's basic services are reported in this category, including Public Safety, Public Works and Parks, Community Development, Cultural and Recreation, and Government Administration (finance, human resources, legal, City Clerk and City Manager operations). Property tax, sales and use taxes, user fees, interest income, franchise fees, hotel taxes, business licenses, and property transfer taxes, plus state and federal grants finance these activities.

Business-type Activities – The City charges fees to customers to cover the full costs of certain services it provides. The City's Parking Services program is the City's sole business-type activity.

Discretely Presented Component Units – The government-wide financial statements include not only the City itself (the primary government), but also the San Rafael Sanitation District, a legally separate entity for which the City is financially accountable. Financial information for the San Rafael Sanitation District is reported separately from the financial information presented for the primary government.

The government-wide financial statements can be found on pages 25 through 27 of this report.

CITY OF SAN RAFAEL
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2019

Fund Financial Statements and Major Component Unit Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

The fund financial statements provide detailed information about each of the City's most significant funds called major funds. The concept of major funds and the determination of the major funds were established in the Governmental Accounting Standards Board Statement No. 34. Each major fund is presented individually with all non-major funds summarized and presented in a single column. Further detail on the non-major funds is presented on pages 112 through 142 of this report.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial capacity.

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

The City has thirty-one governmental funds, of which four are considered major funds for presentation purposes. Each major fund is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. The City's four major funds are: the General Fund, Traffic and Housing Mitigation, Gas Tax and Essential Facilities Capital Projects. Data from the other twenty-seven governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages 30 through 34 of this report. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 112 through 132 of this report.

Proprietary Funds – The City maintains two different types of proprietary funds - enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its Parking Services program and reports it as a major fund. Internal service funds are used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its building maintenance; vehicle, equipment and computer replacement; workers' compensation; general liability; self-insured dental program; other employee and retiree benefits programs. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Like the government-wide financial statements, proprietary fund financial statements use the accrual basis of accounting. There is no reconciliation needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements.

**Management's Discussion and Analysis
Fiscal Year Ended June 30, 2019**

The basic proprietary fund financial statements can be found on pages 36 through 38 of this report.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The City acts as an agent on behalf of others, holding amounts collected, and disbursing them as directed or required. The City's fiduciary activities are reported in the separate Statements of Fiduciary Net Position and the Agency Funds Statement of Changes in Assets and Liabilities. The City's fiduciary funds include a private purpose trust fund to account for activities of the City of San Rafael Successor Agency and an agency fund that accounts for resources held by the City in a custodial capacity for the Pt. San Pedro Road Assessment District. Information for the fiduciary funds can be found on pages 40 through 41 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 43 through 93 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. One section includes budgetary comparison statements for the major funds (general, gas tax, traffic and housing mitigation, and essential facilities capital projects). The other section is a schedule of funding progress for the Marin County Employees' Retirement System. All budgeted positions that are filled by either full-time or permanent part-time employees (working seventy-five percent of full-time equivalent) are eligible to participate in this system. Required supplementary information can be found on pages 94 through 106 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

Net position is one measurement of the City's financial position. During this fiscal year, the net position of the City was \$136.9 million from Governmental Activities and \$9.9 million from Business-type Activities, for a total of \$146.8 million. This represents an increase of \$16.5 million from the prior year net position.

CITY OF SAN RAFAEL
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2019

The following is the condensed Statement of Net Position for the fiscal years ended June 30, 2019 and 2018:

Summary of Net Position
(in thousands)

	Governmental Activities		Increase (Decrease)	Business-Type Activities		Increase (Decrease)
	2019	2018		2019	2018	
Current and other assets	\$102,788	\$126,251	(\$23,463)	\$3,283	\$3,199	\$84
Capital assets	254,163	221,978	32,185	15,941	16,151	(210)
Total assets	<u>356,951</u>	<u>348,229</u>	<u>8,722</u>	<u>19,224</u>	<u>19,350</u>	<u>(126)</u>
Deferred outflows (Notes 9 and 11)	<u>38,415</u>	<u>44,932</u>	<u>(6,517)</u>	<u>1,178</u>	<u>1,364</u>	<u>(186)</u>
Current and other liabilities	14,479	19,363	(4,884)	477	439	38
Noncurrent liabilities	208,131	219,709	(11,578)	8,953	9,151	(198)
Total liabilities	<u>222,610</u>	<u>239,072</u>	<u>(16,462)</u>	<u>9,430</u>	<u>9,590</u>	<u>(160)</u>
Deferred inflows (Notes 9 and 11)	<u>35,838</u>	<u>33,947</u>	<u>1,891</u>	<u>1,130</u>	<u>1,060</u>	<u>70</u>
Net Position:						
Net investment in capital assets	231,844	217,170	14,674	11,023	10,952	71
Restricted	23,289	25,550	(2,261)	0	0	0
Unrestricted	(118,215)	(122,577)	4,362	(1,179)	(887)	(292)
Total net position	<u>\$136,918</u>	<u>\$120,143</u>	<u>\$16,775</u>	<u>\$9,844</u>	<u>\$10,065</u>	<u>(\$221)</u>

Current Governmental assets decreased by \$23.5 million, primarily due to the expenditure of bond proceeds for public safety facility construction and improvements. The \$32.2 million increase in Capital assets reflects project-to-date activity for this activity in combination with major traffic infrastructure improvements. The decrease of \$6.5 million is primarily a result of recognition of prior year deferred outflows related to the City's change in proportion of its net pension liability in relation to the other members within the larger MCERA pool. Current and other liabilities decreased by approximately \$4.9 million, primarily due to a decrease in accounts payable as a result of a higher level of construction activity in the prior year. Noncurrent governmental liabilities decreased by \$11.6 million, a result of the net decrease in net pension liability when compared to the prior year (Note 9). Deferred inflows experienced a modest increase as amortization of prior balances was offset by a large investment gain with the MCERA trust that will be recognized in future years. In order to decrease the volatility of the measurement of net pension liability gains and losses in excess of those projected are capitalized and amortized over a five-year period.

The net position in business-type activities reflects the fiscal activity of the Parking Services program and decreased by \$221 thousand from the previous year. Capital assets decreased by \$210 thousand due to current year depreciation. The decrease in deferred outflows was due to the proportion change of net pension liability mentioned above. The \$198 thousand decrease in noncurrent liabilities is driven by the decrease in net pension liabilities.

CITY OF SAN RAFAEL

**Management's Discussion and Analysis
Fiscal Year Ended June 30, 2019**

At June 30, 2019, the largest portion of net position in the amount of \$242.9 million consisted of the City's investment in capital assets net of related debt. This component represents the total amount of funds required to acquire capital assets less any related debt used for such acquisition that is still outstanding. The City uses these assets to provide services to residents. The capital assets of the City are not sources of income for repayment of debt as most assets are not revenue generating and generally are not liquidated to repay debt. Therefore, debt service payments are funded from other sources available to the City.

A portion of the City's net position, \$23.3 million, is subject to external restrictions, and their use is determined by those restrictions whether legal or by covenant. The remaining portion, unrestricted negative \$119.4 million, represents the extent to which the net investment in capital assets and restricted net position exceed total assets.

Net Position as of 6/30/2019	
Total = \$ 146,761 (in thousands)	
Invested in Capital Assets (net)	\$242,867
Restricted	23,289
Unrestricted	<u>(119,395)</u>
Total Net Position	<u><u>\$146,761</u></u>

CITY OF SAN RAFAEL
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2019

Statement of Activities - Governmental

The following is the condensed Statement of Activities and Changes in Net Position for the fiscal years ended June 30, 2019 and 2018:

Summary of Changes in Net Position
(in thousands)

	Governmental Activities		Increase
	2019	2018	(Decrease)
REVENUES			
Program revenues:			
Charges for services	\$19,904	\$19,142	\$762
Operating grants and contributions	4,585	5,143	(558)
Capital grants and contributions	8,042	975	7,067
Total program revenues	<u>32,531</u>	<u>25,260</u>	<u>7,271</u>
General revenues:			
Property taxes	25,903	24,627	1,276
Sales taxes	35,627	34,120	1,507
Paramedic tax	4,936	4,923	13
Transient occupancy tax	3,203	3,115	88
Franchise tax	3,627	3,727	(100)
Business license tax	2,788	2,790	(2)
Other taxes	1,783	2,246	(463)
Investment earnings	1,450	557	893
Miscellaneous	5,905	5,992	(87)
Total general revenues	<u>85,222</u>	<u>82,097</u>	<u>3,125</u>
TOTAL REVENUES	<u>117,753</u>	<u>107,357</u>	<u>10,396</u>
EXPENSES			
General government	11,968	9,836	2,132
Public safety	49,899	53,231	(3,332)
Public works and parks	19,271	22,085	(2,814)
Community/economic development	5,782	4,040	1,742
Culture and recreation	12,819	13,286	(467)
Interest on long-term debt	1,848	884	964
TOTAL EXPENSES	<u>101,587</u>	<u>103,362</u>	<u>(1,775)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES	<u>16,166</u>	<u>3,995</u>	<u>12,171</u>
Transfers in	609	633	(24)
Total Other Financing Sources (Uses)	<u>609</u>	<u>633</u>	<u>(24)</u>
Net Change in Net Position	16,775	4,628	12,147
Beginning Net Position	120,143	115,515	4,628
Ending Net Position, June 30	<u>\$136,918</u>	<u>\$120,143</u>	<u>\$16,775</u>

CITY OF SAN RAFAEL

**Management’s Discussion and Analysis
Fiscal Year Ended June 30, 2019**

The City’s governmental activities net position increased by \$16.8 million during fiscal year 2018-2019. Year-over-year increases revenues of \$10.4 million and the decrease in expenses of \$1.8 million contributed to a net change in position of \$12.2 million. Revenue increases were concentrated in the areas of capital grants, property taxes and sales taxes, while decreases in program expenses were concentrated in public safety and public works. Reductions in expenses for public safety and public works are the result of fluctuations in internal service activity between fiscal years as well as required pension and OPEB related adjustments. Due to the nature of allocations of expenses in the government-wide statements, fluctuation analysis on program expenses is better performed on the fund level financial statements.

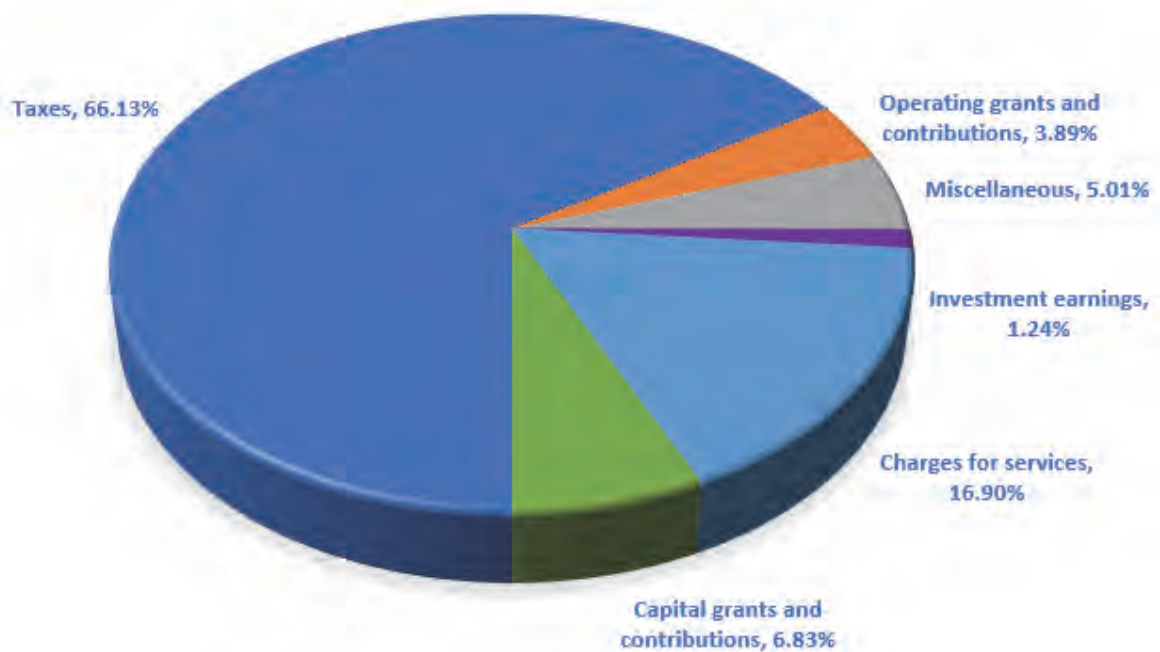
Growth in property taxes stemmed from the 2% proposition 13 inflation adjustment as well a restoration of \$31 million of previously reduced values to residential properties. These are homes that are below the trended Proposition 13 values that received reductions between 2008 and 2012. In addition, the sale and improvement of large commercial properties in 2017 were reflected on the tax roll for the fiscal year ended June 30, 2019.

The year-over-year \$1.5 million increase in sales taxes was attributed to a large order of buses purchased by GGBHTD and unexpected merchant gains primarily attributable to building and construction which is not expected to be ongoing. Furthermore, the State implemented a new sales tax remittance system in the last fiscal year and as a result of system errors, sales tax remittance was delayed for months which caused the current fiscal year to include sales tax revenue that would have been for the prior year had it been remitted timely.

The decrease in fiscal year 2018-2019 governmental expenses was due, in part to pension and OPEB expense adjustments recorded under GASB 68 and 75, respectively, as well as reduced internal service fund expenditure allocations resulting primarily from Workers’ Compensation premiums and claims during the year.

The following graph shows governmental revenues by source:

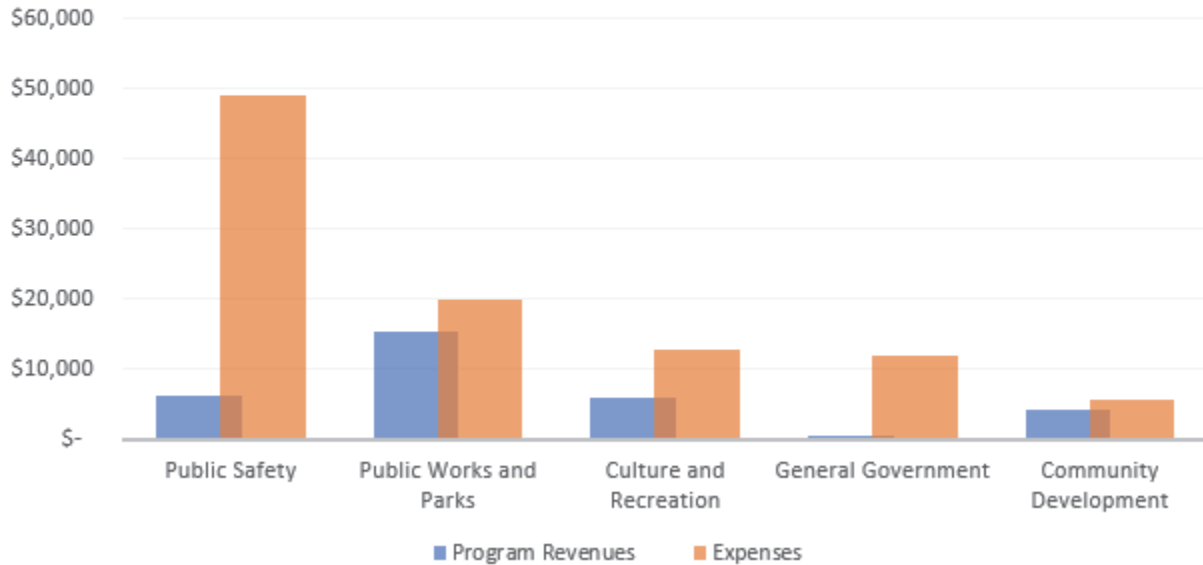
**Revenues by Source
Governmental Activities**



CITY OF SAN RAFAEL

**Management's Discussion and Analysis
Fiscal Year Ended June 30, 2019**

**Expenses and Program Revenues
Governmental Activities
(in thousands)**



Total expenses for governmental activities were \$99.7 million (excluding interest on long-term debt of \$1.8 million). Program revenues offset total expenditures as follows:

- Those who directly benefited from programs contributed \$19.9 million in charges for services.
- A total of \$12.6 million in operating and capital projects were funded by outside agencies through operating, capital grants, and contributions.

As a result, total expenses that were funded by tax revenues, investment income, other general revenues and fund balance were \$67.2 million.

Functional expenses for the year ended June 30, 2019 were as follows:

Expenses by Function

(in thousands)

Function	Amount	Percent of Total
General government	\$11,918	11.7%
Public safety	49,154	48.4%
Public works and parks	20,032	19.7%
Community development	5,825	5.7%
Culture and recreation	12,810	12.6%
Interest on debt	1,848	1.8%
Total expenses	\$101,587	100%

CITY OF SAN RAFAEL
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2019

Statement of Activities – Business-type

Summary of Changes in Net Position
For the periods ended June 30, 2019 and 2018 (in thousands)

	Business-Type Activities		Increase (Decrease)
	2019	2018	
Revenues			
Program revenues:			
Charges for services	\$5,362	\$5,204	\$158
Total program revenues	<u>5,362</u>	<u>5,204</u>	<u>158</u>
General revenues:			
Investment Income	64	24	40
Total general revenues	<u>64</u>	<u>24</u>	<u>40</u>
TOTAL REVENUES	<u>5,426</u>	<u>5,228</u>	<u>198</u>
Expenses			
General government	5,039	4,628	411
TOTAL EXPENSES	<u>5,039</u>	<u>4,628</u>	<u>411</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES	387	600	(213)
OTHER FINANCING SOURCES (USES)			
Transfers out	(608)	(633)	25
Total Other Financing sources (uses)	<u>(608)</u>	<u>(633)</u>	<u>25</u>
Net Change in Net Position	(221)	(33)	(188)
Net Position, Beginning	<u>10,064</u>	<u>10,097</u>	<u>(33)</u>
Net Position, Ending	<u>\$9,843</u>	<u>\$10,064</u>	<u>(\$221)</u>

The net position for business-type activities decreased from the prior year by \$221 thousand.

- Parking services is the City's only business-type activity with income derived from program revenues of \$5.4 million. Program revenues include parking meter coin income of \$2.0 million and parking garage hourly and monthly parking income of \$1.2 million. Revenues also include parking and non-vehicle code fines totaling \$2.2 million. Total expenses for parking services were \$5.0 million and transfers out to general fund and non-major governmental fund for support totaled \$608 thousand during the fiscal year 2018-2019. The year-over-year increase in expenses was driven by routine pension-related accounting adjustments in the parking fund.

CITY OF SAN RAFAEL
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2019

FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS

Governmental Funds

Fund Balance Classifications

In February 2009, the Governmental Accounting Standards Board issued Statement No. 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*. The objective of GASB 54 was to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be applied. Under GASB 54, fund balances are classified in five categories: nonspendable, restricted, committed, assigned, and unassigned based on hierarchy of constraint. Further details on fund balance classifications can be found in Note 8B.

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

As of June 30, 2019, the City reported a combined ending fund balance of \$67.8 million of all its governmental funds (a decrease of \$20.0 million from the prior year): \$65 thousand is non-spendable, \$53.3 million is restricted, \$1.9 million is committed, \$11.5 million is assigned, and \$1.1 million is unassigned.

General Fund – The General Fund is the primary operating fund of the City.

General Fund – The fund balance of the General Fund as of June 30, 2019 was \$12.5 million (an increase of \$310 thousand from the prior year balance): \$37 thousand is non-spendable, \$11.4 million is assigned and \$1.1 million is unassigned. The assigned portion of the balance includes \$7.9 million for emergency and cash flow needs.

General Fund Budgetary Highlights:

The original adopted General Fund budget projected total revenue of \$78.9 million and transfers-in of \$1.7 million for total resources of \$80.6 million. This budget appropriated expenditures of \$75.6 million and transfers-out of \$5.9 million for total appropriations of \$81.5 million. Expenditures were later increased to \$78.5 million to accommodate interest incurred on 2018's bond proceeds and accordingly, transfers in were similarly increased to account for the transfer of funds from the Essential Facilities Capital Projects Fund to cover the interest charges. Transfers-out were increased by \$404 thousand based on estimated Measure E sales tax increases transferred to the Essential Facilities Fund and grant matching allocated to other funds.

Actual revenues, at \$80.3 million, were higher than the original budgeted revenues by \$1.4 million. This positive performance was primarily due to stronger-than-anticipated property tax and sales tax revenues. Actual expenditures of \$78.0 million were greater than the original budgeted expenditures by \$2.5 million, primarily due to interest on the 2018 bond issuance previously unbudgeted.

Fiscal year 2018-2019 General Fund revenues and transfers of 84.6 million exceeded expenditures, operating and capital transfers out of \$84.3 million by \$0.3 million. Net operating results were sufficient to ensure that the General Fund Emergency and Cash Flow Reserve maintained its target level of 10 percent of actual expenditures.

CITY OF SAN RAFAEL
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2019

Summary of General Fund Budget and Actual
For the fiscal year ended June 30, 2019 (in thousands)

	Adopted Budget	Revised Budget	Actual
Revenues	\$78,896	\$79,016	\$80,335
Transfers in	1,687	4,321	4,321
Total resources	<u>80,583</u>	<u>83,337</u>	<u>84,656</u>
Expenditures	75,574	\$78,547	78,068
Operating transfers out	1,850	2,085	2,085
Capital Transfers out	4,025	4,194	4,194
Total uses	<u>81,449</u>	<u>84,826</u>	<u>84,347</u>
Net Results	<u>(\$866)</u>	<u>(1,489)</u>	<u>\$309</u>

Traffic and Housing Mitigation Fund – The City uses this fund to collect developer contributions to be used for major street improvement and housing infrastructure projects. During the year, the fund balance decreased from \$6.3 million to \$5.2 million. Revenues totaled \$2.5 million, while \$3.6 million was charged against this fund to support the maintenance of the City-wide traffic model. Rail crossing improvements at Anderson Drive accounted for charges of \$3.4 million and a project to install new queue cutter signals on 2nd and 3rd streets next to the rail crossing accounted for \$117 thousand. The balance in the fund is being held in anticipation of major street projects identified in the General Plan 2020 and other qualifying expenditures.

Gas Tax Fund – The City uses this fund to manage its allocation of State gasoline taxes and local funding for street maintenance projects. Gas tax revenues were exceeded by expenditures and net transfers by \$1.3 million in fiscal year 2018-2019 resulting in a drop in fund balance from \$6.0 million to \$4.7 million. The activities for the year were all planned and approved project work.

Expenditures during fiscal year 2018-2019 totaled \$12.6 million. In addition to routine street-related maintenance of \$1.3 million, major expenditures included \$5.2 million for Francisco Boulevard West multi-use pathway, \$2.2 million for modifications to 2nd Street at Grand Avenue, \$1.2 million for emergency slide repair at 70 Irwin, \$382 thousand for improvements on G Street, \$360 thousand to implement an Automated Traffic Signal Performance Measures system, \$333 thousand for emergency slide repair at 80 Upper Toyon, \$228 thousand for emergency slide repair at 21 San Pablo, and \$200 thousand for sidewalk improvements to Francisco Boulevard.

The largest sources of revenues were \$4.1 million in grant reimbursements for costs associated with the Francisco Boulevard West multi-use pathway, \$2.1 million in grant reimbursements for the Grand Avenue Connector Project, \$1.3 million from State gasoline taxes, \$1.2 million in development impact fees, \$1.1 million in State RMRA (Road Maintenance and Rehabilitation Account) funding, and \$647 thousand in local Measure A funding.

Essential Facilities Capital Projects Fund – The City uses this fund to account for major capital improvements to public safety facilities. The currently active construction projects are Fire Station 57 and the Public Safety Center. Expenditures during fiscal year 2018-2019 totaled \$23.9 million, of which \$4.1 million was transferred from the General Fund from an allocation of Measure E Transaction and Use Tax, \$3.3 million from reimbursements from the County of Marin for its share of Fire Station 57 costs, and \$1.1 million was allocated from paramedic tax funds.

**Management's Discussion and Analysis
Fiscal Year Ended June 30, 2019**

Non-major Governmental Funds – The City's non-major funds are presented in the basic financial statements in the aggregate. At June 30, 2019, non-major funds had a total fund balance of \$13.0 million, a \$1.2 million decrease over that of the previous year. The largest fund balance decrease, \$456 thousand, was recorded in the Emergency Medical Services Fund as result of planned capital transfers to support the delivery of medical transport services. The Measue A Open Space fund decreased by \$404 thousand as the fund balance was used for planned CIP projects including the Bret Harte restroom installation. The Parkland Dedication fund decreased by \$345 thousand as result of capital outlay for renovation and expansion of Albert Park.

Of the ending total non-major fund balances of \$13.0 million: \$10.9 million (84%) is legally restricted for specific purposes by external funding source providers, \$1.9 million (15%) is committed for special purposes by the City Council, \$27 (less than 1%) thousand is nonspendable, and \$ 0.1 million (1%) is assigned. Additional information about these aggregated non-major funds is presented in the combining statements which immediately follow the required supplementary information.

Proprietary Funds

The City's proprietary funds are presented in the basic financial statements in a manner similar to that found in the government-wide financial statements, but in more detail. As noted in the Summary of Changes in Net Position – Business-type Activities at page 26, the City's Enterprise fund net position decreased by \$221 thousand during the fiscal year. The Parking Services Fund is the City's sole business-type (Enterprise) activity.

The proprietary fund operating revenue increased by \$158 thousand in fiscal year 2018-2019 to \$5.4 million. The Enterprise fund operating expenses were \$4.9 million in fiscal year 2018-2019, an increase of \$0.4 million over the prior fiscal year. The change in operating expenses was primarily driven by the recognition of pension and OPEB expenses under Governmental Accounting Standards Board Statement Nos. 68 and 75.

The City's Internal Service Funds are also reported in this Proprietary Fund classification. In fiscal year 2018-2019, the Internal Services Funds were comprised of: Building Maintenance, Vehicle Replacement, Equipment Replacement, Employee Benefits, Liability Insurance, Workers' Compensation, Dental Insurance, Employee Retirement, OPEB/Retiree Medical, Radio Replacement, Telephone Replacement and Sewer Maintenance. The net position of the Internal Service Funds increased by \$775 thousand. Net investment in capital assets decreased by \$400 thousand, while unrestricted fund balance increased by \$1.1 million. The decrease in capital assets resulted primarily from depreciation of existing capital assets. The increase in unrestricted fund balance reflected the deferral of vehicle purchases in the Vehicle Replacement Fund and increased allocation to the Workers Compensation Fund. The other Internal Service Funds reported small-to-moderate changes to their respective net positions.

CAPITAL ASSETS AND DEBT ADMINISTRATION**Capital Assets**

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2019 amounts to \$270.1 million, net of accumulated depreciation of \$182.5 million. This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure and construction in progress. Infrastructure assets are items that are normally immovable and of value only to the City such as roads, bridges, streets and sidewalks, drainage systems, lighting systems, and similar items. The net addition to the City's investment in capital assets for the current fiscal year was \$32.3 million, offset by accumulated depreciation of \$8 million.

CITY OF SAN RAFAEL
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2019

Additions to capital assets during fiscal year 2018-2019 included:

- Land Improvements: \$0.7 million
 - Albert Park Improvements - \$742k
- Building and structure projects: \$0.7 million
 - Victor Jones Park Improvements - \$688k
- Infrastructure: \$4.2 million
 - Freitas-Las Gallinas Intersection Improvement - \$3.5 million
 - Emergency Slide-80 Upper Toyon - \$349k
 - G-Street Improvements Phase 2 - \$383k

The City's Capital Assets for the fiscal years ending June 30, 2019 and 2018 were as follows:

Summary of Capital Assets
(in thousands)

	2019	2018
Governmental Activities		
Land	\$83,662	\$83,662
Construction in progress	69,822	35,720
Land improvements	9,763	9,020
Buildings and structures	44,247	43,559
Machinery and equipment	20,948	20,971
Infrastructure	203,818	199,560
Less accumulated depreciation	(178,097)	(170,514)
Subtotal Governmental Activities	254,163	221,978
Business-type Activities		
Land	8,621	8,621
Buildings and structures	10,714	10,714
Machinery and equipment	1,042	1,128
Less accumulated depreciation	(4,436)	(4,313)
Subtotal Business-type Activities	15,941	16,150
Total Capital Assets	\$270,104	\$238,128

Additional information on the City's capital assets can be found in Note 5 on pages 61 through 63 of this report.

Debt Administration

The City's debt obligations were stable year-over year and reflect payments of principal made during the year. The debt of the former Redevelopment Agency is reported under the Successor Agency, which is presented as Private-Purpose Trust Fund on the Statement of Fiduciary Net Position. (See Note 6 of the financial statements for additional information on the debt obligations of the City and Note 15 for additional information on the Successor Agency.) The City's long-term obligations for the fiscal years ending June 30, 2019 and 2018 were as follows:

CITY OF SAN RAFAEL
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2019

Summary of Long-Term Debt
(in thousands)

	<u>2019</u>	<u>2018</u>
Governmental Activity Debt:		
2018 Authority Lease Revenue Bond	\$53,104	\$53,612
2010 Taxable Pension Obligation Bonds	3,765	4,185
PG & E City Hall HVAC Retrofit Note Payable	146	179
PG & E Street Light Retrofit Note Payable	7	49
PG & E Efficiency Note Payable	1,081	1,081
Subtotal Governmental Activity Debt	<u>58,103</u>	<u>59,106</u>
Business-type Debt:		
PG & E Parking Lot Lighting Retrofit Note Payable	28	35
2012 Authority Lease Revenue refunding Bonds, as adjusted	4,890	5,164
Subtotal Business-type Debt	<u>4,918</u>	<u>5,199</u>
Total Long-Term Obligations	<u><u>\$63,021</u></u>	<u><u>\$64,305</u></u>

**Management's Discussion and Analysis
Fiscal Year Ended June 30, 2019**

ECONOMIC CLIMATE AND NEXT YEAR'S BUDGET

Ten years removed from the Great Recession, the US Economy continues to grow, officially reaching the longest economic expansion in US history. The labor market has created over 2 million jobs per year since 2010. However, growth is beginning to slow. According to the September Federal Open Market Committee meeting US GDP Growth is forecasted to decline to 2.1% in 2019 versus 3% in 2018. GDP Growth is then expected to decrease to 2% in 2020 and 1.8% in 2021 with unemployment and inflation expected to follow similar patterns.

California is on strong economic footing to begin the fiscal year with a GDP that would rank as the fifth largest nation in the world. The state's fiscal 2019 budget assumes slowed growth in line with national trends and seeks to exercise fiscal prudence although GDP growth of 5.6% in 2018 outpaces the nation as a whole (2.9%) and unemployment has recently reached a record low of 4%. This is taking place within a climate of uncertainty, though, as the cost of living continues to rise and income inequality persists.

Locally, Marin County's unemployment rate is among the lowest in the State at 1.9% and total employment figures are forecasted to grow at an average rate of 0.9% through 2022. The new fiscal year begins with property tax revenues projected to increase, however a gradual decline is projected over the next three years.

In San Rafael, property taxes are continuing to grow while sales taxes, having achieved a 4.3% gain over the previous year are projected to start leveling off. The trend of consumer spending continues to shift to online retailers and away from brick-and-mortar locations and the city is continuing to analyze results of the Wayfair decision, however, its actual impact is currently unclear.

The City's general fund has been fueled by the momentum of seven consecutive years of solid operating results. Service levels have increased moderately over the past few years and at the same time, the City is fully funding its actuarially-determined, required contributions for both pension and retiree medical (OPEB) obligations.

Reductions in staffing and service levels, coupled with deferred maintenance of City facilities as method of coping with past economic downturns means that, although the City is able to maintain and, in some cases, improve on its level of services, there are still critical unfunded capital and maintenance needs.

Sales tax and transactions and use tax (Measure E) combined, represent the City's largest tax revenue generators. The City's second largest tax generator is property tax. The City is expecting the fiscal year 2019-2020 tax roll to increase by approximately four percent over the previous year. Other tax and non-tax revenues are expected to grow moderately, in the range of two to four percent.

The City's largest expenditure relates to personnel costs. Salaries and benefits are tied to the labor agreements with each bargaining group. With the exception of SEIU-Childcare, which has a two-year contract expiring on October 31, 2021, the City's labor units are all operating under two-year contracts that expire on June 30, 2020.

In the bond markets, the San Rafael name is recognized as a high credit municipal entity given both the City's financial strength and solid financial management. Because the City's bonds are highly sought by investors and are competitive in the marketplace, the City can borrow funds at reasonably attractive rates. The City maintains an AA issuer credit rating with Standard & Poor's Ratings Services.

**Management's Discussion and Analysis
Fiscal Year Ended June 30, 2019**

REQUEST FOR INFORMATION

This financial report is designed to provide our residents, businesses, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for providing high quality services within the limits of our fiscal resources. If you have questions about this report or need additional financial information, contact the City of San Rafael – Finance Department at 1400 Fifth Avenue, Room 204, San Rafael, California 94901.



CITY OF SAN RAFAEL

**STATEMENT OF NET POSITION AND
STATEMENT OF ACTIVITIES**

The Statement of Net Position and the Statement of Activities summarize the entire City's financial activities and financial position. They are also referred to as Government-wide financial statements.

The Statement of Net Position reports the difference between the City's total assets and the City's total liabilities, including all the City's capital assets and all its long-term debt. The Statement of Net Position focuses the reader on the composition of the City's net position, by subtracting total liabilities from total assets.

The Statement of Net Position summarizes the financial position of all of the City's Governmental Activities in a single column, and the financial position of all the City's Business-type Activities in a single column; these columns are followed by a total column which presents the financial position of the entire City.

The City's Governmental Activities include the activities of its General Fund, along with all its Special Revenue, Capital Projects and Debt Service Funds. Since the City's Internal Service Funds service these Funds, their activities are consolidated with Governmental Activities, after eliminating inter-fund transactions and balances. The City's Business-type Activities include all its Enterprise Fund activities.

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

The Statement of Activities presents the City's expenses first, listed by program, and follows these with the expenses of its business-type activities. Program revenues - that is, revenues which are generated directly by these programs - are then deducted from program expenses to arrive at the net expense of each governmental and Business-type program. The City's general revenues are then listed in the Governmental Activities or Business-type Activities column, as appropriate, and the Change in Net Position is computed and reconciled with the Statement of Net Position.

Both these Statements include the financial activities of the City and the San Rafael Joint Powers Financing Authority which are legally separate but are considered to be component units of the City because they are controlled by the City, which is financially accountable for their activities. The balances and the activities of the San Rafael Sanitation District, a discretely presented component unit, are included in these statements in a separate column.



CITY OF SAN RAFAEL
STATEMENT OF NET POSITION
JUNE 30, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	San Rafael Sanitation District
ASSETS				
Cash and investments available for operations (Note 2)	\$46,061,683	\$3,233,626	\$49,295,309	\$34,255,365
Restricted cash and investments (Note 2)	33,285,009		33,285,009	
Receivables:				
Accounts	3,061,308	31,401	3,092,709	1,638,629
Taxes	7,493,119		7,493,119	
Grants	6,639,211		6,639,211	
Interest	168,845		168,845	
Loans (Note 4)	400,201		400,201	
Long-term receivable from the Successor Agency (Note 15D)	380,887		380,887	
Long-term receivable from San Rafael Sanitation District (Note 4F)	4,613,963		4,613,963	
Internal balances (Note 3B)	(15,357)	15,357		
Prepaid expenses and others	698,871	3,400	702,271	58,166
Capital assets (Note 5):				
Nondepreciable	153,484,773	8,620,853	162,105,626	1,649,704
Depreciable, net	100,678,702	7,320,355	107,999,057	50,643,188
Total Assets	<u>356,951,215</u>	<u>19,224,992</u>	<u>376,176,207</u>	<u>88,245,052</u>
DEFERRED OUTFLOWS				
Deferred outflows related to pension (Note 9)	31,683,580	1,019,387	32,702,967	
Deferred outflows related to OPEB (Note 11)	6,731,530	158,470	6,890,000	
Total Deferred Outflows	<u>38,415,110</u>	<u>1,177,857</u>	<u>39,592,967</u>	
LIABILITIES				
Accounts payable	10,058,042	125,790	10,183,832	1,066,236
Deposits payable	194,417		194,417	
Interest payable		42,460	42,460	
Developer deposits payable	581,717		581,717	
Unearned revenue	265,425		265,425	
Claims payable (Note 13):				
Due in one year	2,353,275		2,353,275	
Due in more than one year	7,368,273		7,368,273	
Compensated absences (Note 1L):				
Due in one year	541,020	17,308	558,328	
Due in more than one year	3,783,824	121,153	3,904,977	
Long-term debt (Note 6):				
Due in one year	485,261	291,816	777,077	
Due in more than one year	57,617,671	4,625,966	62,243,637	
Long-term payable to the City of San Rafael, due in more than one year (Note 4F)				4,613,963
Net OPEB liability, due in more than one year (Note 11)	32,240,023	758,977	32,999,000	
Net pension liability, due in more than one year (Note 9)	107,121,341	3,446,517	110,567,858	
Total Liabilities	<u>222,610,289</u>	<u>9,429,987</u>	<u>232,040,276</u>	<u>5,680,199</u>
DEFERRED INFLOWS				
Deferred inflows related to pension (Note 9)	33,116,207	1,065,479	34,181,686	
Deferred inflows related to OPEB (Note 11)	2,721,922	64,078	2,786,000	
Total Deferred Inflows	<u>35,838,129</u>	<u>1,129,557</u>	<u>36,967,686</u>	
NET POSITION (Note 8):				
Net investment in capital assets	231,844,210	11,023,426	242,867,636	52,292,892
Restricted for:				
Special revenue projects:				
Housing and street improvements	10,821,214		10,821,214	
Stormwater	402,544		402,544	
Emergency medical services	813,346		813,346	
Other	8,302,170		8,302,170	
Capital projects	2,778,457		2,778,457	
Debt service	171,143		171,143	
Total Restricted Net Position	<u>23,288,874</u>		<u>23,288,874</u>	
Unrestricted	(118,215,177)	(1,180,121)	(119,395,298)	30,271,961
Total Net Position	<u>\$136,917,907</u>	<u>\$9,843,305</u>	<u>\$146,761,212</u>	<u>\$82,564,853</u>

See accompanying notes to financial statements

CITY OF SAN RAFAEL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
General government	\$11,967,641	\$377,606	\$134,515	
Public safety	49,899,296	5,304,832	1,041,606	
Public works and parks	19,270,613	4,158,338	3,248,299	\$8,042,524
Community development	5,781,826	4,312,259		
Culture and recreation	12,819,429	5,750,846	160,435	
Interest on long-term debt and fiscal charges	1,848,263			
Total Governmental Activities	<u>101,587,068</u>	<u>19,903,881</u>	<u>4,584,855</u>	<u>8,042,524</u>
Business-type Activities				
Parking services	5,038,553	5,362,016		
Total Business-type Activities	<u>5,038,553</u>	<u>5,362,016</u>		
Total Primary Government	<u>\$106,625,621</u>	<u>\$25,265,897</u>	<u>\$4,584,855</u>	<u>\$8,042,524</u>
Component Unit				
San Rafael Sanitation District	<u>\$12,601,257</u>	<u>\$16,964,083</u>	<u>\$5,907</u>	<u>\$1,433,871</u>

General revenues:

 Taxes:

 Property

 Sales:

 Sales and Use

 Measure E half-cent sales

 Measure E quarter-cent sales

 Measure S

 Paramedic

 Transient occupancy

 Franchise

 Business license

 Other

 Investment earnings

 Miscellaneous

 Transfers (Note 3A)

 Total general revenues and transfers

 Change in Net Position

 Net Position, beginning of year

 Net Position, end of year

See accompanying notes to financial statements

Net (Expenses) Revenues and Changes in Net Position

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	San Rafael Sanitation District
(\$11,455,520)		(\$11,455,520)	
(43,552,858)		(43,552,858)	
(3,821,452)		(3,821,452)	
(1,469,567)		(1,469,567)	
(6,908,148)		(6,908,148)	
(1,848,263)		(1,848,263)	
(69,055,808)		(69,055,808)	
	\$323,463	323,463	
	323,463	323,463	
(69,055,808)	323,463	(68,732,345)	
			\$5,802,604
25,903,240		25,903,240	1,727,221
22,840,700		22,840,700	
8,516,937		8,516,937	
4,258,469		4,258,469	
10,540		10,540	
4,934,584		4,934,584	
3,203,499		3,203,499	
3,627,254		3,627,254	
2,788,496		2,788,496	
1,783,170		1,783,170	
1,450,434	63,870	1,514,304	519,793
5,904,968		5,904,968	7,768
608,698	(608,698)		
85,830,989	(544,828)	85,286,161	2,254,782
16,775,181	(221,365)	16,553,816	8,057,386
120,142,726	10,064,670	130,207,396	74,507,467
\$136,917,907	\$9,843,305	\$146,761,212	\$82,564,853



FUND FINANCIAL STATEMENTS

Major funds are defined generally as having significant activities or balances in the current year. Only individual major funds are presented in the Fund Financial Statements, while non-major funds are combined in a single column. Individual non-major funds may be found in the Supplemental Section.

The funds described below were determined to be major funds by the City in fiscal year 2018-2019:

GENERAL FUND

Established to account for all financial resources necessary to carry out basic governmental activities of the City which are not accounted for in another fund. The General Fund supports essential City services such as police and fire protection, building and street maintenance, libraries, recreation, parks and open space maintenance.

TRAFFIC AND HOUSING MITIGATION SPECIAL REVENUE FUND

Established to maintain long-term developer contributions for major housing and street improvement projects.

GAS TAX SPECIAL REVENUE FUND

Established to receive and expend the City's allocation of the State gasoline taxes.

ESSENTIAL FACILITIES CAPITAL PROJECTS FUND

Established to account for major capital improvements to public safety facilities.

CITY OF SAN RAFAEL
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2019

	Special Revenue Funds		
	General	Traffic and Housing Mitigation	Gas Tax
ASSETS			
Cash and investments available for operations (Note 2)	\$9,241,545	\$5,212,430	
Restricted cash and investments (Note 2)	561,507		
Receivables:			
Accounts	1,315,478		\$565,826
Taxes	7,081,049		97,483
Grants			5,545,237
Interest	163,128		
Loans (Note 4)	100,472	42,859	
Long-term receivable from the Successor Agency (Note 15D)	380,887		
Due from other funds	587,351		
Prepays	37,271		
	<u>\$19,468,688</u>	<u>\$5,255,289</u>	<u>\$6,208,546</u>
Total Assets	\$19,468,688	\$5,255,289	\$6,208,546
LIABILITIES			
Accounts payable	\$5,030,877	\$57,913	\$1,119,473
Deposits payable	10,015		
Developer deposits payable	420,706		
Due to other funds			360,962
Unearned revenue			
	<u>5,461,598</u>	<u>57,913</u>	<u>1,480,435</u>
Total Liabilities	5,461,598	57,913	1,480,435
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - SB90 reimbursement receivable	1,093,632		
Unavailable revenue - long-term receivable from Successor Agency	380,887		
	<u>1,474,519</u>		
Total Deferred Inflows of Resources	1,474,519		
Fund Balances (Note 8):			
Nonspendable	37,271		
Restricted		5,197,376	4,728,111
Committed			
Assigned	11,391,084		
Unassigned	1,104,216		
	<u>12,532,571</u>	<u>5,197,376</u>	<u>4,728,111</u>
Total Fund Balances	12,532,571	5,197,376	4,728,111
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$19,468,688	\$5,255,289	\$6,208,546

See accompanying notes to basic financial statements

Essential Facilities Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$1,561,838	\$12,144,661	\$28,160,474
32,018,667	704,835	33,285,009
52,882	1,054,402	2,988,588
	314,587	7,493,119
813,066	211,752	6,570,055
	5,717	168,845
	256,870	400,201
		380,887
		587,351
	27,627	64,898
<u>\$34,446,453</u>	<u>\$14,720,451</u>	<u>\$80,099,427</u>
\$2,055,954	\$891,669	\$9,155,886
	184,402	194,417
	161,011	581,717
	226,389	587,351
	265,425	265,425
<u>2,055,954</u>	<u>1,728,896</u>	<u>10,784,796</u>
		1,093,632
		380,887
		1,474,519
	27,627	64,898
32,390,499	10,944,518	53,260,504
	1,901,271	1,901,271
	118,139	11,509,223
		1,104,216
<u>32,390,499</u>	<u>12,991,555</u>	<u>67,840,112</u>
<u>\$34,446,453</u>	<u>\$14,720,451</u>	<u>\$80,099,427</u>

CITY OF SAN RAFAEL
 GOVERNMENTAL FUNDS
 BALANCE SHEET - RECONCILIATION OF GOVERNMENTAL
 FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES
 JUNE 30, 2019

Total fund balances reported on the governmental funds balance sheet	\$67,840,112
Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds because of the following:	
Capital assets used in Governmental Activities are not financial resources and, therefore, are not reported in the Governmental Funds.	240,776,112
Internal service funds are used by management to charge the cost of management of building, workers' compensation, employee benefits, insurance, and post-retirement healthcare benefits to individual funds. The assets and liabilities are included in Governmental Activities in the Statement of Net Position.	21,425,360
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the Governmental Funds.	(58,102,932)
Compensated absences	(4,324,844)
Unavailable revenue	1,474,519
Long-term receivables from San Rafael Sanitation District	4,613,963
Deferred outflow related to pension	31,683,580
Net pension liability	(107,121,341)
Deferred inflow related to pension	(33,116,207)
Deferred outflow related to OPEB	6,731,530
Deferred inflow related to OPEB	(2,721,922)
Net OPEB liability	<u>(32,240,023)</u>
Net Position of governmental activities	<u><u>\$136,917,907</u></u>

See accompanying notes to financial statements

CITY OF SAN RAFAEL
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Special Revenue Funds</u>					Total Governmental Funds
	General	Traffic and Housing Mitigation	Gas Tax	Essential Facilities Capital Projects Fund	Other Governmental Funds	
REVENUES						
Taxes and special assessments	\$70,282,284				\$6,818,901	\$77,101,185
Licenses and permits	2,661,500					2,661,500
Fines and forfeitures	337,680					337,680
Use of money and properties	250,570	\$111,363	\$33,778	\$871,481	315,868	1,583,060
Intergovernmental	3,290,086		10,567,243		1,744,935	15,602,264
Charges for services	2,671,395	2,356,530	1,206,142		8,932,809	15,166,876
Other revenue	841,538		374,639	3,251,151	690,714	5,158,042
Total Revenues	80,335,053	2,467,893	12,181,802	4,122,632	18,503,227	117,610,607
EXPENDITURES						
Current:						
General government	12,297,845	18,800			236,854	12,553,499
Public safety	43,107,841				8,571,035	51,678,876
Public works and parks	11,742,280	59,945	2,337,369		1,478,028	15,617,622
Community development	4,988,260					4,988,260
Culture and recreation	3,080,364				9,387,644	12,468,008
Capital outlay		117,253	10,308,603	23,908,035	4,367,156	38,701,047
Debt service:						
Principal	495,172					495,172
Interest and fiscal charges	2,356,207					2,356,207
Total Expenditures	78,067,969	195,998	12,645,972	23,908,035	24,040,717	138,858,691
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,267,084	2,271,895	(464,170)	(19,785,403)	(5,537,490)	(21,248,084)
OTHER FINANCING SOURCES (USES)						
Transfers in (Note 3A)	4,321,361			5,201,300	5,959,636	15,482,297
Transfers out (Note 3A)	(6,278,828)	(3,380,892)	(800,000)	(2,234,450)	(1,585,864)	(14,280,034)
Total Other Financing Sources (Uses)	(1,957,467)	(3,380,892)	(800,000)	2,966,850	4,373,772	1,202,263
Net Change in Fund Balances	309,617	(1,108,997)	(1,264,170)	(16,818,553)	(1,163,718)	(20,045,821)
FUND BALANCES, BEGINNING OF YEAR	12,222,954	6,306,373	5,992,281	49,209,052	14,155,273	87,885,933
FUND BALANCES, END OF YEAR	\$12,532,571	\$5,197,376	\$4,728,111	\$32,390,499	\$12,991,555	\$67,840,112

See accompanying notes to financial statements

CITY OF SAN RAFAEL
Reconciliation of the
NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS
with the
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS (\$20,045,821)

Amounts reported for Governmental Activities in the Statement of Activities are different because of the following:

Capital Assets Transactions

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay and improvement expenditures are added back to fund balance	39,452,886
Non-capitalized capital outlay expenditures were reclassified to various governmental activities	(871,389)
Loss on disposal of capital assets is deducted from fund balance	(320,406)
Depreciation expense is deducted from fund balance	(5,692,089)

Long-Term Debt Proceeds and Payments

Governmental funds record proceeds and payments as other financing sources and expenditures. However, in the Statement of Net Position, those costs are reversed as increases and decreases in long-term liabilities.

Repayments on long-term debt principal	495,172
Amortized bond premium expense is added back to fund balance	507,944

Accrual of Non-Current Items

The amount below included in the Statement of Activities does not require the use of current financial resources and therefore is not reported as revenue or expenditures in governmental funds (net change):

Compensated absences	270,811
Unavailable revenue	(192,877)
Long-term receivable from San Rafael Sanitary District	(7,474)

Net Pension Liability Transactions

Governmental funds record pension expense as it is paid. However, in the Statement of Activities those costs are reversed as deferred outflows/(inflows) and an increase/(decrease) in net pension liability.

1,604,235

Net OPEB Liability Transactions

Governmental funds record OPEB expense as it is paid. However, in the Statement of Activities those costs are reversed as deferred outflows/(inflows) and an increase/(decrease) in net OPEB liability.

856,577

Allocation of Internal Service Fund Activities

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of the internal service fund is reported with governmental activities.

717,612

Change in Net Position of Governmental Activities

\$16,775,181

See accompanying notes to financial statements

PROPRIETARY FUND FINANCIAL STATEMENTS

Proprietary funds account for City operations financed and operated in a manner similar to a private business enterprise. The intent of the City is that the cost of providing goods and services be financed primarily through user charges, whether external or internal.

The City reports its only enterprise fund, as a major fund.

PARKING SERVICES FUND

Established to maintain parking garages, lots and spaces in the Downtown Parking District, and to pay for parking enforcement and meter collection.

INTERNAL SERVICE FUNDS

Established to account for department services and financing performed for other departments within the same governmental jurisdiction. Funding comes from charges assessed to the departments benefiting from the service.

CITY OF SAN RAFAEL
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2019

	Business-type Activities - Enterprise Funds	Governmental Activities
	Parking Services	Internal Service Funds
ASSETS		
Current Assets:		
Cash and investments available for operations (Note 2)	\$3,233,626	\$17,901,209
Receivable:		
Accounts	31,401	72,720
Grants		69,156
Prepays	3,400	633,973
Total Current Assets	3,268,427	18,677,058
Noncurrent Assets:		
Capital assets (Note 5):		
Nondepreciable	8,620,853	3,126,385
Depreciable, net	7,320,355	10,260,978
Total Noncurrent Assets	15,941,208	13,387,363
Total Assets	19,209,635	32,064,421
DEFERRED OUTFLOWS		
Deferred outflows related to pension (Note 9)	1,019,387	
Deferred outflows related to OPEB (Note 11)	158,470	
Total Deferred Outflows	1,177,857	
LIABILITIES		
Current Liabilities:		
Accounts payable	125,790	902,156
Interest payable	42,460	
Compensated absences, due in one year (Note 1L)	17,308	
Claims payable, due in one year (Note 13)		2,353,275
Long-term debt, due in one year (Note 6)	291,816	
Total Current Liabilities	477,374	3,255,431
Noncurrent Liabilities:		
Compensated absences (Note 1L)	121,153	
Claims payable (Note 13)		7,368,273
Long-term debt (Note 6)	4,625,966	
Net OPEB liability (Note 11)	758,977	
Net pension liability (Note 9)	3,446,517	
Total Noncurrent Liabilities	8,952,613	7,368,273
Total Liabilities	9,429,987	10,623,704
DEFERRED INFLOWS		
Deferred inflows related to pension (Note 9)	1,065,479	
Deferred inflows related to OPEB (Note 11)	64,078	
Total Deferred Inflows	1,129,557	
NET POSITION (Note 8):		
Net investment in capital assets	11,023,426	13,387,363
Unrestricted	(1,195,478)	8,053,354
Total Net Position	9,827,948	\$21,440,717
Some amounts reported for <i>business-type activities</i> in the Statement of Net Position are different because certain internal service fund assets and liabilities are included with business-type activities.		
	15,357	
Net position business-type activities	\$9,843,305	

See accompanying notes to financial statements

CITY OF SAN RAFAEL
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2019

	Business-type Activities - Enterprise Funds	Governmental Activities
	Parking Services	Internal Service Funds
OPERATING REVENUES		
Charges for current services	\$3,139,137	\$18,005,346
Other operating revenues	2,222,879	902,230
Intergovernmental		200,000
Total Operating Revenues	<u>5,362,016</u>	<u>19,107,576</u>
OPERATING EXPENSES		
Personnel	2,818,271	4,470,306
Insurance premiums and claims		7,360,418
Maintenance and repairs	268,469	1,158,504
Depreciation (Note 5)	236,085	1,302,692
General and administrative	1,597,129	3,778,755
Total Operating Expenses	<u>4,919,954</u>	<u>18,070,675</u>
Operating Income	<u>442,062</u>	<u>1,036,901</u>
NONOPERATING REVENUES (EXPENSES)		
Investment income	63,870	324,562
Interest expense	(176,025)	
Miscellaneous income		11,259
Loss on sale of capital assets		(4,119)
Total Nonoperating Revenues (Expenses)	<u>(112,155)</u>	<u>331,702</u>
Income Before Transfers	<u>329,907</u>	<u>1,368,603</u>
TRANSFERS IN (Note 3A)		170,798
TRANSFERS OUT (Note 3A)	(608,698)	(764,363)
Change in Net Position	(278,791)	775,038
NET POSITION, BEGINNING OF YEAR	<u>10,106,739</u>	<u>20,665,679</u>
NET POSITION, END OF YEAR	<u><u>\$9,827,948</u></u>	<u><u>\$21,440,717</u></u>

* Reconciliation of the Change in Net Position with the Statement of Activities

Change in Net Position (\$278,791)

Some amounts reported for *business-type activities* in the Statement of Activities are different because the portion of the net income of certain internal service funds is reported with the business-type activities which those funds serviced.

57,426

Change in Net Position of Business-type Activities

(\$221,365)

See accompanying notes to financial statements

CITY OF SAN RAFAEL
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2019

	Business-type Activities - Enterprise Funds	Governmental Activities
	Parking Services	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers/other funds	\$3,139,137	\$18,082,439
Cash payments to suppliers for goods and services	(1,838,721)	(15,437,289)
Cash payments to employees for salaries and benefits	(2,468,975)	(1,995,915)
Other operating revenues	2,232,825	902,230
Cash Flows from Operating Activities	1,064,266	1,551,465
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Interfund receipts		170,798
Interfund payments	(608,698)	(764,363)
Cash Flows from Noncapital Financing Activities	(608,698)	(593,565)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal payments on revenue bonds and note payable	(281,816)	
Interest expenses and fiscal charges	(177,362)	
Acquisition of capital assets	(26,902)	(830,680)
Proceeds from sale of property		11,259
Cash Flows from Capital and Related Financing Activities	(486,080)	(819,421)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	63,870	324,562
Cash Flows from Investing Activities	63,870	324,562
NET DECREASE IN CASH AND CASH EQUIVALENTS	33,358	463,041
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,200,268	17,438,168
CASH AND CASH EQUIVALENTS, END OF YEAR	\$3,233,626	\$17,901,209
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$442,062	\$1,036,901
Adjustments to reconcile operating income to cash flows from operating activities:		
Depreciation	236,085	1,302,692
Net change in assets and liabilities:		
Accounts receivable	9,946	(141,876)
Prepays	(3,400)	(633,973)
Loans receivable		18,969
Increase in due to OPEB system	389,577	
Accounts payable	30,277	(209,121)
Compensated absence obligations	2,997	
(Decrease) in due to retirement system	(43,278)	
Claims payable		177,873
Net Cash Provided by Operating Activities	\$1,064,266	\$1,551,465
NON-CASH TRANSACTIONS:		
Amortization of bond discount	\$725	

See accompanying notes to basic financial statements

FIDUCIARY FUND FINANCIAL STATEMENTS
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Fiduciary funds are used to account for assets held by the City as an agent or custodian for other entities. The financial activities of such funds are excluded from the Government-wide financial statements and presented in fund statements that consist of a Statement of Net Position.

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY – PRIVATE PURPOSE TRUST FUND

Established to account for the activities of the Successor Agency to the San Rafael Redevelopment Agency.

PT. SAN PEDRO ROAD ASSESSMENT DISTRICT AGENCY FUND

Established to accumulate funds for payment of principal and interest for Pt. San Pedro Road Median Landscaping Assessment District bonds.

CITY OF SAN RAFAEL
 FIDUCIARY FUNDS
 STATEMENT OF FIDUCIARY NET POSITION
 JUNE 30, 2019

	Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund	Pt. San Pedro Road Assessment District Agency Fund
ASSETS		
Cash and investments (Note 2)	(\$167,622)	
Restricted cash and investments (Note 2)	86	\$282,954
Receivable:		
Taxes	3,555,006	725
Total Assets	3,387,470	\$283,679
LIABILITIES		
Accounts payable	1,751	
Interest payable	27,861	\$24,276
Other long-term obligations (Note 15D)	380,887	
Due to bondholders		259,403
Long-term debt (Note 15C):		
Due within one year	3,215,000	
Due more than one year	9,996,290	
Total Liabilities	13,621,789	\$283,679
NET POSITION (DEFICIT)		
Held in trust for private purpose	(\$10,234,319)	

See accompanying notes to financial statements

CITY OF SAN RAFAEL
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019

	Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund <hr/>
ADDITIONS	
Property taxes	\$3,837,808
Use of money and property	456
Bond premium	79,861
Other revenue	904
	<hr/>
Total Additions	3,919,029
DEDUCTIONS	
General government	168,342
Interest expense	683,363
	<hr/>
Total Deductions	851,705
	<hr/>
Change in Net Position	3,067,324
NET POSITION HELD IN TRUST FUND FOR OTHER PURPOSES	
Beginning of year	<hr/> (13,301,643)
End of year	<hr/> <hr/> (\$10,234,319)

See accompanying notes to financial statements



CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. *Description of the Financial Reporting Entity*

As required by generally accepted accounting principles, the financial statements present the City of San Rafael (the City) as the Primary Government, with its component units for which the City is considered financially accountable. The component units discussed below are included in the City's reporting entity because of the significance of their operational and financial relationships with the City.

B. *Description of Blended Component Units*

The accompanying basic financial statements include all funds and boards and commissions that are controlled by the City Council. The basic financial statements include the City's blended component units, entities for which the City is considered to be financially accountable. A blended component unit, although a legally separate entity, is in substance, part of the City's operations and so data from this entity is combined with the City. The City's blended component units are described below.

San Rafael Joint Powers Financing Authority – The San Rafael Joint Powers Financing Authority (Authority) was formed by the City of San Rafael and the former San Rafael Redevelopment Agency (Agency) pursuant to Articles 1 and 2 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California for the purpose of assisting in the financing and refinancing of certain assessment district and redevelopment-related activities in the City. On March 18, 2013, the Agency was replaced by the California Municipal Finance Authority (CMFA) in order that the life of the Authority would extend beyond that of the Agency. The Authority is administered by a governing board whose members are the City Council of the City of San Rafael.

Activities of the Authority related to the 2012 Authority Lease Revenue Refunding Bonds are reported in the Parking Services Enterprise Funds. Activities of the Authority related to the 2018 Authority Lease Revenue Bonds are reported in the City's General Fund and the Essential Facilities Capital Projects Fund. Separate financial statements are not prepared for the Authority.

C. *Description of Discretely Presented Component Unit*

San Rafael Sanitation District – The San Rafael Sanitation District (District) was formed in 1947 under Section 4700 of the California Health and Safety Code to provide wastewater transmission over the southern two-thirds of the City and adjacent unincorporated areas.

The District is governed by a three-member Board of Directors who are appointed to four-year terms. The City Council of the City appoints two out of the three board members and has the ability to remove the two board members at will.

The City contracts with the District to maintain the collection systems in the City and surrounding unincorporated areas. These employees are paid through the City's payroll department and participate in the City's cost-sharing multiple-employer defined benefit pension plan administered by the Marin County Employees' Retirement Association. The employees also participate in the City's healthcare benefits plan which includes a provision for postemployment benefits. These costs are the obligation of the District and not the City. As discussed in Note 4F, a receivable from the District has been established.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The District's activities are reported as a discretely presented component unit in a separate column in the basic financial statements which includes the District's assets, liabilities, revenues, expenses, results of operations and cash flows. The District's fiscal year ends on June 30 and its separately issued component unit financial statements can be obtained at the San Rafael Sanitation District, 111 Morphew Street, San Rafael, California 94901.

D. Basis of Presentation

Government-wide Statements – The Statement of Net Position and the Statement of Activities display information about the primary government (the City) and its component units. These statements include the financial activities of the overall City government, except for fiduciary activities. Interfund transfers and amounts owed between funds within the primary government have been eliminated from the statements. Amounts representing interfund services and uses remain in the statements. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements – The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Separate statements for each fund category – *governmental, proprietary, and fiduciary* – are presented. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

E. Major Funds and Other Reported Funds

Major funds are defined as funds that have either assets, liabilities, revenues or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. The General Fund is always a major fund. The City may also select other funds it believes should be presented as major funds.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City reported the following major governmental funds in the accompanying financial statements:

General Fund – Established to account for all financial resources necessary to carry out basic governmental activities of the City which are not accounted for in another fund.

Traffic and Housing Mitigation Special Revenue Fund – Established to maintain long-term developer contributions for major housing and street improvement projects.

Gas Tax Special Revenue Fund – Established to receive and expend the City’s allocation of the State gasoline taxes.

Essential Facilities Capital Projects Fund – Established to account for major capital improvements to public safety facilities.

The City reported its only enterprise fund as a major fund in the accompanying financial statements. The enterprise fund is:

Parking Services Fund – Established to maintain parking garages, lots and spaces in the Downtown Parking District, and to pay for parking enforcement, meter collection, and downtown enforcement services.

The City also reports the following fund types:

Internal Service Funds – These funds account for: building maintenance; vehicle, equipment computer, radio, and telephone replacement; employee benefits; liability insurance; workers’ compensation; dental insurance; employee retirement; and retiree medical (OPEB); and sewer maintenance.

Fiduciary Fund – These funds include: *Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund* – which accounts for the accumulation of resources held by the Successor Agency to the Redevelopment Agency to be used for payments at appropriate amounts and times in the future; *Pt. San Pedro Road Assessment District Agency Fund* – which accumulates funds for the payment of principal and interest for Pt. San Pedro Road Median Landscaping District bonds. The financial activities of these funds are excluded from the government-wide financial statements, but are presented in the separate Fiduciary Fund financial statements.

F. Basis of Accounting

The government-wide, proprietary, fiduciary and discretely presented component unit financial statements are reported using the *economic resources measurement focus* and the full *accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable and available*. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end with the exception of sales and use tax revenues which are reported as available if collected within ninety days of year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds from long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Those revenues susceptible to accrual are property and sales taxes, certain intergovernmental revenues, interest revenue, charges for services, fines and forfeitures. Other receipts and taxes are recognized as revenue when the cash is received.

Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange include taxes, grants, entitlements, and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Under the terms of grant agreements, the City may fund certain programs with a combination of cost-reimbursement grants, categorical block grants, and general revenue. Thus, both restricted and unrestricted net position may be made available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

The City considers restricted shared state revenues such as gasoline taxes and public safety sales taxes, restricted locally imposed transportation sales taxes, fines, forfeitures, licenses, permits, charges for services, and program grants as program revenues.

Certain indirect costs are included in program expenses reported for individual functions and activities.

G. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In addition to liabilities, the statement of financial position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. *Unavailable revenue*, a type of deferred inflow of resources, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: taxes receivable, interest on interfund advances and loans receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

H. *Budgets, Budgetary Accounting, and Encumbrances*

The City adopts an annual budget which is effective July 1 for the ensuing fiscal year. The budget reflects estimated revenues and expenditures, except for the capital projects funds and the Peacock Gap Assessment District Debt Service Fund. Appropriations and spending authorizations for projects in the capital projects funds and some special revenue funds are approved by the City Council on a multi-year basis. From the effective date of the budget, which is adopted at the department level, the amounts stated therein as proposed expenditures become appropriations to the various City departments. The City Council may amend the budget by resolution during the fiscal year in order to respond to emerging needs, changes in resources, or shifting priorities. Expenditures may not exceed appropriations at the fund level, which is the legal level of control. The City Manager is authorized to transfer budgeted amounts between accounts, departments or funds; the Council must approve any increase in the City's operating expenditures, appropriations for capital projects, and transfers between major funds and reportable fund groups.

Budgets are adopted on a basis consistent with Generally Accepted Accounting Principles for the General Fund and Special Revenue Funds.

Encumbrance accounting, under which purchase orders for expenditures are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of the budgetary process. All unencumbered appropriations lapse at year end.

I. *Cash Equivalents*

For purposes of the statement of cash flows, the City considers all highly liquid investments (including all restricted assets) with maturity of three months or less when purchased to be cash equivalents. The City maintains a cash and investment pool that is available for use by all funds. As the proprietary funds' share of this pool is readily available when needed, such share is also considered to be cash equivalent. Deposit assets in the proprietary funds are related to insurance and benefits and are not considered cash equivalents for purposes of the statement of cash flows.

J. *Prepays*

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Capital Assets

City

Contributed capital assets are valued at their estimated fair market value on the date contributed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value. All other capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

The City has included the value of all infrastructure capital assets into its Basic Financial Statements using the Basic Approach for infrastructure reporting.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

City policy has set the capitalization thresholds for reporting capital assets at the following:

General capital assets	ranging from \$5,000 to \$50,000
Infrastructure capital assets	ranging from \$25,000 to \$250,000

Depreciation is provided using the straight-line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

The City has assigned the useful lives listed below to capital assets:

Buildings, improvements, and structures	20 – 50 years
Machinery and equipment	4 – 20 years
Infrastructure	15 – 50 years

District

Collection systems and facilities purchased or constructed are stated at cost. Assets contributed have been recorded at the fair market value at the date received. Interest is capitalized for assets constructed when applicable. The costs of normal repairs and maintenance that do not add to the value of an asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Applicable capital assets must be capitalized for amounts \$1,000 or above and may be capitalized for amounts from \$500 to \$1,000 if determined to be sensitive. Depreciation is provided by the straight-line method over the estimated useful lives of capital assets as follows:

Subsurface lines	50 – 80 years
Sewer collection facilities	5 – 50 years
General plant & administrative facilities	3 – 15 years

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. *Compensated Absences*

Compensated absences are accrued as earned. Upon termination, employees are paid for all unused vacation at their current hourly rates. Unused sick leave may be compensable up to 600 hours, depending upon the provisions of the MOUs, which vary by bargaining unit.

The long-term portion of the liability for compensated absences for governmental fund type operations is recorded as compensated absences in the government-wide financial statements. Compensated absences are liquidated by the fund that has recorded the liability. Proprietary fund liabilities are recorded within their respective funds. The long-term portion of governmental activities compensated absences is liquidated primarily by the General Fund.

The changes of the compensated absences were as follows:

	Governmental Activities	Business-Type Activities	Total
Beginning Balance	\$4,595,655	\$135,464	\$4,731,119
Additions	3,008,839	108,471	3,117,310
Payments	(3,279,650)	(105,474)	(3,385,124)
Ending Balance	\$4,324,844	\$138,461	\$4,463,305
Current Portion	\$541,020	\$17,308	\$558,328

M. *Property Tax Levy, Collection and Maximum Rates*

City

State of California Constitution Article XIII A provides that the combined maximum property tax rate on any given property may not exceed 1% of its assessed value unless an additional amount for general obligation debt has been approved by voters. Assessed value is calculated at 100% of market value as defined by Article XIII A and may be adjusted by no more than 2% per year unless the property is sold, transferred, or substantially improved. The State Legislature has determined the method of distribution of receipts from a 1% tax levy among the counties, cities, school districts and other districts. Marin County assesses properties, bills for and collects property taxes on the schedule that follows:

	<u>Secured</u>	<u>Unsecured</u>
Valuation/lien dates	January 1	January 1
Levy dates	July 1	July 1
Due dates (delinquent as of)	50% on November 1 (December 10) 50% on February 1 (April 10)	July 1 (August 31)

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

For assessment and collection purposes, property is classified as either “secured” or “unsecured” and is listed accordingly on separate parts of the assessment roll. The “secured roll” is that part of the assessment roll containing State-assessed property and real property having a tax lien that is sufficient, in the opinion of the County Assessor, to secure payment of the taxes. Unsecured property comprises all taxable property not attached to land, such as personal property or business property. Every tax levied by a county that becomes a lien on secured property has priority over all present and future private liens arising pursuant to State law on the secured property, regardless of the time of the creation of the other liens. A tax levied on unsecured property does not become a lien against the taxed unsecured property, but may become a lien on other property owned by the taxpayer.

Property taxes are levied and recorded as revenue when received in the fiscal year of levy because of the adoption of the “alternate method of property tax distribution,” known as the Teeter Plan, by the City and the County of Marin. The Teeter Plan authorized the auditor-controller of the County of Marin to allocate 100% of the secured property taxes billed, but not yet paid. The County of Marin remits tax monies to the City in three installments, as follows:

55% remitted on December 15
40% remitted on April 15
5% remitted on June 15

District

The County of Marin levies taxes and places liens on real property as of January 1 on behalf of the District. Unsecured property taxes are levied throughout the year.

N. Sewer Charges

Sewer charges are billed and collected on behalf of the District by the County of Marin as a special assessment on annual property tax billings. Property taxes are levied on January 1 and are due in two equal installments on November 1 and February 1. In accordance with the Teeter Plan, the County remits to the District all charges which are assessed and the county retains responsibility for collecting past due amounts.

The Teeter Plan provides that the County advance the District its share of the annual gross levy of secured property taxes and special assessments. In consideration, the District gives the County of Marin its rights to penalties and interest on delinquent secured property tax receivables and actual proceeds collected.

O. Connection Fees

Connection fees represent a one-time contribution of resources to the District imposed on contractors and developers for the purpose of financing capital improvements. Connection fees are recognized after non-operating revenues (expenses) in the statement of revenues, expenses and changes in net position. The District utilizes connection fees received on a first-in-first-out basis to finance current year capital projects. Accordingly, if there is a balance of connection fees available at year-end, it is classified as restricted net position.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent asset and liabilities at the dates of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting periods. Actual results could differ from those estimates.

Q. New Funds

In fiscal year 2018-2019, the City established a Special Revenue Fund, Measure G - Cannabis, for the purpose of reporting tax revenue and expenditures related to Cannabis activities authorized by Measure G.

R. Fair Value Measurements

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

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

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

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

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

NOTE 2 - CASH AND INVESTMENTS

A. Policies

The City maintains an investment policy that emphasizes safety, liquidity and reasonable market yield. This policy is reviewed and approved by the City Council annually.

The City invests in individual investments and in investment pools. Individual investments are evidenced by specific identifiable *securities instruments*, or by an electronic entry registering the owner in the records of the institution issuing the security, called the *book entry* system. In order to increase security, the City employs the trust department of a bank as the custodian of certain City managed investments, regardless of their form.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 2 - CASH AND INVESTMENTS (Continued)

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

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

B. Classification

Cash and investments as of June 30, 2019, are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of City debt instruments or agency agreements.

Statement of Net Position:

City of San Rafael:	
Cash and investments available for operations	\$49,295,309
Restricted cash and investments	33,285,009
Total Primary Government Cash and Investments	82,580,318
 San Rafael Sanitation District (Component Unit)	
Cash and investments available for operations	34,255,365
Total San Rafael Sanitation District Cash and Investments	34,255,365

Statement of Fiduciary Net Position (separate statement):

Successor Agency to the Redevelopment Agency:	
Cash available for operations	(167,622)
Restricted cash	86
Total Successor Agency Cash	(167,536)
 Pt. San Pedro Road Assessment District Agency Fund:	
Restricted cash	282,954
Total Fiduciary Cash	115,418
Total Cash and Investments	\$116,951,101

The City does not normally allocate investments by fund. Each proprietary fund's portion of Cash and Investments Available for Operations is in substance a demand deposit available to finance operations, and is considered a cash equivalent in preparing the statement of cash flows.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 2 - CASH AND INVESTMENTS (Continued)

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

The City's investment policy and the California Government Code allow the City to invest in the following securities provided the credit ratings of the issuers are acceptable to the City and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code, or the City's Investment Policy where it is more restrictive:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality (A)	Maximum Percentage of Portfolio (A)	Maximum Investment in One Issuer
U.S. Government Obligation	5 years	N/A	No limit	No limit
U.S. Agency Securities and Instruments	5 years	N/A	No limit	No limit
Repurchase Agreements	1 year	A-1	No limit	No limit
Prime Commercial Paper	270 days	A-1	25%	10% of total outstanding commercial paper
Bankers' Acceptances	180 days	A-1	40%	\$2,000,000
Medium-Term Corporate Notes	5 years	A	30%	5% of portfolio
Negotiable Certificates of Deposit	5 years	A-1	30%	5% of portfolio
Non-negotiable Certificates of Deposit	5 years	N/A	30%	5% of portfolio
Local Agency Investment Fund	N/A	N/A	N/A	N/A
Money Market Funds	N/A	AAA	10%	N/A
Limited Obligation Improvement Bonds Related to Special Assessment Districts and Special Tax Districts	30 years	N/A	N/A	N/A

(A) At time of purchase

The San Rafael Sanitation District maintains all of its cash in the County of Marin pooled investment fund for the purpose of increasing interest earnings through pooled investment activities.

The County Pool includes both voluntary and involuntary participation from external entities. The District is a voluntary participant. The State of California statutes require certain special districts and other governmental entities to maintain their cash surplus with the County Treasurer. The District has approved by resolution, the investment policy of the County of Marin which complies with the California Government Code.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 2 - CASH AND INVESTMENTS (Continued)

D. Investments Authorized by Debt Agreements

The City must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged as reserves to be used if there are insufficient resources to meet debt repayment obligations. The California Government Code requires these funds to be invested in accordance with City ordinance bond indentures or State statute. The table below identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality (A)	Maximum Percentage of Portfolio
U.S. Treasury Obligations	5 years to no maximum	N/A	No Limit
U.S. Agency Securities	3 - 5 years	N/A	No Limit
U.S. Agency Instruments	5 years	N/A	No Limit
Repurchase Agreements	1 year	A-1	No Limit
Bankers' Acceptances	360 days	Highest Category Rating	No Limit
Money Market Funds	N/A	Highest Category Rating	No Limit
Prime Commercial Paper	270 days	Highest Category Rating	No Limit
Guaranteed Investment Contracts (fully collateralized) (B)	N/A	Highest Category Rating	No Limit
Municipal Obligations	N/A	Two Highest Category Ratings	No Limit
Medium-Term Corporate Notes	5 Years	A	No Limit
Non-Negotiable Certificates of Deposit	180 Days	N/A	No Limit
Negotiable Certificates of Deposit	5 Years	N/A	No Limit
Local Agency Investment Fund	N/A	N/A	No Limit
California Asset Management Program	N/A	N/A	No Limit
Deposit Accounts	N/A	A	No Limit
Money Market Mutual Funds	N/A	AAAm	No Limit
State or Local Bonds	N/A	A	No Limit
Defeasance Securities	N/A	N/A	No Limit

(A) At time of purchase.

(B) Guaranteed Investment Contracts must be fully collateralized with U.S. Treasury Obligations or U.S. Agency Obligations.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 2 - CASH AND INVESTMENTS (Continued)

E. GASB 72 Fair Value Hierarchy

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of June 30, 2019:

	(a) Level 1	(b) Level 2	(c) Level 3	Total
City:				
Money Market Funds		\$639,024		\$639,024
U.S. Treasury Notes	\$3,988,410			3,988,410
U.S. Agency Securities and Instruments		14,234,083		14,234,083
Medium-Term Corporate Notes		4,064,372		4,064,372
Investment in Pt. San Pedro Bonds			\$1,387,200 (d)	1,387,200
	\$3,988,410	\$18,937,479	\$1,387,200	24,313,089
<i>Investments Exempt from Fair Value Hierarchy:</i>				
California Asset Management Program				32,018,667
Local Agency Investment Fund				17,778,472
County Investment Pool				79,149
Total Investments				74,189,377
<i>Cash in banks and on hand</i>				8,390,941
Total City and Investments				82,580,318
Fiduciary:				
<i>Cash in banks and on hand</i>				115,418
Total Fiduciary Cash				115,418
Total City and Fiduciary Cash				82,695,736
San Rafael Sanitary District:				
<i>County Investment Pool</i>				34,255,365
Total District's Cash and Investments				34,255,365
Total Cash and Investments				\$116,951,101

Source: The above GASB 72 classifications into the different Input Levels are provided by the US Bank Institutional Trust & Custody.

- (a) Level 1 inputs are quoted prices in active market for identical assets. These are quoted prices in active markets for identical assets at the measurement date. An active market for the asset is a market in which transactions for the asset occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- (b) Level 2 inputs are significant other observable inputs. These inputs include: a) Quoted prices for similar assets in active markets; b) Quoted prices for identical or similar assets in markets that are not active; and c) Inputs other than quoted prices that are observable for an asset.
- (c) Level 3 inputs are significant unobservable inputs. These inputs shall be used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset at the measurement date.
- (d) This pertains to the City-owned bonds of its investments in Pt. San Pedro that has no trading market and is thus listed under Level 3. This bond is valued using discounted cash flow techniques.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 2 - CASH AND INVESTMENTS (Continued)

F. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City also manages its interest rate risk by holding most investments to maturity, thus reversing unrealized market gains and losses.

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

Type of Investment	12 Months or Less	More than 12 Months	Total
City:			
Money Market Funds	\$639,024		\$639,024
California Asset Management Program	32,018,667		32,018,667
Local Agency Investment Fund	17,778,472		17,778,472
County Investment Pool	79,149		79,149
U.S. Treasury Notes	2,991,730	\$996,680	3,988,410
U.S. Agency Securities and Instruments	9,079,202	5,154,881	14,234,083
Medium-Term Corporate Notes	2,048,602	2,015,770	4,064,372
Investment in Pt. San Pedro Bonds		1,387,200	1,387,200
	<u>\$64,634,846</u>	<u>\$9,554,531</u>	74,189,377
<i>Cash in banks and on hand</i>			<u>8,390,941</u>
Total City Cash and Investments			<u>82,580,318</u>
Fiduciary:			
<i>Cash in banks and on hand</i>			<u>115,418</u>
Total Fiduciary Cash			<u>115,418</u>
Total City and Fiduciary Cash			<u>82,695,736</u>
San Rafael Sanitary District:			
<i>County Investment Pool</i>			<u>34,255,365</u>
Total District's Cash and Investments			<u>34,255,365</u>
Total Cash and Investments			<u>\$116,951,101</u>

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 2 - CASH AND INVESTMENTS (Continued)

The City is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2019, these investments matured in an average of 173 days.

Money Market Mutual Funds are available for withdrawal on demand. The investment portfolio of the Money Market Mutual Fund had an average maturity of 26 to 28 days at June 30, 2019.

The City invests the proceeds of the 2018 Authority Lease Revenue Bonds with the California Asset Management Program (CAMP). CAMP is a California Joint Powers Authority established in 1989 to provide California public agencies with professional investment services. The CAMP Pool is a permitted investment for all local agencies under California Government Code Section 53601(p). CAMP is directed by a Board of Trustees, which is made up of experienced local government finance directors and treasurers.

CAMP investments are limited to investments permitted by subdivisions (a) to (n), inclusive, of Section 53601 of the California Government Code. The City reports its investments in CAMP at the fair value amounts provided by CAMP, which is the same as the value of the pool share in accordance with GASB 79 requirements. At June 30, 2019, the fair value was approximate to the City's cost. At June 30, these investments have an average maturity of 54 days.

The City, as a CAMP shareholder, may withdraw all or any portion of the funds in its CAMP account at any time by redeeming shares. The CAMP Declaration of Trust permits the CAMP trustee to suspend the right of withdrawal from CAMP or to postpone the date of payment of redemption proceeds if the New York Stock Exchange is closed other than for customary weekend and holiday closings, if trading on the New York Stock Exchange is restricted, or if, in the opinion of the CAMP trustees, an emergency exists such that disposal of the CAMP pool securities or determination of its net asset value is not reasonably practicable. If the right of withdrawal is suspended, the City may either withdraw its request for that withdrawal or receive payment based on the net asset value of the CAMP pool next determined after termination of the suspension of the right of withdrawal.

The County's investment pool is not registered with the Securities and Exchange Commission as an investment company. The pool has a credit rating of "AAA/V1." Investments made by the Treasurer are regulated by the California Government Code and by the County's investment policy. The objectives of the policy are in order of priority, safety, liquidity, yield, and public trust. The County has established a treasury oversight committee to monitor and review the management of public funds maintained in the investment pool in accordance with Article 6 Section 27131 of the California Government Code. The oversight committee and the Board of Supervisors review and approve the investment policy annually. The County Treasurer prepares and submits a comprehensive investment report to the members of the oversight committee and the investment pool participants every month. The report covers the types of investments in the pool, maturity dates, par value, actual costs and fair value.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 2 - CASH AND INVESTMENTS (Continued)

G. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of June 30, 2019, for each of the Primary Government's investment types as provided by Standard and Poor's or Moody's investment rating systems, except as noted:

Investments	Amount Invested	Percentage of Investments	NRSRO Rating
City (except Fiduciary Funds):			
Money Market Funds	\$639,024	< 1%	Aaa/AAA
California Asset Management Program	32,018,667	43%	AAAm
County Investment Pool	79,149	< 1%	Aaa/AAA
U.S. Treasury Notes	3,988,410	6%	AA+
U.S. Agency Securities and Instruments	14,234,083	19%	AA+
Medium-Term Corporate Notes	4,064,372	6%	A, A+, AA-, AA
Local Agency Investment Fund	17,778,472	24%	Not Rated
Investment in Pt. San Pedro Bonds	1,387,200	2%	Not Rated
Total City Investments	<u>74,189,377</u>		
Component Unit:			
Investment in County Pool	<u>34,255,365</u>		AAA/V1
Total Investments	<u>\$108,444,742</u>		

H. Concentration Risk

Included in the table at Note G above are the following significant investments in any one issuer other than U. S. Treasury securities, mutual funds, and external investment pools.

Reporting Unit	Issuer	Investment Type	Amount
Entity-wide	Federal Home Loan Bank	Federal Agencies Obligation	\$5,402,739
Entity-wide	Federal Farm Credit Bank	Federal Agencies Obligation	3,494,515
Entity-wide	Federal Home Loan Mortgage Corporation	Federal Agencies Obligation	3,142,597

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 3 - INTER-FUND TRANSACTIONS

A. Transfers

Resources may be transferred from one City fund to another. Transfers routinely fund capital projects or capital outlays, lease or debt service payments, and operating expenses.

Transfers between funds during the fiscal year ended June 30, 2019, were as follows:

From Fund	To Fund	Amount
General Fund	Essential Facilities Capital Projects Fund	\$4,145,000 (A)
	Non-Major Governmental Funds	2,133,828 (B)
Traffic and Housing Mitigation Special Revenue Fund	Non-Major Governmental Funds	3,380,892 (C)
Gas Tax Special Revenue Fund	General Fund	800,000 (D)
Essential Facilities Capital Projects Fund	General Fund	2,234,450 (E)
Parking Services Enterprise Fund	General Fund	508,698 (E)
	Non-Major Governmental Funds	100,000 (B)
Internal Service Funds	General Fund	678,213 (E)
	Non-Major Governmental Funds	86,150 (B)
Non-Major Governmental Funds	General Fund	100,000 (D)
	Essential Facilities Capital Projects Fund	1,056,300 (A)
	Building Maintenance Internal Service Fund	170,798 (F)
	Non-Major Governmental Funds	258,766 (B)
		<u>\$15,653,095</u>

(A) Transfers to the Essential Facilities Capital Projects Fund were for Public Safety Center Projects.

(B) Transfers to the Non-Major Governmental Funds were for administrative costs, grant matching, recreation, and other program support.

(C) Transfers to the Capital Improvement Fund were for program support.

(D) Transfers to the General Fund were for street maintenance support and administrative costs.

(E) Transfers to the General Fund from Essential Facilities Capital Projects, Parking Services and Internal Services Funds were for debt service payments.

(F) Transfers to the Building Maintenance Internal Service Fund were for program support.

B. Internal Balances

GASB 34 requires internal balances to be presented in the Government-wide financial statements only. They represent the net interfund receivables and payables remaining after the elimination of all such balances within governmental and business-type activities.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 4 - LOANS RECEIVABLE

A. *Summary of Loans Receivable*

The City has identified the portion of fund balance represented by these loans as restricted or assigned as discussed in Note 8. At June 30, 2019, these loans totaled:

Employee Loans	\$3,936
Centertown Associates	256,870
One "H" Street Associates	42,859
Fire Chief Loan	96,536
Total	\$400,201

B. *Employee Loans*

The City administers a computer loan program that supports the use of technology by employees. Employees are permitted to borrow up to \$1,500 for the purchase of computer hardware and software. The loans are interest-free, have maximum terms of one year, and are repaid through automatic payroll deductions. As of June 30, 2019, the balance of the employee loans receivable was \$3,936.

C. *Centertown Associates Loan*

On August 20, 1990, the former Redevelopment Agency loaned Centertown Associates, Ltd, \$303,000 at 3% interest due semiannually. The loan was made for the construction of a 60-unit affordable Centertown apartment complex and is fully secured by a deed of trust. The final payment is due on July 31, 2065. With the dissolution of the Redevelopment Agency effective February 1, 2012, the assets of the Agency's Low and Moderate Income Housing fund, including the Centertown Associates loan, were assumed by the City's Low and Moderate Income Housing Special Revenue Fund. As of June 30, 2019, the balance of the loan including principal and accrued interest was \$256,870.

D. *One "H" Street Associates Loan*

On January 18, 1994, the City loaned One "H" Street Associates \$100,000 at zero percent interest with annual payments of \$2,857 and with a final payment due January 18, 2034. As of June 30, 2019, the balance of this loan was \$42,859.

E. *Fire Chief Loan*

On September 17, 2007, the City Council approved a Home Loan Agreement to provide the Fire Chief with housing assistance. Under the Agreement, which was executed on October 3, 2007, the City loaned the Fire Chief \$600,000 to assist in the purchase of his primary residence. The loan is secured by a recorded deed of trust. The initial interest rate to be charged was 5.25% through August 31, 2008. On September 1, 2008, and on each September 1 following, until the loan is paid off, the interest rate of the loan will be adjusted based upon the then reported quarter-to-date Local Agency Investment Fund rate on the City's investment portfolio. As of June 30, 2019, the balance of the loan was \$96,536.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 4 - LOANS RECEIVABLE (Continued)

F. Other Receivables

The City provides staffing to San Rafael Sanitation District (District) under a contractual arrangement originated in 1987 that requires the District to pay all related employee costs incurred by the City on its behalf. Accordingly, the cost of providing pension and post-employment health benefits incurred by the City for the District staff but not yet funded are reflected by the District as an obligation, and by the City as a noncurrent receivable. The obligation as of June 30, 2019 is \$4,613,963, and is composed of the following:

Long-term receivable from San Rafael Sanitation District:	
Defined benefit pension liability allocation (GASB 68)	\$3,520,186
Other post-employment benefit liability allocation (GASB 75)	<u>1,093,777</u>
Total long-term receivable from San Rafael Sanitation District	<u><u>\$4,613,963</u></u>

NOTE 5 - CAPITAL ASSETS

Changes in capital assets during the fiscal year consisted of:

	Balance June 30, 2018	Additions/ Adjustments	Retirements	Transfers	Balance June 30, 2019
Governmental Activities					
Capital assets not being depreciated:					
Land	\$83,662,359				\$83,662,359
Construction in progress	<u>35,720,118</u>	\$40,021,643	(\$229,724)	(\$5,689,623)	<u>69,822,414</u>
Total capital assets not being depreciated	<u>119,382,477</u>	<u>40,021,643</u>	<u>(229,724)</u>	<u>(5,689,623)</u>	<u>153,484,773</u>
Capital assets being depreciated:					
Land improvements	9,020,097			742,470	9,762,567
Buildings and structures	43,558,694			688,428	44,247,122
Machinery and equipment	20,971,296	261,923	(284,724)		20,948,495
Infrastructure	<u>199,559,595</u>			4,258,725	<u>203,818,320</u>
Total capital assets being depreciated	<u>273,109,682</u>	<u>261,923</u>	<u>(284,724)</u>	<u>5,689,623</u>	<u>278,776,504</u>
Less accumulated depreciation for:					
Land improvements	(6,340,195)	(267,555)			(6,607,750)
Buildings and structures	(19,553,095)	(1,294,498)			(20,847,593)
Machinery and equipment	(12,952,045)	(1,256,765)	194,042		(14,014,768)
Infrastructure	<u>(131,668,796)</u>	<u>(4,958,895)</u>			<u>(136,627,691)</u>
Total accumulated depreciation	<u>(170,514,131)</u>	<u>(7,777,713)</u>	<u>194,042</u>		<u>(178,097,802)</u>
Total net capital assets being depreciated	<u>102,595,551</u>	<u>(7,515,790)</u>	<u>(90,682)</u>	<u>5,689,623</u>	<u>100,678,702</u>
Total governmental activity capital assets	<u>\$221,978,028</u>	<u>\$32,505,853</u>	<u>(\$320,406)</u>		<u>\$254,163,475</u>

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 5 - CAPITAL ASSETS (Continued)

	Balance June 30, 2018	Additions	Retirements	Balance June 30, 2019
Business-type Activities				
Capital assets not being depreciated:				
Land	\$8,620,853			\$8,620,853
Total capital assets not being depreciated	8,620,853			8,620,853
Capital assets being depreciated:				
Buildings and structures	10,713,814			10,713,814
Machinery and equipment	1,128,311	\$26,902	(\$112,516)	1,042,697
Total capital assets being depreciated	11,842,125	26,902	(112,516)	11,756,511
Less accumulated depreciation for:				
Buildings and structures	(3,305,322)	(205,362)		(3,510,684)
Machinery and equipment	(1,007,265)	(30,723)	112,516	(925,472)
Total accumulated depreciation	(4,312,587)	(236,085)	112,516	(4,436,156)
Total net capital assets being depreciated	7,529,538	(209,183)		7,320,355
Total business-type activity capital assets	\$16,150,391	(\$209,183)		\$15,941,208

	Balance June 30, 2018	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2019
San Rafael Sanitation District					
Capital assets not being depreciated:					
Land and easements	\$115,329				\$115,329
Construction in progress	775,804	\$4,596,989		(\$3,838,418)	1,534,375
Total capital assets not being depreciated	891,133	4,596,989		(3,838,418)	1,649,704
Capital assets being depreciated:					
Subsurface lines	36,555,141	823,808		1,371,263	38,750,212
Sewage collection facilities	42,205,803	27,611		2,467,155	44,700,569
General plant and administration	1,676,278	100,623	(\$27,108)		1,749,793
Total capital assets being depreciated	80,437,222	952,042	(27,108)	3,838,418	85,200,574
Less accumulated depreciation for:					
Subsurface lines	(11,863,418)	(579,346)			(12,442,764)
Sewage collection facilities	(19,691,736)	(1,171,540)			(20,863,276)
General plant and administration	(1,140,144)	(138,310)	27,108		(1,251,346)
Total accumulated depreciation	(32,695,298)	(1,889,196)	27,108		(34,557,386)
Total net capital assets being depreciated	47,741,924	(937,154)		3,838,418	50,643,188
Total District's capital assets	\$48,633,057	\$3,659,835			\$52,292,892

Capital Asset Contributions - Some capital assets may have been acquired using Federal and State grant funds, or were contributed by developers or other governments. These contributions are accounted for as revenues at the time the capital assets are contributed.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 5 - CAPITAL ASSETS (Continued)

Depreciation Allocation - Depreciation expense is charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or program are as follows:

Governmental Activities	
General government	\$144,138
Public safety	893,499
Public works and parks	5,851,551
Community development	46,532
Culture and recreation	841,993
Total Governmental Activities	\$7,777,713
Business-type Activities	
Parking services	\$236,085
Total Business-type Activities	\$236,085

NOTE 6 - LONG TERM DEBT

The City generally incurs long-term debt to finance projects or purchase assets which will have useful lives equal to or greater than the related debt.

A summary of governmental and business-type activities transactions for the fiscal year ended June 30, 2019, are as follows:

	Authorized and Issued	Balance June 30, 2018	Retirements	Balance June 30, 2019	Current Portion
Governmental Activities Bonds:					
2018 Authority Lease Revenue Bonds 4.00%-5.00%, due 6/1/2034	\$45,485,000	\$45,485,000		\$45,485,000	
Add: unamortized bond premium		8,127,097	\$507,944	7,619,153	
2010 Taxable Pension Obligation Bonds 6.00%-6.25%, due 7/1/2025	4,490,000	4,185,000	420,000	3,765,000	\$445,000
Total Governmental Activities Bonds		57,797,097	927,944	56,869,153	445,000
Governmental Activities - Direct Borrowings:					
PG & E City Hall HVAC Retrofit Note Payable 0.00%, due 11/30/2023	334,585	179,278	33,280	145,998	33,280
PG & E Street Light Retrofit Note Payable 0.00%, due 8/31/2019	233,896	48,873	41,892	6,981	6,981
PG & E CEC Efficiency Note Payable 1.00%, due 12/22/2027	1,178,813	1,080,800		1,080,800	
Total Governmental Activities - Direct Borrowings		1,308,951	75,172	1,233,779	40,261
Total Governmental Activities Debt		\$59,106,048	\$1,003,116	\$58,102,932	\$485,261
Business-type Activities					
Direct Borrowing:					
PG & E Parking Lot Lighting Retrofit Note Payable 0.00%, due 11/30/2023	\$66,380	\$34,571	\$6,816	\$27,755	\$6,816
2012 Authority Lease Revenue Refunding Bonds 2.00-4.00%, due 4/1/2033	6,750,000	5,174,999	275,000	4,899,999	285,000
Less: unamortized bond discount		(10,697)	(725)	(9,972)	
Total Business-type Activities Bonds		5,164,302	274,275	4,890,027	285,000
Total Business-type Activities		\$5,198,873	\$281,091	\$4,917,782	\$291,816

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 6 - LONG-TERM DEBT (Continued)

A. 2018 Authority Lease Revenue Bonds

On March 5, 2018, the Authority issued 2018 Authority Lease Revenue Bonds in the amount of \$45,485,000 bearing interest at rates from 4.00% to 5.00%. The proceeds of the bonds were provided for replacement of two fire stations and construction of a public safety center. Interest on the Bonds is payable semiannually on June 1 and December 1. Principal payable on the Bonds will be paid on June 1 starting on June 1, 2021. The Bonds maturing on or prior to June 1, 2028, are not subject to optional redemption prior to their maturity. The Bonds maturing on or after June 1, 2029, are subject to optional redemption as a whole or in part on any date after June 1, 2028, at the option of the Authority, at a redemption price equal to the principal amount of the Bonds subject to redemption, plus accrued interest to the date fixed for redemption, without premium.

The Bonds are payable from any source of available funds of the City. The bond covenants contain events of default that require the revenue of the City to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the City to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by the City; or if any court or competent jurisdiction shall assume custody or control of the City.

B. 2010 Taxable Pension Obligation Bonds

On July 1, 2010, the City issued 2010 Taxable Pension Obligation Bonds in the amount of \$4,490,000 bearing interest at rates from 6.00% to 6.25%. Principal payments are due annually on July 1 and interest is payable semiannually on January 1 and July 1. The Bonds were issued to prefund a portion of the obligations of the City to the Marin County Employees' Retirement Association. Payment of the principal and interest on the Bonds is not limited to any special source of funds and is payable from any legally available moneys of the City. The City is not empowered or obligated to levy or pledge taxes to make payments on the Bonds. The bond covenants contain events of default that require the revenue of the City to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the City to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by the City; or if any court or competent jurisdiction shall assume custody or control of the City.

C. Pacific Gas and Electric Note Payable

PG&E Lighting Retrofit

On September 30, 2013, the City executed a note payable agreement with Pacific Gas and Electric (PG&E) in the amount of \$634,861, bearing no interest. The debt was assumed as a means to finance energy-efficient retrofit projects which include updating existing heating, ventilation and air conditioning (HVAC) unit in City Hall and converting the street and parking lot light to light emitting diode (LED). \$334,585 of the loan is for the HVAC projects and \$300,276 of the loan is for the LED projects. Repayment of the loan commenced in December 2013, and is due monthly until paid in full in 2023.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 6 - LONG-TERM DEBT (Continued)

PG&E CEC Efficiency

On September 5, 2017, City Council approved the execution of a note payable agreement with Pacific Gas and Electric (PG&E) in the amount of \$1,178,813, bearing interest at 1%. The debt was assumed as a means to finance the execution of various energy efficiency system upgrades to City facilities and street lights. The upgrades will include interior and exterior lighting upgrades and energy management control systems. As of June 30, 2019, the loan obligation was \$1,080,000, the project is ongoing and additional note proceeds are expected in fiscal year 2019-2020. Payments will commence in December 2020, and are due semi-annually until paid in full in 2027.

D. 2012 Authority Lease Revenue Refunding Bonds

On August 7, 2012, the Authority issued 2012 Authority Lease Revenue Refunding Bonds in the amount of \$6,750,000 bearing interest at rates from 2.00% to 4.00%. The proceeds of the Series 2012 Bonds were used to repay the Authority's 2003 Authority Lease Revenue Bonds that financed the construction of the 3rd and C Street parking structure and achieved lower interest rates and lower annual debt service payments. The refunding resulted in a net present value savings to the City in debt service of \$670,496. In addition, the requisition price exceeded the net carrying amount of the old debt by \$295,278. The Series 2012 Bonds are payable from lease payments made by the City to the Authority for leasing the City facilities. The rights to these lease payments have been irrevocably transferred by the Authority to the Trustee. Activities related to the Series 2012 Bonds are reported in the Parking Services Enterprise Fund. Principal payments are due annually on April 1 and interest is payable semiannually on October 1 and April 1. The Bonds maturing on or prior to April 1, 2022, are not subject to optional redemption prior to their maturity. The Bonds maturing on or after April 1, 2023, are subject to optional redemption as a whole or in part on any date after April 1, 2022, at the option of the Authority, at a redemption price equal to the principal amount of the Bonds subject to redemption, plus accrued interest to the date fixed for redemption, without premium.

The Bonds are payable from any source of available funds of the City. The bond covenants contain events of default that require the revenue of the City to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the City to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by the City; or if any court or competent jurisdiction shall assume custody or control of the City.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 6 - LONG-TERM DEBT (Continued)

E. Future Debt Service

Future debt service requirements, including interest, at June 30, 2019, are as follows:

For the Year Ended June 30	Governmental Activities - Bonds		Governmental Activities - Direct Borrowings	
	Principal	Interest	Principal	Interest
2020	\$445,000	\$2,420,832	\$40,261	\$33,280
2021	2,385,000	2,393,232	87,320	54,626
2022	2,575,000	2,286,801	87,320	53,545
2023	2,775,000	2,171,501	87,320	52,464
2024	3,000,000	2,045,528	66,918	30,981
2025 - 2029	16,830,000	7,848,506	270,200	74,306
2030 - 2034	21,240,000	3,211,250	270,200	47,285
2035 - 2039			270,200	20,265
2040			54,040	810
Totals	49,250,000	\$22,377,650	1,233,779	\$367,562

Reconciliation of Long-term debt:

Add: unamortized premium	7,619,153
	<u>\$56,869,153</u>

\$1,233,779

For the Year Ended June 30	Business-type Activities - Bonds		Business-type Activities Direct Borrowings
	Principal	Interest	Principal
2020	\$285,000	\$169,838	\$6,816
2021	290,000	161,288	6,816
2022	300,000	152,588	6,816
2023	310,000	143,588	6,816
2024	320,000	134,288	491
2025 - 2029	1,750,000	507,518	
2030 - 2034	1,644,999	164,400	
Totals	4,899,999	\$1,433,508	27,755

Reconciliation of Long-term debt:

Less: unamortized discount	(9,972)
	<u>\$4,890,027</u>

\$27,755

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 7 - DEBT WITHOUT CITY COMMITMENT

The City has sponsored the issuance of the following debt, for which the City is not liable for repayment but acts as an agent for the project owners and bondholders:

	<u>Project Description</u>	<u>Original Amount</u>	<u>Outstanding June 30, 2019</u>
San Rafael Redevelopment Agency Multifamily Housing Revenue Bonds-2000A	162-175 Belvedere Apartments	\$3,590,529	\$997,394
California Statewide Communities Development Authority Revenue Bonds-2002	St. Marks School	5,605,000	3,205,000
San Rafael Redevelopment Agency Variable Rate Demand Multifamily Housing Revenue Bonds-2001A	55 Fairfax Apartments	3,000,000	1,900,000
San Rafael Redevelopment Agency Multifamily Housing Revenue Bonds-2001	San Rafael Commons Apartments	6,100,000	4,585,000
San Rafael Redevelopment Agency Multifamily Housing Revenue Bonds-2007 Series A	Martinelli House Project	6,000,000	1,845,971
Multifamily Housing Revenue Bonds-2007 Series B	Martinelli House	1,000,000	175,174
Pt. San Pedro Road Median Landscaping Assessment District Limited Obligation Bonds-2012	Pt. San Pedro Road Median Landscaping	<u>1,750,000</u>	<u>1,387,200</u>
	Total	<u><u>\$27,045,529</u></u>	<u><u>\$14,095,739</u></u>

NOTE 8 - NET POSITION AND FUND BALANCE

A. Net Position

Net Position is the excess of all the City's assets and deferred outflow over all its liabilities, and deferred inflows regardless of fund. Net Position is divided into three captions. These captions apply only to Net Position, which is determined only at the Government-wide level and business type activity and are described below:

Net Investment in Capital Assets describes the portion of Net Position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of Net Position which is restricted to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter.

Unrestricted describes the portion of Net Position which is not restricted to use.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 8 - NET POSITION AND FUND BALANCE (Continued)

B. Fund Balance

In the fund financial statements, fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and receivables, less its liabilities. The City's fund balances are classified in accordance with Governmental Accounting Standards Board Statement Number 54 (GASB 54), Fund Balance Reporting and Governmental Fund Type Definitions, which requires the City to classify its fund balances based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the City prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

Nonspendable represents balances set aside that do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, such as Permanent Funds, and assets not expected to be converted to cash, such as prepaids, notes receivable, and land held for redevelopment are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed or assigned, then Nonspendable amounts are required to be presented as a component of the applicable category.

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Nonspendable amounts subject to restrictions are included along with spendable resources.

Committed fund balances have constraints imposed by resolution of the City Council which may be altered only by resolution of the City Council. Nonspendable amounts subject to council commitments are included along with spendable resources.

Assigned fund balances are amounts constrained by the City's intent that they be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the City Manager as designated by the City Council and may be changed at the discretion of the City Council or City Manager. This authorization is given through Resolution No. 13173 which adopts the City's Fund Balance Policy. This category includes nonspendables, when it is the City's intent to use proceeds or collections for a specific purpose; and residual fund balances, if any, of Special Revenue, Capital Projects and Debt Service Funds which have not been restricted or committed.

Unassigned fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual General Fund balance and residual fund deficits, if any, of other governmental funds.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 8 - NET POSITION AND FUND BALANCE (Continued)

Detailed classifications of the City's fund balances, as of June 30, 2019, are below:

	General Fund	Special Revenue Funds		Capital Project	Other Governmental Funds	Total
		Traffic and Housing Mitigation	Gas Tax	Essential Facilities Capital Projects Fund		
Fund balances:						
Nonspendable:						
Prepays	\$37,271				\$27,627	\$64,898
Total Nonspendable	<u>37,271</u>				<u>27,627</u>	<u>64,898</u>
Restricted for:						
Assessment District capital projects					302,890	302,890
Baypoint Lagoons Assessment District					252,414	252,414
Bedroom tax capital projects					84,325	84,325
Childcare					1,746,845	1,746,845
Development services					631,375	631,375
Emergency medical services					785,719	785,719
1997 financing authority revenue bonds debt service					151,695	151,695
Gas tax			\$4,728,111			4,728,111
Grants					796,024	796,024
Household hazmat facility					366,418	366,418
Library					2,449,535	2,449,535
Library assessment					556,470	556,470
Loch Lomond Assessment District					674,208	674,208
Loch Lomond Assessment District #2					282,718	282,718
Low and Moderate Income Housing					895,727	895,727
Mariposa Assessment District debt service					16,573	16,573
Measure E - Public Safety Facility				\$32,390,499		32,390,499
Measure G - Cannabis					75,973	75,973
Parkland dedication					257,542	257,542
Peacock Gap Assessment District debt service					2,875	2,875
Public safety					89,647	89,647
Pt. San Pedro- Maintenance Portion					120,673	120,673
Recreation revolving					2,328	2,328
Storm water					402,544	402,544
Traffic and housing mitigation		\$5,197,376				5,197,376
Total Restricted		<u>5,197,376</u>	<u>4,728,111</u>	<u>32,390,499</u>	<u>10,944,518</u>	<u>53,260,504</u>
Committed to:						
Capital improvement capital projects					1,890,447	1,890,447
Park capital projects					10,824	10,824
Total Committed					<u>1,901,271</u>	<u>1,901,271</u>
Assigned to:						
Contractual commitments	230,646					230,646
MOU - One-time payments	797,625					797,625
Measure E - Public Safety Facility	143,702					143,702
Emergency and cash flow	7,900,000					7,900,000
Infrastructure Reserve	600,000					600,000
General plan / long range planning	1,719,111					1,719,111
Open space capital projects					118,139	118,139
Total Assigned	<u>11,391,084</u>				<u>118,139</u>	<u>11,509,223</u>
Unassigned	<u>1,104,216</u>					<u>1,104,216</u>
Total Fund Balances	<u>\$12,532,571</u>	<u>\$5,197,376</u>	<u>\$4,728,111</u>	<u>\$32,390,499</u>	<u>\$12,991,555</u>	<u>\$67,840,112</u>

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 9 - PENSION PLANS

A. *Plan Description*

The City's defined benefit retirement plan is administered by the Marin County Employees' Retirement Association (MCERA), a retirement system established in July 1950 and governed by the California Constitution; the County Employees Retirement Law of 1937 (CERL or 1937 Act, California government Code Section 31450 et seq.); the Public Employees' Pension Reform Act of 2013 (PEPRA, Government Code Section 7522); the provisions of California Government Code Section 7500 et seq; and the bylaws, procedures, and policies adopted by MCERA's Board of Retirement. The Marin County Board of Supervisors may also adopt resolutions, as permitted by the CERL and PEPRA, which may affect the benefits of MCERA members.

MCERA operates as a cost-sharing multiple employer defined benefit plan for the City and eight other participating employers: County of Marin, Local Agency Formation Commission (LAFCO), Marin City Community Services District, Marin County Superior Court, Marin/Sonoma Mosquito and Vector Control District, Novato Fire Protection District, Southern Marin Fire Protection District, and Tamalpais Community Services District. Separate actuarial valuations are performed for these other agencies and districts, and the responsibility for funding their plans rest with those entities. Post-retirement benefits are administered by MCERA to qualified retirees.

Copies of MCERA's annual financial reports, which include required supplementary information (RSI) for each plan may be obtained from their office at One McInnis Parkway, Suite 100, San Rafael, CA 94903 or online at www.mcera.org.

B. *Benefit Provisions*

Service Retirement: MCERA's service retirement benefits are based on the years of credited service, final average compensation, and age at retirement, according to the applicable statutory formula. Members who qualify for service retirement are entitled to receive monthly retirement benefits for life.

General members hired prior to January 1, 2013 are eligible to retire once they attain the age of 50 (except Misc Tier 2, whereby the minimum age is 55) and have acquired 10 or more years of retirement service credit. A member with 30 years of service is eligible to retire regardless of age. A member who is age 70 or older is eligible to retire regardless of service credit. General members who are first hired on or after January 1, 2013 are eligible to retire once they have attained the age of 52, and have acquired 5 years of retirement service credit, or age 70, regardless of service.

Safety members hired prior to January 1, 2013 are eligible to retire once they attain the age of 50 and have acquired 10 or more years of retirement service credit. A member with 20 years of service is eligible to retire regardless of age. A member who is age 70 or older is eligible to retire regardless of service. Safety members who are first hired on or after January 1, 2013 are eligible to retire once they have attained the age of 50, and have acquired 5 years of retirement service credit, or age 70, regardless of service.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 9 - PENSION PLANS (Continued)

Disability Retirement: A member with five years of service, regardless of age, who becomes permanently incapacitated for the performance of duty is eligible to apply for a non-service connected disability retirement. Any member who becomes permanently incapacitated for the performance of duty as a result of injury or disease arising out of and in the course of employment is eligible to apply for a service-connected disability retirement, regardless of service length or age.

Death Benefits: MCERA provides specified death benefits to beneficiaries and members' survivors. The death benefits provided depend on whether the member is active or retired. The basic active member death benefit consists of a members' retirement contributions plus interest plus one month's pay for each full year of service (up to a maximum of six month's pay). Retiring members may choose from five retirement benefit payment options. Most retirees elect to receive the unmodified allowance which provides the maximum benefit to the retiree and continuance of 60% of the retiree's allowance to the surviving spouse or registered domestic partner after the retiree's death. Other death benefits may be available based on the years of service, marital status, and whether the member has minor children.

Cost of Living Adjustment: Retirement allowances are indexed for inflation. Most retirees receive automatic basic cost of living adjustments (COLA's) based upon the Urban Consumer Price Index (UCPI) for the San Francisco Bay Area. These adjustments go into effect on April 1 of each year. Annual COLA increases are statutorily capped at 2%, 3%, or 4% depending upon the member's retirement tier. When the UCPI exceeds the maximum statutory COLA for the member's tier, the difference is accumulated for use in future years when the UCPI is less than the maximum statutory COLA. The accumulated percentage carryover is known as the COLA Bank.

C. Funding Policy

The funding policy of MCERA provides for actuarially determined periodic contributions by the City at rates such that sufficient assets will be available to pay plan benefits when due. The employer rates for normal cost are determined using the Entry Age Normal Actuarial Cost Method, which takes into account those benefits that are expected to be earned in the future as well as those already accrued.

The City contribution rates for the year ended June 30, 2019 were as follows:

	Employer Contribution Rate	Employee Contribution Rate	Benefit	Basis
City of San Rafael Misc Tier 1	53.34%	0.00% - 16.13%	2.7% @ 55	Highest year
City of San Rafael Misc Tier 2	52.40%	7.34% - 11.76%	2.0% @ 55	Average three highest years
City of San Rafael Fire Tier 1	74.94%	0.00% - 19.59%	3.0% @ 55	Highest year
City of San Rafael Fire Tier 2	72.55%	11.40% - 17.36%	3.0% @ 55	Average three highest years
City of San Rafael Safety Police Tier 1	74.30%	0.00% - 19.59%	3.0% @ 55	Highest year
City of San Rafael Safety Police Tier 2	73.49%	11.40% - 17.36%	3.0% @ 55	Average three highest years
PEPRA Misc	45.39%	9.30%	2.0% @ 62	Average three highest years
PEPRA Safety	63.06%	13.98%	2.7% @ 57	Average three highest years

These rates were determined by MCERA, based on the actuarial valuation dated June 30, 2017. The actual rate of return on investments during that year was 11.92% on a market value basis net of investment expenses, as compared to the prior year's 7.25% assumption.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 9 - PENSION PLANS (Continued)

The City uses the actuarially determined percentages of payroll to calculate and pay contributions to MCERA. Contributions to the plan from the City were \$20,352,203 for the year ended June 30, 2019, based on a total payroll of \$44,634,340, of which \$33,106,430 represented the basis for the plan contributions. Of the total payroll subject to plan contributions, \$1,431,100 is attributable to the San Rafael Sanitation District (SRSD), a component unit of the City.

Effective with the June 30, 2013 valuation, the Unfunded Actuarial Liability (UAL) as of June 30, 2013 is being amortized over a closed 17-year period (13 years remaining as of June 30, 2017), except for the additional UAL attributable to the outstanding unfunded actuarial loss from 2009, which is being amortized over a separate closed period (currently 21 years).

Effective with the June 30, 2014 valuation, any new sources of UAL due to actuarial gains and losses or method changes are amortized over a closed 24-year period, with a 5-year ramp up period at the beginning of the period, a 4-year ramp down at the end of the period, and 15 years of level payments as a percentage of payroll between the ramping periods. This new amortization method for gains and losses is similar to a 20-year amortization period with level payments as a percentage of payroll, in conjunction with a traditional 5-year asset smoothing.

Assumption changes are amortized over a closed 22-year period, with a 3-year ramp up period, 2-year ramp down period, and 17 years of level payments as a percentage of payroll.

D. Pension Liability and Pension Expense

The City's net pension liability (NPL) has been determined for the financial reporting period ended June 30, 2019 based on the following methodology: The City's NPL as of June 30, 2017 was updated to the measurement date of June 30, 2018 using the actual City's plan assets as of June 30, 2018 and estimating the change in the City's liabilities between July 1, 2017 and June 30, 2018. This estimate is based on a projection of the City's long-term contributions to the pension plan relative to the projected contributions of all participating employers.

The resulting NPL for the City under this calculation is \$110,567,858, or 34.4752% of the total MCERA NPL of \$330,297,827 (reference MCERA's GASB 67/68 report as of June 30, 2018). This compares to the previous year's NPL of \$120,649,687, or 32.718% of the total MCERA NPL of \$368,756,305 (reference MCERA's GASB 67/68 report as of June 30, 2017).

In addition to the reporting of the NPL as of June 30, 2019, the City reported deferred inflows of \$34,181,686 and deferred outflows of \$12,350,764 as of the measurement date June 30, 2018. The City reported post-measurement date outflows of \$20,352,203 from actual fiscal year 2018-2019 pension contributions. Deferred outflows include deferred investment gains and adjustments to assumptions based on actual positive results. Deferred outflows have a positive impact on net assets (offsetting the NPL) and will be recognized in future reporting periods. Deferred inflows include deferred investment losses, adjustments to assumptions based on actual negative results, and contributions made after the measurement date. Deferred inflows have a negative impact on net assets (similar to the NPL) and will be recognized in future reporting periods. The net impact of these pension liability related entries on the City's Statement of Net Position before allocations to the San Rafael Sanitation District was \$112,046,577. After allocations to the San Rafael Sanitation District, the net impact on the City's Statement of Net Position was \$108,526,391.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 9 - PENSION PLANS (Continued)

Under GASB 68, the City's pension expense is based on the Plan's pension expense, adjusted for the City's actual contributions and net pension liability.

Three components are used to calculate pension expense: (1) changes in the net pension liability; (2) changes in benefit terms (if any); and (3) changes in actuarial assumptions and experience. Pension expense is calculated using a different methodology than that used to derive the actuarially determined annual contribution to the Plan. Actual pension contributions during the reporting year were \$20,352,203. Because pension expense is affected by annual changes in the net pension liability, volatility is to be expected. For the current measurement period, investment returns above the assumed rate were responsible for the decrease in net pension liability and had a corresponding impact on pension expense.

The table below provides a summary of the key results during the reporting period:

Summary of Results		
Description	Measurement Date 6/30/2018	Measurement Date 6/30/2017
Net Pension Liability	\$110,567,858	\$120,649,687
Deferred Inflows	34,181,686	31,607,575
Deferred Outflows	(12,350,764)	(18,395,737)
Impact on Net Position before Deferred Outflows from Contributions	132,398,780	133,861,525
Additional Deferred Outflows - Contributions Subsequent to Measurement Date	(20,352,203)	(20,167,435)
Impact on Statement of Net Position before Allocations	112,046,577	113,694,090
Allocation of NPL to SRSD	3,487,083	3,740,703
Allocation of Deferred Inflows (measurement date) to SRSD	1,078,020	979,982
Allocation of Deferred Outflows (measurement date) to SRSD	(389,518)	(570,354)
Impact on Net Position before Allocation of Deferred Outflows from Contributions to SRSD	4,175,585	4,150,331
Allocation of Additional Deferred Outflows (Contributions) to SRSD	(655,399)	(657,863)
Long-Term Receivable from SRSD, due to pension obligations (see Note 4F)	3,520,186	3,492,468
Impact on Statement of Net Position, net of receivable from SRSD	\$108,526,391	\$110,201,622
Pension Expense	\$18,704,394	\$21,503,841

Projection of Total Pension Liability and Net Pension Liability

Total Pension Liability (TPL) is the actuarial present value of projected benefit payments attributed to past periods of employee service. For the purposes of Governmental Accounting Standards Board Statement No. 68 (GASB 68), MCERA and the City have adopted a measurement date of June 30, 2018. The beginning of year measurement of TPL is based on the actuarial valuation as of June 30, 2017. The TPL at the end of the measurement year, June 30, 2018, is also measured as of the valuation date of June 30, 2017 and projected to June 30, 2018.

The Plan Fiduciary Net Position (FNP) is the fair or market value of assets. The FNP at the beginning of the year is based on the actuarial valuation as of June 30, 2017. The FNP at the end of the measurement year, June 30, 2018, is also measured as of the valuation date of June 30, 2017 and projected to June 30, 2018.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 9 - PENSION PLANS (Continued)

The Net Pension Liability (NPL) is the City liability for benefits provided through its defined benefit plan administered by MCERA. It is calculated by reducing the TPL by the FNP. The long-term portion of the governmental activities' NPL is liquidated primarily by the General Fund.

Actuarial assumptions:

The total pension liability as of June 30, 2018 (measurement date) was determined by an actuarial valuation as of June 30, 2017, using the following actuarial assumptions applied to all prior periods included in the measurement. The key assumptions in the valuation were:

Actuarial assumptions:

Expected Return on Assets	7.00 percent per year, net of investment expenses
Discount Rate	7.00 percent per year
Price Inflation	2.75% per year
Salary Increases	3% per year plus merit component based on employee classification and years of service.
Administrative Expenses	Administrative expenses in the actuarial valuation are assumed to be \$4.917 million for FY 2017-18, to be split between employees and employers based on their share of the overall contributions. Administrative expenses shown in this report are based on the actual FY 2017-18 amounts.
Post-Retirement COLA	Post-retirement COLAs are assumed at a rate of 2.7% for members with a 4% COLA cap, 2.6% for members with a 3% COLA cap, and 1.9% for members with a 2% COLA cap.
Mortality Rates for Healthy Members and Inactives	Rates of mortality for active members are specified by CalPERS 2017 Pre-Retirement Non-Industrial Death Rates (plus Duty-Related Death rates for Safety members), with the 20-year static projection used by CalPERS replaced by generational improvements from a base year of 2014 using Scale MP-2017.
Mortality Rates for Retired Disabled Members	Rates of mortality among disabled members are given by CalPERS 2017 Disability Mortality rates (Non-Industrial rates for Miscellaneous members and Industrial Disability rates for Safety members), adjusted by 90% for Males (Miscellaneous and Safety) and 90% for Miscellaneous Females, with the 20-year static projection used by CalPERS replaced by generational improvements from a base year of 2014 using Scale MP-2017.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 9 - PENSION PLANS (Continued)

Asset Allocation Policy and Expected Long-term Rate of Return by Asset Class

The Board of Retirement has adopted an Investment Policy Statement (IPS), which provides the framework for the management of MCERA's investments. The IPS establishes MCERA's investment objectives and defines the principal duties of the Retirement Board, the custodian bank, and the investment managers. The asset allocation plan is an integral part of the IPS and is designed to provide an optimum and diversified mix of asset classes with return expectations to satisfy expected liabilities while minimizing risk exposure. MCERA currently employs external investment managers to manage its assets subject to the provisions of the policy. Plan assets are managed on a total return basis with a long term objective of achieving and maintaining a fully funded status for the benefits provided through the Plan. The following was the Retirement Board's adopted asset allocation policy as of June 30, 2018:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Long-Term Expected Rate of Return (with the effect of inflation)</u>
Domestic Equity	32%	4.60%	7.35%
International Equity	22%	4.75%	7.50%
Fixed Income	23%	0.75%	3.50%
Public Real Assets	7%	3.25%	6.00%
Real Estate	8%	3.50%	6.25%
Private Equity	8%	5.10%	7.85%
Total	<u>100%</u>		

The Long-Term returns are calculated using a 10-year geometric return derived from arithmetic returns and the associated risk (standard deviation).

Determination of Discount Rate

The discount rate used to measure the Total Pension Liability was 7.00%. Related to the discount rate is the funding assumption that employees will continue to contribute to the plan at the required rates and employers will continue the historical and legally required practice of contributing to the plan based on an actuarially determined contribution, reflecting a payment equal to annual normal cost, a portion of the expected administrative expenses, an amortization payment for the extraordinary losses from 2009 amortized over a closed period (21 years remaining as of the June 30, 2017 actuarial valuation), and an amount necessary to amortize the remaining Unfunded Actuarial Liability as a level percentage of payroll over a closed period (13 years remaining as of the June 30, 2017 actuarial valuation).

A change in the discount rate would affect the measurement of the TPL. A lower discount rate results in a higher TPL and higher discount rates results in a lower TPL. Because the discount rate does not affect the measurement of assets, the percentage change in the NPL can be significant for a relatively small change in the discount rate. A one percent decrease in the discount rate increases the TPL by approximately 13% and increases the NPL by approximately 113%. A one percent increase in the discount rate decreases the TPL by approximately 11% and decreases the NPL by approximately 93%.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 9 - PENSION PLANS (Continued)

The table below shows the sensitivity of the NPL to a one percent decrease and a one percent increase in the discount rate:

Description	1% Decrease 6.00%	Discount Rate 7.00%	1% Increase 8.00%
Total Pension Liability	\$1,072,547,443	\$947,923,920	\$845,324,560
Fiduciary Net Position	837,356,062	837,356,062	837,356,062
Net Pension Liability	<u>\$235,191,381</u>	<u>\$110,567,858</u>	<u>\$7,968,498</u>
Fiduciary Net Position as a Percentage of the Total Pension Liability	78.1%	88.3%	99.1%

Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Pension Resources

The impact of experience gains or losses and assumption changes on the Total Pension Liability (TPL) are recognized in the proportionate share of the pension expense over the average expected remaining service life of all active and inactive members of the plan. As of the measurement date, this recognition period was 4 years.

The following tables show the current balance and sources of deferred outflows and inflows related to the City's defined benefit retirement plan, and the scheduled recognition of these deferred amounts:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		\$1,026,038
Changes in assumptions	\$10,243,832	
Change in proportion	2,106,932	5,882,404
Difference between City contributions and proportionate share of contributions		9,065,783
Actual FY 18-19 contributions (post measurement date)	20,352,203	
Net difference between projected and actual earnings on pension plan investments		<u>18,207,461</u>
Deferred Inflows and Outflows Before Allocations	<u>\$32,702,967</u>	<u>\$34,181,686</u>
Allocation of Deferred Inflows and Outflows to SRSD		
As of measurement date	\$389,518	\$1,078,020
Post-measurement date	655,399	
Net Deferred Inflows and Outflows	<u>\$31,658,050</u>	<u>\$33,103,666</u>

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 9 - PENSION PLANS (Continued)

The \$20,352,203 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year ended June 30</u>	<u>Amortization Amount</u>
2020	(\$4,765,259)
2021	(4,671,470)
2022	(8,312,697)
2023	<u>(4,081,496)</u>
Total	<u><u>(\$21,830,922)</u></u>

NOTE 10 - PUBLIC AGENCY RETIREMENT SYSTEM (DEFINED CONTRIBUTION RETIREMENT PLANS)

The City contributes to the Public Agency Retirement System (PARS), which administers a defined contribution retirement plan. A defined contribution retirement plan provides retirement benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's accounts are determined instead of specifying the amount of benefits the individual is to receive. The benefits a participant will receive depend on the amount contributed to the participant's account, and the returns earned on investments on those contributions. The Plan's trust administrator is Phase II, P.O. Box 12919, Newport Beach, California 92658.

As established by the plan, all eligible part-time and temporary employees of the City become participants in the plan from the date that they are hired. An eligible employee is any employee who, at any time during which the employer maintains this plan, is not accruing a benefit under the Marin County Employees' Retirement Fund.

As determined by the plan, each employee must contribute 3.75% of gross earnings to the plan. The City contributes an additional 3.75% of the employee's gross earnings. Contributions made by an employee and the employer vest immediately.

During the year, the City and employees each contributed \$132,472. The total covered payroll of employees participating in the plan for the year ended June 30, 2019, was \$3,700,356. The total payroll for the year was \$44,634,340.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 11 - POST-EMPLOYMENT HEALTH CARE BENEFITS

Plan Description

The City provides certain health care benefits for retired employees and their spouses under an Agent Multiple-Employer Defined Benefit Plan. The benefit provisions were established under the authority of the 1937 Act, Section 31450, et. seq. of the Government Code. Employees who meet the vesting criteria become eligible for these benefits if they receive a retirement benefit from the Marin County Employees' Retirement Association within 120 days of retirement from City employment.

The provisions and benefits of the City's Other Post Employment Benefit Plan, in effect at June 30, 2019, are summarized as follows:

	Elected Officials, Mid-Management, & Unrepresented Management	All other Bargaining Units
<i>Eligibility</i>	Retire directly from the City: - Age 50 (age 55 if hired > 7/1/11) with 10 years services (Including reciprocity) OR - 30 years service (Miscellaneous), 20 years service (Safety) OR - Age 70 - Disability Retirement	
<i>Benefit</i>	Hired < 1/1/09 Full premium/cap Hired ≥ 1/1/09 PEMHCA Min	Hired < 1/1/10 Up to cap Hired ≥ 1/1/10 PEMHCA Min
<i>Surviving Spouse Benefit</i>	Continuation to surviving spouse	
<i>Medicare Part B</i>	Hired < 4/1/07 Full reimbursement Hired ≥ 4/1/07 None	None
<i>Other</i>	No Dental, Vision, or Life Benefits	

Membership in the plan consisted of the following at June 30, 2019, the measurement date:

Active plan members	366
Inactive employees or beneficiaries currently receiving benefit payments	349
Inactive employees entitled to but not yet receiving benefit payments	70
Total	785

Funding Policy and Actuarial Assumptions

The City's net OPEB liability was measured using a Total OPEB Liability and Fiduciary Net Position measured as of June 30, 2018, using an actuarial valuation as of June 30, 2017. The following actuarial assumptions were used in the valuation: (a) 6.75% investment rate of return and (b) 2.75% of general inflation increase, and (c) a healthcare trend of declining annual increases ranging from 7.5% in 2019 to 4.0% for the years starting 2076. In addition, the fixed dollar benefit amounts are assumed to be held flat in the future and the premium related benefits are assumed to increase with the healthcare trend rate.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 11 - POST-EMPLOYMENT HEALTH CARE BENEFITS (Continued)

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2016 through June 30, 2017.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Long-Term Expected Rate of Return (with the effect of inflation)
Public Equity	57%	4.82%	7.57%
Fixed Income	27%	1.47%	4.22%
TIPS	5%	1.29%	4.04%
Commodities	3%	0.84%	3.59%
REITs	8%	3.76%	6.51%
Total	100%		
Assumed Long-Term Rate of Inflation		2.75%	
Assumed Long-Term Investment Expenses		n/a	
Expected Long-Term Net Rate of Return		6.75%	
Discount Rate		6.75%	

The Expected Long-Term Rate of Return is provided by CalPERS' Strategic Asset Allocation Overview in August 2014 – Strategy 1.

Discount Rate

The discount rate used to measure the total OPEB liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be sufficient to make projected benefit payments and the plan assets are expected to be invested using the strategy to achieve the expected return.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 11 - POST-EMPLOYMENT HEALTH CARE BENEFITS (Continued)

Change in Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
	(a)	(b)	(c) = (a) - (b)
Balance at June 30, 2017	\$51,581,000	\$17,884,000	\$33,697,000
Changes Recognized for the Measurement Period:			
Service Cost	822,000		822,000
Interest on the total OPEB liability	3,435,000		3,435,000
Changes in benefit terms			
Difference between expected and actual experience			-
Changes of assumptions			-
Contributions from the employer		3,573,000	(3,573,000)
Net investment income		1,425,000	(1,425,000)
Administrative expenses		(43,000)	43,000
Benefit payments and refunds	(3,028,000)	(3,028,000)	
Net Changes during July 1, 2017 to June 30, 2018	1,229,000	1,927,000	(698,000)
Balance at June 30, 2018 (Measurement Date)	\$52,810,000	\$19,811,000	\$32,999,000

The benefit payments and refunds includes implied subsidy benefit payments in the amount of \$771,000.

Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current discount rate:

Plan's Net OPEB Liability/(Asset)		
Discount Rate -1% (5.75%)	Current Discount Rate (6.75%)	Discount Rate +1% (7.75%)
\$39,267,000	\$32,999,000	\$27,753,000

Sensitivity of the net OPEB liability to changes in the health care cost trend rates

Plan's Net OPEB Liability/(Asset)		
Discount Rate -1%	Healthcare Cost Trend Rates	Discount Rate +1%
\$29,161,000	\$32,999,000	\$37,724,000

**CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019**

NOTE 11 - POST-EMPLOYMENT HEALTH CARE BENEFITS (Continued)

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued plan financial report. That report may be obtained from the California Public Employees' Retirement System, CERBT, P.O. Box 942703, Sacramento, CA, 94229.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB

Components of OPEB Expense for fiscal year 2018-2019 were as follows:

Service Cost	\$822,000
Interest on Total OPEB Liability	3,435,000
Projected earning on investments	(1,206,000)
Employee contributions	
Administrative expense	43,000
Change in benefits	
Recognition of deferred outflows/inflows:	
Experience	(708,000)
Assumptions	833,000
Asset Returns	48,000
OPEB Expense	\$3,267,000

Components of deferred outflows of resources and deferred inflows of resources related to OPEB at June 30, 2019 were as follows:

	Governmental Activities	Business-Type Activities	Total
Deferred outflows of resources:			
Changes of assumptions	\$3,092,205	\$72,795	\$3,165,000
Employer contributions made subsequent to the measurement date	3,639,325	85,675	3,725,000
Total deferred outflows of resources	\$6,731,530	\$158,470	\$6,890,000
Deferred inflows of resources:			
Differences between expected and actual experience	\$2,629,107	\$61,893	\$2,691,000
Net difference between projected and actual earnings on plan investments	92,815	2,185	95,000
Total deferred inflows of resources	\$2,721,922	\$64,078	\$2,786,000

The difference between projected OPEB plan investment earnings and actual earnings is amortized over a five-year period. The remaining gains and losses are amortized over the expected average remaining service life.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 11 - POST-EMPLOYMENT HEALTH CARE BENEFITS (Continued)

\$3,725,000 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2020. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as future OPEB expense as follows:

Measurement Period Ended June 30	Amortized Amount
2020	\$173,000
2021	173,000
2022	(23,000)
2023	56,000
	\$379,000

The table below provides a summary of the key results during this reporting period.

Summary of Results		
Description	Measurement Date June 30, 2018	Measurement Date June 30, 2017
Net OPEB Liability	\$32,999,000	\$33,696,000
Deferred Inflows	2,786,000	3,399,000
Deferred Outflows	(3,165,000)	(4,170,000)
Impact on Net Position before deferred contributions	32,620,000	32,925,000
Additional Deferred Outflows - Contributions subsequent to measurement date	(3,725,000)	(3,563,000)
Impact on Statement of Net Position before Allocations	28,895,000	29,362,000
Allocation of NOL to SRSD	1,249,127	1,295,611
Allocation of Deferred Inflows (measurement date) to SRSD	105,460	130,692
Allocation of Deferred Outflows (measurement date) to SRSD	(119,806)	(160,337)
Impact on Net Position before deferred contributions to SRSD	1,234,781	1,265,966
Allocation of Additional Deferred Outflows (contributions) to SRSD	(141,004)	(136,997)
Long-Term Receivable from SRSD, due to OPEB obligations (see Note 4F)	1,093,777	1,128,969
Impact on Statement of Net Positions, net of receivable from SRSD	\$27,801,223	\$28,233,031
OPEB Expense	\$3,267,000	\$3,395,000
Covered Employee Payroll	\$36,350,000	\$32,885,000

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 12 - JOINTLY GOVERNED ORGANIZATIONS

The City participates in the jointly governed organizations discussed below through formally organized and separate entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, these entities exercise full powers and authorities within the scope of the related Joint Powers Agreements including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Each joint organization is governed by a board consisting of representatives from member municipalities. Each board controls the operations of the respective joint organization, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on that board. Obligations and liabilities of this joint organization are not the City's responsibility and the City does not have an equity interest in the assets of each joint organization except upon dissolution of the joint organization.

A. *The Marin County Integrated On-Line Library System (System)*

The MARINet Library Consortium was formed to provide for the procurement, ownership, operation, maintenance, and governance of shared library services among the libraries, public and academic, in Marin County. Current services shared and paid for on a consortial level through annual membership dues include an integrated library system including patron database, cataloging system, and online catalog of materials; delivery of items between libraries in Marin, a statewide library delivery service called Link+, numerous online resources, and more. The Governing Board of the System consists of the library director or designated alternate of each participant in the System. In accordance with the cost sharing formula developed by the library directors of the participants, the City's share of annual operating costs is 16% or \$258,164 for the year ended June 30, 2019. Financial statements of the System can be obtained from the County Librarian, Marin County Free Library, Marin County Civic Center, 3501 Civic Center Drive, San Rafael, California 94903.

B. *The Marin General Services Authority (MGSA)*

The MGSA was formed by the County of Marin and twelve local agencies to acquire street light facilities, operate the facilities during an eminent domain action against PG&E, and coordinate the subsequent transfer of the facilities to the individual local agencies. Each of the local agency's share of contributions was based on the number of street lights to be acquired in the local agency's individual jurisdiction in relation to the total number of street lights to be acquired by the Marin Streetlight Acquisition Joint Powers Authority. MGSA services now include street light maintenance, abandoned vehicle abatement, taxicab regulation and administrative responsibility for MarinMap. The City's contribution to MGSA was \$650,570 for the year ended June 30, 2019. Financial statements of the MGSA can be obtained at 555 Northgate Drive, Suite 230, San Rafael, California 94903.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 12 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

C. *The Marin Emergency Radio Authority (MERA)*

MERA was formed on February 28, 1998, by the County of Marin and 25 local agencies within the County to plan, finance, implement, manage, own, and operate a County-wide public safety and emergency radio system. The Governing Board consists of one representative from each member. In February 2010, MERA refinanced its 1999 Revenue Bonds; the 1999 bonds were originally issued in the amount of \$26,940,000 to finance the acquisition of the system. The 2010 refunding bonds were issued at a premium of \$934,832 above their par value of \$18,575,000. These bonds mature annually through 2021 and bear interest from 2% to 4%. Similar to the original bonds, the refunding bonds are special obligations of MERA and are secured by the Members' service payments. On February 1, 2007, MERA borrowed \$2,250,000 from Citizens Business Bank. The note is being amortized over 14 ½ years at an annual interest rate of 4.43%. Loan Payments are funded by member operating payments. The costs of maintenance, operation, and debt service are divided on a pro rata share based on an agreed-upon formula established by a majority of the Governing Board. The members entered into a Project Operating Agreement on February 1, 1999.

Under the Operating Agreement, members are obligated to contribute service payments to cover the Authority's operations and debt service. The City's portion of the obligation is 16.913%. The first operating service payment was in July 1999. The first debt service payment was in August 2002. The City contributed \$680,205 of the Authority's operation and debt service for the fiscal year ended June 30, 2019. The City has established a reserve in its internal service funds to pay future service payments. Financial statements of the MERA can be obtained at 95 Rowland Way, Novato, California 94945.

D. *The Countywide Planning Agency*

The Agency was established on October 16, 1990, by the County of Marin and the cities of Belvedere, Corte Madera, Fairfax, Larkspur, Mill Valley, Novato, Ross, San Anselmo, San Rafael, Sausalito, and Tiburon to implement countywide performance standards for traffic, housing, water and sewer facilities, and environmental protection to ensure that residential and commercial growth does not exceed local water, sewer and transportation capacities. The Governing Board of the Countywide Planning Agency consists of one member of the County Board of Supervisors and one member of the City Council of each participating city. Financial statements of the Agency can be obtained at 3501 Civic Center Drive, San Rafael, California 94903.

E. *The Marin Telecommunications Agency*

The Agency was established to regulate the rates for cable television service and equipment and to advise the participants of their license authority. The Governing Board of the Marin Telecommunications Agency consists of one member from each of the eleven participating agencies. The City's contribution to the Agency was \$72,914 for the year ended June 30, 2019. Financial statements of the Agency can be obtained at 555 Northgate Drive, Suite 230, San Rafael, California 94903.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 12 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

F. *The Marin County Hazardous and Solid Waste Joint Powers Authority*

The Authority was established by the County, local cities, and waste franchising districts to finance, prepare and implement source reduction and recycling elements on a county-wide integrated waste management plan as required by State Assembly Bill 939. The City's contribution to the Authority was \$17,850 for the year ended June 30, 2019. Financial statements of the Authority can be obtained at 3501 Civic Center Drive, San Rafael, California 94903.

G. *Central Marin Sanitation Agency (CMSA)*

In October 1979, the District entered into a joint powers agreement with three neighboring sanitation agencies in central Marin County forming the Central Marin Sanitation Agency (CMSA). CMSA serves as a regional wastewater treatment plant for its four member agencies and San Quentin Prison (SQ) and is governed by a six-member Board of Commissioners, two appointed by the Board of Directors of the San Rafael Sanitation District (SRSD), two appointed by the Board of Directors of the San Rafael Sanitation District No. 1 (SD 1), one appointed by the governing board of Sanitary District No. 2 (SD 2), and one appointed by the City Council of the City of Larkspur (Larkspur).

Total project costs for the joint venture were funded from federal (75%) and state (13%) clean water grants and from local shares (12% total) allocated among the member agencies and SQ based upon the weighted average of the strength and volume of sewage flows per member at inception of the project. Final individual local shares of total project costs were approximately \$7.6 million for SRSD, \$6.3 million for SD 1, \$1.6 million for SD 2, \$1 million for Larkspur, and \$1.4 million for SQ. CMSA derives its annual funding for its operations and capital programs almost exclusively from service charges to member agencies. The joint powers agreement does not provide an explicit measurable right as required to establish an equity interest for any of the joint venture participants, and in addition to, stipulates that all excess capital funds, if any, and all excess administration, operations and maintenance funds from whatever source, if any, are the property of CMSA.

The financial statements of the Agency are available at the CMSA office. Condensed financial information for the Agency is presented below for June 30, 2018 and 2017, the most recent information available.

	2018	2017
Total assets	\$99,091,285	\$99,239,615
Deferred outflows of resources	7,332,920	5,961,780
Total liabilities	(62,147,599)	(61,321,187)
Deferred inflows of resources	(2,056,973)	(1,260,848)
Net position	\$42,219,633	\$42,619,360
Total revenues	\$17,353,966	\$17,235,271
Total expenses	(16,351,993)	(16,793,252)
Total contributions and adjustments	(1,025,880)	(1,283,532)
Prior period adjustment	(375,820)	(2,164,585)
Change in net position	(\$399,727)	(\$3,006,098)

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 13 - RISK MANAGEMENT

A. City

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City established the Risk Management Internal Service Fund to account for and finance its uninsured risks of loss. The City manages risk by participating in a public entity risk pool (described below), purchasing insurance and by retaining certain risks.

Risk Coverage

Liability Coverage

The City is a member of the California Joint Powers Risk Management Authority (CJPRMA) which covers general liability claims up to \$40,000,000. The purpose of CJPRMA is to spread the adverse effects of general liability losses among the member agencies. The City also purchases commercial insurance for property damage claims with an insured amount of \$114,220,740. The City is self-insured up to \$500,000 for each general liability claim and \$25,000 for each property damage claim. Once the self-insured retention is met CJPRMA becomes responsible for payment of all liability claims up to the limit. The City contributed a total of \$334,004 in liability coverage premiums during the fiscal year ended June 30, 2019. Five years after settlement of all claims for a program year, CJPRMA will retroactively adjust premium deposits for any excess or deficiency in deposits related to paid claims and reserves. Financial statements for the risk pools may be obtained from CJPRMA at 3201 Doolan Road, Suite 285, Livermore, California 94551.

Workers' Compensation Coverage

The City purchases insurance for workers' compensation through Safety National Casualty Corporation Excess Workers' Compensation and Employers Liability Insurance with coverage up to statutory limits. The City is self-insured up to \$1,000,000 for each worker's compensation claim.

Insurance Internal Service Funds and Financial Reporting

The City records estimated liabilities for claims filed up to the amounts for which it retains risk in the General Liability and Workers Compensation Internal Service Funds. Charges to the General Fund and other funds are based on relative general liability and workers compensation risk associated with the activities of each fund. Charges are recorded in the funds as expenditures or expenses and as revenues in the respective internal service funds.

The Governmental Accounting Standards Board (GASB) requires municipalities to record their liability for uninsured claims and to reflect the current portion of this liability as an expenditure in their financial statements. As discussed above, the City has coverage for such claims, but it has retained the risk for the deductible or uninsured portion of these claims.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 13 - RISK MANAGEMENT (Continued)

The City's liability for uninsured general liability claims and workers' compensation claims, including claims incurred but not reported, are reported in the Statements of Net Position.

	General Liability *	Workers' Compensation **	Totals, as of June 30	
			2019	2018
Balance, beginning of year	\$3,557,907	\$5,985,768	\$9,543,675	\$8,747,338
Current year claims and changes in estimates	984,984	1,022,113	2,007,097	2,601,883
Claims paid	(926,826)	(902,398)	(1,829,224)	(1,805,546)
Balance, end of year	<u>\$3,616,065</u>	<u>\$6,105,483</u>	<u>\$9,721,548</u>	<u>\$9,543,675</u>
Due in one year	\$1,100,676	\$1,252,599	\$2,353,275	\$2,696,736
Due in more than one year	<u>2,515,389</u>	<u>4,852,884</u>	<u>7,368,273</u>	<u>6,846,939</u>
Total claim liabilities	<u>\$3,616,065</u>	<u>\$6,105,483</u>	<u>\$9,721,548</u>	<u>\$9,543,675</u>

* Liability based on an actuarial valuation as of March 31, 2018, extrapolated to June 30, 2019

** Liability based on an actuarial valuation as of December 31, 2017, extrapolated to June 30, 2019

The claims settlements have not exceeded insurance coverage for the past three years.

B. District

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disaster. The District participates in a joint powers agreement with other entities forming the California Sanitation Risk Management Authority (CSRMA), a public entity risk pool operating as a common risk management and insurance program for 60 member entities. CSRMA is governed by a Board of Directors composed of one representative from each member agency and meets three times per year in conjunction with conferences of the California Association of Sanitation Agencies. The Board controls the operations of CSRMA, including selection of management and approval of operating budgets, independent of any influence by member entities.

The District pays annual premiums to CSRMA for its primary insurance and property insurance programs. Primary and property insurance programs are fully insured wherein CSRMA purchases insurance as a group thereby reducing its costs. CSRMA provides both fully insured and pooled insurance programs for its participating member entities. Because all employees of the District are contracted employees from the City of San Rafael, workers' compensation insurance is not carried by the District but is provided through the City.

The District's primary and property insurance programs transfer risk to commercial insurance policies for claims above deductibles, while the District retains risk for claims to the extent of deductibles. Settled claims for CSRMA have not exceeded coverage in any of the past three fiscal years.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 13 - RISK MANAGEMENT (Continued)

The following summarizes active insurance policies as of June 30, 2019 together with coverage limits for each insured event:

Insurance Program	Limits	Coverage Description
CSRMA - Allied World Ins.	\$3,000,000	Gen/Mgt liability - aggregate
CSRMA - Allied World Ins.	\$1,000,000	Gen/Mgt liability - occurrence
CSRMA - Allied World Ins.	\$1,000,000	Auto liability - accident
CSRMA - Allied World Ins.	\$4,000,000	Excess liability
CSRMA - Public Entity Property Insurance Program (P.E.P.I.P.)	\$12,174,235	Special form property
CSRMA - Illinois Union Ins.	\$25,000,000	Pollution liability - tier 1
CSRMA - Illinois Union Ins.	\$2,000,000	Pollution liability - tier 2
CSRMA - Lloyds of London	\$2,000,000	Cyber liability - third party
CSRMA - Lloyds of London	\$2,000,000	Cyber liability - third party
CSRMA - Travelers Ins.	\$25,000	Identity theft

The financial statements of CSRMA are available at their office: 100 Pine Street, 11th Floor, San Francisco, CA 94111. Condensed financial information for CSRMA is presented below for the years ended June 30, 2018 and 2017 (latest information available).

	<u>2018</u>	<u>2017</u>
Assets	\$25,703,119	\$28,419,707
Liabilities	(17,997,369)	(17,241,037)
Net assets	<u>\$7,705,750</u>	<u>\$11,178,670</u>
Revenues	\$10,453,268	\$11,166,523
Expenses	(13,926,188)	(11,588,811)
Increase (decrease) in net assets	<u>(3,472,920)</u>	<u>(\$422,288)</u>

NOTE 14 - COMMITMENTS AND CONTINGENCIES

A. City

Litigation

The City is a defendant in several lawsuits arising from its normal operations. City management is of the opinion that the potential claims against the City not covered by insurance resulting from such litigation would not materially affect the basic financial statements of the City.

Major Contracts

In December 2017, the City entered into a contract for the construction of a public safety administrative center and fire station in the amount of \$36,727,000. The primary source of funding for these projects comes from a portion of General Fund revenues attributable to the Measure E Transactions and Use Tax. Lease Revenue Bonds were issued in March 2018 to ensure sufficient funds on hand. As of June 30, 2019, remaining obligations on the contract total approximately \$21,343,000. All remaining obligations are expected to be satisfied during the fiscal year ending June 30, 2020.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 14 - COMMITMENTS AND CONTINGENCIES (Continued)

B. District

As of June 30, 2019, SRSD had several contracts for sewer improvement projects with remaining obligations of approximately \$1,471,000, the majority of which are expected to be completed within the 2019-2020 fiscal year.

NOTE 15 - SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY PRIVATE-PURPOSE TRUST FUND (SUCCESSOR AGENCY) ACTIVITIES

A. Redevelopment Dissolution

In an effort to mitigate its budget deficit, the State of California adopted ABx1 26 on June 28, 2011, amended by AB1484 on June 27, 2012, which suspended all new redevelopment activities except for limited specified activities as of that date and dissolved redevelopment agencies on January 31, 2012.

The suspension provisions prohibited all redevelopment agencies from a wide range of activities, including incurring new indebtedness or obligations, entering into or modifying agreements or contracts, acquiring or disposing of real property, taking actions to adopt or amend redevelopment plans and other similar actions, except actions required by law or to carry out existing enforceable obligations, as defined in ABx1 26.

In addition, ABx1 26 and AB1484 directed the State Controller to review the activities of all redevelopment agencies and successor agencies to determine whether an asset transfer between an agency and any public agency occurred on or after January 1, 2011. If an asset transfer did occur and the public agency that received the asset is not contractually committed to a third party for the expenditure or encumbrance of the asset, the legislation requires the State Controller to order the asset returned to the redevelopment agency. This review was performed in May 2013, and a report issued on July 29, 2013 (see section B of this footnote).

The City elected to become the Successor Agency to the Redevelopment Agency, and on February 1, 2012, the Redevelopment Agency's remaining net assets were distributed to the Successor Agency. ABx1 26 requires the establishment of an Oversight Board to oversee the activities of the Successor Agency and one was established on April 2, 2012. The activities of the Successor Agency are subject to review and approval of the Oversight Board, which is comprised of seven members.

The activities of the Successor Agency are reported in the Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund as the activities are under the control of the Oversight Board. The City provides administrative services to the Successor Agency to wind down the affairs of the former Redevelopment Agency.

Pursuant to the dissolution of the City of San Rafael Redevelopment Agency, certain assets of the Redevelopment Agency were distributed to the Housing Successor and all remaining Redevelopment Agency assets and liabilities were distributed to the Successor Agency.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 15 - SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY PRIVATE-PURPOSE TRUST FUND (SUCCESSOR AGENCY) ACTIVITIES (Continued)
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The City elected to become the Housing Successor and on February 1, 2012. Assets and Liabilities relating to the Housing Successor are reported in the City's Low and Moderate Income Housing Special Revenue Fund.

B. *Redevelopment Property Tax Trust Fund (RPTTF)*

The Successor Agency's primary source of revenue comes from the RPTTF allocation distributed by the County. Property tax revenues for each Project Area are deposited into the RPTTF, which redistributes each Project Area's tax increment under specified formulas. The County Auditor administers the RPTTF and disburses twice annually from this fund pass-through payments to affected taxing entities, an amount equal to the total of obligation payments that are required to be paid from tax increment as denoted on the Recognized Obligation Payment Schedule ("ROPS"). The disbursements are established in the treasury of the Successor Agencies, and various allowed administrative fees and allowances. Any remaining balance is then distributed by the County Auditor back to affected taxing entities under a prescribed method that accounts for pass-through payments. The County Auditor is also responsible for the distributing other monies received from the Successor Agency (from sale of assets, etc.) to the affected taxing entities. Successor agencies in turn will use the amounts deposited into their respective funds to make payments for principal and interest on loans and monies advanced to or indebtedness incurred by the dissolved redevelopment agencies.

C. *Long-Term Debt*

1999 Tax Allocation Bonds and Capital Appreciation Bonds

On June 16, 1999, the former Agency issued Tax Allocation Bonds in the amount of \$23,504,004. The bonds were issued as Current Interest Bonds in the aggregate principal amount of \$21,115,000 and as Capital Appreciation Bonds in the original amount of \$2,389,004. The proceeds of the bonds were used to finance certain redevelopment activities of benefit to the former Agency's Central San Rafael Redevelopment Project Area.

In December 2009 of the former Agency exercised the redemption option of the Current Interest Bonds. The outstanding balance of the Bonds was refunded, on a current basis, through the issuance of the 2009 Tax Allocation Refunding Bonds as discussed below.

The Capital Appreciation Bonds mature annually after December 1 from 2018 to 2022, in amounts ranging from \$1,440,000 to \$2,070,000 and bear interest at rates from 5.58% to 5.60%. Interest on the Capital Appreciation Bonds will compound on each interest premium date and will be payable solely at maturity. The bonds are secured, on parity with the 1992 and 1995 bonds (refunded in 2002), by a pledge and a lien on tax revenues and amounts on deposit in certain funds and accounts held by the fiscal agent.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 15 - SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY PRIVATE-PURPOSE TRUST FUND (SUCCESSOR AGENCY) ACTIVITIES (Continued)

2002 Tax Allocation Refunding Bonds

On October 9, 2002, the former Agency issued Tax Allocation Refunding Bonds in the amount of \$25,020,000. The proceeds of the bonds were used to refund the 1992 Tax Allocation Refunding Bonds and the 1995 Tax Allocation Bonds. The Bonds mature annually each December 1 from 2002 to 2022, in amounts ranging from \$540,000 to \$1,920,000 and bear interest at rates ranging from 2.00% to 5.25%. Interest is payable semiannually on June 1 and December 1. The Bonds maturing on or after December 1, 2013, are subject to optional redemption prior to maturity, in whole or in part, and by lot within any one maturity, prior to their respective maturity dates, on any date on or after December 1, 2012, at a price equal to the principal amount, plus accrued interest on the redemption date. The bonds are payable from tax revenues to be derived from the redevelopment activities of the former Agency related to the Central San Rafael Redevelopment Project Area.

2009 Tax Allocation Refunding Bonds

On December 14, 2009, the former Agency issued 2009 Tax Allocation Refunding Bonds in the amount of \$14,660,000 bearing interest at rates from 3.00% to 5.00%. The proceeds of the Series 2009 Bonds were used to refund the former Agency's 1999 Tax Allocation Current Interest Bonds and to advance funds to the City to finance street and parking improvements for the benefit of the Agency's Central San Rafael Redevelopment Project. Principal payments are due annually on December 30 and interest payable semiannually on June 30 and December 30.

The Series 2009 Bonds maturing on or before December 1, 2019, are not subject to optional redemption prior to their respective stated maturities. The Series 2009 Bonds maturing on or after December 1, 2020, are subject to optional redemption as a whole or in part either on a pro rata basis among maturities or in inverse order of maturity, and by lot within any one maturity, prior to their respective maturity dates, at the option of the Agency, on any date on or after December 1, 2019, at a price equal to the principal amount of such Series 2009 Bonds called for redemption, together with interest accrued on the date fixed for redemption, without premium.

Use of Tax Increment

The former Agency pledged all future tax increment revenues for the repayment of the 1999 Capital Appreciation Bonds, and the 2002 and 2009 Tax Allocation Refunding Bonds. The pledge of all future tax increment revenues ends upon repayment of \$16.1 million in remaining debt service on the Bonds, which is scheduled to occur in 2023. For fiscal year June 30, 2019, tax increment revenues amounted to \$3.8 million which was used to make the debt service payments of \$3.6 million. The bond covenants contain events of default that require the revenue of the Agency to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the Agency to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by the Agency; or if any court or competent jurisdiction shall assume custody or control of the Agency. The Agency's bonds also contain a subjective acceleration clause that allows the trustees or holders, who hold the majority of the aggregate principal amount of the notes, to accelerate payment of the entire principal amount outstanding and interest accrued to become immediately due if they determine that a material adverse change occurs.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 15 - SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY PRIVATE-PURPOSE TRUST FUND (SUCCESSOR AGENCY) ACTIVITIES (Continued)

The following table summarizes the activity for the fiscal year ended June 30, 2019:

	Authorized and Issued	Balance June 30, 2018	Additions	Retirements	Balance June 30, 2019	Current Portion
San Rafael Redevelopment Agency						
1999 Tax Allocation Bonds						
Capital Appreciation Bonds						
5.58%-5.6%, due 12/1/2022	\$2,389,004	\$6,782,447	\$344,403	\$1,440,000	\$5,686,850	\$1,440,000
2002 Tax Allocation Refunding Bonds						
2.00%-5.25%, due 12/1/2021	25,020,000	2,310,000		540,000	1,770,000	565,000
2009 Tax Allocation Refunding Bonds						
3.00%-5.00%, due 12/1/2022	14,660,000	6,645,000		1,210,000	5,435,000	1,210,000
Add: deferred bond premium costs		399,301		79,861	319,440	
Total Successor Agency Long-term Debt		<u>\$16,136,748</u>	<u>\$344,403</u>	<u>\$3,269,861</u>	<u>\$13,211,290</u>	<u>\$3,215,000</u>

Debt Service Requirements

Annual debt service requirements are shown below:

For the Year Ended June 30	Governmental Activities	
	Principal	Interest
2020	\$3,309,082	\$297,019
2021	3,389,231	214,175
2022	3,404,749	120,819
2023	3,586,374	36,500
Totals	13,689,436	<u>\$668,513</u>

Reconciliation of long-term debt:

Less: unaccreted discount	(797,586)
Less: deferred bond premium costs	319,440
	<u>\$13,211,290</u>

D. *Other Long-Term Obligations*

During the fiscal year ending June 30, 2013, the San Rafael Successor Agency Oversight Board approved two personnel-related obligations of the former Redevelopment Agency. On August 30, 2012, the Oversight Board approved the inclusion of \$1,904,431, representing the unfunded pension liability attributable to former Redevelopment Agency employees; the repayment is being made in ten equal, annual installments.

The following table summarizes the activity for the fiscal year ended June 30, 2019:

	Approved Amount	Balance June 30, 2018	Retirements	Balance June 30, 2019
Unfunded Pension Liability	\$1,904,431	\$571,330	\$190,443	\$380,887
Total Long-Term Obligations		<u>\$571,330</u>	<u>\$190,443</u>	<u>\$380,887</u>

**CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019**

NOTE 15 - SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY PRIVATE-PURPOSE TRUST FUND (SUCCESSOR AGENCY) ACTIVITIES (Continued)
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Annual repayment requirements are shown below:

For the Year Ended	Principal
June 30	Principal
2020	\$190,443
2021	190,444
Totals	<u>\$380,887</u>

E. *Commitment and Contingencies*

State Approval of Enforceable Obligation

The Successor Agency prepares a Recognized Obligation Payment Schedule (ROPS) semi-annually that contains all proposed expenditures for the subsequent six-month period. The ROPS is subject to the review and approval of the Oversight Board as well as the State Department of Finance. As of June 30, 2019, the Successor Agency had prepared twelve ROPS, all of which have been approved by the Oversight Board and the California Department of Finance. The Department of Finance has stated that all items on a future ROPS are subject to a subsequent review. The amount, if any, of current obligations that may be denied by the Department of Finance cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

CITY OF SAN RAFAEL
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2019

Cost-Sharing Multiple Employer Plan
Schedule of the City's Proportionate Share of the Net Pension Liability
Last 10 years*

Measurement date	<u>6/30/2014</u>	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2017</u>	<u>6/30/2018</u>
City's proportionate share	30.0453%	36.7394%	34.9538%	32.7180%	33.4752%
Proportionate share of total pension liability	\$677,753,565	\$907,195,058	\$900,629,287	\$878,483,703	\$947,923,920
Proportionate share of fiduciary net position	<u>603,499,779</u>	<u>764,871,931</u>	<u>733,574,437</u>	<u>757,834,016</u>	<u>837,356,062</u>
Proportionate share of the net pension liability	<u>\$74,253,786</u>	<u>\$142,323,127</u>	<u>\$167,054,850</u>	<u>\$120,649,687</u>	<u>\$110,567,858</u>
Plan fiduciary net position as a percentage of the total pension liability	89.04%	84.31%	84.31%	86.27%	88.34%
Covered payroll (report date)	\$31,073,560	\$32,126,272	\$32,885,135	\$36,349,651	\$33,106,430
Net pension liability as a percentage of covered payroll	236.26%	443.01%	508.00%	331.91%	333.98%

* - The fiscal year ended June 30, 2015 was the first year of implementation, therefore only five years are shown

CITY OF SAN RAFAEL REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended June 30, 2019

Schedule of Contributions
Defined Benefit Pension
Cost-Sharing Multiple Employer

Last 10 years (subject to available information: first year of implementation was Fiscal Year ended June 30, 2015)

Fiscal year ended, June 30	2015
Contractually required contribution	\$ 17,802,358
Contributions in Relation to the	
Contractually required contribution	17,802,358
Contribution Deficiency/ (Excess)	\$ -
Covered payroll	\$ 31,073,560
Contributions as a percentage of covered payroll	57.29%

Notes to Schedule

Valuation Date / Timing 6/30/2013 (for contributions made in FY2014-2015)

Key Methods and Assumptions Used to Determine Contribution Rates (for FY2014-15):

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll with separate period for Extraordinary Actuarial Loss from 2009
Remaining Amortization period	Unfunded liability - 17 years / Extraordinary Actuarial Loss - 25 years
Asset valuation method	5-year smoothed market, 80% /120% corridor around market
Inflation	3.25%
Salary increases	3.25% plus merit component based on employee classification and years of service
Investment Rate of Return	7.50%
Retirement Age	Classic Tiers: Safety - 50, Miscellaneous - 55; PEPRA Tiers: Safety - 57, Miscellaneous - 62
Healthy Mortality	Sex distinct RP-2000 Combined Mortality projected to 2010 using Scale AA with ages set back one year for male members / two years for female members
Disabled Mortality	Sex distinct RP-2000 Combined Mortality projected to 2010 using Scale AA with ages set forward three years for all members

CITY OF SAN RAFAEL REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended June 30, 2019

Schedule of Contributions
Defined Benefit Pension
Cost-Sharing Multiple Employer
Last 10 years (subject to available information: first year of implementation was Fiscal Year ended June 30, 2015)
(Continued)

Fiscal year ended, June 30		<u>2016</u>	
Contractually required contribution	\$	19,339,577	
Contributions in Relation to the Contractually required contribution		<u>19,339,577</u>	
Contribution Deficiency/ (Excess)	\$	<u>-</u>	
Covered payroll	\$	32,126,272	
Contributions as a percentage of covered payroll		60.20%	

Notes to Schedule

Valuation Date / Timing 6/30/2014 (for contributions made in FY2015-2016)

Key Methods and Assumptions Used to Determine Contribution Rates (for FY2015-16):

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll with separate period for Extraordinary Actuarial Loss from 2009
Remaining Amortization period	Unfunded liability - 16 years / Extraordinary Actuarial Loss - 24 years
Asset valuation method	5-year smoothed market, 80% /120% corridor around market
Inflation	3.25%
Salary increases	3.25% plus merit component based on employee classification and years of service
Investment Rate of Return	7.25%
Retirement Age	Classic Tiers: Safety - 50, Miscellaneous - 55; PEPRA Tiers: Safety - 57, Miscellaneous - 62
Healthy Mortality	CalPERS 2014 Pre-Retirement Non-Industrial Death rates (plus Duty-Related Death rates for Safety Members), with the 20-year static projection used by CalPERS replaced by generational improvements from a base year of 2009 using Scale MP-2014
Disabled Mortality	CalPERS 2014 Disability Mortality rates (Non-Industrial rates for Miscellaneous members and Industrial Disability rates for Safety members), adjusted by 90% for Males and Females (Miscellaneous and Safety) with the 20-year static projection used by CalPERS replaced by generational improvements from a base year of 2009 using Scale MP-2014

CITY OF SAN RAFAEL REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended June 30, 2019

Schedule of Contributions
Defined Benefit Pension
Cost-Sharing Multiple Employer

Last 10 years (subject to available information: first year of implementation was Fiscal Year ended June 30, 2015)
(Continued)

Fiscal year ended, June 30	2018
Contractually required contribution	\$ 20,167,435
Contributions in Relation to the Contractually required contribution	20,167,435
Contribution Deficiency/ (Excess)	\$ -
Covered payroll	\$ 36,349,651
Contributions as a percentage of covered payroll	55.48%

Notes to Schedule

Valuation Date / Timing 6/30/2016 (for contributions made in FY2017-2018)

Key Methods and Assumptions Used to Determine Contribution Rates (for FY2017-18):

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll with separate period for Extraordinary Gains or Losses (22 years remaining as of 6/30/16), the remaining UAL as of June 30, 2013 (14 years as of 6/30/16), and additional layers for unexpected changes in UAL after 6/30/13 (24 years for gains and losses with a 5-year phase-in/out and 22 years for assumption changes with a 3-year phase-in/out).
Remaining Amortization period	18 years remaining as of June 30, 2017
Asset valuation method	Market Value
Inflation	2.75% per year
Salary increases	3.00% plus merit component based on employee classification and years of service
Investment Rate of Return	7.25%
Retirement Age	Classic Tiers: Safety - 50, Miscellaneous - 55; PEPRAs Tiers: Safety - 57, Miscellaneous - 62
Healthy Mortality	Sex distinct CalPERS 2014 Pre-Retirement Non-Industrial Death rates (plus Duty-Related death rates for Safety members)
Disabled Mortality	Sex distinct RP-2000 combined mortality projected to 2010 using Scale AA with ages set forward three years for all members

CITY OF SAN RAFAEL
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2019

Schedule of Contributions
Defined Benefit Pension
Cost-Sharing Multiple Employer
Last 10 years (subject to available information: first year of implementation was Fiscal Year ended June 30, 2015)
(Continued)

Fiscal year ended, June 30	<u>2019</u>
Contractually required contribution	\$20,352,203
Contributions in Relation to the Contractually required contribution	<u>20,352,203</u>
Contribution Deficiency/ (Excess)	<u>\$0</u>
Covered payroll	\$33,106,430
Contributions as a percentage of covered payroll	61.48%

Notes to Schedule

Valuation Date / Timing 6/30/2017 (for contributions made in FY2018-2019)

Key Methods and Assumptions Used to Determine Contribution Rates (for FY2018-19):

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll with separate period for Extraordinary Gains or Losses (21 years remaining as of 6/30/17), the remaining UAL as of June 30, 2013 (13 years as of 6/30/17), and additional layers for unexpected changes in UAL after 6/30/13 (24 years for gains and losses with a 5-year phase-in/out and 22 years for assumption changes with a 3-year phase-in/out).
Remaining Amortization period	17 years remaining as of June 30, 2018
Asset valuation method	Market Value
Inflation	2.75% per year
Salary increases	3.00% plus merit component based on employee classification and years of service
Investment Rate of Return	7.00%
Retirement Age	Classic Tiers: Safety - 50, Miscellaneous - 55; PEPRA Tiers: Safety - 57, Miscellaneous - 62
Healthy Mortality	Rates of mortality for active members are specified by CalPERS 2017 Pre-Retirement Non-Industrial Death Rates (plus Duty-Related Death rates for Safety members), with the 20-year static projection used by CalPERS replaced by generational improvements from a base year of 2014 using Scale MP-2017.
Disabled Mortality	Rates of mortality among disabled members are given by CalPERS 2017 Disability Mortality rates (Non-Industrial rates for Miscellaneous members and Industrial Disability rates for Safety members), adjusted by 90% for Males (Miscellaneous and Safety) and 90% for Miscellaneous Females, with the 20-year static projection used by CalPERS replaced by generational improvements from a base year of 2014 using Scale MP-2017.

**CITY OF SAN RAFAEL
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2019**

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

	Agent Multiple Employer Plan Last Ten Fiscal Years Other Post-Employment Benefits (OPEB)		
Measurement period	2015-16	2016-17	2017-18
Total OPEB liability			
Service cost	\$766,000	\$789,000	\$822,000
Interest	3,447,000	3,540,000	3,435,000
Differences between expected and actual experience		(4,107,000)	
Assumption changes		4,831,000	
Benefit payments, including refunds of employee contributions	(2,896,000)	(3,015,000)	(3,028,000)
Net change in total OPEB liability	1,317,000	2,038,000	1,229,000
Total OPEB liability - beginning	48,226,000	49,543,000	51,581,000
Total OPEB liability - ending (a)	<u>\$49,543,000</u>	<u>\$51,581,000</u>	<u>\$52,810,000</u>
OPEB fiduciary net position			
Contributions - employer	\$2,896,000	\$3,475,000	\$3,573,000
Net investment income	157,000	1,675,000	1,425,000
Benefit payments, including refunds of employee contributions	(2,896,000)	(3,015,000)	(3,028,000)
Administrative expense	(7,000)	(8,000)	(44,000)
Net change in plan fiduciary net position	150,000	2,127,000	1,926,000
Plan fiduciary net position - beginning	15,608,000	15,758,000	17,885,000
Plan fiduciary net position - ending (b)	<u>\$15,758,000</u>	<u>\$17,885,000</u>	<u>\$19,811,000</u>
Plan net OPEB liability - ending (a) - (b)	<u>\$33,785,000</u>	<u>\$33,696,000</u>	<u>\$32,999,000</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>31.81%</u>	<u>34.67%</u>	<u>37.51%</u>
Covered employee payroll	<u>\$32,885,000</u>	<u>\$36,350,000</u>	<u>\$40,496,000</u>
Plan net OPEB liability as a percentage of covered employee payroll	<u>102.74%</u>	<u>92.70%</u>	<u>81.49%</u>

Historical information is required only for the measurement periods for which GASB 75 is applicable.

CITY OF SAN RAFAEL REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended June 30, 2019

SCHEDULE OF CONTRIBUTIONS

**Agent Multiple Employer Plan
Last Ten Fiscal Years
Other Post-Employment Benefits (OPEB)**

Fiscal year	2016-17
Actuarially determined contribution	\$3,450,000
Contributions in relation to the actuarially determined contribution	(3,475,000)
Contribution deficiency (excess)	(\$25,000)
Covered employee payroll	\$32,885,000
Contributions as a percentage of covered employee payroll	10.49%

GASB 75 requires this information for plans funding with OPEB trusts be reported in the employer's Required Supplementary Information for 10 years or as many years as are available upon implementation.

The June 30, 2017 actuarial valuation provided the Actuarially Determined Contributions for fiscal years ending 06/30/17.

Notes to Schedule:

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Valuation Date	June 30, 2015
Actuarial Cost Method	Entry Age Normal, Level Percentage of Payroll
Amortization Method	Level dollar amount, over approximate 10-year period
Remaining Amortization	19 years remaining as of June 30, 2016
Asset Valuation Method	Investment gains and losses spread over 5-year rolling period
Discount Rate	7.25%
Contribution Policy	City contributes full ADC
General Inflation	2.75% per annum
Mortality, Retirement, Disability, Termination	Same as June 30, 2015 actuarial valuation
Mortality Improvement	Mortality projected fully generational with Scale MP-14, modified
Expected Long-Term Rate of Return on Investments	Same as discount rate - expected City contributions projected to
Salary Increases	Aggregate - 3% Merit - 6/30/14 MCERA assumptions
Medical Trend	Non-Medicare - 6.5% for 2017, decreasing 0.5% per year to an ultimate rate of 4.50% for 2021 and Medicare - 6.7% for 2017, decreasing to an ultimate rate of 4.5% for 2021 and later years
Healthcare participation for future retirees	Capped benefit: 100% currently covered, 80% currently waived PEMHCA minimum - 60%
Cap Increases	None

**CITY OF SAN RAFAEL
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2019**

SCHEDULE OF CONTRIBUTIONS

**Agent Multiple Employer Plan
Last Ten Fiscal Years
Other Post-Employment Benefits (OPEB)**

Fiscal year	2017-18	2018-19
Actuarially determined contribution	\$3,530,000	\$3,612,000
Contributions in relation to the actuarially determined contribution	<u>(3,563,000)</u>	<u>(3,725,000)</u>
Contribution deficiency (excess)	<u>(\$33,000)</u>	<u>(\$113,000)</u>
Covered employee payroll	\$36,350,000	\$40,496,000
Contributions as a percentage of covered employee payroll	9.71%	9.20%

GASB 75 requires this information for plans funding with OPEB trusts be reported in the employer's Required Supplementary Information for 10 years or as many years as are available upon implementation.

The June 30, 2017 actuarial valuation provided the Actuarially Determined Contributions for fiscal years ending 6/30/18 and 6/30/19.

Notes to Schedule:

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal, Level Percentage of Payroll
Amortization Method	Level dollar amount, over approximate 10-year period
Remaining Amortization	18 years remaining as of June 30, 2017
Asset Valuation Method	Investment gains and losses spread over 5-year rolling period
Discount Rate	6.75% at June 30, 2017; 7.25% at June 30, 2016
Contribution Policy	City contributes full ADC
General Inflation	2.75% per annum
Mortality, Retirement, Disability, Termination	Same as June 30, 2017 actuarial valuation
Mortality Improvement	Pre-retirement mortality: projected 15-year static with 90% of Scale MP-2016 Post-retirement mortality: projected fully generational with Scale
Expected Long-Term Rate of Return on Investments	Same as discount rate - expected City contributions projected to keep sufficient plan assets to pay all benefits from trust
Salary Increases	Aggregate - 3% Merit - 6/30/17 MCERA assumptions
Medical Trend	Non-Medicare - 7.5% for 2019, decreasing to 4.00% for 2076 and later years and Medicare - 6.5% for 2019, decreasing to 4.00% for 2076 and later years
Healthcare participation for future retirees	Capped benefit: 100% currently covered, 80% currently waived PEMHCA minimum - 60%
Cap Increases	None

**GENERAL FUND AND MAJOR SPECIAL REVENUE FUND
BUDGET-TO-ACTUAL STATEMENTS**

GASB Statement No. 34 dictates that budget-to-actual information in the basic financial statements should be limited to the General Fund and major Special Revenue Funds. This section is provided for the presentation of Budget-to-Actual Statements for the General Fund, Traffic and Housing Mitigation, and the Gas Tax Special Revenue Funds.

Budgets are adopted on a basis consistent with Generally Accepted Accounting Principles for the General Fund and Special Revenue Funds.

CITY OF SAN RAFAEL
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes and special assessments	\$69,138,000	\$69,258,000	\$70,282,284	\$1,024,284
Licenses and permits	2,937,000	2,937,001	2,661,500	(275,501)
Fines and forfeitures	375,000	375,000	337,680	(37,320)
Use of money and properties	246,200	246,200	250,570	4,370
Intergovernmental	3,229,000	3,229,000	3,290,086	61,086
Charges for services	2,465,552	2,465,552	2,671,395	205,843
Other revenue	505,000	505,000	841,538	336,538
Total Revenues	78,895,752	79,015,753	80,335,053	1,319,300
EXPENDITURES				
Current:				
General government	11,306,237	11,471,373	12,297,845	(826,472)
Public safety	43,650,861	43,614,581	43,107,841	506,740
Public works and parks	11,751,430	11,793,325	11,742,280	51,045
Community development	4,692,833	5,262,497	4,988,260	274,237
Culture and recreation	3,327,557	3,327,557	3,080,364	247,193
Capital outlay	90,690	90,690		90,690
Debt service:				
Principal	495,172	493,280	495,172	(1,892)
Interest and fiscal charges	258,963	2,493,413	2,356,207	137,206
Total Expenditures	75,573,743	78,546,716	78,067,969	478,747
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	3,322,009	469,037	2,267,084	1,798,047
OTHER FINANCING SOURCES (USES)				
Transfers in	1,686,911	4,321,361	4,321,361	
Transfers out	(5,875,000)	(6,278,828)	(6,278,828)	
Total Other Financing Sources (Uses)	(4,188,089)	(1,957,467)	(1,957,467)	
Net Change in Fund Balances	(\$866,080)	(\$1,488,430)	309,617	\$1,798,047
FUND BALANCES, BEGINNING OF YEAR			12,222,954	
FUND BALANCES, END OF YEAR			\$12,532,571	

CITY OF SAN RAFAEL
 TRAFFIC AND HOUSING MITIGATION SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Use of money and properties	\$49,200	\$49,200	\$111,363	\$62,163
Charges for services	300,000	300,000	2,356,530	2,056,530
Total Revenues	349,200	349,200	2,467,893	2,118,693
EXPENDITURES				
Current:				
General government	25,000	25,000	18,800	6,200
Public works and parks	212,424	242,036	59,945	182,091
Capital outlay	67,282	620,386	117,253	503,133
Total Expenditures	304,706	887,422	195,998	691,424
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	44,494	(538,222)	2,271,895	2,810,117
OTHER FINANCING SOURCES (USES)				
Transfers Out		(3,380,892)	(3,380,892)	
Total Other Financing Sources (Uses)	44,494	(3,380,892)	(3,380,892)	
Net Change in Fund Balances	\$88,988	(\$3,919,114)	(1,108,997)	\$2,810,117
FUND BALANCES, BEGINNING OF YEAR			6,306,373	
FUND BALANCES, END OF YEAR			\$5,197,376	

CITY OF SAN RAFAEL
GAS TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of money and properties	\$48,000	\$48,000	\$33,778	(\$14,222)
Intergovernmental	3,293,999	7,743,999	10,567,243	2,823,244
Charges for services	1,043,600	1,043,600	1,206,142	162,542
Other revenue			374,639	374,639
Total Revenues	<u>4,385,599</u>	<u>8,835,599</u>	<u>12,181,802</u>	<u>3,346,203</u>
EXPENDITURES				
Current:				
General government				
Public works and parks	5,431,189	3,759,551	2,337,369	1,422,182
Capital outlay	<u>70,108</u>	<u>17,740,581</u>	<u>10,308,603</u>	<u>7,431,978</u>
Total Expenditures	<u>5,501,297</u>	<u>21,500,132</u>	<u>12,645,972</u>	<u>8,854,160</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>(1,115,698)</u>	<u>(12,664,533)</u>	<u>(464,170)</u>	<u>12,200,363</u>
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers out	<u>(400,000)</u>	<u>(800,000)</u>	<u>(800,000)</u>	
Total Other Financing Sources (Uses)	<u>(400,000)</u>	<u>(800,000)</u>	<u>(800,000)</u>	
Net Change in Fund Balances	<u>(\$1,515,698)</u>	<u>(\$13,464,533)</u>	(1,264,170)	<u>\$12,200,363</u>
FUND BALANCES, BEGINNING OF YEAR			<u>5,992,281</u>	
FUND BALANCES, END OF YEAR			<u>\$4,728,111</u>	

SUPPLEMENTARY INFORMATION

CITY OF SAN RAFAEL
 ESSENTIAL FACILITIES CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Use of money and property			\$871,481	\$871,481
Other revenue	\$31,000,000	\$31,000,000	3,251,151	(27,748,849)
Total Revenues	<u>31,000,000</u>	<u>31,000,000</u>	<u>4,122,632</u>	<u>(26,877,368)</u>
EXPENDITURES				
Capital outlay	35,025,000	\$35,823,871	23,908,035	11,915,836
Total Expenditures	<u>35,025,000</u>	<u>35,823,871</u>	<u>23,908,035</u>	<u>11,915,836</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(4,025,000)</u>	<u>(4,823,871)</u>	<u>(19,785,403)</u>	<u>(14,961,532)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	4,025,000	4,145,000	5,201,300	1,056,300
Transfers out		(2,234,450)	(2,234,450)	
Total Other Financing Sources (Uses)	<u>4,025,000</u>	<u>1,910,550</u>	<u>2,966,850</u>	<u>1,056,300</u>
Net Change in Fund Balances	<u>\$0</u>	<u>(\$2,913,321)</u>	(16,818,553)	<u>(\$13,905,232)</u>
FUND BALANCES, BEGINNING OF YEAR			<u>49,209,052</u>	
FUND BALANCES, END OF YEAR			<u>\$32,390,499</u>	

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Recreation Revolving Fund – Established to administer the Community Services Department’s program and facility rental charge and accounts for the Recreation Memorial Fund.

Baypoint Lagoons Assessment District Fund – The Baypoint Lagoons Lighting and Landscape District was formed to protect and enhance wildlife habitat and water quality in Baypoint (Spinnaker) Lagoon and the adjacent diked salt marsh.

Household Hazmat Facility Fund – Established to account for State mandated hazardous materials information, collection, and reporting. Expenditures include inspection of businesses for compliance with regulations. This fund also serves as the depository for countywide Household Hazardous Waste Program.

Childcare Fund – Established to administer and account for childcare programs at eight sites throughout the City.

Loch Lomond #10 Community Facilities District Fund – Established to provide maintenance for stormwater and geotechnical mitigation facilities. A Mello Roos District was formed to fund this maintenance.

Loch Lomond Marina #2 Community Facilities District Fund – Established to report tax assessments and maintenance expenditures of the District.

Library Fund – Established to account for restricted library activities that are intended to be self-funding.

Library Assessment Fund – Established to account for a special parcel tax dedicated to public library services and facilities, equipment, and technology improvements.

Public Safety Fund – Established for special police services, which are intended to be self-funding.

Stormwater Fund – Established to provide for self-funding storm drain maintenance program plus separate programs through the County and Bay Area to educate residents about urban runoff pollution.

Development Services Fund – Established to account for development activities that are supported by external sources of funds. This fund does not account for the operating costs of building, planning, and engineering, which are located in the General Fund.

Grants Fund – Established to account for grants for the Library, Childcare, Police and Falkirk Cultural Center.

Parkland Dedication Fund – Established to account for long-term developer deposits used to enhance and maintain the park structure within City limits.

Emergency Medical Services Fund – Established to account for the Emergency Medical Services and Transportation program that provides services to all segments of the community.

Business Improvement Fund – Established to account for activities held in Downtown San Rafael.

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

Pt. San Pedro Maintenance Portion Special Revenue Fund – Established to account for ongoing maintenance needs within the Pt. San Pedro assessment district.

Low and Moderate Income Housing Special Revenue Fund – Established to account for the activities related to the assets assumed by the City as Housing Successor to the San Rafael Redevelopment Agency for the housing activities of the former Redevelopment Agency.

Measure A Open Space Special Revenue Fund – Established to account for the use of proceeds distributed by the County of Marin from Measure A, as well as other supplementary matching or City-funding for the operation or maintenance of open space, park or recreation lands.

Measure G - Cannabis Special Revenue Fund – Established for the purpose of reporting tax revenue and expenditures related to Cannabis activities authorized by Measure G.

DEBT SERVICE FUNDS

Peacock Gap Assessment District Fund – Established to accumulate funds for the payment of principal and interest for the 1993 Bonds which matured in 2005. The proceeds were used to refund the 1984 Bonds, which provided for the construction of public improvements in the project area. Financing is to be provided by property tax increments generated within the specific geographic region described by the bond assessment district.

Mariposa Assessment District Fund - Established to accumulate funds for the payment of principal and interest for the 1993 Bond, which matured in 2008. The proceeds were used to finance the grading and paving of Mariposa Road.

1997 Financing Authority Revenue Bonds Fund – Established to accumulate funds for the payment of principal and interest for the 1997 Revenue Bonds which matured in 2011. The proceeds were used to purchase the previously issued special assessment bonds. Financing is to be provided by property tax increments generated within the specific geographic region described by the bond assessment district.

CAPITAL PROJECTS FUNDS

Capital Improvement Fund – Established for the costs associated with major capital improvement projects not tied to specific funds elsewhere. Improvements could include medians, parkways, sidewalks, and other public assets.

Bedroom Tax Fund – Established to collect funds from multiple-unit housing used to pay for maintaining and developing parks within local neighborhoods.

Assessment Districts Fund – Established to account for ongoing construction and improvement needs within the following assessment districts: Peacock Gap, Kerner Boulevard, Sun Valley/Lucas Valley Open Space, East San Rafael Drainage Assessment District 1.

Park Capital Projects Fund – Established to account for capital improvements for all City owned parks, whether paid for by City funds, grants, donations, or partnership with the community.

Open Space Fund – Established for the acquisition of open space.



CITY OF SAN RAFAEL
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
FOR THE YEAR ENDED JUNE 30, 2019

	SPECIAL REVENUE FUNDS				
	Recreation Revolving	Baypoint Lagoons Assessment District	Household Hazmat Facility	Childcare	Loch Lomond #10 Community Facilities Dist.
ASSETS					
Cash and investments	\$482,314	\$252,288	\$93,046	\$1,753,287	\$676,085
Restricted cash and investments					
Receivables:					
Accounts	43,471		717,656		
Taxes		126			
Grants				23,407	
Interest					
Loans					
Prepays					
Total Assets	<u>\$525,785</u>	<u>\$252,414</u>	<u>\$810,702</u>	<u>\$1,776,694</u>	<u>\$676,085</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$258,032		\$287,458	\$29,849	\$1,877
Deposits payable					
Developer deposits payable			156,826		
Due to other funds					
Deferred revenue	265,425				
Total Liabilities	<u>523,457</u>		<u>444,284</u>	<u>29,849</u>	<u>1,877</u>
Fund Balances:					
Nonspendable					
Restricted	2,328	\$252,414	366,418	1,746,845	674,208
Committed					
Assigned					
Total Fund Balances	<u>2,328</u>	<u>252,414</u>	<u>366,418</u>	<u>1,746,845</u>	<u>674,208</u>
Total Liabilities and Fund Balances	<u>\$525,785</u>	<u>\$252,414</u>	<u>\$810,702</u>	<u>\$1,776,694</u>	<u>\$676,085</u>

SPECIAL REVENUE FUNDS

Loch Lomond Marina #2 Community Facilities Dist.	Library	Library Assessment	Public Safety	Stormwater	Development Services	Grants
\$282,320	\$2,451,306	\$586,458	\$72,647	\$448,831	\$828,923	\$771,556
398		5,235	17,000	6,395		50,958
<u>\$282,718</u>	<u>\$2,451,306</u>	<u>\$591,693</u>	<u>\$89,647</u>	<u>\$455,226</u>	<u>\$828,923</u>	<u>\$822,514</u>
	\$1,771	\$35,223		\$52,682	\$17,743 175,620 4,185	\$17,708 8,782
	<u>1,771</u>	<u>35,223</u>		<u>52,682</u>	<u>197,548</u>	<u>26,490</u>
\$282,718	2,449,535	556,470	\$89,647	402,544	631,375	796,024
<u>282,718</u>	<u>2,449,535</u>	<u>556,470</u>	<u>89,647</u>	<u>402,544</u>	<u>631,375</u>	<u>796,024</u>
<u>\$282,718</u>	<u>\$2,451,306</u>	<u>\$591,693</u>	<u>\$89,647</u>	<u>\$455,226</u>	<u>\$828,923</u>	<u>\$822,514</u>

(Continued)

CITY OF SAN RAFAEL
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
FOR THE YEAR ENDED JUNE 30, 2019

	SPECIAL REVENUE FUNDS				
	Parkland Dedication	Emergency Medical Services	Business Improvement	Pt. San Pedro Maintenance Portion	Low and Moderate Income Housing
ASSETS					
Cash and investments	\$288,531	\$522,718	\$21,569	\$126,760	\$637,900
Restricted cash and investments					
Receivables:					
Accounts		276,275			
Taxes		23,186		483	
Grants					
Interest					957
Loans					256,870
Prepays		27,627			
Total Assets	\$288,531	\$849,806	\$21,569	\$127,243	\$895,727
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$30,989	\$36,460	\$21,569	\$6,570	
Deposits payable					
Developer deposits payable					
Due to other funds					
Deferred revenue					
Total Liabilities	30,989	36,460	21,569	6,570	
Fund Balances:					
Nonspendable		27,627			
Restricted	257,542	785,719		120,673	\$895,727
Committed					
Assigned					
Total Fund Balances	257,542	813,346		120,673	895,727
Total Liabilities and Fund Balances	\$288,531	\$849,806	\$21,569	\$127,243	\$895,727

SPECIAL REVENUE FUNDS		DEBT SERVICE FUNDS			CAPITAL PROJECTS FUNDS	
Measure A Open Space	Measure G - Cannabis	Peacock Gap Assessment District	Mariposa Assessment District	1997 Financing Authority Revenue Bonds	Capital Improvement	Bedroom Tax
	\$29,367	\$2,875	\$16,573	\$151,695	\$1,210,133 625,686	\$84,325
\$232,158	46,606				137,387 4,760	
<u>\$232,158</u>	<u>\$75,973</u>	<u>\$2,875</u>	<u>\$16,573</u>	<u>\$151,695</u>	<u>\$1,977,966</u>	<u>\$84,325</u>
\$5,769					\$87,519	
226,389						
<u>232,158</u>					<u>87,519</u>	
	\$75,973	\$2,875	\$16,573	\$151,695	1,890,447	\$84,325
	<u>75,973</u>	<u>2,875</u>	<u>16,573</u>	<u>151,695</u>	<u>1,890,447</u>	<u>84,325</u>
<u>\$232,158</u>	<u>\$75,973</u>	<u>\$2,875</u>	<u>\$16,573</u>	<u>\$151,695</u>	<u>\$1,977,966</u>	<u>\$84,325</u>

(Continued)

CITY OF SAN RAFAEL
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
FOR THE YEAR ENDED JUNE 30, 2019

	CAPITAL PROJECTS FUNDS			Total Non-Major Governmental Funds
	Assessment Districts	Park Capital Projects	Open Space	
ASSETS				
Cash and investments	\$224,191	\$10,824	\$118,139	\$12,144,661
Restricted cash and investments	79,149			704,835
Receivables:				
Accounts				1,054,402
Taxes				314,587
Grants				211,752
Interest				5,717
Loans				256,870
Prepays				27,627
Total Assets	\$303,340	\$10,824	\$118,139	\$14,720,451
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$450			\$891,669
Deposits payable				184,402
Developer deposits payable				161,011
Due to other funds				226,389
Deferred revenue				265,425
Total Liabilities	450			1,728,896
Fund Balances:				
Nonspendable				27,627
Restricted	302,890			10,944,518
Committed		\$10,824		1,901,271
Assigned			\$118,139	118,139
Total Fund Balances	302,890	10,824	118,139	12,991,555
Total Liabilities and Fund Balances	\$303,340	\$10,824	\$118,139	\$14,720,451



CITY OF SAN RAFAEL
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019

	SPECIAL REVENUE FUNDS				Loch Lomond #10 Community Facilities Dist.
	Recreation Revolving	Baypoint Lagoons Assessment District	Household Hazmat Facility	Childcare	
REVENUES					
Taxes and special assessments		\$25,368			
Use of money and properties	\$32,351	5,056	\$607	\$32,608	\$12,547
Intergovernmental	27,200			390,329	
Charges for services	2,271,345		167,285	3,181,669	
Other revenue	48,257			13,577	
Total Revenues	2,379,153	30,424	167,892	3,618,183	12,547
EXPENDITURES					
Current:					
General government					
Public safety			143,827		
Public works and parks		38,027			1,876
Culture and recreation	4,724,942			3,493,153	
Community development					
Capital outlay					
Total Expenditures	4,724,942	38,027	143,827	3,493,153	1,876
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,345,789)	(7,603)	24,065	125,030	10,671
OTHER FINANCING SOURCES (USES)					
Transfers in	2,071,674			50,000	
Transfers out					
Total Other Financing Sources (Uses)	2,071,674			50,000	
Net Change in Fund Balances	(274,115)	(7,603)	24,065	175,030	10,671
Fund Balance, Beginning	276,443	260,017	342,353	1,571,815	663,537
Fund Balance, Ending	<u>\$2,328</u>	<u>\$252,414</u>	<u>\$366,418</u>	<u>\$1,746,845</u>	<u>\$674,208</u>

SPECIAL REVENUE FUNDS

Loch Lomond Marina #2 Community Facilities Dist.	Library	Library Assessment	Public Safety	Stormwater	Development Services	Grants
\$79,737		\$1,041,371				
5,000	\$44,820	11,060	\$88	\$9,608	\$49,999	\$13,370
	8,379		71,068			664,436
	7,354		720	833,777		
	80,914		62,040	29,534		
<u>84,737</u>	<u>141,467</u>	<u>1,052,431</u>	<u>133,916</u>	<u>872,919</u>	<u>49,999</u>	<u>677,806</u>
					118	104,263
7,585			259,148	1,059,398		552,534
	15,608	1,144,665				
<u>7,585</u>	<u>15,608</u>	<u>1,144,665</u>	<u>259,148</u>	<u>1,059,398</u>	<u>118</u>	<u>656,797</u>
<u>77,152</u>	<u>125,859</u>	<u>(92,234)</u>	<u>(125,232)</u>	<u>(186,479)</u>	<u>49,881</u>	<u>21,009</u>
			100,000		(100,000)	48,964
			100,000		(100,000)	(36,810)
			100,000		(100,000)	12,154
77,152	125,859	(92,234)	(25,232)	(186,479)	(50,119)	33,163
<u>205,566</u>	<u>2,323,676</u>	<u>648,704</u>	<u>114,879</u>	<u>589,023</u>	<u>681,494</u>	<u>762,861</u>
<u>\$282,718</u>	<u>\$2,449,535</u>	<u>\$556,470</u>	<u>\$89,647</u>	<u>\$402,544</u>	<u>\$631,375</u>	<u>\$796,024</u>

(Continued)

CITY OF SAN RAFAEL
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019

	SPECIAL REVENUE FUNDS				
	Parkland Dedication	Emergency Medical Services	Business Improvement	Pt. San Pedro - Maintenance Portion	Low and Moderate Income Housing
REVENUES					
Taxes and special assessments		\$4,934,584		\$124,284	
Use of money and properties	\$5,227	31,405		1,504	\$22,271
Intergovernmental		140,706			
Charges for services		2,470,659			
Other revenue	5,135	398,202			48,995
	10,362	7,975,556		125,788	71,266
EXPENDITURES					
Current:					
General government					82,473
Public safety		7,375,342			
Public works and parks				109,853	
Culture and recreation	9,276				
Community development					
Capital outlay	654,091				
	663,367	7,375,342		109,853	82,473
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES					
	(653,005)	600,214		15,935	(11,207)
OTHER FINANCING SOURCES (USES)					
Transfers in	308,106				
Transfers out		(1,056,300)			
	308,106	(1,056,300)			
Total Other Financing Sources (Uses)	308,106	(1,056,300)			
Net Change in Fund Balances	(344,899)	(456,086)		15,935	(11,207)
Fund Balance, Beginning	602,441	1,269,432		104,738	906,934
Fund Balance, Ending	\$257,542	\$813,346		\$120,673	\$895,727

SPECIAL REVENUE FUNDS		DEBT SERVICE FUNDS			CAPITAL PROJECTS FUNDS	
Measure A Open Space	Measure G - Cannabis	Peacock Gap Assessment District	Mariposa Assessment District	1997 Financing Authority Revenue Bonds	Capital Improvement	Bedroom Tax
\$482,356 367	\$125,973			\$2,821	\$28,541 442,817	\$5,228
<u>482,723</u>	<u>125,973</u>			<u>2,821</u>	<u>471,358</u>	<u>5,228</u>
232,599 261,436	50,000					7,438
<u>494,035</u>	<u>50,000</u>				<u>3,710,022</u>	<u>7,438</u>
<u>(11,312)</u>	<u>75,973</u>			<u>2,821</u>	<u>(3,238,664)</u>	<u>(2,210)</u>
<u>(392,754)</u>					<u>3,380,892</u>	
<u>(392,754)</u>					<u>3,380,892</u>	
<u>(404,066)</u>	<u>75,973</u>			<u>2,821</u>	<u>142,228</u>	<u>(2,210)</u>
<u>404,066</u>		<u>\$2,875</u>	<u>\$16,573</u>	<u>148,874</u>	<u>1,748,219</u>	<u>86,535</u>
	<u>\$75,973</u>	<u>\$2,875</u>	<u>\$16,573</u>	<u>\$151,695</u>	<u>\$1,890,447</u>	<u>\$84,325</u>

(Continued)

CITY OF SAN RAFAEL
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019

	<u>CAPITAL PROJECTS FUND</u>			Total Non-Major Governmental Funds
	<u>Assessment Districts</u>	<u>Park Capital Projects</u>	<u>Open Space</u>	
REVENUES				
Taxes and special assessments				\$6,818,901
Use of money and properties	\$4,421		\$2,197	315,868
Intergovernmental				1,744,935
Charges for services				8,932,809
Other revenue		\$4,060		690,714
				<u>18,503,227</u>
Total Revenues	<u>4,421</u>	<u>4,060</u>	<u>2,197</u>	
EXPENDITURES				
Current:				
General government				236,854
Public safety				8,571,035
Public works and parks				1,478,028
Culture and recreation				9,387,644
Community development				
Capital outlay	3,043			4,367,156
				<u>24,040,717</u>
Total Expenditures	<u>3,043</u>			
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,378</u>	<u>4,060</u>	<u>2,197</u>	<u>(5,537,490)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in				5,959,636
Transfers out				(1,585,864)
				<u>4,373,772</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	1,378	4,060	2,197	(1,163,718)
Fund Balance, Beginning	301,512	6,764	115,942	14,155,273
Fund Balance, Ending	<u>\$302,890</u>	<u>\$10,824</u>	<u>\$118,139</u>	<u>\$12,991,555</u>



CITY OF SAN RAFAEL
 BUDGETED NONMAJOR GOVERNMENTAL FUNDS
 COMBINING SCHEDULES OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2019

	SPECIAL REVENUE FUNDS					
	Recreation Revolving			Baypoint Lagoons Assessment District		
	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes and special assessments				\$25,500	\$25,368	(\$132)
Use of money and properties	\$28,409	\$32,351	\$3,942	1,300	5,056	3,756
Intergovernmental	15,000	27,200	12,200			
Charges for services	3,084,700	2,271,345	(813,355)			
Other revenue	2,750	48,257	45,507			
Total Revenues	<u>3,130,859</u>	<u>2,379,153</u>	<u>(751,706)</u>	<u>26,800</u>	<u>30,424</u>	<u>3,624</u>
EXPENDITURES						
Current:						
General government						
Public safety						
Public works and parks				40,386	38,027	2,359
Culture and recreation	5,152,419	4,724,942	427,477			
Community development						
Capital outlay						
Total Expenditures	<u>5,152,419</u>	<u>4,724,942</u>	<u>427,477</u>	<u>40,386</u>	<u>38,027</u>	<u>2,359</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,021,560)</u>	<u>(2,345,789)</u>	<u>(324,229)</u>	<u>(13,586)</u>	<u>(7,603)</u>	<u>5,983</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	2,071,674	2,071,674				
Transfers out						
Total Other Financing Sources (Uses)	<u>2,071,674</u>	<u>2,071,674</u>				
FUND BALANCES, BEGINNING OF YEAR AND OTHER SOURCES AND USES OVER (UNDER) EXPENDITURES	<u>\$50,114</u>	<u>(274,115)</u>	<u>(\$324,229)</u>	<u>(\$13,586)</u>	<u>(7,603)</u>	<u>\$5,983</u>
FUND BALANCES, BEGINNING OF YEAR		<u>276,443</u>			<u>260,017</u>	
FUND BALANCES, END OF YEAR		<u>\$2,328</u>			<u>\$252,414</u>	

SPECIAL REVENUE FUNDS

Household Hazmat Facility			Childcare			Loch Lomond #10 Community Facilities District		
Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
\$1,100	\$607	(\$493)	\$8,000	\$32,608	\$24,608	\$3,500	\$12,547	\$9,047
156,515	167,285	10,770	336,908	390,329	53,421			
			3,765,000	3,181,669	(583,331)			
				13,577	13,577			
157,615	167,892	10,277	4,109,908	3,618,183	(491,725)	3,500	12,547	9,047
175,271	143,827	31,444						
			4,080,509	3,493,153	587,356	25,054	1,876	23,178
175,271	143,827	31,444	4,080,509	3,493,153	587,356	25,054	1,876	23,178
(17,656)	24,065	41,721	29,399	125,030	95,631	(21,554)	10,671	32,225
			50,000	50,000				
			50,000	50,000				
<u>(\$17,656)</u>	24,065	<u>\$41,721</u>	<u>\$79,399</u>	175,030	<u>\$95,631</u>	<u>(\$21,554)</u>	10,671	<u>\$32,225</u>
	<u>342,353</u>			<u>1,571,815</u>			<u>663,537</u>	
	<u>\$366,418</u>			<u>\$1,746,845</u>			<u>\$674,208</u>	

(Continued)

CITY OF SAN RAFAEL
 BUDGETED NONMAJOR GOVERNMENTAL FUNDS
 COMBINING SCHEDULES OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2019

	SPECIAL REVENUE FUNDS					
	Loch Lomond Marina #2 Community Facilities District			Library		
	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes and special assessments	\$204,500	\$79,737	(\$124,763)			
Use of money and properties	400	5,000	4,600	\$12,900	\$44,820	\$31,920
Intergovernmental				1,000	8,379	7,379
Charges for services				7,500	7,354	(146)
Other revenue				7,000	80,914	73,914
Total Revenues	<u>204,900</u>	<u>84,737</u>	<u>(120,163)</u>	<u>28,400</u>	<u>141,467</u>	<u>113,067</u>
EXPENDITURES						
Current:						
General government						
Public safety						
Public works and parks	25,000	7,585	17,415			
Culture and recreation				55,000	15,608	39,392
Community development						
Capital outlay						
Total Expenditures	<u>25,000</u>	<u>7,585</u>	<u>17,415</u>	<u>55,000</u>	<u>15,608</u>	<u>39,392</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>179,900</u>	<u>77,152</u>	<u>(102,748)</u>	<u>(26,600)</u>	<u>125,859</u>	<u>152,459</u>
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers out						
Total Other Financing Sources (Uses)						
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES AND USES OVER (UNDER) EXPENDITURES	<u>\$179,900</u>	77,152	<u>(\$102,748)</u>	<u>(\$26,600)</u>	125,859	<u>\$152,459</u>
FUND BALANCES, BEGINNING OF YEAR		<u>205,566</u>			<u>2,323,676</u>	
FUND BALANCES, END OF YEAR		<u>\$282,718</u>			<u>\$2,449,535</u>	

SPECIAL REVENUE FUNDS

Library Assessment			Public Safety			Stormwater		
Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
\$1,054,595	\$1,041,371	(\$13,224)						
3,300	11,060	7,760	\$210	\$88	(\$122)	\$1,200	\$9,608	\$8,408
			90,000	71,068	(18,932)			
			7,500	720	(6,780)	782,800	833,777	50,977
			75,000	62,040	(12,960)	5,000	29,534	24,534
<u>1,057,895</u>	<u>1,052,431</u>	<u>(5,464)</u>	<u>172,710</u>	<u>133,916</u>	<u>(38,794)</u>	<u>789,000</u>	<u>872,919</u>	<u>83,919</u>
			276,155	259,148	17,007			
1,243,207	1,144,665	98,542				1,287,941	1,059,398	228,543
						64,130		64,130
<u>1,243,207</u>	<u>1,144,665</u>	<u>98,542</u>	<u>276,155</u>	<u>259,148</u>	<u>17,007</u>	<u>1,352,071</u>	<u>1,059,398</u>	<u>292,673</u>
<u>(185,312)</u>	<u>(92,234)</u>	<u>93,078</u>	<u>(103,445)</u>	<u>(125,232)</u>	<u>(21,787)</u>	<u>(563,071)</u>	<u>(186,479)</u>	<u>376,592</u>
			100,000	100,000				
			100,000	100,000				
<u>(\$185,312)</u>	<u>(92,234)</u>	<u>\$93,078</u>	<u>(\$3,445)</u>	<u>(25,232)</u>	<u>(\$21,787)</u>	<u>(\$563,071)</u>	<u>(186,479)</u>	<u>\$376,592</u>
	<u>648,704</u>			<u>114,879</u>			<u>589,023</u>	
	<u>\$556,470</u>			<u>\$89,647</u>			<u>\$402,544</u>	

(Continued)

CITY OF SAN RAFAEL
 BUDGETED NONMAJOR GOVERNMENTAL FUNDS
 COMBINING SCHEDULES OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2019

	SPECIAL REVENUE FUNDS					
	Development Services			Grants		
	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes and special assessments						
Use of money and properties	\$39,000	\$49,999	\$10,999	\$2,600	\$13,370	\$10,770
Intergovernmental				929,750	664,436	(265,314)
Charges for services						
Other revenue						
Total Revenues	<u>39,000</u>	<u>49,999</u>	<u>10,999</u>	<u>932,350</u>	<u>677,806</u>	<u>(254,544)</u>
EXPENDITURES						
Current:						
General government	117,000	118	116,882	231,105	104,263	126,842
Public safety				996,417	552,534	443,883
Public works and parks						
Culture and recreation						
Community development						
Capital outlay						
Total Expenditures	<u>117,000</u>	<u>118</u>	<u>116,882</u>	<u>1,227,522</u>	<u>656,797</u>	<u>570,725</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(78,000)</u>	<u>49,881</u>	<u>127,881</u>	<u>(295,172)</u>	<u>21,009</u>	<u>316,181</u>
OTHER FINANCING SOURCES (USES)						
Transfers in				48,964	48,964	
Transfers out	(100,000)	(100,000)		(36,810)	(36,810)	
Total Other Financing Sources (Uses)	<u>(100,000)</u>	<u>(100,000)</u>		<u>12,154</u>	<u>12,154</u>	
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES AND USES OVER (UNDER) EXPENDITURES	<u><u>(\$178,000)</u></u>	<u><u>(50,119)</u></u>	<u><u>\$127,881</u></u>	<u><u>(\$283,018)</u></u>	<u><u>33,163</u></u>	<u><u>\$316,181</u></u>
FUND BALANCES, BEGINNING OF YEAR		<u>681,494</u>			<u>762,861</u>	
FUND BALANCES, END OF YEAR		<u><u>\$631,375</u></u>			<u><u>\$796,024</u></u>	

SPECIAL REVENUE FUNDS

Parkland Dedication			Emergency Medical Services			Business Improvement		
Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
			\$4,744,398	\$4,934,584	\$190,186			
\$3,000	\$5,227	\$2,227	12,500	31,405	18,905			
			130,000	140,706	10,706			
			2,550,000	2,470,659	(79,341)			
	5,135	5,135	265,738	398,202	132,464			
3,000	10,362	7,362	7,702,636	7,975,556	272,920			
			7,578,000	7,375,342	202,658			
200,000		200,000						
37,301	9,276	28,025						
711,781	654,091	57,690						
949,082	663,367	285,715	7,578,000	7,375,342	202,658			
(946,082)	(653,005)	293,077	124,636	600,214	475,578			
308,106	308,106			(1,056,300)	(1,056,300)			
308,106	308,106			(1,056,300)	(1,056,300)			
<u>(\$637,976)</u>	<u>(344,899)</u>	<u>\$293,077</u>	<u>\$124,636</u>	<u>(456,086)</u>	<u>(\$580,722)</u>			
	<u>602,441</u>			<u>1,269,432</u>				
	<u>\$257,542</u>			<u>\$813,346</u>				

(Continued)

CITY OF SAN RAFAEL
 BUDGETED NONMAJOR GOVERNMENTAL FUNDS
 COMBINING SCHEDULES OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2019

	SPECIAL REVENUE FUNDS					
	Pt. San Pedro-Maintenance Portion			Low and Moderate Income Housing		
	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes and special assessments	\$77,000	\$124,284	\$47,284			
Use of money and properties	640	1,504	864	\$2,200	\$22,271	\$20,071
Intergovernmental						
Charges for services						
Other revenue				70,000	48,995	(21,005)
Total Revenues	77,640	125,788	48,148	72,200	71,266	(934)
EXPENDITURES						
Current:						
General government				200,000	82,473	117,527
Public safety						
Public works and parks	134,345	109,853	24,492			
Culture and recreation						
Community development						
Capital outlay						
Total Expenditures	134,345	109,853	24,492	200,000	82,473	117,527
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(56,705)	15,935	72,640	(127,800)	(11,207)	116,593
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers out						
Total Other Financing Sources (Uses)						
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES AND USES OVER (UNDER) EXPENDITURES	(\$56,705)	15,935	\$72,640	(\$127,800)	(11,207)	\$116,593
FUND BALANCES, BEGINNING OF YEAR		104,738			906,934	
FUND BALANCES, END OF YEAR		\$120,673			\$895,727	

SPECIAL REVENUE FUNDS						DEBT SERVICE FUNDS		
Measure A Open Space			Measure G - Cannabis			Mariposa Assessment District		
Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
\$476,662	\$482,356	\$5,694	\$126,000	\$125,973	(\$27)			
1,900	367	(1,533)						
<u>478,562</u>	<u>482,723</u>	<u>4,161</u>	<u>126,000</u>	<u>125,973</u>	<u>(27)</u>			
			50,000	50,000				
198,064	232,599	(34,535)						
155,000	261,436	(106,436)						
410,335		410,335						
<u>763,399</u>	<u>494,035</u>	<u>269,364</u>	<u>50,000</u>	<u>50,000</u>				
<u>(284,837)</u>	<u>(11,312)</u>	<u>273,525</u>	<u>76,000</u>	<u>75,973</u>	<u>(27)</u>			
<u>(392,754)</u>	<u>(392,754)</u>							
<u>(392,754)</u>	<u>(392,754)</u>							
<u>(\$677,591)</u>	<u>(404,066)</u>	<u>\$273,525</u>	<u>\$76,000</u>	<u>75,973</u>	<u>(\$27)</u>			
	<u>404,066</u>						<u>\$16,573</u>	
				<u>\$75,973</u>			<u>\$16,573</u>	

(Continued)

CITY OF SAN RAFAEL
 BUDGETED NONMAJOR GOVERNMENTAL FUNDS
 COMBINING SCHEDULES OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2019

DEBT SERVICE FUNDS			
1997 Financing Authority Revenue Bonds			
	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes and special assessments			
Use of money and properties	\$780	\$2,821	\$2,041
Intergovernmental			
Charges for services			
Other revenue			
Total Revenues	780	2,821	2,041
EXPENDITURES			
Current:			
General government			
Public safety			
Public works and parks			
Culture and recreation			
Community development			
Capital outlay			
Total Expenditures			
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	780	2,821	2,041
OTHER FINANCING SOURCES (USES)			
Transfers in			
Transfers out			
Total Other Financing Sources (Uses)			
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES AND USES OVER (UNDER) EXPENDITURES	\$780	2,821	\$2,041
		148,874	
FUND BALANCES, END OF YEAR		\$151,695	

INTERNAL SERVICE FUNDS

Internal service funds account for department services and financing performed for other departments within the same governmental jurisdiction. Funding comes from charges assessed to the departments benefiting from the service.

Building Maintenance Fund - Established to account for construction projects and cyclical large dollar maintenance tasks (roof, painting) completed on City owned buildings.

Vehicle Replacement Fund – Established to provide for the replacement of vehicles.

Equipment Replacement Fund – Established to provide for the replacement of computers and equipment.

Employee Benefits Fund - This fund is utilized for the payment of retiree benefits, unemployment insurance, accumulated leave requirements and other negotiated benefits not tied to a specific department.

Liability Insurance Fund - Established to maintain sufficient reserves for outstanding claims. All costs associated with liability premiums are paid from this fund.

Workers' Compensation Fund - Established to maintain sufficient reserves for injury claims. All costs associated with workers compensation, including safety training, wellness programs, claim expenses and insurance premiums are paid from this fund.

Dental Insurance Fund - Set up to maintain sufficient reserves for dental claims. All costs associated with dental claims and administrations are paid from this fund.

Employee Retirement Fund – Established to maintain sufficient reserves to fund debt service payments on the 2010 Taxable Pension Obligation Bonds and other pension related obligations.

OPEB/Retiree Medical Fund – Established to account for activities related to the funding, administration and procurement of retiree medical benefits.

Radio Replacement Fund - Established to meet radio system operating costs, capital acquisition and replacement, and operating lease obligations for the Public Works, Fire, Community Development and Police Departments. The Marin Emergency Radio Authority (MERA) is a countywide JPA that has taken the roll in procurement and installation of a new digital radio system. This fund supports San Rafael's portion of the MERA efforts and related contractual obligations.

Telephone Replacement Fund – Established to provide ongoing support services for telephone equipment and usage throughout the organization.

Sewer Maintenance Fund – Established to record both the cost of providing services to the San Rafael Sanitation District and the charges for those services.

CITY OF SAN RAFAEL
INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF NET POSITION
JUNE 30, 2019

	<u>Building Maintenance</u>	<u>Vehicle Replacement</u>	<u>Equipment Replacement</u>	<u>Employee Benefits</u>	<u>Liability Insurance</u>
ASSETS					
Current Assets:					
Cash and investments	\$97,070	\$1,162,146	\$2,874,104	\$599,034	\$3,623,799
Accounts receivable					
Grants receivable	69,156				
Prepays		633,973			
Capital assets:					
Nondepreciable assets	3,126,385				
Depreciable assets, net	<u>3,733,205</u>	<u>6,101,220</u>	<u>426,553</u>		
Total Assets	<u>7,025,816</u>	<u>7,897,339</u>	<u>3,300,657</u>	<u>599,034</u>	<u>3,623,799</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	150,698	131,878	266,018	9,734	7,377
Claims payable - due in one year					1,100,676
Non-current Liabilities:					
Claims payable - due in more than one year					<u>2,515,389</u>
Total Liabilities	<u>150,698</u>	<u>131,878</u>	<u>266,018</u>	<u>9,734</u>	<u>3,623,442</u>
NET POSITION:					
Net investment in capital assets	6,859,590	6,101,220	426,553		
Unrestricted	<u>15,528</u>	<u>1,664,241</u>	<u>2,608,086</u>	<u>589,300</u>	<u>357</u>
Total Net Position	<u>\$6,875,118</u>	<u>\$7,765,461</u>	<u>\$3,034,639</u>	<u>\$589,300</u>	<u>\$357</u>

<u>Workers' Compensation</u>	<u>Dental Insurance</u>	<u>Employee Retirement</u>	<u>OPEB/ Retiree Medical</u>	<u>Radio Replacement</u>	<u>Telephone Replacement</u>	<u>Sewer Maintenance</u>	<u>Total</u>
\$6,762,682	\$100,548	\$1,638,768	\$457,028 72,720	\$98,659	\$224,110	\$263,261	\$17,901,209 72,720 69,156 633,973 3,126,385 10,260,978
<u>6,762,682</u>	<u>100,548</u>	<u>1,638,768</u>	<u>529,748</u>	<u>98,659</u>	<u>224,110</u>	<u>263,261</u>	<u>32,064,421</u>
16,842 1,252,599	3,634		21,951		30,763	263,261	902,156 2,353,275
<u>4,852,884</u>							<u>7,368,273</u>
<u>6,122,325</u>	<u>3,634</u>		<u>21,951</u>		<u>30,763</u>	<u>263,261</u>	<u>10,623,704</u>
640,357	96,914	1,638,768	507,797	98,659	193,347		13,387,363 8,053,354
<u>\$640,357</u>	<u>\$96,914</u>	<u>\$1,638,768</u>	<u>\$507,797</u>	<u>\$98,659</u>	<u>\$193,347</u>		<u>\$21,440,717</u>

CITY OF SAN RAFAEL
INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Building Maintenance</u>	<u>Vehicle Replacement</u>	<u>Equipment Replacement</u>	<u>Employee Benefits</u>	<u>Liability Insurance</u>
OPERATING REVENUES					
Charges for current services	\$1,500,000	\$1,100,000	\$3,146,433	\$891,777	\$1,564,879
Intergovernmental	200,000				
Other operating revenues	8,035				179
Total Operating Revenues	<u>1,708,035</u>	<u>1,100,000</u>	<u>3,146,433</u>	<u>891,777</u>	<u>1,565,058</u>
OPERATING EXPENSES					
Personnel			737,055	798,239	219,930
Insurance premiums and claims					1,426,988
Maintenance and repairs	1,120,435	38,069			
General and administrative	9,617		2,349,637	144,580	150
Depreciation expense	133,500	1,064,637	104,555		
Total Operating Expenses	<u>1,263,552</u>	<u>1,102,706</u>	<u>3,191,247</u>	<u>942,819</u>	<u>1,647,068</u>
Operating Income (Loss)	<u>444,483</u>	<u>(2,706)</u>	<u>(44,814)</u>	<u>(51,042)</u>	<u>(82,010)</u>
NONOPERATING REVENUES (EXPENSES)					
Investment income		20,770	37,471	38,973	66,286
Miscellaneous Income		11,259			
Loss on sale of capital assets		(4,119)			
Total Nonoperating Revenues (Expenses)		<u>27,910</u>	<u>37,471</u>	<u>38,973</u>	<u>66,286</u>
Net income (loss) before transfers	<u>444,483</u>	<u>25,204</u>	<u>(7,343)</u>	<u>(12,069)</u>	<u>(15,724)</u>
TRANSFERS IN	170,798				
TRANSFERS OUT	(86,150)				
Change in Net Position	529,131	25,204	(7,343)	(12,069)	(15,724)
NET POSITION, BEGINNING OF YEAR	<u>6,345,987</u>	<u>7,740,257</u>	<u>3,041,982</u>	<u>601,369</u>	<u>16,081</u>
NET POSITION, END OF YEAR	<u>\$6,875,118</u>	<u>\$7,765,461</u>	<u>\$3,034,639</u>	<u>\$589,300</u>	<u>\$357</u>

<u>Workers' Compensation</u>	<u>Dental Insurance</u>	<u>Employee Retirement</u>	<u>OPEB/ Retiree Medical</u>	<u>Radio Replacement</u>	<u>Telephone Replacement</u>	<u>Sewer Maintenance</u>	<u>Total</u>
\$2,194,521	\$372,442	\$350,000	\$3,099,837	\$648,660	\$561,276	\$2,575,521	\$18,005,346
38,132	3,041		852,810		33		200,000
<u>2,232,653</u>	<u>375,483</u>	<u>350,000</u>	<u>3,952,647</u>	<u>648,660</u>	<u>561,309</u>	<u>2,575,521</u>	<u>19,107,576</u>
98,610					142,081	2,474,391	4,470,306
1,573,307	425,320		3,934,803				7,360,418
66,118		3,727		680,205	423,591	101,130	1,158,504
							3,778,755
							1,302,692
<u>1,738,035</u>	<u>425,320</u>	<u>3,727</u>	<u>3,934,803</u>	<u>680,205</u>	<u>565,672</u>	<u>2,575,521</u>	<u>18,070,675</u>
494,618	(49,837)	346,273	17,844	(31,545)	(4,363)		1,036,901
126,725	3,871	26,129			4,337		324,562
							11,259
							(4,119)
<u>126,725</u>	<u>3,871</u>	<u>26,129</u>			<u>4,337</u>		<u>331,702</u>
621,343	(45,966)	372,402	17,844	(31,545)	(26)		1,368,603
		(678,213)					170,798
							(764,363)
621,343	(45,966)	(305,811)	17,844	(31,545)	(26)		775,038
19,014	142,880	1,944,579	489,953	130,204	193,373		20,665,679
<u>\$640,357</u>	<u>\$96,914</u>	<u>\$1,638,768</u>	<u>\$507,797</u>	<u>\$98,659</u>	<u>\$193,347</u>		<u>\$21,440,717</u>

CITY OF SAN RAFAEL
INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Building Maintenance</u>	<u>Vehicle Replacement</u>	<u>Equipment Replacement</u>	<u>Employee Benefits</u>	<u>Liability Insurance</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers/other funds	\$1,630,844	\$1,118,969	\$3,146,433	\$891,777	\$1,564,879
Cash payments to suppliers for goods and services	(1,247,520)	(672,042)	(2,486,841)	(183,660)	(1,368,853)
Cash payments to employees for salaries and benefits			(737,055)	(798,239)	(219,930)
Other operating revenues	8,035				179
Cash Flows from Operating Activities	<u>391,359</u>	<u>446,927</u>	<u>(77,463)</u>	<u>(90,122)</u>	<u>(23,725)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Interfund receipts	170,798				
Interfund payments	(86,150)				
Cash Flows from Noncapital Financing Activities	<u>84,648</u>				
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(661,334)	(169,346)			
Proceeds from sale of property		11,259			
Cash Flows from Investing Activities	<u>(661,334)</u>	<u>(158,087)</u>			
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received		20,770	37,471	38,973	66,286
Cash Flows from Investing Activities		<u>20,770</u>	<u>37,471</u>	<u>38,973</u>	<u>66,286</u>
Net increase (decrease) in cash and cash equivalents	(185,327)	309,610	(39,992)	(51,149)	42,561
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>282,397</u>	<u>852,536</u>	<u>2,914,096</u>	<u>650,183</u>	<u>3,581,238</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$97,070</u>	<u>\$1,162,146</u>	<u>\$2,874,104</u>	<u>\$599,034</u>	<u>\$3,623,799</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$444,483	(\$2,706)	(\$44,814)	(\$51,042)	(\$82,010)
Adjustments to reconcile operating income to cash flows from operating activities:					
Depreciation	133,500	1,064,637	104,555		
Net change in assets and liabilities:					
Accounts receivable	(69,156)				
Prepaid		(633,973)			
Loans receivable		18,969			
Accounts payable	(117,468)		(137,204)	(39,080)	127
Claims payable					58,158
Net Cash Provided by (Used in) Operating Activities	<u>\$391,359</u>	<u>\$446,927</u>	<u>(\$77,463)</u>	<u>(\$90,122)</u>	<u>(\$23,725)</u>

<u>Workers' Compensation</u>	<u>Dental Insurance</u>	<u>Employee Retirement</u>	<u>OPEB/ Employee Retirement</u>	<u>Radio Replacement</u>	<u>Telephone Replacement</u>	<u>Sewer Maintenance</u>	<u>Total</u>
\$2,194,521	\$372,442	\$350,000	\$3,027,117	\$648,660	\$561,276	\$2,575,521	\$18,082,439
(1,503,153)	(425,370)	(3,727)	(3,913,779)	(680,205)	(414,308)	(2,537,831)	(15,437,289)
(98,610)					(142,081)		(1,995,915)
38,132	3,041		852,810		33		902,230
<u>630,890</u>	<u>(49,887)</u>	<u>346,273</u>	<u>(33,852)</u>	<u>(31,545)</u>	<u>4,920</u>	<u>37,690</u>	<u>1,551,465</u>
							170,798
		(678,213)					(764,363)
		(678,213)					(593,565)
							(830,680)
							11,259
							(819,421)
<u>126,725</u>	<u>3,871</u>	<u>26,129</u>			<u>4,337</u>		<u>324,562</u>
<u>126,725</u>	<u>3,871</u>	<u>26,129</u>			<u>4,337</u>		<u>324,562</u>
757,615	(46,016)	(305,811)	(33,852)	(31,545)	9,257	37,690	463,041
<u>6,005,067</u>	<u>146,564</u>	<u>1,944,579</u>	<u>490,880</u>	<u>130,204</u>	<u>214,853</u>	<u>225,571</u>	<u>17,438,168</u>
<u>\$6,762,682</u>	<u>\$100,548</u>	<u>\$1,638,768</u>	<u>\$457,028</u>	<u>\$98,659</u>	<u>\$224,110</u>	<u>\$263,261</u>	<u>\$17,901,209</u>
\$494,618	(\$49,837)	\$346,273	\$17,844	(\$31,545)	(\$4,363)		\$1,036,901
							1,302,692
			(72,720)				(141,876)
							(633,973)
							18,969
16,557	(50)		21,024		9,283	\$37,690	(209,121)
<u>119,715</u>							<u>177,873</u>
<u>\$630,890</u>	<u>(\$49,887)</u>	<u>\$346,273</u>	<u>(\$33,852)</u>	<u>(\$31,545)</u>	<u>\$4,920</u>	<u>\$37,690</u>	<u>\$1,551,465</u>



AGENCY FUND

Agency Funds account for assets held by the City as agent for individuals, governmental entities, and non-public organizations.

Pt. San Pedro Road Assessment District Fund - Established to accumulate funds for payment of principal and interest for Pt. San Pedro Road Median Landscaping Assessment District bonds.

CITY OF SAN RAFAEL
 AGENCY FUNDS
 COMBINING STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2019

	<u>Balance</u> <u>June 30, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2019</u>
<hr/> <u>Pt. San Pedro Road Assessment District</u> <hr/>				
<u>Assets</u>				
Restricted cash and investments	\$286,396	\$26,457	\$29,899	\$282,954
Taxes receivable	983	725	983	725
Total Assets	\$287,379	\$27,182	\$30,882	\$283,679
<u>Liabilities</u>				
Interest payable	\$25,474	\$24,276	\$25,474	\$24,276
Due to bondholders	261,905	2,906	5,408	259,403
Total Liabilities	\$287,379	\$27,182	\$30,882	\$283,679
	<u>Balance</u> <u>June 30, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2019</u>
<hr/> <u>Total Agency Fund</u> <hr/>				
<u>Assets</u>				
Restricted cash and investments	\$286,396	\$26,457	\$29,899	\$282,954
Taxes receivable	983	725	983	725
Total Assets	\$287,379	\$27,182	\$30,882	\$283,679
<u>Liabilities</u>				
Interest payable	\$25,474	\$24,276	\$25,474	\$24,276
Due to bondholders	261,905	2,906	5,408	259,403
Total Liabilities	\$287,379	\$27,182	\$30,882	\$283,679



Boyd Park

STATISTICAL SECTION



STATISTICAL SECTION

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

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time:

1. Net Position by Component
2. Changes in Net Position
3. Fund Balances of Governmental Funds
4. Changes in Fund Balance of Governmental Funds

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax:

1. Assessed and Estimated Actual Value of Taxable Property
2. Property Tax Rates, All Overlapping Governments
3. Principal Property Taxpayers
4. Property Tax Levies and Collections

Debt Capacity

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

1. Ratio of Outstanding Debt by Type
2. Computation of Direct and Overlapping Debt
3. Computation of Legal Bonded Debt Margin
4. Revenue Bond Coverage Parking Facility

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place:

1. Demographic and Economic Statistics
2. Principal Employers

Operating Information

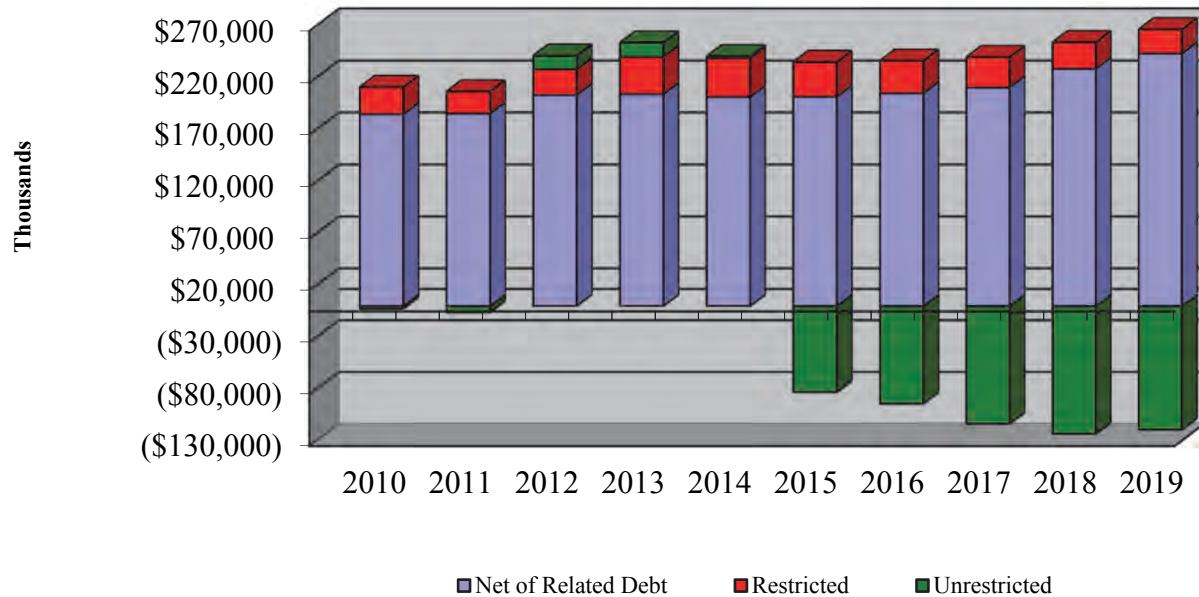
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs:

1. Full-Time Equivalent City Government Employees by Function
2. Operating Indicators by Function/Program
3. Capital Asset Statistics by Function/Program

Sources

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

**CITY OF SAN RAFAEL
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)**



	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<i>Governmental activities</i>				
Net investment in capital assets	\$173,536,144	\$174,281,922	\$192,361,245	\$193,222,791
Restricted	26,150,254	21,322,937	24,693,205	35,780,412
Unrestricted	(4,631,276)	(8,170,324)	10,652,263	11,151,318
Total governmental activities net position	<u>\$195,055,122</u>	<u>\$187,434,535</u>	<u>\$227,706,713</u>	<u>\$240,154,521</u>
<i>Business-type activities</i>				
Net investment in capital assets	\$10,950,825	\$10,793,592	\$10,650,558	\$10,670,190
Unrestricted	2,017,354	1,948,447	2,495,889	2,501,498
Total business-type activities net position	<u>\$12,968,179</u>	<u>\$12,742,039</u>	<u>\$13,146,447</u>	<u>\$13,171,688</u>
<i>Primary government</i>				
Net investments in capital assets	\$184,486,969	\$185,075,514	\$203,011,803	\$203,892,981
Restricted	26,150,254	21,322,937	24,693,205	35,780,412
Unrestricted	(2,613,922)	(6,221,877)	13,148,152	13,652,816
Total primary government net position	<u>\$208,023,301</u>	<u>\$200,176,574</u>	<u>\$240,853,160</u>	<u>\$253,326,209</u>

(a) The City adjusted certain beginning balances during fiscal years 2013-2014, 2014-2015 and 2016-2017. Financial data shown for proceeding years were not adjusted for the presentation.

2014	2015	2016	2017	2018	2019
\$190,286,275	\$190,621,085	\$193,707,175	\$199,202,842	\$217,170,376	\$231,844,210
37,339,141	33,389,224	31,286,725	29,225,643	25,549,583	23,288,874
(196,824)	(82,336,534)	(93,273,480)	(112,913,181)	(122,577,233)	(118,215,177)
<u>\$227,428,592</u>	<u>\$141,673,775</u>	<u>\$131,720,420</u>	<u>\$115,515,304</u>	<u>\$120,142,726</u>	<u>\$136,917,907</u>
\$10,786,591	\$10,744,952	\$10,958,058	\$10,968,642	\$10,951,518	\$11,023,426
2,049,957	(938,519)	(1,136,050)	(871,620)	(886,848)	(1,180,121)
<u>\$12,836,548</u>	<u>\$9,806,433</u>	<u>\$9,822,008</u>	<u>\$10,097,022</u>	<u>\$10,064,670</u>	<u>\$9,843,305</u>
\$201,072,866	\$201,366,037	\$204,665,233	\$210,171,484	\$228,121,894	\$242,867,636
37,339,141	33,389,224	31,286,725	29,225,643	25,549,583	23,288,874
1,853,133	(83,275,053)	(94,409,530)	(113,784,801)	(123,464,081)	(119,395,298)
<u>\$240,265,140</u>	<u>\$151,480,208</u>	<u>\$141,542,428</u>	<u>\$125,612,326</u>	<u>\$130,207,396</u>	<u>\$146,761,212</u>

**CITY OF SAN RAFAEL
CHANGES IN NET POSITION
Last Ten Fiscal Years
(Accrual Basis of Accounting)**

	Fiscal Year Ended June 30,			
	2010	2011	2012	2013
Expenses				
Governmental Activities:				
General government	\$8,396,759	\$8,269,846	\$10,171,332	\$10,202,530
Public safety	42,752,033	44,735,486	39,876,910	41,966,065
Public works and parks	17,401,923	17,408,038	17,423,033	17,695,164
Community development	6,738,873	7,804,650	4,587,557	3,403,158
Culture and recreation	11,139,225	11,487,999	11,020,663	11,330,058
Interest on long-term debt and fiscal charges	2,200,024	1,621,605	1,224,991	283,805
Total Governmental Activities Expenses	<u>88,628,837</u>	<u>91,327,624</u>	<u>84,304,486</u>	<u>84,880,780</u>
Business-Type Activities:				
Parking services	4,016,198	3,785,751	3,446,482	3,545,387
Total Business-Type Activities Expenses	<u>4,016,198</u>	<u>3,785,751</u>	<u>3,446,482</u>	<u>3,545,387</u>
Total Primary Government Expenses	<u>\$92,645,035</u>	<u>\$95,113,375</u>	<u>\$87,750,968</u>	<u>\$88,426,167</u>
Component Unit:				
San Rafael Sanitation District	<u>\$9,087,354</u>	<u>\$9,677,630</u>	<u>\$10,185,779</u>	<u>\$10,169,082</u>
Program Revenues				
Governmental Activities:				
Charges for services:				
General government	\$1,665,460	\$1,636,542	\$1,986,791	\$2,655,749
Public safety	6,308,912	6,167,925	7,122,396	6,478,321
Public works and parks	3,916,874	4,141,103	5,214,267	7,837,472
Community development	2,830,179	2,676,663	3,255,367	3,984,204
Culture and recreation	5,280,458	5,362,497	5,873,147	6,075,129
Operating grants and contributions	3,721,055	3,651,902	3,158,281	4,085,073
Capital grants and contributions	2,116,906	1,857,670	2,705,696	5,876,993
Total Government Activities Program Revenues	<u>25,839,844</u>	<u>25,494,302</u>	<u>29,315,945</u>	<u>36,992,941</u>
Business-Type Activities:				
Charges for services:				
Parking services	4,244,404	4,011,333	3,901,175	3,990,706
Total Business-Type Activities Program Revenues	<u>4,244,404</u>	<u>4,011,333</u>	<u>3,901,175</u>	<u>3,990,706</u>
Total Primary Government Program Revenues	<u>\$30,084,248</u>	<u>\$29,505,635</u>	<u>\$33,217,120</u>	<u>\$40,983,647</u>
Component Unit:				
San Rafael Sanitation District				
Charges for service	\$11,559,549	\$12,223,779	\$12,368,889	\$12,413,123
Operating grants and contributions				
Capital grants and contributions				
Total Component Unit Program Revenues	<u>\$11,559,549</u>	<u>\$12,223,779</u>	<u>\$12,368,889</u>	<u>\$12,413,123</u>
Net (Expense)/Revenue				
Governmental Activities	(\$62,788,993)	(\$65,833,322)	(\$54,988,541)	(\$47,887,839)
Business-Type Activities	228,206	225,582	454,693	445,319
Total Primary Government Net Expense	<u>(\$62,560,787)</u>	<u>(\$65,607,740)</u>	<u>(\$54,533,848)</u>	<u>(\$47,442,520)</u>
Component Unit Activities	<u>\$2,472,195</u>	<u>\$2,546,149</u>	<u>\$2,183,110</u>	<u>\$2,244,041</u>

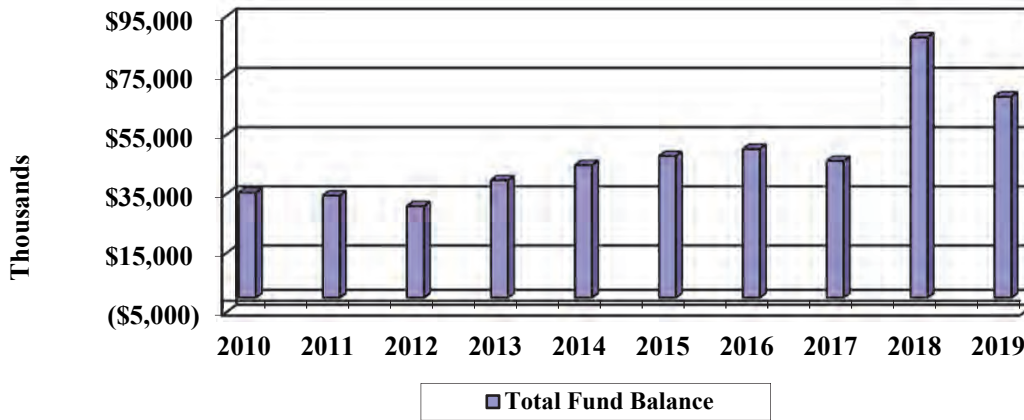
<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$9,085,672	\$9,099,858	\$12,952,983	\$10,996,269	\$9,835,941	\$11,967,641
43,800,158	39,968,631	55,399,798	44,366,734	53,231,197	49,899,296
22,125,336	16,893,164	22,929,289	19,845,719	22,084,433	19,270,613
3,451,244	3,128,373	4,307,269	4,242,743	4,040,195	5,781,826
11,846,818	11,198,151	15,026,680	14,131,000	13,285,563	12,819,429
327,350	284,288	277,263	271,263	884,336	1,848,263
<u>90,636,578</u>	<u>80,572,465</u>	<u>110,893,282</u>	<u>93,853,728</u>	<u>103,361,665</u>	<u>101,587,068</u>
4,125,476	4,249,597	4,762,851	4,188,152	4,627,716	5,038,553
<u>4,125,476</u>	<u>4,249,597</u>	<u>4,762,851</u>	<u>4,188,152</u>	<u>4,627,716</u>	<u>5,038,553</u>
<u>\$94,762,054</u>	<u>\$84,822,062</u>	<u>\$115,656,133</u>	<u>\$98,041,880</u>	<u>\$107,989,381</u>	<u>\$106,625,621</u>
<u>\$11,378,055</u>	<u>\$11,375,239</u>	<u>\$11,654,767</u>	<u>\$11,255,194</u>	<u>\$12,235,868</u>	<u>\$12,601,257</u>
\$2,838,940	\$1,379,523	\$526,495	\$421,393	\$517,542	\$377,606
6,014,034	4,966,251	4,939,658	4,264,939	5,628,478	5,304,832
6,101,460	3,078,267	5,157,289	1,804,698	2,362,375	4,158,338
3,279,251	3,796,684	4,004,178	3,850,107	3,814,892	4,312,259
6,417,003	6,537,646	6,683,059	6,941,013	6,819,303	5,750,846
4,698,142	4,185,450	4,678,338	3,965,351	5,142,670	4,584,855
762,719	1,308,027	1,470,953	1,702,993	974,603	8,042,524
<u>30,111,549</u>	<u>25,251,848</u>	<u>27,459,970</u>	<u>22,950,494</u>	<u>25,259,863</u>	<u>32,531,260</u>
4,485,394	5,173,557	5,212,181	5,268,991	5,203,585	5,362,016
<u>4,485,394</u>	<u>5,173,557</u>	<u>5,212,181</u>	<u>5,268,991</u>	<u>5,203,585</u>	<u>5,362,016</u>
<u>\$34,596,943</u>	<u>\$30,425,405</u>	<u>\$32,672,151</u>	<u>\$28,219,485</u>	<u>\$30,463,448</u>	<u>\$37,893,276</u>
\$13,732,496	\$14,629,758	\$15,414,530	\$16,014,016	\$16,829,908	\$16,964,083
			36,945	58,440	5,907
			79,245	105,734	1,433,871
<u>\$13,732,496</u>	<u>\$14,629,758</u>	<u>\$15,414,530</u>	<u>\$16,130,206</u>	<u>\$16,994,082</u>	<u>\$18,403,861</u>
(\$60,525,029)	(\$55,320,617)	(\$83,433,312)	(\$70,903,234)	(\$78,101,802)	(\$69,055,808)
359,918	923,960	449,330	1,080,839	575,869	323,463
<u>(\$60,165,111)</u>	<u>(\$54,396,657)</u>	<u>(\$82,983,982)</u>	<u>(\$69,822,395)</u>	<u>(\$77,525,933)</u>	<u>(\$68,732,345)</u>
<u>\$2,354,441</u>	<u>\$3,254,519</u>	<u>\$3,862,215</u>	<u>\$4,875,012</u>	<u>\$4,758,214</u>	<u>\$5,802,604</u>

CITY OF SAN RAFAEL
CHANGES IN NET POSITION
(continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,			
	2010	2011	2012	2013
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property	\$21,684,131	\$21,632,733	\$20,107,637	\$17,317,772
Sales	19,055,124	21,623,445	22,355,749	24,262,282
Special assessments				
Paramedic	3,489,494	3,661,064	3,807,545	3,804,985
Motor vehicles	171,518	297,425		
Transient occupancy	1,558,243	1,644,262	1,866,575	2,185,287
Franchise	2,868,332	2,990,539	3,076,094	3,331,160
Business license	2,317,664	2,296,460	2,332,146	2,507,785
Other	1,411,583	1,930,531	3,574,918	2,929,915
Investment earnings	302,180	176,502	205,413	991,762
Gain (Loss) on disposal of assets	221,791			
Miscellaneous	541,390	1,496,174	542,816	2,580,882
Special item - Court fines repayment				
Transfers	458,300	463,600	57,960	423,817
Total Government Activities	<u>54,079,750</u>	<u>58,212,735</u>	<u>57,926,853</u>	<u>60,335,647</u>
Business-Type Activities:				
Investment earnings	17,678	11,878	7,675	3,739
Aid from other government agencies				
Transfers	(458,300)	(463,600)	(57,960)	(423,817)
Total Business-Type Activities	<u>(440,622)</u>	<u>(451,722)</u>	<u>(50,285)</u>	<u>(420,078)</u>
Total Primary Government	<u>\$53,639,128</u>	<u>\$57,761,013</u>	<u>\$57,876,568</u>	<u>\$59,915,569</u>
Component Unit:				
San Rafael Sanitation District				
Property Taxes	\$823,187	\$1,214,519	\$1,192,566	\$1,177,469
Investment earnings	93,274	59,265	38,191	25,591
Miscellaneous				
Aid from other governmental agencies	415,391	6,499	9,613	56,589
Total Component Unit	<u>\$1,331,852</u>	<u>\$1,280,283</u>	<u>\$1,240,370</u>	<u>\$1,259,649</u>
Special Item				
Governmental Activities				
Component Unit Activities				
Change in Net Position				
Governmental Activities	(\$8,709,243)	(\$7,620,587)	\$2,938,312	\$12,447,808
Business-Type Activities	(212,416)	(226,140)	404,408	25,241
Total Primary Government	<u>(\$8,921,659)</u>	<u>(\$7,846,727)</u>	<u>\$3,342,720</u>	<u>\$12,473,049</u>
Change in Net Position				
Component Unit Activities	<u>\$3,804,047</u>	<u>\$3,826,432</u>	<u>\$3,423,480</u>	<u>\$3,503,690</u>

2014	2015	2016	2017	2018	2019
\$18,439,619	\$19,039,443	\$19,998,567	\$23,343,140	\$24,627,373	\$25,903,240
27,758,971	32,269,915	34,348,089	31,819,259	34,119,502	35,626,646
3,816,070	3,820,240	4,226,020	5,485,637	4,923,148	4,934,584
2,332,277	2,661,878	3,063,263	2,984,758	3,115,151	3,203,499
3,260,958	3,272,390	3,418,277	3,610,824	3,726,841	3,627,254
2,588,728	2,670,071	2,824,664	2,774,803	2,790,212	2,788,496
3,452,171	3,295,751	3,465,193	1,824,830	2,245,882	1,783,170
184,171	216,066	300,091	210,628	556,745	1,450,434
1,140,743	2,254,901	1,387,315	2,448,604	5,991,713	5,904,968
449,917	432,630	448,478	536,000	632,657	608,698
63,423,625	69,933,285	73,479,957	75,038,483	82,729,224	85,830,989
4,375	7,008	14,723	10,810	24,436	63,870
(449,917)	(432,630)	(448,478)	(536,000)	(632,657)	(608,698)
(445,542)	(425,622)	(433,755)	(525,190)	(608,221)	(544,828)
\$62,978,083	\$69,507,663	\$73,046,202	\$74,513,293	\$82,121,003	\$85,286,161
\$1,345,018	\$1,319,852	\$1,367,172	\$1,528,047	\$1,620,584	\$1,727,221
151,729	171,804	46,225	97,090	234,379	519,793
22,125	35,090			10,690	7,768
\$1,518,872	\$1,526,746	\$1,413,397	\$1,625,137	\$1,865,653	\$2,254,782
	\$4,462,815				
	(\$4,462,815)				
\$2,898,596	\$19,075,483	(\$9,953,355)	\$4,135,249	\$4,627,422	\$16,775,181
(85,624)	498,338	15,575	555,649	(32,352)	(221,365)
\$2,812,972	\$19,573,821	(\$9,937,780)	\$4,690,898	\$4,595,070	\$16,553,816
\$3,873,313	\$318,450	\$5,275,612	\$6,500,149	\$6,623,867	\$8,057,386

**CITY SAN RAFAEL
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)**



	2010	2011	2012	2013
General Fund				
Pre-GASB 54 Presentation:				
Reserved	\$1,763,622			
Unreserved	5,038,173			
GASB 54 Presentation:				
Nonspendable		\$589,833	\$527,509	\$527,235
Restricted		200,238	76,188	
Committed		555,561	651,121	800,876
Assigned		5,439,879	1,516,644	2,476,676
Unassigned				
Total General Fund	\$6,801,795	\$6,785,511	\$2,771,462	\$3,804,787
All Other Governmental Funds				
Pre-GASB 54 Presentation:				
Reserved	\$15,352,723			
Unreserved, reported in:				
Special Revenue Funds	8,778,027			
Capital Project Funds	4,527,627			
Debt Service Funds				
Expendable Trust Fund				
GASB 54 Presentation:				
Nonspendable		\$377,180	\$788,031	\$51,521
Restricted		19,289,367	16,856,959	20,769,546
Committed		3,864,322	5,135,257	8,447,495
Assigned		4,124,029	5,283,559	6,511,850
Total all other governmental funds	\$28,658,377	\$27,654,898	\$28,063,806	\$35,780,412

(a) The change in total fund balance for the General Fund and other governmental funds is explained in Management's Discussion and Analysis.

(b) The City adjusted certain beginning balances during fiscal years 2013-2014, 2014-2015 and 2015-2016. Financial data shown for preceding years were not adjusted for the presentation.

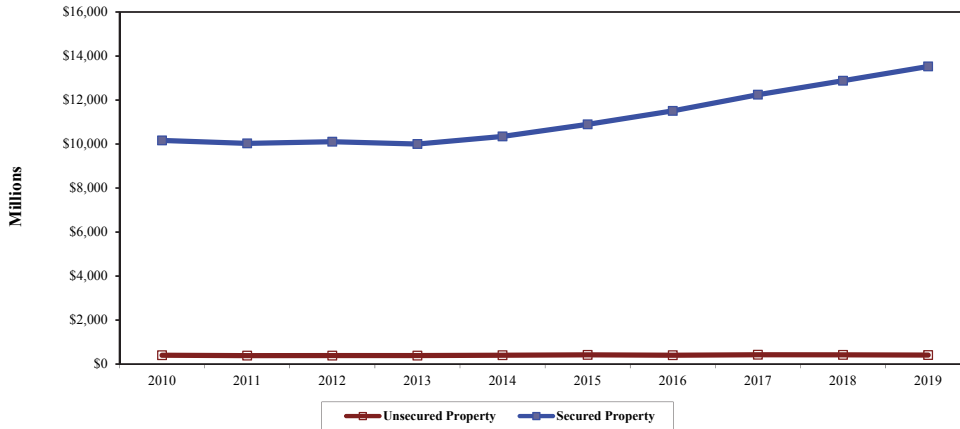
<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	(a)
\$503,338	\$399,299	\$476,316	\$508,446	\$1,008,234	\$37,271	
6,866,149	12,374,002	16,440,910	14,900,945	11,214,720	11,560,392	
	1,588,500	1,772,577	1,295,041		934,908	
<u>\$7,369,487</u>	<u>\$14,361,801</u>	<u>\$18,689,803</u>	<u>\$16,704,432</u>	<u>\$12,222,954</u>	<u>\$12,532,571</u>	
\$8,719	\$2,359	\$9,449		\$302,366	\$27,627	
30,185,064	31,742,184	27,552,245	\$25,812,405	\$73,489,688	53,260,504	
2,185,825	931,871	3,799,421	3,491,708	1,754,983	1,901,271	
4,959,533	712,810	119,183	115,103	115,942	118,139	
<u>\$37,339,141</u>	<u>\$33,389,224</u>	<u>\$31,480,298</u>	<u>\$29,419,216</u>	<u>\$75,662,979</u>	<u>\$55,307,541</u>	

CITY OF SAN RAFAEL
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,			
	2010	2011	2012	2013
Revenues				
Taxes and special assessments	\$47,678,541	\$51,448,130	\$51,395,116	\$51,549,306
Licenses and permits	1,518,819	1,416,772	1,648,890	1,929,387
Fines and forfeitures	787,411	862,820	801,758	734,005
Use of money and properties	433,874	380,720	315,561	325,043
Intergovernmental	13,001,703	11,864,127	10,537,396	11,869,889
Charges for services	15,787,325	15,888,750	19,649,433	23,575,374
Other revenue	716,760	1,026,845	870,957	4,092,411
Total Revenues	79,924,433	82,888,164	85,219,111	94,075,415
Expenditures				
Current:				
General government	7,997,067	6,863,142	8,783,873	10,529,480
Public safety	39,574,091	40,967,352	39,311,551	41,377,062
Public works and parks	10,731,669	10,666,176	11,518,822	12,002,448
Community development	4,398,594	4,527,351	3,755,504	2,961,275
Culture and recreation	9,605,684	10,067,822	10,345,673	10,591,057
Capital outlay	1,890,559	1,745,483	1,312,383	4,009,454
Capital improvement/special projects	3,436,608	6,240,861	3,604,171	5,284,720
Debt service:				
Principal	2,804,258	2,530,338	2,518,320	
Interest and fiscal charges	1,979,372	1,448,910	735,221	283,805
Total Expenditures	82,417,902	85,057,435	81,885,518	87,039,301
Excess (deficiency) of revenues over (under) expenditures	(2,493,469)	(2,169,271)	3,333,593	7,036,114
Other Financing Sources (Uses)				
Issuance of debt	14,660,000			
Payment to refunded bonds	(14,315,000)			
Bond premiums	1,038,185			
Proceeds from PG&E loans				
Proceeds from sale of capital asset	221,791			
Transfers in	7,494,560	5,806,834	4,539,646	8,425,474
Transfers (out)	(6,411,150)	(4,657,326)	(4,864,293)	(6,711,657)
Total other financing sources (uses)	2,688,386	1,149,508	(324,647)	1,713,817
Extraordinary Item				
Transfer to Successor Agency				(2,352,584)
Net Change in fund balances	\$194,917	(\$1,019,763)	\$3,008,946	\$6,397,347
Debt service as a percentage of noncapital expenditures	6.2%	5.2%	4.2%	0.4%

2014	2015	2016	2017	2018	2019
\$56,686,142	\$61,804,228	\$65,866,218	\$71,166,891	\$74,893,789	\$77,101,185
1,934,755	2,456,820	2,588,411	2,559,841	2,718,166	2,661,500
669,553	556,076	435,829	400,283	384,268	337,680
363,089	444,757	460,206	349,349	654,531	1,583,060
11,953,308	13,233,503	13,685,003	8,063,156	8,878,974	15,602,264
19,949,333	15,346,794	14,366,744	13,425,161	14,660,094	15,166,876
2,045,407	1,777,003	3,208,749	1,842,053	5,219,414	5,158,042
93,601,587	95,619,181	100,611,160	97,806,734	107,409,236	117,610,607
8,678,833	10,203,687	11,349,079	10,557,416	10,010,100	12,553,499
41,900,762	43,954,515	47,071,166	49,018,153	51,805,708	51,678,876
13,697,957	12,758,643	14,390,699	16,752,961	17,647,312	15,617,622
3,296,375	3,416,859	3,670,108	3,759,564	4,051,224	4,988,260
11,106,367	11,616,777	12,048,104	12,646,728	12,823,771	12,468,008
2,154,900	4,498,924	4,813,757	2,100,926	22,815,967	38,701,047
7,168,776	2,186,986	4,826,576	7,403,249		
208,642	75,172	75,172	175,172	280,172	495,172
327,350	284,288	277,263	271,263	1,005,636	2,356,207
88,539,962	88,995,851	98,521,924	102,685,432	120,439,890	138,858,691
5,061,625	6,623,330	2,089,236	(4,878,698)	(13,030,654)	(21,248,084)
				46,565,800	
568,481					
3,655,302	4,348,149	7,533,364	9,287,007	68,351,964	15,482,297
(3,053,865)	(3,051,499)	(6,582,555)	(8,454,762)	(68,373,222)	(14,280,034)
1,169,918	1,296,650	950,809	832,245	46,544,542	1,202,263
\$6,231,543	\$7,919,980	\$3,040,045	(\$4,046,453)	\$33,513,888	(\$20,045,821)
0.7%	0.4%	0.4%	0.5%	1.3%	2.8%

**CITY OF SAN RAFAEL
 ASSESSED AND ESTIMATED ACTUAL
 VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS**



Fiscal Year	Real Property				Total Real Secured Property	Unsecured Property	Total Assessed (a)	Estimated Full Market (a)	Total Direct Tax Rate (b)
	Residential Property	Commercial Property	Industrial Property	Other					
2010	\$ 7,335,863,721	\$ 2,052,276,292	\$ 244,857,019	\$ 130,177,994	\$ 9,763,175,026	\$ 401,201,906	\$ 10,164,376,932	\$ 10,164,376,932	0.19215%
2011	7,215,965,203	2,056,985,417	247,409,955	124,426,487	9,644,787,062	383,414,952	10,028,202,014	10,028,202,014	0.17851%
2012	7,317,280,602	2,036,262,351	247,485,238	118,579,648	9,719,607,839	384,950,872	10,104,558,711	10,104,558,711	0.17827%
2013	7,265,617,525	1,987,170,644	245,917,096	115,453,836	9,614,159,101	384,534,108	9,998,693,209	9,998,693,209	0.17456%
2014	7,558,708,224	2,009,718,415	245,674,195	130,594,237	9,944,695,071	402,261,887	10,346,956,958	10,346,956,958	0.11985%
2015	7,991,224,952	2,120,065,908	249,864,918	115,675,852	10,476,831,630	417,217,272	10,894,048,902	10,894,048,902	0.11657%
2016	8,511,358,216	2,221,843,976	263,830,302	108,982,883	11,106,015,377	400,942,059	11,506,957,436	11,506,957,436	0.11672%
2017	9,025,896,811	2,390,814,514	267,468,956	135,689,202	11,819,869,483	423,545,667	12,243,415,150	12,243,415,150	0.11693%
2018	9,522,645,933	2,532,439,852	276,751,912	128,305,868	12,460,143,565	417,902,554	12,878,046,119	12,878,046,119	0.11709%
2019	10,042,494,232	2,681,917,170	285,601,803	107,472,477	13,117,485,682	409,129,431	13,526,615,113	13,526,615,113	0.11742%

(a) The State Constitution requires property to be assessed at one hundred percent of the most recent purchase price, plus an increment of no more than two percent annually, plus any local over-rides. These values are considered to be full market values.

(b) California cities do not set their own direct tax rate. The state constitution establishes the rate at 1% and allocates a portion of that amount, by an annual calculation, to all the taxing entities within a tax rate area.

Data Source: Marin County Assessor 2009/10 - 2018/19 Combined Tax Rolls

**CITY OF SAN RAFAEL
PROPERTY TAX RATES
ALL OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>City</u>	<u>County (1)</u>	<u>School Districts</u>	<u>Misc. Special Districts</u>	<u>Total</u>
2010	0.154	0.295	0.7402	0.0461	1.2349
2011	0.154	0.295	0.7542	0.0461	1.2489
2012	0.154	0.295	0.7831	0.0461	1.2779
2013	0.154	0.295	0.7743	0.0461	1.2691
2014	0.154	0.295	0.7890	0.0461	1.2838
2015	0.154	0.295	0.7651	0.0461	1.2599
2016	0.154	0.295	0.7846	0.0695	1.3028
2017	0.154	0.295	0.8251	0.0553	1.3291
2018	0.154	0.295	0.8127	0.0661	1.3275
2019	0.154	0.295	0.8495	0.0650	1.3635

Notes:

(1) Like other cities, San Rafael includes several property tax rate areas with different rates. A mean average is indicated.

Data Source: Marin County Assessors Office 2008/09 - 2017/18 Tax Rate Tables

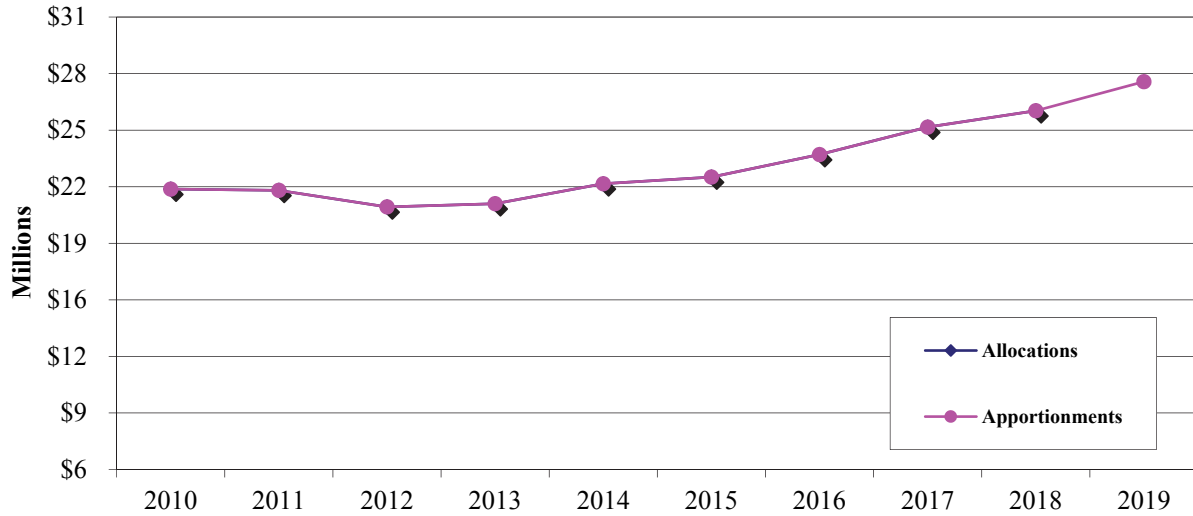
**CITY OF SAN RAFAEL
PRINCIPAL PROPERTY TAX PAYERS
CURRENT FY 2018/19 AND FY 2009/2010**

Taxpayer	FY 2018-2019		FY 2009-2010	
	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
California Corporate Center ACQ LLC	\$ 273,522,259	2.02%		
MGP XI Northgate LLC	214,970,194	1.59%		
Professional Financial Investors Inc	112,170,328	0.83%		
BRE Properties Inc	63,635,520	0.47%		
South Valley Apartments LLC	54,071,293	0.40%		
Regency Center II Associates LP	47,653,153	0.35%	\$ 41,716,937	0.41%
Northbay Properties II	46,914,742	0.35%		
Bay Apartment Communities Inc	44,412,310	0.33%	35,182,329	0.35%
Barbara Fasken 1995 Trust ETAL	44,190,490	0.33%		
Coastal City Partners LLC	42,603,280	0.31%		
Northgate Mall Associates			112,797,140	1.11%
SR Corporation Center Phase 1			72,881,400	0.72%
SR Corporation Center Phase 2			40,204,768	0.40%
Corac LLC			82,587,760	0.81%
Sutter Health			44,602,859	0.44%
Marin Sanitary Service			39,236,037	0.39%
4040 Civic Center LLC			36,503,908	0.36%
Robert Dickson Trust			44,076,750	0.43%
Subtotal	\$ 944,143,569	6.98%	\$ 549,789,888	5.41%

Total Net Assessed Valuation:

Fiscal Year 2018-2019	\$ 13,526,615,113
Fiscal Year 2009-2010	\$ 10,164,376,932

**CITY OF SAN RAFAEL
PROPERTY TAX LEVIES AND COLLECTIONS (1)
LAST TEN FISCAL YEARS**

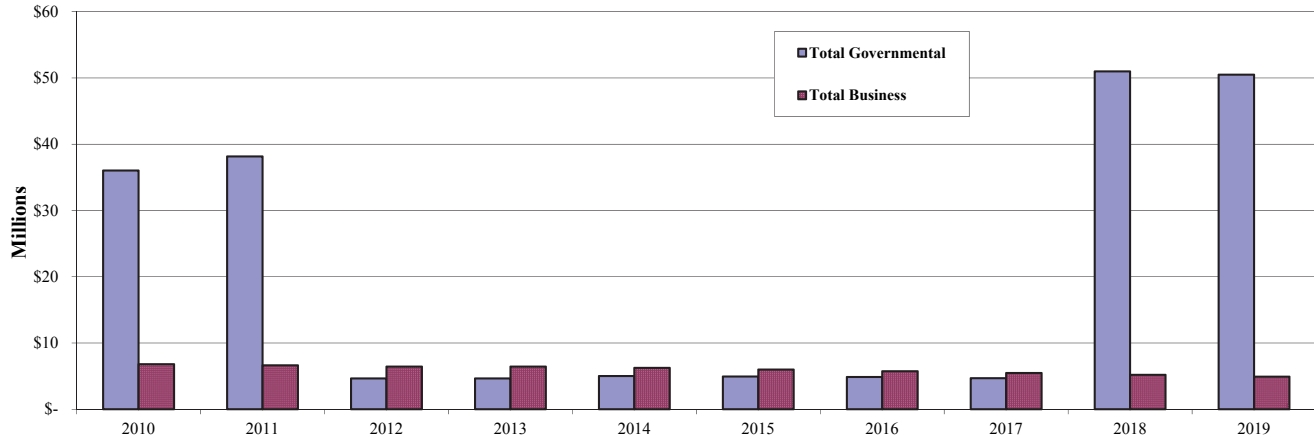


Fiscal Year	Rate	Levies	Allocations	Collections	Apportionments	Delinquencies	Delinquent taxes as a Percent of Allocations
2010	1.00	(2)	\$ 21,702,536	(2)	\$ 21,702,536	(2)	0.0%
2011	1.00	(2)	21,632,731	(2)	21,632,731	(2)	0.0%
2012	1.00	(2)	20,704,368	(2)	20,704,368	(2)	0.0%
2013	1.00	(2)	20,883,041	(2)	20,883,041	(2)	0.0%
2014	1.00	(2)	22,001,357	(2)	22,001,357	(2)	0.0%
2015	1.00	(2)	22,376,457	(2)	22,376,457	(2)	0.0%
2016	1.00	(2)	23,636,093	(2)	23,636,093	(2)	0.0%
2017	1.00	(2)	25,173,651	(2)	25,173,651	(2)	0.0%
2018	1.00	(2)	26,088,961	(2)	26,088,961	(2)	0.0%
2019	1.00	(2)	27,718,712	(2)	27,718,712	(2)	0.0%

Notes:

- (1) Includes deductions for County property tax administration.
- (2) Information not applicable. All general purpose property taxes are levied by the county and allocated to other governmental entities.

**CITY OF SAN RAFAEL
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**



Governmental Activities

Fiscal Year	RDA Tax Allocation Bonds	Financing Authority Revenue Bonds	Note Payable	Court Fine Promissory Note	Capitalized Lease Obligations	Pension Obligation Bonds	Lease Revenue Bonds	Total
2010	\$ 35,355,988	\$ -	\$ 169,000	\$ 363,328	\$ 135,330			\$ 36,023,646
2011	33,298,499	-	169,000	124,222	69,098	\$ 4,490,000		38,150,819
2012	-	-	169,000	-	-	4,490,000		4,659,000
2013	-	-	169,000	-	-	4,490,000		4,659,000
2014	-	-	528,839	-	-	4,490,000		5,018,839
2015	-	-	453,667	-	-	4,490,000		4,943,667
2016	-	-	378,495	-	-	4,490,000		4,868,495
2017	-	-	303,323	-	-	4,390,000		4,693,323
2018	-	-	1,308,951	-	-	4,185,000	\$ 45,485,000	50,978,951
2019	-	-	1,233,779	-	-	3,765,000	45,485,000	50,483,779

Business-Type Activities

Fiscal Year	Parking Services Bonds	Note Payable	Total	Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
2010	\$ 6,805,000		\$ 6,805,000	\$ 42,828,646	1.85%	728.11
2011	6,630,000		6,630,000	44,780,819	1.87%	770.28
2012	6,445,000		6,445,000	11,104,000	0.46%	190.45
2013	6,445,000		6,445,000	11,104,000	0.44%	190.85
2014	6,186,403	\$ 61,836	6,248,239	11,267,078	0.43%	192.38
2015	5,942,128	55,020	5,997,148	10,940,815	0.41%	184.77
2016	5,692,853	48,204	5,741,057	10,609,552	0.38%	175.13
2017	5,433,577	41,388	5,474,965	10,168,288	0.35%	167.13
2018	5,164,303	34,572	5,198,875	56,177,826	n/a	926.25
2019	4,890,027	27,755	4,917,782	55,401,561		

Notes : Debt amounts exclude any premiums, discounts, or other amortization amounts.
In August 2012, the series 2003 parking services bonds were refunded with series 2012 refunding bonds.

Data Sources: City of San Rafael
State of California, Department of Finance (population)
U.S. Department of commerce, Bureau of the Census (income)
(a) See Schedule of Demographic and Economic Statistics for personal income and population data.

CITY OF SAN RAFAEL
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
June 30, 2019

2018-19 Assessed Valuation: \$ 13,526,615,113

OVERLAPPING TAX AND ASSESSMENT DEBT:	Total Debt 6/30/2019	% Applicable (1)	City's Share of Debt 6/30/2019
Marin Community College District	\$ 462,100,000	17.274%	\$ 79,823,154
San Rafael High School District	116,868,938	78.409%	91,635,766
Tamalpais Union High School District	101,995,000	0.077%	78,536
Dixie School District	30,910,810	66.296%	20,492,631
Ross School District	17,934,441	1.491%	267,403
Ross Valley School District	42,363,340	0.012%	5,084
San Rafael School District	141,275,126	83.707%	118,257,170
Marin Healthcare District	372,690,000	20.778%	77,437,528
Marin Emergency Radio Authority Parcel Tax Obligations	33,000,000	17.249%	5,692,170
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 393,689,442

DIRECT AND OVERLAPPING GENERAL FUND DEBT:

Marin County Certificates of Participation	\$ 85,234,007	17.249%	\$ 14,702,014
Marin County Pension Obligation Bonds	84,770,000	17.249%	14,621,977
Marin County Transit District General Fund Obligations	69,502	17.249%	11,988
Marin Municipal Water District General Fund Obligations	56,544	21.984%	12,431
Marin Community College District Certification of Participation	13,360,834	17.274%	2,307,950
San Rafael School District Certificates of Participation	3,140,000	83.707%	2,628,400
City of San Rafael General Fund Obligations	52,614,778	100.000%	52,614,778 (2)
City of San Rafael Pension Obligations	3,765,000	100.000%	3,765,000
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			90,664,538
Less: City of San Rafael lease revenue bonds supported by parking revenues			4,900,000
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 85,764,538

OVERLAPPING TAX INCREMENT DEBT (Successor Agency \$ 9,099,465 100.000% \$ 9,099,465

TOTAL GROSS DIRECT DEBT 56,379,778
TOTAL NET DIRECT DEBT 51,479,778
TOTAL OVERLAPPING DEBT 437,073,669

GROSS COMBINED TOTAL DEBT 493,453,445 (3)
NET COMBINED TOTAL DEBT 488,553,445

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable

(2) Include share of Marin Emergency Radio Authority refunding revenue bonds and \$1,233,779 PG&E notes.

(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2018-19 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	2.91%
Total Gross Direct Debt (\$56,379,778)	0.42%
Total Net Direct Debt (\$51,479,778)	0.38%
Gross Combined Total Debt	3.65%
Net Combined Total Debt	3.61%

Ratios to Redevelopment Incremental Valuation (\$,2964,827,159

Total Overlapping Tax Increment Debt	0.31%
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Data Source: MuniServices

CITY OF SAN RAFAEL
COMPUTATION OF LEGAL BONDED DEBT MARGIN
June 30, 2019

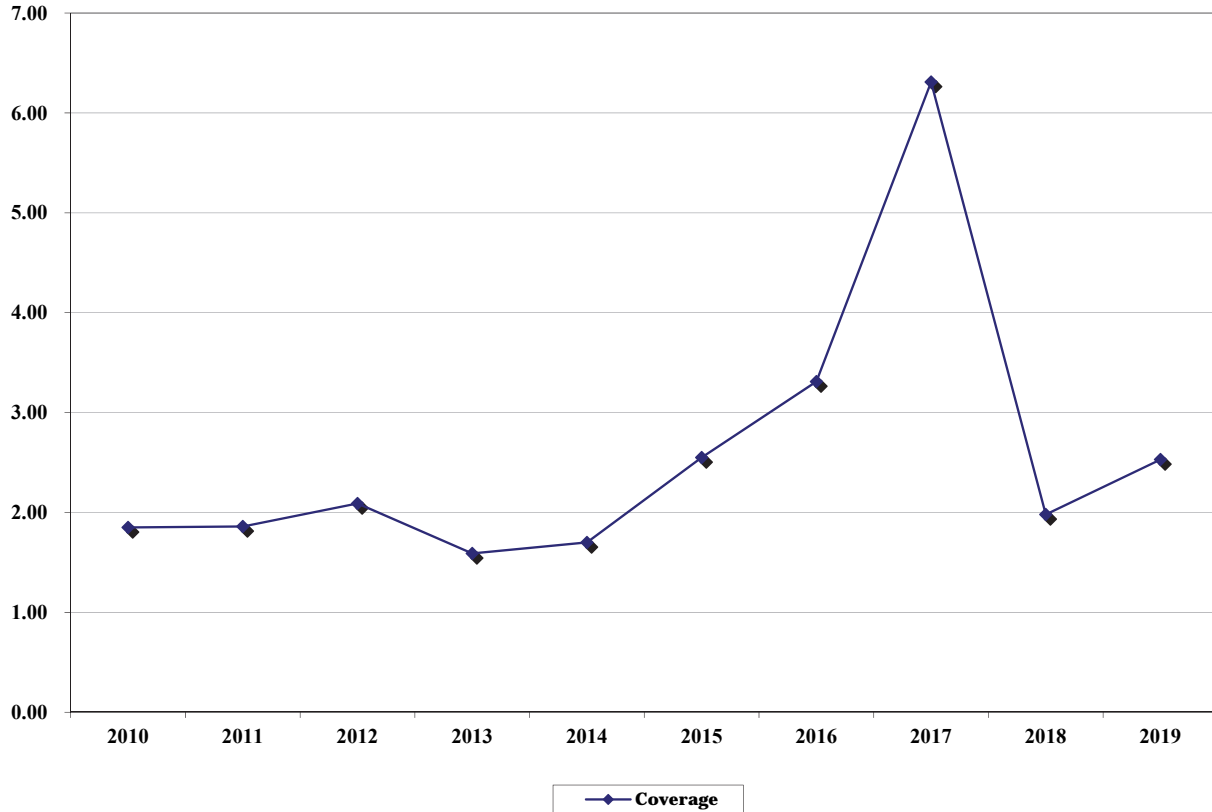
ASSESSED VALUATION:	\$ 13,526,615,113
BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)	\$ 507,248,067
LESS AMOUNT OF DEBT SUBJECT TO LIMIT:	50,978,951.00
LEGAL BONDED DEBT MARGIN	\$ 456,269,116

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2010	\$ 381,164,135	\$ 36,023,646	\$ 345,140,489	10.44%
2011	376,057,576	38,150,819	337,906,757	11.29%
2012	378,920,952	4,659,000	374,261,952	1.24%
2013	374,950,995	4,659,000	370,291,995	1.26%
2014	388,010,886	5,018,839	382,992,047	1.31%
2015	408,526,834	4,943,667	403,583,167	1.22%
2016	431,510,904	4,868,495	426,642,409	1.14%
2017	459,128,068	4,693,323	454,434,745	1.03%
2018	482,926,729	50,978,951	431,947,778	11.80%
2019	507,248,067	50,483,779	456,764,288	11.05%

NOTE: (a) California Government Code, Section 43605 sets the debt limit at 15%. The Code section was enacted prior to the change in basing assessed value to full market value when it was previously 25% of market value. Thus, the limit shown as 3.75% is one-fourth

Source: City of San Rafael's Finance Department

**CITY OF SAN RAFAEL
REVENUE BOND COVERAGE
PARKING FACILITY
LAST TEN FISCAL YEARS**



Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2010	\$ 4,262,082	\$ 3,343,680	\$ 918,402	\$ 170,000	\$ 325,285	\$ 495,285	1.85
2011	4,023,211	3,101,411	921,800	175,000	319,391	494,391	1.86
2012	3,908,664	2,870,718	1,037,946	185,000	312,291	497,291	2.09
2013	3,994,446	3,121,964	872,481	310,000	240,012	550,012	1.59
2014	4,489,769	3,716,552	773,217	245,000	210,063	455,063	1.70
2015	5,180,554	4,031,161	1,149,393	245,000	205,163	450,163	2.55
2016	5,226,904	3,739,321	1,487,583	250,000	199,613	449,613	3.31
2017	5,279,801	2,425,281	2,854,520	260,000	192,038	452,038	6.31
2018	5,219,721	4,320,695	899,026	270,000	184,163	454,163	1.98
2019	5,425,883	4,283,754	1,142,130	275,000	176,025	451,025	2.53

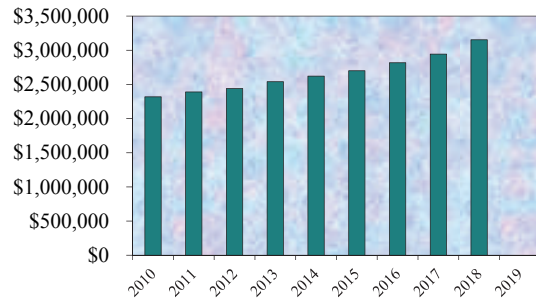
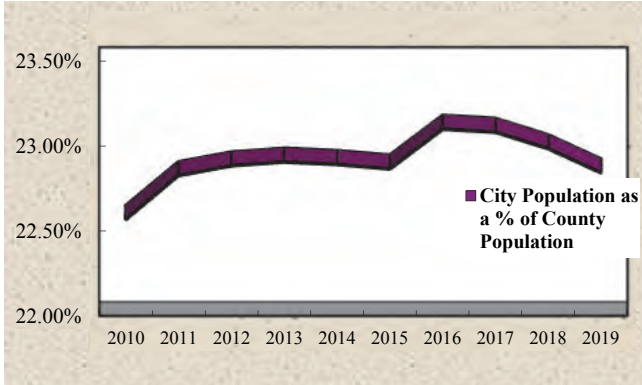
Notes: On March 26, 2003, the City Financing Authority issued lease revenue bonds for the design and construction of a new parking facility. On August 12, 2012, the City Financing Authority refunded the series 2003 lease revenue bonds with series 2012 lease revenue refunding bonds to take advantage of lower interest rates.

(1) Includes all Parking Facility Operating Revenues and Non-operating Interest Revenue

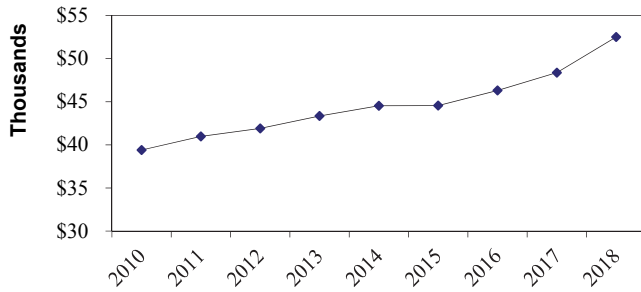
(2) Includes all Parking Facility Operating Expenses less Depreciation and Interest

Data Source: San Rafael Finance Department Revenue and Expenditure Status Reports

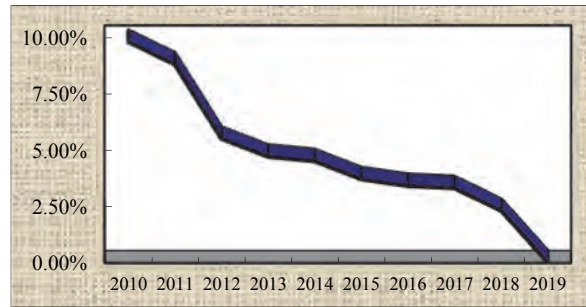
**CITY OF SAN RAFAEL
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**



■ Personal Income (2) (in thousands)



◆ Per Capita Personal Income (2)



■ Unemployment Rate (%)

Fiscal Year	City Population (1)	Personal Income (2) (in thousands)	Per Capita Personal Income (2)	Average Unemployment Rate (3)	Marin County Population	City Population % of County
2010	\$ 58,822	\$ 2,317,704	\$ 39,402	9.80%	\$ 260,651	22.57%
2011	58,136	2,389,222	40,978	8.80%	254,692	22.83%
2012	58,305	2,438,291	41,908	5.50%	254,790	22.88%
2013	58,182	2,538,895	43,351	4.70%	254,007	22.91%
2014	58,566	2,621,228	44,531	4.50%	255,846	22.89%
2015	59,214	2,699,436	44,558	3.70%	258,972	22.87%
2016	60,582	2,817,497	46,308	3.40%	262,274	23.10%
2017	60,842	2,943,227	48,374	3.30%	263,604	23.08%
2018	60,651	3,152,985	52,509	2.30%	263,886	22.98%
2019	60,046	n/a	n/a	n/a	262,879	22.84%

Source: (1) State of California, Department of Finance - Demographic Research Unit. The data represents the City's population as of January 1, of each year.
 (2) 2007-2009 Income Data--Demographic Estimates are based on the last available census. Projections are developed by incorporating all of the prior census data released to date.
 2010 and later- Income - US Census Bureau, most recent American Community Survey
 (3) Unemployment Data: California Employment Development Department

**CITY OF SAN RAFAEL
PRINCIPAL EMPLOYERS
FISCAL YEAR 2018-2019
LAST TEN CALENDAR YEARS**

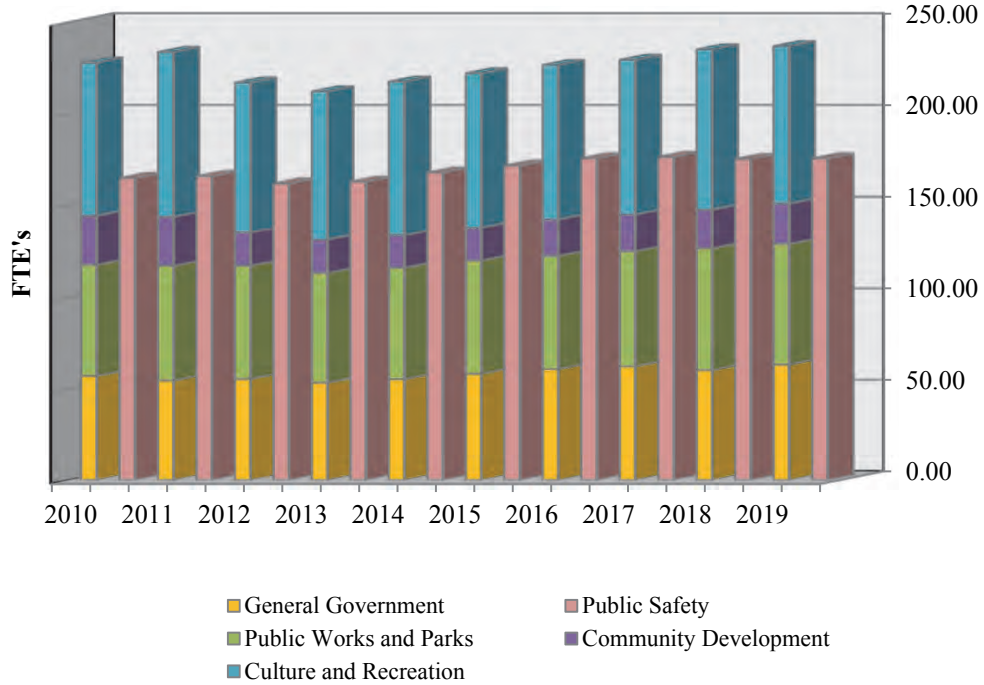
Employer	2019		2018		2017		2016		2015		2014		2013		2012		2011		2010	
	#	(A)	#	(A)	#	(A)	#	(A)	#	(A)	#	(A)	#	(A)	#	(A)	#	(A)	#	(A)
Kaiser Permanente	2,014	6.22%	2,092	6.62%	2,061	6.52%	662	2.02%	1,575	4.82%	1,637	5.26%	1,756	5.74%	1,803	6.68%	1,330	4.93%	1,311	4.88%
BioMarin Pharmaceutical Inc.	950	2.93%																		
San Rafael Elementary/High Schools Dist	700	2.16%	700	2.22%	700	2.22%	650	1.98%	650	1.99%	600	1.93%	600	1.96%	600	2.22%	600	2.22%	600	2.23%
City of San Rafael	410	1.27%	410	1.30%	454	1.44%	577	1.76%	581	1.78%	666	2.14%	643	2.10%	521	1.93%	592	2.19%	630	2.34%
Dominican University of California	421	1.30%	319	1.01%	456	1.44%	485	1.48%	422	1.29%	354	1.14%	347	1.13%	346	1.28%	336	1.24%	370	1.38%
Guide Dogs for the Blind	227	0.70%	200	0.63%	203	0.64%	225	0.69%	-	-	-	-	-	-	-	-	-	-	287	1.07%
Bucklew Programs	103	0.32%	106	0.34%	240	0.76%	186	0.57%	-	-	-	-	-	-	-	-	-	-	-	-
Lifchouse	100	0.31%		0.00%		0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EO Products	150	0.46%		0.00%		0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Toyota Marin	141	0.44%		0.00%		0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	5,216	16.10%	4,708	14.90%	5,853	18.52%	5,314	16.20%	5,620	17.19%	6,025	19.37%	6,079	19.87%	6,715	24.87%	6,007	22.25%	6,092	22.67%

Number of FTE employees in Marin locations
(A) Percentage of total employment

Note: From the EDD website, it shows that the Total 2019 Employment in the City of San Rafael was 32,400 of which it is used as the denominator for the 2019 percentages are calculated.

Data Sources: State of California, Employment Development Department, Labor Market Information Division & North Bay Business Journal (Annual Book of Lists)

**CITY OF SAN RAFAEL
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**



Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government	56.88	54.35	55.23	53.23	55.11	58.11	60.61	62.11	60.11	63.11
Public Safety	165.00	166.00	162.00	163.00	168.00	171.75	175.75	176.55	175.35	175.65
Public Works and Parks	60.80	62.80	62.00	60.00	61.00	62.00	62.00	63.00	66.67	66.00
Community Development	26.75	26.75	18.25	18.25	17.80	17.80	19.80	20.00	21.00	22.00
Culture and Recreation	83.49	89.82	81.56	80.76	83.66	84.23	84.25	84.35	87.35	85.82
Total	392.92	399.72	379.04	375.24	385.57	393.89	402.41	406.01	410.48	412.58

Data Source: City of San Rafael's Finance Department



**CITY OF SAN RAFAEL
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

	2010	2011	2012	2013
Function/Program				
Public safety:				
Fire:				
Inspection permit issued	307	294	282	307
Police:				
Police calls for service	42,227	39,512	39,537	42,707
Law violations:				
Part I crimes	2,352	2,180	2,101	2,523
Physical arrests (adult and juvenile)	4,487	3,102	2,981	2,951
Traffic violations	5,777	8,190	4,048	3,448
Parking violations	42,806	34,590	32,492	30,881
Public works				
Street resurfacing (miles) (Eng Div)	2.77	7.40	N/A	2.70
Potholes repaired (square miles)	N/A	N/A	N/A	N/A
Asphalt used for street repairs (tons)	N/A	10,809	178.9	7,500
Culture and recreation:				
Recreation class participants	9,524	9,000	12,075	7,082
Recreation Facility Rentals				
Childcare School-Age program participants				
Library:				
Items in collection (thousands)	151.88	158.30	159.18	125.92
Total items borrowed (thousands)	371.12	435.66	366.46	392.23

Note: N/A denotes information not available.

2014	2015	2016	2017	2018	2019
261	282	198	233	186	123
51,261	55,805	57,026	53,567	51,013	47,919
2,289	2,533	2,523	2,392	2,326	1,893
3,227	3,450	3,453	2,526	2,019	1,923
4,498	4,168	3,252	3,341	2,758	2,944
38,814	36,398	34,803	36,169	36,208	40,407
9.00	6.40	6.76	2.32	2.50	4.30
N/A	N/A	N/A	N/A	N/A	N/A
10,700	11,000	7,195	5,800	4,730	7,200
9,857	10,023	12,725	13,493	12,842	N/A
					5,146
					7,592
168.62	127.76	227.89	117,354	115,812	123,432
478.96	443.64	469.79	327,297	324,452	356,301

**CITY OF SAN RAFAEL
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	2010	2011	2012	2013
Public safety:				
Fire stations	6	6	6	6
Police stations	1	1	1	1
Police Fleet				
Public works				
Miles of streets	173	173	173	173
Street lights	4,435	4,435	4,435	4,435
Parking District lights				
Traffic Signals	89	89	89	89
Culture and recreation:				
Community services:				
City parks	20	20	20	20
City parks acreage	42	42	42	42
Playgrounds	14	14	14	14
City trails	20	20	20	20
Community gardens	1	1	1	1
Community centers	4	4	4	4
Senior centers	0	0	0	0
Sports centers	0	0	0	0
Performing arts centers	0	0	0	0
Swimming pools	1	1	1	1
Tennis courts	10	10	10	10
Basketball Courts	5	5	5	5
Baseball/softball diamonds	5	5	5	5
Soccer/football fields	2	2	2	2
Library:				
City Libraries	2	2	2	2
Wastewater:				
Miles of sanitary sewers	179	179	179	179

Data Source: City of San Rafael's Finance Department

2014	2015	2016	2017	2018	2019
6	6	6	6	6	6
1	1	1	1	1	1
173	173	173	173	173	173
4,435	4,435	4,435	4,435	4,435	4,435
89	89	89	89	89	89
20	20	20	20	20	20
42	42	42	42	42	42
14	14	14	14	14	14
20	20	20	20	20	20
1	1	1	1	1	1
4	4	4	4	4	4
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
1	1	1	1	1	1
10	10	10	10	10	10
5	5	5	5	5	5
5	5	5	5	5	5
2	2	2	2	2	2
2	2	2	2	2	2
145	145	145	145	145	145



**INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED UPON PROCEDURES FOR
COMPLIANCE WITH THE PROPOSITION 111
2019-2020 APPROPRIATIONS LIMIT INCREMENT**

Honorable Mayor and Members of the City Council
City of San Rafael, California

We have performed the procedures below, which were agreed to by the City of San Rafael, on the Appropriations Limit Worksheet (Worksheet) for the year ended June 30, 2019. The City's management is responsible for the Worksheet. These procedures, which were suggested by the League of California Cities and presented in their Article XIII B Appropriations Limitation Uniform Guidelines, were performed solely to assist you in meeting the requirements of Section 1.5 of Article XIII B of the California Constitution. The sufficiency of these procedures is solely the responsibility of the City. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings were as follows:

- A. We obtained the Worksheet and determined that the 2019-2020 Appropriations Limit of \$138,889,447 and annual adjustment factors were adopted by Resolution of the City Council. We also determined that the population and inflation options were selected by a recorded vote of the City Council.
- B. We recomputed the 2019-2020 Appropriations Limit by multiplying the 2018-2019 Prior Year Appropriations Limit by the Total Growth Factor. We recomputed the Total Growth Factor by multiplying the population option by the inflation option.
- C. For the Worksheet, we agreed the Per Capita Income Factor, City Population Factor and County Population Factor to California State Department of Finance Worksheets.

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

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

Maze & Associates

Pleasant Hill, California
November 8, 2019

**CITY OF SAN RAFAEL
MEMORANDUM ON INTERNAL CONTROL
AND
REQUIRED COMMUNICATIONS
FOR THE YEAR ENDED JUNE 30, 2019**

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**CITY OF SAN RAFAEL
MEMORANDUM ON INTERNAL CONTROL
AND
REQUIRED COMMUNICATIONS**

For The Year Ended June 30, 2019

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MEMORANDUM ON INTERNAL CONTROL

To the City Council of
the City of San Rafael, California

We have audited the basic financial statements of the City of San Rafael for the year ended June 30, 2019 and have issued our report thereon dated November 7, 2019. Our opinions on the basic financial statements and this report, insofar as they relate to San Rafael Sanitation District (District), are based solely on the report of other auditors. In planning and performing our audit of the basic financial statements of the City of San Rafael, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

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

This communication is intended solely for the information and use of management, City Council, others within the organization, and agencies and pass-through entities requiring compliance with *Government Auditing Standards*, and is not intended to be and should not be used by anyone other than these specified parties.

Maze & Associates

Pleasant Hill, California
November 8, 2019

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**CITY OF SAN RAFAEL
MEMORANDUM ON INTERNAL CONTROL**

SCHEDULE OF OTHER MATTERS

NEW GASB PRONOUNCEMENTS OR PRONOUNCEMENTS NOT YET EFFECTIVE

The following comment represents new pronouncements taking effect in the next few years. We have cited them here to keep you abreast of developments:

EFFECTIVE FISCAL YEAR 2019/20:

GASB 84 – Fiduciary Activities

The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

GASB 90 - Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61

The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

**CITY OF SAN RAFAEL
MEMORANDUM ON INTERNAL CONTROL**

SCHEDULE OF OTHER MATTERS

EFFECTIVE FISCAL YEAR 2020/21:

GASB 87 – Leases

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

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

The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

EFFECTIVE FISCAL YEAR 2021/22:

GASB 91 - Conduit Debt Obligations

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

**CITY OF SAN RAFAEL
MEMORANDUM ON INTERNAL CONTROL**

SCHEDULE OF OTHER MATTERS

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations.

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

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REQUIRED COMMUNICATIONS

To the City Council of
the City of San Rafael, California

We have audited the basic financial statements of the City of San Rafael for the year ended June 30, 2019. We did not audit the financial statements of the San Rafael Sanitation District, as of and for the year ended June 30, 2019, which represent 24%, 36%, and 14% of the assets, net position and revenues, respectively, of the entity-wide reporting entity. These component unit financial statements were audited by another auditor, whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for this entity, is based solely on the report of the other auditor.

Professional standards require that we communicate to you the following information related to our audit under generally accepted auditing standards and *Government Auditing Standards* and the Uniform Guidance.

Significant Audit Findings

Accounting Policies

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

The following Governmental Accounting Standards Board (GASB) pronouncement became effective, but did not have a material effect on the financial statements.

GASB 83 Certain Asset Retirement Obligations

The following GASB pronouncement became effective, but did not have a material effect on the financial statements. See Notes 6 and 15C in the financial statements for additional disclosure.

GASB 88 Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements

Unusual Transactions, Controversial or Emerging Areas

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

Accounting Estimates

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

- *Estimated Net Pension Liabilities and Pension-Related Deferred Outflows and Inflows of Resources:* Management's estimate of the net pension liabilities and related deferred outflows/inflows of resources are disclosed in Note 9 to the financial statements and are based on actuarial studies determined by a consultant, which are based on the experience of the City. We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.
- *Estimated Net OPEB Liability and Pension-Related Deferred Outflows and Inflows of Resources:* Management's estimate of the net OPEB liability and related deferred outflows/inflows of resources are disclosed in Note 11 to the financial statements and is based on actuarial studies determined by a consultant, which are based on the experience of the City. We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.
- *Management's estimate of the depreciation:* is based on useful lives determined by management. These lives have been determined by management based on the expected useful life of assets as disclosed in Note 1 to the financial statements. We evaluated the key factors and assumptions used to develop the depreciation estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.
- *Estimated Fair Value of Investments:* As of June 30, 2019, cash and investments were measured by fair value. Fair value is essentially market pricing in effect as of June 30, 2019. These fair values are not required to be adjusted for changes in general market conditions occurring subsequent to June 30, 2019.

Disclosures

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in a management representation letter dated November 8, 2019.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Information Accompanying the Financial Statements

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

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

We were not engaged to report on the Introductory and Statistical Sections which accompany the financial statements, but are not required supplementary information. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

Maze & Associates

Pleasant Hill, California
November 8, 2019

**CITY OF SAN RAFAEL
CHILD DEVELOPMENT PROGRAM
BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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**CITY OF SAN RAFAEL
CHILD DEVELOPMENT PROGRAM
FOR THE YEAR ENDED JUNE 30, 2019**

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the City Council
City of San Rafael, California

Report on the Financial Statements

We have audited the accompanying financial statements of the City of San Rafael Child Development Program (Program) of the City of San Rafael, California, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Program's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Program's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Program's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Program as of June 30, 2019, and changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Program's basic financial statements as a whole. The Supplementary Information as listed in the Table of Contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The Supplementary Information as listed in the Table of Contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in conformity with the *CDE Audit Guide*, issued by the California Department of Education, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2019 on our consideration of the Program's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Program's internal control over financial reporting and compliance.

Maze & Associates

Pleasant Hill, California

November 8, 2019

CITY OF SAN RAFAEL CHILD DEVELOPMENT PROGRAM
BALANCE SHEET
JUNE 30, 2019

ASSETS

Cash (Note 3)	\$1,753,287
Grants receivable (Note 4)	<u>23,407</u>
Total Assets	<u><u>\$1,776,694</u></u>

LIABILITIES AND FUND BALANCE

Accounts payable	<u>\$29,849</u>
Total Liabilities	29,849
Fund balance, restricted (Note 5)	<u>1,746,845</u>
Total Liabilities and Fund Balance	<u><u>\$1,776,694</u></u>

See accompanying notes to financial statements

CITY OF SAN RAFAEL CHILD DEVELOPMENT PROGRAM
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2019

REVENUES

State grants:		
Current year grants		\$232,864
CDBG preschool grant		36,447
First five school readiness grants		99,978
Local grant		21,040
Interest		32,608
Parent fees		3,181,669
Other		13,577
		3,618,183
Total Revenues		3,618,183

EXPENDITURES

Certified salaries		1,722,132
Classified Salaries		76,030
Employee benefits		1,155,391
Training and instruction		3,667
Office supplies		3,615
Books and supplies		139,707
Utilities and housekeeping services		24,592
Travel and conference		14,641
Rentals		40,438
Services and other operating expenditures		231,557
Equipment		38,284
Insurance		31,570
Renovation and repair		11,529
		3,493,153
Total Expenditures		3,493,153

OTHER FINANCING SOURCES (USES)

Transfers in from the City		50,000
		50,000
Total Transfers		50,000

CHANGE IN FUND BALANCE 175,030

FUND BALANCE,

Beginning of year		1,571,815
		1,571,815
End of year		\$1,746,845
		\$1,746,845

See accompanying notes to financial statements

**CITY OF SAN RAFAEL
CHILD DEVELOPMENT PROGRAM
Notes to the Basic Financials Statements
For the Year Ended June 30, 2019**

NOTE 1 - ORGANIZATION

The City of San Rafael operates the Child Development Program encompassing eight childcare centers within the City of San Rafael. One of these centers provides day care services to subsidized families under the Child Development Program funded by the California Department of Education, which includes the Preschool program. The City is financially accountable for the activities of the Program. The Program has no employees and substantially all staff services which it requires are performed by the City's personnel. Costs incurred by the City to provide such services including compensation, retirement, and other benefit costs are reimbursed by the Program. These basic financial statements present only the activities of the Program and are not intended to present the financial position of the City of San Rafael, California, or the results of its operations. The financial statements of the Program are included as a Special Revenue Fund in the City's financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. *Basis of Accounting*

The accounting and reporting treatment applied to a fund is determined by its measurement focus. Governmental funds are accounted for on a spending or "current financial resources" measurement focus. Accordingly, only current assets and current liabilities generally are included on the balance sheets. Operating statements of governmental funds present increases (revenues and other financial sources) and decreases (expenditures and other financial uses) in net current assets.

The Program's financial activities are accounted for using the modified accrual basis of accounting. Under this method, revenues are recognized when *measurable and available*. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred. Revenues considered susceptible to accrual include charges for services, federal and state grants, and interest. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable.

B. *Fund Balance*

Fund Balance is the excess of all the Program's assets over all its liabilities.

CITY OF SAN RAFAEL
CHILD DEVELOPMENT PROGRAM
Notes to the Basic Financials Statements
For the Year Ended June 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. *Fair Value Measurements*

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

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

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

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

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

NOTE 3 - CASH AND INVESTMENTS

The Program's cash is included in a City-wide cash and investment pool, the details of which are presented in the City's basic financial statements. The Program pools cash from all sources with the City of San Rafael so that it can be invested at the maximum yield, consistent with safety and liquidity, while individual funds can make expenditures at any time. The City's investment policy and the California Government Code permit investments in Securities of the U.S. Government or its agencies, Certificates of Deposit, Negotiable Certificates of Deposit, Banker's Acceptances, Commercial Paper, the State of California Local Authority Investment Fund (LAIF Pool), Repurchase Agreements, Medium-Term Corporate Notes, Limited Obligation Improvement Bonds related to special assessment districts and special tax districts, and Money Market/Mutual Funds.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The City of San Rafael pooled investments is an uncategorized input not defined as Level 1, Level 2, or Level 3 input.

**CITY OF SAN RAFAEL
CHILD DEVELOPMENT PROGRAM
Notes to the Basic Financials Statements
For the Year Ended June 30, 2019**

NOTE 4 – GRANTS RECEIVABLE

The Program has the following grants receivable at June 30, 2019:

Agency	Grant	Amount
Marin County	First 5 Grant	\$23,407
	Total	\$23,407

NOTE 5 – FUND BALANCES

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

The City’s fund balances are classified based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the City prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint.

Nonspendable represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, such as Permanent Funds, and assets not expected to be converted to cash, such as prepaids, notes receivable, and land held for redevelopment are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed or assigned, then Nonspendable amounts are required to be presented as a component of the applicable category.

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Nonspendable amounts subject to restrictions are included along with spendable resources.

Committed fund balances have constraints imposed by formal action of the City Council which may be altered only by formal action of the City Council. Nonspendable amounts subject to council commitments are included along with spendable resources.

Assigned fund balances are amounts constrained by the City’s intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the City Council or its designee and may be changed at the discretion of the City Council or its designee. This category includes nonspendables, when it is the City’s intent to use proceeds or collections for a specific purpose, and residual fund balances, if any, of Special Revenue, Capital Projects and Debt Service Funds which have not been restricted or committed.

Unassigned fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual general fund balance and residual fund deficits, if any, of other governmental funds.

CITY OF SAN RAFAEL
CHILD DEVELOPMENT PROGRAM
Notes to the Basic Financials Statements
For the Year Ended June 30, 2019

NOTE 6 – CONTINGENCIES AND COMMITMENTS

The Program participates in Federal, State and County grant programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grantor program regulations, the City may be required to reimburse the grantor government. As of June 30, 2019, some amounts of grant expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any individual governmental funds or the overall financial condition of the City.

SUPPLEMENTARY INFORMATION

CITY OF SAN RAFAEL CHILD DEVELOPMENT PROGRAM
SCHEDULE OF AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

Program	CFDA #	Pass-Through Identifying Number	Award Amount	Revenue	Expenditures
Federal Awards					
US Department of Housing and Urban Development, Pass-through the County of Marin Community Development Block Grant	14.218	40CDBG19CD4527	<u>\$36,447</u>	<u>\$36,447</u>	<u>\$36,447</u>
Total Federal Awards			<u><u>\$36,447</u></u>	<u><u>\$36,447</u></u>	<u><u>\$36,447</u></u>
State Awards					
State of California Department of Education					
Child Development Division State Preschool Program FY2018		CSPP-8280	<u>\$232,864</u>	<u>\$232,864</u>	<u>\$286,118</u>
Total State Awards			<u><u>\$232,864</u></u>	<u><u>\$232,864</u></u>	<u><u>\$286,118</u></u>
County Award					
County of Marin First Five - Preschool		CSRI-21-009-10	<u>\$99,978</u>	<u>\$99,978</u>	<u>\$99,978</u>
Local Awards					
Marin Child Care Council		N/A	<u>\$21,040</u>	<u>\$21,040</u>	<u>\$21,040</u>
Total Local Awards			<u><u>\$21,040</u></u>	<u><u>\$21,040</u></u>	<u><u>\$21,040</u></u>
Total State, Federal Awards, and Local			<u><u>\$390,329</u></u>	<u><u>\$390,329</u></u>	<u><u>\$443,583</u></u>

CITY OF SAN RAFAEL CHILD DEVELOPMENT PROGRAM
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED JUNE 30, 2019

	State Preschool Program (CSPP 8280)	Total CDE CD Contracts	Non-CDE Programs	Total
REVENUES				
State grants:				
Current year grants	\$232,864	\$232,864		\$232,864
CDBG preschool grant			\$36,447	36,447
First Five school readiness grants			99,978	99,978
Local grants			21,040	21,040
Interest			32,608	32,608
Parent fees - noncertified children			3,181,669	3,181,669
Other			13,577	13,577
	<u>232,864</u>	<u>232,864</u>	<u>3,385,319</u>	<u>3,618,183</u>
Total Revenues				
EXPENDITURES				
Certified salaries	60,656	60,656	1,661,476	1,722,132
Classified salaries	76,030	76,030		76,030
Employee benefits	115,741	115,741	1,039,650	1,155,391
Training and instruction			3,667	3,667
Office supplies			3,615	3,615
Books and supplies	11,377	11,377	128,330	139,707
Utilities and housekeeping services			24,592	24,592
Travel and conference			14,641	14,641
Rentals			40,438	40,438
Services and other operating expenditures	22,314	22,314	209,243	231,557
Equipment			38,284	38,284
Insurance			31,570	31,570
Renovation and repair			11,529	11,529
	<u>286,118</u>	<u>286,118</u>	<u>3,207,035</u>	<u>3,493,153</u>
Total Expenditures				
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(53,254)	(53,254)	178,284	125,030
OTHER FINANCING SOURCE (USES)				
Transfers in from City	50,000	50,000		50,000
	<u>50,000</u>	<u>50,000</u>		<u>50,000</u>
Total Transfers				
CHANGE IN FUND BALANCE	<u>(\$3,254)</u>	<u>(\$3,254)</u>	<u>\$178,284</u>	<u>\$175,030</u>

CITY OF SAN RAFAEL CHILD DEVELOPMENT PROGRAM
SCHEDULE OF EXPENDITURES BY STATE CATEGORIES
FOR THE YEAR ENDED JUNE 30, 2019

		CSPP-8280 State Preschool Program	Totals
EXPENDITURES:			
1000	Certified personnel salaries	\$60,656	\$60,656
1100	Teachers' salaries	60,656	60,656
1200	Administration		
1300	Supervisors' salaries		
1600	Infant educators		
2001	Classified personnel salaries	\$76,030	\$76,030
2100	Instructional aides' salaries	76,030	76,030
2300	Clerical and other office salaries		
2400	Maintenance and operations salaries		
2500	Food services salaries		
2600	Transportation salaries		
3000	Employee benefits	\$115,741	\$115,741
3200	Payroll taxes (Medicare)	1,864	1,864
3300	Other benefits	77,742	77,742
3400	Health and welfare	34,618	34,618
3600	Workers' compensation insurance	1,517	1,517
4000	Books and supplies	\$11,377	\$11,377
4200	Other books		
4300	Instructional materials and supplies	11,377	11,377
4500	Other supplies		
4600	Food supplies		
5000	Services and other operating expenditures	\$22,314	\$22,314
5100	Lecturer		
5200	Travel and conferences		
5300	Memberships and dues		
5400	Insurance	3,066	3,066
5500	Utilities and housekeeping services	2,462	2,462
5600	Rentals, leases and repairs	3,005	3,005
5700	Audit expense		
5800	Other direct services & admin.	13,781	13,781
6000	Capital Outlay		
6100	Sites and improvements of sites		
6200	Buildings and improvements of buildings		
6400	Equipment (program-related)		
6500	Equipment replacement (program related)		
Depreciation			
Costs capitalized as Fixed Assets			
TOTAL OF REIMBURSABLE AND NONREIMBURSABLE EXPENDITURES		\$286,118	\$286,118

We have examined the claims filed for reimbursement and the original records supporting the transactions recorded under the contracts listed above to an extent considered necessary to assure ourselves that the amounts claimed by the contractor were eligible for reimbursement, reasonable, necessary, and adequately supported, according to governing laws, regulations, and contract provisions.

CITY OF SAN RAFAEL CHILD DEVELOPMENT PROGRAM
SCHEDULE OF REIMBURSABLE ADMINISTRATIVE COSTS
FOR THE YEAR ENDED JUNE 30, 2019

	CSPP-8280 State Preschool Program
Administrative Costs (Audit Fees)	<u>\$5,408</u>
Total Administrative Costs	<u><u>\$5,408</u></u>

CITY OF SAN RAFAEL CHILD DEVELOPMENT PROGRAM
 SCHEDULE OF EQUIPMENT EXPENDITURES UTILIZING CONTRACT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019

Expenditures Under \$7,500 Unit Cost		Expenditures Over \$7,500 Unit Cost with CDD Approval		Expenditures Over \$7,500 Unit Cost Without CDD Approval	
Cost	Item	Cost	Item	Cost	Item
	None		None		None

SCHEDULE OF RENOVATION AND REPAIR EXPENDITURES UTILIZING CONTRACT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018

Expenditures Under \$10,000 Unit Cost		Expenditures Over \$10,000 Unit Cost with CDD Approval		Expenditures Over \$10,000 Unit Cost Without CDD Approval	
Cost	Item	Cost	Item	Cost	Item
	None		None		None

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED ATTENDANCE AND FISCAL REPORT FOR
 CALIFORNIA STATE PRESCHOOL PROGRAMS
 A U D 8501 Page 1 of 9 (06/19)

Fiscal Year Ending June 30, 2019
 Contract Number CSPP 8280
 Vendor Code 2193

Full Name of Contractor City of San Rafael

Section 1 - Days of Enrollment Certified Children	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
Three Years and Older Full-time-plus				1.1800	0
Three Years and Older Full-time				1.0000	0
Three Years and Older Three-quarters-time				0.7500	0
15 Three Years and Older One-half-time	7,886		7,886	0.6193	4,883.7998
Exceptional Needs Full-time-plus				1.6166	0
Exceptional Needs Full-time				1.3700	0
Exceptional Needs Three-quarters-time				1.0275	0
Exceptional Needs One-half-time				0.6193	0
Limited and Non-English Proficient Full-time-plus				1.2980	0
Limited and Non-English Proficient Full-time				1.1000	0
Limited and Non-English Proficient Three-quarters-time				0.8250	0
Limited and Non-English Proficient One-half-time				0.6193	0

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED ATTENDANCE AND FISCAL REPORT FOR
 CALIFORNIA STATE PRESCHOOL PROGRAMS
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Fiscal Year Ending June 30, 2019
 Contract Number CSPP 8280
 Vendor Code 2193

Full Name of Contractor City of San Rafael

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Section 1 - Days of Enrollment Certified Children	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
At Risk of Abuse or Neglect Full-time-plus				1.2980	0
At Risk of Abuse or Neglect Full-time				1.1000	0
At Risk of Abuse or Neglect Three-quarters-time				0.8250	0
At Risk of Abuse or Neglect One-half-time				0.6193	0
Severely Disabled Full-time-plus				2.0237	0
Severely Disabled Full-time				1.7150	0
Severely Disabled Three-quarters-time				1.2863	0
Severely Disabled One-half-time				0.6193	0
TOTAL DAYS OF ENROLLMENT	7,886		7,886	N/A	4,883.7998
DAYS OF OPERATION	175		175	N/A	N/A
DAYS OF ATTENDANCE	7,886		7,886	N/A	N/A

NO NON-CERTIFIED CHILDREN Check this box (omit pages 3-5) and continue to Revenue Section on page 6.

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED ATTENDANCE AND FISCAL REPORT FOR
 CALIFORNIA STATE PRESCHOOL PROGRAMS
 A U D 8501 Page 3 of 9 (06/19)

Fiscal Year Ending

June 30, 2019

Contract Number

CSP

8280

Vendor Code

2193

Full Name of Contractor **City of San Rafael**

Section 2 - Days of Enrollment Non-Certified Children	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
Toddlers (18 up to 36 months) Full-time-plus				1.8880	0
Toddlers (18 up to 36 months) Full-time				1.6000	0
Toddlers (18 up to 36 months) Three-quarters-time				1.2000	0
17 Toddlers (18 up to 36 months) One-half-time				0.6193	0
Three Years and Older Full-time-plus				1.1800	0
Three Years and Older Full-time				1.0000	0
Three Years and Older Three-quarters-time				0.7500	0
Three Years and Older One-half-time				0.6193	0
Exceptional Needs Full-time-plus				1.6166	0
Exceptional Needs Full-time				1.3700	0
Exceptional Needs Three-quarters-time				1.0275	0
Exceptional Needs One-half-time				0.6193	0

Fiscal Year Ending June 30, 2019
 Contract Number CSPP 8280
 Vendor Code 2193

Full Name of Contractor City of San Rafael

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Section 2 - Days of Enrollment Non-Certified Children	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
Limited and Non-English Proficient Full-time-plus				1.2980	0
Limited and Non-English Proficient Full-time				1.1000	0
Limited and Non-English Proficient Three-quarters-time				0.8250	0
Limited and Non-English Proficient One-half-time				0.6193	0
At Risk of Abuse or Neglect Full-time-plus				1.2980	0
At Risk of Abuse or Neglect Full-time				1.1000	0
At Risk of Abuse or Neglect Three-quarters-time				0.8250	0
At Risk of Abuse or Neglect One-half-time				0.6193	0

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED ATTENDANCE AND FISCAL REPORT FOR
 CALIFORNIA STATE PRESCHOOL PROGRAMS
 A U D 8501 Page 5 of 9 (06/19)

Fiscal Year Ending
 Contract Number
 Vendor Code

Full Name of Contractor

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Section 2 - Days of Enrollment Non-Certified Children	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
Severely Disabled Full-time-plus				2.0237	0
Severely Disabled Full-time				1.7150	0
Severely Disabled Three-quarters-time				1.2863	0
Severely Disabled One-half-time				0.6193	0
TOTAL NON-CERTIFIED DAYS OF ENROLLMENT				N/A	0

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED ATTENDANCE AND FISCAL REPORT FOR
 CALIFORNIA STATE PRESCHOOL PROGRAMS
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Fiscal Year Ending
 Contract Number
 Vendor Code

Full Name of Contractor

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Section 3 - Revenue	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative Per Audit
Restricted Income - Child Nutrition Programs			
Restricted Income - County Maintenance of Effort (EC Section 8279)			
Restricted Income - Other:			
Restricted Income - Subtotal			
Transfer from Reserve - General			
Transfer from Reserve - Professional Development			
Transfer from Reserve Total			
Family Fees for Certified Children			
Interest Earned on Child Development Apportionment Payments			
Unrestricted Income: Fees for Non-Certified Children			
Unrestricted Income: Head Start			
Unrestricted Income - Other:			
Total Revenue			

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED ATTENDANCE AND FISCAL REPORT FOR
 CALIFORNIA STATE PRESCHOOL PROGRAMS
 A U D 8501 Page 7 of 9 (06/19)

Fiscal Year Ending
 Contract Number
 Vendor Code

Full Name of Contractor

Section 4 - Reimbursable Expenses	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative Per Audit
Direct Payments to Providers (FCCH only)			
1000 Certificated Salaries	60,656		60,656
2000 Classified Salaries	76,030		76,030
3000 Employee Benefits	115,741		115,741
4000 Books and Supplies	11,377		11,377
5000 Services and Other Operating Expenses	22,314		22,314
6100/6200 Other Approved Capital Outlay			
6400 New Equipment (program-related)			
6500 Equipment Replacement (program-related)			
Depreciation or Use Allowance			
Start-up Expenses (service level exemption)			
Budget Impasse Credit			
Indirect Costs (Include in Administrative Cost)			
Non-Reimbursable (State Use Only)			
Total Reimbursable Expenses	286,118		286,118
Total Administrative Cost (included in section 4 above)		5,408	5,408

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Approved Indirect Cost Rate:

Comments:

NO SUPPLEMENTAL REVENUE Check this box and omit Page 8.

Fiscal Year Ending	June 30, 2019	
Contract Number	CSPP	8280
Vendor Code	2193	

Full Name of Contractor

Section 5 - Supplemental Revenue	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative Per Audit
Enhancement Funding			
Other:			
Other:			
Total Supplemental Revenue			

Section 6 - Supplemental Expenses	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative Per Audit
1000 Certificated Salaries			
2000 Classified Salaries			
3000 Employee Benefits			
4000 Books and Supplies			
5000 Services and Other Operating Expenses			
6000 Equipment/Capital Outlay			
Depreciation or Use Allowance			
Indirect Costs			
Non-reimbursable Expenses 6100-6500 Non-reimbursable Capital Outlay			
Total Supplemental Expenses			

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Fiscal Year Ending
Contract Number
Vendor Code

Full Name of Contractor

Section 7 - Summary	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative Per Audit
Total Certified Days of Enrollment	7,886		7,886
Days of Operation	175		175
Days of Attendance	7,886		7,886
Total Non-Certified Days of Enrollment			
Restricted Program Income			
Transfer from Reserve			
Family Fees for Certified Children			
Interest Earned on Apportionment Payments			
Direct Payments to Providers			
Start-up Expenses (service level exemption)			
Total Reimbursable Expenses	286,118		286,118
Total Administrative Cost		5,408	5,408

Total Certified Adjusted Days of Enrollment

Total Non-Certified Adjusted Days of Enrollment

Independent Auditor's Assurances on Agency's Compliance with the Contract Funding Terms and Conditions and Program Requirements of the California Department of Education, Early Learning and Care Division:

Eligibility, enrollment and attendance records are being maintained as required (check YES or NO): Yes No

Reimbursable expenses claimed on page 7 are eligible for reimbursement, reasonable, necessary, and adequately supported (check YES or NO): Yes No

Include any comments in the Comments box on page 7. If necessary, attach additional sheets to explain adjustments.

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED RESERVE ACCOUNT ACTIVITY REPORT
 A U D 9530-A Page 1 of 1 (06/19)

Fiscal Year End	June 30, 2019
Reserve Account Type	Center-Based
Vendor Code	2193

Full Name of Contractor City of San Rafael Child Development Program

Prior Year - Reserve Account Activity	Per 2017-18 AUD 9530-A		
1. Beginning Balance (2017-18 Ending Balance)	0		
2. Plus Transfers to Reserve Account:	Per CDNFS 9530		
Contract No. 7280	0		
Contract No.			
Contract No.			
Contract No.			
Contract No.			
Contract No.			
Total Transferred from PY Contracts to Reserve	0		
3. Less Excess Reserve to be Billed			
4. Ending Balance on PY Post-Audit CDNFS 9530	0		
Current Year - Reserve Account Activity	Column A CDNFS 9530-A	Column B Audit Adjustments	Column C Per Audit
5. Plus Interest Earned This Year on Reserve	0		0
6. Less Transfers to Contracts from Reserve:			
CSPP General-Contract No. 8280	0		0
CSPP General-Contract No.			
CSPP Professional Development-Contract No.			
CSPP Professional Development-Contract No.			
Subtotal CSPP Transfers	0		0
Other Contract No.			
Other Contract No.			
Other Contract No.			
Other Contract No.			
Other Contract No.			
Subtotal Other Contract Transfers			
Total Transferred to Contracts from Reserve Account	0		0
7. Ending Balance on June 30, 2019	0		0

COMMENTS - If necessary, attach additional sheets to explain adjustments.

**INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Members of the City Council
City of San Rafael, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the City of San Rafael Child Development Program (Program), California, as of and for the year ended June 30, 2019, and the related notes to the financial statements, and have issued our report thereon dated November 8, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Program's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Program's internal control. Accordingly, we do not express an opinion on the effectiveness of Program's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Program's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Program's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Program's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Program's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Maze & Associates

Pleasant Hill, California
November 8, 2019



SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Human Resources

Prepared by: Cristine Alilovich,
Assistant City Manager

City Manager Approval: _____

TOPIC: SEIU LOCAL 1021 – CHILD CARE UNIT MEMORANDUM OF UNDERSTANDING

SUBJECT: RESOLUTION APPROVING THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY AND SEIU LOCAL 1021 – CHILD CARE UNIT PERTAINING TO COMPENSATION AND WORKING CONDITIONS (NOVEMBER 1, 2019 THROUGH OCTOBER 31, 2021)

RECOMMENDATION: Adopt Resolution.

BACKGROUND:

SEIU Local 1021 – Child Care Unit represents 42 employees (36.40 FTE) in the Child Care Division of the Department of Library and Recreation Services. The SEIU Local 1021 – Child Care MOU expires on October 31, 2019. Over the past few months, representatives of the City and SEIU Local 1021 – Child Care have met in good-faith and worked diligently to negotiate the terms of a successor MOU. The City and SEIU Local 1021 – Child Care reached a tentative agreement on October 21, 2019, for a two-year successor MOU and SEIU Child Care membership subsequently ratified the tentative agreement. The proposed new MOU was presented for discussion at the [November 4, 2019 City Council meeting](#) and there were no public comments. Staff is returning with a resolution for approval of the MOU with SEIU – Child Care.

ANALYSIS:

The following are the highlights that reflect the terms and significant economic and operational items included in the successor MOU with SEIU Child Care.

1. **Term of the Agreement:** November 1, 2019 through October 31, 2021.
2. **Salary Increase:** Job classes represented by this bargaining group will receive a 2.0% base wage increase in each year of the agreement.
3. **One-Time Payment:** Employees represented by the bargaining group will receive a one-time, non-pensionable Expedited Bargaining Payment of \$4,000 split as follows:
 - a) \$2,000 effective the first full pay period including November 1, 2019 or the first full pay period following Council ratification of a new MOU, whichever occurs later, and

FOR CITY CLERK ONLY

File No.:

Council Meeting:

Disposition:

b) \$2,000 effective the first full pay period including November 1, 2020.

These two (2) payments will not contribute to Classic or PEPRA employees' pensions and are subject to normal payroll taxation. This payment is limited to the two years cited in the resolution and is not scheduled to recur in the future.

The one-time payments for part-time employees will be prorated based on the full-time equivalent (FTE) of the position. For example, an employee filling a half-time or 0.5 FTE position will receive two payments of \$1,000 minus applicable taxes on the same schedule as described above for full-time employees.

4. Bilingual Pay: Employees may be eligible for bilingual pay in the amount of \$150 per month for full fluency in a foreign language and their use of this skill to provide services for the City (pro-rated for part-time employees).

5. Floating Holidays: In addition to the holidays currently designated in the MOU, employees in the Unit will receive two (2) floating holidays each calendar year (pro-rated for part-time employees).

6. Non-Economic Items: In addition to items discussed above, agreement was reached on other proposals, which reflect minor changes to existing provisions with little or no significant cost. The attached draft MOU includes all of the changes agreed to by the parties. These negotiated MOU sections include:

- Reopener related to Reorganization of City's Childcare Program (New Language): The City anticipates it may need to restructure the Childcare program in the event that the Miller Creek School District implements full-day kindergarten classes. In anticipation of this, the Parties agree to meet and confer to the extent required by the MMBA upon the request of the City regarding any plan to reorganize the Childcare Program during the term of this MOU.
- Notice to Employees & Union Orientation (Section 1.2.3 & 1.2.4): Clean up language regarding Union access to new employees.
- Union Dues (Sections 2.2.1 and 2.2.3): Clean up language regarding collection of membership dues and elimination of Agency Shop provision to comply with new legislation.
- City Paid Employee Retirement (Section 4.5.2) – Clean up language. Employees in MCERA are already contributing an additional 1% towards the normal cost of pension.
- Emergency/Smoke Leave (New Language): In the event that an emergency is declared that impacts Child Care facilities or operations and results in the closure of any facilities, employees will be granted leave and will be compensated for their regularly scheduled work day. Employees may be required to report to a worksite other than their regular worksite to assist in emergency duties or to a non-impacted child care worksite for childcare duties at the discretion of the City.

FISCAL IMPACT:

The current total annual salary and benefit cost to the City for the 36.40 full-time equivalent (FTE) positions of SEIU is \$2,506,229. The additional ongoing incremental cost of the successor MOU beyond the current year is:

	<u>Incremental Yr 1 (2019-20)</u>	<u>Incremental Yr 2 (2020-21)</u>
Wages:		
Base Salary (2%)	\$29,530	\$30,121
<i>Annual % change</i>	<i>(2%)</i>	<i>(2%)</i>
Bilingual Pay:	\$12,960	- 0 -
Other costs:		
Pension*	\$14,498	\$11,900
Taxes (Medicare, W/C)	<u>\$ 1,064</u>	<u>\$ 746</u>
Total Incremental Cost:	\$58,052	\$42,767

**This incremental pension cost results only from the negotiated wage increase and does not include the cost of associated MCERA rate changes. The terms and conditions of the pension benefit plan remain unchanged.*

While the incremental cost is \$58,050 for Year 1 and \$42,767 for Year 2, the increases are compounding and therefore the projected total salary and benefit cost increase for the items specified above is \$158,871 for the two-year term. In addition, there is a cost of \$145,600 in one-time payments. These one-time payments will not contribute to employee Classic or PEPRA pension costs. The increase in compensation included in this resolution is in line with the City's current budget projections and is within the current salary growth assumptions used by MCERA in the most recent actuarial valuation which is used to establish pension contribution rates and measure pension liabilities. Funding for these positions is provided for in the City's General Fund.

OPTIONS:

The City Council has the following options to consider in this matter:

- Staff's recommendation to adopt the resolution.
- Adopt resolution with modifications.
- Direct staff to return with more information.
- Take no action.

RECOMMENDED ACTION:

Adopt the resolution to approve the Memorandum of Understanding between the City of San Rafael and SEIU Local 1021 – Child Care Unit pertaining to compensation and working conditions (November 1, 2019 through October 31, 2021).

ATTACHMENTS:

1. Resolution with attachments

RESOLUTION NO.

RESOLUTION OF THE SAN RAFAEL CITY COUNCIL APPROVING THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY AND SEIU LOCAL 1021 – CHILD CARE UNIT PERTAINING TO COMPENSATION AND WORKING CONDITIONS (NOVEMBER 1, 2019 THROUGH OCTOBER 31, 2021)

WHEREAS, the SEIU Local 1021 - Child Care Unit labor agreement with the City expired on October 31, 2019, after a three-year term; and

WHEREAS, the City of San Rafael and representatives of SEIU Local 1021 - Child Care Unit have met and conferred in good faith with regard to wages, hours and working conditions in accordance with the provisions of the Meyers-Milias-Brown Act; and

WHEREAS, a Memorandum of Understanding (“MOU”) pertaining to the two-year period from November 1, 2019 through October 31, 2021, has been ratified by SEIU Local 1021 - Child Care members.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN RAFAEL DOES RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1: From and after the date of adoption of this Resolution, the City of San Rafael and SEIU Local 1021 – Child Care shall utilize the MOU for the period beginning November 1, 2019, attached hereto, as the official document of reference respecting compensation and working conditions for employees represented by SEIU Local 1021 – Child Care.

Section 2: The schedules describing classes of positions and salary ranges are attached to said MOU and, together with the MOU itself, are hereby adopted and shall be attached hereto and incorporated in full.

I, LINDSAY LARA, Clerk of the City of San Rafael, hereby certify that the foregoing Resolution was duly and regularly introduced and adopted at a regular meeting of the City Council of the City of San Rafael, held on Monday, the 18th of November 2019, by the following vote, to wit:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

LINDSAY LARA, City Clerk

MEMORANDUM OF UNDERSTANDING

between

CITY OF SAN RAFAEL

and

SEIU Local 1021 – Child Care Unit

November 1, 2019 through October 31, 2021

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Exhibit A Salary Schedule for November 1, 2019 – October 31, 2021

MEMORANDUM OF UNDERSTANDING

between the

CITY OF SAN RAFAEL and

SEIU LOCAL 1021 – CHILD CARE

This Memorandum of Understanding is entered into pursuant to the provisions of Section 3500, et seq. of the Government Code of the State of California.

The parties have met and conferred in good faith regarding wages, hours and other terms and conditions of employment for the employees in said representation unit, and have freely exchanged information, opinions and proposals and have reached agreement on all matters relating to the employment conditions and employer-employee relations of such employees.

This Memorandum of Understanding shall be presented to the City Council of the City of San Rafael as the joint recommendation of the undersigned parties for salary and employee benefit adjustments for the period commencing November 1, 2019 and ending October 31, 2021.

1 GENERAL PROVISIONS

1.1 INTRODUCTION

1.1.1 *Scope of Agreement*

The salaries, hours, fringe benefits and working conditions set forth have been mutually agreed upon by the designated bargaining representatives of the City of San Rafael (herein-after called "CITY") and the Service Employees International Union (SEIU) Local 1021 (herein-after called "UNION") and shall apply to all employees of the City working in the classifications and bargaining unit set forth herein.

1.1.2 *Term of MOU*

This agreement shall be in effect from November 1, 2019 through October 31, 2021.

1.2 RECOGNITION

1.2.1 *Bargaining Unit*

The City hereby recognizes the Union as bargaining representative for the purpose of establishing salaries, hours, fringe benefits and working conditions for all employees within the Child Care Bargaining Unit (see Exhibit A attached)

1.2.2 *Classification Specification*

The City and the Union agree that the classification specifications developed as a part of this meet and confer process, and dated January 1988, accurately describe the job classes covered by this Memorandum of Understanding.

1.2.3 *Notice to Employees*

Whenever a person is hired in any of the job classifications set forth herein, the City shall notify such person that the Union is the recognized bargaining representative for employees in that classification.

1.2.4 *Orientation Letters New Employees*

The City shall make available up to 30 minutes, at a mutually agreeable time, during the initial thirty (30) days of employment for new employee orientation by the Union. The City and the Union intent that time (i.e., up to 30 minutes) will occur at employee orientation whenever possible. The City shall

approve at least one hour of release time to the Union's designee to travel to and meet with the new employee(s). The City will provide the Union at least ten (10) days' advanced notice of all employee orientations conducted by the City unless a shorter time is required due to an urgent need critical to the City's operations and that urgent need was not reasonably foreseeable. The City shall provide the Union with the employee name, job title, department, work location, work, home and personal cell phone numbers, home address and personal email address on file with the City for all employees within the bargaining unit every 120 days and a report listing this same information within 30 days of the date of hire for any newly hired unit employees.

1.3 NON-DISCRIMINATION

1.3.1 *In General*

The parties to this contract agree that they shall not, in any manner, discriminate against any person whatsoever because of race, color, age, religion, ancestry, national origin, sex, sexual orientation, perceived sexual orientation, gender, gender expression, gender identity, marital status, medical condition (cancer-related or gender characteristics), genetic information (including family medical history) or physical or mental disability. Any employee alleging such discrimination should use the internal administrative process explained in the City of San Rafael's Policy Against Harassment, Discrimination and Retaliation to redress the situation. Such employees shall be entitled to Union representation but are not entitled to seek redress using the grievance procedure of this MOU.

1.3.2 *Union Discrimination*

No member, official, or representative of the Union shall, in any way suffer any type of discrimination in connection with continued employment, promotion, or otherwise by virtue of membership in or representation of the Union.

1.4 INSPECTION OF MEMORANDUM OF UNDERSTANDING

Both the City and the Union agree to keep duplicate originals of this Memorandum on file in a readily accessible location available for inspection by any employee or member of the public upon request.

1.5 EXISTING LAWS, REGULATIONS & POLICIES

This agreement is subject to all applicable laws of the State of California, ordinances, regulations, and policies of the City of San Rafael.

1.6 STRIKES & LOCKOUTS

During the term of this Memorandum, the City agrees that it will not lock out employees, and the Union agrees that it will not agree to, encourage or approve any strike or slowdown growing out of any dispute relating to the terms of this Agreement. The Union will take whatever lawful steps are necessary to prevent any interruption of work in violation of this Agreement, recognizing with the City that all matters of controversy within the scope of this Agreement shall be settled by established procedures set forth in the City's charter, ordinances, and regulations, and may be amended from time to time.

1.7 SEVERABILITY

If any article, paragraph or section of this Memorandum shall be held to be invalid by operation of law, or by any tribunal of competent jurisdiction, or if compliance with or any enforcement of any provision hereof be restrained by such tribunal, the remainder of this Memorandum shall not be affected thereby, and the parties shall, if possible, enter into meet-and-confer sessions for the sole purpose of arriving at a mutually satisfactory replacement for such article, paragraph or section.

1.8 PREVAILING RIGHTS

All matters within the scope of meeting and conferring which have previously been adopted through rules, regulation, ordinance or resolution, which are not specifically superseded by this Memorandum of Understanding, shall remain in full force and effect throughout the term of this Agreement.

1.9 FULL UNDERSTANDING, MODIFICATION, WAIVER

1.9.1 Understanding

The parties jointly represent to the City Council that this Memorandum of Understanding set forth the full and entire understanding of the parties regarding the matters set forth herein.

1.9.2 Waiver & Modification

Except as specifically otherwise provided herein, it is agreed and understood that each party hereto voluntarily and unqualifiedly waives its right and agrees that the other shall not be required to meet and confer with respect to any subject or matter covered herein, nor as to wages or fringe benefits during the period of the term of this Memorandum.

The foregoing shall not preclude the parties hereto from meeting and conferring at any time during the term of this Agreement with respect to any subject matter within the scope of meeting and conferring by mutual agreement.

2 MMBA

2.1 UNION RIGHTS

2.1.1 Union Stewards Designation

The Union shall, by written notice to the City Manager, designate certain members as Employee Representatives. Employee Representatives shall be permitted reasonable time for Union activities including grievance representation. In all cases, the Representative shall secure permission from the Representative's supervisor before leaving a work assignment. Such permission shall not be unreasonably withheld.

Employee Representatives for salary discussions shall be in accordance with Meyers-Milias-Brown (MMB) Act.

2.1.2 Bulletin Boards

Authorized representatives of the Union shall be allowed to post Union notices on specified bulletin boards maintained on City premises.

2.2 DUES DEDUCTION

2.2.1 Collection of Dues

(a) The City agrees, upon written consent of the employee involved, to deduct voluntary Union dues, COPE, or other Union sponsored programs selected by members, as established by the Union, from the salaries of its members. Dues and other voluntary contributions will be for a specified amount and will be made based on the information provided by the Union of employees in the Child Care Unit certified by the Union as having affirmatively authorized dues and other voluntary union deductions. The authorization of dues and other voluntary deductions will be made by the City based on the information provided by the Union.

(b) Voluntary deductions for dues, COPE, or other Union-sponsored programs shall start the pay period after the City receives written notification of the authorization from the Union. The sums to be withheld shall be remitted by the City, without delay, along with a list of employees and their respective

dues and voluntary deductions. The Union bears responsibility for allocating dues and voluntary deductions.

(c) Requests to authorize voluntary dues/other deduction(s), the specific amount of each such deduction(s), or requests to change status or amount of such deductions, shall be directed to the Union rather than the City. The City shall rely on the Union's explanation in a written certified list, submitted by a representative of the Union who has authority to bind the Union regarding whether an authorization/change in deduction(s) has been requested by the employee.

(d) The City shall not request the Union to provide a copy of any member employee's authorization unless a dispute arises about the existence or terms of the authorization. To the extent required by the Government Code, or otherwise required by law, the City will rely on the information provided by the Union in processing dues deductions for Union employees. The Union is responsible for providing the City with timely information regarding changes to member employees' dues deductions.

(e) Dues deductions, once initiated, will continue until the employee's authorization is revoked in writing by the employee. An employee may only revoke a dues deduction authorization by delivering to the Union a written notice of revocation to the Union. The authorization or cancellation of dues and other deductions will be made by the City based on the information provided by the Union.

(f) The employee's earnings must be regularly sufficient after other legal and required deductions are made to cover the amount of the dues or service fees check-off authorized. When an employee is in a non-pay status for an entire pay period, no withholding will be made to cover the pay period from future earnings. In the case of an employee who is in a non-pay status for only part of the pay period, and the salary is not sufficient to cover the full withholding, no deduction shall be made. In this connection, all other legal and required deductions have priority over Union dues.

(g) The Union will indemnify, defend, and hold harmless the City, its officials, representatives, and agents from and against any liability arising from any claims, demands, or other action relating to the City's compliance with this Section 2.2.1.

(h) The Union alone may grieve the City's failure to timely transmit the appropriate amount of voluntary union deductions. However, any other dispute regarding this section of the MOU is not subject to the grievance procedures contained in this MOU between the parties, including whether the employee authorized the deduction, the amount of the deduction, or whether the employee tried to revoke the authorization.

2.2.2 Dues Collection during Separation from Employment

The provisions specified above (Section 2.2.1.) shall not apply during periods of separation from the representation Unit by any such employee but shall reapply to such employee commencing with the next full pay period following the return of the employee to the representation Unit. The term separation includes transfer out of the Unit, layoff, and leave without pay absences with a duration of more than five (5) working days.

2.3 MANAGEMENT RIGHTS

The City reserves, retains, and is vested with, solely and excessively, all rights of management which have not been expressly abridged by specific provision of this Memorandum of Understanding or by law to manage the City, as such rights existed prior to the execution of this Memorandum of Understanding. The sole and exclusive rights of management, as they are not abridged by this Agreement or by law, shall include, but not be limited to, the following rights:

1. To manage the City generally and to determine the issues of policy;
2. To determine the existence of facts which are the basis of the management decision;

3. To determine the necessity of any organization or any service or activity conducted by the City and expand or diminish services;
4. To determine the nature, manner, means, technology and extent of services to be provided to the public;
5. Methods of financing;
6. Types of equipment or technology to be used;
7. To determine and/or change the facilities, methods, technology, means and size of the work force by which the City operations are to be conducted;
8. To determine and change the number of locations, re-locations and types of operations, processes and materials to be used in carrying out all City functions including, but not limited to, the right (after effect bargaining) to contract for or subcontract any work or operation of the City;
9. To assign work to and schedule employees in accordance with requirements as determined by the City, and to establish and change work schedules and assignments;
10. To relieve employees from duties for lack of work or other legitimate reasons;
11. To discharge, suspend, demote or otherwise discipline employees for proper cause in accordance with the provisions and procedures set forth in City Personnel Rules and Regulations and this MOU;
12. To determine job classifications and to reclassify employees;
13. To hire, transfer, promote and demote employees in accordance with this Memorandum of Understanding and the City's Rules and Regulations;
14. To determine policies, procedures and standards for selection, training and promotion of employees;
15. To establish and modify employee and organizational performance and productivity standards and programs including but not limited to, quality and quantity standards; and to require compliance therewith;
16. To maintain order and efficiency in its facilities and operations;
17. To establish and promulgate and/or modify rules and regulations to maintain order and safety in the City which are not in contravention with this Agreement;
18. To take any and all necessary action to carry out the mission of the City in emergencies.

The City and the Union agree and understand that if, in the exercise of any of the rights set forth above, the effect of said exercise of rights by the City impacts an area within the scope of representation as set forth in the Meyers/Milias/Brown Act, case law interpreting said acts, and/or Federal law, the City shall have the duty to meet and confer with the Union regarding the impact of its decision/exercise of rights.

2.4 COMMENCEMENT OF NEGOTIATIONS

It is mutually agreed to begin the Meet and Confer process no later than three (3) months before the expiration date of this MOU, regarding the terms and conditions applicable to successor MOUs. The process will be initiated by the Union through the submittal of potential meeting dates.

3 COMPENSATION

3.1 GENERAL WAGE INCREASE

Effective the first full pay period in November 2019 or the pay period in which the ratified MOU is first read in open session, whichever is later, the City will increase base wages for all employees by 2%.

Effective the first full pay period in November 2020, the City will increase base wages for all employees by 2%.

3.2 ONE-TIME EXPEDITED BARGAINING PAYMENT

The following one-time payment is limited to the two (2) years cited in this agreement and is not scheduled to recur in the future:

- Effective the first full pay period including November 1, 2019 or the pay period in which the ratified MOU is first read in open session, whichever is later, each employee in the bargaining unit will receive a one-time expedited payment of \$2,000.
- Effective the first full pay period including November 1, 2020, each employee in the bargaining unit will receive a one-time expedited payment of \$2,000.

These two (2) payments will not contribute to employees' pensions and are subject to normal payroll taxation. The one-time money payments for part-time employees will be prorated based on the full-time equivalent of the position.

3.3 STEP INCREASES

Except as provided below, when considering a step increase for Child Care Program employees, he/she must have at least one year of satisfactory service and have worked a minimum of 700 hours during the preceding year and receive a positive evaluation from his/her supervisor. If said employee does not qualify for a step increase after each year of service, he/she will be considered for that increase upon the completion of the minimum 700-hour requirement.

Employees are eligible to advance to Step E on their anniversary date after having spent at least two years at Step D.

3.4 MERIT INCREASES

Employees at the maximum step of their salary range may be granted a merit performance award of five percent (5%) above and beyond their salary range. A merit performance award may be effective for up to one (1) year. A merit performance award may be withdrawn and is not a disciplinary action and is not appealable.

3.5 SPECIFIED WAGE ADJUSTMENTS / DIFFERENTIALS

3.5.1 *Salary Range Differentials*

A 12.5% salary range differential between top step Instructor II and beginning step of Director and create an 11% salary range differential between top step Instructor I and beginning step of Instructor II.

3.5.2 *Split Shift Pay Differential*

Child Care workers covered by this MOU who have a two-hour or more break in shifts during the same day will receive a .5 hour premium pay for that day.

3.6 ADDITIONAL PAY

3.6.1 Educational Reimbursement

An Educational Reimbursement Program is available to employees for courses that are: job related, assist the employee in meeting State licensing requirements and/or prepare the employee for career advancement in the child care field.

The reimbursement may not exceed 75% for the cost of the course, up to \$300 per fiscal year maximum. The Educational Reimbursement Program also includes an additional reimbursement of up to \$60 per fiscal year for professional membership dues for work-related organizations for employees.

To be eligible to receive reimbursement under this program the employee must:

- a. submit a written request and receive prior approval from the Recreation Supervisor for the Child Care Program;
- b. be regularly scheduled to work 20 hours or more per week;
- c. have completed initial probation before reimbursement is received; and
- d. satisfactorily complete the course.

3.6.2 Bilingual Pay

Employees in this unit may receive bilingual pay for full fluency in a foreign language and their use of this skill to provide services for the City. Full fluency is defined as a skill level that will allow the employee to fully assist a member of the public who does not speak English by translating for, conversing with, and/or reading or writing written material.

An employee can petition their Department Director for this bilingual pay incentive. The Department Director will review and make a recommendation to the Human Resources Director and City Manager. If approved, the employee will receive an additional \$150 per month above their base salary. Part-time employees will be pro-rated for this incentive based on their full-time equivalency (FTE).

Approval of bilingual pay incentive by the City Manager Includes:

1. Certification by a recognized school of the appropriate skill level and/or demonstrated ability of the proficiency level on the job; and
2. Department Director's recommendation and statement that bilingual skill of the employee can be of value to the Department and to the employee in the completion of their regular work assignments.

The bilingual pay incentive shall be reviewed annually and as long as the employee demonstrates (by work experience or re-testing, as determined by the City of San Rafael), the full fluency skill level, and as long as the Department Director indicates the value of this skill to the Department and the employee in completion of their regular work assignments.

Removal of this bilingual pay incentive would be considered a non-disciplinary action; however, removal of bilingual pay is appealable to the Human Resources Director. The determination of the Human Resources Director is not subject to any appeal/grievance procedure.

4 BENEFITS

4.1 EMPLOYEE BENEFITS COMMITTEE

Both parties agree to continue to utilize the Employee Benefits Committee for ongoing review of benefit programs, cost containment and cost savings options. The Committee shall be made up of representatives of SEIU, SEIU-Child Care, Western Council of Engineers (WCE), PEU Local 1 - Confidential, Police, Police Mid-Management, Fire, Fire Chief Officers, Mid-Management and

Management employees.

4.2 HEALTH & WELFARE

4.2.1 Full Flex Cafeteria Plan

Effective January 1, 2010, the City implemented a full flex cafeteria plan (known as the Flexible Benefits Plan) for active employees, in accordance with IRS Code Section 125. Active employees participating in the City's full flex cafeteria plan shall receive a monthly flex dollar allowance to purchase benefits under the full flex cafeteria plan.

The monthly flex dollar allowance effective December 15, 2016 is:

For employee only:	\$ 745.00
For employee and one dependent:	\$ 1,056.00
For employee and two or more dependents:	\$ 1,083.00

NOTE: For part time employee flex dollar allowances, see Section 4.2.3.

The City shall contribute to the cost of medical coverage for each eligible employee and his/her dependents, an amount not to exceed the California Public Employees' Medical and Hospital Care Act (PEMHCA) contribution, as determined by CalPERS on an annual basis. This portion of the monthly flex dollar allowance is identified as the City's contribution towards PEMHCA. The balance of the monthly flex dollar allowance (after the PEMHCA minimum contribution) may be used in accordance with the terms of the cafeteria plan to purchase health insurance coverage or may be converted to taxable income.

Flex dollar allowances for the Employee +1 and Family level contribution shall increase on the December 15th paycheck of each year up to a maximum of three percent (3%) on an annual basis, based on but not to exceed the Kaiser Bay Area premium rate increase for the upcoming calendar year.

Conditional Opt-Out Payment: An employee may elect to waive the City's health insurance coverage and receive \$300 in monthly Opt-Out payment in accordance with the terms of the cafeteria plan and Affordable Care Act, if the employee complies with the following conditions:

- 1) The employee certifies that the employee and all individuals in the employee's tax family for whom coverage is waived, have alternative Minimum Essential Coverage as defined by the Patient Protection and Affordable Care Act through a provider other than a federal marketplace, a state exchange, or an individual policy.
- 2) During the City's annual open enrollment period, the employee must complete an annual written attestation confirming that the employee and the other members of the employee's tax family are enrolled in alternative Minimum Essential Coverage. The employee agrees to notify the City no later than 30 days if the employee or other member(s) of the employee's tax family lose coverage under the alternative Minimum Essential Coverage Plan.
- 3) The employee understands that the City is legally required to immediately stop conditional opt-out payments if the City learns that the employee and/or members of the employee's family do not have the alternative Minimal Essential Coverage.

The City reserves the right to modify at any time, the amount an employee is eligible to receive under this paragraph, if required by IRS Cafeteria Plan regulations.

4.2.2 Life Insurance

Effective January 1, 2010, the City shall be responsible for paying premiums for a life insurance and Accidental Death and Dismemberment (AD&D) policy for each employee. The life and AD&D policy

shall provide a \$5,000 life insurance and a \$5,000 AD&D benefit. The City shall also make available a voluntary life insurance program at employee expense.

4.2.3 *Long Term Disability Policy*

Effective January 1, 2010, the City shall be responsible for paying premiums for a Long-Term Disability Policy for each employee that satisfies the eligibility provisions of the long-term disability policy. The Long-Term Disability policy shall provide for salary replacement of 66.67% of an individual's salary up to a maximum disability benefit of \$1,000 per month.

4.2.4 *Retirees Health Insurance*

Employees represented by the Union who retire from the Marin County Employees' Retirement Association (MCERA) within 120 days of leaving their City of San Rafael position (and who comply with the appropriate retirement provisions under the MCERA laws and regulations) are eligible to continue in the City's retiree group health insurance program offered through PEMHCA. The City's contribution towards retiree coverage shall be the PEMHCA minimum contribution as determined by CalPERS on an annual basis.

a. Longevity Payment for Employees hired on or before January 1, 2010

The City shall make a monthly longevity payment into a Retiree Healthcare Reimbursement Trust (Retiree HRA Trust) on behalf of employees hired before January 1, 2010 and who retire from the City of San Rafael as described in this Section. The City's monthly contribution to the Retiree HRA trust shall not exceed \$543 per month. The City's contribution towards a retiree's Retiree HRA Trust account shall continue for the lifetime of the retiree and retiree's spouse, in accordance with PEMHCA eligibility provisions for coverage.

- b. Employees hired on or after January 1, 2010** and who meet the eligibility requirements for retiree health insurance are eligible to continue in the City's group health insurance program. The City's maximum contribution towards retiree coverage under this subsection, 3.1.5 B, shall be the PEMHCA minimum contribution as determined by CalPERS on an annual basis. The City shall not be responsible for making any contributions towards the cost of coverage of the retiree's spouse, registered domestic partner, or dependents upon the employee's retirement from the City in excess of the PEMHCA minimum contribution as required by CalPERS.

The City shall additionally make available a retiree health care trust to enable these employees hired on or after January 1, 2010 to prefund retiree health care premiums while employed by the City. The retiree health care trust shall be funded by annual conversion of 50 hours of sick time in service on July 1 of each year, provided an employee has a remaining balance of 75 hours of sick leave after the conversion.

4.2.5 *Pro Rata Benefit Rules*

Employees covered by this Agreement who work less than full time but more than twenty (20) hours per week on a regular basis shall be eligible to receive: a) pro-rated leave benefits; b) a pro-rated share of the monthly dollar contribution made by the city to be used for enrollment in city offered group health, life, and long term disability insurance plans which the employee may be eligible for based upon the regular hours the employee works, and c) pro-rated share shall be equivalent to the part time employee position's ratio of hours worked to full time equivalency.

For those part time employees hired prior to January 1, 2010, the flex dollar allowance shall be pro-rated based off of \$909 per month. For those electing "Employee Only" coverage, the maximum benefit for these part time employees shall be \$650 per month.

4.2.6 *Health and Dependent Care Spending Accounts*

City will offer Flexible Spending Accounts as part of its Section 125 Plan for as long as such a plan is desired by the Union and available under the IRS Code. The Flexible Spending Accounts offered by the City include:

- a. Healthcare Spending Account: Out-of-pocket medical expenses that qualify under the IRS Code, up to the IRS Code limit. Employees are responsible to pay the monthly administrative fee and any increase established by the third party administrator.
- b. Dependent Care Spending Accounts: Dependent care expenses that qualify under the IRS Code, up to the IRS Code limit. Employees are responsible to pay the monthly administrative fee and any increase established by the third party administrator.
- c. Premium Only Plan: Employee's share of medical insurance premiums shall be deducted from employee's pay with pre-tax dollars as long as such deduction is allowable under the applicable IRS Code.

City shall establish annual enrollment period and each employee must re-enroll annually for either plan noted in a. and/or b. City shall have the authority to implement changes to the 125 Programs to comply with changes in applicable IRS laws without having to go through the meet and confer process.

4.2.7 *Health Insurance Providers*

The City shall have the option, after meeting and consulting with representatives of the Union Stewards' Council, of either contracting with the Public Employees Retirement System (PERS) Health Benefits Division for health insurance or contracting directly with some or all of the providers of health insurance under the PERS program; provided, however, contracting directly with the providers shall not cause any material reduction in insurance benefits from those benefits available under the PERS program.

4.3 DENTAL PLAN

The City will provide a dental insurance program for all full-time and part-time, permanent employees regularly scheduled to work a minimum of 20 hours per week.

All employees enrolled in the dental insurance program will be enrolled in the subgroup that provides \$1,500 maximum benefit for one Dental Expense Period for all covered dental expenses, for all eligible enrollees, except for Orthodontic Treatment which has an aggregate maximum benefit (lifetime) of \$1,000 and is limited to eligible dependent children. The City will pay the full cost of the monthly dental insurance premium for full-time employees, including those with a 35-hour full-time position. For the eligible part-time, permanent employees enrolling in the City's group dental insurance program, the City will pay the first \$70 per month of the actual premium rate for the eligible part-time, permanent employees and the enrolled employee will be responsible through payroll deduction for the balance of the monthly premium. In the event of an increase in the dental insurance premium, the City payment of eligible part-time, permanent employees shall be increased to maintain the same dollar differential between full-time and part-time. The plan shall cover enrollment for eligible employees and their eligible dependents. Refer to the dental insurance policy booklet for eligibility requirements and specific coverage and other benefit limitations.

4.4 VISION PLAN

The City will provide vision care benefits for employee only coverage. Employees may enroll qualified family members and pay the premium costs for such enrollment.

4.5 RETIREMENT CONTRIBUTION

4.5.1 Eligibility

All employees whose full-time equivalency (FTE) is $\frac{3}{4}$ of a full-time equivalent in their classification shall be eligible members of the Marin County Retirement Association. Employee rates shall be set according to MCERA policy. All other employees (except those noted above) shall be enrolled in the Public Agency Retirement System (PARS) as long as that remains an approved alternative to Social Security.

4.5.2 City Paid Employee Retirement (City Paid Member Contribution)

Bargaining unit, members shall pay the full share of the employee's contribution to the Marin County Retirement System. The employee's share of their contribution shall be paid by the employee through automatic payroll deductions. In accordance with the Marin County Employees Retirement Association (MCERA) and City administrative requirements, all unit employees will pay an additional contribution of one percent (1%) of pensionable compensation toward the normal cost of pension provided by MCERA, in addition to the current employee contribution towards pension as determined by MCERA.

The City of San Rafael acknowledges that under its current practice, the employees' share of their retirement contribution is deducted with pre-tax dollars. This practice will continue until changed through the Meet and Confer process or until IRS regulations change.

4.5.3 Retirement Plans

On January 1, 2007, the City shall provide the Marin County Employee Retirement Association 2.7% at 55-retirement program to all eligible miscellaneous members, as defined under the 1937 Act Government Code Section 31676, subject to Marin County Employee Retirement Association procedures and regulations and applicable 1937 Act laws that govern such plans. This is based on an employee's single highest year of compensation.

Employees hired on or after January 1, 2012, will receive an MCERA retirement benefit at the formula 2% at 55, calculated based on the average of their highest three years of compensation, in accordance with MCERA regulations. The annual pension adjustment shall be a maximum of 2% COLA. Minimum retirement age is 55.

Employees hired by the City on or after January 1, 2013 who are defined as "new members" of MCERA in accordance with the Public Employees' Pension Reform Act (PEPRA) of 2013, shall be enrolled in the MCERA 2% @ 62 plan for Miscellaneous members. The employee is responsible for paying the employee contribution of half of the total normal cost of the plan, as defined by MCERA, through a payroll deduction. Final compensation will be based upon the highest annual average compensation earnable during the thirty-six (36) consecutive months of employment immediately preceding the effective date of his or her retirement or some other period designated by the retiring employee. (Sections 4.5.3, 4.5.4, 4.5.5)

4.5.4 Member Cost of Living Rates

Effective January 1, 2007, bargaining unit members who are eligible to participate in the Marin County Employee Retirement Association will pay their full share of members' cost of living rates as allowed under Articles 6 and 6.8 of the 1937 Retirement Act. Contribution rates include both the basic and COLA portions (50% of COLA is charged to members as defined in the 1937 Act).

4.6 DEFERRED COMPENSATION PLAN

Child Care Unit employees who are contracted to work 35 hours or more each week are eligible to participate in the City's Deferred Compensation Plan.

4.7 STATE DISABILITY INSURANCE (SDI)

Employees will have the full premium cost for SDI coverage automatically deducted from their paycheck and no City contribution will be made toward participation in the plan.

It is incumbent upon the employee to keep the City advised of their medical status, within HIPAA guidelines, and eligibility for SDI. With this notification, SDI benefits, as determined by the State, shall be integrated with accrued sick and vacation leave in the following manner:

- a. Employee notifies supervisor of disability and need for time off. At the same time employee files for SDI through the State Office.
- b. Supervisor verifies from leave records the employee's accrual balances and projects whether or not employee would, under normal circumstances, be placed in a leave without pay status during the time off period.
- c. Personnel Action Report (PAR) is completed by the supervisor to document request and approval of extended leave.
- d. Human Resources Department, on receipt of the PAR, contacts employee and supervisor to discuss availability of coordination of SDI with leave benefits.
- e. Employee's time off is recorded as sick leave and then, if necessary, vacation leave on time cards submitted by the supervisor to the Payroll Office.
- f. Upon receipt of the SDI payments, the employee must endorse the payments over to the City of San Rafael to receive credit for leave taken.
- g. Based upon the employee's hourly rate of pay, the Payroll Office computes how much used sick and/or vacation leave time the employee will be credited and credits the employee with those hours. NOTE: The employee may not be credited more than they accrued at or during the time of the disability.
- h. The Human Resources Department, after notification from Payroll, notifies the employee when they have used all accrued sick and/or vacation time and when leave without pay status (LWOP) begins. Once the employee is on LWOP, they would keep any SDI payments received and would be fully responsible for the monthly health, dental and life insurance premiums (except during qualifying FMLA/CFRA leave) if they choose to remain in the group plans.

5 LEAVES

5.1 SICK LEAVE

5.1.1 Eligibility

Sick leave with pay shall be granted to each eligible employee. Sick leave shall not be considered a privilege which an employee may use at employee's discretion but shall be allowed only in case of necessity and actual sickness or disability. The employee is required to notify employee's immediate supervisor or Department Director according to department rules and regulations at the beginning of his/her daily duties. Every employee who is absent from his/her daily duties for two (2) or more consecutive days may be requested by the supervisor to provide a physician's certificate. The inability or refusal by said employee to furnish the requested information, as herein required, shall constitute good and sufficient cause for disciplinary action, including dismissal.

5.1.2 *Sick Leave Accrual*

Eligible employees shall earn sick leave credits at the rate of one (1) working day per month commencing with the date of employment (based on the daily hours an eligible employee has contracted to work).

5.1.3 *Use of Sick Leave*

An employee may use accrued sick leave during their probationary period. An employee eligible for sick leave with pay shall be granted such leave for the following reasons:

1. Personal illness or illness within the immediate family (as defined by the CAL-PERS health insurance regulations, including but not limited to the employee's spouse, registered domestic partner, unmarried children, including adopted child, stepchild or recognized natural child who lives with the employee in a regular parent-child relationship, parent, including in-laws, and grandparents), or for any physical incapacity resulting from causes beyond the employee's control; or
2. Enforced quarantine of the employee in accordance with community health regulations; or
3. Medical appointments that cannot be scheduled during non-working hours.

5.1.4 *Advance of Sick Leave*

Whenever circumstances require, and with the approval of the City Manager, sick leave may be taken in advance of accrual up to a maximum determined by the City Manager, provided that any employee separated from the service who has been granted sick leave that is unaccrued at the time of such separation shall reimburse the City of all salary paid in connection with such unaccrued leave.

5.1.5 *Service Credit for Sick Leave*

Employees retiring from city service, within 120 days of leaving their position (excludes deferred retirements), and who will be receiving an ongoing retirement annuity from the Marin County Employees' Retirement System can receive service credit for retirement purposes only, for all hours of accrued, unused sick leave (exclusive of any sick leave hours they are eligible to receive and which they elect to receive in the form of compensation for at the time of retirement pursuant to Section 5.1.6 Compensation for Unused Portion).

Employees hired on or after October 31, 2009 are not eligible to receive employment service credit of any accrued, unused sick leave for retirement purposes.

5.1.6 *Compensation for Unused Portion*

Upon termination of employment by retirement (must retire within 120 days of leaving their City position, i.e., age and service eligible for retirement. Minimum 50 years old and 10 years of continuous service) or death, an eligible employee who leaves the City service in good standing shall receive compensation for all accumulated unused sick leave based upon the rate of three percent (3%) for each year of service, to a maximum of fifty percent (50%). The maximum accrual for payoff purposes is 150 days (based on employee's contracted work hours per day).

See Section 5.1.5 above for service credit eligibility for unused portion of sick leave.

5.2 VACATION LEAVE

5.2.1 *Eligibility*

Annual vacation with pay shall be granted to eligible employees. Vacation accrual shall be prorated for those employees working less than full time. Vacation leave does not accrue to those working in the Child Care Temporary class. Vacation benefits may be taken as accrued and provided in Section

5.2.2. below. Probationary employees may take accrued vacation if authorized by the Department Director and approved by the City Manager.

5.2.2 Rate of Accrual

Vacation benefits shall accrue during the probationary period. However, use of accrued benefits shall not be allowed until the successful completion of the probationary period, unless specifically authorized by the Department Director and City Manager. Eligible employees shall commence to accrue vacation at the following rate for continuous service: Each service year on the chart begins in the first working day and ends on the last day of the service year.

SERVICE YEAR	ANNUAL ACCRUAL
1	10 days
2	10 days
3	10 days
4	15 days
5	15.75 days
6	16.50 days
7	17.25 days
8	18.00 days
9	18.75 days
10	19.50 days
11	20.00 days
12	21.00 days
13	22.00 days
14	23.00 days
15	24.00 days
16 plus	25.00 days

Note: Vacation accrual rates shall be based on the daily hours an employee has contracted to work. If the employee's work day is six (6) hours, the employee will accrue ten (10) six-hour vacation days.

5.2.3 Administration of Vacation Leave

The City Manager, upon the recommendation of the Department Director, may advance vacation credits to any permanent regular and permanent part-time employee. The time at which an employee may use his accrued vacation leave and the amount to be taken at any one time shall be determined by the employee's Department Director with particular regard for the needs of the City but also, insofar as possible, considering the wishes of the employee.

In the event that one or more City holidays fall within an annual vacation leave, such holidays shall not be charged as vacation leave and the vacation leave shall be extended accordingly.

Employees who resign from City service shall be paid in a lump sum for all accrued vacation leave earned prior to the effective date of termination.

The vacation accrual cap for all employees accruing vacation shall be 250 hours.

5.2.4 *Vacation Cash-In*

An employee who has taken at least ten (10) days of vacation in the preceding twelve (12) months may request, in May or November in any fiscal year, that accrued vacation, not to exceed seven (7) days, be converted to cash payments and the request may be granted at the discretion of the City Manager. Employees cannot cash in more than seven (7) days of vacation in any one twelve (12) month period.

5.3 HOLIDAYS

5.3.1 *Paid Holidays*

Employees shall be granted the following holidays:

January 1 st	New Year's Day
The third Monday in January	Martin Luther King Jr. Day
The third Monday in February	Washington's Birthday
March 31 st	Cesar Chavez Day
The last Monday in May	Memorial Day
July 4 th	Independence Day
The first Monday in September	Labor Day
November 11 th	Veteran's Day
The fourth Thursday in November	Thanksgiving Day
The fourth Friday in November	Day after Thanksgiving
December 25 th	Christmas Day

At the discretion of the Recreation Supervisor for the Child Care Program, the celebrated City holidays, noted above, will be coordinated with the public schools served by the Child Care Centers and/or those holidays falling on a Saturday or Sunday will be observed on either the Friday before or the Monday after pursuant to the City's annual holiday schedule. Part-time employees will be paid for holidays on a pro-rated basis.

5.3.2 *Floating Holidays*

In addition to the designated holidays, employees in this Unit receive two (2) floating holidays. Floating holidays not used by the end of the calendar year will be added to an employee's vacation balance in the first full pay period of each January. Part-time employees will be paid for holidays on a pro-rated basis.

5.4 OTHER LEAVE

5.4.1 *Bereavement Leave*

In the event of the death of an employee's spouse, child, parent, brother, sister, registered domestic partner, grandchild, grandparent, in-laws, relative who lives or has lived in the home of the employee to such an extent that the relative was considered a member of the immediate family and/or another individual who has a legal familial relationship to the employee and resided in the employee's household, up to three (3) days within the State and up to five (5) days out-of-state may be granted for bereavement leave.

In those cases where the death involves an individual who had such a relationship with the employee, as defined above, the employee shall sign a simple affidavit describing the relationship and submit this to the Department Director as part of the request for bereavement leave.

5.4.2 *Jury Duty*

Employees required to report to jury duty shall be granted a leave of absence with pay from their assigned duties until released by the court, provided that the employee provides advance notice to the Appointing Authority and remits to the City all per diem service fees except mileage or subsistence allowance within thirty days from the termination of such duty.

5.4.3 *Military Leave*

Military leave shall be granted in accordance with the State of California Military and Veteran's Code as amended from time to time. All employees entitled to military leave shall give the appointing authority and the Department Director an opportunity, within the limits of military regulations, to determine when such leave shall be taken.

5.4.4 *Leave of Absence Without Pay*

Leave of absence without pay may be granted by the City Manager upon the written request of the employee and the recommendation of the Child Care Recreation Supervisor. Accrued vacation leave and if applicable, accrued sick leave, must be exhausted prior to the granting of leave without pay.

5.4.5 *Industrial Injury Leave*

For benefits under Workers' Compensation, an employee should report any on the job injury to his/her supervisor as soon as possible, preferably within twenty-four (24) hours. The Human Resources Department coordinates benefits for Workers' Compensation claims. For further information, see the City's Workers' Compensation policy located on the Intranet (<https://intranet.cityofsanrafael.org>).

Employees of the City who have suffered any disability arising out of and in the course of their employment as defined by the Worker's Compensation Insurance and Safety Act of the State of California, are entitled to all benefits allowed them by the Worker's Compensation Insurance and Safety Act of the State of California.

Temporary disability payments (TD) are made to all employees (full and part-time) when a physician reports an employee is unable to perform their job duties due to an industrial injury and the City cannot accommodate the restrictions mandated by their physician. TD is set by State law and is approximately two-thirds of full salary with state-mandated minimums and maximums. For full-time, regular employees, however, the City augments TD payments with salary continuation, as follows: Compensation leave payments shall not exceed the employee's regular full pay for the first three (3) calendar months and three-fourths (3/4) of the regular full pay for the following six (6) calendar months.

Sick Leave Usage Post Industrial Injury/Illness:

The following rule applies to employees who have an accepted industrial injury/illness: Available accrued sick leave cannot be used for more than 60 calendar days after one of the following has been determined:

- The employee has reached maximum medical improvement and/or has been determined "permanent and stationary."
- The employee has been determined to be unable to return to their usual and customary occupation, with or without reasonable accommodation.

Given the above has occurred, next steps would include:

- The interactive process; attempt to locate other appropriate employment within the City
- If none available, proceed with termination process, including disability retirement application and/or Skelly process, if appropriate.

5.4.6 *Family Medical Leave*

Union members agree to adhere to the provisions of the City's Family Medical Leave Policy which is available on the City's Intranet Website.

5.4.7 *Catastrophic Leave*

Catastrophic Leave shall be in accordance with City Catastrophic Leave Policy which is available on the City's Intranet website.

5.4.8 *Emergency/Smoke Leave*

In the event that an emergency is declared that impacts the City Child Care facilities or operations and results in the closure of any facilities, employees in this bargaining unit will be granted leave and compensated for the regularly scheduled work day with no adverse effect on the employee.

Employees may be required to report to a worksite other than their regularly scheduled worksite to assist in emergency duties or to a non-impacted child care worksite for childcare duties at the discretion of the City.

This provision applies to Federal, State, County, or City declared emergencies or other non-declared circumstances that result in the closure of District schools.

6 TERMS & CONDITIONS OF EMPLOYMENT

6.1 HOURS OF WORK

The work week for Child Care Center Directors shall be 37.5 hours per week and 35.0 hours per week for Child Care Instructors I and II.

Within the hours of operation, changes in the days or hours of the regular work schedule of an employee shall be posted at least seven (7) days in advance. No advance notice to employees by the City of schedule changes will be required when changes occur as a result of work-related emergencies, i.e., multiple sicknesses, disabilities or injuries; or staff shortage occurring less than seven days in advance or due to unplanned changes in school operations or schedules beyond the control of the City.

6.2 STAFF DEVELOPMENT / TRAINING DAYS

Effective July 1, 1995, four (4) days of staff development/preparation will be provided per fiscal year. The scheduling of these days during the fiscal year will be accomplished through the recommendation of the Child Care Center Directors and approval of the Recreation Supervisor for the Child Care Program.

6.3 OVERTIME

Overtime shall mean actual time worked beyond the standard scheduled workday or work week used for full-time employees as defined per job classification. A work or duty week shall be defined as seven (7) consecutive calendar days, beginning 0001 hours Sunday through 2400 hours Saturday.

Overtime is compensable to the nearest half-hour and must have prior authorization and approval of the Department Director.

6.4 COMPENSATORY TIME POLICY

With the Department Director's approval, compensatory time, in lieu of overtime pay, may be taken subject to the following rules:

6.4.1 *Accrual Limit*

Upon accrual of time, five (5) days or forty (40) hours of compensatory time, employees shall be paid overtime at a rate of time and one-half of their base salary rate for hours worked and may not accrue additional compensatory time.

6.4.2 *Overtime Rate*

Employees who work overtime must be paid at the rate of time and one-half or may accrue compensatory time at a rate of time and one-half subject to the limitations in 6.4.1. Employees who elect compensatory time must take the time off, preferably within the quarter during which it was earned.

6.4.3 *Use & Carry Over*

All compensatory time earned during the fiscal year must be used by June 30th of that year with one exception. Upon the recommendation of the supervisor and approval of the Department Director, employees may carry over up to forty (40) hours of compensatory time provided it is taken within the following quarter (7-1 to 9-30).

6.5 PROBATION

All employees hired on or after January 16, 1986, shall be required to serve a probationary period of one (1) year and shall serve a one-year promotional probationary period when appointed to a higher job classification.

6.6 TEMPORARY PROMOTIONS

Employees assigned to work out of class and perform the work of a Child Care Center Director for a period of three consecutive days or longer, will be compensated at an hourly rate of five percent (5%) greater than the employee's current rate, or at the lowest step of the Child Care Center Director's salary range, whichever is greater. The increase shall be retroactive to include the first day.

6.7 PERSONNEL RULES & REGULATIONS

6.7.1 *Harassment Policy*

It is the City's intent and purpose to provide all officials, employees, applicants, and contractors with an environment that is free from any form of harassment, discrimination or retaliation. Employees shall refer to the City Policy against Harassment, Discrimination and Retaliation which is available on the City's Intranet website.

6.7.2 *Drug & Alcohol Policy*

The employees covered by this bargaining agreement agree to abide, as a condition of employment, by the terms of the City's Drug Free Work Place Policy which is available with the City's policies and on the City's Intranet website.

6.8 MISCELLANEOUS

6.8.1 *CPR / First Aid Training*

An annual program for cardiopulmonary resuscitation (CPR) and First Aid certification will be provided for persons working as Child Care Directors and Instructors II.

6.8.2 *Gratuities / Solicitation of Contributions*

No employee shall receive, request, solicit, or demand gratuities from any citizen or company for services provided by the City. Such action shall be considered grounds for disciplinary action up to and including dismissal.

6.8.3 *Labor / Management Meetings*

During the term of the Agreement, the City and the Union agree that consultation meetings may contribute to improved employer-employee relations. Issues relating to the cost of living in Marin County, job classes within the City and promotional opportunities may serve as a basis for initial agenda items to be discussed.

The committee shall be comprised of three (3) representatives from the Child Care Unit and three (3) from City Management as well as the Union staff and the Human Resources Director. The parties agree that committee members may change depending on the subject matter.

Meetings may be requested by either party. The party requesting the meeting shall submit a proposed agenda and the receiving party shall acknowledge and confirm the date, time and location of the requested meeting. It is intended that the subject matter will not include issues subject to Grievance Procedures outlined in this MOU and this language is not intended to create a re-opener clause in this MOU.

6.8.4 *Child Care Division Employee Program Discount*

All Child Care Division staff with children enrolled in any City of San Rafael Child Care Division program will receive a 50% discount on program fees based on their level of enrollment. All policies regarding admission and attendance in the Child Care Program will continue to apply to Child Care staff in accordance with the Child Care Division Parent Handbook and Child Care Staff Handbook.

7 PROCEDURES

7.1 DISCIPLINARY ACTION

7.1.1 *Right to Discipline & Discharge*

Upon completion of the designated probationary period, an employee shall be designated as a non-probationary employee and the City shall have the right to discharge or discipline any such employee for dishonesty, insubordination, drunkenness, incompetence, negligence, failure to perform work as required or to observe the Department's safety rules and regulations or for engaging during the term of this Memorandum of Understanding, in strikes, individual or group slowdowns or work stoppages, or for violating or ordering the violation of the Memorandum of Understanding. The City shall use progressive disciplinary steps (i.e., reprimand, suspension, demotion, discharge) unless the violation is such as to justify termination. Disciplinary action shall mean discharge/dismissal, demotion, reduction in salary, and suspension resulting in loss of pay.

In addition, the City may discipline or discharge an employee for the following: Fraud in securing appointment; negligence of duty; violation of safety rules; unacceptable attendance record including tardiness, overstaying lunch or break periods; possession, distribution or under the influence of alcoholic beverages, non-prescription or unauthorized narcotics or dangerous drugs during working hours; inability, unwillingness, refusal or failure to perform work as assigned, required or directed; unauthorized soliciting on City property or time; conviction of a felony or conviction of a misdemeanor involving moral turpitude; unacceptable behavior toward (mistreatment or discourteousness to) the general public or fellow employees or officers of the City; falsifying employment application materials, time reports, records, or payroll documents or other City records; misuse of City property; violation of any of the provisions of these working rules and regulations or departmental rules and regulations; disorderly conduct, participation in fights, horseplay or brawls; dishonesty or theft; establishment of a pattern of violations of any City policy or rules and regulations over an extended period of time in which a specific incident in and of itself would not warrant disciplinary action, however, the cumulative effect would warrant such action; failure to perform an acceptable level of work quality and quantity;

insubordination; other acts inimical to the public service; inability or refusal to provide medical statement on cause of illness or disability.

7.1.2 *Preliminary Notice*

A non-probationary employee shall receive a preliminary written notice from the Recreation Supervisor for the Child Care Program of any proposed disciplinary action that involves the loss of pay. The notice must contain a specific statement of charges or grounds upon which the proposed disciplinary action is based and the date the disciplinary action will be effective.

Any known written materials, reports or documents upon which the disciplinary action is based must be attached to the notice.

Upon receipt of the notice, the non-probationary employee shall have five (5) days to appeal the matter in writing in Step 2 of the Grievance Procedure. If a written appeal is filed, no disciplinary action shall be imposed until the Department Director has conducted a hearing with the employee and employee's representative present and has heard the response of the employee. If no written appeal is filed within five (5) days, the employee shall be deemed to have waived his/her right to proceed to Step 4 of the Grievance Procedure.

7.1.3 *Disciplinary Action and Appeal*

After hearing the response of the employee, the Department Director may order that the proposed disciplinary action or modification thereof be imposed. The decision of the Department Director shall be final and binding for suspensions of five (5) days or less. For suspensions of more than five (5) days, demotions, reduction in pay, and terminations, thereafter, the employee shall notify the City within ten (10) days to appeal the matter to Step 4 (Arbitration) of the Grievance Procedure. The matter shall then proceed in accordance with the Grievance Procedure.

7.2 GRIEVANCE PROCEDURE

7.2.1 *Definition*

1. **Grievance** is a dispute, which involves the interpretation or application of any provision of this Memorandum of Understanding. All ordinances, resolutions, rules and regulations, which are not specifically covered by the provisions of this Memorandum shall not be subject to the Grievance Procedure.
2. **Day** shall mean any that the City Office is open for business, excluding Saturdays, Sundays and the holidays recognized by the City.
3. **Grievant** may be an individual employee or a group of employees or the Union on the behalf of a group of employees or the Union on its own behalf on matters involving the City and Union relationship.
4. **Time limits** begin with the day following the event causing the grievance or the day following receipt of a grievance decision.

7.2.2 *Procedure*

Step 1

Within seven (7) days of when the grievant knew or should have known of the act or omission causing the grievance, the grievant shall present either in writing or verbally a clear and concise statement of the grievance to the immediate supervisor.

Within five (5) days thereafter, the immediate supervisor shall investigate and respond to the allegations of the grievant.

Step 2

If the grievant is not satisfied with the resolution at Step 1, the grievant must reduce the grievance to writing and present it to the Department Director within five (5) days.

The written grievance shall contain a statement of facts about the nature of the grievance and shall identify the specific provisions of this Memorandum of Understanding alleged to be violated, applicable times, places and names of those involved, the remedy or relief requested, and shall be signed by the grievant.

The Department Director shall confer with the grievant and within ten (10) days respond to the allegations in writing.

Step 3

If the grievant is not satisfied with the resolution at Step 2, the grievant shall within five (5) days appeal the matter to the City Manager.

The City Manager shall investigate the matter, conduct a hearing if the City Manager deems it appropriate and within ten (10) days, thereafter, respond to the allegations in writing.

Step 4

If the grievance remains unresolved after Step 3, the Union may, by written notice to the City Human Resources Department within ten (10) days after the receipt of the response in Step 3, notify the City that the Union wishes to appeal the grievance to final and binding arbitration. The parties shall attempt to agree upon an arbitrator. If no agreement is reached, they shall request a list from the State Conciliation Service of nine (9) names.

Each party shall then alternately strike a name until only one (1) name remains, said person to be the arbitrator. The order of striking shall be determined by the flip of a coin.

7.2.3 Arbitration

The arbitrator shall be empowered to conduct a hearing and to hear and receive evidence presented by the parties. The hearing shall be informal and need not be conducted according to technical rules of evidence. Repetitious evidence may be excluded and oral evidence shall be taken only under oath. The arbitrator shall determine what evidence is relevant and pertinent, as well as any procedural matters, and he/she may call, recall and examine witnesses, as he/she deems proper.

The burden of proof shall be upon the Union in grievance matters and upon the City in disciplinary/discharge matters.

After the conclusion of any hearing and the submission of any post hearing evidence or briefs agreed upon by the parties, the arbitrator shall render a written decision which shall be final and binding upon the City, the Union and any employee(s) involved in the grievance or disciplinary matter.

The arbitrator shall not be empowered to add to, subtract from, or in any way modify or alter any provision of this Memorandum of Understanding. The arbitrator shall only determine whether a grievance exists in the manner alleged by the grievant, and what the proper remedy, if any, shall be, or in the case of disciplinary/discharge matter whether the City allegations are accurate and the appropriateness of the disciplinary penalty.

The fees and expenses of the arbitrator shall be shared equally by the Union and the City. All other expenses shall be borne by the party incurring them. The cost of the services of court reporter shall be borne by the requesting party unless there is a mutual agreement to share the cost or unless the arbitrator so requests. Then the costs will be shared equally.

7.2.4 *General Provisions*

1. Employees who participate in the Grievance Procedure, by filing a grievance or acting as a witness on the behalf of either party shall be free from discrimination by either the Union or the City.
2. A grievant has the right to be represented at each stage of the procedure, to cross examine witnesses, and have access to all information regarding the basis of the grievance upon which the City relies in making its determinations.
3. If the City management fails to respond within the specified time limits, the grievance shall, at the request of the Union, automatically be moved to the next step of the procedure. If the Union or a grievant fails to process or appeal a grievance within the specified time limits, the matter shall be deemed settled. The parties may by mutual agreement waive the steps in the procedure.
4. If a hearing is held during work hours of employee witnesses, such employees shall be released from duties without loss of pay or benefits to appear at the hearing. Witnesses requested by the parties shall be compelled to attend said hearings.
5. The Human Resources Department shall act as the central repository for all grievances.
6. Time limits contained herein may be extended by mutual agreement of the parties. Absence for bona fide reasons by a grievant, the Union Executive Secretary or any management official involved in responding to the grievance shall automatically extend the time limits by the same number of days of absence.

7.3 VOLUNTARY TIME OFF (VTO)

An employee may request voluntary time off without pay, in lieu of using accrued vacation and/or sick leave, for a minimum of one full workday and not to exceed ten (10) working days in any calendar year. The needs of the City, specifically the Child Care Division will need to be considered prior to approving a request for VTO.

7.4 REDUCTION IN FORCE

7.4.1 Authority

The Appointing Authority may lay off, without prejudice, any employee covered by this MOU because of lack of work or funds, or organizational alterations, or for reasons of economy or organizational efficiency.

7.4.2 Notice

Employees covered by this MOU designated for layoff or demotion shall be notified in writing at least fifteen (15) calendar days prior to the anticipated date of termination or demotion. The employee organization shall also be notified.

7.4.3 Order of Layoff

Layoffs and/or reductions in force shall be made by classification, consistent with the licensing requirements of the California Department of Social Services. A classification is defined as a position or number of positions having the same title, job description and salary. Extra hire employees shall be laid off before permanent employees in the affected classification. In effecting the preceding order, a part-time permanent employee with more seniority can displace a full-time permanent employee.

7.4.4 *Seniority*

If two or more employees within a classification have achieved permanent status, such employees will be laid off or reduced on the following basis:

- a. Seniority within the affected classification will be determinative. Such seniority shall include time served in higher classification(s). The computation of seniority for part-time employees will be credited on a pro-rata basis to full-time service. Time spent on a City Manager approved leave of absence without pay does not count toward seniority.
- b. If the seniority of two or more employees in the affected classification or higher classifications(s) is equal, departmental seniority shall be determinative.
- c. If all of the above factors are equal, the date regular status in City service is achieved shall be determinative.
- d. If all of the above are equal, date of certification for appointment shall be determinative.

7.4.5 *Bumping Rights*

An employee designated to be laid off may bump into a class at the same salary level, for which he or she meets the minimum qualifications or into the next lower classification in which such employee has previously held regular status. An employee who is bumped shall be laid off in the same manner as an employee whose position is abolished.

7.4.6 *Transfer Rights*

The Human Resources Director will make every effort to transfer an employee who is to be affected by a reduction in force to another vacant position for which such employee may qualify. The length of eligibility for such transfer will be the period of notification as provided in Section 7.4.2, but no longer than the effective date of such layoff or reduction.

7.5 RE-EMPLOYMENT

7.5.1 *General Guidelines*

Individuals who have been laid off or demoted shall be offered re-appointment to the same classification in which they held status in the order of seniority in the classification. Individuals demoted in lieu of reduction in force shall be offered restoration to the highest class in which they held status and in which there is a vacancy prior to the appointment of individuals who have been laid off.

7.5.2 *Right to Re-Employment*

Each person who has been laid off or demoted in lieu of a layoff from a position the person held, shall, in writing, be offered re-appointment in the same classification should a vacancy occur in the classification within two years after the layoff or demotion. Prior to being re-employed, the employee must pass a physical exam administered by a City appointed physician and must pass the background check administered by the City.

7.5.3 *Time Limits*

Should the person not accept the re-appointment within seven (7) calendar days after the date of the offer, or should the person decline or be unable to begin work within two weeks after the date of acceptance of the offer, the person shall be considered unavailable for employment, shall forfeit the right to re-employment and be removed from the re-employment list.

7.5.4 *Availability*

Whenever a person is unavailable for re-employment, the next senior person who is eligible on the re-employment list shall be offered re-employment.

7.5.5 *Probationary Status*

Employees re-appointed under the provisions above will not be required to complete a new probationary period if they had previously held permanent status in the classification. Employees who had not completed their probationary period shall serve the remainder of the probationary period upon re-appointment.

7.5.6 *Restoration of Benefits*

Employees restored to previously held positions shall be deemed to have returned from a leave of absence for the purpose of all rights and benefits legally permissible. Time not on the payroll will not count as time worked for the purposes of seniority accrual.

8 REOPENER RELATED TO REORGANIZATION OF CITY'S CHILDCARE PROGRAM

The City anticipates it may need to restructure the Childcare program in the event that the Miller Creek School District implements full-day kindergarten classes. In anticipation of this, the Parties agree to meet and confer to the extent required by the MMBA upon the request of the City regarding any plan to reorganize the Childcare program during the term of this MOU, and that this reorganization may include modification of bargaining unit employees' work schedules and the number of hours bargaining unit employees work under Section 6.1 of the MOU. The City agrees it will notify the Union of its reorganization plans and will provide the Union the right to meet and confer with the City. This section does not waive the Parties' obligations pursuant to the MMBA to negotiate in good faith regarding negotiable subjects.

SEIU Local 1021 – Child Care

CITY OF SAN RAFAEL

Joel Evans-Fudem, SEIU Representative

Tim Davis, Burke & Assoc.

**Executive Director,
SEIU Local 1021**

Shibani Nag, Human Resources Director

Patricia Cerutti-Saylors, Child Care Director

Kelly Albrecht, Senior Recreation Supervisor

Jocelyn Hallroan, Child Care Director

Cristine Alilovich, Assistant City Manager

Gabriela Farias, Child Care Director

DATE

DATE

SEIU Local 1021 - Child Care Unit
SALARY SCHEDULE
Effective November 1, 2019

Grade	Position	A	B	C	D (2 yr step)	E*
9352	Director	\$ 4,040	\$ 4,242	\$ 4,454	\$ 4,676	\$ 4,910
9350	Instructor II	\$ 2,899	\$ 3,044	\$ 3,196	\$ 3,356	\$ 3,524
9351	Instructor I	\$ 2,259	\$ 2,371	\$ 2,490	\$ 2,615	\$ 2,745

**Employees are eligible to advance to Step E after at least 2 years at Step D in the current job class*

HOURLY RATES:

Grade	Position	A	B	C	D (2 yr step)	E*
9352	Director (37.5 hrs/week)	\$ 24.8588	\$ 26.1018	\$ 27.4069	\$ 28.7772	\$ 30.2161
9350	Instructor II (35 hrs/week)	\$ 19.1161	\$ 20.0719	\$ 21.0755	\$ 22.1293	\$ 23.2358
9351	Instructor I (35 hrs/week)	\$ 14.8916	\$ 15.6362	\$ 16.4180	\$ 17.2389	\$ 18.1008

SEIU Local 1021 - Child Care Unit
SALARY SCHEDULE
Effective November 1, 2020

Grade	Position	A	B	C	D (2 yr step)	E*
9352	Director	\$ 4,120	\$ 4,326	\$ 4,543	\$ 4,770	\$ 5,008
9350	Instructor II	\$ 2,957	\$ 3,105	\$ 3,260	\$ 3,423	\$ 3,595
9351	Instructor I	\$ 2,304	\$ 2,419	\$ 2,540	\$ 2,667	\$ 2,800

**Employees are eligible to advance to Step E after at least 2 years at Step D in the current job class*

HOURLY RATES:

Grade	Position	A	B	C	D (2 yr step)	E*
9352	Director (37.5 hrs/week)	\$ 25.3560	\$ 26.6238	\$ 27.9550	\$ 29.3527	\$ 30.8204
9350	Instructor II (35 hrs/week)	\$ 19.4985	\$ 20.4734	\$ 21.4970	\$ 22.5719	\$ 23.7005
9351	Instructor I (35 hrs/week)	\$ 15.1894	\$ 15.9489	\$ 16.7464	\$ 17.5837	\$ 18.4629



SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Public Works

Prepared by: Bill Guerin,
Director of Public Works

City Manager Approval: _____

TOPIC: THIRD STREET REHABILITATION – CONTRACT FOR DESIGN AND ENVIRONMENTAL SERVICES

SUBJECT: A RESOLUTION APPROVING AND AUTHORIZING THE CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH CSW/STUBER-STROEH ENGINEERING GROUP, INC. FOR ENGINEERING DESIGN AND ENVIRONMENTAL CLEARANCE SERVICES ASSOCIATED WITH THE THIRD STREET REHABILITATION PROJECT IN AN AMOUNT NOT TO EXCEED \$925,782

RECOMMENDATION:

Adopt a resolution approving and authorizing the City Manager to execute a professional services agreement with CSW/Stuber-Stroeh Engineering Group, Inc. (CSW) for engineering design and environmental clearance services associated with the Third Street Rehabilitation project in an amount not to exceed \$925,782.

BACKGROUND:

In 2004, the Transportation Authority of Marin (TAM) established a Measure A Expenditure Plan (Plan), a voter-approved sales tax providing funds for major roadway projects in Marin County. Plan projects were prioritized based on roadway condition, traffic volumes, transit frequency, and existing bicycle and pedestrian access. In 2016, San Rafael received \$11 million from Measure A and an additional \$1.5 million from the State Local Partnership Program for the purpose of making significant infrastructure improvements along Third Street.

In 2018, the City applied for federal funding through the Highway Safety Improvement Program (HSIP) administered by Caltrans. Upon favorable review, the City was awarded \$1,575,000 in funding for Third Street between Lindaro Street and Union Street. As project delivery utilizing federal funds can be complex and impact timelines, staff subdivided the entire Third Street corridor into the following two projects:

1. Third Street Rehabilitation Project – Miracle Mile to Lindaro Street; and
2. Third Street Safety Improvements Project – Lindaro Street to Union Street.

FOR CITY CLERK ONLY

File No.:

Council Meeting:

Disposition:

SAN RAFAEL CITY COUNCIL AGENDA REPORT / Page: 2

The Third Street Rehabilitation project consists of roadway and pedestrian improvements, including but not limited to, street resurfacing, curb ramps, sidewalk, storm drain, and traffic signal upgrades. Project intersections on Third Street include East, G, Shaver, E, D, C, B, A, and Brooks Streets. These intersections provide critical access between US 101 and communities in West Marin. Carrying 30,000 vehicles per day, Third Street is the backbone of downtown San Rafael serving businesses, restaurants, medical clinics, and banks. West of downtown, Third Street becomes residential. As such, it is imperative to balance traffic calming measures for residents while maintaining Third Street as a throughput for commuters.

The scope of work for this agreement with CSW/Stuber-Stroeh Engineering Group, Inc. (CSW) includes the environmental clearances for both projects (Rehabilitation: Miracle Mile to Lindaro & Lindaro to Union) and the design work for the first project (Safety Improvements: Miracle Mile to Lindaro).

Staff are bidding the design work for the second project (Safety Improvements - Lindaro to Union) separately and will bring forward an agenda item to the City Council to recommend awarding a professional services agreement for that project.

Prior to proceeding with design on the first project (Rehabilitation: Miracle Mile to Lindaro & Lindaro to Union), staff conducted community outreach to receive public input and conceptualize which elements should proceed to construction. After completing a qualifications-based selection process, [BKF Engineers was awarded a contract on April 17, 2017](#) to complete a feasibility study. The feasibility study, presented to the City Council at the [June 3, 2019](#) meeting, is available online at <https://www.cityofsanrafael.org/third-st-rehab>.

The feasibility study included high-level conceptual drawings for the proposed improvements and subsequently, on June 19, 2019, City staff issued a request for proposals (RFP). The conceptual design provided a basic framework to potential consultants of the City's objectives for this project; and was also utilized to solicit feedback from the City's Bicycle and Pedestrian Advisory Committee (BPAC).

ANALYSIS:

On August 15, 2019, Public Works received three proposals from qualified firms. Proposals were evaluated by City staff based on criteria specified in the RFP including, but not limited to, understanding of the Scope of Work, previous experience with similar projects, qualified personnel, and familiarity with City procedures for project delivery.

On September 19, 2019, the three proposing firms were interviewed by panel members consisting of City and TAM staff as well as a member of the BPAC. The panel members found CSW as the most qualified consultant for this project. After successful negotiations, CSW submitted a revised scope and fee proposal to perform the engineering design and environmental clearance services for a sum of \$925,782, which was found to be complete and within industry standards.

FISCAL IMPACT:

The consultant's fee of \$925,782 is being funded by Measure A grant funds. Upon completion of the design, a construction cost estimate will be produced.

OPTIONS: The City Council has the following options to consider relating to this matter:

1. Adopt a resolution authorizing the City Manager to execute a professional services agreement with CSW.
2. Do not accept the proposal from CSW and provide further direction to staff.

RECOMMENDED ACTION: Adopt a resolution approving and authorizing the City Manager to execute a professional services agreement with CSW for engineering design and environmental

SAN RAFAEL CITY COUNCIL AGENDA REPORT / Page: 3

clearance services associated with the Third Street Rehabilitation project in an amount not to exceed \$925,782.

ATTACHMENT:

1. Resolution
2. Agreement with Exhibit A (Proposal)

RESOLUTION NO.

A RESOLUTION OF THE SAN RAFAEL CITY COUNCIL APPROVING AND AUTHORIZING THE CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH CSW/STUBER-STROEH ENGINEERING GROUP, INC. FOR ENGINEERING DESIGN AND ENVIRONMENTAL CLEARANCE SERVICES ASSOCIATED WITH THE THIRD STREET REHABILITATION PROJECT IN AN AMOUNT NOT TO EXCEED \$925,782

WHEREAS, the City desires to implement safety improvements along the Third Street corridor from Miracle Mile to Union Street; and

WHEREAS, the City was awarded Measure A funding through the Transportation Authority of Marin; and

WHEREAS, the City requires outside professional assistance to design and secure environmental clearance for the aforementioned project; and

WHEREAS, in response to the request for proposals (RFP), the Department of Public Works received three proposals and conducted team interviews; and

WHEREAS, staff has reviewed the proposal and identified CSW/Stuber-Stroeh Engineering Group, Inc. to be the most qualified firm; and

WHEREAS, CSW/Stuber-Stroeh Engineering Group, Inc.'s proposal in the amount of \$925,782 was found to be complete and within industry standards.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN RAFAEL

RESOLVES as follows:

1. The City Council hereby approves and authorizes the City Manager to execute a Professional Services Agreement with CSW/Stuber-Stroeh Engineering Group, Inc. for engineering design and environmental clearance services associated with the Third Street Rehabilitation Project in the amount not to exceed \$925,782, in the form attached to the Staff Report to the City Council for this matter, subject to final approval as to form by the City Attorney.
2. Funds totaling \$925,782 will be appropriated for this project from the Measure A grant.
3. The Director of Public Works is hereby authorized to take any and all such actions and make changes as may be necessary to accomplish the purpose of this resolution.

AGREEMENT FOR PROFESSIONAL SERVICES
FOR THE THIRD STREET REHABILITATION PROJECT

This Agreement is made and entered into this ____ day of _____, 20__, by and between the CITY OF SAN RAFAEL (hereinafter "**CITY**"), and CSW/STUBER-STROEH ENGINEERING GROUP, INC. (hereinafter "**CONTRACTOR**").

RECITALS

WHEREAS, the **CITY** has determined that engineering design and environmental clearance services are required for the Third Street Rehabilitation Project; and

WHEREAS, the **CONTRACTOR** has agreed to render such services.

AGREEMENT

NOW, THEREFORE, the parties hereby agree as follows:

1. **PROJECT COORDINATION.**

A. **CITY'S Project Manager.** Lauren Davini is hereby designated the **PROJECT MANAGER** for the **CITY** and said **PROJECT MANAGER** shall supervise all aspects of the progress and execution of this Agreement.

B. **CONTRACTOR'S Project Director.** **CONTRACTOR** shall assign a single **PROJECT DIRECTOR** to have overall responsibility for the progress and execution of this Agreement for **CONTRACTOR**. Robert Stevens is hereby designated as the **PROJECT DIRECTOR** for **CONTRACTOR**. Should circumstances or conditions subsequent to the execution of this Agreement require a substitute **PROJECT DIRECTOR**, for any reason, the **CONTRACTOR** shall notify the **CITY** within ten (10) business days of the substitution.

2. **DUTIES OF CONTRACTOR.**

CONTRACTOR shall perform the duties and/or provide services outlined in **CONTRACTOR's** proposal dated November 5, 2019, marked Exhibit A, attached hereto, and incorporated herein.

3. **DUTIES OF CITY.**

CITY shall pay the compensation as provided in Paragraph 4, and perform the duties as described in Exhibit A, attached hereto, and incorporated herein.

4. COMPENSATION.

For the full performance of the services described herein by **CONTRACTOR**, **CITY** shall pay **CONTRACTOR** on an hourly basis, for services rendered in accordance with the rates shown in Exhibit A, attached hereto, and incorporated herein, in an amount not to exceed **\$925,782**.

Payment will be made monthly upon receipt by PROJECT MANAGER of itemized invoices submitted by **CONTRACTOR**.

5. TERM OF AGREEMENT.

The term of this Agreement shall commence upon the date of execution of this Agreement and end two (2) years after the Agreement is executed. Upon mutual agreement of the parties, and subject to the approval of the City Manager the term of this Agreement may be extended for an additional period of up to two (2) years.

6. TERMINATION.

A. **Discretionary.** Either party may terminate this Agreement without cause upon thirty (30) days written notice mailed or personally delivered to the other party.

B. **Cause.** Either party may terminate this Agreement for cause upon fifteen (15) days written notice mailed or personally delivered to the other party, and the notified party's failure to cure or correct the cause of the termination, to the reasonable satisfaction of the party giving such notice, within such fifteen (15) day time period.

C. **Effect of Termination.** Upon receipt of notice of termination, neither party shall incur additional obligations under any provision of this Agreement without the prior written consent of the other.

D. **Return of Documents.** Upon termination, any and all **CITY** documents or materials provided to **CONTRACTOR** and any and all of **CONTRACTOR's** documents and materials prepared for or relating to the performance of its duties under this Agreement, shall be delivered to **CITY** as soon as possible, but not later than thirty (30) days after termination.

7. OWNERSHIP OF DOCUMENTS.

The written documents and materials prepared by the **CONTRACTOR** in connection with the performance of its duties under this Agreement, shall be the sole property of **CITY**. **CITY** may use said property for any purpose, including projects not contemplated by this Agreement.

8. INSPECTION AND AUDIT.

Upon reasonable notice, **CONTRACTOR** shall make available to **CITY**, or its agent, for inspection and audit, all documents and materials maintained by **CONTRACTOR** in connection with

its performance of its duties under this Agreement. **CONTRACTOR** shall fully cooperate with **CITY** or its agent in any such audit or inspection.

9. ASSIGNABILITY.

The parties agree that they shall not assign or transfer any interest in this Agreement nor the performance of any of their respective obligations hereunder, without the prior written consent of the other party, and any attempt to so assign this Agreement or any rights, duties or obligations arising hereunder shall be void and of no effect.

10. INSURANCE.

A. **Scope of Coverage.** During the term of this Agreement, **CONTRACTOR** and all Subcontractors shall maintain, at no expense to **CITY**, the following insurance policies:

1. A commercial general liability insurance policy in the minimum amount of one million dollars (\$1,000,000) per occurrence/two million dollars (\$2,000,000) aggregate, for death, bodily injury, personal injury, or property damage.

2. An automobile liability (owned, non-owned, and hired vehicles) insurance policy in the minimum amount of one million dollars (\$1,000,000) dollars per occurrence.

3. If any licensed professional performs any of the services required to be performed under this Agreement, a professional liability insurance policy in the minimum amount of two million dollars (\$2,000,000) per occurrence/four million dollars (\$4,000,000) aggregate, to cover any claims arising out of the **CONTRACTOR's** or any Subcontractor's performance of services under this Agreement. Where **CONTRACTOR** or any Subcontractor is a professional not required to have a professional license, **CITY** reserves the right to require **CONTRACTOR** or the Subcontractor to provide professional liability insurance pursuant to this section.

4. If they employ any person, **CONTRACTOR** and all Subcontractors shall maintain worker's compensation insurance, as required by the State of California, with statutory limits, and employer's liability insurance with limits of no less than one million dollars (\$1,000,000) per accident for bodily injury or disease. **CONTRACTOR's** and all Subcontractors' worker's compensation insurance shall be specifically endorsed to waive any right of subrogation against **CITY**.

B. **Other Insurance Requirements.** The insurance coverage required of the **CONTRACTOR** in subparagraph A of this section above shall also meet the following requirements:

1. Except for professional liability insurance or worker's compensation insurance, the insurance policies shall be specifically endorsed to include the **CITY**, its officers, agents, employees, and volunteers, as additional insureds (for both ongoing and completed operations) under the policies. Any Subcontractors shall provide **CONTRACTOR** with an additional insured endorsement on ISO form CG 20 38 04 13.

2. The additional insured coverage under **CONTRACTOR'S** insurance policies shall be "primary and noncontributory" with respect to any insurance or coverage maintained by **CITY** and shall not call upon **CITY's** insurance or self-insurance coverage for any contribution. The "primary and noncontributory" coverage in **CONTRACTOR'S** policies shall be at least as broad as ISO form CG20 01 04 13.

3. Except for professional liability insurance or worker's compensation insurance, the insurance policies shall include, in their text or by endorsement, coverage for contractual liability and personal injury.

4. By execution of this Agreement, **CONTRACTOR** hereby grants to **CITY** a waiver of any right to subrogation which any insurer of **CONTRACTOR** may acquire against **CITY** by virtue of the payment of any loss under such insurance. **CONTRACTOR** agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation, but this provision applies regardless of whether or not **CITY** has received a waiver of subrogation endorsement from the insurer.

5. If the insurance is written on a Claims Made Form, then, following termination of this Agreement, said insurance coverage shall survive for a period of not less than five years.

6. The insurance policies shall provide for a retroactive date of placement coinciding with the effective date of this Agreement.

7. The limits of insurance required in this Agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and noncontributory basis for the benefit of **CITY** (if agreed to in a written contract or agreement) before **CITY'S** own insurance or self-insurance shall be called upon to protect it as a named insured.

8. It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits shall be available to **CITY** or any other additional insured party. Furthermore, the requirements for coverage and limits shall be: (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured; whichever is greater. No representation is made that the minimum Insurance requirements of this agreement are sufficient to cover the obligations of the **CONTRACTOR** under this agreement.

C. **Deductibles and SIR's.** Any deductibles or self-insured retentions in **CONTRACTOR's** insurance policies must be declared to and approved by the **PROJECT MANAGER** and City Attorney, and shall not reduce the limits of liability. Policies containing any self-insured retention (SIR) provision shall provide or be endorsed to provide that the SIR may be satisfied by either the named insured or **CITY** or other additional insured party. At **CITY's** option, the deductibles or self-insured retentions with respect to **CITY** shall be reduced or eliminated to **CITY's** satisfaction, or **CONTRACTOR** shall procure a bond guaranteeing payment of losses and related investigations, claims administration, attorney's fees and defense expenses.

D. **Proof of Insurance.** **CONTRACTOR** shall provide to the **PROJECT MANAGER** or **CITY'S** City Attorney all of the following: (1) Certificates of Insurance evidencing the insurance coverage required in this Agreement; (2) a copy of the policy declaration page and/or endorsement page listing all policy endorsements for the commercial general liability policy, and (3) excerpts of policy language or specific endorsements evidencing the other insurance requirements set forth in this Agreement. **CITY** reserves the right to obtain a full certified copy of any insurance policy and endorsements from **CONTRACTOR**. Failure to exercise this right shall not constitute a waiver of the right to exercise it later. The insurance shall be approved as to form and sufficiency by **PROJECT MANAGER** and the City Attorney.

11. INDEMNIFICATION.

A. Except as otherwise provided in Paragraph B., **CONTRACTOR** shall, to the fullest extent permitted by law, indemnify, release, defend with counsel approved by **CITY**, and hold harmless **CITY**, its officers, agents, employees and volunteers (collectively, the "**City Indemnitees**"), from and against any claim, demand, suit, judgment, loss, liability or expense of any kind, including but not limited to attorney's fees, expert fees and all other costs and fees of litigation, (collectively "**CLAIMS**"), arising out of **CONTRACTOR'S** performance of its obligations or conduct of its operations under this Agreement. The **CONTRACTOR's** obligations apply regardless of whether or not a liability is caused or contributed to by the active or passive negligence of the **City Indemnitees**. However, to the extent that liability is caused by the active negligence or willful misconduct of the **City Indemnitees**, the **CONTRACTOR's** indemnification obligation shall be reduced in proportion to the **City Indemnitees'** share of liability for the active negligence or willful misconduct. In addition, the acceptance or approval of the **CONTRACTOR's** work or work product by the **CITY** or any of its directors, officers or employees shall not relieve or reduce the **CONTRACTOR's** indemnification obligations. In the event the **City Indemnitees** are made a party to any action, lawsuit, or other adversarial proceeding arising from **CONTRACTOR'S** performance of or operations under this Agreement, **CONTRACTOR** shall provide a defense to the **City Indemnitees** or at **CITY'S** option reimburse the **City Indemnitees** their costs of defense, including reasonable attorneys' fees, incurred in defense of such claims.

B. Where the services to be provided by **CONTRACTOR** under this Agreement are design professional services to be performed by a design professional as that term is defined under Civil Code Section 2782.8, then, to the extent permitted by law including without limitation, Civil Code sections 2782, 2782.6 and 2782.8, **CONTRACTOR** shall indemnify and hold harmless the **CITY** and its officers, officials, and employees (collectively **City Indemnitees**) from and against damages, liabilities or costs (including incidental damages. Court costs, reasonable attorney's fees as may be determined by the Court, litigation expenses and fees of expert witnesses incurred in connection therewith and costs of investigation) to the extent they are caused by the negligence, recklessness, or willful misconduct of **CONTRACTOR**, or any subconsultants, or subcontractor or anyone directly or indirectly employed by them, or anyone for whom they are legally liable (collectively **Liabilities**). Such obligation to hold harmless and indemnify any indemnity shall not apply to the extent that such **Liabilities** are caused in part by the negligence or willful misconduct of such **City Indemnitee**.

C. The defense and indemnification obligations of this Agreement are undertaken in addition to, and shall not in any way be limited by, the insurance obligations contained in this Agreement, and shall survive the termination or completion of this Agreement for the full period of time allowed by law.

12. NONDISCRIMINATION.

CONTRACTOR shall not discriminate, in any way, against any person on the basis of age, sex, race, color, religion, ancestry, national origin or disability in connection with or related to the performance of its duties and obligations under this Agreement.

13. COMPLIANCE WITH ALL LAWS.

CONTRACTOR shall observe and comply with all applicable federal, state and local laws, ordinances, codes and regulations, in the performance of its duties and obligations under this Agreement. **CONTRACTOR** shall perform all services under this Agreement in accordance with these laws, ordinances, codes and regulations. **CONTRACTOR** shall release, defend, indemnify and hold harmless **CITY**, its officers, agents and employees from any and all damages, liabilities, penalties, fines and all other consequences from any noncompliance or violation of any laws, ordinances, codes or regulations.

14. NO THIRD PARTY BENEFICIARIES.

CITY and **CONTRACTOR** do not intend, by any provision of this Agreement, to create in any third party, any benefit or right owed by one party, under the terms and conditions of this Agreement, to the other party.

15. NOTICES.

All notices and other communications required or permitted to be given under this Agreement, including any notice of change of address, shall be in writing and given by personal delivery, or deposited with the United States Postal Service, postage prepaid, addressed to the parties intended to be notified. Notice shall be deemed given as of the date of personal delivery, or if mailed, upon the date of deposit with the United States Postal Service. Notice shall be given as follows:

TO **CITY**'s Project Manager:

Lauren Davini
City of San Rafael
111 Morpew Street
San Rafael, CA 94901

TO **CONTRACTOR**'s Project Director:

Robert Stevens
CSW/Stuber-Stroeh Engineering Group, Inc.
45 Leveroni Court
Novato, CA 94949

16. INDEPENDENT CONTRACTOR.

For the purposes, and for the duration, of this Agreement, **CONTRACTOR**, its officers, agents and employees shall act in the capacity of an Independent Contractor, and not as employees of the **CITY**. **CONTRACTOR** and **CITY** expressly intend and agree that the status of **CONTRACTOR**, its officers, agents and employees be that of an Independent Contractor and not that of an employee of **CITY**.

17. ENTIRE AGREEMENT -- AMENDMENTS.

A. The terms and conditions of this Agreement, all exhibits attached, and all documents expressly incorporated by reference, represent the entire Agreement of the parties with respect to the subject matter of this Agreement.

B. This written Agreement shall supersede any and all prior agreements, oral or written, regarding the subject matter between the **CONTRACTOR** and the **CITY**.

C. No other agreement, promise or statement, written or oral, relating to the subject matter of this Agreement, shall be valid or binding, except by way of a written amendment to this Agreement.

D. The terms and conditions of this Agreement shall not be altered or modified except by a written amendment to this Agreement signed by the **CONTRACTOR** and the **CITY**.

E. If any conflicts arise between the terms and conditions of this Agreement, and the terms and conditions of the attached exhibits or the documents expressly incorporated by reference, the terms and conditions of this Agreement shall control.

18. SET-OFF AGAINST DEBTS.

CONTRACTOR agrees that **CITY** may deduct from any payment due to **CONTRACTOR** under this Agreement, any monies which **CONTRACTOR** owes **CITY** under any ordinance, agreement, contract or resolution for any unpaid taxes, fees, licenses, assessments, unpaid checks or other amounts.

19. WAIVERS.

The waiver by either party of any breach or violation of any term, covenant or condition of this Agreement, or of any ordinance, law or regulation, shall not be deemed to be a waiver of any other term, covenant, condition, ordinance, law or regulation, or of any subsequent breach or violation of the same or other term, covenant, condition, ordinance, law or regulation. The subsequent acceptance by either party of any fee, performance, or other consideration which may become due or owing under this Agreement, shall not be deemed to be a waiver of any preceding breach or violation

by the other party of any term, condition, covenant of this Agreement or any applicable law, ordinance or regulation.

20. COSTS AND ATTORNEY'S FEES.

The prevailing party in any action brought to enforce the terms and conditions of this Agreement, or arising out of the performance of this Agreement, may recover its reasonable costs (including claims administration) and attorney's fees expended in connection with such action.

21. CITY BUSINESS LICENSE / OTHER TAXES.

CONTRACTOR shall obtain and maintain during the duration of this Agreement, a **CITY** business license as required by the San Rafael Municipal Code **CONTRACTOR** shall pay any and all state and federal taxes and any other applicable taxes. **CITY** shall not be required to pay for any work performed under this Agreement, until **CONTRACTOR** has provided **CITY** with a completed Internal Revenue Service Form W-9 (Request for Taxpayer Identification Number and Certification).

22. SURVIVAL OF TERMS.

Any terms of this Agreement that by their nature extend beyond the term (or termination) of this Agreement shall remain in effect until fulfilled, and shall apply to both Parties' respective successors and assigns.

23. APPLICABLE LAW.

The laws of the State of California shall govern this Agreement.

24. COUNTERPARTS AND ELECTRONIC SIGNATURE.

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one document. Counterpart signature pages may be delivered by telecopier, email or other means of electronic transmission.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day, month and year first above written.

CITY OF SAN RAFAEL

CONTRACTOR

JIM SCHUTZ, City Manager

By: _____

Name: _____

Title: _____

ATTEST:

[If Contractor is a corporation, add signature of second corporate officer]

LINDSAY LARA, City Clerk

By: _____

APPROVED AS TO FORM:

Name: _____

Title: _____

ROBERT F. EPSTEIN, City Attorney



November 5, 2019

Lauren Davini, PE
Traffic Engineer
City of San Rafael
111 Morpew Street
San Rafael, CA 94901

Subject: Rehabilitating Third Street

Dear Ms. Davini:

Please find attached our fee proposal including scope of work, schedule, and labor assessment to complete the final design for Third Street. If I can provide any additional information, please contact Robert at 415.533.1864 or rstevens@cswst2.com.

Sincerely,
CSW | ST2

A handwritten signature in blue ink, appearing to read 'R. Stevens', is written over a light blue horizontal line.

Robert Stevens, PE, LEED AP
Project Manager

SCOPE OF WORK

Serving almost 25,000 vehicles each weekday as well as providing a key link to the San Rafael Transit Center, Third Street is one of Marin’s most critical transportation corridors. Given its importance to the region, Third Street qualifies to receive funding through Marin County’s Measure A Sales Tax originally authorized by the voters in 2004. Managed by the Transportation Authority of Marin, the program provides \$12 million including State Local Partnership Program (SLPP) for rehabilitation of Third Street. There is an additional \$1,575,000 of funding from the Highway Safety Improvement Program Cycle 9 program to complete safety enhancements from Lindaro Street to Grand Avenue.

There are two guiding documents, which provide a framework for the planning of Third Street including the “Third Street Rehabilitation Project Study Report” dated May 2019 and the “Bicycle Pedestrian Masterplan 2018 update.” These efforts involved a community outreach process that both identified and prioritized improvements for the corridor. At a high level, these elements include:

Infrastructure	Safety	Beautification
Pavement Rehabilitation	Traffic Signal Upgrades	Street trees
ADA Sidewalks and Ramps	Shortened crosswalks	Landscaping and elements
Reduce congestion	Signalization at Brooks Street	to reduce “harsh”
Storm water quality elements	Widened sidewalk between	environment
	Miramar and East Street	Wayfinding
	Lighting	

The feasibility report notes that the anticipated cost of all improvements is nearly \$20 million, which far exceeds the available funding. Thus, the refined project focuses on repairing infrastructure and improving safety along the corridor while not precluding future improvements. In general, the following summarizes the proposed scope of improvements between Lootens Place and 4th Street:

- Rehabilitation of the pavement and re-striping of the roadway;
- Addition of bulb-outs generally as depicted in the feasibility study;
- Planting of street trees as shown in the feasibility study;
- Repair of sidewalks and curb ramps to comply with accessibility;
- Modernize five of the eight traffic signals, which will include larger signal heads, back plates, pedestrian countdown heads, push buttons, and video detection. The final three signals will be either partially or totally replaced to account for access enhancements;
- Add a fiber optic-based traffic signal interconnect conduit;
- Improve street lighting; and
- Provide a sidewalk, Class IV cycle track, or Class 1 facility along Second Street between East Street and Miramar Avenue.

In addition to these elements, the final bid documents will incorporate improvements to the sanitary sewer and water system as provided by the San Rafael Sanitation District (SRSD) and the Marin Municipal Water District (MMWD) respectively. The MMWD scope includes the construction of an 8-inch welded steel along Third Street between E Street and Irwin Street. The SRSD includes

the repair of sags, broken pipe segments, and various manhole rehabilitation. The environmental assessment will incorporate these project components into the project description.

Our team's roles and responsibilities include the following:

- CSW | ST2 will serve as the project manager, civil engineer, and surveyor;
- WRT will provide landscape architecture and outreach support;
- Parisi Transportation Consulting will serve as the traffic engineer;
- WRA and Alta Archeological Consulting will support the CEQA analysis;
- Associated Right of Way services will support easement acquisition;
- Bess Utility Solutions to perform a ground penetrating radar study;
- Pavement Engineering will support the pavement assessment; and
- Miller Pacific will provide geotechnical and soil contamination assessment.

Following is our proposed scope of work to support the rehabilitation of Third Street and as shown in the attached figure.

TASK 1: PRELIMINARY ENGINEERING

Objective: In this initial phase, our team will complete several technical studies as well as focused outreach to stakeholders to support refining the concepts developed in the Third Street feasibility study. The outcome of this task will create the documents necessary to develop an environmental document.

- 1.1 Project Kickoff.** Our team will meet with City staff to review the project goals and near-term objectives. This will include a discussion with the consultant preparing documents for the HSIP funded project along the east side of the corridor to determine project components that could be coordinated to save funds.
 - 1.2 Data Collection and Field Review.** Our team will collect the preliminary documents and perform a field review to understand basic conditions along Third Street between Grand Avenue and Second to Fourth Streets. This task will include the following elements:
 - A. Data Collection.** The team will collect and review San Rafael Bicycle and Pedestrian Master Plan, Third Street Rehabilitation Project, conditions of approval for development projects, and record utility data.
 - B. Site Reconnaissance.** The team will visit the site to assess community features, landscaping and street trees, condition of asphalt pavement, accessibility, drainage patterns, and utility infrastructure.
 - 1.3 Technical Studies.** Our team will complete the following technical studies for the corridor between Second and Fourth Streets and Lindero Street to support the preliminary design.
 - A. Lighting.** Our team will complete a photometric assessment at key intersections using both field data collection as well as a computer simulation. We will provide an exhibit that illustrates intersection lighting levels as well as the uniformity ratio of the intersections.
 - B. Hydrology Assessment.** The team will assess the hydrology of the intersections to receive bulb-bouts to determine existing drainage patterns and define new storm drainage infrastructure.
 - C. Pavement Assessment.** Pavement Engineering will perform deflection testing and
-

analysis consistent with California Test Method 356 and the California Highway Design Manual Chapter 630, topic 635. At select intervals, we will core the pavement to determine the existing thickness. In addition to deflection testing, we will quantify and qualify the engineering properties of the subgrade. Finally, our team will assess damaged sections of pavement that will require repair. The evaluation will be along Third and Second Streets from Union Avenue to 4th Street and Grand Avenue between Second and Fourth Streets.

- D. **Arborist Report.** WRA's ISA-Certified Arborist will complete a comprehensive tree survey along the Third Street corridor. Specifically, the survey will document, species, size, and health of the existing trees and will evaluate potential tree and root conflicts including street trees that have uplifted concrete sidewalks.
- E. **Geotechnical Assessment.** Along the segment of Second Street, which is to receive a widened sidewalk by installing a retaining wall, our team will complete a limited geotechnical exploration. We will acquire three borings to a depth of at least 15 feet to characterize subsurface soils. The final report will provide recommendations for retaining walls, which may include soil nail walls. Additionally, we will complete up to twelve (12) borings to a depth of five (5) feet along the future MMWD water line to characterize subsurface soils as well as complete a hazardous materials assessment.
- F. **Existing Conditions Mapping.** Our team will acquire topographic survey data between Second/ Fourth Streets and Lootens Place in a two phased approach. In the first phase, we will collect general data to complete the 35% documents. Once the scope of work is defined after completion of the 35% documents, our team will complete a design level survey within the areas proposed to receive improvements. The following summarizes the scope of work.
 - i. **Aerial Survey:** Our team will establish control based on NAVD 88 and NAD 83. We will compile a base map using aerial photogrammetric methods detailing the Third Street corridor and adjacent properties within the limits noted.
 - ii. **Property Boundary and Record Monuments:** We will research City and County records to plot the public right of way based upon record information. We will also identify all record survey points and monuments along the corridor.
 - iii. **Field Survey:** In areas to receive major improvements such as curb extensions and areas obscured by tree canopy, our team will collect topography including elevations and surface features using traditional survey methods.
 - iv. **Utility Survey:** Our team will complete a ground penetrating (GPR) scan along Third and Second Streets from Union Avenue to 4th Street and Grand Avenue between Second and Fourth Streets. to locate horizontally and vertically the existing utilities as well as the concrete slab. Based upon previous investigation, we believe the concrete segment exists only between A Street and Lootens Place.
 - v. **Prepare Base Map:** CSW | ST2 will develop a detailed base map using data collected by our efforts; we will integrate the information provided by the City for the area to the east of Lootens Place. In the first phase, we will compile the aerial data, as-built utility records, and boundary information into a base map. With completion of the second phase, we will integrate the supplemental surface and underground utility data collected through the GPR scan.

- 1.4 Design Refinement (30%).** Based upon the data collected, our team will refine the concepts established in the feasibility study. We will coordinate with the team working to develop the HSIP funded improvements to integrate the traffic signal and sidewalk improvements into the documents. This would include the following elements:
- A.** Layout and street cross sections which illustrate new curb locations such as bulb-outs, sidewalk repairs, revised roadway striping, lighting, and landscaping
 - B.** Pavement rehabilitation plans
 - C.** Traffic signal plans illustrating revisions to phasing and modifications to equipment
 - D.** Concepts for Wayfinding signage
 - E.** A preliminary construction phasing plan detailing the order of work and conceptual traffic handling
 - F.** Cost model detailing construction costs as well as utility fees for new services
 - G.** An exhibit that details temporary construction easements, rights to enter, and/ or rights of way required to complete the project. This exhibit will detail the owner of the property and the area required.
- 1.5 Outreach.** As the City has completed an extensive and successful outreach process, our team will continue the effort by providing project updates related to the implementation effort. We will coordinate our outreach strategy with the HSIP team to ensure there is a unified message that Third Street's development is a well-coordinated and integrated project. Using the design refinement documents, we will prepare illustrative plans in hardcopy and electronic formats. The following summarizes proposed outreach meetings:
- A. Stakeholder Workshop.** Our team will conduct up to two meetings with corridor stakeholders, which could include neighborhood groups, development interests, and/ or local business leaders. We suggest that one of the meetings be held at a scheduled time and place, while a second could be a field walk with stakeholders.
 - B. Transit Meeting.** We will coordinate a meeting with both Golden Gate and Marin Transit to review bus stop locations and configurations.
 - C. City Services.** We will support staff in reviewing proposed roadway modifications such as bulb-outs with representatives from emergency services and public works.
 - D. BPAC.** Our team will present the 30% documents to the City's BPAC for review and comment. This meeting will focus on the bicycle/ pedestrian improvements between East Street and Miramar Avenue as well as bulb-outs proposed along Third Street.
 - E. Community Meeting.** Our team will host a meeting to update the public on the refinement of the project elements and discuss construction phasing.
 - F. Web Materials and News Releases.** We will provide maps, graphics, and narratives to the City for use on their web page to inform the community of the project's progress.
- 1.6 Contract Management.** CSW | ST2 will be responsible for overall management of our design team including the following:
- A. Project Management:** We will manage the design team as well as track progress, schedule, and budget.
 - B. Quality Control/ Assurance:** An independent member of our team will perform an independent quality control review of the team's documents prior to submittal
 - C. Meetings:** In addition to the outreach meetings, the team will attend two (2) coordination meetings with City staff.
-

Deliverables

- Technical studies in Acrobat format
- 30% Documents in Acrobat format
- Meeting agendas, presentations, and minutes

TASK 2: ENVIRONMENTAL ASSESSMENT AND PERMITTING

Objective: Our team will review the preliminary design and refine the documents to support the CEQA process for the entire Third/ Second Street corridor segment between Grand Avenue and Fourth Street.

- 2.1 Project Description** - WRA, in coordination with the City, and CSW | ST2, will prepare the project description and present the project summary information as identified on the Environmental Checklist Form in Appendix G of the CEQA Guidelines based on materials provided by the Engineer and the City. The project description will include a discussion of the key characteristics of the project site and vicinity, project objectives, details of the proposed project, the planning and approval process, and the anticipated project schedule. We will provide plans and illustrations of the proposed project.
- 2.2 Prepare Administrative Draft Initial Study (IS)** - The Initial Study will use the City's checklist format. The Initial Study will include all the checklist topics and a response to each checklist question. All the environmental topics included in the Initial Study are shown below in alphabetical order, as they occur in the checklist. For all other environmental issues, standard mitigation measures will be recommended, if appropriate. It is recommended that prior to embarking on the preparation of an Initial Study; City staff and the CSW | ST2 team discuss the potential environmental consequences of the project and determine whether or not to proceed with a CEQA Categorical Exemption instead of the preparation of an Initial Study.
- A. Aesthetics** - WRA will analyze the potential aesthetic impacts of the project, including the impacts to scenic vistas and scenic resources, light and glare that may be generated by the project, and the visual compatibility of the proposed project with surrounding development. The site is not near a scenic highway or part of a scenic vista. The proposed project would entail roadway improvements in an urban area. Therefore, it is likely that aesthetics effects would not be significant; however, if warranted, mitigation measures would be identified to ensure that the project's aesthetics impacts would be reduced to a less-than-significant level.
- B. Agricultural and Forestry Resources** - The site is located within an urban area of San Rafael. No agricultural or forestry resources are located in the project area. Therefore, no impacts to agricultural resources are expected.
- C. Air Quality** - WRA will prepare an air quality analysis for the proposed project in response to the Initial Study Checklist questions. The air quality analysis will include the following components: 1) assessment of baseline air quality in the area based on data from Bay Area Air Quality Management District (BAAQMD) and California Air Resources Board (ARB); 2) quantitative assessment of project construction and operational impacts using the Roadway Emissions Estimator Model (RoadMod), where possible project specific construction details such as duration of

construction period and equipment will be used, otherwise default model assumptions will be utilized; 3) screening level assessment of project construction health risk impacts (based on the size of the project, a full air dispersion assessment of project construction impacts would not be required); and 4) recommendation of mitigation measures consistent with the BAAQMD guidelines.

- D. **Biological Resources** - WRA will conduct a reconnaissance-level biological survey of the project site. The survey will form the basis for the assessment. Particular attention will be given to determine if a sensitive habitat or habitats suitable for any threatened, endangered or special-status plant and or animal species are present. WRA will also identify if any potential jurisdictional wetlands are present. This proposal includes conducting a record search with the California Natural Diversity Data Base and California Native Plant Society's Inventory of Rare and Endangered Plants. WRA will present the results of the field survey and research in a report describing existing biological resources, observations made during the survey, constraints to development if present, and appropriate mitigation measures if necessary.
 - E. **Cultural Resources** - Alta Archaeological Consulting will conduct a cultural resources assessment to address environmental review requirements under CEQA. The assessment will consist of background research, including a records search at the NWIC and a literature review; contact with potentially interested parties, including the Native American Heritage Commission in Sacramento and applicable tribes pursuant to AB-52; and a preliminary windshield survey. Alta will document the methods, results, and recommendations of the study in a brief letter report. No significance evaluations will be done as part of this assessment.
 - F. **Energy** - WRA will address whether the project would result in the wasteful, inefficient, or unnecessary consumption of energy resources during project construction and operation. WRA will also determine if the project conflicts with or obstructs a state or local plan for renewable energy and energy efficiency.
 - G. **Geology and Soils** - WRA will provide responses to the Initial Study checklist questions for this topic using information prepared by the civil and geotechnical engineers for the project. This section of the Initial Study will include a discussion of: potential seismic impacts including fault rupture, seismic shaking, ground failure, and landslides; nearby active faults that would likely cause very strong seismic ground shaking at the project site; potential geotechnical impacts including unstable soils; and any potential impacts associated with slope instability. Potential impacts to paleontological resources will also be analyzed. WRA will provide practical mitigation measures that would reduce or eliminate any identified potential impacts related to geology, soils or seismicity to a less than significant level, if necessary.
 - H. **Greenhouse Gas Emissions** - WRA will evaluate the project's impacts related to greenhouse gas emissions. WRA will provide a quantitative assessment of GHG emissions associated with all relevant sources related to the project for which project data are available, including construction activities. WRA will also provide a qualitative assessment of the project's consistency with relevant plans and regulations, such as the City of San Rafael Climate Action Plan.
 - I. **Hazards and Hazardous Materials** - WRA will prepare the hazards and hazardous
-

materials section of the Initial Study to assess and identify potential threats to public health and safety and the environment that could result from project implementation. The assessment will include a review of regulatory agencies records from the State Water Resources Control Board and Department of Toxic Substances Control to identify hazardous materials release sites in proximity to the project site and evaluate their potential to affect the proposed project. Soil sampling by Miller Pacific associated with the replacement of the MMWD water line at the project site will be incorporated into the hazards and hazardous materials section of the Initial Study. WRA will provide practical mitigation measures that would reduce or eliminate any identified potential impacts related to hazards to a less than significant level, if feasible.

- J. **Hydrology and Storm Drainage** - WRA will prepare the hydrology and water quality section of the Initial Study to assess and identify potential impacts to water resources that could result from project implementation. The project site is not located within a FEMA 100-year flood hazard zone. However, the project improvements could modify existing drainage patterns. WRA will provide a summary of the regulations and permit requirements related to water quality protection and provide additional practical mitigation measures that would reduce or eliminate any identified potential impacts related to hydrology and water quality to the extent feasible.
 - K. **Land Use and Planning Policy**. This section will evaluate the project's compatibility with surrounding land uses and discuss the project's consistency with applicable land use and conservation policies and regulations that could lead to significant physical impacts, including consistency with applicable policies of the City's General Plan.
 - L. **Mineral Resources** - We anticipate that there are no known mineral resources within the project site. Therefore, WRA will provide brief responses to the Initial Study checklist questions for this topic.
 - M. **Noise** - WRA will prepare a noise analysis for the proposed project, in response to the Initial Study Checklist questions. The noise analysis will include the following components: 1) a description of existing noise conditions in and around the project site; 2) quantitative assessment of noise impacts on sensitive receptors related to project construction and operation of the project; and if required, 3) preparation of mitigation measures consistent with best practices.
 - N. **Population and Housing** - The proposed project would not induce population growth in the City or other communities and would not displace existing housing or residents. Therefore, WRA will provide brief responses to the Initial Study checklist questions for this topic.
 - O. **Public Services, Recreation, and Utilities** - WRA will summarize the project's effects on existing utility infrastructure. We will work with the City to determine whether the project would have impacts on public safety services or emergency response times. WRA will prepare responses to the checklist questions for these issues and discuss the effects of the project on local schools, parks and recreational facilities. If WRA identifies significant effects, they will prepare mitigation measures.
 - P. **Traffic and Circulation** - WRA, with support from Parisi, will provide responses to the Initial Study checklist questions for this topic using information prepared by the
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traffic engineers for the project. This section of the Initial Study will include a discussion of traffic and circulation impacts associated with project construction and operation.

- Q. Mandatory Findings of Significance** - The final section of the Initial Study will include an assessment of CEQA mandated environmental topics, including cumulative impacts.
- 2.3 Prepare Public Review Draft IS/MND** - WRA will respond to the City comments on the Administrative Draft IS/MND, complete necessary revisions, submit a pre-print version of the document for City approval and publish for public review. The purpose of the pre-print review will be to verify that the City is satisfied with any new or revised text. At the pre-print review stage, no substantive changes to technical analyses or conclusions will be provided for in WRA's budget. A total of 20 copies of the Public Review Draft IS/MND will be provided for City use, along with a PDF digital file suitable for electronic distribution. In addition, WRA will prepare the Notice of Completion (NOC) and Notice of Intent to adopt a Mitigated Negative Declaration (NOI). WRA will assist with the preparation of a circulation list of agencies and persons that should receive the NOI.
- 2.4 Final IS/MND** - WRA will prepare responses to public and agency comments received on the IS/MND during the public review period, as appropriate. WRA will prepare a Mitigation Monitoring and Reporting Program (MMRP) using the City's preferred format. The MMRP will list mitigation measures that are recommended in the IS/MND and provide standards and timelines for monitoring these mitigation measures. WRA will also assist with preparation of a Resolution to adopt the MND, as necessary. WRA will also provide a Notice of Determination (NOD) for City staff to file once the project has been approved.
- 2.5 Contract Management.** CSW|ST2 will complete contract management services as defined in Task 1.6. In this task, we anticipate up to two (2) meetings with the City as well as one presentation to the City Council

Deliverables

WRA will prepare a draft IS/MND for review by City staff. Five (5) bound paper copies and one (1) PDF and Microsoft Word versions of the Administrative Draft IS/MND.

TASK 3: RIGHT OF WAY ENGINEERING

Objective: Based on the approved 30% documents, our team will begin coordination with public utilities and private property owners to secure approval to complete the project.

- 3.1 Public Utilities.** As the project may require the relocation, upgrade, or repair of existing public utilities, CSW|ST2 will begin working with the various parties to coordinate modification including:
 - A. Coordination.** This will include a notice to the utilities regarding the proposed project followed by a meeting at the City's offices to discuss the project and schedule. We will hold up to two additional coordination meetings at the 60% and 90% submittal levels to coordinate relocations.
 - B. San Rafael Sanitation District.** Our team will coordinate with the sanitation district to integrate proposed pipeline rehabilitation into the construction documents and define the order of work.
 - C. Property Owners.** Our team will prepare a memorandum to property owners

suggesting they upgrade the lateral on private property.

- 3.2 Rights to Enter.** Our team will prepare standard right to enter for improvements located on private property such as sidewalk and driveway conforms. This will include a plat map and standard City form for up to five (5) locations. We will meet with the property owners and coordinate their signature of the agreement.
- 3.3 Easement Acquisition Assistance.** To accommodate sidewalk, curb ramp, or retaining walls, the project may require acquisition of temporary construction easements or right of way acquisition. For two (2) locations, we will complete the following:
- A. Boundary Survey.** Our team will complete a formal boundary survey at each location requiring an easement. We will provide a copy of the survey to the property owner for their record.
 - B. Record of Survey.** If the boundary determined by our team is not consistent with record information, we will file a record of survey with the County as required by the California law. We assume two will be required for this project.
 - C. Mapping:** Our team will prepare a plat map and legal description for each location.
 - D. Nominal Value Waiver.** ARWS' acquisition representative will prepare a Waiver Valuation in lieu of an appraisal, to evaluate the fair market value of the easement. The owner or a designated representative will be invited to accompany the AR/WS representative during the inspection of the property. Waiver valuations are not appraisals and cannot be used to support an eminent domain proceeding.
 - E. Negotiations/ Acquisitions/ Closure:** ARWS will prepare acquisition documents, including, offer letter, valuation summary statement, summary statement pertaining to the acquisition of real property or an interest therein, purchase agreement, deed and public acquisition brochure. If settlement with owners and other required interests is reached ARWS will prepare a Memorandum of Settlement for transmittal. ARWS will establish with the City a process of coordinating escrow closings and reviewing escrow instructions.
- 3.4 Contract Management.** CSW | ST2 will complete contract management services as defined in Task 1.6. In this task, we anticipate up to two (2) meetings with the City.

Deliverables

- Public Utility coordination letters and meeting minutes
- Rights to enter for five (5) locations
- Boundary survey for two (2) properties
- Record of survey for two (2) properties
- Appraisal and acquisition for up to two (2) temporary and/ or permanent construction easements

TASK 4: FINAL PLANS

Objective: With completion of the environmental phase, our team will prepare construction drawings for use in bidding for the western segment of the corridor.

4.1 Prepare 65% Documents The team will prepare the following documents:

- A. Plans**
 - i. Title and Key Map -
 - ii. Public Utility Relocation Plan
-

- iii. Construction Phasing Plan
 - iv. Demolition Plan
 - v. Cross Sections
 - vi. Street Layout and Grading Plan
 - vii. Paving Plans
 - viii. Storm Drain Plan and Profile
 - ix. Striping Plan
 - x. Planting Plan
 - xi. Irrigation Plan
 - xii. Traffic Signal Layout and Conductor Plans
 - xiii. Street Lighting and Conductor Plans
 - xiv. Retaining Wall Plan, Profile, and Details
 - xv. Construction Details
- B.** Specifications, bid schedule, and cost estimate
- 4.2 Prepare 95% Documents.** Based upon comments received from the community outreach process and City staff, we will update the documents prepared in Task 4.1 at the pre final status.
- 4.3 Final Submittal.** After presentation of the 95% documents to the City Council, we will compile final documents for use in bidding.
- 4.4 Outreach.** Our team will continue our outreach process during the final design including hosting the following meetings:
- A. General Community.** Using the approved 65% documents, our team will host a meeting with the general public to review the final design and the proposed construction staging. This will be an informational meeting providing the community with the anticipated construction schedule.
 - B. City Council.** We will support staff in presenting the project to City Council authorizing the project for public advertisement.
 - C. Web Materials and News Releases.** We will continue to update documents for the City's use.
- 4.5 Contract Management.** CSW|ST2 will complete contract management services as defined in Task 1.6. In this task, we anticipate up to two (2) meetings with the City.

Deliverables

- 65% and 95% documents in Adobe Acrobat format
- Final plans in hardcopy, Acrobat, and AutoCAD format
- Meeting agendas, presentations, and minutes

TASK 5: BIDDING SUPPORT

- 5.1 Bidding Support.** Our team will assist during the bidding phase by assisting in outreach, attending the pre-bid meeting, responding to contractor requests for information, and preparing two bid addenda if necessary.

Deliverables

- Responses to contractor questions in the form of up to two (2) bid addenda.

TASK 6: CONSTRUCTION SUPPORT

6.1 Construction Support. During construction, the team will review submittals, respond to contractor questions, provide technical guidance, visit the site on four (4) occasions during construction, and prepare a punch list near the completion of construction. We will assist the City coordinating public utility relocations as well as confirm that the contractor's traffic management and construction mitigation plans are consistent with the contract documents.

Deliverables

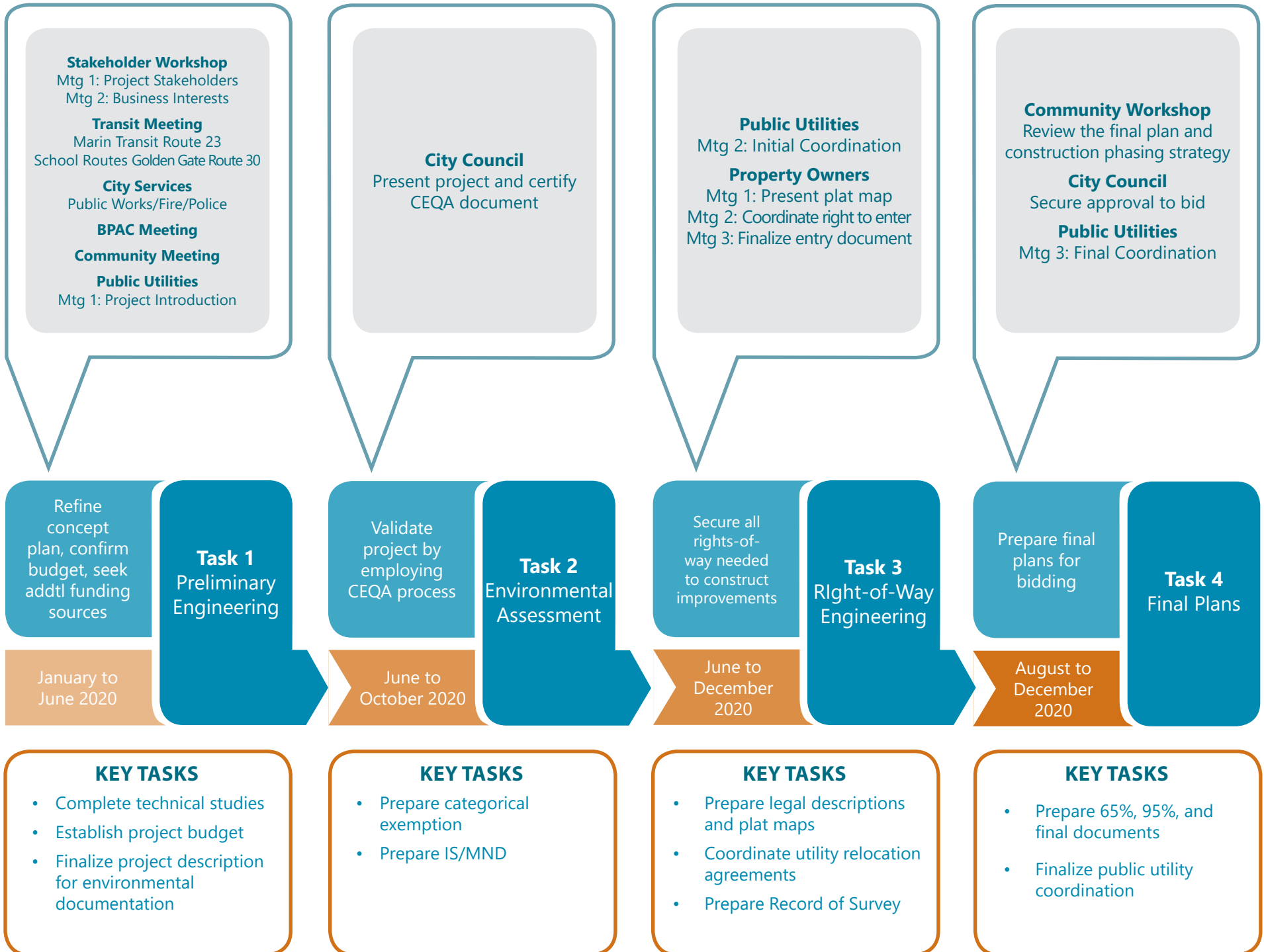
- Submittal review
- Respond to requests for information during construction
- Memorandums summarizing field reports during construction

ASSUMPTIONS

In preparing our scope of work, we have made the following assumptions.

1. Our team will be responsible for developing the design between Lootens Place and 4th Street. We will prepare a CEQA assessment, GPR, and pavement assessment for the entire Third Street corridor from Union Avenue to 4th Street and along Grand Avenue between Second and Fourth Streets. The scope of work associated with the CEQA assessment will be based upon information provided by the City's consultant developing the HSIP project including an analysis of cultural resources.
2. Each utility agency developing improvements within the project area will be responsible for their own design.
3. The project will generally follow the schedule as detailed in our scope of services.
4. No additional traffic data collection or analysis is required.
5. The intersection of Second and Fourth Streets will be evaluated at the conceptual level but will not be included in the final design.
6. Our team's services are limited to those expressly set forth above. We will have no other obligations or responsibilities for the project except as agreed to in writing, or as provided in this agreement. Our services are provided consistent with, and limited to, the standard of care applicable to such services. We will provide our services consistent with the professional skill and care ordinarily provided by consultants practicing in the same or similar locality under the same or similar circumstances.
7. Based upon our experience developing environmental documents of a similar nature, we have allocated an appropriate labor effort to respond to comments. This assumes that no additional technical analyses will be required as part of this effort. Should a larger volume of comments be submitted than can be covered by this assumed level of effort, or should comments be submitted by a union organization, law firm, or organized letter writing campaign, a budget adjustment may be necessary.
8. The following applies to the right of way engineering phase:
 - a. The scope of work includes up to two easements.
 - b. The project will not impact structures and not displace occupants.
 - c. No preliminary title reports will be necessary.
 - d. No permanent right of way acquisition will be required.
 - e. The Waiver Valuations will be appropriate, and no parcels will require formal appraisal/acquisition services for Government Code offers.

STAKEHOLDER AND COMMUNITY ENGAGEMENT PROCESS

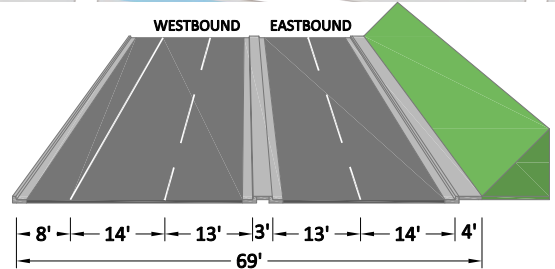


THIRD STREET STREET REHABILITATION

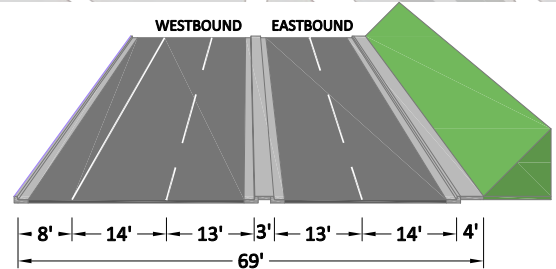


LEGEND

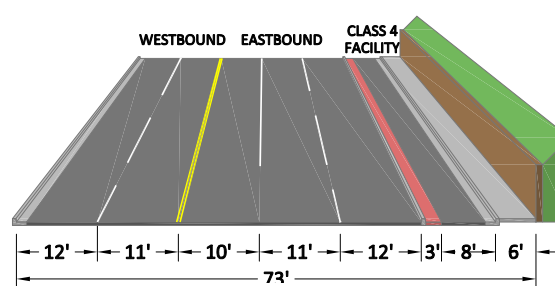
- Third Street Rehabilitation (Phase 2) Pavement, GPR, & CEQA Assessment
- HSIP Funded Project (Phase 1) Pavement, GPR, & CEQA Assessment
- Cross Marin Bike Way (See Sections)
- Existing Traffic Signal



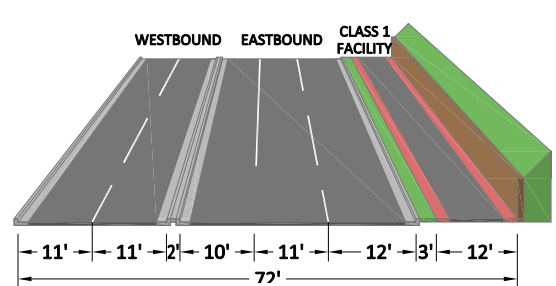
Existing Condition
Between East and 1st Street



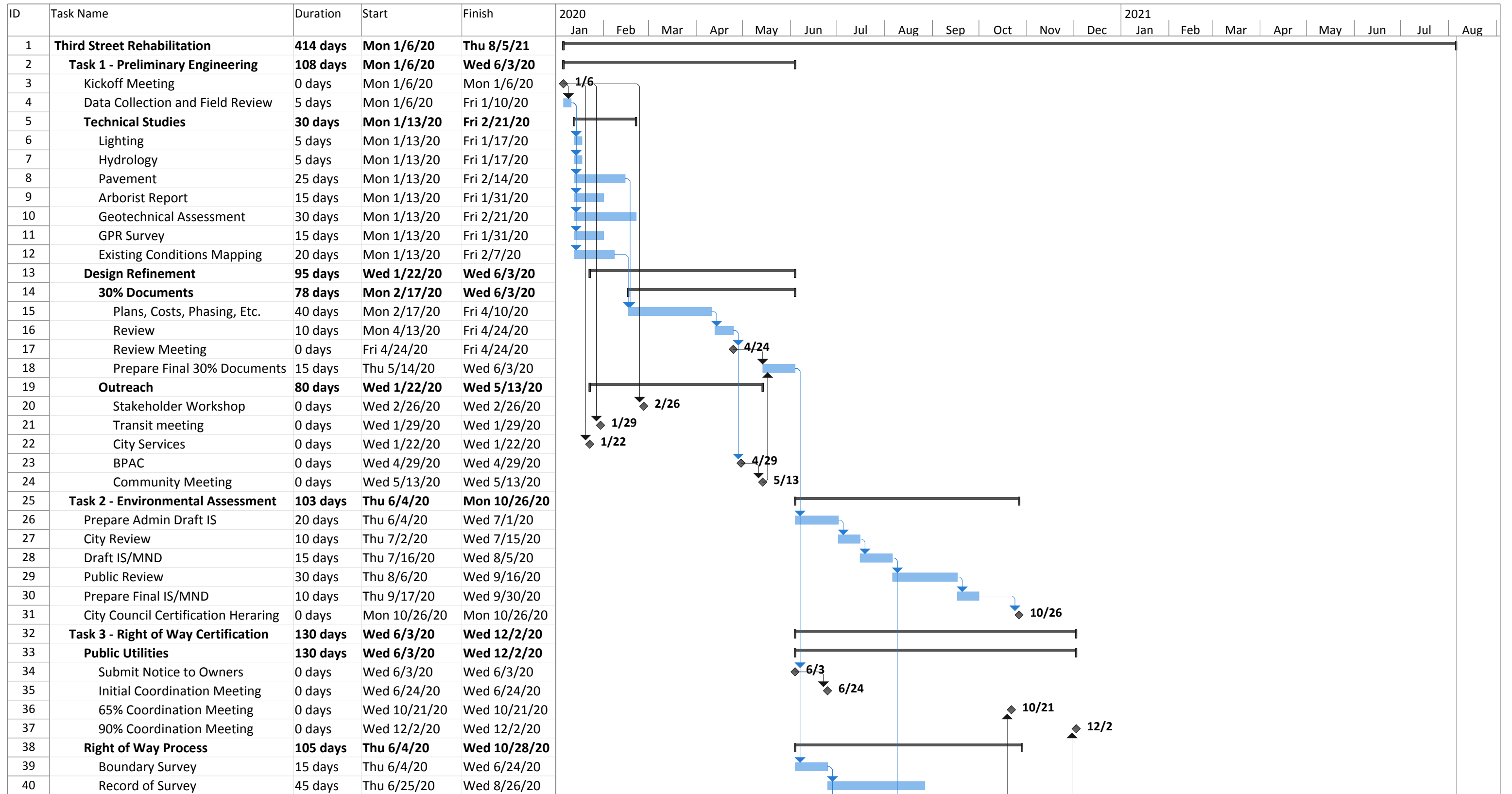
Existing Condition
Between East and 1st Street



Class IV Option



Class I Option



Project: msproj11 Date: Tue 11/5/19	Task		Project Summary		Inactive Milestone		Manual Summary Rollup		Deadline	
	Split		External Tasks		Inactive Summary		Manual Summary		Progress	
	Milestone		External Milestone		Manual Task		Start-only		Manual Progress	
	Summary		Inactive Task		Duration-only		Finish-only			

THIRD STREET REHABILITATION PROJECT SUMMARY OF PRIME CONSULTANT LABOR EFFORT CSW ST2 10/30/2019 Billable Rate (Overhead & Profit) (\$/ hour)	CSW ST2 Project Manager and Engineer						Total Hours	Total Base Fee
	Robert Stevens PIC/ Project Manager	Rich Souza Project Engineer	Varies Engineer 2	Varies Engineer 1	Josh Woebling Surveyor	Varies Survey Team		
General Project Management	205	193	148	110	175	275	60	\$12,300
QA/QC	60						8	\$1,640
Meetings	8						16	\$3,280
Task 4 Final Plans Subtotal:	152	226	376	340	0	0	1094	\$167,826
Task 5 Bidding Support								
5.1 Bid Support								
Attend Pre Bid Meeting	4						4	\$820
Respond to Contractor Questions		4					4	\$772
Issue Addenda		2	6				8	\$1,274
Review Bids	2	2					4	\$796
Task 5 Bidding Support Subtotal:	6	8	6	0	0	0	20	\$3,662
Task 6 Construction Support								
6.1 Construction Support								
Attend Pre Construction Meeting	4						4	\$820
Submittal Review		4					4	\$772
Review Contractor Questions	4	30	20				54	\$9,570
Site Reviews	4	20					24	\$4,680
Task 6 Construction Support Subtotal:	12	54	20	0	0	0	86	\$15,842
Total Base Labor Expenses:	364	494	630	470	116	56	2130	\$350,602
Reimbursable Expenses								
Travel, Printing, and County Fees								\$4,500
Aerial Survey								\$9,700
Total Reimbursable Expenses:								\$14,200
Total CSW ST2 Design Fee								\$364,802
Consultant Base Expenses (See backup sheets for additional information) - No Markup on Subconsultants							Subconsultant Share of Fee	
Parisi Transportation Consulting							20%	\$183,634
WRA Environmental Consultants							4%	\$39,456
Pavement Engineering							6%	\$54,220
Wallace Roberts and Todd							18%	\$167,620
Alta Archaeological Consulting							2%	\$18,220
Associated Right of Way Services							2%	\$14,940
Bess Test Lab							6%	\$56,700
Miller Pacific							3%	\$26,190
Total Base Consultant Expenses:								\$560,980
Total Base Team Fee:								\$925,782