



AGENDA

SAN RAFAEL CITY COUNCIL - MONDAY, NOVEMBER 20, 2023

REGULAR MEETING AT 7:00 P.M.
San Rafael City Council Chambers
1400 Fifth Avenue, San Rafael, CA 94901

Watch Online:

Watch on Zoom Webinar: <https://tinyurl.com/cc-2023-11-20>

Watch on YouTube: www.youtube.com/cityofsanrafael

Listen by phone: (669) 444-9171

ID: 860-6190-5675#

One Tap Mobile: +16694449171,,86061905675# US

This meeting will be held in-person. This meeting is being streamed to YouTube at www.youtube.com/cityofsanrafael.

How to participate in the meeting:

- Provide them in-person at the meeting. You are welcome to come to the meeting and provide public comment in-person. Each speaker will have 2-minutes to provide public comment.
- Submit your comments by email to city.clerk@cityofsanrafael.org by 4:00 p.m. the day of the meeting.

If you experience technical difficulties during the meeting, please contact city.clerk@cityofsanrafael.org.

OPEN SESSION - THIRD FLOOR CONFERENCE ROOM - 5:30 P.M.

1. Mayor Kate to announce Closed Session items.

CLOSED SESSION - THIRD FLOOR CONFERENCE ROOM - 5:30 P.M.

2. Closed Session:

- a. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant exposure to litigation (Paragraph (2) of subdivision (d) of Government Code Section 54956.9): One potential case

- b. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

- i. CONFERENCE WITH LEGAL COUNSEL--EXISTING LITIGATION

Government Code section 54956.9(d)(1): 1 case

Shaleeta Boyd, et al. v. City of San Rafael, et al. (U.S. District Court, N.D. Cal., Case No. 23-cv-04085-EMC)

- ii. CONFERENCE WITH LEGAL COUNSEL--EXISTING LITIGATION

(Paragraph (1) of subdivision (d) of Government Code Section 54956.9)

1 case: Crimmins v. CSR

- iii. CONFERENCE WITH LEGAL COUNSEL--EXISTING LITIGATION

(Paragraph (1) of subdivision (d) of Government Code Section 54956.9) 1 case:

Anthony Alex v. City of San Rafael, et al.

(Marin Superior Court Case No. SCV-270064)

CITY MANAGER AND COUNCILMEMBER REPORTS:

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

3. City Manager and Councilmember Reports:

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 the Regular City Council Meeting of November 6, 2023 (CC)

Recommended Action - Approve minutes as submitted

b. **City Council Meeting Time Change**

Final Adoption of Ordinance No. 2031: An Ordinance of the City Council of the City of San Rafael Amending Section 2.04.010 of the San Rafael Municipal Code Concerning Regular Meetings (CC)

Recommended Action - Final Adoption of Ordinance No. 2031

c. **Downtown Business Improvement District (BID) Business Assessment Annual Renewal**

Resolution Declaring the City Council's Intention to Levy an Annual Assessment for Calendar Year 2024 for the Downtown San Rafael Business Improvement District (ED)

Recommended Action - Adopt Resolution

d. **Agreement to Participate in a Medi-Cal Intergovernmental Transfer Cost Recovery Program**

Authorize the City Manager to Execute an Agreement Allowing the San Rafael Fire Department to Participate in a Medi-Cal Intergovernmental Transfer (IGT) Program with the California Department of Health Care Services (DHCS) for the Service Period of January 1, 2022 through December 31, 2022 (FD)

Recommended Action - Authorize the City Manager to execute an agreement allowing the San Rafael Fire Department to participate in a Medi-Cal Intergovernmental Transfer (IGT) program with the California Department of Health Care Services (DHCS) for the service period of January 1, 2022 through December 31, 2022

e. **State and Federal Summary Criminal History for Employee Background Information**

Resolution Authorizing the City of San Rafael to Access State and Federal Summary Criminal History for Employee Background Information Through the Department of Justice (HR)

Recommended Action - Adopt Resolution

f. **California State Preschool Program Continued Funding Application for Fiscal Year 2024-2025**

Resolution Approving the City of San Rafael to Enter into a Funding Agreement with the California Department of Education for the Purpose of Providing Childcare and Development Services (LR)

Recommended Action - Adopt Resolution

- g. **California Department of Parks and Recreation Division of Boating and Waterways Grant Approval**
 Resolution Approving the Acceptance and Appropriation of California Department of Parks and Recreation Division of Boating and Waterways Grant Funds in the Amount of \$76,099 for the “Boating Safety and Enforcement Equipment” Grant, and Authorizing the City Manager to Execute a Grant Agreement and any other Documents Related to the Grant (PD)
Recommended Action – Adopt Resolution

- h. **Police Accountability and Advisory Committee**
 Resolution Repealing and Replacing Resolution 15525 Establishing the City of San Rafael Police Accountability and Advisory Committee (PD)
Recommended Action – Adopt Resolution

- i. **Office of Traffic Safety Grant Approval**
 Resolution Approving the Acceptance and Appropriation of State of California Office of Traffic Safety Grant Funds in the Amount of \$69,000 for the “Selective Traffic Enforcement Program” (“STEP”) Grant from October 1, 2023, Through September 30, 2024, and Authorizing the City Manager to Execute a Grant Agreement and any other Documents Related to the Grant (PD)
Recommended Action – Adopt Resolution

- j. **Special Event Street Closure**
 Resolution Authorizing the Temporary Closure of Streets for the San Rafael Winter Wonderland Event (PD)
Recommended Action – Adopt Resolution

OTHER AGENDA ITEMS:

5. Other Agenda Items:

- a. **Year-End Audited Financial Statements and Related Audit Reports**
 Fiscal Year 2022-23 Annual Comprehensive Financial Report; Memorandum on Internal Control; Report of Required Communications; Child Development Program Financial Report; and Gann Appropriations Limit (Fin)
Recommended Action – Accept the Fiscal Year 2022-23 Annual Comprehensive Financial Report, Memorandum on Internal Control, Report of Required Communications, Child Development Program Financial Report, and GANN Appropriations Limit Report

OPEN TIME FOR PUBLIC EXPRESSION

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.

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 online and at City Hall, 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 may be requested by calling (415) 485-3066 (voice), emailing city.clerk@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. To request Spanish language interpretation, please submit an online form at <https://www.cityofsanrafael.org/request-for-interpretation/>.



AGENDA

SAN RAFAEL CITY COUNCIL - MONDAY, NOVEMBER 6, 2023

REGULAR MEETING AT 7:00 P.M.
San Rafael City Council Chambers
1400 Fifth Avenue, San Rafael, CA 94901

Watch Online:

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OPEN SESSION - THIRD FLOOR CONFERENCE ROOM - 5:00 P.M.

1. Mayor Kate announced Closed Session items.

CLOSED SESSION - THIRD FLOOR CONFERENCE ROOM - 5:00 P.M.

2. Closed Session:

- a. Conference with Labor Negotiators – Government Code Section 54957.6
Lead Negotiators: Timothy L. Davis and Allison B. Hernandez (Burke, Williams & Sorensen)
Agency Designated Representatives: Cristine Alilovich, Paul Navazio, Marissa Sanchez, Sylvia Gonzalez, Angela Nicholson, and Angela Robinson Piñon
Employee Organizations: 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; San Rafael Police Mid-Management Association; San Rafael Fire Chief Officers’ Association; Unrepresented Mid-Management; Unrepresented Executive Management
- b. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
Government Code section 54956.9(d)(1): 1 case
Shaleeta Boyd, et al. v. City of San Rafael, et al. (U.S. District Court, N.D. Cal., Case No. 23-cv-04085-EMC)

Present: Councilmember Bushey
Councilmember Kertz
Vice Mayor Llorens Gulati
Mayor Kate

Absent: Councilmember Hill
Also Present: City Manager Cristine Alilovich
City Attorney Robert Epstein
Deputy City Clerk Brenna Nurmi

Mayor Kate called the meeting to order at 7:04 p.m. and invited Deputy City Clerk Brenna Nurmi to call the roll. All members of the City Council were present, except for Councilmember Hill.

City Attorney Rob Epstein announced there was no reportable action in the Closed Session held prior to the regular meeting, as well as, on October 2. Regarding the Closed Session held on October 16, Council provided authority and settlements have been concluded in connection with two actions that were pending that were both mandate proceedings: Theo Emison v. City of San Rafael was resolved for \$75,000 and California Newspapers Partnership v. City of San Rafael was resolved for \$87,083.68. And, with those settlement dismissals filed, those actions concluded.

Mayor Kate provided opening remarks, which included appreciation to City staff, public comment going forward will be from the public physically present in Chambers, the recent war started in the Middle East, the recent Maine mass shooting and a land acknowledgment.

Deputy City Clerk Brenna Nurmi informed the community that the in-person meeting would also be recorded and streamed live to YouTube and through Zoom. She noted the two-minute timer for public comment and closed captioning on Zoom.

CITY MANAGER AND COUNCILMEMBER REPORTS:

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

3. City Manager and Councilmember Reports:

City Manager Cristine Alilovich announced:

- City Hall to be closed on Friday, November 10, in observance of Veterans Day
- Seeds of Hope event at B Street Community Center held earlier today – Next event to be held February 5, 2024
- San Rafael received an award for 4th on SMU DataArts' nationwide Top 40 Arts-Vibrant Communities of 2023
- Drugs in the Age of Fentanyl Film Screening and Panel Discussion to be held Tuesday, November 7, at 5:30 pm at Marin County Office of Education
- Marin County Participatory Budgeting – Voting is now open
- Inspire Teaching Artist Show, presented by Youth in Arts, to be held Friday, November 10, at 4pm at 917 C Street

City Councilmember Reports:

- Vice Mayor Llorens Gulati reported on the Police Accountability & Advisory Committee (PAAC) interviews, an East San Rafael businesses with Supervisor Rodoni event, a MCE monthly board meeting, the Mill Vally Film Festival, a Voces del Canal with SRPD community meeting, the Women of Industry Awards, a BayWAVE meeting and the Canal Dia de los Muertos event.
- Councilmember Kertz reported on an Exchange Bank ribbon-cutting, the PAAC interviews and a Marin County Council of Mayors and Councilmembers (MCCME) meeting.
- Councilmember Bushey reported on the Mill Valley Film Festival, the PAAC interviews and other Board, Commission & Committee (BCCs) interviews, a San Rafael Sanitation District board meeting, a Central Marin Sanitation Agency board meeting, a

Transportation Authority of Marin meeting, a Marin Transit board meeting, a Point San Pedro Road Coalition annual meeting, a MCCMC meeting in Novato and a MCCMC Water Committee meeting.

- Mayor Kate reported on SMART, a Safe Routes to Schools Walk & Roll, a Bicycle & Pedestrian Advisory Committee (BPAC) meeting, a webinar on homeless encampments near Davidson Middle School, a Marin Realtors Government Affairs event, an Arbor Day Celebration and a meeting with the Federated Indians of Graton Rancheria.

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

CONSENT CALENDAR:

Mayor Kate held item 4.d from the Consent Calendar.

Mayor Kate invited public comment on the Consent Calendar, not including Item 4.d.; however, there was none.

Vice Mayor Llorens Gulati moved and Councilmember Kertz seconded to approve the remainder of the Consent Calendar.

4. Consent Calendar Items:

a. **Approval of Minutes**

Approve Minutes of the Special and Regular City Council Meetings of October 2, 2023 and Special City Council Meetings of October 16, 2023 and October 23, 2023 (CC)

Approved minutes as submitted

b. **Fire Commission Appointments**

Appointment of John Chung and Brian Waterbury to Fill Two Four-Year Terms as Alternate Members to the End of October 2027 on the Fire Commission (CC)

Approved Appointments

c. **Pickleweed Advisory Committee**

Resolution Adopting New Bylaws for the Pickleweed Advisory Committee and Appointing Mydung Nguyen as an Alternate Member to the End of October 2027 on the Pickleweed Advisory Committee (CC)

Resolution 15255 - Resolution Adopting New Bylaws for the Pickleweed Advisory Committee and Approved Appointment

d. **[Proclamation in Recognition of Native American Heritage Month 2023 \(CM\)](#)**

Agenda Item 4.d was held from the Consent Calendar.

Mayor Kate presented the proclamation to Lorelle Ross, Tribal Vice-Chair of the Federated Indians of Graton Rancheria

Lorelle Ross, Tribal Vice-Chair of the Federated Indians of Graton Rancheria provided comments.

Vice Mayor Llorens Gulati moved and Councilmember Kertz seconded to approve Item 4.d.

AYES: Councilmembers: Bushey, Kertz, Llorens Gulati & Mayor Kate
NOES: Councilmembers: None
ABSENT: Councilmembers: Hill

Received and filed

- e. **City Quarterly Investment Report**
Acceptance of City of San Rafael Quarterly Investment Report for the Quarter Ending September 30, 2023 (Fin)
Accepted Report
- f. **Professional Services Agreement for Labor Negotiations Services**
Professional Services Agreement with Burke, Williams & Sorensen, LLP for Labor Negotiation Services, In an Amount Not to Exceed \$150,000 (HR)
Authorized the City Manager to Enter into Agreement
- g. **Albert Park Netting and Fencing Project**
Albert Park Netting and Fencing Project Bid Rejection (PW)
Rejected the Bid for the Albert Park Netting and Fencing Project and Directed Staff to Develop Design Alternatives
- h. **Essential Facilities Construction Project – Fire Station 55 Site Improvements**
Authorize the City Manager to Approve Contract Amendments to the Construction Agreement with Michael Paul Company, Inc. for Miscellaneous Unforeseen Conditions Associated with the Fire Station 55 Site Work Project (PW)
Authorized the City Manager to Approve Contract Amendments

AYES: Councilmembers: Bushey, Kertz, Llorens Gulati & Mayor Kate
NOES: Councilmembers: None
ABSENT: Councilmembers: Hill

SPECIAL PRESENTATIONS

5. Special Presentations:

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

- a. **Presentation of Proclamation in Recognition of United Against Hate Week 2023 and Support for Not in Our Town (CM)**

Mayor Kate presented the proclamation.

Councilmember Kertz provided comments.

- b. **Presentation of Proclamation in Recognition of Mark Machado, Former Park and Recreation Commissioner, for 16 Years of Service (LR)**

Mayor Kate presented the proclamation to Mark Machado, former Park & Recreation Commissioner.

Mark Machado provided comments.

PUBLIC HEARINGS

6. Public Hearings:

- a. **Marin Sanitary Service Rates for 2024**
Recommended Action - Removed from agenda
- b. **City Council Meeting Commencement Time**
Consideration of An Ordinance Amending Section 2.04.10 of the San Rafael Municipal Code Concerning Regular Meetings (CC)

Lindsay Lara, City Clerk presented the Staff Report.

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

Councilmembers provided comments.

Councilmember Kertz moved and Councilmember Bushey seconded to waive further reading of the Ordinance, refer to it by title only and introduce the Ordinance; and the City Clerk read the title of the Ordinance.

An Ordinance Amending Section 2.04.10 of the San Rafael Municipal Code Concerning Regular Meetings

AYES: Councilmembers: Bushey, Kertz, Llorens Gulati & Mayor Kate
NOES: Councilmembers: None
ABSENT: Councilmembers: Hill

Waived further reading of the Ordinance, referred to it by title only, and introduced the Ordinance

OPEN TIME FOR PUBLIC EXPRESSION

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

SAN RAFAEL SUCCESSOR AGENCY:

Chair Kate invited public comment; however, there was none.

Member Bushey moved and Member Kertz seconded to approve the Consent Calendar.

1. Consent Calendar:

- a. **Successor Agency Quarterly Investment Report**
Acceptance of Successor Agency Quarterly Investment Report for the Quarter Ending September 30, 2023 (Fin)
Accepted Report

AYES: Members: Bushey, Kertz, Llorens Gulati & Chair Kate
NOES: Members: None
ABSENT: Members: Hill

ADJOURNMENT:

Mayor Kate adjourned the meeting at 7:50 p.m.

OPEN SESSION – COUNCIL CHAMBERS – FOLLOWING ADJOURNMENT

7. Mayor Kate to announce Closed Session items.

CLOSED SESSION – THIRD FLOOR CONFERENCE ROOM – FOLLOWING ADJOURNMENT

8. Closed Session:

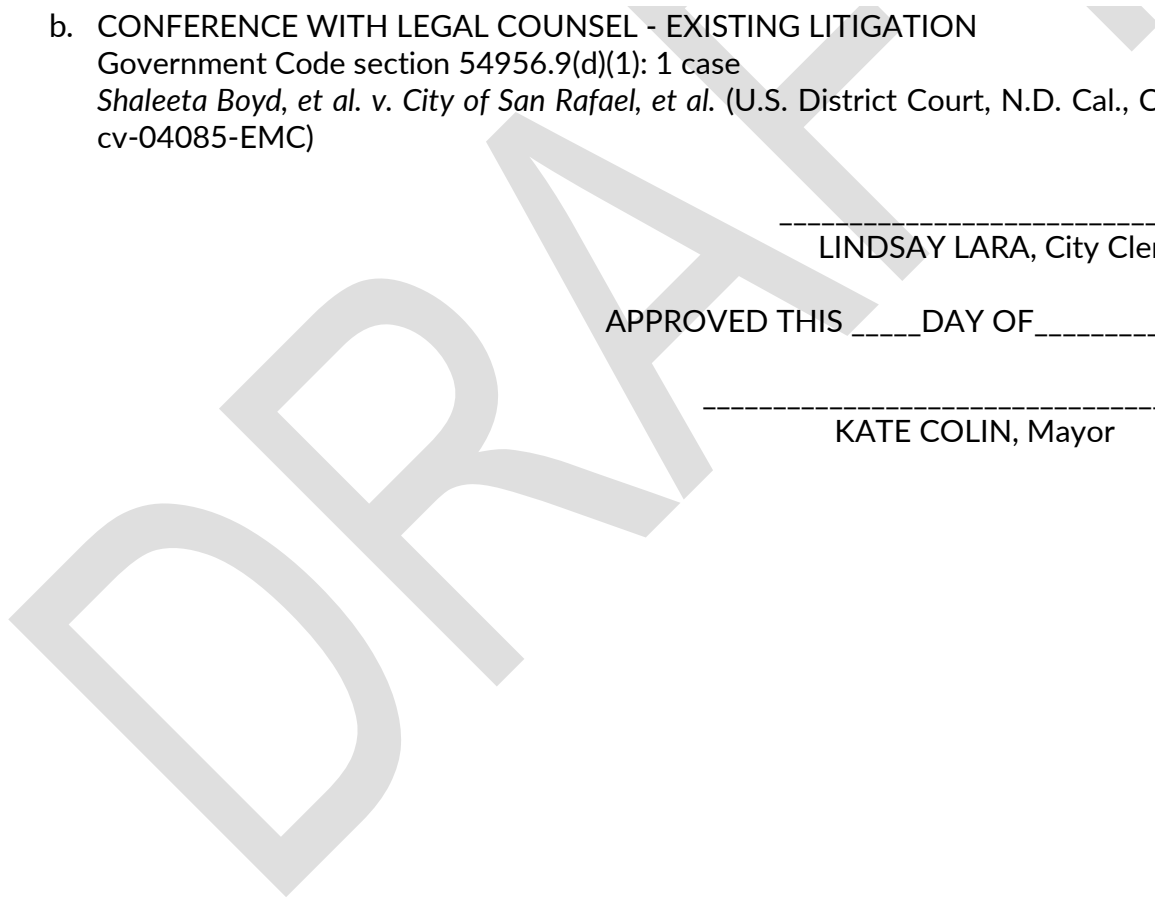
- a. Conference with Labor Negotiators – Government Code Section 54957.6
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- b. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
Government Code section 54956.9(d)(1): 1 case
Shaleeta Boyd, et al. v. City of San Rafael, et al. (U.S. District Court, N.D. Cal., Case No. 23-cv-04085-EMC)

LINDSAY LARA, City Clerk

APPROVED THIS ____ DAY OF _____, 2023

KATE COLIN, Mayor



ORDINANCE NO. 2031

AN ORDINANCE OF THE CITY OF SAN RAFAEL CITY COUNCIL AMENDING SECTION 2.04.010 OF THE SAN RAFAEL MUNICIPAL CODE CONCERNING REGULAR MEETINGS

WHEREAS, as authorized by Article VII, Section 3 of the Charter of the City of San Rafael, the City Council has provided in San Rafael Municipal Code, Chapter 2.04, for the time and place of its meetings; and

WHEREAS, pursuant to San Rafael Municipal Code Section 2.04.010, regular meetings of the City Council currently convene on the first and third Mondays of the month at the hour of 7:00 p.m.; and

WHEREAS, the time of commencement of the meetings of the many Boards, Commissions and Committees have been changed to 6:00 p.m., and the City Council now finds that it would be in the best interests of the City for the City Council also to commence its regular meetings at 6:00 p.m., so as to facilitate the public's participation therein.

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

DIVISION 1. Section 2.04.10 of Chapter 2.04 of the Municipal Code of the City of San Rafael is hereby amended as follows (additions are shown in underline and deletions in strikethrough):

2.04.010 - Regular meetings.

The regular meetings of the council of the City of San Rafael, County of Marin, State of California, shall be held on the first and third Monday of each month at the regular place of meeting specified in this section. Where the first or third Monday falls upon ~~either New Year's Day, President's Day, Memorial Day, the Fourth of July, Labor Day, Veteran's Day or Christmas Day~~ a city holiday, the council shall meet on the Tuesday following the holiday. Regular meetings shall convene at the hour of ~~seven~~ six p.m. (~~7~~6:00 p.m.). The regular meetings may be adjourned from time to time as may be determined by the council for the purpose of completing the business and duties of the council, and may be adjourned to any other date and time.

All regular meetings of the council shall be held at the city hall situated on the northerly side of Fifth Avenue between C Street and E Street, and the meetings shall be held in the general assembly room in the building set apart for the meetings of the council.

DIVISION 2.

All former ordinances or parts thereof conflicting or inconsistent with the provisions of this Ordinance or the Codes hereby adopted are hereby repealed.

DIVISION 3.

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 4.

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 5.

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 30 days after its adoption. 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.

Within 15 days after adoption, the City Clerk shall also post in the office of the City Clerk, a certified copy of the full text of this Ordinance along with the names of those Councilmembers voting for and against the Ordinance.

THE FOREGOING ORDINANCE was first read and introduced at a regular meeting of the San Rafael City Council on the 6th day of November 2023, and was passed and adopted at a regular meeting of the San Rafael City Council on the 20th day of November 2023 by the following vote, to wit:

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

Kate Colin, Mayor

Attest:

LINDSAY LARA, City Clerk

SUMMARY OF ORDINANCE NO. 2031

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN RAFAEL AMENDING SECTION 2.04.010 OF THE SAN RAFAEL MUNICIPAL CODE CONCERNING REGULAR MEETINGS

This Summary concerns a proposed ordinance of the City of San Rafael, designated as Ordinance No. 2031, which will amend Section 2.04.010 of the San Rafael Municipal Code. Ordinance No. 2031 is scheduled for adoption by the San Rafael City Council at its regular meeting of November 20, 2023. 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 City Council currently holds its regular City Council meetings on the first and third Monday at 7:00 p.m. This proposed ordinance would amend the municipal code to have regular meetings of the City Council to be held on the first and third Monday at 6:00 p.m.

Copies of Ordinance No. 2031 are available for public review on the City's website: <https://www.cityofsanrafael.org>. You may also contact the City Clerk at (415) 485-3066 for information.

LINDSAY LARA
San Rafael City Clerk
Dated: 11/7/2023



SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Economic Development

**Prepared by: Micah Hinkle
Economic Development Director**

City Manager Approval: _____

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

SUBJECT: RESOLUTION DECLARING THE CITY COUNCIL’S INTENTION TO LEVY AN ANNUAL ASSESSMENT FOR CALENDAR YEAR 2024 FOR THE DOWNTOWN SAN RAFAEL BUSINESS IMPROVEMENT DISTRICT

RECOMMENDATION:

Accept the report and adopt the resolution declaring the City Council’s intention to levy an annual assessment for calendar year 2024 for the [Downtown San Rafael Business Improvement District](#).

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 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. The City of San Rafael’s role is to levy and collect membership fees from businesses within the district. In 1979, businesses in Downtown San Rafael established a BID. 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.

Earlier this year, the City Council approved transitioning the program administration of the BID to the San Rafael Chamber of Commerce. This move, which aims to reduce costs, improve organizational synergies, and explore a sustainable funding model to support the growing needs of the downtown recently occurred in September 2023 and will be complete by the start of 2024.

For 2023, the BID Advisory Board continued its focus on supporting downtown businesses as they emerged from the COVID-19 pandemic. The BID has achieved many notable accomplishments as highlighted in its Annual Report (Attachment 2), including initiatives and partnerships to promote foot

FOR CITY CLERK ONLY

Council Meeting:

Disposition:

traffic downtown, hosting and/or sponsoring numerous events downtown, and actively promoting the downtown through social media, the BID website, marketing campaigns, and email blasts.

For 2024, the BID, in partnership with the San Rafael Chamber of Commerce and the City will continue to explore the potential for establishing a new property-based BID. Specifically, over the next year, the three entities will focus on establishing the potential boundaries of a new district, establishing desired services to support the downtown, and hiring a technical consultant for a feasibility study.

ANALYSIS

State law requires the BID to submit to the City Council an annual report 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.

A summary of the required report elements are as follows:

1. There are no proposed changes in the boundaries of the BID.
2. The budget outlines the improvements and activities programmed for the calendar year 2024.
3. The budget outlines the estimated cost of improvement and activities outlined for the calendar year 2024.
4. The budget outlines the surplus or deficit being carried over from the previous calendar year.
5. The budget outlines contributions anticipated from sources other than assessments, including City funds.

Staff reviewed the San Rafael Downtown BID annual report and exhibits and found it meets the State's requirements.

As of November 1, 2023, the City of San Rafael collected \$65,044 in BID annual assessments for 2023. For calendar year 2024, the annual assessment levy on businesses will be the same as prior years. See Exhibit B to the Annual Report for the 2024 Assessment Formula.

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. 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 20, 2023

Adopt Resolution of Intention to Levy an Annual Assessment: The City Council will consider action to accept the BID annual report and adopt the resolution of intention to levy an annual assessment for calendar year 2024. The resolution sets a public hearing date of December 4, 2023.

Meeting #2 – December 4, 2023

Public Hearing on Annual Assessment: The City Council will have the opportunity to receive additional input from the public on the annual BID assessment and to confirm the levy of an assessment for the upcoming calendar year 2024.

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:

There is no fiscal impact associated with this action. The assessment collected by the City of San Rafael on behalf of the BID is passed to the BID upon receipt. All administrative costs associated with collecting the assessment are absorbed by the General Fund.

OPTIONS:

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

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

RECOMMENDED ACTION:

Accept the report and adopt the resolution declaring the City Council's intention to levy an annual assessment for calendar year 2024 for the Downtown San Rafael Business Improvement District.

ATTACHMENTS:

1. Resolution
2. BID 2023 Annual Report, including:
 - A. Exhibit A: BID Map
 - B. Exhibit B: 2024 BID Assessment Formula
 - C. Exhibit C: BID 2024 Budget & 2023 Financial Summary

RESOLUTION NO.

RESOLUTION OF THE SAN RAFAEL CITY COUNCIL DECLARING THE CITY COUNCIL'S INTENTION TO LEVY AN ANNUAL ASSESSMENT FOR CALENDAR YEAR 2024 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 2023 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 2024 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 2023 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 the BID 2023 Annual Report on file with the City Clerk.
4. The method and the basis for levying the benefit assessment on businesses within the BID and proposed assessments to be levied for calendar year 2024 are set forth in San Rafael Municipal Code Section 10.09.050 and Exhibit B to the BID 2023 Annual Report on file with the City Clerk.

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 4, 2023 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 4, 2023 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 levy the proposed assessment shall occur 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 the furnishing of a specified type or types of improvement or activity within the area, those types of improvements or activities shall be eliminated.

10. Further information regarding the Downtown San Rafael Business Improvement District may be obtained from the Office of Economic Development at 1400 Fifth Avenue, San Rafael, CA 94901.

11. The City Clerk is directed to give notice of said public hearing by publishing this resolution of intention 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 20th day of November 2023, by the following vote, to wit:

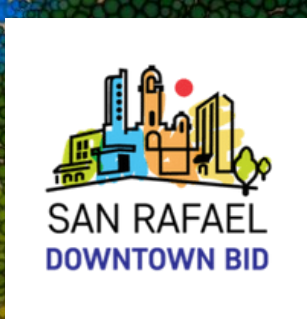
AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

Lindsay Lara, City Clerk

2023 Annual Report



BID BOARD OF DIRECTORS 2023/24

President

Terrance Thornton,
San Rafael Martial Arts

Secretary

Tobi Lessem,
Bodywise Massage

Vice President

Adam Dawson,
Mike's Bikes

Joe McCallum, Newmark
Knight Frank

Jeff Brusati,
T & B Sports

Morgan Schaffler,
Youth in Arts

Bishlam & Amy Bullock,
Salon B Style Lab

Potential New Board Members for 2024:

Kelly Phu,
Vin Antico

Kaity Galvez,
Perry's Deli

Committee Members:

Jaime Ortiz,
Bank of Marin
Meg Reilly,
Marin Society of the Artists

Valon Grajqevci,
Tam Commons

Jana Fleming,
Friends Books

Dear fellow BID Members,

I would like to start by sharing our Thanks and Appreciation. Thank you for the hard work leading into this year and throughout the year. We appreciate you and your support in our mission to revitalize the downtown corridor and promote the common interests of Downtown businesses. Thank you for continuing to make Downtown a different, fun, and memorable experience for all. For being contributors and active participants in forging memories for all that visit.

- Whether it's strolling through the Art District for the **2nd Friday Art Walk Downtown.**
- Enjoying a unique dining experience with **Dining Under The Lights.**
- The next generations learn about classic cars at **May Madness.**
- Enjoying the Craft Beer and Premium Wines with friends with the **Hops and Vines Stroll.**
- Indoor or Outdoor, enjoy live music, food, activities, and more at the **West End Culture Crawl.**
- One of our newest events with families bonding while searching for **Holiday or Summer Elves.**

Along with many other memory-creating moments and events hosted in Downtown San Rafael. Building off the growth and better-than-projected revenue in 2023, the BID is projecting a profitable 2024. Thank you in advance for your continued support and may we all thrive together in 2024 and beyond.

Terrance Thornton, President

Marketing, Promotions, Programming, Fundraising, & Collaborations

- In 2023 added a Social Media Manager Contractor** – The BID hired a part-time social media contractor to promote and showcase a different Downtown Business each day on IG & FB. Since this program began in April, we increased reach by 242% in the 1st month, added 100 followers a month in IG since then, and reached 2k per month. FB = 4,169 followers, IG = 2,707 followers

Page Overview

Followers: 4,169

Last 28 days

[See more insights](#)

Post reach ⓘ

10,527

Post Engagement ⓘ

2,036

New Page likes ⓘ

23

- Fundraising & Event Management** – The events committee with the help of the BID Board was able to raise over \$15k to support the BID.
- Downtown Eats Passport Program** – New this year, the BID developed a program to bring people Downtown to eat in the typically quiet month of August. Ten businesses signed up to participate and in the self-funded program. Over 100 community members participated and their feedback highlighted that they loved exploring “new” places in Downtown.
- Fe-BREW-ary** – New this year, the BID joined a promotional program called Fe-BREW-ary, where our breweries and taprooms were invited to list a special deal or discount on a BID webpage. This page was shared with an existing promotional program created by SMART where Petaluma and Santa Rosa breweries were also participating.
- Scavenger Hunts** – Our community requested more family-friendly activities in Downtown, so we developed 2 Elf Hunt Scavenger Hunts, one during the Summer Kick-Off in June and one during the December holidays.
- Website management** – The BID brought website management in-house in 2023 saving \$1200/year. The ED strives to provide clean, fun, relevant, and timely information on our Downtown San Rafael website.
- Downtown San Rafael Business Directory** – Our online directory serves as a current database of all businesses in the Downtown, complete with emails and contact info in the back end. The ED cleaned up the database and optimized the search tool. Directory searches have tripled since this significant improvement.
- Member emails, newsletters, and updates** – The BID upgraded software this year to increase contract reach and design capability for our monthly newsletters.
- Downtown News** – Member news and events can be displayed on our homepage and are also shared in the monthly newsletter.

- Beautification and Landscaping upgrades** - The BID added Phase 2 and 3 to the popular and successful Clean & Green Day on Earth Day. The BID organized a day in September and December for volunteers to help the BID and DPW add mulch to our intersections.
- Farmer’s Market** – Rebuilt our relationship with AIM to bring the Thursday Night Farmers Market back to Fourth St, moving the weekly DUTL to the 2nd Friday of the month to coincide with the 2nd Friday Art Walk.
- Engaged with the local Students** – Created a Back to School Night during the September Dining Under the Lights.
- Added new board members, committee members, and volunteers** – We welcomed 3 new Board members this year, 2 of whom work in the food/beverage industry which added a necessary and important voice to our group.
- Downtown San Rafael Arts District Collaboration** – The BID is on the DSRAD board to help increase the visibility of the Arts in our Downtown. DSRAD received a grant for \$671k and the BID will be working with the group to help the arts shine in Downtown San Rafael.
- Partnerships** – Continued and strengthened partnerships with the following organizations to bring more foot traffic to our Downtown Businesses: SR Chamber, Pacifics, Embassy Suites, California Film Institute, SMART, Marin Convention & Visitors Bureau.



BEFORE

AFTER



BID Produced Events & Mixers

In 2023, we brought back many popular events and successfully raised money for the BID in the process.

Fundraising Events:

- **33rd Annual May Madness** (May 6) – This Annual event produced by Rick Lewis, the volunteer BID Event Committee, and the ED of the BID brought roughly 5,000 people to Downtown. We raised over \$18k (a new record!) to be split between the BID and local non-profits.
 - Total Expenses = \$15,230
 - Total Income = \$33,815
 - Event Net Profit = \$18,584
 - **Net Profit for BID = \$9,232**
- **3rd Annual Hops & Vines Stroll** (Sept 30) – The Annual Hops & Vines Stroll traditionally brought nearly 300 people INTO Downtown Businesses. Even with the unseasonably rainy weather, we made a net profit for the BID.
 - Total Expenses = \$6,714
 - Total Income = \$11,260
 - **Net Profit for BID = \$4,545**
- **San Rafael Parade of Lights & Winter Wonderland on Shop Small Saturday 2022** – In 2022, the BID volunteer event committee kept a tradition alive by creating a paired down version of the 40-year-old event, that was once produced by a professional event company, the day after Thanksgiving. Our intimate version of this event was created to bring people to Downtown on Shop Small Saturday. We had a makers marketplace, snow machines, jumpies, food trucks, face painting, and lighted car cruise. The event brought approximately 1000 people to Downtown on Shop Small Saturday. We are currently planning a similar event in 2023 and will be making it bigger with more financial support from the City to hire an event contractor to support on the day of and produce a tree-lighting in the plaza. Below are our fundraising numbers from 2022.
 - Total expenses = \$12,798
 - Total Income = \$15,625
 - **Net Profit to BID = \$2,826**

Events - Economic Drivers & More

- **Clean & Green Day, City of San Rafael & The BID** (April 21) – The City and BID join efforts every year on Earth Day to promote Clean and Green Day by inviting over 40 volunteers to help mulch, remove graffiti, pick up litter, and clean parking meters/poles.
- **Dining Under The Lights featuring Live Music, Outdoor Dining, and Kids Activities** (May-Oct) – This monthly event, held in conjunction with the 2nd Friday Art Walk, included 5 blocks and brought hundreds of people to our Downtown to enjoy Outdoor Dining, Live Music, and Kids Activities.
- **Friday Night Block Party in the West End** (June-Oct) – This popular event held in the West End, includes bands booked by the Pint Size Lounge. It drew hundreds of people to not just the West End, but to San Rafael. Past surveys showed that people came from all over Marin and the Bay Area to enjoy the exceptional atmosphere.
- **35th Annual Trick or Treat on 4th Street & Pet Costume Contest** (Oct. 28) – This Annual tradition brings hundreds of families to our Downtown and fills it with smiles and laughter!
- **Annual Menorah Lighting** (Dec. 10) - For the 2nd year, we will be working with Chabad of Marin to bring in a Giant Menorah to be lit for Hanukkah. We will offer latkes, hot chocolate, dancing, and a gelt drop!



Future Marketing, Development, Events, & Operations

- **Public Art** – Work with Downtown San Rafael Arts District (DSRAD) and the City Library & Rec Director to identify opportunities to expand public art in Downtown.
- **Continue Landscaping upgrades** - Hardscape landscaping updates to intersections via volunteer coordination we are now calling the “Mulching Project”.
- **Hanging Flower Program** – Work with the City and DPW to review potential locations to start a hanging flower pilot program. Preliminary research completed.
- **Other Beautification options** – Work with the Economic Development Department & DPW to explore more opportunities for Downtown Beautification (power washing, business frontage grants, awning cleaning, and more)
- **Cleanliness** – Work with DPW and the City’s Economic Development Department to request a more proactive cleanliness plan for Downtown San Rafael.
- **Vacancies** – Work with the City’s Economic Development Department to assist with their strategy to fill vacancies.
- **Social Media Marketing Plan** – Continue to work with a social media contractor and showcase 3 businesses per week on Instagram and Facebook.
- **Thursday Night Summer Farmer’s Market growth**– Work with AIM to assist in better promotion and marketing to expand the weekly Thursday Night Summer Market. Possibly add a food truck experience in Downtown in conjunction, or on another night.
- **Create more culturally diverse events in Downtown**– Work with the City and volunteer BID event committee to bring more culturally diverse, relevant and inclusive events to our downtown.
- **Outdoor Movie Night** – Work with DSRAD and Parks & Rec to bring their successful outdoor movie night in the park program to our Downtown.
- **Fe-BREW-ary** – Continue the new February promotion and add more businesses to the SMART promotion.
- **Scavenger Hunts** – Continue to produce scavenger hunt-based promotions to get people INTO local businesses with this fun and affordable program.
- **Passport Program** – Increase participation with our 2nd annual passport program to get more people INTO our restaurants during the slower months.
- **Explore partnerships with local Schools** – Reach out to our local schools and see how we can partner together to support the students in our community.
- **Chamber Partnership to help BID Financial Stability & Review a PBID to increase our funding** - The City has contracted with the Chamber to support the BID. The Chamber will conduct outreach and host informational sessions with property owners and businesses to assist the City feasibility analysis of a property-based improvement district or modifications to the District business assessment rate structure to enhance economic vitality.
- **Partnership & Collaboration** – Continue to align the BID with DSRAD stakeholders, the SR Chamber, Pacifics, Embassy Suites, the City, SMART, SRPD, & and more.
- **Communicate with members/community outreach** – Continue engagement via website, email, newsletters, social media, marketing, advertising, and in person.
- **Events:** The BID has committed to continue events produced in 2023.
- **Add board members, committee members & volunteers** – Actively recruit committee members and engage prospective board members to build an inclusive environment for greater equity and diversity. If you are interested, please contact us!

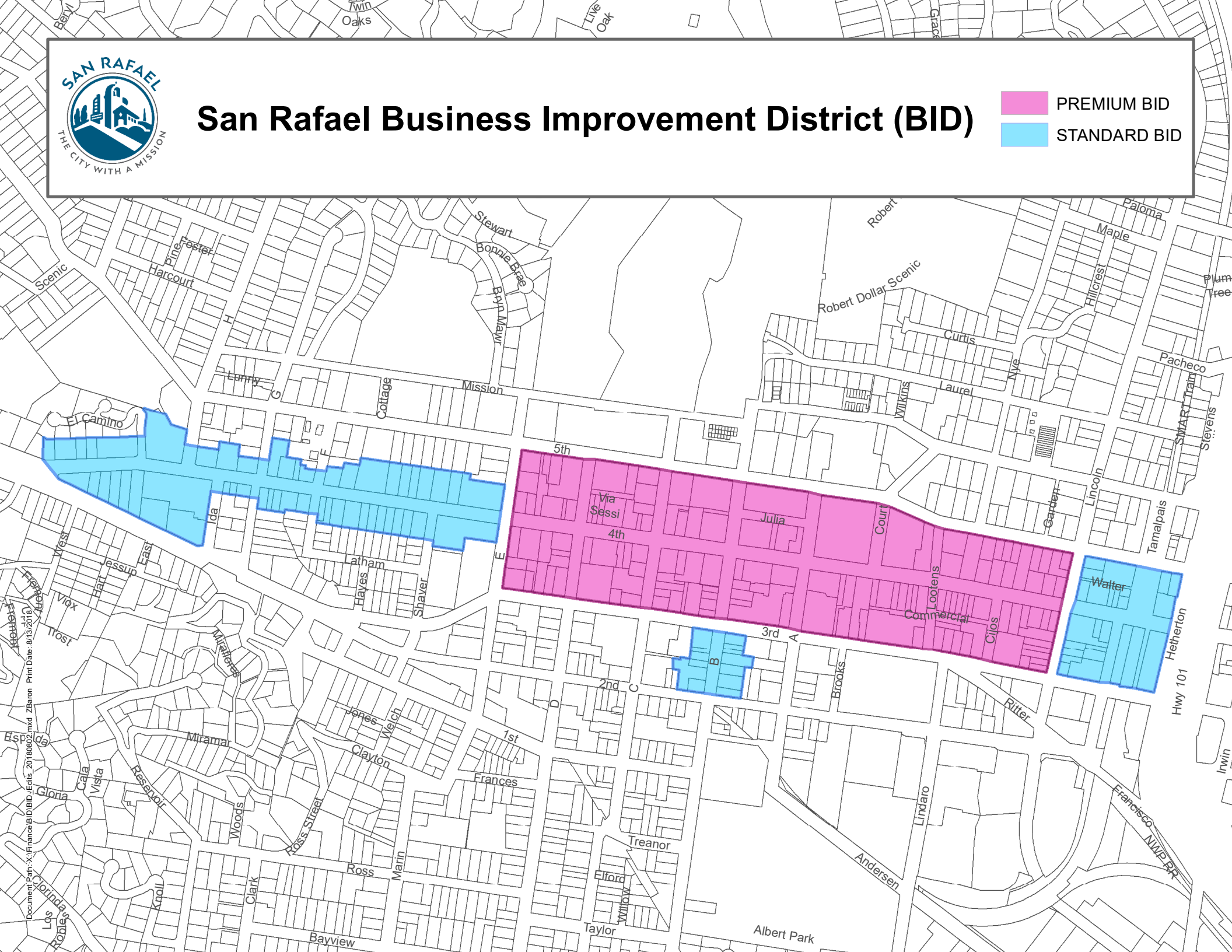
*Dear BID Members,
Coming into this role in 2022 was an exciting adventure, but also a challenge given that our Annual Assessments were down over \$25k since 2019. I worked diligently over the last 2 years to increase our funds by way of event fundraising and by decreasing our operational costs. Listening to our business community, I created fun programming and promotions to help increase foot traffic. By adding the Social Media contractor to our 2023 programming, the online visibility of our Downtown San Rafael businesses skyrocketed! None of this would be possible without the incredible teamwork, dedication, and passion of our BID Board. Each member's unique perspective and expertise have helped guide our decision-making and execute our goals. Working with our President, Terrance, has been an absolute pleasure. His leadership and commitment to our mission have been instrumental in driving our district's vision. I look forward to an exciting future of collaboration with the San Rafael Chamber in 2024 to continue this vision and make our Downtown shine!*

-Sarah Tipple, Executive Director



San Rafael Business Improvement District (BID)

- PREMIUM BID
- STANDARD BID



BID Assessment Formula

Exhibit B

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 Business Improvement District Proposed Budget for 2024

as of 11.14.23

		Estimate Year End 2023	Projected 2024
REVENUES	Programs	Budget 2023	Budget 2024
	Balance Forward From Previous Year	\$ 17,000.00	\$ 19,256.74
	BID Assessments/City Support	\$58,594.00	\$59,000.00
	May Madness Rev for BID	\$9,292.32	\$9,000.00
	Hops & Vines	\$11,260.00	\$ 4,500.00
	Holiday Celebrations/SR Winterwonderland/Tree Lighting/Menorah Lighting	\$ 20,000.00	\$ 20,000.00
	DSRAD kick off celebration (Fall Arts and Crafts)	\$ 3,500.00	
	DUTL (Elf Hunt, jumpy, sponsorships)	\$ 2,888.14	\$ 3,000.00
	Dining Passport Program	\$ 710.00	\$ 710.00
	Other income (refunds, interest, etc)	\$ 1,200.00	\$ -
Total Operating Income		\$124,444.46	\$115,466.74

EXPENSES	Programs	Budget 2023	Budget 2024
Event & Marketing Expenses	Clean and Green Day	\$-	\$-
	West End events/ Culture Crawl	\$(1,200.00)	\$(1,300.00)
	Trick or Treat	\$(600.00)	\$(600.00)
	Mixers (fall, holiday)	\$(1,200.00)	\$(1,200.00)
	Hops & Vines	\$(6,714.00)	\$(1,200.00)
	Holiday Celebrations/SR Winterwonderland/Tree Lighting/Menorah Lighting	\$(20,000.00)	\$(20,000.00)
	DSRAD Fall Arts Fest	\$(2,000.00)	\$-
	DUTL	\$(3,000.00)	\$(3,000.00)
	Dining Passport Program	\$(700.00)	\$(700.00)
	West End Block Party	\$-	\$-
	Social/print/digital Media	\$(1,000.00)	\$(4,000.00)
	Beautification Efforts	\$-	\$(5,000.00)
	Event & Marketing subtotal		\$(36,414.00)
Operating Expenses	Payroll/Staffing	\$(50,000.00)	\$(65,000.00)
	Employee Payroll Tax & fees	\$(5,000.00)	\$(6,000.00)
	Postage Mailing	\$(194.00)	\$(194.00)
	Consultants/Professional/Accounting fees	\$(2,893.25)	\$-
	Bank Fees	\$(435.00)	\$(200.00)
	Computer Programs & Software	\$(3,402.51)	\$(2,500.00)
	Insurance	\$(1,864.00)	\$(2,000.00)
	Rent	\$(2,800.00)	\$-
	Office Supplies	\$(147.00)	\$-
	Telephone	\$(1,737.96)	\$(1,300.00)
Website Maintenance/Hosting	\$(300.00)	\$(100.00)	
Operating Subtotal		\$(68,773.72)	\$(77,294.00)

	Budget 2023	Budget 2024
TOTAL EXPENSES	\$(105,187.72)	\$(114,294.00)
TOTAL INCOME	\$124,444.46	\$115,466.74
TOTAL PROFIT/LOSS	\$19,256.74	\$1,172.74



SAN RAFAEL
THE CITY WITH A MISSION

Agenda Item No: 4.d

Meeting Date: November 20, 2023

SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Fire

Prepared by: Darin White, Fire Chief
Thomas Wong, Sr. Mgmt. Analyst II

City Manager Approval: 

TOPIC: AGREEMENT TO PARTICIPATE IN A MEDI-CAL INTERGOVERNMENTAL TRANSFER COST RECOVERY PROGRAM

SUBJECT: AUTHORIZE THE CITY MANAGER TO EXECUTE AN AGREEMENT ALLOWING THE SAN RAFAEL FIRE DEPARTMENT TO PARTICIPATE IN A MEDI-CAL INTERGOVERNMENTAL TRANSFER (IGT) PROGRAM WITH THE CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES (DHCS) FOR THE SERVICE PERIOD OF JANUARY 1, 2022 THROUGH DECEMBER 31, 2022.

RECOMMENDATION:

Authorize the City Manager to execute an agreement allowing the San Rafael Fire Department to participate in a Medi-Cal Intergovernmental Transfer (IGT) program with the California Department of Health Care Services (DHCS) for the service period of January 1, 2022 through December 31, 2022.

EXECUTIVE SUMMARY:

The proposed agreement for participation in a Medi-Cal Intergovernmental Transfer (IGT) for the service period of January 1, 2022 through December 31, 2022 represents the ninth year of the City's participation in the IGT program. The IGT program is administered the following year to allow for statewide ambulance data to be calculated which sets the IGT rate for each agency. The program assists the City in recovering costs associated with the provision of Emergency Medical Services (EMS) to individuals who are covered by Medi-Cal. Participation in the IGT program provides an important opportunity for the City to collect ambulance transport fees that would not otherwise be available. Currently, the Medi-Cal program reimburses far less than the actual cost to provide the service.

BACKGROUND:

Since 2006, DHCS has offered public healthcare providers the opportunity to participate in a program that increases reimbursement for services provided to Medi-Cal Managed Care plan members. The DHCS Voluntary Rate Range Intergovernmental Transfer program (Welfare and Institutions Code §§14164, 14301.4), provides a way for Medi-Cal Managed Care Health Plan providers to gain access to federal matching funds for Medi-Cal reimbursements. In 2015, this program was expanded to include public Emergency Medical Services (EMS) providers like the San Rafael Fire Department, who provide health care/ambulance services to Medi-Cal managed care enrollees. This made eligible, public EMS providers to receive increased reimbursements from Medi-Cal Managed Care Health Plan providers.

FOR CITY CLERK ONLY

Council Meeting:

Disposition:

Under the IGT program, counties and other governmental entities in the State may elect to transfer funds to the State in support of the Medi-Cal program. These funds are used as a match for federal funds, which are eventually returned to the EMS providers through their respective Medi-Cal Managed Care Health Plan providers. In Marin County, the Medi-Cal Managed Care Health Plan provider is called Partnership HealthPlan of California.

To calculate the program's total size and each agency's share of the reimbursement, transport data is collected from each agency on a quarterly basis. Once collected, letters of interest are sent to each eligible agency to determine if they intend to participate. Using the letters of interest, DHCS then calculates each agency's share of the program based on the number of returned letters of interest. Since Q4 2022 transport data is not submitted until Q1 2023, the calendar year 2022 program is administered in 2023.

ANALYSIS:

Overview of IGT Program: The IGT program requires the transfer of eligible local dollars from the City to DHCS. DHCS, in turn, uses transferred funds from local governments to increase monthly capitation rates it previously paid Medi-Cal Managed Care Health Plan providers in the prior fiscal year, thus allowing DHCS to receive additional federal funding from the Centers for Medicare and Medicaid Services (CMS) for payment to the Medi-Cal Managed Care Health Plan providers. The Medi-Cal Managed Care Health Plan providers then pay most of their IGT-funded rate increases to the local governments that transferred the funds. Ultimately, each local government participant receives back the funding it provided to participate in the program, plus the federal match in return.

In September 2023, DHCS notified the City that a non-binding letter of interest must be submitted in order for the City to participate in the program for the service period of January 1, 2022 through December 31, 2022. Since the IGT program is voluntary, the non-binding letter allows DHCS to better estimate how many agencies will participate, which sets the IGT contribution rate for each agency.

Staff submitted the non-binding letter of interest and has been working with DHCS to develop the necessary agreement for participation. In October 2023, DHCS provided an estimated transfer amount based on the returned LOIs from participating agencies with a standard agreement that all participating agencies must sign (Attachment 1). DHCS is requesting the agreement be returned by November 24, 2023.

Transfer from the City to the State: Once CMS has approved the entire IGT transaction, and the Plan rate contracts have been signed by DHCS and the Medi-Cal Managed Care Health Plans throughout the State, DHCS will submit a request to participating agencies to transfer funds to the State. With the City Council's approval, the City will transfer an estimated \$273,667 to DHCS. Additionally, the City will make a separate estimated payment of \$54,733 (20%) to DHCS as authorized in Welfare and Institutions Code Section 14301.4, to cover the administrative costs (assessment fee) of operating the IGT program for the service period of January 1, 2022, through December 31, 2022. If the State is unable to use all the transferred funds to increase Plan rates, it will return any used funds and the associated 20% administrative fee.

Payment to the City: Federal matching funds received by the City will be used to promote the well-being of Partnership HealthPlan of California beneficiaries by maintaining the current service levels of the paramedic program. Although DHCS and Partnership HealthPlan of California have not provided the City a revenue estimate at this time, the Fire Department expects to net roughly \$450,000 for the service period of January 1, 2022 through December 31, 2022 based on prior year revenues.

The calendar year 2021 program was temporarily put on hold by DHCS due to a request to revise rates resulting in a review and a delay of the final payment until Q4 2023. Using the last full year’s payment, FY 2019-2020, the City received \$774,339, which consists of the original contributions and the federal matched funds. When the 20% pre-paid administrative fee is considered, the resulting net revenue received by the City was \$458,222 for FY 2019-20. The City expects net revenue of a similar amount for calendar year 2022, as discussed below.

FISCAL IMPACT:

The IGT will support the Emergency Medical Services Fund in recovering a greater portion of its transport costs.

The DHCS agreement provides approximate transfer amounts based on information provided to the City by Partnership HealthPlan of California, the County’s Medi-Cal Managed Health Care Plan provider. A summary of the amount the City expects to transfer to DHCS and receive back through participation in this program is outlined below.

Time Period	Funding Source	Transfer Amount to DHCS	Admin Fee to DHCS	Estimated Funds Returned to City	Estimated Net New Funds
2022 Calendar Year	Fund 210	\$273,667	\$54,733	\$800,000	\$471,600

The proposed funds to be transferred to the State will be allocated from the City’s Paramedic Services Fund (210) and are expected to be transferred in January 2024.

OPTIONS:

1. Authorize the City Manager to execute an agreement allowing the San Rafael Fire Department to participate in a Medi-Cal Intergovernmental Transfer (IGT) program with the California Department of Health Care Services (DHCS) for the service period of January 1, 2022 through December 31, 2022.
2. Direct staff to return with more information.
3. Take no action.

RECOMMENDED ACTION:

Authorize the City Manager to execute an agreement allowing the San Rafael Fire Department to participate in a Medi-Cal Intergovernmental Transfer (IGT) program with the California Department of Health Care Services (DHCS) for the service period of January 1, 2022 through December 31, 2022.

ATTACHMENTS:

1. IGT Agreement for 2022 Calendar Year with San Rafael Fire Department Allocation Estimates

**INTERGOVERNMENTAL AGREEMENT REGARDING
TRANSFER OF PUBLIC FUNDS**

This Agreement is entered into between the CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES (“DHCS”) and CITY OF SAN RAFAEL FIRE DEPARTMENT (“GOVERNMENTAL FUNDING ENTITY”) with respect to the matters set forth below.

The parties agree as follows:

AGREEMENT

1. Transfer of Public Funds

1.1 The GOVERNMENTAL FUNDING ENTITY agrees to make a transfer of funds to DHCS pursuant to sections 14164 and 14301.4 of the Welfare and Institutions Code. The amount transferred shall be based on the sum of the applicable rate category per member per month (“PMPM”) contribution increments multiplied by member months, as reflected in Exhibit 1. The GOVERNMENTAL FUNDING ENTITY agrees to initially transfer amounts that are calculated using the Estimated Member Months in Exhibit 1, which will be reconciled to actual enrollment for the service period of January 1, 2022, through December 31, 2022 in accordance with Sub-Section 1.3 of this Agreement. The funds transferred shall be used as described in Sub-Section 2.2 of this Agreement. The funds shall be transferred in accordance with the terms and conditions, including schedule and amount, established by DHCS.

1.2 The GOVERNMENTAL FUNDING ENTITY shall certify that the funds transferred qualify for Federal Financial Participation pursuant to 42 C.F.R. part 433, subpart B, and are not derived from impermissible sources such as recycled Medicaid payments, Federal money excluded from use as State match, impermissible taxes, and non-bona fide provider-

related donations. Impermissible sources do not include patient care or other revenue received from programs such as Medicare or Medicaid to the extent that the program revenue is not obligated to the State as the source of funding.

1.3 DHCS shall reconcile the “Estimated Member Months,” in Exhibit 1, to actual enrollment in HEALTH PLAN(S) for the service period of January 1, 2022, through December 31, 2022 using actual enrollment figures taken from DHCS records. Enrollment reconciliation will occur on an ongoing basis as updated enrollment figures become available. Actual enrollment figures will be considered final two years after December 31, 2022. If reconciliation results in an increase to the total amount necessary to fund the nonfederal share of the payments described in Sub-Section 2.2, the GOVERNMENTAL FUNDING ENTITY agrees to transfer any additional funds necessary to cover the difference. If reconciliation results in a decrease to the total amount necessary to fund the nonfederal share of the payments described in Sub-Section 2.2, DHCS agrees to return the unexpended funds to the GOVERNMENTAL FUNDING ENTITY. If DHCS and the GOVERNMENTAL FUNDING ENTITY mutually agree, amounts due to or owed by the GOVERNMENTAL FUNDING ENTITY may be offset against future transfers.

2. Acceptance and Use of Transferred Funds

2.1 DHCS shall exercise its authority under section 14164 of the Welfare and Institutions Code to accept funds transferred by the GOVERNMENTAL FUNDING ENTITY pursuant to this Agreement as Intergovernmental Transfer (IGTs), to use for the purpose set forth in Sub-Section 2.2.

2.2 The funds transferred by the GOVERNMENTAL FUNDING ENTITY pursuant to Section 1 and Exhibit 1 of this Agreement shall be used to fund the non-federal share

of Medi-Cal Managed Care actuarially sound capitation rates described in section 14301.4(b)(4) of the Welfare and Institutions Code as reflected in the contribution PMPM and rate categories reflected in Exhibit 1. The funds transferred shall be paid, together with the related Federal Financial Participation, by DHCS to HEALTH PLAN(S) as part of HEALTH PLAN(S)' capitation rates for the service period of January 1, 2022, through December 31, 2022, in accordance with section 14301.4 of the Welfare and Institutions Code.

2.3 DHCS shall seek Federal Financial Participation for the capitation rates specified in Sub-Section 2.2 to the full extent permitted by federal law.

2.4 The parties acknowledge that DHCS will obtain any necessary approvals from the Centers for Medicare and Medicaid Services.

2.5 DHCS shall not direct HEALTH PLAN(S)' expenditure of the payments received pursuant to Sub-Section 2.2.

3. Assessment Fee

3.1 DHCS shall exercise its authority under section 14301.4 of the Welfare and Institutions Code to assess a 20 percent fee related to the amounts transferred pursuant to Section 1 of this Agreement, except as provided in Sub-Section 3.2. GOVERNMENTAL FUNDING ENTITY agrees to pay the full amount of that assessment in addition to the funds transferred pursuant to Section 1 of this Agreement.

3.2 The 20-percent assessment fee shall not be applied to any portion of funds transferred pursuant to Section 1 that are exempt in accordance with sections 14301.4(d) or 14301.5(b)(4) of the Welfare and Institutions Code. DHCS shall have sole discretion to determine the amount of the funds transferred pursuant to Section 1 that will not be subject to a

20 percent fee. DHCS has determined that \$ 0.00 of the transfer amounts, as shown in the table below, will not be assessed a 20 percent fee, subject to Sub-Section 3.3.

3.3 The 20-percent assessment fee pursuant to this Agreement is non-refundable and shall be wired to DHCS simultaneously with the transfer amounts made under Section 1 of this Agreement. If at the time of the reconciliation performed pursuant to Sub-Section 1.3 of this Agreement, there is a change in the amount transferred that is subject to the 20-percent assessment in accordance with Sub-Section 3.1, then a proportional adjustment to the assessment fee will be made.

4. Amendments

4.1 No amendment or modification to this Agreement shall be binding on either party unless made in writing and executed by both parties.

4.2 The parties shall negotiate in good faith to amend this Agreement as necessary and appropriate to implement the requirements set forth in Section 2 of this Agreement.

5. Notices. Any and all notices required, permitted, or desired to be given hereunder by one party to the other shall either be sent via secure email or submitted in writing to the other party personally or by United States First Class, Certified or Registered mail with postage prepaid, addressed to the other party at the address as set forth below:

To the GOVERNMENTAL FUNDING ENTITY:

Thomas Wong, Senior Management Analyst II
1375 5th Ave.
San Rafael, CA 94901
(415) 458-5360
Thomas.wong@cityofsanrafael.org

With copies to:

Insert CC Info as identified by Funding Entity

To DHCS:

Vivian Beeck
California Department of Health Care Services
Capitated Rates Development Division
1501 Capitol Ave., MS 4413
Sacramento, CA 95814
Vivian.Beeck@dhcs.ca.gov

Any required signature(s) on any documents must be in compliance with California Government Code section 16.5 and any other applicable state or federal regulations.

6. Other Provisions

6.1 This Agreement contains the entire Agreement between the parties with respect to the Medi-Cal payments described in Sub-Section 2.2 of this Agreement that are funded by the GOVERNMENTAL FUNDING ENTITY, and supersedes any previous or contemporaneous oral or written proposals, statements, discussions, negotiations or other agreements between the GOVERNMENTAL FUNDING ENTITY and DHCS relating to the subject matter of this Agreement. This Agreement is not, however, intended to be the sole agreement between the parties on matters relating to the funding and administration of the Medi-Cal program. This Agreement shall not modify the terms of any other agreement, existing or entered into in the future, between the parties.

6.2 The non-enforcement or other waiver of any provision of this Agreement shall not be construed as a continuing waiver or as a waiver of any other provision of this Agreement.

6.3 Sections 2 and 3 of this Agreement shall survive the expiration or termination of this Agreement.

6.4 Nothing in this Agreement is intended to confer any rights or remedies on any third party, including, without limitation, any provider(s) or groups of providers, or any right to medical services for any individual(s) or groups of individuals. Accordingly, there shall be no third party beneficiary of this Agreement.

6.5 Time is of the essence in this Agreement.

6.6 Each party hereby represents that the person(s) executing this Agreement on its behalf is duly authorized to do so.

7. State Authority. Except as expressly provided herein, nothing in this Agreement shall be construed to limit, restrict, or modify the DHCS' powers, authorities, and duties under Federal and State law and regulations.

8. Approval. This Agreement is of no force and effect until signed by the parties.

9. Term. This Agreement shall be effective as of January 1, 2022, and shall expire as of June 30, 2025 unless terminated earlier by mutual agreement of the parties.

SIGNATURES

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, on the date of the last signature below.

CITY OF SAN RAFAEL FIRE DEPARTMENT:

By: _____

Date: _____

(Funding Entity Signer)

THE STATE OF CALIFORNIA, DEPARTMENT OF HEALTH CARE SERVICES:

By: _____

Date: _____

David Bishop, Acting Division Chief, Capitated Rates Development Division

Exhibit 1

Health Plan	Funding Entity	County	Service Period	Participation %
Partnership Health Plan of California	City of San Rafael Fire Department	Regional	1/2022 - 12/2022	0.51%
Category of Aid	SIS/UIS	Contribution PMPM	Estimated Member Months*	Estimated Contribution (Non-Federal Share)
Child	SIS	\$ 0.02	2,574,310	\$ 51,486
Child	UIS	\$ 0.03	75,498	\$ 2,265
Adult	SIS	\$ 0.04	1,136,355	\$ 45,454
Adult	UIS	\$ 0.11	124,071	\$ 13,648
ACA Optional Expansion	SIS	\$ 0.01	2,310,919	\$ 23,109
ACA Optional Expansion	UIS	\$ 0.08	160,059	\$ 12,805
SPD	SIS	\$ 0.12	446,077	\$ 53,529
SPD	UIS	\$ 0.29	21,750	\$ 6,308
SPD/Full-Dual	SIS	\$ 0.03	866,986	\$ 26,010
SPD/Full-Dual	UIS	\$ 0.08	1,419	\$ 114
LTC (non-dual)	SIS	\$ 0.58	1,167	\$ 677
LTC (non-dual)	UIS	\$ 1.20	384	\$ 461
LTC/Full-Dual	SIS	\$ 0.46	31,135	\$ 14,322
LTC/Full-Dual	UIS	\$ 0.98	31	\$ 30
Whole Child Model	SIS	\$ 0.23	98,296	\$ 22,608
Whole Child Model	UIS	\$ 0.42	2,002	\$ 841
Est. FE Total			7,850,459	\$ 273,667

* Note that Estimated Member Months are subject to variation, and the actual total Contribution (Non-Federal Share) may differ from the amount listed here.

* FMAP is a weighted blend of multiple FMAPs.



SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Human Resources

Prepared by: Marissa Sanchez, Human Resources Director

City Manager Approval: 

TOPIC: STATE AND FEDERAL SUMMARY CRIMINAL HISTORY FOR EMPLOYEE BACKGROUND INFORMATION

SUBJECT: RESOLUTION AUTHORIZING THE CITY OF SAN RAFAEL TO ACCESS STATE AND FEDERAL SUMMARY CRIMINAL HISTORY FOR EMPLOYEE BACKGROUND INFORMATION THROUGH THE DEPARTMENT OF JUSTICE

RECOMMENDATION:

Adopt a resolution to authorize the City to access state and federal summary criminal history for employee background information through the Department of Justice.

BACKGROUND:

Since 2008, the City has implemented an administrative policy to collect fingerprints and obtain a background check on every applicant who has accepted a conditional offer of employment with the City. California Penal Code Sections 11105(b)(11) and 13300(b)(11) authorize cities to access state and local summary criminal history information for employment, licensing, or certification purposes, and federal-level criminal history by transmitting fingerprint images and related information to the Department of Justice who, in turn, transmits that information to the Federal Bureau of Investigation (FBI).

On August 16, 2021, the City Council adopted [Ordinance No. 1999](#) to add Chapter 2.22 to the San Rafael Municipal Code entitled "Background Checks". It established the requirement of background checks for all employee types. Currently, the San Rafael Police Department is the Custodian of Records and receives all pre-employment fingerprint and background check results.

ANALYSIS:

The Human Resources Department works closely with the San Rafael Police Department to schedule fingerprint appointments for applicants with conditional job offers. The Police Department obtains state criminal history information by transmitting fingerprints to the California Department of Justice. When a check against the national criminal database is required, as it typically is, the State acts on the City's behalf and transmits the fingerprints to the federal Department of Justice for a report from the FBI.

FOR CITY CLERK ONLY

Council Meeting: _____

Disposition: _____

In this current process, the Custodian of Records in the Police Department receives the results of the summary criminal history. In a continuous effort to improve the operational efficiency of the hiring process, staff have identified opportunities to streamline the process of relaying results from the Custodian of Records to the Human Resources Department. These enhancements will foster quicker and more consistent communication between the Police Department and the Human Resources Department, reducing the potential for delays, accelerating the progression of applicants to the formal offer stage of employment, and ensuring a smoother experience for all involved parties.

If approved, the attached resolution would authorize the City to continue to access the state and federal summary of an applicant with a conditional offer as required under Chapter 2.22 of the San Rafael Municipal Code. This would improve the City's overall recruitment timeline. The FBI has approved the proposed resolution language and now requires City Council approval.

FISCAL IMPACT:

There is no additional fiscal impact associated with the recommended action. Police Department staff currently collect and submit fingerprints and receive the results of background checks. Any fees associated with background checks have been included in the budget for the Human Resources Department.

OPTIONS:

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

1. Adopt resolution.
2. Adopt resolution with modifications.
3. Direct staff to return with more information.
4. Take no action.

RECOMMENDED ACTION:

Adopt a resolution to authorize the City of San Rafael to access state and federal summary criminal history for employee background information through the Department of Justice.

ATTACHMENTS:

1. Resolution

RESOLUTION NO.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN RAFAEL AUTHORIZING THE CITY OF SAN RAFAEL TO ACCESS STATE AND FEDERAL SUMMARY CRIMINAL HISTORY FOR EMPLOYEE BACKGROUND INFORMATION THROUGH THE DEPARTMENT OF JUSTICE

WHEREAS, Penal Code Sections 11105(b)(11) and 13300(b)(11) authorize cities, counties, districts and joint powers authorities to access state and local summary criminal history information for employment, licensing or certification purposes; and

WHEREAS, Penal Code Section 11105(b)(11) authorizes cities, counties, districts and joint powers authorities to access federal level criminal history information by transmitting fingerprint images and related information to the Department of Justice to be transmitted to the Federal Bureau of Investigation; and

WHEREAS, Penal Code Sections 11105(b)(11) and 13300(b)(11) require that there be a requirement or exclusion from employment, licensing, or certification expressly based on specific criminal conduct on the part of the subject of the record; and

WHEREAS, Penal Code Sections 11105(b)(11) and 13300(b)(11) require the city council, board of supervisors, governing body of a city, county or district or joint powers authority to specifically authorize access to summary criminal history information for employment, licensing, or certification purposes.

NOW THEREFORE, BE IT RESOLVED, that the City of San Rafael is hereby authorized to access state and federal level summary criminal history information for employment with City of San Rafael (including volunteers and contract employees) and may not disseminate the information to a private entity; and

BE IT FURTHER RESOLVED that the City of San Rafael shall not consider a person who has been convicted of a violent or serious felony or misdemeanor eligible for employment (including volunteers and contract employees, if applicable), if and to the extent required by applicable law for a certain position.

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 20th day of November 2023, by the following vote, to wit:

AYES:

NOES:

ABSENT:

LINDSAY LARA, City Clerk



SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Library and Recreation

**Prepared by: Kelly Albrecht,
Senior Recreation Supervisor**

City Manager Approval: _____

TOPIC: CALIFORNIA STATE PRESCHOOL PROGRAM CONTINUED FUNDING APPLICATION FOR FISCAL YEAR 2024-2025

SUBJECT: RESOLUTION APPROVING THE CITY OF SAN RAFAEL TO ENTER INTO A FUNDING AGREEMENT WITH THE CALIFORNIA DEPARTMENT OF EDUCATION FOR THE PURPOSE OF PROVIDING CHILDCARE AND DEVELOPMENT SERVICES

RECOMMENDATION:

Adopt the resolution approving the City of San Rafael to enter into a funding agreement with the California Department of Education to provide preschool services at Pickleweed Preschool and authorize the designated personnel, Senior Recreation Supervisor, to sign contract documents for fiscal year 2024-2025, the Continued Funding Application and related documents.

BACKGROUND:

Assembly Bill 2759 (Chapter 308, Statutes of 2008) created the California State Preschool Program (CSPP). This program consolidated the funding for State Preschool, Prekindergarten and Family Literacy, and General Childcare center-based programs serving eligible three- and four-year-old children to create the California State Preschool Program. The program provides both part-day and full-day services which include a core class curriculum that is developmentally, culturally, and linguistically appropriate for the children served. The program also provides meals and snacks to children, parent education, referrals to health and social services for families, and staff development opportunities to employees. The program is administered through local agencies, colleges, community-action agencies, and private nonprofit agencies.

The City of San Rafael has an agreement with the State of California to operate the Pickleweed Preschool as a CSPP contractor. Contractors who wish to be considered for continued funding for Fiscal year 2024-25 must complete the continued funding application in a timely manner. Upon the City's submission of the application, and the State's acceptance thereof, the 2024-2025 contract is automatically renewed in accordance with all applicable federal and state laws as well as California State Preschool Funding Terms and Conditions and Program Requirements.

FOR CITY CLERK ONLY

Council Meeting:

Disposition:

ANALYSIS:

Pickleweed Preschool has been providing preschool services since 1997. Pickleweed Preschool relies on the renewal of the CSPP contract to provide preschool services for sixty-eight income-eligible families. The preschool is designed to facilitate the transition to kindergarten for three-year-old and four-year-old children. Each child is given the opportunity to prepare and develop at their own pace, under the supervision and care of City childcare staff. Each year, the program establishes goals for each child to build a foundation of skills needed to succeed in their future schooling and society.

FISCAL IMPACT:

The City is seeking ongoing funding support through a grant from the California Department of Education for the preschool program at Pickleweed Preschool. This important funding from the California Department of Education is essential for the City to continue providing preschool services at Pickleweed Preschool.

Estimated funds available through the grant program in fiscal year 2024-25 will depend on program enrollment and program costs to be determined through the fiscal year 2024-25 budget process. For the current fiscal year, the State Department of Education is expected to provide \$466,229 in grant funding, representing 69% of the program costs. The following provides a summary of the revenue sources supporting the Pickleweed Preschool Program in the current fiscal year:

Pickleweed Preschool Program Fiscal Year 2023-24 Budget	
Revenue Sources:	
<i>California State Department of Education State Preschool Program</i>	\$466,229
First 5 Marin	\$100,000
Community Development Block Grant (Federal)	\$21,500
Safety Net (Marin Childcare Council)	\$20,000
Available (Prior Year) Fund Balance	<u>\$66,763</u>
Total Revenues	\$674,492
Expenditures:	
Personnel	\$620,453
Non-Personnel	\$54,040
Total Expenditures:	\$674,492

OPTIONS:

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

1. Adopt the resolution as proposed to enter into the funding agreement with the California Department of Education.
2. Do not adopt the resolution, resulting in the city declining the opportunity to receive grant from the California State Department of Education.

RECOMMENDED ACTION:

Adopt the resolution approving the City of San Rafael to enter into a funding agreement with the California Department of Education to provide preschool services at Pickleweed Preschool and authorize the designated personnel, Senior Recreation Supervisor, to sign contract documents for fiscal year 2024-2025, the Continued Funding Application and related documents.

ATTACHMENTS:

1. Resolution
2. Continued Funding Application Fiscal Year 2024-2025

RESOLUTION NO.

RESOLUTION APPROVING THE CITY OF SAN RAFAEL TO ENTER INTO A FUNDING AGREEMENT WITH THE CALIFORNIA DEPARTMENT OF EDUCATION FOR THE PURPOSE OF PROVIDING CHILDCARE AND DEVELOPMENT SERVICES

WHEREAS, the City operates the Pickleweed Preschool at the Pickleweed Children's Center; and

WHEREAS, the City desires to provide no-cost preschool programming to low-income families from East San Rafael through programming at the Pickleweed Children's Center; and

WHEREAS, the State of California has awarded the City of San Rafael funds for subsidy of the Pickleweed Preschool Program since 1997; and

WHEREAS, the City desires to enter into a funding agreement with the California Department of Education for the purpose of providing childcare and Development services.

NOW THEREFORE BE IT RESOLVED, Rafael does hereby approve the City of San Rafael to enter into a funding agreement with the California Department of Education to provide preschool services at Pickleweed Preschool and authorize the designated personnel, Senior Recreation Supervisor, to sign contract documents for fiscal year 2024-2025, the Continued Funding Application and related documents.

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 20th of November 2023 by the following vote, to wit:

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

Lindsay Lara, City Clerk



Application

Fiscal Year 2024-25 CSPP Continued Funding

Early Education Division

Overview

Contractors holding a current California State Preschool Program (CSPP) contract, and if applicable a Prekindergarten and Family Literacy Support (CPKS) contract, who wish to be considered for continued funding for fiscal year (FY) 2024-25 must complete this application for continued funding. The FY 2024-25 Continued Funding Application (CFA) Overview and Instructions may be accessed on the [CFA web Page](#).

Contractors who apply for and are approved for continued funding do not need to sign a contract with the CDE to provide CSPP and CPKS services for FY 2024-25. Contracts will be automatically renewed in accordance with all applicable federal and state laws and Contract Terms and Conditions (CT&Cs). By signing this CFA, the contractor is indicating that it wishes to automatically renew its contract(s) for FY 2024-25 and accepts all of the terms and conditions of the 2024-25 CSPP contract, and if applicable the 2024-25 CPKS contract, which will be provided to the contractor no later than June 1, 2024.

Upon completion of this CFA, the California Department of Education (CDE) will review the application and may contact your agency seeking additional information. If the CFA is returned to the COE in a timely manner but is not fully and accurately completed, funding for FY 2024-25, if approved, may be delayed.

Please also note that contractors have no vested right to a subsequent contract. Completion of this CFA does not guarantee a renewal of funding. If the CDE determines your agency will not be renewed for a subsequent contract year, you will be notified in writing no later than April 7, 2024, pursuant to the *California Code of Regulations*, Title 5 (5 CCR) Section 17828.

Contractors that wish to reject the terms of the FY 2024-25 CSPP and/or CPKS contract must provide the COE with a written notice that the terms of the contract(s) are rejected by emailing EarlyEducationContracts@cde.ca.gov on or before June 30, 2024. The email should come from the Executive Director/Superintendent of the contracting entity or their authorized representative and state that the terms of the

FY 2024-25 CSPP and, as applicable, the CPKS contract are rejected. Contractors providing such notice to the COE of the rejection of the terms of the contract will not have a contract(s) in effect for FY 2024-25. Note that while contractors who currently receive CPKS funding may reject their 2024-25 CPKS contract, they cannot reject their 2024-25 CSPP contract and still receive funding under a CPKS contract since CPKS funding is tied to having a CSPP contract.

If a contractor wishes to terminate the contract for any reason during the FY 2024-25 contract term, the contractor shall notify the COE of its intent to terminate the contract at least 90 calendar days in advance of contract termination and shall follow CCR 17795.

Instructions

Review the "Fiscal Year 2024-25 Continued Funding Application Overview and Instructions" document provided on the CFA web page for detailed instructions on how to complete each section of the CFA. All fields must be completed unless otherwise noted as optional. The application is structured into the following sections:

Section I: Contractor Information

Section II: Contract and Program Type

Section 111: Contractor's Officers and Board of Directors Information

Section IV: Program Narrative

Section V: Subcontract Certification

Section VI: Contractor Certification

Section VII: CFA Checklist

Only a person with the legal authority to contractually bind the agency, or the contractor's "authorized representative" identified in the Board Resolution, may sign the CFA and related contractual documents on behalf of the agency. Please refer to the "Fiscal Year 2024-25 Continued Funding Application Overview and Instructions" and the template Board Resolution provided on the [CFA web Rag](#).

If you do not complete the CFA in one session, you must select the **Save Responses** button located on the bottom of the screen. Once selected, you will be redirected to a new browser window to enter your email address. You will receive an email with a unique web address for entrance back into the CFA. It is recommended that you save the application web address. If you have any questions regarding the CFA, please contact CFA@cde.ca.gov.



Application

Section I: Contractor Information

Contractor Legal Name:

City of San Rafael

Contractor "Doing Business As" (DBA): *(Optional)*

Headquartered County:

21 Marin V J

Vendor Number:

Executive Director Name:

Cristine Alilovich

Executive Director Telephone Number: *(999-999-9999)*

Executive Director Email Address:

cristine.alilovich@cityofsanrafael.org

Legal Business Address:

1400 Fifth Avenue

City:

San Rafael

Zip Code:

Is Mailing Address different from Legal Business Address?

Yes

No

Mailing Address:

618 B Street

Mailing City:

San Rafael

Mailing Zip Code:

94901

Name of Person Completing the CFA:

kelly Albrecht

Title of Person Completing the CFA:

Senior Recreation Supervisor

Contact Person Telephone Number: (999-999-9999)

415-485-3386

Contact Person Email Address:

kelly.atbrecht@cityofsanrafael.org

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Application

Section II: Contract and Program Type

Part 1: Contract and Program Type

Check all applicable boxes indicating the programs the contractor intends to continue to administer for FY 2024-25. The contractor agrees to continue implementation of these programs with funds provided by the COE.

Contract Type: *(select all that apply)*

CSPP

CPKS

Does the CSPP operate a Family Childcare Home Education Network (FCHEEN)?

Yes

No

ProgramType: *(Select all that apply. A completed Program Calendar (Form EEO 9730) must be submitted. If the contractor operates both a full-day and a part-day program, a separate Program Calendar (Form EEO 9730) must be uploaded for each.)*

Full-Day/Full-Year

Part-Day/Part-Year

Full-Day/Part-Year

Part-Day/Full-Year

Part 2: Projected Enrollment

Insert the number of subsidized children your agency expects to enroll with the CSPP contract for each county services are provided, as applicable.

How many counties does your agency operate in?

1 VI

County 1 Information

Select the County Name:

Number of Children to be Enrolled in Part-Day CSPP in County 1:

Number of Children to be Enrolled in Full-Day CSPP in County 1:

Total Number of Children to be Enrolled in County 1:

Total Number of CSPP Children to be Enrolled: *(Add the total from each county.)*

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Application

Section III: Contractor's Officers and Board of Directors Information

Does the contractor have a board of directors?

- Yes
- No

How many officers and board members/governing individuals (i.e., owner, director, etc.) does your agency have? (If there are more than 10, please complete this section and email CFA@cde.ca.gov with any additional members and their contact information.)

1 s _____ vi

Officer #1:

Officer 1 First Name:

Officer 1 Last Name:

Officer 1 Title:

Officer 1 Telephone Number: (999-999-9999)

Officer 1 Mailing Address:

Officer 1 Mailing City:

Officer 1 Mailing Zip Code:

Officer 1 Email Address:

Officer #2:

Officer 2 First Name:

Officer 2 Last Name:

Officer 2 Title:

Officer 2

Telephone
Number (999-
999-9999):

415-485-3070

Officer 2 Mailing
Address:

11400 Fifth Avenue

Officer 2 Mailing
City:

San Rafael

Officer 2 Mailing
Zip Code:

94901

Officer 2 Email
Address:

lmaribeth.bushey@cityofsanrafael.org

Officer #3:

Officer 3 First
Name:

Eli

Officer 3 Last
Name:

Hill

Officer 3 Title:

Council Member

Officer 3

Telephone
Number (999-
999-9999):

415-485-3070

Officer 3 Mailing
Address:

11400 Fifth Avenue

Officer 3 Mailing
City:

San Rafael

Officer 3 Mailing
Zip Code:

94901

Officer 3 Email
Address:

eli.hill@cityofsanrafael.org

Officer #4:

Officer 4 First
Name:

Maika

Officer 4 Last
Name:

Llorens Gulati

Officer 4 Title:

Council Member

Officer 4

Telephone
Number (999-
999-9999):

415-485-3070

Officer 4 Mailing
Address:

11400 Fifth Avenue

Officer 4 Mailing
City:

San Rafael

Officer 4 Mailing

Zip Code:

94901

Officer 4 Email

Address:

maika.lorens@cityofsanrafael.org

Officer #5:

Officer 5 First

Name:

Rachel

Officer 5 Last

Name:

Kertz

Officer 5 Title:

Council Member

Officer 5

Telephone

Number (999-

999-9999):

415-485-3070

Officer 5 Mailing

Address:

11400 Fifth Avenue

Officer 5 Mailing

City:

San Rafael

Officer 5 Mailing

Zip Code:

94901

Officer 5 Email

Address:

rachel.kertz@cityofsanrafael.org

Have any of the listed officers, board members, owners or other governing individuals ever served as an officer, board member, owner or governing individual with an agency that received state or federal funding and which agency funding was terminated or involuntarily non-renewed, or the agency was debarred from funding for any period of time?

Yes

No

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Section IV: Program Narrative

Does the contractor have program or minimum days of operation (MDO) changes?

Yes

No



Application

Section V: Subcontract Certification

Subcontractor refers to a separate agency subcontracted to provide CSPP services in accordance with the provisions contained in the California Education Code, 5 CCR, and the CT&Cs.

Does the Contractor have subcontractors?

- Yes
 No

Contractors who subcontract CSPP services must also submit a completed Subcontractor Information Form (EED-3704B). The form is available on the [CFA web page](#).

AGREEMENT: By signing this application electronically, I, the District Superintendent, or authorized designee, agree that my electronic signature is the legally binding equivalent to my handwritten signature.

- Yes
 No

Printed Name of the Contractor's Authorized Representative:

kelly Albrecht

Title of the Contractor's Authorized Representative:

Senior Recreation Supervisor

Certification Date: (MM/00/YYYY)

10/25/2023

Authorized Representative's Telephone Number: (999-999-9999)

415-485-3386

Authorized Representative's Email Address:

kelly.albrecht@cityofsanrafael.org



Application

Section VI: Contractor Certification

Under penalty of perjury, I certify the following statements as true and correct to the best of my knowledge: *(Each box below must be selected in order to continue with the application.)*

I have read and understand the staffing requirements for Program Director, Site Supervisor, and Teacher. All staff employed by the contractor for the provision of preschool services are fully qualified for their respective positions. The exception to this certification is a person employed as Program Director or Site Supervisor who possesses a current Staffing Qualifications Waiver approved by the Early Education Division.

I am authorized by the contractor's Board of Directors or other governing authority to execute this CFA, signifying their intent to automatically renew the current CSPP contract, and CPKS contract if applicable, for FY 2024-25, under new terms and conditions to be established by the COE, unless rejected in writing prior to the effective date of the new CSPP contract(s) on June 30, 2024.

On behalf of the contractor and its governing authority, I understand that some information requested in this CFA is intended for use by COE auditors in connection with future audit work and performance reviews and may not be used, reviewed, or considered by the COE until after the contract has expired, if ever. Therefore, the contractor further understands that the information (and any underlying transactions) disclosed by this CFA shall not be considered properly noticed to the COE, nor approved, accepted, or authorized by the COE, even if the contractor's request for continued funding by the COE is subsequently approved.

The governing board members or persons with governing authority have been trained in understanding conflict of interest requirements associated with their positions on the board and have reported all known conflicts of interest.

As the authorized representative of the CSPP contractor named in this application, I certify that: *(Each box below must be selected in order to continue with the application.)*

I have reviewed all of the information for my agency and, to the best of my knowledge, the information on the CDMIS website reflects accurate

- information for my agency as of the date this certification is signed.
- I understand my obligation as a CSPP contractor to ensure the accuracy of information in CDMIS on an ongoing basis and will update the information in CDMIS as needed throughout the contract period.

As the signer on this CFA I have supervisory authority over the CSPP and have actual, personal knowledge of the information provided in this CFA. I am familiar with and will ensure that the contractor complies with all applicable program statutes and regulations in effect for FY 2024-25, including but not limited to: (Each box below must be selected in order to continue with the application.)

- Subcontracting requirements, including competitive bidding, COE approval, and audit requirements in 5 CCR.
- Prohibitions on conflicts of interests, including (i) the assurances required to establish that transactions with officers, directors and other related party transactions are conducted at arm's length, and (ii) employment limitations stated in EC.
- Cost reimbursement requirements, including reimbursable and non-reimbursable costs, documentation requirements, the provisions for determining the reimbursable amount and other provisions in 5 CCR, and accounting and reporting requirements in 5 CCR.
- Operational and programmatic requirements.
- Personnel requirements as stipulated in the California Education Code, 5 CCR; and the CT&Cs.

By signing this CFA, the contractor is indicating that it wishes to automatically renew the current contract for FY 2024-25 and, if approved, is willing to, and does accept, all terms and conditions of the CSPP contract, which will be provided to the contractor no later than June 1, 2024. The contractor may reject the FY 2024-25 contract by providing the COE with a written notice of rejection no later than June 30, 2024. Contractors that wish to reject the terms of the FY 2024-25 contract must provide written notice that the terms of the contract are rejected by emailing EarlyEducationContracts@cde.ca.gov on or before June 30, 2024. The email should come from the Executive Director/Superintendent of the contracting entity or their authorized representative and state that the terms of the FY 2024-25 CSPP contract, and CPKS contract if applicable, are rejected.

Contractors providing such notice to the COE of the rejection of the terms of the contract(s) will not have a contract(s) in effect for FY 2024-25. I understand that failure to timely reject the terms of the contract means that the contract may be automatically renewed for FY 2024-25 starting on July 1, 2024.

AGREEMENT: By signing this application electronically, I, the District Superintendent, or authorized designee, agree that my electronic signature is the legally binding equivalent to my handwritten signature.

Yes
 No

Printed Name of the Contractor's Authorized Representative:

kelly Albrecht

Title of the Contractor's Authorized Representative:

Senior Recreation Supervisor

Certification Date: (MM/00/YYYY)

10/25/2023

Authorized Representative's Telephone Number: (999-999-9999)

415-485-3386

Authorized Representative's Email Address:

kelly.albrecht@cityofsanrafael.org

[Back] !.Reset | !.Save Responses] [Next]

Section VII - CFA Checklist

Is the Contractor a public or non-public agency? *(The State Administrative Manual defines a **public agency** as any state agency, city, county, special district, school district, community college district, county superintendent of schools, or federal agency. A charter school is also a public agency. Any agency that does not meet these criteria is considered a "**non-public agency**."*

- Public Agency
 Non-Public Agency

Is the Contractor a community college or community college district in California? *(Community colleges and community college districts appear in the California Community Colleges Chancellor's Office Directory)*

- Yes
 No

Is the Contractor a local education agency (LEA)? *(An LEA is a local entity involved in education including but not limited to school districts, county offices of education, direct-funded charter schools, and special education local plan areas. LEAs appear in the California School Directory)*

- Yes
 No

All forms and documentation listed below must be completed and attached to this application when submitting the CFA. Download, complete, and save each required attachment, as applicable, from the CFA web Rag. Before uploading your completed attachments, they must be saved on your computer in a compressed (zipped) folder.

Instructions for saving all attachments in a compressed (zipped) folder:

Save all completed attachments in one folder on your computer. Name each document with your Vendor ID Number followed by the title of the document, for example "12345 - STD 204," "12345 - Board Resolution," etc.

Name the folder containing all attachments with your Vendor ID Number followed by "CFAAttachments," for example "12345 - CFAAttachments."

Right click on the folder, hover your cursor over the "Send to" option, then select "Compressed (zipped) folder." (Mac users may instead select all the documents within the folder, right click, and select "Compress X items" where X is the number of items selected.) The compressed folder will appear in the same location as the original folder. The compressed folder name will end with ".zip."

Check each box below to confirm the required item is completed and included in your zipped file:

Part-Day Calendar (Form EEO 9730). Required for contractors who indicated a Part-Day program type in Section II.

Included

California Civil Rights Laws Certification (C0-005). Required for all contractors.

Included

Contractor Certification Clauses (CCC). Required for all contractors.

Included

Federal Certification (C0.8). Required for all contractors.

Included

CDMIS Agency Information Certification. Required for all contractors. (Review all information in CDMIS, update any outdated or incorrect information, and generate the Agency Information Certification form. Log on to the COM IS and follow the steps outlined in the FY 2024-25 CFA Instructions.)

Included

Public Agency's Board Resolution or Minutes authorizing signature authority. Required for all Public Agencies. (If the contractor is a County Office of Education, Resolution is not required only IF the CFA is signed by the County Superintendent).

Included

Not Applicable

If applicable: Application for License Exemption. Applicable only for LEAs choosing to apply to be exempt from licensure pursuant to Health & Safety

Code (H&SC) Section 1596.792(0).

Included

Not Applicable

Upload the .zip file containing all required attachments. To upload the file, click the icon below, select the .zip folder saved on your computer, and click "upload." When the file has uploaded successfully a unique ID will appear in the box below.



| [Back](#) | [Reset](#) | [Save Responses](#) | [Next](#) |

California State Preschool Program Fiscal Year 2024-25 Program Calendar

Contractor Name: **City of San Rafael**

county: **Marin**

Vendor Number: **2193**

Contract Type: **CSPP**

Program Type: **Part-Day**

Instructions: Check the box on each date your program will operate. Total days of operation will automatically calculate.

July 2024 Days of Operation 0

SUN	MON	TUE	WED	THU	FRI	SAT
N/A	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	6 <input type="checkbox"/>
7 <input type="checkbox"/>	8 <input type="checkbox"/>	9 <input type="checkbox"/>	10 <input type="checkbox"/>	11 <input type="checkbox"/>	12 <input type="checkbox"/>	13 <input type="checkbox"/>
14 <input type="checkbox"/>	15 <input type="checkbox"/>	16 <input type="checkbox"/>	17 <input type="checkbox"/>	18 <input type="checkbox"/>	19 <input type="checkbox"/>	20 <input type="checkbox"/>
21 <input type="checkbox"/>	22 <input type="checkbox"/>	23 <input type="checkbox"/>	24 <input type="checkbox"/>	25 <input type="checkbox"/>	26 <input type="checkbox"/>	27 <input type="checkbox"/>
28 <input type="checkbox"/>	29 <input type="checkbox"/>	30 <input type="checkbox"/>	31 <input type="checkbox"/>	N/A	N/A	N/A

January 2025 Days of Operation 19

SUN	MON	TUE	WED	THU	FRI	SAT
N/A	N/A	N/A	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>
5 <input type="checkbox"/>	6 <input type="checkbox"/>	7 <input type="checkbox"/>	8 <input type="checkbox"/>	9 <input type="checkbox"/>	10 <input type="checkbox"/>	11 <input type="checkbox"/>
12 <input type="checkbox"/>	13 <input type="checkbox"/>	14 <input type="checkbox"/>	15 <input type="checkbox"/>	16 <input type="checkbox"/>	17 <input type="checkbox"/>	18 <input type="checkbox"/>
19 <input type="checkbox"/>	20 <input type="checkbox"/>	21 <input type="checkbox"/>	22 <input type="checkbox"/>	23 <input type="checkbox"/>	24 <input type="checkbox"/>	25 <input type="checkbox"/>
26 <input type="checkbox"/>	27 <input type="checkbox"/>	28 <input type="checkbox"/>	29 <input type="checkbox"/>	30 <input type="checkbox"/>	31 <input type="checkbox"/>	N/A

August 2024 Days of Operation 13

SUN	MON	TUE	WED	THU	FRI	SAT
N/A	N/A	N/A	N/A	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>
4 <input type="checkbox"/>	5 <input type="checkbox"/>	6 <input type="checkbox"/>	7 <input type="checkbox"/>	8 <input type="checkbox"/>	9 <input type="checkbox"/>	10 <input type="checkbox"/>
11 <input type="checkbox"/>	12 <input type="checkbox"/>	13 <input type="checkbox"/>	14 <input type="checkbox"/>	15 <input type="checkbox"/>	16 <input type="checkbox"/>	17 <input type="checkbox"/>
18 <input type="checkbox"/>	19 <input type="checkbox"/>	20 <input type="checkbox"/>	21 <input type="checkbox"/>	22 <input type="checkbox"/>	23 <input type="checkbox"/>	24 <input type="checkbox"/>
25 <input type="checkbox"/>	26 <input type="checkbox"/>	27 <input type="checkbox"/>	28 <input type="checkbox"/>	29 <input type="checkbox"/>	30 <input type="checkbox"/>	31 <input type="checkbox"/>

February 2025 Days of Operation 16

SUN	MON	TUE	WED	THU	FRI	SAT
N/A	N/A	N/A	N/A	N/A	N/A	1 <input type="checkbox"/>
2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	6 <input type="checkbox"/>	7 <input type="checkbox"/>	8 <input type="checkbox"/>
9 <input type="checkbox"/>	10 <input type="checkbox"/>	11 <input type="checkbox"/>	12 <input type="checkbox"/>	13 <input type="checkbox"/>	14 <input type="checkbox"/>	15 <input type="checkbox"/>
16 <input type="checkbox"/>	17 <input type="checkbox"/>	18 <input type="checkbox"/>	19 <input type="checkbox"/>	20 <input type="checkbox"/>	21 <input type="checkbox"/>	22 <input type="checkbox"/>
23 <input type="checkbox"/>	24 <input type="checkbox"/>	25 <input type="checkbox"/>	26 <input type="checkbox"/>	27 <input type="checkbox"/>	28 <input type="checkbox"/>	N/A

September 2024 Days of Operation 20

SUN	MON	TUE	WED	THU	FRI	SAT
1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	6 <input type="checkbox"/>	7 <input type="checkbox"/>
8 <input type="checkbox"/>	9 <input type="checkbox"/>	10 <input type="checkbox"/>	11 <input type="checkbox"/>	12 <input type="checkbox"/>	13 <input type="checkbox"/>	14 <input type="checkbox"/>
15 <input type="checkbox"/>	16 <input type="checkbox"/>	17 <input type="checkbox"/>	18 <input type="checkbox"/>	19 <input type="checkbox"/>	20 <input type="checkbox"/>	21 <input type="checkbox"/>
22 <input type="checkbox"/>	23 <input type="checkbox"/>	24 <input type="checkbox"/>	25 <input type="checkbox"/>	26 <input type="checkbox"/>	27 <input type="checkbox"/>	28 <input type="checkbox"/>
29 <input type="checkbox"/>	30 <input type="checkbox"/>	N/A	N/A	N/A	N/A	N/A

March 2025 Days of Operation 15

SUN	MON	TUE	WED	THU	FRI	SAT
N/A	N/A	N/A	N/A	N/A	N/A	1 <input type="checkbox"/>
2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	6 <input type="checkbox"/>	7 <input type="checkbox"/>	8 <input type="checkbox"/>
9 <input type="checkbox"/>	10 <input type="checkbox"/>	11 <input type="checkbox"/>	12 <input type="checkbox"/>	13 <input type="checkbox"/>	14 <input type="checkbox"/>	15 <input type="checkbox"/>
16 <input type="checkbox"/>	17 <input type="checkbox"/>	18 <input type="checkbox"/>	19 <input type="checkbox"/>	20 <input type="checkbox"/>	21 <input type="checkbox"/>	22 <input type="checkbox"/>
23 <input type="checkbox"/>	24 <input type="checkbox"/>	25 <input type="checkbox"/>	26 <input type="checkbox"/>	27 <input type="checkbox"/>	28 <input type="checkbox"/>	29 <input type="checkbox"/>
30 <input type="checkbox"/>	31 <input type="checkbox"/>	N/A	N/A	N/A	N/A	N/A

October 2024 Days of Operation 14

SUN	MON	TUE	WED	THU	FRI	SAT
N/A	N/A	1 <input checked="" type="checkbox"/>	2 <input checked="" type="checkbox"/>	3 <input checked="" type="checkbox"/>	4 <input checked="" type="checkbox"/>	5 <input type="checkbox"/>
6 <input type="checkbox"/>	7 <input checked="" type="checkbox"/>	8 <input checked="" type="checkbox"/>	9 <input checked="" type="checkbox"/>	10 <input checked="" type="checkbox"/>	11 <input checked="" type="checkbox"/>	12 <input type="checkbox"/>
13 <input type="checkbox"/>	14 <input type="checkbox"/>	15 <input type="checkbox"/>	16 <input type="checkbox"/>	17 <input type="checkbox"/>	18 <input type="checkbox"/>	19 <input type="checkbox"/>
20 <input type="checkbox"/>	21 <input checked="" type="checkbox"/>	22 <input checked="" type="checkbox"/>	23 <input checked="" type="checkbox"/>	24 <input checked="" type="checkbox"/>	25 <input checked="" type="checkbox"/>	26 <input type="checkbox"/>
27 <input type="checkbox"/>	28 <input type="checkbox"/>	29 <input type="checkbox"/>	30 <input type="checkbox"/>	31 <input type="checkbox"/>	N/A	N/A

April 2025 Days of Operation 18

SUN	MON	TUE	WED	THU	FRI	SAT
N/A	N/A	1 <input checked="" type="checkbox"/>	2 <input checked="" type="checkbox"/>	3 <input checked="" type="checkbox"/>	4 <input checked="" type="checkbox"/>	5 <input type="checkbox"/>
6 <input type="checkbox"/>	7 <input type="checkbox"/>	8 <input type="checkbox"/>	9 <input type="checkbox"/>	10 <input type="checkbox"/>	11 <input checked="" type="checkbox"/>	12 <input type="checkbox"/>
13 <input type="checkbox"/>	14 <input checked="" type="checkbox"/>	15 <input checked="" type="checkbox"/>	16 <input checked="" type="checkbox"/>	17 <input checked="" type="checkbox"/>	18 <input checked="" type="checkbox"/>	19 <input type="checkbox"/>
20 <input type="checkbox"/>	21 <input checked="" type="checkbox"/>	22 <input checked="" type="checkbox"/>	23 <input checked="" type="checkbox"/>	24 <input checked="" type="checkbox"/>	25 <input checked="" type="checkbox"/>	26 <input type="checkbox"/>
27 <input type="checkbox"/>	28 <input checked="" type="checkbox"/>	29 <input checked="" type="checkbox"/>	30 <input checked="" type="checkbox"/>	N/A	N/A	N/A

November 2024 Days of Operation 15

SUN	MON	TUE	WED	THU	FRI	SAT
N/A	N/A	N/A	N/A	N/A	1 <input checked="" type="checkbox"/>	2 <input type="checkbox"/>
3 <input type="checkbox"/>	4 <input checked="" type="checkbox"/>	5 <input checked="" type="checkbox"/>	6 <input checked="" type="checkbox"/>	7 <input checked="" type="checkbox"/>	8 <input checked="" type="checkbox"/>	9 <input type="checkbox"/>
10 <input type="checkbox"/>	11 <input type="checkbox"/>	12 <input checked="" type="checkbox"/>	13 <input checked="" type="checkbox"/>	14 <input checked="" type="checkbox"/>	15 <input checked="" type="checkbox"/>	16 <input type="checkbox"/>
17 <input type="checkbox"/>	18 <input type="checkbox"/>	19 <input type="checkbox"/>	20 <input type="checkbox"/>	21 <input type="checkbox"/>	22 <input type="checkbox"/>	23 <input type="checkbox"/>
24 <input type="checkbox"/>	25 <input checked="" type="checkbox"/>	26 <input checked="" type="checkbox"/>	27 <input checked="" type="checkbox"/>	28 <input checked="" type="checkbox"/>	29 <input checked="" type="checkbox"/>	30 <input type="checkbox"/>

May 2025 Days of Operation 21

SUN	MON	TUE	WED	THU	FRI	SAT
N/A	N/A	N/A	N/A	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>
4 <input type="checkbox"/>	5 <input type="checkbox"/>	6 <input type="checkbox"/>	7 <input type="checkbox"/>	8 <input type="checkbox"/>	9 <input type="checkbox"/>	10 <input type="checkbox"/>
11 <input type="checkbox"/>	12 <input type="checkbox"/>	13 <input type="checkbox"/>	14 <input type="checkbox"/>	15 <input type="checkbox"/>	16 <input type="checkbox"/>	17 <input type="checkbox"/>
18 <input type="checkbox"/>	19 <input type="checkbox"/>	20 <input type="checkbox"/>	21 <input type="checkbox"/>	22 <input type="checkbox"/>	23 <input type="checkbox"/>	24 <input type="checkbox"/>
25 <input type="checkbox"/>	26 <input type="checkbox"/>	27 <input type="checkbox"/>	28 <input type="checkbox"/>	29 <input type="checkbox"/>	30 <input type="checkbox"/>	31 <input type="checkbox"/>

December 2024 Days of Operation 15

SUN	MON	TUE	WED	THU	FRI	SAT
1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	6 <input type="checkbox"/>	7 <input type="checkbox"/>
8 <input type="checkbox"/>	9 <input type="checkbox"/>	10 <input type="checkbox"/>	11 <input type="checkbox"/>	12 <input type="checkbox"/>	13 <input type="checkbox"/>	14 <input type="checkbox"/>
15 <input type="checkbox"/>	16 <input type="checkbox"/>	17 <input type="checkbox"/>	18 <input type="checkbox"/>	19 <input type="checkbox"/>	20 <input type="checkbox"/>	21 <input type="checkbox"/>
22 <input type="checkbox"/>	23 <input type="checkbox"/>	24 <input type="checkbox"/>	25 <input type="checkbox"/>	26 <input type="checkbox"/>	27 <input type="checkbox"/>	28 <input type="checkbox"/>
29 <input type="checkbox"/>	30 <input type="checkbox"/>	31 <input type="checkbox"/>	N/A	N/A	N/A	N/A

June 2025 Days of Operation 9

SUN	MON	TUE	WED	THU	FRI	SAT
1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	6 <input type="checkbox"/>	7 <input type="checkbox"/>
8 <input type="checkbox"/>	9 <input type="checkbox"/>	10 <input type="checkbox"/>	11 <input type="checkbox"/>	12 <input type="checkbox"/>	13 <input type="checkbox"/>	14 <input type="checkbox"/>
15 <input type="checkbox"/>	16 <input type="checkbox"/>	17 <input type="checkbox"/>	18 <input type="checkbox"/>	19 <input type="checkbox"/>	20 <input type="checkbox"/>	21 <input type="checkbox"/>
22 <input type="checkbox"/>	23 <input type="checkbox"/>	24 <input type="checkbox"/>	25 <input type="checkbox"/>	26 <input type="checkbox"/>	27 <input type="checkbox"/>	28 <input type="checkbox"/>
29 <input type="checkbox"/>	30 <input type="checkbox"/>	N/A	N/A	N/A	N/A	N/A

Total Days of Operation: 175

EEO Consultant Initials (For EEO Use Only)
Date Approved by EEO (For EEO Use Only)

CALIFORNIA CIVIL RIGHTS LAWS CERTIFICATION

Pursuant to Public Contract Code section 2010, if a bidder or proposer executes or renews a contract in the amount of \$100,000 or more on or after January 1, 2017, the bidder or proposer hereby certifies compliance with the following:

1. CALIFORNIA CIVIL RIGHTS LAWS: For contracts \$100,000 or more, executed or renewed after January 1, 2017, the contractor certifies compliance with the Unruh Civil Rights Act (Section 51 of the Civil Code) and the Fair Employment and Housing Act (Section 12960 of the Government Code); and
2. EMPLOYER DISCRIMINATORY POLICIES: For contracts \$100,000 or more, executed or renewed after January 1, 2017, if a Contractor has an internal policy against a sovereign nation or peoples recognized by the United States government, the Contractor certifies that such policies are not used in violation of the Unruh Civil Rights Act (Section 51 of the Civil Code) or the Fair Employment and Housing Act (Section 12960 of the Government Code).

CERTIFICATION

I, the official named below, certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

1. Proposer/Bidder Firm Name (Printed):

City of San Rafael

2. Federal ID Number:

946000424

3. By (Authorized Signature):

Kelly Albrecht

4. Printed Name and Title of Person Signing:

Kelly Albrecht, Senior Recreation Supervisor

5. Date Executed:

10/24/2023

6. Executed in the County and State of:

Marin

Contractor Certification Clauses

CCC 04/2017

CERTIFICATION

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective Contractor to the clause(s) listed below. This certification is made under the laws of the State of California.

Contractor/Bidder Firm Name (Printed)	Federal ID Number
City of San Rafael	946000424

By (Authorized Signature)

Kelly Albrecht

Printed Name and Title of Person Signing

Kelly Albrecht, Senior Recreation Supervisor

Date Executed	Executed in the County of
10/24/2023	Marin

CONTRACTOR CERTIFICATION CLAUSES

1. STATEMENT OF COMPLIANCE: Contractor has, unless exempted, complied with the nondiscrimination program requirements. (Gov. Code §12990 (a-f) and CCR, Title 2, Section 11102) (Not applicable to public entities.)

2. DRUG-FREE WORKPLACE REQUIREMENTS: Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.

b. Establish a Drug-Free Awareness Program to inform employees about:

- 1) the dangers of drug abuse in the workplace;
- 2) the person's or organization's policy of maintaining a drug-free workplace;
- 3) any available counseling, rehabilitation and employee assistance programs; and,
- 4) penalties that may be imposed upon employees for drug abuse violations.

c. Every employee who works on the proposed Agreement will:

- 1) receive a copy of the company's drug-free workplace policy statement; and,

2) agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Contractor may be ineligible for award of any future State agreements if the department determines that any of the following has occurred: the Contractor has made false certification, or violated the certification by failing to carry out the requirements as noted above. (Gov. Code §8350 et seq.)

3. NATIONAL LABOR RELATIONS BOARD CERTIFICATION: Contractor certifies that no more than one (1) final unappealable finding of contempt of court by a Federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of a Federal court, which orders Contractor to comply with an order of the National Labor Relations Board. (Pub. Contract Code §10296) (Not applicable to public entities.)

4. CONTRACTS FOR LEGAL SERVICES \$50,000 OR MORE- PRO BONO REQUIREMENT: Contractor hereby certifies that Contractor will comply with the requirements of Section 6072 of the Business and Professions Code, effective January 1, 2003.

Contractor agrees to make a good faith effort to provide a minimum number of hours of pro bona legal services during each year of the contract equal to the lessor of 30 multiplied by the number of full time attorneys in the firm's offices in the State, with the number of hours prorated on an actual day basis for any contract period of less than a full year or 10% of its contract with the State.

Failure to make a good faith effort may be cause for non-renewal of a state contract for legal services, and may be taken into account when determining the award of future contracts with the State for legal services.

5. EXPATRIATE CORPORATIONS: Contractor hereby declares that it is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code Section 10286 and 10286.1, and is eligible to contract with the State of California.

6. SWEATFREE CODE OF CONDUCT:

a. All Contractors contracting for the procurement or laundering of apparel, garments or corresponding accessories, or the procurement of equipment, materials, or supplies, other than procurement related to a public works contract, declare under penalty of perjury that no apparel, garments or corresponding accessories, equipment, materials, or supplies furnished to the state pursuant to the contract have been laundered or produced in whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor. The contractor further declares under penalty of perjury that they adhere to the Sweatfree Code of Conduct as set forth on the California Department of Industrial Relations website located at www.dir.ca.gov, and Public Contract Code Section 6108.

b. The contractor agrees to cooperate fully in providing reasonable access to the contractor's records, documents, agents or employees, or premises if reasonably

required by authorized officials of the contracting agency, the Department of Industrial Relations, or the Department of Justice to determine the contractor's compliance with the requirements under paragraph (a).

7. DOMESTIC PARTNERS: For contracts of \$100,000 or more, Contractor certifies that Contractor is in compliance with Public Contract Code section 10295.3.

8. GENDER IDENTITY: For contracts of \$100,000 or more, Contractor certifies that Contractor is in compliance with Public Contract Code section 10295.35.

DOING BUSINESS WITH THE STATE OF CALIFORNIA

The following laws apply to persons or entities doing business with the State of California.

1. CONFLICT OF INTEREST: Contractor needs to be aware of the following provisions regarding current or former state employees. If Contractor has any questions on the status of any person rendering services or involved with the Agreement, the awarding agency must be contacted immediately for clarification.

Current State Employees (Pub. Contract Code §10410):

1). No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.

2). No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

Former State Employees (Pub. Contract Code §10411):

1). For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.

2). For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

If Contractor violates any provisions of above paragraphs, such action by Contractor shall render this Agreement void. (Pub. Contract Code §10420)

Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (Pub. Contract Code §10430 (e))

2. LABOR CODE/WORKERS' COMPENSATION: Contractor needs to be aware of the provisions which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and

Contractor affirms to comply with such provisions before commencing the performance of the work of this Agreement. (Labor Code Section 3700)

3. AMERICANS WITH DISABILITIES ACT: Contractor assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)

4. CONTRACTOR NAME CHANGE: An amendment is required to change the Contractor's name as listed on this Agreement. Upon receipt of legal documentation of the name change the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.

5. CORPORATE QUALIFICATIONS TO DO BUSINESS IN CALIFORNIA:

a. When agreements are to be performed in the state by corporations, the contracting agencies will be verifying that the contractor is currently qualified to do business in California in order to ensure that all obligations due to the state are fulfilled.

b. "Doing business" is defined in R&TC Section 23101 as actively engaging in any transaction for the purpose of financial or pecuniary gain or profit. Although there are some statutory exceptions to taxation, rarely will a corporate contractor performing within the state not be subject to the franchise tax.

c. Both domestic and foreign corporations (those incorporated outside of California) must be in good standing in order to be qualified to do business in California. Agencies will determine whether a corporation is in good standing by calling the Office of the Secretary of State.

6. RESOLUTION: A county, city, district, or other local public body must provide the State with a copy of a resolution, order, motion, or ordinance of the local governing body which by law has authority to enter into an agreement, authorizing execution of the agreement.

7. AIR OR WATER POLLUTION VIOLATION: Under the State laws, the Contractor shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

8. PAYEE DATA RECORD FORM STD. 204: This form must be completed by all contractors that are not another state agency or other governmental entity.

FEDERAL CERTIFICATIONS

CO.a (REV. 06120)

California Department of Education

CERTIFICATIONS REGARDING LOBBYING; DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS; AND DRUG-FREE WORKPLACE REQUIREMENTS

Applicants should refer to the regulations cited below to determine the certification to which they are required to attest. Applicants should also review the instructions for certification included in the regulations before completing this form. Signature on this form provides for compliance with certification requirements under 45 CFR Part 93, "New restrictions on Lobbying," and 45 CFR Part 76, "Government-wide Debarment and Suspension (Non procurement) and Government-wide requirements for Drug-Free Workplace (Grants)." The certifications shall be treated as a material representation of fact upon which reliance will be placed when the Department of Education determines to award the covered transaction, grant, or cooperative agreement.

1. LOBBYING

As required by Section 1352, Title 31 of the U.S. Code, and implemented at 45 CFR Part 93, for persons entering into a grant or cooperative agreement over \$100,000 as defined at 45 CFR Part 93, Sections 93.105 and 93.110, the applicant certifies that:

- (a) No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress in connection with the making of any federal grant, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal grant or cooperative agreement:
- (b) If any funds other than federal appropriated funds have been or will be paid to any person for influencing or attempting to influence an employee of Congress, or any employee of a Member of Congress in connection with this Federal grant or cooperative agreement, the undersigned shall complete and submit Standard Form -LLL, "Disclosure Form to Report Lobbying," in accordance with this instruction;
- (c) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subgrants, contracts under grants and cooperative agreements, and subcontracts) and that all subrecipients shall certify and disclose accordingly.

2. DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS

As required by executive Order 12549, Debarment and Suspension, and other responsibilities implemented at 45 CFR Part 76, for prospective participants in primary or a lower tier covered transactions, as defined at 45 CFR Part 76, Sections 76.105 and 76.110.

A. The applicant certifies that it and its principals:

- (a) Are not presently debarred, suspended proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency;
- (b) Have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction violation of federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- (c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (1) (b) of this certification; and

(d) Have not within a three-year period preceding this application had one or more public transactions (federal, state, or local) terminated for cause or default; and

B. Where the applicant is unable to certify to any of the statements in this certification, he or she shall attach an explanation to this application.

3 DRUG-FREE WORKPLACE (GRANTEES OTHER THAN INDIVIDUALS)

As required by the Drug-Free Workplace Act of 1988, and implemented at 45 CFR Part 76, Subpart F, for grantees, as defined at 45 CFR Part 76, Sections 76.605 and 76.610-

A. The applicant certifies that it will or will continue to provide a drug-free workplace by:

(a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition.

(b) Establishing an on-going drug-free awareness program to inform employees about-

(1) The danger of drug abuse in the workplace;

(2) The grantee's policy of maintaining a drug-free workplace;

(3) Any available drug counseling, rehabilitation, and employee assistance programs; and

(4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

(c) Making it a requirement that each employee to be engaged in performance of the grant be given a copy of the statement required by paragraph (a);

(d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will -

(1) Abide by the terms of the statement; and

(2) Notify the employer in writing of his or her conviction for a violation;

(e) Notifying the agency, in writing, within 10 calendar days after receiving notice under subparagraph (d) (2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title,

to: Director, Grants, and Contracts Service, U.S. Department of Education, 400 Maryland Avenue, S.W., (Room 3124, GSA Regional Office Building No. 3), Washington, DC 20202-4571.

Notice shall include the identification number(s) of each affected grant;

(f) Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph (d) (2), with respect to any employee who is so convicted:

(1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a federal, state, or local health, law enforcement, or other appropriate agency;

(g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e), and (f).

B. The grantee shall insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, state, zip code)

Pickleweed Preschool
40 Canal Street
San Rafael CA 94901

D Check if there are workplaces on file that are not identified here.

**DRUG-FREE WORKPLACE
(GRANTEES WHO ARE INDIVIDUALS)**

As required by the Drug-Free Workplace Act of 1988, and implemented at 45 CFR Part 76, Subpart F, for grantees, as defined at 45 CFR Part 76, Sections 76.605 and 76.610-

- a As a condition of the grant, I certify that I will not engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance in conducting any activity with the grant, and
- b. If convicted of a criminal drug offense resulting from a violation occurring during the conduct of any grant activity, I will report the conviction, in writing, within 10 calendar days of the conviction, to: Director, Grants and contracts Service, U.S. department of Education, 400 Maryland Avenue, S.W. (Room 3124, GSA Regional Office Building No. 3) Washington, DC 20202-4571. Notice shall include the identification numbers(s) of each affected grant.

ENVIRONMENTAL TOBACCO SMOKE ACT

As required by the Pro-Children Act of 1994, (also known as Environmental Tobacco Smoke), and implemented at Public Law 103-277, Part C requires that:

The applicant certifies that smoking is not permitted in any portion of any indoor facility owned or leased or contracted and used routinely or regularly for the provision of health care services, day care, and education to children under the age of 18. Failure to comply with the provisions of this law may result in the imposition of a civil monetary penalty of up to \$1,000 per day. (The law does not apply to children's services provided in private residence, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for in-patient drug and alcohol treatment.)

As the duly authorized representative of the applicant, I hereby certify that the applicant will comply with the above certifications.

FISCAL YEAR 2024-25

CONTRACTOR NAME

City of San Rafael

VENDOR ID NUMBER

2193

PRINTED NAME AND TITLE OF AUTHORIZED REPRESENTATIVE

Kelly Albrecht, Senior Recreation Supervisor

SIGNATURE

Kelly Albrecht

DATE

10/24/23



SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Police Department

Prepared by: Alex Holm, Police Lieutenant

City Manager Approval:  _____

TOPIC: CALIFORNIA DEPARTMENT OF PARKS AND RECREATION DIVISION OF BOATING AND WATERWAYS GRANT APPROVAL

SUBJECT: RESOLUTION APPROVING THE ACCEPTANCE AND APPROPRIATION OF CALIFORNIA DEPARTMENT OF PARKS AND RECREATION DIVISION OF BOATING AND WATERWAYS GRANT FUNDS IN THE AMOUNT OF \$76,099 FOR THE "BOATING SAFETY AND ENFORCEMENT EQUIPMENT" GRANT, AND AUTHORIZING THE CITY MANAGER TO EXECUTE A GRANT AGREEMENT AND ANY OTHER DOCUMENTS RELATED TO THE GRANT

RECOMMENDATION:

Adopt the resolution accepting \$76,099 from the California Department of Parks and Recreation Division of Boating and Waterways, Boating Safety and Enforcement Equipment (BSEE) grant funds, and authorizing the City Manager to execute the grant agreement.

BACKGROUND:

The City of San Rafael and the San Rafael Police Department (SRPD) recognize that the San Rafael Bay, San Rafael Creek, and San Pablo Bay are vital to our community and those who use and visit these areas for recreation and commercial activity. To ensure the safe use of these waterways, the SRPD Marine Unit regularly patrols these waters to conduct enforcement and respond to emergency calls for service. The Marine Unit utilizes the "Mission City" and "Rescue 22" patrol boats.

The SRPD Marine Unit provides emergency medical care and rescue assistance to vessels and people in distress, enforces applicable municipal, state, and federal laws, and responds to fire, medical, and crime incidents. The Marine Unit performs various duties prescribed by California boating laws emphasizing boating safety and ensures the vessels and equipment are maintained.

The SRPD has continuously operated the Marine Unit with at least one police patrol boat available during service hours and on-call after hours. The Marine Unit operates within the nearly six square miles of water that encompass the San Rafael Bay and San Rafael Creek. In addition, the Marine Unit patrols large portions of San Pablo Bay, which is connected to the San Rafael Bay and Creek.

FOR CITY CLERK ONLY

Council Meeting: _____

Disposition: _____

The Marine Unit responds to numerous calls for assistance that extend within and outside city-limit jurisdiction. These calls for assistance come from boaters, swimmers, and other recreators on the water. Additionally, the Marine Unit receives mutual aid requests through the United States Coast Guard (USCG), Marin County Sheriff's Communications Center, California Highway Patrol's Golden Gate Division Dispatch, and Contra Costa County Dispatch. Some of these calls for assistance have taken the Marine Unit as far south as the Golden Gate Bridge and San Francisco Bay Bridge and as far north as the Petaluma River and Carquinez Straits. Our Marine Unit prides itself in being an essential partner with neighboring jurisdictions when rapid and skilled responses are required.

Responses range from boats running aground, capsizing, sinking, and taking on water, fires, open water swimmers in distress, paddle boarders in distress, storm exposures, boaters lost in the fog, suicides from the Richmond/San Rafael Bridge (Interstate 580), drownings, missing persons, search and rescue missions, overdue boats/craft/person searches, body recovery, hazmat, environmental cleanup, boating enforcement saturation patrols, multi-jurisdiction enforcement operations, suspect apprehension missions, SWAT missions, and many others.

To be at constant readiness, and to handle the types of calls and incidents described above, the police patrol boats require ongoing regular maintenance. During recent routine maintenance and service, it was identified that the two patrol boats need new navigation, RADAR, radio directional finder (RDF), and radio equipment. SRPD has completed other required routine and unexpected maintenance projects during the annual fiscal period. Additional funding sources are needed to replace outdated navigation and radio equipment.

ANALYSIS:

At the end of 2022, the "Mission City" and "Rescue 22" patrol boats underwent an operational assessment and inspection to determine their viability and operational needs. During the assessment, it was determined that "Mission City" and "Rescue 22" patrol boats are due for a significant overhaul of outdated electronic navigation, RADAR, radio directional finder (RDF), as well as radio equipment which they use to safely operate and use for a variety of calls for assistance, requests for help, emergencies, and search and rescue missions which occur both day and night and in ideal and inclement weather conditions. Much of the navigational equipment is twenty years old, and replacement parts can no longer be acquired. Continued navigational equipment operation requires replacing RADAR, RDF, and radio equipment.

The SRPD applied for and received tentative approval for a Boating Safety and Enforcement Equipment (BSEE) Grant from the California Department of Parks and Recreation Division of Boating and Waterways in the amount of \$76,099. Acceptance of the grant will allow the SRPD to upgrade the various identified electronic equipment on the "Mission City" and "Rescue 22" police patrol boats. If this resolution is adopted, the City will use BSEE funds to replace the systems noted below. Equipment estimates are as follows:

- 1) RADAR Systems: \$18,303
- 2) Electronic Navigation Systems: \$29,412
- 3) VHF Radios and Radio Direction Finder: \$28,384

FISCAL IMPACT:

There is no fiscal impact to the City of San Rafael, as the California Department of Parks and Recreation Division of Boating and Waterway's Boating Safety and Enforcement Equipment Grant will provide the required funding to replace the identified electronic equipment on the two police patrol boats.

OPTIONS:

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

1. Adopt the resolution as presented.
2. Adopt the resolution with modifications.
3. Direct staff to return with more information.
4. Take no action.

RECOMMENDED ACTION:

Adopt the resolution accepting \$76,099 from the California Department of Parks and Recreation Division of Boating and Waterways, Boating Safety and Enforcement Equipment (BSEE) grant funds, and authorizing the City Manager to execute the grant agreement.

ATTACHMENTS:

1. Resolution
2. Fiscal Year 2023/2024 California Department of Parks and Recreation Division of Boating and Waterway's Boating Safety and Enforcement Equipment (BSEE) Grant.

RESOLUTION NO.

RESOLUTION APPROVING THE ACCEPTANCE AND APPROPRIATION OF CALIFORNIA DEPARTMENT OF PARKS AND RECREATION DIVISION OF BOATING AND WATERWAYS GRANT FUNDS IN THE AMOUNT OF \$76,099 FOR THE “BOATING SAFETY AND ENFORCEMENT EQUIPMENT” GRANT, AND AUTHORIZING THE CITY MANAGER TO EXECUTE A GRANT AGREEMENT AND ANY OTHER DOCUMENTS RELATED TO THE GRANT.

Whereas, the State of California, Department of Parks and Recreation Division of Boating and Waterways has tentatively approved a grant to the City of San Rafael in the amount of \$76,099; and

Whereas, this grant money may be spent to pay for Police Department Marine Unit equipment including RADAR systems, navigation/GPS/Chart Plot equipment, VHF radios and radio direction finder; and

NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of San Rafael approves the acceptance and appropriation of \$76,099 in California Department of Parks and Recreation Division of Boating and Waterways funds for the Boating Safety and Enforcement Equipment grant with funds to be appropriated in a Grant Fund; and authorizes the City Manager to execute a Grant Agreement and any other documents related to the Grant.

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 20th day of November 2023 by the following vote, to wit:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

Lindsay Lara, City Clerk

State of California – Natural Resources Agency
DEPARTMENT OF PARKS AND RECREATION
DIVISION OF BOATING AND WATERWAYS

GRANT AGREEMENT

GRANTEE: City of San Rafael
GRANT TITLE: Boating Safety and Enforcement Equipment Grant - FY 2023 / 24
GRANT NUMBER: C23L0605
GRANT AMOUNT: \$76,099.00
GRANT AGREEMENT TERM: _____ through September 30, 2031
GRANT PERFORMANCE PERIOD: _____ through September 30, 2024.

The Grantee agrees to the terms and conditions of this contract, hereinafter referred to as Agreement, and the State of California, acting through its Director of the Department of Parks and Recreation, and pursuant to the State of California agrees to fund the total state grant amount indicated below. The GRANTEE agrees to complete the SCOPE OF WORK as defined in the Agreement.

The following are attached and made a part of and incorporated into this grant agreement: Exhibit A Grant Terms and Conditions, Exhibit B General Terms and Conditions, Exhibit C Contractor Certification Clauses, Exhibit D Doing Business with California, Exhibit E Darfur Contracting Act, Exhibit F Recycled Content Certification, and Exhibit G Scope of Work/Budget (Application).

This grant award is funded by the U.S. Coast Guard from the Sport Fish Restoration and Boating Trust Fund CFDA 97.012, administered by California Department of Parks and Recreation, Division of Boating and Waterways. The Federal FY 22 award, 70Z02323M0000497 to California; \$6,500,733. This is not a research and development grant.

Grantee: City of San Rafael Address: 1400 Fifth Avenue, San Rafael, CA 94901 Name of Authorized Representative: Title of Authorized Representative: Authorized Signature: Date:	Agency: Department of Parks and Recreation Division of Boating and Waterways ATTN: Johanna Naughton Address: 4940 Lang Ave., Dock H, Administration, Floor 12 McClellan, CA 95652 Authorized Signature: Printed Name: Keren Dill Title: Staff Services Manager II Date:
--	--

**CERTIFICATE OF FUNDING
(FOR STATE USE ONLY)**

GRANTEE: City of San Rafael

GRANT AGREEMENT TERM : _____ through September 30, 2031

GRANT TITLE: BOATING SAFETY EQUIPMENT AND ENFORCEMENT GRANT PROGRAM

GRANT NUMBER: C23L0605

PURCHASE ORDER NUMBER:

NO C23L0605	AMENDMENT NO	SUPPLIER ID 0000007131		PROJECT NO 379065600200
AMOUNT ENCUMBERED BY THIS DOCUMENT \$76,099.00	FUND DESCRIPTION Federal Trust Fund #0890		AGENCY BILLING CODE NO 053706	
REPORTING STRUCTURE 37900706	ITEM 3790-101-0890	CHAPTER 12	STATUTE 23	FISCAL YEAR 2023/24
BUSINESS UNIT 3790	ACCOUNT 5432000	ALT ACCOUNT	ACTIVITY CODE 68784	

Name of Project Representative:

Phone:

Email:

**BOATING SAFETY
AND
ENFORCEMENT EQUIPMENT
GRANT AGREEMENT**

**City of San Rafael
C23L0605**



**State of California
Department of Parks and Recreation
Division of Boating and Waterways**

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EXHIBIT A
GRANT TERMS AND CONDITIONS

1. DEFINITIONS

- A. **"DEPARTMENT":** The Department of Parks and Recreation, Division of Boating and Waterways (DBW).
- B. **"EFFECTIVE DATE":** The date the GRANT AGREEMENT face page is signed by the DEPARTMENT'.
- C. **"EQUIPMENT":** Boating-specific equipment or other equipment used to implement or conduct boating safety and boating law enforcement activities.
- D. **"GRANT":** Funds provided by the DEPARTMENT, from the federal Recreational Boating Safety (RBS) Grant, to the GRANTEE to finance all or part of the PURCHASE COSTS for items that assist in meeting the purposes of the Boating Safety Equipment and Enforcement (BSEE) and RBS programs.
- E. **"GRANT AGREEMENT":** The contract to which these grant terms and conditions are attached.
- F. **"GRANT AGREEMENT TERM":** The timeframe for which the GRANTEE must comply with the obligations and responsibilities identified in this GRANT AGREEMENT.
- G. **"GRANT PERFORMANCE PERIOD":** The timeframe specified on the grant agreement face page which includes the agreement start date (effective date) and final date for purchasing and receiving equipment. .
- H. **"GRANTEE":** The person or entity identified as the Grantee on the face page of the Agreement.
- I. **"GRANTEE FUNDS":** Any funds provided by the GRANTEE for the purchase or operation and maintenance of the EQUIPMENT/PATROL BOAT.
- J. **"PATROL BOAT":** A DEPARTMENT approved, registered vessel purchased for use in boating safety and law enforcement activities.
- K. **"PURCHASE COSTS":** Those costs incurred by the GRANTEE in purchasing the EQUIPMENT/PATROL BOAT; such PURCHASE COSTS shall not include any operation or maintenance costs, nor any costs incurred prior to the EFFECTIVE DATE of this GRANT AGREEMENT, nor any indirect or overhead costs claimed by the GRANTEE.

2. GENERAL

- A. The funding available in this GRANT shall not exceed the amount specified in this GRANT AGREEMENT and shall be used for the purchase of EQUIPMENT and/or PATROL BOAT for Boating Safety and Enforcement activities in accordance with all Exhibits incorporated and referenced herein.
- B. GRANT AGREEMENT TERM shall begin on the GRANT PERFORMANCE PERIOD start date and shall continue for the following lengths of time after granted items are received by the GRANTEE unless terminated in accordance with the terms and conditions of this GRANT AGREEMENT: fifteen [15] years for PATROL BOATS and all registered vessels and seven (7) years for EQUIPMENT.

- C. No amendment of the terms of this GRANT AGREEMENT shall be valid unless made in writing and signed by an authorized representative or designee of the DEPARTMENT and the GRANTEE.
- D. No variation of the terms of this GRANT AGREEMENT shall be valid unless made in writing and signed by an authorized representative or designee of the DEPARTMENT.
- E. Oral understandings are not binding on any of the parties.
- F. EQUIPMENT/PATROL BOAT purchase shall be completed prior to the end of the PERFORMANCE PERIOD.
- G. GRANTEE hereby certifies that the obligations created by this GRANT AGREEMENT do not violate the provisions of Sections 1090 to 1096 of the Government Code.
- H. This GRANT AGREEMENT is not fully executed until signed by the DEPARTMENT. Grantee may not make any purchases until GRANT AGREEMENT is fully executed and equipment specifications and cost estimates have been approved in writing by the DEPARTMENT.
- I. GRANTEE hereby certifies that during the performance of this GRANT AGREEMENT, GRANTEE and any sub-grantees shall fully comply with State regulations regarding the implementation of **Disabled Veteran business participation goals as set forth in Disabled Veteran Business Enterprise Participation Requirements, Recycling Certification and, Contractor Certification Clauses.**
- J. GRANTEE shall continue with the responsibilities of this GRANT AGREEMENT during any dispute.
- K. Failure by the GRANTEE to comply with the terms of any Department of Parks and Recreation grant agreement may jeopardize the grantee's ability to be awarded funding in future grant opportunities offered by the Department of Parks and Recreation.
- L. **Subvention agencies:** GRANTEES participating in the DEPARTMENT'S Subvention Financial Aid Program acknowledge and certify that failure to fully spend subvention funding in the prior fiscal year will negatively impact the DEPARTMENT'S consideration of future grant applications from your agency for up to three (3) years.
- M. **Annual Reports:** Grantee shall submit an Annual Report beginning August 31st, 2024 and each and every year by August 31 for the term of this agreement (15 years for registered vessels or 7 years for any equipment valued at \$5,000 or less). Reports shall include maintenance records, number of hours BSEE equipment is used, additional equipment or modifications of any equipment or patrol boats, any loss or damage to equipment or patrol boat and a summary of boating accident reports submitted during the reporting year. Failure to submit annual reports by the deadline may jeopardize future funding.
- N. GRANTEE is required to participate in at least one (1) outreach event per year, such as Operation Dry Water, to conduct boating under the influence (BUI) check-points and educate boaters on the importance of boating sober. Grantee must identify what event it has participated in in its annual report.
- O. GRANTEE shall submit accident reports to DBW within 30 days of responding to a boating accident in waterbodies within GRANTEE'S area of responsibility. Failure to do so may jeopardize future DBW and Department funding for up to three (3) years.
- P. GRANTEE, representatives, agents or employees shall not act or represent

themselves as officers, employees or agents of the DEPARTMENT in the performance of this GRANT AGREEMENT.

3. PAYMENT PROVISIONS AND DISBURSEMENT OF GRANT

A. Reimbursements must be requested on GRANTEE'S official agency letterhead and include:

- Amount requested for reimbursement
- GRANT AGREEMENT number
- Statement of acceptance of the vessel or equipment and certification of meeting DBW's approved specifications
- Certification that you complied with all procurement procedures outlined this agreement;
- Name of payee and address where payment is to be sent
- Location of performance (where the equipment will be used)
- Signature of the person authorized in the resolution or minute order to execute the agreement
- Copies of brand name, description, make, model and serial number
- Proof of payment for purchase including invoices showing cost and sales tax
- For all motorized vessels: Department of Motor Vehicle (DMV) proof showing the DEPARTMENT as the legal owner and GRANTEE as the registered owner
- Certificate of Origin for all PATROL BOATS and trailers.

B. GRANTEE shall request grant reimbursements no later than 60 days from GRANT PERFORMANCE PERIOD end date by mailing one (1) complete reimbursement request package to:

For FedEx, UPS and other overnight mail:

Division of Boating and Waterways
Attn: BSEE Grant Manager
4940 Lang Avenue Dock H
McClellan, CA 95652

For United States Post Office (USPS) mail:

Division of Boating and Waterways
Attn: BSEE Grant Manager
P.O. Box 942896, Administration, Floor 12
Sacramento, CA 94296

Or by emailing to the DBW assigned grant manager.

- C. No funds shall be reimbursed for purchases made prior to the EFFECTIVE DATE of this agreement.
- D. The DEPARTMENT shall have no obligation to disburse the GRANT unless and until the GRANTEE obtains the prior written approval by the DEPARTMENT of the type and cost of the EQUIPMENT/PATROL BOAT.
- E. The DEPARTMENT will disperse the grant to the GRANTEE in arrears for the approved PURCHASE COST of the EQUIPMENT/PATROL BOAT
- F. The DEPARTMENT may withhold any grant disbursement if the GRANTEE fails to comply with any of the provisions of this GRANT AGREEMENT.

4. EQUIPMENT/PATROL BOAT OWNERSHIP

The DEPARTMENT shall be the legal owner of the EQUIPMENT/PATROL BOAT. The GRANTEE shall be the registered owner of PATROL BOAT or any other registered vessels purchased with GRANT FUNDS. The GRANTEE shall not assign, mortgage, hypothecate or transfer its interest in the EQUIPMENT/PATROL BOAT without the prior written approval of the DEPARTMENT.

5. OPERATION AND MAINTENANCE OF EQUIPMENT/PATROL BOAT

- A. The GRANTEE shall use the EQUIPMENT/PATROL BOAT for the purpose of promoting recreational boating safety and boating law enforcement and shall keep the EQUIPMENT/PATROL BOAT available for search and rescue operations and other projects or programs supported by the federal government provided that such use will not interfere with the program for which it was acquired (CFR 200.313.c.2)
- B. The GRANTEE shall be responsible for the costs of operating and maintaining the PATROL BOAT/EQUIPMENT for the GRANT AGREEMENT TERM; the DEPARTMENT shall not be liable for such costs.
- C. The GRANTEE shall maintain the EQUIPMENT/PATROL BOAT in good repair according to all manufacturer recommendations and shall make all repairs necessary to keep EQUIPMENT/PATROL BOAT functioning through the term of the GRANT AGREEMENT.
- D. The GRANTEE, at its own expense, agrees to repair or replace the EQUIPMENT/PATROL BOAT if it is damaged, destroyed or rendered useless prior to the end of the GRANT AGREEMENT TERM.
- E. GRANTEE shall submit maintenance records to the DEPARTMENT with each annual report.
- F. The GRANTEE shall seek DEPARTMENT approval for the purchase and installation of additional equipment or modifications to any registered vessel purchased with grant funds. Complete and accurate records of all such modifications shall be reported to the DEPARTMENT in the GRANTEE'S annual report and made available to the DEPARTMENT or authorized representative for inspection upon request.
- G. Each GRANTEE shall report to the DEPARTMENT loss or damage to any equipment purchased with grant funds within 30 days of occurrence.
- H. Each GRANTEE shall ensure that any PATROL BOAT/EQUIPMENT purchased with grant funds is operated solely by qualified Boating Safety and Boating Law Enforcement Officers. Operators must fully comply with GRANTEE'S documented training and certification requirements to be deemed qualified, which shall include, at a minimum, receipt of a California Boater Card.
- I. GRANTEE shall obtain prior DBW approval before submitting requests for modification or survey of a grant-funded PATROL BOAT/EQUIPMENT to California Department of General Services (DGS).

6. TERMINATION OF GRANT AGREEMENT

- A. Either DEPARTMENT or GRANTEE may unilaterally terminate this GRANT AGREEMENT if a material breach of the GRANT AGREEMENT is made by the other; such termination shall become effective NINETY [90] DAYS following the date of receipt by either the DEPARTMENT or the GRANTEE of a written notice of termination from the party initiating the termination.
- B. The GRANTEE may terminate this GRANT AGREEMENT if the GRANTEE becomes financially or legally unable to comply with the terms and conditions of this GRANT AGREEMENT; such termination shall become effective NINETY [90] DAYS following

receipt by the DEPARTMENT of a written notice of termination from the GRANTEE.

- C. The DEPARTMENT may terminate this GRANT AGREEMENT immediately and be relieved of any payments should the legislative body of the GRANTEE fail to appropriate GRANTEE FUNDS for purchase costs, if required, or if the GRANTEE fails to perform the requirements of this Agreement at the time and in the manner herein provided; such termination to become effective upon receipt by the GRANTEE of a written termination notice from the DEPARTMENT.
- D. The DEPARTMENT has the option to void the GRANT AGREEMENT with 30 days' notice in the event grant funds are not appropriated or amend the GRANT AGREEMENT to reflect any unexpected reduction of grant funds.

7. REVERSION OF EQUIPMENT/PATROL BOAT TO DEPARTMENT

If EQUIPMENT/PATROL BOAT is no longer needed or this GRANT AGREEMENT is terminated prior to the expiration of the term of the GRANT AGREEMENT:

- A. The GRANTEE shall deliver, at no cost to the State, the fully functioning EQUIPMENT/PATROL BOAT to the DEPARTMENT for reassignment and shall execute any document(s) necessary to effect appropriate changes in pertinent public records; the reversion of registered title is hereby declared to be in addition to, and not in lieu of, any other remedies for breach of this GRANT AGREEMENT which may be available to the DEPARTMENT.
- B. The GRANTEE shall be prohibited from receiving DEPARTMENT BSEE Grants for a period of three (3) years if EQUIPMENT/PATROL BOAT is not fully functional at time of termination.

8. LIABILITY

- A. The GRANTEE waives all claims and recourse against the DEPARTMENT, including the right to contribution for any loss or damage arising from, growing out of or in any way connected with or incident to this GRANT AGREEMENT.
- B. GRANTEE agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this GRANT AGREEMENT, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by GRANTEE in the performance of this Agreement. GRANTEE warrants, represents and agrees that it and its subgrantees, subcontractors, employees and representatives shall at all times comply with all applicable State contracting laws, codes, rules and regulations in the performance of this GRANT AGREEMENT.
- C. If the DEPARTMENT is named as a co-defendant, the GRANTEE shall notify the DEPARTMENT and represent it unless the DEPARTMENT elects to represent itself. If the DEPARTMENT undertakes its own defense, it shall bear its own litigation costs, expenses and attorney's fees.

D. Insurance Coverage Requirements

(1) Vessel Insurance: GRANTEE shall maintain the necessary insurance for the full replacement value of vessels and equipment purchased with GRANT including fire, collision or sinking and all costs associated with removal and demolition.

(2) Watercraft Liability: GRANTEE shall maintain watercraft liability with limits not less than \$1,000,000 combined single limit per accident. Such insurance shall cover liability arising out of the maintenance and use of watercraft.

(3) The policy must include:

"The State of California, its officers, agents, employees and servants as additional insureds, but only with respect to vessels and equipment purchased with this grant."

9. WAIVER OF RIGHTS

It is the intention of the parties hereto that from time to time either party may waive certain of its rights under this GRANT AGREEMENT. Any waiver at this time by either party hereto of its rights with respect to a default or any other matter arising in connection with this GRANT AGREEMENT shall not be deemed to be a waiver with respect to any other default or matter.

10. REMEDIES NOT EXCLUSIVE

The use by either the DEPARTMENT or GRANTEE of any remedy specified in this GRANT AGREEMENT for the enforcement of this GRANT AGREEMENT is not exclusive and shall not deprive the party using such remedy of, or limit the application of, any other remedy provided by law.

11. OPINIONS AND DETERMINATIONS

Where the terms of GRANT AGREEMENT provide for action to be based upon the opinion, judgment, approval, review, or determination of either the DEPARTMENT or GRANTEE, such terms are not intended to be and shall never be construed as permitting such opinion, judgment, approval, review, or determination to be arbitrary, capricious, or unreasonable.

12. PROCUREMENT PROCEDURES

- A. The GRANTEE must use procurement procedures that reflect applicable State and local public procurement laws and regulations, provided that the procedures conform

to applicable Federal law and the standards identified in 2 CFR §200.318.

There shall be no changes, corrections, modifications or exceptions to DEPARTMENT approved specifications without advance written approval by the DEPARTMENT. Procurement procedures used by the GRANTEE must conform to State law and regulations regarding **Disabled Veteran Business Enterprise Participation Requirements, Recycling Certification, AND CONTRACTORS CERTIFICATION CLAUSES.** The GRANTEE is responsible, in its sole discretion, for the review of all bids for compliance.

B. Procurement for boats and other registered vessels must be conducted using Invitation for Bid and must adhere to the specific procurement standards identified by GRANTEE'S governing board regarding advertising, adequate purchase descriptions, sealed bids, and public openings.

C. **EQUIPMENT AND ELECTRONICS PROCUREMENT PROCEDURES:**

Grantee must obtain at least three (3) bids or rate quotations from qualified sources for each item that has a unit cost of \$10,000 or more. The bids may be obtained over the phone but must be verified with written documentation from the vendor, and must include the make, model, size, name of vendor, date, and cost of item.

D. **DEPARTMENT REVIEW**

- (1) GRANTEE must submit to the DEPARTMENT proposed technical specifications of PATROL BOATS and other registered vessels for review and approval prior to solicitation of bids.
- (2) Grantees and sub-grantees must make available on request to the DEPARTMENT procurement documents, such as requests for proposals or invitations for bids, independent cost estimates, etc. and must retain such documents for four years after equipment acquisition for auditing purposes.

13. DISPOSITION OF EQUIPMENT/PATROL BOAT

In accordance with 2 CFR 200.313 e.1 and 2, upon completion of the GRANT AGREEMENT TERM, GRANTEE may continue to use EQUIPMENT/PATROL BOAT if needed. If EQUIPMENT/PATROL BOAT is no longer needed, GRANTEE must deliver EQUIPMENT/PATROL BOAT to the California Department of General Services (DGS), Office of Fleet and Asset Management (OFAM) for sale at auction. Prior to delivering EQUIPMENT/PATROL BOAT to DGS, GRANTEE must receive approval from the DEPARTMENT to request that DGS complete an OFAM6 Form. Once DGS has completed the OFAM6, GRANTEE will submit the OFAM6 to the DEPARTMENT with an official letter requesting to surrender the vessel. The DEPARTMENT will provide the GRANTEE with an OFAM27 form and instructions for delivering the EQUIPMENT/PATROL BOAT to auction via email. GRANTEE will deliver the EQUIPMENT/PATROL BOAT and OFAM27 to the auction as instructed by the DEPARTMENT. GRANTEE shall have the OFAM27 signed at the auction and shall return the signed OFAM27 to the DEPARTMENT.

14. DISPOSITION OF PROCEEDS FROM SALE OF EQUIPMENT INSTALLED AND PARTIALLY FUNDED EQUIPMENT

If the GRANTEE has contributed funding in excess of the GRANT to the PURCHASE COSTS of the EQUIPMENT/PATROL BOAT, and in the event of a sale of the EQUIPMENT/PATROL BOAT after the expiration or termination of this GRANT AGREEMENT or the reversion of the EQUIPMENT/PATROL BOAT to the DEPARTMENT, then the proceeds of the EQUIPMENT/PATROL BOAT sale shall be distributed between the DEPARTMENT and the

GRANTEE in proportion to their respective contributions of the PURCHASE COSTS, e.g.: if the PURCHASE COSTS totaled \$100,000 and the GRANT contribution amounts to \$60,000, then the DEPARTMENT would receive 60 percent of the EQUIPMENT/PATROL BOAT sale proceeds and the GRANTEE would receive 40 percent.

15. FEDERAL TERMS, CONDITIONS AND REGULATIONS

This GRANT is funded by the Federal Recreational Boating Safety (RBS) Grant and as such, GRANTEE shall comply with all the governing regulations, namely 2 CFR 200 - the most applicable of which have been included here for reference. For clarity, "Non-federal entity" shall be understood to be "DEPARTMENT" and "Award" shall be understood to be "GRANT". GRANTEES are subject and must adhere to the provisions set forth in the 2020 DHS Standard Terms and Conditions which are available online at: https://www.dhs.gov/sites/default/files/publications/fy20_dhs_standard_terms_and_conditions_v10.1_dated_12-31-2019.pdf and made a part of this agreement by reference. GRANTEES are subject to and must adhere to the regulations set forth in the 2 CFR 200 available online at: <https://www.govinfo.gov/content/pkg/CFR-2014-title2-vol1/pdf/CFR-2014-title2-vol1-part200.pdf> and made a part of this agreement by reference.

16. COMPLIANCE WITH LAW, REGULATION AND POLICY

It is understood and agreed that the Grantee shall comply with all applicable laws and regulations of the State of California, U.S. Coast Guard Code of Federal Regulations: 2 CFR identified in section §§ 200.318 General Procurement standards through 200.326 Contract provisions, 50 CFR 80 and 50 CFR 85, Equal Opportunity (41 CFR 60-1.4(b)), Davis-Bacon Act, as amended (40 U.S.C. 3141-3148), Copeland "Anti-Kickback" Act (40 U.S.C. 3145), Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708), "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements" (37 CFR Part 401), Clean Air Act (42 U.S.C. 7401-7671q.), and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387), Debarment and Suspension (Executive Orders 12549 and 12689), Byrd Anti-Lobbying amendment (31 U.S.C. 1352) and all policies of DBW.

A. MANDATORY DISCLOSURES

The non-Federal entity or applicant for a Federal award must disclose, in a timely manner, in writing to the Federal awarding agency or pass-through entity all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award. Failure to make required disclosures can result in any of the remedies described in §200.338 remedies for noncompliance, including suspension or debarment. (See also 2 CFR part 180 and 31 U.S.C. 3321).

B. ENHANCEMENT OF RECIPIENT AND SUBRECIPIENT EMPLOYEE WHISTLEBLOWER PROTECTION

This award, related subawards, and related contracts over the simplified acquisition threshold and all employees working on this award, related subawards, and related contracts over the simplified acquisition threshold are subject to the whistleblower rights and remedies established at 41 USC 4712.

Recipients, their subrecipients, and their contractors awarded contracts over the simplified acquisition threshold related to this award, shall inform their employees in writing, in the predominant language of the workforce, of the employee whistleblower rights and protections under 41 USC 4712.

The recipient shall insert this clause, including this paragraph, in all subawards and in

contracts over the simplified acquisition threshold related to this award.

C. EQUAL OPPORTUNITY CLAUSE

During the performance of this grant, the grantee agrees to sections i-vii below:

- i. The grantee will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The grantee will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The grantee agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the granting officer setting forth the provisions of this nondiscrimination clause.
- ii. The grantee will, in all solicitations or advertisements for employees placed by or on behalf of the grantee, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.
- iii. The grantee will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency granting officer, advising the labor union or workers' representative of the grantee's commitments under section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- iv. The grantee will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- v. The grantee will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the granting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- vi. In the event of the grantee's non-compliance with the nondiscrimination clauses of this grant or with any of such rules, regulations, or orders, this grant may be canceled, terminated or suspended in whole or in part and the grantee may be declared ineligible for further Government grants in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- vii. The grantee will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive

Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The grantee will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that in the event the grantee becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the grantee may request the United States to enter into such litigation to protect the interests of the United States.

The applicant further agrees that it will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work: Provided, That if the applicant so participating is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the grant.

The applicant agrees that it will assist and cooperate actively with the administering agency and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor, that it will furnish the administering agency and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the administering agency in the discharge of the agency's primary responsibility for securing compliance.

The applicant further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction grants or contracts pursuant to the Executive order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon grantees and contractors by the administering agency or the Secretary of Labor pursuant to Part II, Subpart D of the Executive order. In addition, the applicant agrees that if it fails or refuses to comply with these undertakings, the administering agency may take any or all of the following actions: Cancel, terminate, or suspend in whole or in part this grant (contract, loan, insurance, guarantee); refrain from extending any further assistance to the applicant under the program with respect to which the failure or refund occurred until satisfactory assurance of future compliance has been received from such applicant; and refer the case to the Department of Justice for appropriate legal proceedings.

Subcontracts. Each nonexempt prime contractor or subcontractor shall include the equal opportunity clause in each of its nonexempt subcontracts.

- I. *Incorporation by reference.* The equal opportunity clause may be incorporated by reference in all Government contracts and subcontracts, including Government bills of lading, transportation requests, contracts for deposit of Government funds, and contracts for issuing and paying U.S. savings bonds and notes, and such other contracts and subcontracts as the Deputy Assistant Secretary may designate.
- II. *Incorporation by operation of the order.* By operation of the order, the equal opportunity clause shall be considered to be a part of every contract and subcontract required by the order and the regulations in this part to include such a clause whether or not it is physically incorporated in such contracts and whether or not the contract between the agency and the contractor is

written.

Adaptation of language. Such necessary changes in language may be made in the equal opportunity clause as shall be appropriate to identify properly the parties and their undertakings.

EXHIBIT B

General Terms and Conditions (GTC 04/2017)

1. **APPROVAL:**

This Agreement is of no force or effect until signed by both parties and approved by the Department of General Services, if required. Contractor /GRANTEE may not commence performance until such approval has been obtained.

2. **AMENDMENT:**

No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.

3. **ASSIGNMENT:**

This Agreement is not assignable by the Contractor/GRANTEE, either in whole or in part, without the consent of the State in the form of a formal written amendment.

4. **AUDIT:**

Contractor/GRANTEE agrees that the awarding department, the Department of General Services, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Contractor/GRANTEE agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Contractor//GRANTEE agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Contractor/GRANTEE agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (Gov. Code §8546.7, Pub. Contract Code §10115 et seq., CCR Title 2, Section 1896).

5. **INDEMNIFICATION:**

Contractor/GRANTEE agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all GRANTEES, contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by Contractor/GRANTEE in the performance of this Agreement.

6. **DISPUTES:**

Contractor/GRANTEE shall continue with the responsibilities under this Agreement during any dispute.

7. **TERMINATION FOR CAUSE:**

The State may terminate this Agreement and be relieved of any payments should the Contractor/GRANTEE fail to perform the requirements of this Agreement at the time and in the manner herein provided. In the event of such termination the State may proceed with the work in any manner deemed proper by the State. All costs to the State shall be deducted from any sum due the Contractor/GRANTEE under this Agreement and the balance, if any, shall be paid to the Contractor/GRANTEE upon demand.

8. **INDEPENDENT CONTRACTOR:**

Contractor/GRANTEE, and the agents and employees of Contractor/GRANTEE, in the performance of this Agreement, shall act in an independent capacity and not as officers or

employees or agents of the State.

9. RECYCLING CERTIFICATION:

The Contractor/GRANTEE shall certify in writing under penalty of perjury, the minimum, if not exact, percentage of post-consumer material as defined in the Public Contract Code Section 12200, in products, materials, goods, or supplies offered or sold to the State regardless of whether the product meets the requirements of Public Contract Code Section 12209. With respect to printer or duplication cartridges that comply with the requirements of Section 12156(e), the certification required by this subdivision shall specify that the cartridges so comply (Pub. Contract Code §12205).

10. NON-DISCRIMINATION CLAUSE:

During the performance of this Agreement, Contractor/GRANTEE and its subcontractors shall not deny the contract's benefits to any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. Contractor/GRANTEE shall insure that the evaluation and treatment of employees and applicants for employment are free of such discrimination. Contractor/GRANTEE and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12900 et seq.), the regulations promulgated thereunder (Cal. Code Regs., tit. 2, §11000 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Gov. Code §§11135-11139.5), and the regulations or standards adopted by the awarding state agency to implement such article.

Contractor/GRANTEE shall permit access by representatives of the Department of Fair Employment and Housing and the awarding state agency upon reasonable notice at any time during the normal business hours, but in no case less than 24 hours' notice, to such of its books, records, accounts, and all other sources of information and its facilities as said Department or Agency shall require to ascertain compliance with this clause. Contractor/GRANTEE and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. (See Cal. Code Regs., tit. 2, §11105.)

Contractor/GRANTEE shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

11. CERTIFICATION CLAUSES:

The CONTRACTOR CERTIFICATION CLAUSES contained in the document CCC 04/2017 are hereby incorporated by reference and made a part of this Agreement by this reference as if attached hereto.

12. TIMELINESS:

Time is of the essence in this Agreement.

13. COMPENSATION:

The consideration to be paid Contractor/GRANTEE, as provided herein, shall be in compensation for all of Contractor's/GRANTEE'S expenses incurred in the performance hereof, including travel, per diem, and taxes, unless otherwise expressly so provided.

14. GOVERNING LAW:

This contract is governed by and shall be interpreted in accordance with the laws of the State of California.

15. ANTITRUST CLAIMS:

The Contractor/GRANTEE by signing this agreement hereby certifies that if these services or goods are obtained by means of a competitive bid, the Contractor/GRANTEE shall comply with the requirements of the Government Codes Sections set out below.

- a. The Government Code Chapter on Antitrust claims contains the following definitions:
 - 1) "Public purchase" means a purchase by means of competitive bids of goods, services, or materials by the State or any of its political subdivisions or public agencies on whose behalf the Attorney General may bring an action pursuant to subdivision (c) of Section 16750 of the Business and Professions Code.
 - 2) "Public purchasing body" means the State or the subdivision or agency making a public purchase. Government Code Section 4550.
- b. In submitting a bid to a public purchasing body, the bidder offers and agrees that if the bid is accepted, it will assign to the purchasing body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by the bidder for sale to the purchasing body pursuant to the bid. Such assignment shall be made and become effective at the time the purchasing body tenders final payment to the bidder. Government Code Section 4552.
- c. If an awarding body or public purchasing body receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this chapter, the assignor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the public body any portion of the recovery, including treble damages, attributable to overcharges that were paid by the assignor but were not paid by the public body as part of the bid price, less the expenses incurred in obtaining that portion of the recovery. Government Code Section 4553.
- d. Upon demand in writing by the assignor, the assignee shall, within one year from such demand, reassign the cause of action assigned under this part if the assignor has been or may have been injured by the violation of law for which the cause of action arose and (a) the assignee has not been injured thereby, or (b) the assignee declines to file a court action for the cause of action. See Government Code Section 4554.

16. CHILD SUPPORT COMPLIANCE ACT:

For any Agreement in excess of \$100,000, the contractor/GRANTEE acknowledges in accordance with Public Contract Code 7110, that:

- a. The contractor/GRANTEE recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and
- b. The contractor/GRANTEE, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

17. UNENFORCEABLE PROVISION:

In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

18. PRIORITY HIRING CONSIDERATIONS:

If this Contract includes services in excess of \$200,000, the Contractor/GRANTEE shall give priority consideration in filling vacancies in positions funded by the Contract to qualified recipients of aid under Welfare and Institutions Code Section 11200 in accordance with Pub. Contract Code §10353.

19. SMALL BUSINESS PARTICIPATION AND DVBE PARTICIPATION REPORTING REQUIREMENTS:

a. If for this Contract Contractor/GRANTEE made a commitment to achieve small business participation, then Contractor/GRANTEE must within 60 days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract) report to the awarding department the actual percentage of small business participation that was achieved. (Govt. Code § 14841.)

b. If for this Contract Contractor/GRANTEE made a commitment to achieve disabled veteran business enterprise (DVBE) participation, then Contractor/GRANTEE must within 60 days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract) certify in a report to the awarding department: (1) the total amount the prime Contractor/GRANTEE received under the Contract; (2) the name and address of the DVBE(s) that participated in the performance of the Contract; (3) the amount each DVBE received from the prime Contractor/GRANTEE; (4) that all payments under the Contract have been made to the DVBE; and (5) the actual percentage of DVBE participation that was achieved. A person or entity that knowingly provides false information shall be subject to a civil penalty for each violation. (Mil. & Vets. Code § 999.5(d); Govt. Code § 14841.)

20. LOSS LEADER:

If this contract involves the furnishing of equipment, materials, or supplies then the following statement is incorporated: It is unlawful for any person engaged in business within this state to sell or use any article or product as a "loss leader" as defined in Section 17030 of the Business and Professions Code. (PCC 10344(e).)

EXHIBIT C

CERTIFICATION

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective Grantee to the clause(s) listed below. This certification is made under the laws of the State of California.

Grantee Agency Name (Printed) City of San Rafael	Federal ID Number 94-6000424
By Authorized Signature:	
Printed Name and Title of Person Signing	
Date Executed	Executed in the County of Marin

GRANTEE CERTIFICATION CLAUSES

1. STATEMENT OF COMPLIANCE:

Grantee has, unless exempted, complied with the nondiscrimination program requirements. (Gov. Code §12990 (a-f) and CCR, Title 2, Section 8103) (Not applicable to public entities.)

2. DRUG-FREE WORKPLACE REQUIREMENTS:

18.10 Grantee will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

- a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.
- b. Establish a Drug-Free Awareness Program to inform employees about:
 - 1) the dangers of drug abuse in the workplace;
 - 2) the person's or organization's policy of maintaining a drug-free workplace;
 - 3) any available counseling, rehabilitation and employee assistance programs; and,
 - 4) penalties that may be imposed upon employees for drug abuse violations.
- c. Every employee who works on the proposed Agreement will:
 - 1) receive a copy of the company's drug-free workplace policy statement; and,
 - 2) agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

3. NATIONAL LABOR RELATIONS BOARD CERTIFICATION:

Grantee certifies that no more than one (1) final unappealable finding of contempt of court by a Federal court has been issued against Grantee within the immediately preceding two-year period because of Grantee's failure to comply with an order of a Federal court, which orders Grantee to comply with an order of the National Labor Relations Board. (Pub. Contract Code §10296) (Not applicable to public entities.)

4. CONTRACTS FOR LEGAL SERVICES \$50,000 OR MORE- PRO BONO REQUIREMENT:

Grantee hereby certifies that Grantee will comply with the requirements of Section 6072 of the Business and Professions Code, effective January 1, 2003.

Grantee agrees to make a good faith effort to provide a minimum number of hours of pro bono legal services during each year of the agreement equal to the lessor of 30 multiplied by the

number of full time attorneys in the firm's offices in the State, with the number of hours prorated on an actual day basis for any contract period of less than a full year or 10% of its agreement with the State.

Failure to make a good faith effort may be cause for non-renewal of a state agreement for legal services, and may be taken into account when determining the award of future contracts/agreements with the State for legal services.

5. EXPATRIATE CORPORATIONS:

18.40 Grantee hereby declares that it is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code Section 10286 and 10286.1, and is eligible to contract with the State of California.

6. SWEATFREE CODE OF CONDUCT:

- a. All Grantees contracting for the procurement or laundering of apparel, garments or corresponding accessories, or the procurement of equipment, materials, or supplies, other than procurement related to a public works contract, declare under penalty of perjury that no apparel, garments or corresponding accessories, equipment, materials, or supplies furnished to the state pursuant to the contract have been laundered or produced in whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor. The Grantee further declares under penalty of perjury that they adhere to the Sweatfree Code of Conduct as set forth on the California Department of Industrial Relations website located at www.dir.ca.gov, and Public Contract Code Section 6108.
- b. The Grantee agrees to cooperate fully in providing reasonable access to the Grantee's records, documents, agents or employees, or premises if reasonably required by authorized officials of the contracting agency, the Department of Industrial Relations, or the Department of Justice to determine the Grantee's compliance with the requirements under paragraph (a).

7. DOMESTIC PARTNERS:

For contracts over \$100,000 executed or amended after January 1, 2007, the Grantee certifies that Grantee is in compliance with Public Contract Code section 10295.3.

EXHIBIT D

DOING BUSINESS WITH THE STATE OF CALIFORNIA

The following laws apply to persons or entities doing business with the State of California.

1. CONFLICT OF INTEREST:

Grantee needs to be aware of the following provisions regarding current or former state employees. If Grantee has any questions on the status of any person rendering services or involved with the Agreement, the awarding agency must be contacted immediately for clarification.

Current State Employees (PCC 10410):

- 1) No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.
- 2) No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

Former State Employees (Pub. Contract Code §10411):

- 1) For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.
- 2) For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

If Grantee violates any provisions of above paragraphs, such action by Grantee shall render this Agreement void. (PCC 10420).

Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (PCC 10430 (e)).

2. LABOR CODE/WORKERS' COMPENSATION:

Grantee needs to be aware of the provisions which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and Grantee affirms to comply with such provisions before commencing the performance of the work of this Agreement. (Labor Code Section 3700).

3. AMERICANS WITH DISABILITIES ACT:

Grantee assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)

4. GRANTEE NAME CHANGE:

An amendment is required to change the Grantee's name as listed on this Agreement. Upon receipt of legal documentation of the name change the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said

amendment. Any changes of the Grantee's representative shall be notified to DBW within 30 days written notice on Grantee's letterhead.

5. CORPORATE QUALIFICATIONS TO DO BUSINESS IN CALIFORNIA:

- a. When agreements are to be performed in the state by corporations, the contracting agencies will be verifying that the Grantee is currently qualified to do business in California in order to ensure that all obligations due to the state are fulfilled.
- b. "Doing business" is defined in R&TC Section 23101 as actively engaging in any transaction for the purpose of financial or pecuniary gain or profit. Although there are some statutory exceptions to taxation, rarely will a corporate Grantee performing within the state not be subject to the franchise tax.
- c. Both domestic and foreign corporations (those incorporated outside of California) must be in good standing in order to be qualified to do business in California.

Agencies will determine whether a corporation is in good standing by calling the Office of the Secretary of State.

6. RESOLUTION:

A county, city, district, or other local public body must provide the State with a copy of a resolution, order, motion, or ordinance of the local governing body which by law has authority to enter into an agreement, authorizing execution of the agreement.

7. AIR OR WATER POLLUTION VIOLATION:

Under the State laws, the Grantee shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

8. PAYEE DATA RECORD FORM STD. 204:

This form must be completed by all Grantees that are not another state agency or other governmental entity.

EXHIBIT E

Bid/Proposal Attachment regarding the Darfur Contracting Act of 2008

Effective January 1, 2009, all Invitations for Bids (IFB) or Requests for Proposals (RFP) for goods or services must address the requirements of the Darfur Contracting Act of 2008 (Act). (Public Contract Code sections 10475, et seq.; Stats. 2008, Ch. 272). The Act was passed by the California Legislature and signed into law by the Governor to preclude State agencies generally from contracting with “scrutinized” companies that do business in the African nation of Sudan (of which the Darfur region is a part), for the reasons described in Public Contract Code section 10475.

A scrutinized company is a company doing business in Sudan as defined in Public Contract Code section 10476. Scrutinized companies are ineligible to, and cannot, bid on or submit a proposal for a contract with a State agency for goods or services. (Public Contract Code section 10477(a)).

Therefore, Public Contract Code section 10478 (a) requires a company that currently has (or within the previous three years has had) business activities or other operations outside of the United States to certify that it is not a “scrutinized” company when it submits a bid or proposal to a State agency. (See # 1 on the sample Attachment).

A scrutinized company may still, however, submit a bid or proposal for a contract with a State agency for goods or services if the company first obtains permission from the Department of General Services (DGS) according to the criteria set forth in Public Contract Code section 10477(b). (See # 2 on the sample Attachment).

The following sample Attachment may be included in an IFB or RFP to satisfy the Act’s certification requirements of bidders and proposers.

Exhibit E - DARFUR CONTRACTING ACT

Pursuant to Public Contract Code section 10478, if a bidder or proposer currently or within the previous three years has had business activities or other operations outside of the United States, it must certify that it is not a "scrutinized" company as defined in Public Contract Code section 10476.

Therefore, to be eligible to submit a bid or proposal, please complete only one of the following three paragraphs (via initials for Paragraph # 1 or Paragraph # 2, or via initials and certification for Paragraph # 3): YOUR BID OR PROPOSAL WILL BE DISQUALIFIED UNLESS YOUR BID OR PROPOSAL INCLUDES THIS FORM WITH EITHER PARAGRAPH #1 OR #2 INITIALED OR PARAGRAPH #3 INITIALED AND CERTIFIED.

1. _____ We do not currently have, or we have not had within the previous three years, business activities or other operations outside of the United States.

OR

2. _____ We are a scrutinized company as defined in Public Contract Code section 10476, but we have received written permission from the Department of General Services (DGS) to submit a bid or proposal pursuant to Public Contract Code section 10477(b). A copy of the written permission from DGS is included with our bid or proposal.

OR

3. _____ We currently have, or we have had within the previous three years, business activities or other operations outside of the United States, but we certify below that we are not a scrutinized company as defined in Public Contract Code section 10476.

CERTIFICATION For # 3.

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective proposer/bidder to the clause listed above in # 3. This certification is made under the laws of the State of California.

Grantee Agency Name (Printed)		Federal ID Number
City of San Rafael		94-6000424
By (Authorized Signature)		
Printed Name and Title of Person Signing		
,		
Date Executed	Executed in the County of	
	Marin	

YOUR BID OR PROPOSAL WILL BE DISQUALIFIED UNLESS YOUR BID OR PROPOSAL INCLUDES THIS FORM WITH EITHER PARAGRAPH #1 OR #2 INITIALED OR PARAGRAPH #3 INITIALED AND CERTIFIED

EXHIBIT F
SUGGESTED LANGUAGE FOR RECYCLING CERTIFICATION

State law requires that state contracts shall have Recycling Certification in writing under penalty of perjury, the minimum, if not exact, percentage of recycled content, both post-consumer waste and secondary waste as defined in the Public Contract Code, Sections 12161 and 12200, in materials, goods, or supplies offered or products used in the performance of this Agreement, regardless of whether the product meets the required recycled product percentage as defined in the Public Contract Code, Sections 12161 and 12200. Contractor may certify that the product contains zero recycled content. (PCC 10233, 10308.5, 10354)

RECYCLED CONTENT CERTIFICATION

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective Contractor to the clause(s) listed below. This certification is made under the laws of the State of California.

Name and Title of Person Signing	Date Executed
Authorized Signature	Executed in the County of Marin
Title	Telephone Number
Legal Business Name City of San Rafael	Federal ID Number 94-6000424

The Contractor hereby certifies under penalty of perjury, that {min_recycle_pct} percent of the materials, goods, supplies offered, or products used in the performance of this contract meets the or exceeds the minimum percentage of recycled material as defined in Sections 12161 and 12200 of the Public Contract Code. The Contractor may certify that the product contains zero recycled content.

General

1 Applicant Information

- a. Applicant Name City of San Rafael
- b. Organizational Unit San Rafael Police Marine Unit
- c. Address 1375 Fifth Avenue
- d. Address 2
- e. City San Rafael State CA Zip 94901
- f. Federal ID Number 94-6000424 Unique Entity Id. CRDWQSJB4
AR1
- g. Agency Type
- City County
- State Agency District
- Other Public Agency

2 Project Information

- a. Project Name Boating Safety and Enforcement Equipment Grant - FY 2023 / 24
- b. Is implementing agency same as Applicant Yes No
- c. Implementing Agency Name
- d. Project Start Date Oct-01-2023 End Date Sep-30-2031
- e. Amount of Funds Requested \$76,099.00 Project Cost \$76,099.00

3 Contacts

a. Project Administrator

Name	Justin Graham				
Title	Sergeant				
Mailing Address	1375 Fifth Avenue				
City	San Rafael	State	CA	Zip	94901
Telephone	(415) 485-3000			Fax	(415) 485-3043
E-mail Address	494@srapd.org				

1. Minimum Qualifications

Attach a Letter of Intent as required by Title 14. A template letter is in the 'Show Documents' area.

[37314_0_621_SRPD - BSEE Grant Letter of Intent.pdf](#)

As a subgrantee for this federal grant award, your agency must be registered in the Federal System of Award Management (<https://www.sam.gov/SAM/pages/public/searchRecords/search.jsf>) Your agency's registration must be current in that system at the time you submit your application.

Attach a screenshot showing your registration is active. (A sample screenshot is available in the 'Show Documents' area)

[37316_0_871_City of San Rafael SAM.pdf](#)

1 a. Do you have an active Boating Safety and/or Boating Law Enforcement Patrol? Yes No

1 b. What training and/or authorization does your agency have to perform boating safety and/or boating law enforcement in your jurisdiction? (max. 1024 characters)

The San Rafael Police Department employs peace officers who are able to carry out police and law enforcement functions per section 830.1 of the California Penal Code. The Police Department's Marine Unit operates two police boats with the following personnel: six peace officers, one reserve peace officer, and five civilian volunteers. The police boats are staffed by at least one peace officer or reserve officer at all times while underway. The officers on the boat have arrest and citation powers per section 836 of the California Penal Code and section 663 of the Harbors and Navigation Code.

1 c. Certify that your agency will report all boating accident statistics as required in Section 656 of Harbors and Navigation Code for the grant term if awarded this grant? An agency's failure to submit a report may result in ineligibility of future DBW funding opportunities for up to 5 fiscal years. Yes No

1 d. Certify by checking the boxes that your agency meets all the following criteria:

- Your agency employs at least one boating safety law enforcement officer defined in California Code of Regulations, Title 14, Division 4, Chapter 1, Article 4.5.2 as trained personnel authorized and retained to perform on-the-water boating safety and boating law enforcement activities.
- Your agency's boating safety law enforcement officer(s) conducts sufficient patrol and has the jurisdiction and authority to ensure adequate enforcement of all applicable state boating safety laws and regulations.
- Your agency has the knowledge and means to properly report boating accidents to DBW.

1 e. Has your agency been out of compliance with the terms of any other Department of Parks and Recreation contract or agreement in the past 3 years? Yes No

If you responded 'Yes' to 1 e, please provide an explanation

1. California State Senate Districts

Select one or more of the California State Senate Districts where the proposed project activities will occur. Copy and Paste the URL (http://www.legislature.ca.gov/legislators_and_districts/districts/districts.html) in your browser to determine the State Senate district(s).

- State Senate 01 State Senate 02 State Senate 03 State Senate 04 State Senate 05
- State Senate 06 State Senate 07 State Senate 08 State Senate 09 State Senate 10
- State Senate 11 State Senate 12 State Senate 13 State Senate 14 State Senate 15
- State Senate 16 State Senate 17 State Senate 18 State Senate 19 State Senate 20
- State Senate 21 State Senate 22 State Senate 23 State Senate 24 State Senate 25
- State Senate 26 State Senate 27 State Senate 28 State Senate 29 State Senate 30
- State Senate 31 State Senate 32 State Senate 33 State Senate 34 State Senate 35
- State Senate 36 State Senate 37 State Senate 38 State Senate 39 State Senate 40

2. California State Assembly Districts

Select one or more of the California State Assembly Districts where the proposed project activities will occur. Copy and Paste the URL (http://www.legislature.ca.gov/legislators_and_districts/districts/districts.html) in your browser to determine the State Assembly district(s).

- State Assembly 01 State Assembly 02 State Assembly 03 State Assembly 04
- State Assembly 05 State Assembly 06 State Assembly 07 State Assembly 08
- State Assembly 09 State Assembly 10 State Assembly 11 State Assembly 12
- State Assembly 13 State Assembly 14 State Assembly 15 State Assembly 16
- State Assembly 17 State Assembly 18 State Assembly 19 State Assembly 20
- State Assembly 21 State Assembly 22 State Assembly 23 State Assembly 24
- State Assembly 25 State Assembly 26 State Assembly 27 State Assembly 28
- State Assembly 29 State Assembly 30 State Assembly 31 State Assembly 32
- State Assembly 33 State Assembly 34 State Assembly 35 State Assembly 36
- State Assembly 37 State Assembly 38 State Assembly 39 State Assembly 40
- State Assembly 41 State Assembly 42 State Assembly 43 State Assembly 44
- State Assembly 45 State Assembly 46 State Assembly 47 State Assembly 48
- State Assembly 49 State Assembly 50 State Assembly 51 State Assembly 52
- State Assembly 53 State Assembly 54 State Assembly 55 State Assembly 56
- State Assembly 57 State Assembly 58 State Assembly 59 State Assembly 60
- State Assembly 61 State Assembly 62 State Assembly 63 State Assembly 64
- State Assembly 65 State Assembly 66 State Assembly 67 State Assembly 68
- State Assembly 69 State Assembly 70 State Assembly 71 State Assembly 72
- State Assembly 73 State Assembly 74 State Assembly 75 State Assembly 76
- State Assembly 77 State Assembly 78 State Assembly 79 State Assembly 80

3. California Congressional Districts

Select one or more of the California Congressional Districts where the proposed project activities will occur. Copy and Paste the URL (<https://www.govtrack.us/congress/members/CA>) in your browser to determine the Congressional district(s).

- Congressional District 1 Congressional District 2 Congressional District 3
- Congressional District 4 Congressional District 5 Congressional District 6

Exhibit G - BOATING SAFETY AND ENFORCEMENT EQUIPMENT GRANTEE APPLICATION

- | | | |
|--|--|--|
| <input type="checkbox"/> Congressional District 7 | <input type="checkbox"/> Congressional District 8 | <input type="checkbox"/> Congressional District 9 |
| <input type="checkbox"/> Congressional District 10 | <input type="checkbox"/> Congressional District 11 | <input type="checkbox"/> Congressional District 12 |
| <input type="checkbox"/> Congressional District 13 | <input type="checkbox"/> Congressional District 14 | <input type="checkbox"/> Congressional District 15 |
| <input type="checkbox"/> Congressional District 16 | <input type="checkbox"/> Congressional District 17 | <input type="checkbox"/> Congressional District 18 |
| <input type="checkbox"/> Congressional District 19 | <input type="checkbox"/> Congressional District 20 | <input type="checkbox"/> Congressional District 21 |
| <input type="checkbox"/> Congressional District 22 | <input type="checkbox"/> Congressional District 23 | <input type="checkbox"/> Congressional District 24 |
| <input type="checkbox"/> Congressional District 25 | <input type="checkbox"/> Congressional District 26 | <input type="checkbox"/> Congressional District 27 |
| <input type="checkbox"/> Congressional District 28 | <input type="checkbox"/> Congressional District 29 | <input type="checkbox"/> Congressional District 30 |
| <input type="checkbox"/> Congressional District 31 | <input type="checkbox"/> Congressional District 32 | <input type="checkbox"/> Congressional District 33 |
| <input type="checkbox"/> Congressional District 34 | <input type="checkbox"/> Congressional District 35 | <input type="checkbox"/> Congressional District 36 |
| <input type="checkbox"/> Congressional District 37 | <input type="checkbox"/> Congressional District 38 | <input type="checkbox"/> Congressional District 39 |
| <input type="checkbox"/> Congressional District 40 | <input type="checkbox"/> Congressional District 41 | <input type="checkbox"/> Congressional District 42 |
| <input type="checkbox"/> Congressional District 43 | <input type="checkbox"/> Congressional District 44 | <input type="checkbox"/> Congressional District 45 |
| <input type="checkbox"/> Congressional District 46 | <input type="checkbox"/> Congressional District 47 | <input type="checkbox"/> Congressional District 48 |
| <input type="checkbox"/> Congressional District 49 | <input type="checkbox"/> Congressional District 50 | <input type="checkbox"/> Congressional District 51 |
| <input type="checkbox"/> Congressional District 52 | <input type="checkbox"/> Congressional District 53 | |

4. County

Select one or more of the California Counties where the proposed project activities will occur.

- | | | | | | |
|---------------------------------------|--|---|--|-------------------------------------|---|
| <input type="checkbox"/> Alameda | <input type="checkbox"/> Alpine | <input type="checkbox"/> Amador | <input type="checkbox"/> Butte | <input type="checkbox"/> Calaveras | <input type="checkbox"/> Colusa |
| <input type="checkbox"/> Contra Costa | <input type="checkbox"/> Del Norte | <input type="checkbox"/> El Dorado | <input type="checkbox"/> Fresno | <input type="checkbox"/> Glenn | <input type="checkbox"/> Humboldt |
| <input type="checkbox"/> Imperial | <input type="checkbox"/> Inyo | <input type="checkbox"/> Kern | <input type="checkbox"/> Kings | <input type="checkbox"/> Lake | <input type="checkbox"/> Lassen |
| <input type="checkbox"/> Los Angeles | <input type="checkbox"/> Madera | <input checked="" type="checkbox"/> Marin | <input type="checkbox"/> Mariposa | <input type="checkbox"/> Mendocino | <input type="checkbox"/> Merced |
| <input type="checkbox"/> Modoc | <input type="checkbox"/> Mono | <input type="checkbox"/> Monterey | <input type="checkbox"/> Napa | <input type="checkbox"/> Nevada | <input type="checkbox"/> Orange |
| <input type="checkbox"/> Placer | <input type="checkbox"/> Plumas | <input type="checkbox"/> Riverside | <input type="checkbox"/> Sacramento | <input type="checkbox"/> San Benito | <input type="checkbox"/> San Bernardino |
| <input type="checkbox"/> San Diego | <input type="checkbox"/> San Francisco | <input type="checkbox"/> San Joaquin | <input type="checkbox"/> San Luis Obispo | <input type="checkbox"/> San Mateo | <input type="checkbox"/> Santa Barbara |
| <input type="checkbox"/> Santa Clara | <input type="checkbox"/> Santa Cruz | <input type="checkbox"/> Shasta | <input type="checkbox"/> Sierra | <input type="checkbox"/> Siskiyou | <input type="checkbox"/> Solano |
| <input type="checkbox"/> Sonoma | <input type="checkbox"/> Stanislaus | <input type="checkbox"/> Sutter | <input type="checkbox"/> Tehama | <input type="checkbox"/> Trinity | <input type="checkbox"/> Tulare |
| <input type="checkbox"/> Tuolumne | <input type="checkbox"/> Ventura | <input type="checkbox"/> Yolo | <input type="checkbox"/> Yuba | | |

2. Citation Authority

- 2 a. Number of Full-Time Boating Safety and/or Boating Law Enforcement Officers do you have? 1
- 2 b. Number of Part-Time Boating Safety and/or Boating Law Enforcement Officers do you have? 6
- How many hours per year do they work? 1,100
- Is this work seasonal or continuous? Continuous
3. Does your boating safety and enforcement unit have citation authority? Yes No
- If YES, Authorizing Code # 830.1 PC, 836 PC, 663 HNC
- a. How many boating safety related citations did your agency issue last calendar year? 5
- b. How many boating accidents did your agency respond to in the last calendar year? 15
- c. How many BOATING safety related Search and Rescue missions did your agency perform in the last calendar year? 24
4. Does your boating safety and enforcement unit have arrest authority? Yes No
- If YES, Authorizing Code # 830.1 PC, 836 PC, 663 HNC
- How many boating related arrests did you conduct last calendar year? 1
5. How many outreach events with the general public did your agency participate in to promote boating safety education last calendar year? Please list the events and describe how boating safety was promoted. 2

5a.

Event Name	Date of Event	What BOATING SAFETY information was provided at this event?
Paddle Boat Races	Weekly	Discuss the use of flotation devices and knowing the weather forecast.
SEA & SRHS Sailing Classes	Monthly - March to Aug	Give them instructions on safe sailing, use of flotation devices, knowing the weather forecast.

Exhibit G - BOATING SAFETY AND ENFORCEMENT EQUIPMENT GRANTEE APPLICATION

6. Jurisdiction Table

List all waterbodies that are in your jurisdiction and fill in the below chart for each

Waterbody	Size (area)	List all boating activities (e.g. fishing, water skiing, paddling, etc.) conducted on this waterbody.	How many hours/year is this waterbody patrolled by your agency	Is there shared jurisdiction on this waterbody?	If shared jurisdiction, list other agency(s)
San Rafael Bay and Channel	5.96 Sq Mi	Open water swimming, paddle boarding, sailing, kayaking, canoeing, personal watercraft (PWC) sports, wind surfing, sport boating, fishing, yachting, kite boarding, seaplane aviation, including a once a year triathlon sporting event.	1,100	Yes	United States Coast Guard
San Pablo Bay	90 Sq Mi	Open water swimming, paddle boarding, sailing, kayaking, canoeing, personal watercraft (PWC) sports, wind surfing, sport boating, fishing, yachting, kite boarding, seaplane aviation, commuter ferries, commercial shipping.	1,100	Yes	United States Coast Guard, Marin County Sheriff, Sonoma County Sheriff, Contra Costa Sheriff, Richmond Police

7. Top three BOATING safety issues

This is a Federal Pass-Through 'Recreational Boating Safety Grant'. The purpose of the grant is to promote boating safety and to decrease the number of accidents, injuries, and fatalities on U.S. waters. Clearly identify the top three BOATING safety issues that affect recreational boaters in your jurisdiction and describe how the requested grant will address these issues. Your answer to this question will be referenced throughout this grant application.

The City of San Rafael and the San Rafael Police Department recognize that the San Rafael Bay and Creek and the San Pablo Bay are vital to our community and those who use and visit these areas for work or pleasure. To ensure the safe use of these waterways, the San Rafael Police Marine Unit regularly patrols these waters to conduct enforcement and respond to emergency calls for service.

Our Marine Unit's mission is to keep these waterways safe by providing emergency medical care and rescue assistance to vessels and people in distress. Enable the department to enforce various municipal, state, and federal laws. Prevent fire and crime incidents. Perform various duties prescribed by California boating laws emphasizing boating safety. To do this, the Marine Unit maintains its proficiency through training and skills assessment. Additionally, the two patrol boats are regularly maintained and serviced.

During recent routine maintenance and service, it was identified that the two patrol boats need new navigation, RADAR, infrared cameras, side scanning SONAR, radio directional finder (RDF), and radio equipment. SRPD has completed other required maintenance projects during the annual fiscal period that have put the Marine Unit's operating costs over budget. Additional funding sources are needed to replace outdated navigation and radio equipment.

The San Rafael Police Department has continuously operated a Police Marine Unit with at least one police patrol boat available. The Marine Unit operates within and outside San Rafael Bay and Creek. The San Rafael Bay and Creek is within the City of San Rafael limits and covers 5.96 square miles of water. In addition, the Marine Unit patrols large portions of San Pablo Bay which the San Rafael Bay and Creek are connected to.

On an ongoing and frequent basis, the Marine Unit responds to numerous calls for assistance that extend within and outside the Marine Unit's city-limit jurisdiction. These calls for assistance come from boaters, swimmers, and other recreational users on the water. Additionally, the Marine Unit receives mutual aid requests through the United States Coast Guard (USCG), Marin County Sheriff's Communications Center, CHP's Golden Gate Division Dispatch, and Contra Costa County Dispatch. Some of these calls for assistance have taken the Marine Unit as far south as the Golden Gate Bridge and San Francisco Bay Bridge and as far north as the Petaluma River and Carquinez Straits. Our Marine Unit pride itself in being good neighbors and are able to partner with and respond into other

jurisdictions that may not have a rescue or enforcement asset available.

Call types range from boats running aground, boats capsizing and sinking, boats and watercraft taking on water, fires, open water swimmers in distress, paddle boarders in distress, storm exposures, lost in the fog, suicides from the Richmond/San Rafael Bridge (Interstate 580), drownings, missing persons, search and rescue missions, overdue boats/craft/person searches, body recovery, hazmat, environmental cleanup, boating enforcement saturation patrols, multi-jurisdiction enforcement operations, suspect apprehension missions, SWAT missions, and many others.

In 1986, the San Rafael Police Department purchased a 35-foot Modutech police patrol boat through a grant from the California Department of Boating and Waterways. When purchasing the patrol boat, the original agreement was to have it available to operate within San Pablo Bay. This patrol boat, named "Mission City," has been well maintained by the unit and is still the primary operating patrol boat. At the end of 2022, Mission City patrol boat underwent an operational assessment and inspection to determine its viability and operational needs. During the assessment, inspectors found that the main exterior deck, bow railings and handles, and aft panel needed to be replaced. SRPD spent over \$40,000 to complete this work in January of this year.

Additionally, during the assessment, it was also determined that Mission City is due for a significant overhaul of outdated electronic navigation, RADAR, infrared cameras, radio directional finder (RDF), side scanning SONAR, and radio equipment which it uses to safely operate and use for a variety of calls for assistance, requests for help, emergencies, and search and rescue missions which occur both day and night and in ideal and inclement weather conditions. The majority of the equipment is 20 years old. This means most of this electronic equipment is so old that replacement parts can no longer be located.

Lastly, it was determined that Mission City needed new emergency lights, work lights, a siren, and a public address system. SRPD has budgeted \$12,000 to complete this project in the coming months.

In 2013, the department recognized the need for a rapid response or "quick boat" platform to assist our community and officers in addition to patrol boat Mission City. A \$65,000 grant was secured with the California Department of Boating and Waterways to purchase a 22-foot Rogue Jet rigid haul named "Rescue 22". Rescue 22 has been an invaluable addition to the Marine Unit since SRPD can train and maintain a response team of sworn peace officers to use it when Mission City patrol boat is unavailable. This boat gives SRPD faster response times to local emergencies, rescues, and increases law enforcement capabilities within the San

Rafael Creek. Due to the boat's smaller size and ease of use, SRPD can quickly train sworn peace officer personnel to operate it. These officers have then been able to respond to calls for service and a wide variety of enforcement and rescue missions.

Rescue 22 underwent a similar assessment and inspection as the Mission City underwent in late 2022. The assessment and inspection determined that the main deck needed refurbishment, which SRPD spent nearly \$30,000 to repair at the beginning of this year.

Additionally, Rescue 22 was found to need an overhaul of its outdated electronic navigation, RADAR, and radio equipment. The equipment is currently ten years old and becoming difficult to service. This equipment is vital to the safe operation of the boat during law enforcement and search and rescue missions.

Between completed projects, current assessments, and the current operational needs of Mission City and Rescue 22, it has overrun the current budget. It will also likely continue to overrun the police department's Marine Unit operating and maintenance budget in the coming year, which is not a sustainable practice.

Based on this fiscal year's current projects completed, the police department Marine Unit has exceeded the budget by 321%. The police department wants to invest and keep this valuable resource operating at its peak to keep our community safe, enforce laws, and be able to respond to search and rescue missions. Additional funding sources are required to keep the Marine Unit in top operational condition.

The Marine Unit consists of one-full time reserve peace officer, one full-time peace officer (currently assigned to street patrol due to staffing), six part-time Rescue 22 trained sworn peace officers, and five civilian marine auxiliary volunteers. The reserve peace officer is the primary operator of both patrol boats of the Marine Unit, with the full-time peace officer also fully trained. Due to staffing, the full-time peace officer is primarily assigned to street patrol and can team up with the reserve officer when staffing allows. The six additional peace officers are also primarily assigned to street patrol but have the training and skillset to deploy Rescue 22 as needed. The six marine auxiliary volunteers operate on a rotation and support the reserve peace officer. The Marine Unit consistently operates at least every weekend throughout the year. Lastly, the entire Marine Unit trains on a regular basis to maintain proficiency and conducts major quarterly training, which sometimes includes allied and partnering agencies.

Even though the Marine Unit consistently operates on the weekends, they are available and on-call to respond to any call for service throughout the week. In

addition to weekend operations, the Marine Unit supports several local and SF Bay Area events, such as the Marin Triathlon, Opening Day on the Bay, SF Fleet Week, and several others. The Marine Unit has successfully deployed and operated in very dynamic and complex situations and in various weather conditions.

The Marine Unit operates in locations of San Rafael Bay and Creek and San Pablo Bay, requiring electronic navigation equipment. The San Rafael Bay and Creek, along with the San Pablo Bay, have many shallow areas and can become exposed during low tide. These areas are usually charted, but because of rescue missions may require our Marine Unit to navigate into these areas furthering the need for RADAR, GPS, and depth-finding equipment. San Rafael Bay and Creek and the San Pablo Bay also have a significant number of exposed obstacles and hazards, such as docks and piers, navigation aids/buoys, boat and watercraft traffic, the Richmond San Rafael Bridge, West and East Marin Islands, Sisters Islands, Rat Rock, Red Rock Island, East Brother Light Station, along with commercial shipping and commuter ferry lanes of travel. During inclement weather and night conditions, these obstacles can be hidden and obscured, furthering the need for properly functioning navigation equipment.

Based on proactive patrols, calls for service, requests for assistance, and mutual aid requests, the San Rafael Police Department has determined that the top three issues within the Marine Units response area are as follows:

- Rescue and enforcement of people without or not using life jackets. Every weekend, the Marine Unit is either proactively enforcing or responding to incidents where people on the water are in peril due to not having or using personal flotation devices and life jackets. Both the Mission City and Rescue 22 patrol boats participate in proactive enforcement. Some of this proactive enforcement occurs in hazardous and shallow locations, requiring navigation and RADAR equipment. In other situations, both patrol boats are needed each weekend for rescue calls from a person who is without a life jacket and suffering from exhaustion and exposure. Frequently these people needing help use their cell phones to call 9-1-1. When dispatch centers receive these calls, they receive the cellular phone's GPS location information which is heavily relied upon. It has been the experience of the Marine Unit that most people in peril are not sure of their exact location when in the water. This GPS information is forwarded to our Marine Unit, that then is charted into navigation equipment that provides the location and heading. Additionally, most people in need of rescue are in extremely shallow locations and can make rescuing difficult without knowing current tidal and weather conditions. These conditions exist where most of these incidents occur and where recreators are drawn, such as the shorelines of China Camp State Park, McNear's Beach Park, the San Rafael Creek,

Spinnaker Point, Marin Rod and Gun, and San Quentin Beach Park.

- Searching for overdue and lost boats/people in a variety of conditions. The Marine Unit often responds to calls where boats and people are overdue. Many incidents happen during inclement weather conditions, such as heavy fog or storms. The Marine Unit uses as much information as it can obtain regarding overdue boats and people and plots the information into navigation equipment. Navigation and RADAR equipment is also used to keep the Marine Unit safe during searches so that they can be made aware of hazards, obstacles, and other boat traffic. In some cases, the Marine Unit has operated in limited to no visibility circumstances due to weather or storms to locate boats and people. These missions were carried out with the support and use of critical navigation, RADAR and RDF equipment. Many overdue boats and people have been found stranded in the shallows of the bay. Some of these finds have been the result of using RADAR, RDF, and infrared cameras to locate vessels and watercraft in these areas. While a boat rescue has been impossible at times, the use of navigation and radio equipment to accurately pass along the location of the stranded to rescue helicopters is vital.
- Boating and missing persons search and rescue missions. The Marine Unit responds to numerous search and rescue missions for boats and people in the water. The Marine Unit uses Mission City and Rescue 22 patrol boats for these missions. These calls for assistance come from the boat in distress, the person needing rescue, or through SRPD Dispatch or any allied and partnering agencies. The Marine Unit is often the primary responding unit for the San Rafael Bay and Creek, including San Pablo Bay. In addition, the Marine Unit can be the primary response unit when requested by other agencies with extended estimated arrival times. The Marine Unit also participates with and supports allied agencies' search and rescue missions. Many of these search and rescue missions are during inclement weather and require constant use of radios, RADAR, thermal imagind cameras, and navigation equipment. Again, Mission City and Rescue 22 patrol boats need proper functioning navigation, RADAR, and radio equipment to navigate safely as well as to keep track of searched and need to be searched locations, other rescue craft, boat traffic, and to avoid hazards. Some of these missions have included a person who committed suicide from Richmond San Rafael Bridge, boat collisions, sinking boats, boats on fire, person overboard, drowned victims, open water swimmers suffering from exhaustion and exposure, injured kite surfers, overturned kayakers, and more. The Mission City has been called to assist in a number of unique and high profile cases. The Mission City was called to

assist in the Scott Peterson homicide and used its side scanning SONAR to search for the body of Lacui Peterson. The Mission City has also used its side scanning SONAR for downed aircraft and more recently for persons who have committed suicide from the Richmond San Rafael Bridge. There has been an increase in these suicide cases where the Mission City has responded for body recovery efforts.

The Marine Unit has found that with water sports becoming more popular and accessible, many recreators find themselves unprepared and beyond their skillset with rapidly changing weather conditions. For some, it was their first time on the water; they had done little to no research about the area and were ill-equipped. This increase in incidents and rescues further demonstrates the need for quality, high-functioning navigation RADAR, thermal imaging, and radio equipment

While the San Rafael Police Department has gone above and beyond with maintaining and servicing the equipment the Marine Unit needs on its two patrol boats for safe and successful operations and missions, additional funding sources are needed for the replacement of outdated navigation, RADAR, RDF, thermal imaging cameras, and radio equipment.

The San Rafael Police Department prioritizes maintaining safety and security on the waterways within its city limits and far beyond. For these reasons, the City of San Rafael and the San Rafael Police Department request the consideration of grant funding from the California Department of Waterways Boating Safety and Enforcement Equipment Grant.

Exhibit G - BOATING SAFETY AND ENFORCEMENT EQUIPMENT GRANTEE APPLICATION

8. Inventory

List all patrol boats, PWCs and inflatables in your current inventory (Local and State owned)

Year	Make	CF Number	How many hours/year is this used?	What waterbodies is it used on?	Is this boat currently being surplused?	Was this vessel funded by a DBW grant?	Is this vessel operational ?	Is this vessel used for anything else besides patrolling. If so, explain.
1986	Modutech	CF 2448 XC	1,000	San Rafael Bay and Creek, San Pablo Bay, and San Francisco Bay	No	Yes	Yes	Yes, search and rescue missions.
2013	Rogue Jet	CF 5424 XC	300	San Rafael Bay and Creek, and San Pablo Bay	No	Yes	Yes	Yes, search and rescue missions.

9. Project Type

Are you requesting a new Patrol Boat/PWC or Misc. Equipment.?

- New Patrol Boat/PWC - see definition below
- Equipment / Repairs

NOTE: A "Patrol Boat" is defined as "A Department of Parks and Recreation, Division of Boating and Waterways approved, registered vessel (with or without trailer and/or outboard motor) purchased for use in boating safety and law enforcement activities." **VERIFY THAT YOUR REQUEST IS CORRECTLY CLASSIFIED.** Failure to correctly classify may result in disqualification of your grant application.

* All items purchased with funding provided by the Division of Boating and Waterways are for the exclusive use of the Boating Safety and Enforcement Unit.

Misc Equipment Instructions

PLEASE READ THE FOLLOWING CAREFULLY

ENTER INFORMATION IN THIS SECTION ONLY IF YOU SELECTED 'MISC. EQUIPMENT' AS A PROPOSAL TYPE

IF YOU DID NOT SELECT 'MISC. EQUIPMENT' AS A PROPOSAL TYPE, CLICK ON THE NEXT TAB TO NAVIGATE TO THE NEXT SECTION

Misc. Equipment Items

11. Describe what you are requesting. You may request only FIVE ITEMS TOTAL (patrol boat and equipment). You may group "like items". "Like items" are related items that work together. You need one to work with the other. Examples of "like items" include a 'patrol boat and a trailer' or 'dive masks and dive suits'."

NOTE: Do not ask for supplies (ie: rope, water bottles, cleaning supplies, hardware). Supplies WILL NOT BE CONSIDERED for grant funding.

Item	Cost	Quantity	Total	Priority	Comments
RADAR Systems	9,151.50	2.00	18,303	First	Rescue 22 - \$2903.41 / Mission City - \$8800.00 / Labor - \$6600.00
Navigation/GPS/Chart Plot	14,706.00	2.00	29,412	Second	Rescue 22 - \$7316.67 / Mission City - \$15495.00 / Labor - \$6600.00
VHF Radios and RDF	14,192.00	2.00	28,384	Third	For Mission City patrol boat / Labor - \$6600.00
Thermal Imaging Camera	54,809.28	1.00	54,809	Fourth	For Mission City patrol boat / Labor - \$6600.00
Side Scanning SONAR	11,595.00	1.00	11,595	Fifth	For Mission City patrol boat / Labor - \$6600.00
TOTAL			142,503		

Misc. Equipment Items Questions (RADAR Systems)

11. Item Details

- 11 a. Is this equipment general all-purpose gear? NOTE: person-specific Yes No items will not be funded.
- 11 b. Describe exactly what you are requesting and how this equipment will help mitigate the boating safety issues you identified in Question 7. If your requested quantity is more than one for any item, explain the need for having multiple items. (max. 2000 characters)

The following equipment is requested for the "Mission City" and "Rescue 22":

1. RADAR Systems - This equipment is required for each patrol boat to safely navigate, operate, and locate vessels, obstacles, and hazards. This equipment is essential during inclement weather, heavy rain, reduced visibility due to fog, and darkness. In summary, this equipment will be used for (1) rescue and enforcement of persons not wearing life jackets/PFDs, (2) searching for overdue and lost people and vessels, and (3) search and rescue missions involving missing people and vessels.

- 11 c. Describe any negative impacts to boating safety and/or boating enforcement if you do not get this grant.

The equipment for Mission City patrol boat is 20 years old and is beyond its reasonable life span. Most of the equipment cannot be repaired since parts are no longer available. If the Marine Unit does not replace the old RADAR equipment on Mission City, it will not be able to remain in-service to focus on the three main identified problem areas, continue to conduct enforcement operations and respond to search and rescue emergencies.

The equipment for Rescue 22 patrol boat faces the same circumstance as Mission City patrol boat. The RADAR equipment aboard Rescue 22 is ten years old and becoming a maintenance issue due to no or hard-to-find parts. If the equipment fails to function as needed, then Rescue 22 will need to be taken out of service, and it will not be able to focus on the three main identified problem areas, continue to conduct enforcement operations, and respond to search and rescue emergencies.

11 d. Classify this request

Classify this request by choosing one of the following options and present a strong justification for the request

- "Critical" (operations would cease without it)
- "Increased efficiency" (if it would save staff time, identify how much time)
- "Convenience" (it would make life a little easier)
- "Protection" of existing equipment (ex: shade tents, hoists to get the vessels out of the water, etc. to extend longevity)

Justify your classification of this request. (max. 300 characters)

The RADAR Systems for both patrol boats are old and outdated. Both boats will not be able to remain in service when this equipment fails. Both boats will not be able to focus on the three main identified problem areas as well as other missions.

Percentage of time on the water this equipment will be used for:

Activity	Percentage
Boating Safety Activities	15
Search and Rescue Activities	75
Other Activities	10
TOTAL	100.00

List any other activities this equipment will be used for: (max 300 characters)

Mission City and Rescue 22 operate during special events, such as SF Bay Opening Day, Marin Triathlon, and SF Fleet Week, which all require the ability to have navigation, RADAR, and radio equipment.

- 11 e. If you are not awarded your full request, would your agency be able to supplement the difference? Yes No

If yes, what percentage can you supplement? 10

11 f. What other capabilities exist in your region for this equipment? Justify why it is not feasible to borrow this equipment from a neighboring agency.

There are limited to no other capabilities that the San Rafael Police Marine Unit could use. The San Rafael Police Marine Unit is considered the regional asset for the area. This equipment is vital to the operation of the patrol boats themselves and is essential for San Rafael Bay and Creek operations as well as operating in San Pablo Bay. While the Marin Sheriff and the United States Coast Guard have assets that could assist, they often call us to assist them since they have extended response times or no availability.

11 g. How and why did you select this particular model? Explain if this is standard equipment or do you need

Exhibit G - BOATING SAFETY AND ENFORCEMENT EQUIPMENT GRANTEE APPLICATION

something specialized for your waterbody to meet your agency's needs? List less expensive models considered and explain why they are not being requested. List other funding sources available to your agency that could be used to purchase or partially purchase this equipment.

The makes and models of the equipment identified are considered reliable and the "standard" for our needs and use and were determined using a respected and trusted vendor. The equipment is also backed by industry-leading manufacturers who provide trusted and quality warranties and service.

There is no other less expensive equipment/makes/models due to it being sub-standard for the rigorous needs of our Marine Unit. 20 and 10-year-old versions of these makes/models are what is being requested for replacement.

There are currently no other funding sources available to the police department. The police department's marine unit funding is currently 321% over budget in just this year alone. SRPD has made it a priority to maintain both boats and due to age and maintenance, the ability to have extra funds for these types of equipment currently does not exist.

Misc. Equipment - Informational

11 h. What body(s) of water will this equipment be used on?

San Rafael Bay and Creek, San Pablo Bay, and San Francisco Bay

11 i. How many hours per month on average will this equipment be used for Boating Safety Enforcement?

May through September 600

October through April 500

11 j. Will this equipment be used for anything besides Recreational Boating Safety Enforcement (ie. Junior lifeguard, swimming rescues, enforcing commercial activities, etc.)? Yes No

If YES, complete the table below

List Other Activity (NOT BOATING RELATED ACTIVITY)	Hours per month on average this equipment will be used for other Activity
Community Police Academy Ride-alongs	1
Law Enforcement Investigations (Homicides, Missing Persons, Suicides)	2

11 k. Select the PRIMARY purpose this equipment will be used for:

- Search and rescue
- Enforcement of state and local measures
- Inspection of vessels
- Recovering drowned bodies
- Supervising organized water events

11 l. If Search and Rescue is the primary purpose, list the activity (i.e: recovery of drowned body) and the number of boating-related emergencies this equipment would have been used for last year doing that activity. Do not include NON-BOATING emergencies (i.e: those related to swimmers)

BOATING-RELATED ACTIVITY	NUMBER OF TIMES NEEDED LAST YEAR
Missing/overdue boats	5
Kayakers and paddle boarders in distress	24

Drowned bodies	2
Vessels run aground or taking on water	15

Misc. Equipment Items Questions (Navigation/GPS/Chart Plot)

11. Item Details

- 11 a. Is this equipment general all-purpose gear? NOTE: person-specific Yes No items will not be funded.
- 11 b. Describe exactly what you are requesting and how this equipment will help mitigate the boating safety issues you identified in Question 7. If your requested quantity is more than one for any item, explain the need for having multiple items. (max. 2000 characters)

The following equipment is requested for the "Mission City" and "Rescue 22" patrol boats:

1. Navigation/GPS/Chart Plot Systems - This equipment is required to navigate, operate, and locate people, vessels, obstacles, and hazards. Additionally, this equipment is required to provide constant and accurate location information for situational awareness. This contributes to aiding with the top three identified problem areas of (1) rescue and enforcement of persons not wearing life jackets/PFDs, (2) searching for overdue and lost people and vessels, and (3) search and rescue missions involving missing people and vessels.

11 c. Describe any negative impacts to boating safety and/or boating enforcement if you do not get this grant.

The navigation/GPS/chart plotting equipment for Mission City patrol boat is 20 years old and is beyond its reasonable life span. Most of the equipment cannot be repaired since parts are no longer available. If the Marine Unit does not replace the old navigation/GPS/Chart plotting equipment on Mission City, it will not be able to remain in-service to focus on the three main identified problem areas, continue to conduct enforcement operations, and respond to search and rescue emergencies.

The equipment for Rescue 22 patrol boat faces the same circumstance as Mission City patrol boat. The navigation/GPS/chart plotting equipment aboard Rescue 22 is ten years old and becoming a maintenance issue due to no or hard-to-find parts. If the equipment fails to function as needed, then Rescue 22 will need to be taken out of service, and it will not be able to focus on the three main identified problem areas, continue to conduct enforcement operations, and respond to search and rescue emergencies.

11 d. Classify this request

Classify this request by choosing one of the following options and present a strong justification for the request

- "Critical" (operations would cease without it)
- "Increased efficiency" (if it would save staff time, identify how much time)
- "Convenience" (it would make life a little easier)
- "Protection" of existing equipment (ex: shade tents, hoists to get the vessels out of the water, etc. to extend longevity)

Justify your classification of this request. (max. 300 characters)

The Navigation/GPS/Chart Plot equipment for Mission City and Rescue 22 patrol boat is old and outdated. Both boats will not be able to remain in service when this equipment fails. Both boats will not be able to focus on the three main identified problem areas as well as other missions.

Percentage of time on the water this equipment will be used for:

Exhibit G - BOATING SAFETY AND ENFORCEMENT EQUIPMENT GRANTEE APPLICATION

Activity	Percentage
Boating Safety Activities	45
Search and Rescue Activities	45
Other Activities	10
TOTAL	100.00

List any other activities this equipment will be used for: (max 300 characters)

Mission City and Rescue 22 operate during special events, such as SF Bay Opening Day, Marin Triathlon, and SF Fleet Week, which all require the ability to have navigation and radio equipment.

- 11 e. If you are not awarded your full request, would your agency be able to supplement the difference? Yes No

If yes, what percentage can you supplement?

11 f. What other capabilities exist in your region for this equipment? Justify why it is not feasible to borrow this equipment from a neighboring agency.

There are limited to no other capabilities that the San Rafael Police Marine Unit could use. The San Rafael Police Marine Unit is considered the regional asset for the area. This equipment is vital to the operation of the patrol boats themselves and is essential for San Rafael Bay and Creek operations as well as operating in San Pablo Bay. While the Marin Sheriff and the United States Coast Guard have assets that could assist, they often call us to assist them since they have extended response times or no availability.

11 g. How and why did you select this particular model? Explain if this is standard equipment or do you need something specialized for your waterbody to meet your agency's needs? List less expensive models considered and explain why they are not being requested. List other funding sources available to your agency that could be used to purchase or partially purchase this equipment.

The makes and models of the equipment identified are considered reliable and the "standard" for our needs and use and were determined using a respected and trusted vendor. The equipment is also backed by industry-leading manufacturers who provide trusted and quality warranties and service.

There is no other less expensive equipment/makes/models due to it being sub-standard for the rigorous needs of our Marine Unit. 20 and 10-year-old versions of these makes/models are what is being requested for replacement.

There are currently no other funding sources available to the police department. The police department's marine unit funding is currently 321% over budget in just this year alone. SRPD has made it a priority to maintain both boats and due to age and maintenance, the ability to have extra funds for these types of equipment currently does not exist.

Misc. Equipment - Informational

- 11 h. What body(s) of water will this equipment be used on?

San Rafael Bay and Creek, San Pablo Bay, and San Francisco Bay.

- 11 i. How many hours per month on average will this equipment be used for Boating Safety Enforcement?

May through September 500

October through April 500

- 11 j. Will this equipment be used for anything besides Recreational Boating Safety Enforcement (ie. Junior lifeguard, swimming rescues, enforcing commercial activities, etc.)? Yes No

If YES, complete the table below

List Other Activity (NOT BOATING RELATED ACTIVITY)	Hours per month on average this equipment will be used for other Activity
Community Police Academy Ride-alongs	1
Law Enforcement Investigations (Homicides, Missing Persons, Suicides)	2

11 k. Select the PRIMARY purpose this equipment will be used for:

- Search and rescue
- Enforcement of state and local measures
- Inspection of vessels
- Recovering drowned bodies
- Supervising organized water events

11 l. If Search and Rescue is the primary purpose, list the activity (i.e: recovery of drowned body) and the number of boating-related emergencies this equipment would have been used for last year doing that activity. Do not include NON-BOATING emergencies (i.e: those related to swimmers)

BOATING-RELATED ACTIVITY	NUMBER OF TIMES NEEDED LAST YEAR
Missing/overdue boats	5
Kayakers and paddle boarders in distress	24
Drowned bodies	2
Vessels run aground or taking on water	15

Misc. Equipment Items Questions (VHF Radios and RDF)

11. Item Details

11 a. Is this equipment general all-purpose gear? NOTE: person-specific Yes No items will not be funded.

11 b. Describe exactly what you are requesting and how this equipment will help mitigate the boating safety issues you identified in Question 7. If your requested quantity is more than one for any item, explain the need for having multiple items. (max. 2000 characters)

The following equipment is requested for the "Mission City" and "Rescue 22":

1. VHF Radios and RDFs - This equipment is required to receive and relay information between other vessels and rescue assets. It is also used to warn and notify the general public of known hazards or emergencies. To communicate with people and vessels in distress. The RDF assists with locating the last known points of transmission. This will be essential to for work focused on the top three identified problem areas.

11 c. Describe any negative impacts to boating safety and/or boating enforcement if you do not get this grant.

The equipment for Mission City patrol boat is 20 years old and is beyond its reasonable life span. Most of the equipment cannot be repaired since parts are no longer available. If the Marine Unit does not replace the old VHF Radios and RDF equipment on Mission City, it will not be able to remain in-service to focus on the three main identified problem areas, continue to conduct enforcement operations and respond to search and rescue emergencies.

The equipment for Rescue 22 patrol boat faces the same circumstance as Mission City patrol boat. The VHF radios and RDF equipment aboard Rescue 22 is ten years old and becoming a maintenance issue due to no or hard-to-find parts. If the equipment fails to function as needed, then Rescue 22 will need to be taken out of service, and it will not be able to focus on the three main identified problem areas, continue to conduct enforcement operations, and respond to search and rescue emergencies.

11 d. Classify this request

Classify this request by choosing one of the following options and present a strong justification for the request

- "Critical" (operations would cease without it)
- "Increased efficiency" (if it would save staff time, identify how much time)
- "Convenience" (it would make life a little easier)
- "Protection" of existing equipment (ex: shade tents, hoists to get the vessels out of the water, etc. to extend longevity)

Justify your classification of this request. (max. 300 characters)

The VHF Radios and RDF systems for both patrol boats are old and outdated. Both boats will not be able to remain in service when this equipment fails. Both boats will not be able to focus on the three main identified problem areas as well as other missions.

Percentage of time on the water this equipment will be used for:

Activity	Percentage
Boating Safety Activities	45
Search and Rescue Activities	45
Other Activities	10
TOTAL	100.00

List any other activities this equipment will be used for: (max 300 characters)

Mission City and Rescue 22 operate during special events, such as SF Bay Opening Day, Marin Triathlon, and SF Fleet Week, which all require the ability to have navigation, RADAR, and radio equipment.

- 11 e. If you are not awarded your full request, would your agency be able to supplement the difference? Yes No

If yes, what percentage can you supplement? 5

11 f. What other capabilities exist in your region for this equipment? Justify why it is not feasible to borrow this equipment from a neighboring agency.

There are limited to no other capabilities that the San Rafael Police Marine Unit could use. The San Rafael Police Marine Unit is considered the regional asset for the area. This equipment is vital to the operation of the patrol boats themselves and is essential for San Rafael Bay and Creek operations as well as operating in San Pablo Bay. While the Marin Sheriff and the United States Coast Guard have assets that could assist, they often call us to assist them since they have extended response times or no availability.

11 g. How and why did you select this particular model? Explain if this is standard equipment or do you need something specialized for your waterbody to meet your agency's needs? List less expensive models considered and explain why they are not being requested. List other funding sources available to your agency that could be used to purchase or partially purchase this equipment.

The makes and models of the equipment identified are considered reliable and the "standard" for our needs and use

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and were determined using a respected and trusted vendor. The equipment is also backed by industry-leading manufacturers who provide trusted and quality warranties and service.

There is no other less expensive equipment/makes/models due to it being sub-standard for the rigorous needs of our Marine Unit. 20 and 10-year-old versions of these makes/models are what is being requested for replacement.

There are currently no other funding sources available to the police department. The police department's marine unit funding is currently 321% over budget in just this year alone. SRPD has made it a priority to maintain both boats and due to age and maintenance, the ability to have extra funds for these types of equipment currently does not exist.

Misc. Equipment - Informational

11 h. What body(s) of water will this equipment be used on?

San Rafael Bay and Creek, San Pablo Bay, and San Francisco Bay

11 i. How many hours per month on average will this equipment be used for Boating Safety Enforcement?

May through September 600

October through April 500

11 j. Will this equipment be used for anything besides Recreational Boating Safety Enforcement (ie. Junior lifeguard, swimming rescues, enforcing commercial activities, etc.)? Yes No

If YES, complete the table below

List Other Activity (NOT BOATING RELATED ACTIVITY)	Hours per month on average this equipment will be used for other Activity
Community Police Academy Ride-alongs	1
Law Enforcement Investigations (Homicides, Missing Persons, Suicides)	2

11 k. Select the PRIMARY purpose this equipment will be used for:

- Search and rescue
- Enforcement of state and local measures
- Inspection of vessels
- Recovering drowned bodies
- Supervising organized water events

11 l. If Search and Rescue is the primary purpose, list the activity (i.e: recovery of drowned body) and the number of boating-related emergencies this equipment would have been used for last year doing that activity. Do not include NON-BOATING emergencies (i.e: those related to swimmers)

BOATING-RELATED ACTIVITY	NUMBER OF TIMES NEEDED LAST YEAR
Missing/overdue boats	5
Kayakers and paddle boarders in distress	24
Drowned bodies	2
Vessels run aground or taking on water	15

Misc. Equipment Items Questions (Thermal Imaging Camera)

11. Item Details

11 a. Is this equipment general all-purpose gear? NOTE: person-specific Yes No
items will not be funded.

11 b. Describe exactly what you are requesting and how this equipment will help mitigate the boating safety issues you identified in Question 7. If your requested quantity is more than one for any item, explain the need for having multiple items. (max. 2000 characters)

Mission City patrol needs the following:

1. Thermal imaging camera system - This equipment is required for search and rescue missions. This equipment will aid in the identified problem areas of (2) searching for missing people and vessels, and (3) search and rescue missions involving missing people and vessels.

11 c. Describe any negative impacts to boating safety and/or boating enforcement if you do not get this grant.

The equipment for Mission City patrol boat is 20 years old and is beyond its reasonable life span. Most of the equipment cannot be repaired since parts are no longer available. If the Marine Unit does not replace the old thermal imaging camera equipment on Mission City, it will be limited or unable to properly function as a search and rescue asset. The majority of search and rescue missions seem to occur during low visibility or nighttime. The equipment greatly assists in extending search capabilities.

11 d. Classify this request

Classify this request by choosing one of the following options and present a strong justification for the request

- "Critical" (operations would cease without it)
- "Increased efficiency" (if it would save staff time, identify how much time)
- "Convenience" (it would make life a little easier)
- "Protection" of existing equipment (ex: shade tents, hoists to get the vessels out of the water, etc. to extend longevity)

Justify your classification of this request. (max. 300 characters)

The thermal imaging equipment for Mission City patrol boat is very old and likely to fail at any time. Mission City will be limited and unable to support low-visibility/night-time search and rescue missions.

Percentage of time on the water this equipment will be used for:

Activity	Percentage
Boating Safety Activities	20
Search and Rescue Activities	80
Other Activities	0
TOTAL	100.00

List any other activities this equipment will be used for: (max 300 characters)

Potentially for law enforcement missions involving searches for suspects during case and arrest missions.

11 e. If you are not awarded your full request, would your agency be Yes No
able to supplement the difference?

If yes, what percentage can you supplement?

11 f. What other capabilities exist in your region for this equipment? Justify why it is not feasible to borrow this equipment from a neighboring agency.

There are limited to no other capabilities that the San Rafael Police Marine Unit could use. The San Rafael Police Marine Unit is considered the regional asset for the area. This equipment is vital to the operation of the patrol boats themselves and is essential for San Rafael Bay and Creek operations as well as operating in San Pablo Bay. While the Marin Sheriff and the United States Coast Guard have assets that could assist, they often call us to assist them since they have extended response times or no availability.

11 g. How and why did you select this particular model? Explain if this is standard equipment or do you need something specialized for your waterbody to meet your agency's needs? List less expensive models considered and explain why they are not being requested. List other funding sources available to your agency that could be used to purchase or partially purchase this equipment.

The makes and models of the equipment identified are considered reliable and the "standard" for our needs and use and were determined using a respected and trusted vendor. The equipment is also backed by industry-leading manufacturers who provide trusted and quality warranties and service.

There is no other less expensive equipment/makes/models due to it being sub-standard for the rigorous needs of our Marine Unit. 20 and 10-year-old versions of these makes/models are what is being requested for replacement.

There are currently no other funding sources available to the police department. The police department's marine unit funding is currently 321% over budget in just this year alone. SRPD has made it a priority to maintain both boats and due to age and maintenance, the ability to have extra funds for these types of equipment currently does not exist.

Misc. Equipment - Informational

11 h. What body(s) of water will this equipment be used on?

San Rafael Bay and Creek, San Pablo Bay, San Francisco Bay

11 i. How many hours per month on average will this equipment be used for Boating Safety Enforcement?

May through September 40

October through April 40

11 j. Will this equipment be used for anything besides Recreational Boating Safety Enforcement (ie. Junior lifeguard, swimming rescues, enforcing commercial activities, etc.)? Yes No

If YES, complete the table below

List Other Activity (NOT BOATING RELATED ACTIVITY)	Hours per month on average this equipment will be used for other Activity
Law Enforcement Investigations (Homicides, Missing Persons, Suicides)	2

11 k. Select the PRIMARY purpose this equipment will be used for:

- Search and rescue
- Enforcement of state and local measures
- Inspection of vessels
- Recovering drowned bodies

- Supervising organized water events

11 l. If Search and Rescue is the primary purpose, list the activity (i.e: recovery of drowned body) and the number of boating-related emergencies this equipment would have been used for last year doing that activity. Do not include NON-BOATING emergencies (i.e: those related to swimmers)

BOATING-RELATED ACTIVITY	NUMBER OF TIMES NEEDED LAST YEAR
Missing/overdue boats	5
Kayakers and paddle boarders in distress	24
Vessels run aground or taking on water	15

Misc. Equipment Items Questions (Side Scanning SONAR)

11. Item Details

- 11 a. Is this equipment general all-purpose gear? NOTE: person-specific Yes No items will not be funded.
- 11 b. Describe exactly what you are requesting and how this equipment will help mitigate the boating safety issues you identified in Question 7. If your requested quantity is more than one for any item, explain the need for having multiple items. (max. 2000 characters)

Mission City boat patrol needs the following:

1. Side scanning SONAR - This equipment is required for submerged vessels, bodies, vehicles, and artifacts. This will aid with (3) search and rescue missions involving missing people and vessels.

11 c. Describe any negative impacts to boating safety and/or boating enforcement if you do not get this grant.

The equipment for Mission City patrol boat is 20 years old and is beyond its reasonable life span. Most of the equipment cannot be repaired since parts are no longer available. If the Marine Unit does not replace the old side scanning SONAR equipment on Mission City, it will not be able to conduct or support search and rescue and law enforcement-specific missions where this equipment has been found to be essential in homicides, vehicles into the water, downed aircraft, body recovery, and article searches. Mission City patrol boat is considered a regional asset for this equipment.

11 d. Classify this request

Classify this request by choosing one of the following options and present a strong justification for the request

- "Critical" (operations would cease without it)
- "Increased efficiency" (if it would save staff time, identify how much time)
- "Convenience" (it would make life a little easier)
- "Protection" of existing equipment (ex: shade tents, hoists to get the vessels out of the water, etc. to extend longevity)

Justify your classification of this request. (max. 300 characters)

The side scanning SONAR equipment for Mission City patrol boat is very old and likely to fail at any time. Mission City will be limited and unable to conduct search and rescue missions, such as drowned bodies, vehicles into the water, downed aircraft, article searches, and more.

Percentage of time on the water this equipment will be used for:

Exhibit G - BOATING SAFETY AND ENFORCEMENT EQUIPMENT GRANTEE APPLICATION

Activity	Percentage
Boating Safety Activities	0
Search and Rescue Activities	100
Other Activities	0
TOTAL	100.00

List any other activities this equipment will be used for: (max 300 characters)

It can be used to support law enforcement missions involving suspicious incidents and case investigations. Additionally, we will be able to provide a regional asset for other partnering agencies.

- 11 e. If you are not awarded your full request, would your agency be able to supplement the difference? Yes No

If yes, what percentage can you supplement?

11 f. What other capabilities exist in your region for this equipment? Justify why it is not feasible to borrow this equipment from a neighboring agency.

There are limited to no other capabilities that the San Rafael Police Marine Unit could use. The San Rafael Police Marine Unit is considered the regional asset for the area. This equipment is vital to the operation of the patrol boats themselves and is essential for San Rafael Bay and Creek operations as well as operating in San Pablo Bay. While the United States Coast Guard have assets that could assist, they often call us to assist them since they have extended response times or no availability.

11 g. How and why did you select this particular model? Explain if this is standard equipment or do you need something specialized for your waterbody to meet your agency's needs? List less expensive models considered and explain why they are not being requested. List other funding sources available to your agency that could be used to purchase or partially purchase this equipment.

The makes and models of the equipment identified are considered reliable and the "standard" for our needs and use and were determined using a respected and trusted vendor. The equipment is also backed by industry-leading manufacturers who provide trusted and quality warranties and service.

There is no other less expensive equipment/makes/models due to it being sub-standard for the rigorous needs of our Marine Unit. 20 and 10-year-old versions of these makes/models are what is being requested for replacement.

There are currently no other funding sources available to the police department. The police department's marine unit funding is currently 321% over budget in just this year alone. SRPD has made it a priority to maintain both boats and due to age and maintenance, the ability to have extra funds for these types of equipment currently does not exist.

Misc. Equipment - Informational

- 11 h. What body(s) of water will this equipment be used on?

San Rafael Bay and Creek, San Pablo Bay, San Francisco Bay

- 11 i. How many hours per month on average will this equipment be used for Boating Safety Enforcement?

May through September 5

October through April 5

- 11 j. Will this equipment be used for anything besides Recreational Boating Safety Enforcement (ie. Junior lifeguard, swimming rescues, enforcing commercial activities, etc.)? Yes No

Exhibit G - BOATING SAFETY AND ENFORCEMENT EQUIPMENT GRANTEE APPLICATION

If YES, complete the table below

List Other Activity (NOT BOATING RELATED ACTIVITY)	Hours per month on average this equipment will be used for other Activity

11 k. Select the PRIMARY purpose this equipment will be used for:

- Search and rescue
- Enforcement of state and local measures
- Inspection of vessels
- Recovering drowned bodies
- Supervising organized water events

11 l. If Search and Rescue is the primary purpose, list the activity (i.e: recovery of drowned body) and the number of boating-related emergencies this equipment would have been used for last year doing that activity. Do not include NON-BOATING emergencies (i.e: those related to swimmers)

BOATING-RELATED ACTIVITY	NUMBER OF TIMES NEEDED LAST YEAR
Missing/overdue boats	5
Drowned bodies	2

12 Previous BSEE Grants

	FY 21/22	FY 20/21	FY 19/20
Did your agency apply for a BSEE grant ?	No	No	No
Were you awarded a BSEE grant? (leave blank if No)			
Amount awarded: (List amount or leave blank if No or NA)			
Amount reimbursed: (List amount or leave blank if No or NA)			
List the equipment purchased: (List leave blank if No or NA)			

Boating Safety and Enforcement Income

13. Revenue and Expenditures

Boat Tax Revenue	0.00
Other Revenue:	
a) Other local revenue sources: (Example: launching facilities, campgrounds, parking, anything that goes toward marine patrol support)	0.00
b) Any State boating funding sources, including DBW subvention/financial aid:	0.00
TOTAL ANNUAL BOATING INCOME IN YOUR OPERATING BUDGET	0.00
TOTAL EXPENDITURES FOR BOATING SAFETY AND ENFORCEMENT	22,000.00

14. If you participated in the subvention/financial aid program, were all Yes No NA allocated funds expended in the previous closed year?

If NO, state percentage of remaining funds.

Budget Detail for Boating Safety and Enforcement Equipment Grant - FY 2023 / 24
 Agency: City of San Rafael
 Application: Boating Safety and Enforcement Equipment Grant - FY 2023 / 24

	Line Item	Qty	Rate	UOM	Total	Req Amount
1	Patrol Boat					
2	Equipment					
	RADAR Systems	2.0000	9151.500	SET	18,303.00	18,303.00
	Navigation/GPS/Chart Plot	2.0000	14706.000	SET	29,412.00	29,412.00
	VHF Radios and RDF	2.0000	14192.000	SET	28,384.00	28,384.00
	Thermal Imaging Camera	0.0000	0.000	SET	0.00	0.00
	Side Scanning SONAR	0.0000	0.000	SET	0.00	0.00
Total for Equipment					76,099.00	76,099.00
3	Adjustment					
TOTAL EXPENDITURES					76,099.00	76,099.00

Budget Summary for Boating Safety and Enforcement Equipment Grant - FY 2023 / 24
 Agency: City of San Rafael
 Application: Boating Safety and Enforcement Equipment Grant - FY 2023 / 24

	Category	Total	Req Amount	Narrative
1	Patrol Boat	0.00	0.00	
2	Equipment	76,099.00	76,099.00	
3	Adjustment	0.00	0.00	
TOTAL EXPENDITURES		76,099.00	76,099.00	

Applicant Certification

a. Under penalty of perjury, I certify that I have examined this application and the document(s), proposal(s), and statement(s) submitted in conjunction herewith, and that to the best of my information and belief, the information contained herein is true, accurate, correct, and complete.

b. I certify that I am the person authorized to submit this application on behalf of the applicant.

Name: Justin Graham

Title: Police Sergeant

Date Signed: 04/27/202

3



SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Police Department

Prepared by: D.C. Spiller, Police Chief

City Manager Approval: 

TOPIC: POLICE ACCOUNTABILITY AND ADVISORY COMMITTEE

SUBJECT: RESOLUTION REPEALING AND REPLACING RESOLUTION 15525 ESTABLISHING THE CITY OF SAN RAFAEL POLICE ACCOUNTABILITY AND ADVISORY COMMITTEE

RECOMMENDATION: Adopt a resolution repealing and replacing Resolution 15525 establishing the City of San Rafael Police Accountability and Advisory Committee (PAAC).

BACKGROUND:

On June 5, 2023, the City Council adopted Resolution 15525, establishing the Police Accountability and Advisory Committee. The Resolution indicated the City Council would select the initial Chair and Vice Chair of the Committee. Typically, under San Rafael's Boards, Commissions, and Committees Rules and Procedures, committees select their Chair and Vice Chair for the inaugural year of the committee, and staff recommends this practice for the PAAC.

ANALYSIS:

Staff recommends the City Council adopt a resolution repealing and replacing Resolution 15525, removing the City Council's appointment of the Chair and Vice Chair of the Committee. With this change, the PAAC will have the authority to appoint its Chair and Vice Chair for the inaugural year of the Committee, consistent with San Rafael's Boards, Commissions, and Committees Rules and Procedures.

RECOMMENDED ACTION: Adopt a resolution repealing and replacing Resolution 15525 establishing the City of San Rafael Police Accountability and Advisory Committee (PAAC).

ATTACHMENTS:

- 1. Resolution

FOR CITY CLERK ONLY

Meeting Date:

Disposition:

RESOLUTION NO.

RESOLUTION REPEALING AND REPLACING RESOLUTION 15525 ESTABLISHING THE CITY OF SAN RAFAEL POLICE ACCOUNTABILITY AND ADVISORY COMMITTEE

WHEREAS, the City of San Rafael City Council adopted Resolution 15525 on June 5, 2023; and

WHEREAS, the resolution provided authority to the City Council to appoint the Chair and Vice Chair of the initial Committee; and

WHEREAS, staff recommends the Committee appoint its Chair and Vice Chair, consistent with the rules outlined in San Rafael's Board, Commission and Committees Rules and Procedures.

NOW, THEREFORE, BE IT RESOLVED, by the San Rafael City Council repeal and replace Resolution 15525 as follows:

1. The City of San Rafael Police Accountability and Advisory Committee is hereby established as an advisory committee to the City Council to improve public transparency and accountability with respect to the San Rafael Police Department and provide greater community participation in making recommendations on police department policies, practices, and procedures.
2. The Committee will be comprised of seven members appointed by the City Council and may include alternate(s). Committee members must be City of San Rafael residents, who have pledged to be impartial, unbiased, and objective. The membership of the Committee should be inclusive and reflective of community members of diverse backgrounds including but not limited to race, ethnicity, age, gender identity, sexual orientation, economic status, and various communities of interest. Committee members must be City of San Rafael residents at least 18 years old (except for one designated seat for a youth member between ages of 17-26) Members are not required to have any specialty knowledge or particular skills to be eligible.
3. Each Committee member will serve a term of four (4) years, except for certain initial appointments which will be shorter to ensure that the terms are staggered, and not all of the appointments expire in the same year. Members will be limited to two consecutive four-year terms.
4. The City Clerk is hereby authorized to conduct an open, community-wide call for applications for Committee members.
5. The Police Accountability and Advisory Committee shall be governed by the City of San Rafael Boards, Commissions and Committees Rules and Procedures, adopted by the City Council by resolution in March 2023 (Resolution 15196). Staff will propose Police Accountability and Advisory Committee bylaws for City Council adoption at a future date following further community engagement. The bylaws will include specific details regarding responsibilities and meeting frequencies of the Committee.

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 said City held on Monday, the 20th day of November 2023, by the following vote, to wit:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

Lindsay Lara, City Clerk

collisions and increasing pedestrian and bicycle safety. The SRPD community outreach and social media teams regularly disseminate traffic safety information in a bilingual format.

ANALYSIS:

OTS has approved a grant of \$69,000 to the City of San Rafael. The project goal of this OTS grant is to reduce the number of people killed and injured in traffic collisions. Areas of focus include alcohol and drug-involved collisions, as well as other primary collision factors. The SRPD will implement “best practice” strategies through education and enforcement. The grant will provide the necessary resources for traffic enforcement, education operations, and advanced officer training.

Accepting and implementing this \$69,000 grant is critical to maintaining traffic safety levels in San Rafael. A review of collision data from the previous three years has indicated that most of the collisions within San Rafael occurred due to unsafe turns, excessive/unsafe speed, red-light violations, and driving under the influence of drugs and/or alcohol. The SRPD recognizes that additional education and enforcement are needed to reduce these numbers.

The SRPD encourages patrol and traffic officers to conduct focused enforcement to reduce alcohol, drug, pedestrian, and speed-related collisions. However, current staffing levels inherently limit the frequency of more proactive traffic enforcement efforts because officers are primarily focused on responding to emergency calls for service.

Should the City Council approve this grant, the SRPD will have the resources to implement enforcement programs including, but not limited to, various safety and awareness campaigns and enforcement operations. The grant also includes funding for advanced officer training and enforcement operations for distracted driving and bicycle/pedestrian safety, among others. Operations for this grant will be scheduled between October 1, 2023, and September 30, 2024.

The SRPD will report statistics quarterly to the Office of Traffic Safety, and the grant will be evaluated based on how well the stated goals and objectives were accomplished.

FISCAL IMPACT:

The grant funding will be received into the Grant Fund – Safety (Fund #281) and will be appropriated for operational expenses such as overtime costs, travel, and training associated with the focused enforcement of traffic safety, up to the total proceeds of the grant of \$69,000.

OPTIONS:

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

1. Adopt the resolution as presented.
2. Adopt the resolution with modifications.
3. Direct staff to return with more information.
4. Take no action.

RECOMMENDED ACTION:

Adopt the resolution approving the acceptance and appropriation of State of California Office of Traffic Safety grant funds in the amount of \$69,000 for the “Selective Traffic Enforcement Program” (STEP) grant from October 1, 2023, through September 30, 2024, and authorizing the City Manager to execute the grant agreement and any other documents related to the grant.

ATTACHMENTS:

1. Resolution
2. Year 2023/2024 California Office of Traffic Safety Selective Traffic Enforcement Program Grant.

RESOLUTION NO.

RESOLUTION APPROVING THE ACCEPTANCE AND APPROPRIATION OF STATE OF CALIFORNIA OFFICE OF TRAFFIC SAFETY GRANT FUNDS IN THE AMOUNT OF \$69,000 FOR THE “SELECTIVE TRAFFIC ENFORCEMENT PROGRAM” (“STEP”) GRANT FROM OCTOBER 1, 2023 THROUGH SEPTEMBER 30, 2024, AND AUTHORIZING THE CITY MANAGER TO EXECUTE A GRANT AGREEMENT AND ANY OTHER DOCUMENTS RELATED TO THE GRANT.

Whereas, the State of California, Office of Traffic Safety has tentatively approved a grant to the City of San Rafael in the amount of \$69,000; and

Whereas, the grant funds may be spent to pay overtime costs, travel and equipment purchase associated with the Selective Traffic Enforcement Program (“STEP”) Grant Program to mitigate traffic safety program deficiencies and expand ongoing activity; and

Whereas, to improve traffic safety, the San Rafael Police Department will use the STEP Grant funds for education campaigns, DUI saturation patrols, DUI repeat offender identification, distracted driving enforcement, traffic safety educational presentations, pedestrian/bicycle enforcement operations; and

Whereas, the Police Department will use the STEP Grant funds for overtime personnel costs of Captains, Lieutenants, Sergeants, Corporals, Officers, Community Service Officers, Dispatchers and Cadets incurred in connection with the enforcement activities, including training and travel and expenses related to enforcement activities; and

NOW, THEREFORE BE IT RESOLVED, that the City Council approves the acceptance and appropriation of \$69,000 in State of California Office of Traffic Safety Selective Traffic Enforcement Program funds to be appropriated in a Grant Fund; and authorizes the City Manager to execute a Grant Agreement and any documents related to the Grant.

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 20th day of November 2023 by the following vote, to wit:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

Lindsay Lara, City Clerk

E. ACCOUNTING OFFICER OF OFFICE OF TRAFFIC SAFETY NAME: Carolyn Vu ADDRESS: 2208 Kausen Drive, Suite 300 Elk Grove, CA 95758	9. SAM INFORMATION SAM #: CRDWQSJB4AR1 REGISTERED ADDRESS: 1400 5th Avenue, Room 204 CITY: San Rafael, CA 94901-1993 ZIP+4: San Rafael 94901-1993
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10. PROJECTED EXPENDITURES						
FUND	CFDA	ITEM/APPROPRIATION	F.Y.	CHAPTER	STATUTE	PROJECTED EXPENDITURES
164AL-24.1	20.608	0521-0890-101	2022	43/22	BA/22	\$8,160.00
402PT-24.1	20.600	0521-0890-101	2022	43/22	BA/22	\$15,300.00
164AL-24	20.608	0521-0890-101	2023	12/23	BA/23	\$15,840.00
402PT-24	20.600	0521-0890-101	2023	12/23	BA/23	\$29,700.00
					AGREEMENT TOTAL	\$69,000.00
					AMOUNT ENCUMBERED BY THIS DOCUMENT	\$69,000.00
<i>I CERTIFY upon my own personal knowledge that the budgeted funds for the current budget year are available for the period and purpose of the expenditure stated above.</i>					PRIOR AMOUNT ENCUMBERED FOR THIS AGREEMENT	\$ 0.00
					OTS ACCOUNTING OFFICER'S SIGNATURE DATE SIGNED	

1. PROBLEM STATEMENT

The San Rafael Police Department serves the people that live and work in the City of San Rafael. San Rafael serves as the seat of Marin County and has a population of approximately 57,912 people (US Census 2020). San Rafael also has ten of the top fifteen employers in Marin County.

Business and commerce bring people and traffic into San Rafael from other areas of the San Francisco Bay Area. The service population of San Rafael during the day swells to well over 100,000 people. The US-101 Freeway and Interstate 580 intersect in San Rafael, providing a substantial volume of traffic during morning and evening commute hours along with steady traffic flow during non-commute hours. As in other parts of the San Francisco Bay Area, the traditional commute hours start earlier and conclude well into the evening. Additionally, I-580 serves as an alternate route for commuters when State Route 37 is closed due to flooding or crashes and an alternate route for the San Francisco Bay Bridge when it faces similar circumstances. These frequent events significantly increase traffic volumes far beyond our surface streets' engineered capabilities.

Much of the traffic is concentrated in the downtown area, which is further congested by on-ramps and off-ramps connecting northbound and southbound US-101, plus eastbound/westbound I-580. The surrounding streets have an arterial effect, serving commuters from two neighboring cities and communities on the west side of Marin County. San Rafael's Downtown surface streets serve as arterial thoroughfares for the cities and communities of San Anselmo, Ross, Fairfax, and West Marin. San Rafael has served as a service hub and stopping point between the Wine Country to the north and San Francisco to the south for restaurants, gas stations, services, supplies, and other amenities.

San Rafael has additional arterial thoroughfares that have some of the highest traffic volumes in Marin County. These streets include Lincoln Avenue, which runs from the Terra Linda neighborhoods in northern San Rafael to downtown. Manuel T. Freitas Parkway and Las Gallinas Avenue that service the Terra Linda Neighborhoods and provide access to three major shopping centers/malls as well as provide routes to most residences in northern San Rafael. Francisco Boulevard East, Andersen Drive, and Bellam Boulevard all provide routes from Central San Rafael to the city's industrial, commercial, and additional high-density residential complexes. These three streets also provide alternate access in and around the US-101 and Interstate 580 Junction. Francisco Boulevard East is a primary route for pedestrians and bicycles that use the San Rafael Richmond Bridge and commute into Central San Rafael. It is also an alternative route for motorists when Interstate 580 is impacted by crashes or heavy traffic.

The San Rafael Transit Center, the largest transit center in the County and the North Bay Area, is in Downtown San Rafael. The San Rafael Transit Center is serviced by several transit authorities and transportation companies, such as Golden Gate Transit, Marin Transit, Sonoma County Transit, Sonoma Marin Area Rail Transit (SMART Train), Whistle Stop Wheels, Greyhound, Marin Airporter, Sonoma County Airport Express, various taxi services, rideshare, app-based ride services, and many others. Due to the significant volume of traffic through and around the transit has prompted local, county, state, and transportation authorities to look at expanding and moving the transit center within San Rafael's downtown to increase its service capability. While this project is in the early planning stages, it is not expected to resolve or reduce traffic congestion impacts necessarily. The transit center will remain in the busiest portion of downtown, somewhere along Heatherton Street, which parallels the US-101 freeway.

The downtown SMART train station, the San Rafael Transit Center, the US-101 ramps into downtown San Rafael, and the arterial streets of Second Street and Third Street that provide routes to neighboring cities and communities have caused significant congestion with vehicle, bicycle, and pedestrian traffic. Additionally, all these identified locations are within a block of each other. The proximity of these specific points has made the intersections that border them the busiest in the city. It has also been the area of a significant amount of injury pedestrian, bicycle, and vehicle crashes.

One of those is the intersection of Third Street and Hetherton Street. During the previous year, this intersection was redesigned to help facilitate vehicle, pedestrian, bicycle, and transit traffic. The intersection

of Third Street and Heatherton Street had been identified as one of the more dangerous intersections of San Rafael. It had been the scene of numerous fatal and injury crashes over the years. Based on the studies of these hazardous conditions, San Rafael's Department of Public Works Traffic Engineering Division moved crosswalks, expanded high visibility traffic signaling, implemented an all-red program (allowing pedestrians to have initial access to crosswalks while vehicle traffic remained stopped), and additional signage. The police department and traffic engineers continue to work together on this intersection through task force safety improvement meetings, public education, and enforcement.

In addition, San Rafael High School and Davidson Middle School are located within 0.5 miles of the transit center. Most of the student population from both schools walk to the transit center to take public transit or walk through the downtown area.

Our traffic engineering team also identified the top busiest routes in San Rafael. The study showed that the #1 route continued to be the east-west running Second and Third Streets, which provide access between downtown and the neighboring cities of San Anselmo, Fairfax, and the smaller unincorporated communities in West Marin. Second and Third Streets had a daily average count of 42,000+ vehicles combined. It should be noted that Second Street and Third Street are three-lane one-way streets. The #2 route was Bellam Boulevard between Francisco Boulevard East and Andersen Drive (located in the southeast portion of the city), with a daily average vehicle count of 30,000 vehicles.

In November 2019, the Richmond-San Rafael Bridge bike/pedestrian path opened. We have seen a significant increase in commuter bicycling that runs from San Rafael's west-end, through downtown, and onto the east-end where the San Rafael Richmond Bridge is located. This increase in bicycle traffic has created the opportunity to add dedicated bicycle lanes and re-route traditional bicycle routes to streets and thoroughfares currently under construction to accommodate the new volume of bicyclists. Additional infrastructure improvement projects are planned well into 2024. These improvements and changes will task the Traffic Engineering Division and the Police Department with new efforts aimed at public education, outreach, and high-visibility traffic enforcement.

The city's customer service satisfaction surveys continue to show the public's concern is traffic congestion and safety. Traffic safety concerns mostly revolve around speed, red-light running, vehicles violating the pedestrian right of way, DUI, and reckless driving. San Rafael's elected officials, leaders, and responsible departments work together, with limited resources, to address these issues collaboratively through community outreach and education, infrastructure improvement projects, and enforcement.

In addition to the concerns expressed in the satisfaction surveys, ongoing community traffic complaints have focused on speeding concerns in four consistently identified locations. Those locations have been identified as Point San Pedro Road in the city's east end, the Miracle Mile (eastbound Fourth and Second Streets) in the west end, Third Street and Mission Street at San Rafael High School, and Nova Albion Way at Terra Linda High School. These traffic complaint locations have also received the attention of our City Council and city leadership. City Council members and leaders have partnered with the police department to conduct community outreach through neighborhood organizations/homeowners' associations to generate community awareness that holds citizens and neighbors accountable to each other.

To further assist with outreach and enforcement, our Motor/Traffic Unit currently uses its two RADAR feedback trailers full-time between these top four complaint locations and other problematic sites. While this has been beneficial for the most highly complained about locations, it still is not the cure. The need for additional outreach and enforcement continues in these and many other problematic areas.

Crash data from 2021 through 2022 indicated that most of the city's crashes occur due to unsafe turns, excessive/unsafe speed, red-light violations, and driving under the influence. For 2022 specifically, we saw that the primary crash factor of driving under the influence remains in the top #3 position. This statistic further supports the need for additional partnerships, education, and enforcement.

The community and the police department has also struggled for several years to reduce fatal and injury crashes involving pedestrians and bicyclists. According to the 2020 OTS Crash Ranking Results, San Rafael was ranked 24 of 106 for total fatal and injury crashes, 3 of 106 for crashes involving bicyclists, 3 of 106 for crashes involving pedestrians, and 6 of 102 for crashes involving pedestrians age 65+.

During the 21-2022 STEP Grant, we continued to work on reducing these incidents and improving our rankings. SRPD is glad to report that we did not have a fatal crash during the 2021-2022 STEP Grant period and through the calendar year 2022. However, we did see the number of those injured increase to 234 (an increase of 37.6%). During 21-2022, there was also a 37.6% increase in pedestrians-involved crashes, while there was a minimal decrease of 3.7% in bicycle-related crashes. Lastly, during the 21-2022 period, we also observed an unfortunate increase in under-the-influence crashes that went from 10 in 2021 to almost double that in 2022.

These statistics reflect that San Rafael has disproportionate crashes involving bicyclists, pedestrians, and those under the influence. Unfortunately, no city wants to be ranked in the top tier of any category where its population is identified as being at risk.

Since San Rafael is ranked in the top ten categories for pedestrian and bicycle crashes based on 2020 SWITRS crash data and will likely remain in the top ten categories based on local statistics for 2021 and 2022, we have significant and ongoing work that needs to be done to bring these numbers down. San Rafael also recognizes that the statistics for 2020, 2021, and 2022 for crashes involving driving under the influence are unacceptable. We must continue to work on driving these numbers down as well.

As a result, the police department will continue additional community outreach, education, and high-visibility well-publicized enforcement operations. It is also recognized that partnerships maintained with other city departments and allied agencies, such as the city's Department of Public Works Traffic Engineering Division, the Office of Traffic Safety (OTS), the California Highway Patrol (CHP), and other Marin County Law Enforcement Agencies are vital in addressing these identified problem areas. SRPD is currently collaborating with the CHP and other Marin County Law Enforcement Agencies to conduct traffic enforcement operations in shared jurisdictions and other locations where similar problems have been identified.

Based on the events and statistics from 2020 through 2022, the police department has set a goal to continue its pedestrian/bicycle enforcement, general traffic enforcement, and DUI enforcement operations. We have also identified that to keep these goals; we must strive to keep our personnel numbers at full staffing authorization levels. We also recognize that much of our traffic and DUI enforcement efforts will need to be done through extra-duty assignments since current resource priorities must be directed to 9-1-1 emergency calls, calls for service, and case investigations.

With our limited resources, SRPD has directed patrol and motor officers to reduce DUIs, red signal light violations, and speed-related crashes and increase pedestrian and bicyclist safety enforcement when available during their shifts. Statistical information and analysis have been provided to police personnel to show where enforcement deployments should occur. SRPD maintains a traffic information board that shows where the top crash intersection are, what the top PCFs are, where the most traffic safety complaints are occurring, where DUI incidents and arrests are occurring, posting DMV DUI Offender Hot List, and by posting the Marin County Adult Probation Department DUI Top Offender List.

Our sworn personnel availability has significantly diminished due to the city budget, injuries, retirements, and resignations. At SRPD's peak staffing in 2007, the police department had eight officers assigned to the motor/traffic unit. After the economic downturn in 2008, the motor/traffic unit was cut to just two positions when there was no authorization to backfill police department staffing due to attrition. Today we are still at post-2008 authorized staffing levels, and the traffic unit has been eliminated and staffed with only a sergeant.

Most newly hired officers face a learning curve, especially in traffic safety and DUI investigations. The ongoing ability to send officers to SFST/ARIDE DUI classes and RADAR/LIDAR classes will be essential to meeting the goals of DUI enforcement and traffic enforcement operations.

There are currently no motor officers assigned to the Traffic Unit. At times, officers are asked to assist with patrol staffing requirements. This increase in workload has resulted in a significant decrease in proactive traffic enforcement by motor officers. Police Chief David C. Spiller has assessed current department staffing and the ability to match the demand for services that are important to the community and determined that

the department needs to add eight additional sworn personnel. Adding eight sworn personnel is beyond the current authorized positions approved by the city. One of the main priorities for the added personnel would be to increase the traffic/motor officer unit from two to four personnel. However, budget constraints limit the ability for additional personnel to be added to the police department at this time.

The current option for the police department to continue traffic, pedestrian, bicycle, and DUI enforcement operations is to provide extra-duty overtime assignments and shifts. Since every police department's priority is to respond to 9-1-1 emergency calls, crimes-in-progress, and investigate criminal cases, this limits free and available time with minimal staff to work proactively on specific and important issues, such as traffic-related enforcement programs.

The utilization of STEP Grant funds and resources significantly improves the police department's resources and ability to reduce injury and fatal crashes and commit to traffic and DUI enforcement operations, community outreach, and public education.

Since speeding was ranked as a significant primary cause of crashes in 2020, 2021, and 2022, the police department identified that it needed to continue to deploy its tools and equipment to conduct these focused traffic enforcement operations. Sworn personnel have access to and use seven LIDAR units thanks to prior and current OTS STEP Grants. Additionally, SRPD regularly deploys speed feedback trailers and is preparing to receive one more that was purchased during this grant period (2022-23). All three trailers will be kept in service year-round as a tool for speed reduction and community awareness.

Additionally, SRPD is committed to the ongoing training of officers to be certified in using LIDAR/RADAR. In 2021, five officers were sent to POST certified LIDAR/RADAR class hosted at the Marin California Highway Patrol Office. In 2023, more officers will be sent to POST-certified RADAR/LIDAR as part of the department's advanced officer training program.

The police department has observed that DUI saturation patrol operations and DUI checkpoints are effective in locating and apprehending DUI drivers and being an educational outreach tool. The police department has used press releases and social media platforms to highly publicize the DUI checkpoints and DUI saturation patrol operations to raise awareness about DUI with the public.

For the OTS STEP Grant fiscal period of 2023 through 2024, and including the current grant period of 2022 through 2023, the San Rafael Police Department is focused and will continue its focus on pedestrian/bicycle enforcement operations, traffic enforcement operations specifically directed at reducing excessive/unsafe speed, red light running, distracted driving violations, and DUI enforcement campaigns.

The police department will also continue to promote community awareness and education. In fact, in 2023, SRPD has already expanded its outreach with more community engagement programs, at least two scheduled community member police academies in both Spanish and English, and expanded its social media team for more frequent postings, outreach, and education.

We have planned and will continue to plan more aggressive enforcement strategies to reduce the number of pedestrians and bicyclists injured and killed by conducting highly publicized crosswalk enforcement stings, pedestrian enforcement saturation patrols, bicycle enforcement saturation patrols, and engagement with our local bicycle coalition, neighborhood groups, and neighborhood associations. We have committed to continuing our traffic safety task force partnership with our city traffic engineers to improve infrastructure that increases pedestrian/vehicle visibility and safety.

During 2022, San Rafael experienced an increase in fatal and injury crashes to (198) from (165) in 2021:

Fatal crashes- Zero from 3 in 2021.

Injury crashes- 198 with 237 victims.

Included within these crashes, 19 injury DUI crashes with 23 victims.

Of these 198 crashes:

36 were due to unsafe speed resulting in 39 injured.

19 were due to DUI resulting in 23 injured.
 17 were due to improper turning resulting in 22 injured.

(The above statistics represent injury and fatal crashes only)

2. PERFORMANCE MEASURES

A. Goals:

1. Reduce the number of persons killed in traffic crashes.
2. Reduce the number of persons injured in traffic crashes.
3. Reduce the number of pedestrians killed in traffic crashes.
4. Reduce the number of pedestrians injured in traffic crashes.
5. Reduce the number of bicyclists killed in traffic crashes.
6. Reduce the number of bicyclists injured in traffic crashes.
7. Reduce the number of persons killed in alcohol-involved crashes.
8. Reduce the number of persons injured in alcohol-involved crashes.
9. Reduce the number of persons killed in drug-involved crashes.
10. Reduce the number of persons injured in drug-involved crashes.
11. Reduce the number of persons killed in alcohol/drug combo-involved crashes.
12. Reduce the number of persons injured in alcohol/drug combo-involved crashes.
13. Reduce the number of motorcyclists killed in traffic crashes.
14. Reduce the number of motorcyclists injured in traffic crashes.
15. Reduce hit & run fatal crashes.
16. Reduce hit & run injury crashes.
17. Reduce nighttime (2100 - 0259 hours) fatal crashes.
18. Reduce nighttime (2100 - 0259 hours) injury crashes.

B. Objectives:

Target Number

1. Issue a press release announcing the kick-off of the grant by November 15. The kick-off press releases and media advisories, alerts, and materials must be emailed to the OTS Public Information Officer at pio@ots.ca.gov , and copied to your OTS Coordinator, for approval 14 days prior to the issuance date of the release.	1
2. Participate and report data (as required) in the following campaigns; Quarter 1: National Walk to School Day, National Teen Driver Safety Week, NHTSA Winter Mobilization; Quarter 3: National Distracted Driving Awareness Month, National Motorcycle Safety Month, National Bicycle Safety Month, National Click it or Ticket Mobilization; Quarter 4: NHTSA Summer Mobilization, National Child Passenger Safety Week, and California's Pedestrian Safety Month.	10
3. Develop (by December 31) and/or maintain a "DUI BOLO" program to notify patrol and traffic officers to be on the lookout for identified repeat DUI offenders with a suspended or revoked license as a result of DUI convictions. Updated DUI BOLOs should be distributed to patrol and traffic officers monthly.	12
4. Send law enforcement personnel to the NHTSA Standardized Field Sobriety Testing (SFST) (minimum 16 hours) POST-certified training.	4
5. Send law enforcement personnel to the NHTSA Advanced Roadside Impaired Driving Enforcement (ARIDE) 16 hour POST-certified training.	4
6. Send law enforcement personnel to SFST Instructor training.	1
7. Conduct DUI Saturation Patrol operation(s).	12
8. Conduct Traffic Enforcement operation(s), including but not limited to, primary crash factor violations.	20
9. Conduct highly publicized Distracted Driving enforcement operation(s) targeting drivers using hand held cell phones and texting.	10
10. Conduct highly publicized pedestrian and/or bicycle enforcement operation(s) in areas or during events with a high number of pedestrian and/or bicycle crashes resulting from violations made by pedestrians, bicyclists, and drivers.	8
11. Conduct Traffic Safety educational presentation(s) with an effort to reach community members. Note: Presentation(s) may include topics such as distracted driving, DUI, speed, bicycle and pedestrian safety, seat belts and child passenger safety.	2

3. METHOD OF PROCEDURE

A. Phase 1 – Program Preparation (1st Quarter of Grant Year)

- The department will develop operational plans to implement the “best practice” strategies outlined in the objectives section.
- All training needed to implement the program should be conducted in the first quarter.
- All grant related purchases needed to implement the program should be made in the first quarter.
- In order to develop/maintain the “DUI BOLOs,” research will be conducted to identify the “worst of the worst” repeat DUI offenders with a suspended or revoked license as a result of DUI convictions. The DUI BOLO may include the driver’s name, last known address, DOB, description, current license status, and the number of times suspended or revoked for DUI. DUI BOLOs should be updated and distributed to traffic and patrol officers at least monthly.
- Implementation of the STEP grant activities will be accomplished by deploying personnel at high crash locations.

Media Requirements Issue a press release approved by the OTS PIO announcing the kick-off of the grant by November 15, but no sooner than October 1. The kick-off release must be approved by the OTS PIO and only distributed after the grant is fully signed and executed. If you are unable to meet the November 15 deadline to issue a kick-off press release, communicate reasons to your OTS coordinator and OTS PIO.

B. Phase 2 – Program Operations (Throughout Grant Year)

- The department will work to create media opportunities throughout the grant period to call attention to the innovative program strategies and outcomes.

Media Requirements

The following requirements are for all grant-related activities:

- Send all media advisories, alerts, videos, graphics, artwork, posters, radio/PSA/video scripts, storyboards, digital and/or print educational materials for grant-related activities to the OTS PIO at pio@ots.ca.gov for approval and copy your OTS coordinator. Optimum lead time would be 7 days before the scheduled release but at least 3 business days prior to the scheduled release date for review and approval is appreciated.
- The OTS PIO is responsible for the approval of the design and content of materials. The agency understands OTS PIO approval is not authorizing approval of budget expenditure or cost. Any cost approvals must come from the Coordinator.
- Pre-approval is not required when using any OTS-supplied template for media advisories, press releases, social media graphics, videos or posts, or any other OTS-supplied educational material. However, copy the OTS PIO at pio@ots.ca.gov and your OTS coordinator when any material is distributed to the media and public, such as a press release, educational material, or link to social media post. The OTS-supplied kick-off press release templates and any kickoff press releases are an exception to this policy and require prior approval before distribution to the media and public.
- If an OTS-supplied template, educational material, social media graphic, post or video is substantially changed, the changes shall be sent to the OTS PIO at pio@ots.ca.gov for approval and copy to your OTS Coordinator. Optimum lead time would be 7 days prior to the scheduled release date, but at least 3 business days prior to the scheduled release date for review and approval is appreciated.
- Press releases, social media posts and alerts on platforms such as NextDoor and Nixle reporting immediate and time-sensitive grant activities (e.g. enforcement operations, day of event highlights or announcements, event invites) are exempt from the OTS PIO approval process. The OTS PIO and your Coordinator should still be notified when the grant-related activity is happening (e.g. car seat checks, bicycle rodeos, community presentations, DUI checkpoints, etc.).
- Enforcement activities such as warrant and probation sweeps, court stings, etc. that are embargoed or could impact operations by publicizing in advance are exempt from the PIO approval process. However, announcements and results of activities should still be copied to the OTS PIO at pio@ots.ca.gov and your Coordinator with embargoed date and time or with “INTERNAL ONLY: DO NOT RELEASE” message in subject line of email.

- Any earned or paid media campaigns for TV, radio, digital or social media that are part of a specific grant objective, using OTS grant funds, or designed and developed using contractual services by a subgrantee, requires prior approval. Please send to the OTS PIO at pio@ots.ca.gov for approval and copy your grant coordinator at least 3 business days prior to the scheduled release date.
- Social media posts highlighting state or national traffic safety campaigns (Distracted Driving Month, Motorcycle Safety Awareness Month, etc.), enforcement operations (DUI checkpoints, etc.), or any other grant-related activity such as Bicycle rodeos, presentations, or events, are highly encouraged but do not require prior approval.
- Submit a draft or rough-cut of all digital, printed, recorded or video material (brochures, posters, scripts, artwork, trailer graphics, digital graphics, social posts connected to an earned or paid media campaign grant objective) to the OTS PIO at pio@ots.ca.gov and copy your OTS Coordinator for approval prior to the production or duplication.
- Use the following standard language in all press, media, and printed materials, space permitting: Funding for this program was provided by a grant from the California Office of Traffic Safety, through the National Highway Traffic Safety Administration.
- Space permitting, include the OTS logo on all grant-funded print materials, graphics and paid or earned social media campaign grant objective; consult your OTS Coordinator for specifics, format-appropriate logos, or if space does not permit the use of the OTS logo.
- Email the OTS PIO at pio@ots.ca.gov and copy your OTS Coordinator at least 21 days in advance, or when first confirmed, a short description of any significant grant-related traffic safety event or program, particularly events that are highly publicized beforehand with anticipated media coverage so OTS has sufficient notice to arrange for attendance and/or participation in the event. If unable to attend, email the OTS PIO and coordinator brief highlights and/or results, including any media coverage (broadcast, digital, print) of event within 7 days following significant grant-related event or program. Media and program highlights are to be reflected in QPRs.
- Any press releases, work plans, scripts, storyboards, artwork, graphics, videos or any educational or informational materials that received PIO approval in a prior grant year needs to be resubmitted for approval in the current grant year.
- Contact the OTS PIO or your OTS Coordinator for consultation when changes from any of the above requirements might be warranted.

C. Phase 3 – Data Collection & Reporting (Throughout Grant Year)

1. Prepare and submit grant claim invoices (due January 30, April 30, July 30, and October 30)
2. Prepare and submit Quarterly Performance Reports (QPR) (due January 30, April 30, July 30, and October 30)
 - Collect and report quarterly, appropriate data that supports the progress of goals and objectives.
 - Provide a brief list of activity conducted, procurement of grant-funded items, and significant media activities. Include status of grant-funded personnel, status of contracts, challenges, or special accomplishments.
 - Provide a brief summary of quarterly accomplishments and explanations for objectives not completed or plans for upcoming activities.
 - Collect, analyze and report statistical data relating to the grant goals and objectives.

4. METHOD OF EVALUATION

Using the data compiled during the grant, the Grant Director will complete the “Final Evaluation” section in the fourth/final Quarterly Performance Report (QPR). The Final Evaluation should provide a brief summary of the grant’s accomplishments, challenges and significant activities. This narrative should also include whether goals and objectives were met, exceeded, or an explanation of why objectives were not completed.

5. ADMINISTRATIVE SUPPORT

This program has full administrative support, and every effort will be made to continue the grant activities after grant conclusion.

FUND NUMBER	CATALOG NUMBER (CFDA)	FUND DESCRIPTION	TOTAL AMOUNT		
164AL-24	20.608	Minimum Penalties for Repeat Offenders for Driving While Intoxicated	\$24,000.00		
402PT-24	20.600	State and Community Highway Safety	\$45,000.00		
COST CATEGORY		FUND NUMBER	UNIT COST OR RATE	UNITS	TOTAL COST TO GRANT
A. PERSONNEL COSTS					
<u>Straight Time</u>					
					\$0.00
<u>Overtime</u>					
DUI Saturation Patrols	164AL-24	\$1,920.00	12	\$23,040.00	
Benefits AL @ 1.45%	164AL-24	\$23,040.00	1	\$334.00	
Traffic Enforcement	402PT-24	\$960.00	20	\$19,200.00	
Distracted Driving	402PT-24	\$960.00	10	\$9,600.00	
Pedestrian and Bicycle Enforcement	402PT-24	\$960.00	8	\$7,680.00	
Traffic Safety Education	402PT-24	\$960.00	2	\$1,920.00	
Benefits PT @ 1.45%	402PT-24	\$38,400.00	1	\$557.00	
Category Sub-Total					\$62,331.00
B. TRAVEL EXPENSES					
In State Travel	402PT-24	\$5,000.00	1	\$5,000.00	
					\$0.00
Category Sub-Total					\$5,000.00
C. CONTRACTUAL SERVICES					
					\$0.00
Category Sub-Total					\$0.00
D. EQUIPMENT					
					\$0.00
Category Sub-Total					\$0.00
E. OTHER DIRECT COSTS					
PAS Device/Calibration Supplies	164AL-24	\$626.00	1	\$626.00	
Radar Device	402PT-24	\$1,043.00	1	\$1,043.00	
Category Sub-Total					\$1,669.00
F. INDIRECT COSTS					
					\$0.00
Category Sub-Total					\$0.00
GRANT TOTAL					\$69,000.00

BUDGET NARRATIVE
PERSONNEL COSTS
DUI Saturation Patrols - Overtime for grant funded law enforcement operations conducted by appropriate department personnel.
Benefits AL @ 1.45% - Benefits AL @ 1.45% - Total Benefits 1.45% Medicare
Traffic Enforcement - Overtime for grant funded law enforcement operations conducted by appropriate department personnel.
Distracted Driving - Overtime for grant funded law enforcement operations conducted by appropriate department personnel.
Pedestrian and Bicycle Enforcement - Overtime for grant funded law enforcement operations conducted by appropriate department personnel.
Traffic Safety Education - Overtime for grant funded traffic safety presentations or campaigns conducted by appropriate department personnel.
Benefits PT @ 1.45% - Benefits PT @ 1.45% - Total Benefits 1.45% Medicare
TRAVEL EXPENSES
In State Travel - Costs are included for appropriate staff to attend conferences and training events supporting the grant goals and objectives and/or traffic safety. Local mileage for grant activities and meetings is included. Anticipated travel may include the California Traffic Safety Summit (November 7-8, 2023 in Orange County) and the OTS Traffic Safety Law Enforcement Forum. All conferences, seminars or training not specifically identified in the Budget Narrative must be approved by OTS. All travel claimed must be at the agency approved rate. Per Diem may not be claimed for meals provided at conferences when registration fees are paid with OTS grant funds.
CONTRACTUAL SERVICES
-
EQUIPMENT
-
OTHER DIRECT COSTS
PAS Device/Calibration Supplies - Preliminary alcohol screening device to detect the presence of alcohol in a person's breath and calibration supplies to ensure accuracy. Costs may include mouth pieces, gas and accessories.
Radar Device - To measure the speed of motor vehicles. This device will be used for speed enforcement.
INDIRECT COSTS
-
STATEMENTS/DISCLAIMERS
Program Income default statement: There will be no program income generated from this grant.
Enforcement Grant Quota Disclaimer: Nothing in this "agreement" shall be interpreted as a requirement, formal or informal, that a particular law enforcement officer issue a specified or predetermined number of citations in pursuance of the goals and objectives here under.
Benefits Disclaimer: Benefits for personnel costs can only be applied to straight time or overtime hours charged to the grant.

Certifications and Assurances for Fiscal Year 2024 Highway Safety Grants (23 U.S.C. Chapter 4 or Section 1906, Public Law 109-59, as amended by Section 25024, Public Law 117-58)

The officials named on the grant agreement, certify by way of signature on the grant agreement signature page, that the Grantee Agency complies with all applicable Federal statutes, regulations, and directives and State rules, guidelines, policies, and laws in effect with respect to the periods for which it receives grant funding. Applicable provisions include, but are not limited to, the following:

GENERAL REQUIREMENTS

The State will comply with applicable statutes and regulations, including but not limited to:

- 23 U.S.C. Chapter 4—Highway Safety Act of 1966, as amended;
- Sec. 1906, [Public Law 109-59](#), as amended by Sec. 25024, [Public Law 117-58](#);
- [23 CFR part 1300](#)—Uniform Procedures for State Highway Safety Grant Programs;
- [2 CFR part 200](#)—Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards;
- [2 CFR part 1201](#)—Department of Transportation, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

NONDISCRIMINATION

(applies to all subrecipients as well as States)

The State highway safety agency [and its subrecipients] will comply with all Federal statutes and implementing regulations relating to nondiscrimination (“Federal Nondiscrimination Authorities”). These include but are not limited to:

- *Title VI of the Civil Rights Act of 1964* ([42 U.S.C. 2000d](#) *et seq.*, 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- [49 CFR part 21](#) (entitled *Non-discrimination in Federally-Assisted Programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964*);
- [28 CFR 50.3](#) (U.S. Department of Justice Guidelines for Enforcement of Title VI of the Civil Rights Act of 1964);
- *The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970*, ([42 U.S.C. 4601](#)), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- *Federal-Aid Highway Act of 1973*, ([23 U.S.C. 324 et seq.](#)), and *Title IX of the Education Amendments of 1972*, as amended ([20 U.S.C. 1681-1683](#) and [1685-1686](#)) (prohibit discrimination on the basis of sex);
- *Section 504 of the Rehabilitation Act of 1973*, ([29 U.S.C. 794 et seq.](#)), as amended, (prohibits discrimination on the basis of disability) and [49 CFR part 27](#);
- *The Age Discrimination Act of 1975*, as amended, ([42 U.S.C. 6101 et seq.](#)), (prohibits discrimination on the basis of age);
- *The Civil Rights Restoration Act of 1987*, (Pub. L. 100-209), (broadens scope, coverage, and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal aid recipients, subrecipients and contractors, whether such programs or activities are Federally-funded or not);
- *Titles II and III of the Americans with Disabilities Act* ([42 U.S.C. 12131-12189](#)) (prohibits discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing) and [49 CFR parts 37](#) and [38](#);
- [Executive Order 12898](#), *Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations* (preventing discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations);
- [Executive Order 13166](#), *Improving Access to Services for Persons with Limited English Proficiency* (requiring that recipients of Federal financial assistance provide meaningful access for applicants and beneficiaries who have limited English proficiency (LEP));
- [Executive Order 13985](#), *Advancing Racial Equity and Support for Underserved Communities through the Federal Government* (advancing equity across the Federal Government); and
- [Executive Order 13988](#), *Preventing and Combating Discrimination on the Basis of Gender Identity or Sexual Orientation* (clarifying that sex discrimination includes discrimination on the grounds of gender identity or sexual orientation).

The preceding statutory and regulatory cites hereinafter are referred to as the “Acts” and “Regulations,” respectively.

GENERAL ASSURANCES

10/18/2023 8:59:42 AM

In accordance with the Acts, the Regulations, and other pertinent directives, circulars, policy, memoranda, and/or guidance, the Recipient hereby gives assurance that it will promptly take any measures necessary to ensure that:

"No person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity, for which the Recipient receives Federal financial assistance from DOT, including NHTSA."

The Civil Rights Restoration Act of 1987 clarified the original intent of Congress, with respect to Title VI of the Civil Rights Act of 1964 and other non-discrimination requirements (the Age Discrimination Act of 1975, and Section 504 of the Rehabilitation Act of 1973), by restoring the broad, institutional-wide scope and coverage of these nondiscrimination statutes and requirements to include all programs and activities of the Recipient, so long as any portion of the program is Federally assisted.

SPECIFIC ASSURANCES

More specifically, and without limiting the above general Assurance, the Recipient agrees with and gives the following Assurances with respect to its Federally assisted Highway Safety Grant Program:

1. The Recipient agrees that each "activity," "facility," or "program," as defined in § 21.23(b) and (e) of [49 CFR part 21](#) will be (with regard to an "activity") facilitated, or will be (with regard to a "facility") operated, or will be (with regard to a "program") conducted in compliance with all requirements imposed by, or pursuant to the Acts and the Regulations.
2. The Recipient will insert the following notification in all solicitations for bids, Requests For Proposals for work, or material subject to the Acts and the Regulations made in connection with all Highway Safety Grant Programs and, in adapted form, in all proposals for negotiated agreements regardless of funding source:
"The [name of Recipient], in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C 2000d to 2000d-4) and the Regulations, hereby notifies all bidders that it will affirmatively ensure that in any contract entered into pursuant to this advertisement, disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award."
3. The Recipient will insert the clauses of appendix A and E of this Assurance (also referred to as DOT Order 1050.2A) in every contract or agreement subject to the Acts and the Regulations.
4. The Recipient will insert the clauses of appendix B of DOT Order 1050.2A, as a covenant running with the land, in any deed from the United States effecting or recording a transfer of real property, structures, use, or improvements thereon or interest therein to a Recipient.
5. That where the Recipient receives Federal financial assistance to construct a facility, or part of a facility, the Assurance will extend to the entire facility and facilities operated in connection therewith.
6. That where the Recipient receives Federal financial assistance in the form of, or for the acquisition of, real property or an interest in real property, the Assurance will extend to rights to space on, over, or under such property.
7. That the Recipient will include the clauses set forth in appendix C and appendix D of this DOT Order 1050.2A, as a covenant running with the land, in any future deeds, leases, licenses, permits, or similar instruments entered into by the Recipient with other parties:
 - a. for the subsequent transfer of real property acquired or improved under the applicable activity, project, or program; and
 - b. for the construction or use of, or access to, space on, over, or under real property acquired or improved under the applicable activity, project, or program.
8. That this Assurance obligates the Recipient for the period during which Federal financial assistance is extended to the program, except where the Federal financial assistance is to provide, or is in the form of, personal property, or real property, or interest therein, or structures or improvements thereon, in which case the Assurance obligates the Recipient, or any transferee for the longer of the following periods:
 - a. the period during which the property is used for a purpose for which the Federal financial assistance is extended, or for another purpose involving the provision of similar services or benefits; or
 - b. the period during which the Recipient retains ownership or possession of the property.
9. The Recipient will provide for such methods of administration for the program as are found by the Secretary of Transportation or the official to whom he/she delegates specific authority to give reasonable guarantee that it, other recipients, sub-recipients, sub-grantees, contractors, subcontractors, consultants, transferees, successors in interest, and other participants of Federal financial assistance under such program will comply with all requirements imposed or pursuant to the Acts, the Regulations, and this Assurance.
10. The Recipient agrees that the United States has a right to seek judicial enforcement with regard to any matter arising under the Acts, the Regulations, and this Assurance.

By signing this ASSURANCE, the State highway safety agency also agrees to comply (and require any sub-recipients, sub-grantees, contractors, successors, transferees, and/or assignees to comply) with all applicable provisions governing NHTSA's access to records, accounts, documents, information, facilities, and staff. You also recognize that you must comply with any program or compliance reviews, and/or complaint investigations conducted by NHTSA. You must keep records, reports, and submit the material for review

upon request to NHTSA, or its designee in a timely, complete, and accurate way. Additionally, you must comply with all other reporting, data collection, and evaluation requirements, as prescribed by law or detailed in program guidance.

The State highway safety agency gives this ASSURANCE in consideration of and for obtaining any Federal grants, loans, contracts, agreements, property, and/or discounts, or other Federal-aid and Federal financial assistance extended after the date hereof to the recipients by the U.S. Department of Transportation under the Highway Safety Grant Program. This ASSURANCE is binding on the State highway safety agency, other recipients, sub-recipients, sub-grantees, contractors, subcontractors and their subcontractors', transferees, successors in interest, and any other participants in the Highway Safety Grant Program. The person(s) signing below is/are authorized to sign this ASSURANCE on behalf of the Recipient.

THE DRUG-FREE WORKPLACE ACT OF 1988 (41 U.S.C. 8103)

The Subgrantee will provide a drug-free workplace by:

- a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace, and specifying the actions that will be taken against employees for violation of such prohibition;
- b. Establishing a drug-free awareness program to inform employees about:
 1. The dangers of drug abuse in the workplace;
 2. The grantee's policy of maintaining a drug-free workplace;
 3. Any available drug counseling, rehabilitation, and employee assistance programs;
 4. The penalties that may be imposed upon employees for drug violations occurring in the workplace;
 5. Making it a requirement that each employee engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
- c. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will—
 1. Abide by the terms of the statement;
 2. Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five days after such conviction;
- d. Notifying the agency within ten days after receiving notice under subparagraph (c)(2) from an employee or otherwise receiving actual notice of such conviction;
- e. Taking one of the following actions, within 30 days of receiving notice under subparagraph (c)(2), with respect to any employee who is so convicted—
 1. Taking appropriate personnel action against such an employee, up to and including termination;
 2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
- f. Making a good faith effort to continue to maintain a drug-free workplace through implementation of all of the paragraphs above.

POLITICAL ACTIVITY (HATCH ACT)

(applies to all subrecipients as well as States)

The State will comply with provisions of the Hatch Act (5 U.S.C. 1501-1508), which limits the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

CERTIFICATION REGARDING FEDERAL LOBBYING

(applies to all subrecipients as well as States)

CERTIFICATION FOR CONTRACTS, GRANTS, LOANS, AND COOPERATIVE AGREEMENTS

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions;
3. The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, subgrants, and contracts under grant, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

RESTRICTION ON STATE LOBBYING
(applies to subrecipients as well as States)

None of the funds under this program will be used for any activity specifically designed to urge or influence a State or local legislator to favor or oppose the adoption of any specific legislative proposal pending before any State or local legislative body. Such activities include both direct and indirect (e.g., "grassroots") lobbying activities, with one exception. This does not preclude a State official whose salary is supported with NHTSA funds from engaging in direct communications with State or local legislative officials, in accordance with customary State practice, even if such communications urge legislative officials to favor or oppose the adoption of a specific pending legislative proposal.

CERTIFICATION REGARDING DEBARMENT AND SUSPENSION
(applies to all subrecipients as well as States)

INSTRUCTIONS FOR PRIMARY TIER PARTICIPANT CERTIFICATION (STATES)

1. By signing and submitting this proposal, the prospective primary tier participant is providing the certification set out below and agrees to comply with the requirements of 2 CFR parts 180 and 1200.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective primary tier participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary tier participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default or may pursue suspension or debarment.
4. The prospective primary tier participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary tier participant learns its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms **covered transaction, civil judgment, debarment, suspension, ineligible, participant, person, principal, and voluntarily excluded**, as used in this clause, are defined in 2 CFR parts 180 and 1200. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.
6. The prospective primary tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.
7. The prospective primary tier participant further agrees by submitting this proposal that it will include the clause titled "Instructions for Lower Tier Participant Certification" including the "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion—Lower Tier Covered Transaction," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions and will require lower tier participants to comply with 2 CFR parts 180 and 1200.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any prospective lower tier participants, each participant may, but is not required to, check the System for Award Management Exclusions website (<https://www.sam.gov>).
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate the transaction for cause or default.

**CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS—
PRIMARY TIER COVERED TRANSACTIONS**

1. The prospective primary tier participant certifies to the best of its knowledge and belief, that it and its principals:
 - a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency;
 - b. Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - c. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
 - d. Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.
2. Where the prospective primary tier participant is unable to certify to any of the Statements in this certification, such prospective participant shall attach an explanation to this proposal.

INSTRUCTIONS FOR LOWER TIER PARTICIPANT CERTIFICATION

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below and agrees to comply with the requirements of [2 CFR parts 180](#) and [1200](#).
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms **covered transaction, civil judgment, debarment, suspension, ineligible, participant, person, principal, and voluntarily excluded**, as used in this clause, are defined in [2 CFR parts 180](#) and [1200](#). You may contact the person to whom this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under [48 CFR part 9, subpart 9.4](#), debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this proposal that it will include the clause titled “Instructions for Lower Tier Participant Certification” including the “Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion—Lower Tier Covered Transaction,” without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions and will require lower tier participants to comply with [2 CFR parts 180](#) and [1200](#).
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under [48 CFR part 9, subpart 9.4](#), debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any prospective lower tier participants, each participant may, but is not required to, check the System for Award Management Exclusions website (<https://www.sam.gov>).
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under [48 CFR part 9, subpart 9.4](#), suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension or debarment.

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION—LOWER TIER COVERED TRANSACTIONS

1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency.

2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

BUY AMERICA

(applies to subrecipients as well as States)

The State and each subrecipient will comply with the Buy America requirement (23 U.S.C. 313) when purchasing items using Federal funds. Buy America requires a State, or subrecipient, to purchase with Federal funds only steel, iron and manufactured products produced in the United States, unless the Secretary of Transportation determines that such domestically produced items would be inconsistent with the public interest, that such materials are not reasonably available and of a satisfactory quality, or that inclusion of domestic materials will increase the cost of the overall project contract by more than 25 percent. In order to use Federal funds to purchase foreign produced items, the State must submit a waiver request that provides an adequate basis and justification for approval by the Secretary of Transportation.

CERTIFICATION ON CONFLICT OF INTEREST

(applies to subrecipients as well as States)

GENERAL REQUIREMENTS

No employee, officer, or agent of a State or its subrecipient who is authorized in an official capacity to negotiate, make, accept, or approve, or to take part in negotiating, making, accepting, or approving any subaward, including contracts or subcontracts, in connection with this grant shall have, directly or indirectly, any financial or personal interest in any such subaward. Such a financial or personal interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or personal interest in or a tangible personal benefit from an entity considered for a subaward. Based on this policy:

1. The recipient shall maintain a written code or standards of conduct that provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents.
 - a. The code or standards shall provide that the recipient's officers, employees, or agents may neither solicit nor accept gratuities, favors, or anything of monetary value from present or potential subawardees, including contractors or parties to subcontracts.
 - b. The code or standards shall establish penalties, sanctions, or other disciplinary actions for violations, as permitted by State or local law or regulations.
2. The recipient shall maintain responsibility to enforce the requirements of the written code or standards of conduct.

DISCLOSURE REQUIREMENTS

No State or its subrecipient, including its officers, employees, or agents, shall perform or continue to perform under a grant or cooperative agreement, whose objectivity may be impaired because of any related past, present, or currently planned interest, financial or otherwise, in organizations regulated by NHTSA or in organizations whose interests may be substantially affected by NHTSA activities. Based on this policy:

1. The recipient shall disclose any conflict of interest identified as soon as reasonably possible, making an immediate and full disclosure in writing to NHTSA. The disclosure shall include a description of the action which the recipient has taken or proposes to take to avoid or mitigate such conflict.
2. NHTSA will review the disclosure and may require additional relevant information from the recipient. If a conflict of interest is found to exist, NHTSA may (a) terminate the award, or (b) determine that it is otherwise in the best interest of NHTSA to continue the award and include appropriate provisions to mitigate or avoid such conflict.
3. Conflicts of interest that require disclosure include all past, present, or currently planned organizational, financial, contractual, or other interest(s) with an organization regulated by NHTSA or with an organization whose interests may be substantially affected by NHTSA activities, and which are related to this award. The interest(s) that require disclosure include those of any recipient, affiliate, proposed consultant, proposed subcontractor, and key personnel of any of the above. Past interest shall be limited to within one year of the date of award. Key personnel shall include any person owning more than a 20 percent interest in a recipient, and the officers, employees or agents of a recipient who are responsible for making a decision or taking an action under an award where the decision or action can have an economic or other impact on the interests of a regulated or affected organization.

PROHIBITION ON USING GRANT FUNDS TO CHECK FOR HELMET USAGE

(applies to all subrecipients as well as States)

The State and each subrecipient will not use 23 U.S.C. Chapter 4 grant funds for programs to check helmet usage or to create checkpoints that specifically target motorcyclists.

POLICY ON SEAT BELT USE

In accordance with Executive Order 13043, Increasing Seat Belt Use in the United States, dated April 16, 1997, the Grantee is encouraged to adopt and enforce on-the-job seat belt use policies and programs for its employees when operating company-owned, rented, or personally-owned vehicles. The National Highway Traffic Safety Administration (NHTSA) is responsible for providing leadership and guidance in support of this Presidential initiative. For information and resources on traffic safety programs and policies for employers, please contact the Network of Employers for Traffic Safety (NETS), a public-private partnership dedicated to improving the traffic safety practices of employers and employees. You can download information on seat belt programs, costs of motor vehicle crashes to employers, and other traffic safety initiatives at www.trafficsafety.org. The NHTSA website (www.nhtsa.gov) also provides information on statistics, campaigns, and program evaluations and references.

POLICY ON BANNING TEXT MESSAGING WHILE DRIVING

In accordance with Executive Order 13513, Federal Leadership On Reducing Text Messaging While Driving, and DOT Order 3902.10, Text Messaging While Driving, States are encouraged to adopt and enforce workplace safety policies to decrease crashes caused by distracted driving, including policies to ban text messaging while driving company-owned or rented vehicles, Government-owned, leased or rented vehicles, or privately-owned vehicles when on official Government business or when performing any work on or behalf of the Government. States are also encouraged to conduct workplace safety initiatives in a manner commensurate with the size of the business, such as establishment of new rules and programs or re-evaluation of existing programs to prohibit text messaging while driving, and education, awareness, and other outreach to employees about the safety risks associated with texting while driving.

INSTRUCTIONS FOR ADDING OR UPDATING GEMS USERS

1. Each agency is allowed a total of **FIVE (5) GEMS Users**.
2. GEMS Users listed on this form will be authorized to login to GEMS to complete and submit Quarterly Performance Reports (QPRs) and reimbursement claims.
3. Complete the form if adding, removing or editing a GEMS user(s).
4. The Grant Director must sign this form and return it with the Grant Agreement.

GRANT DETAILS	
Grant Number:	PT24181
Agency Name:	San Rafael Police Department
Grant Title:	Selective Traffic Enforcement Program (STEP)
Agreement Total:	\$69,000.00
Authorizing Official:	Cristine Alilovich
Fiscal Official:	Beth Minka
Grant Director:	Scott Ingels

CURRENT GEMS USER(S)

1. Justin Graham

Title: Administrative Services Sergeant
Phone: (415) 485-3000
Email: 494@srapd.org

Media Contact: Yes

2. Scott Ingels

Title: Traffic Sergeant
Phone: (415) 485-3034
Email: 524@srapd.org

Media Contact: Yes

Complete the below information if adding, removing or editing a GEMS user(s)

GEMS User 1		Add as a media contact? Yes <input type="checkbox"/> No <input type="checkbox"/>	
Add/Change <input type="checkbox"/>	Remove Access <input type="checkbox"/>		
Name		Job Title	
Email address		Phone number	
GEMS User 2		Add as a media contact? Yes <input type="checkbox"/> No <input type="checkbox"/>	
Add/Change <input type="checkbox"/>	Remove Access <input type="checkbox"/>		
Name		Job Title	
Email address		Phone number	
GEMS User 3		Add as a media contact? Yes <input type="checkbox"/> No <input type="checkbox"/>	
Add/Change <input type="checkbox"/>	Remove Access <input type="checkbox"/>		
Name		Job Title	
Email address		Phone number	
GEMS User 4		Add as a media contact? Yes <input type="checkbox"/> No <input type="checkbox"/>	
Add/Change <input type="checkbox"/>	Remove Access <input type="checkbox"/>		
Name		Job Title	
Email address		Phone number	
GEMS User 5		Add as a media contact? Yes <input type="checkbox"/> No <input type="checkbox"/>	
Add/Change <input type="checkbox"/>	Remove Access <input type="checkbox"/>		
Name		Job Title	
Email address		Phone number	
Form completed by:		Date:	
As a signatory I hereby authorize the listed individual(s) to represent and have GEMS user access.			
Signature		Name	
		Grant Director	
Date		Title	



SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Police Department

Prepared by: Alex Holm, Lieutenant

City Manager Approval: 

TOPIC: SPECIAL EVENT STREET CLOSURE

SUBJECT: RESOLUTION AUTHORIZING THE TEMPORARY CLOSURE OF STREETS FOR THE SAN RAFAEL WINTER WONDERLAND EVENT

RECOMMENDATION: Adopt the resolution authorizing the temporary closure of streets in San Rafael for the San Rafael Winter Wonderland Event.

BACKGROUND:

The San Rafael Police Department (SRPD) received a special event application requiring road closures.

California Vehicle Code section 21101(e) authorizes the City to adopt a resolution temporarily closing a portion of any street for celebrations, parades, local special events, and other purposes when, in the opinion of local authorities having jurisdiction or a public officer or employee that the local authority designates by resolution, the closing is necessary for the safety and protection of persons who are to use that portion of the street during the temporary closing.

ANALYSIS:

The Police Department reviewed the special event application for the San Rafael Winter Wonderland event.

Event producers for the event must obtain an encroachment permit, fulfill insurance requirements to indemnify the City from liability associated with the event, and provide detailed information regarding the operation, logistics, and activities included in the event. The permitting process includes submission of street closure diagrams and traffic control plans that are used to develop internal plans including event staffing, required signage, infrastructure, and other needs.

The Police Chief has the authority to approve special event permits if all the above obligations are met by the applicants. Since these events require temporary road closures, the City Council must consider the matter before the special event permit can be approved. The Police Chief recommends the adoption of the attached resolution authorizing the temporary road closures. Information regarding the event is summarized on the following page.

FOR CITY CLERK ONLY

Council Meeting:

Disposition:

Event: **San Rafael Winter Wonderland Event**

Date: **November 25, 2023** (Saturday)

Details: The Downtown San Rafael Business Improvement District will host the Annual Winter Wonderland and Holiday Maker's Market. This family-friendly event and merchant open house attracts residents and visitors throughout the Bay Area. There will be holiday entertainment and musical performances along Fourth Street and activities for children. There will not be a lighted car parade this year.

Closure

Location(s): Fourth Street from A Street to Lincoln Avenue, Lootens Place from Fifth Avenue to Commercial Place, and Cijos Street from Fourth Street to Commercial Place.

Event Time: 12:00 p.m. – 6:00 p.m.

Closure Time: 10:00 a.m. – 7:00 p.m.

COMMUNITY OUTREACH:

If approved, the applicants must conduct outreach to neighboring merchants, businesses, residents, and the general public to notify them of the impacts of their events. The Police Department will utilize social media accounts to notify the general for traffic planning purposes of any street closures.

FISCAL IMPACT:

The San Rafael Police Department will be providing in-kind law enforcement services to include two police officers during the closure period, valued at approximately \$2,340. The Department of Public Works will be providing in-kind road closure services, valued at approximately \$500. The City's Economic Development Department's budget will fund \$6,500 of the associated event costs. The event producer will be responsible for entertainment, tree lighting equipment and infrastructure, event equipment, and other associated costs.

OPTIONS:

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

1. Adopt the resolution.
2. Adopt resolution with modifications.
3. Direct staff to return with more information.
4. Take no action.

RECOMMENDED ACTION:

Adopt the resolution authorizing the temporary closure of streets in San Rafael for the San Rafael Winter Wonderland Event.

ATTACHMENTS:

1. Resolution

RESOLUTION NO.

RESOLUTION OF THE SAN RAFAEL CITY COUNCIL AUTHORIZING THE TEMPORARY CLOSURE OF STREETS FOR A SPECIAL EVENT

WHEREAS, it is in the best interests of public health and safety to implement modified traffic plans and road closures for certain special events in San Rafael and nearby neighborhoods; and

WHEREAS, after reviewing plans for the proposed San Rafael Winter Wonderland, City staff recommend that certain streets be closed to accommodate this special event for the safety and protection of persons who are to use that portion of the streets during the temporary closings.

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

1. Pursuant to the authority of Vehicle Code section 21101(e), the City Council hereby authorizes the temporary closure of streets in downtown San Rafael to accommodate the San Rafael Winter Wonderland Event. These authorized road closures are necessary for the safety and protection of persons who are to use that portion of the streets during the temporary closings.
2. City staff in consultation with the Police Department shall determine the specific time periods for the temporary closures and give timely notice to the public of those time periods by signage and/or other appropriate means.

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 20th day of November 2023 by the following vote, to wit:

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

Lindsay Lara, City Clerk



SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Finance

**Prepared by: Paul Navazio,
Finance Director**

City Manager Approval: 

TOPIC: YEAR-END AUDITED FINANCIAL STATEMENTS AND RELATED AUDIT REPORTS

SUBJECT: FISCAL YEAR 2022-23 ANNUAL COMPREHENSIVE FINANCIAL REPORT; MEMORANDUM ON INTERNAL CONTROL; REPORT OF REQUIRED COMMUNICATIONS; CHILD DEVELOPMENT PROGRAM FINANCIAL REPORT; AND GANN APPROPRIATIONS LIMIT

RECOMMENDATIONS:

Accept the Fiscal Year 2022-23 Annual Comprehensive Financial Report, Memorandum on Internal Control, Report of Required Communications, Child Development Program Financial Report, and GANN Appropriations Limit Report.

BACKGROUND:

As required by local code, State law, and bond covenants, as well as best practices, the City of San Rafael completes an annual independent audit of its financial activities. The auditing firm of Maze and Associates, Accountancy Corporation, conducted the FY 2022-23 audit. Their work was completed in accordance with generally accepted 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 draft Comprehensive Annual Financial Report for the fiscal year ending June 30, 2023FY 2022-23 is included as Attachment 1 to this staff report.

The auditors have also prepared a Memorandum on Internal Control to address the City’s control over its financial activities. In addition, 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, 2024. These reports are included as Attachments 2-5 to this staff report.

As part of the fiscal year-end activities, the Finance and Library & Recreation departments worked with the auditors to complete the annual audit of the City’s childcare program, as required by the State of California.

For the year ending June 30, 2023, the City did not receive funds under the purview of the Transportation Development Act. Therefore, no separate audit report was completed to satisfy the requirements of the State of California pertaining to these funds.

FOR CITY CLERK ONLY

Council Meeting:

Disposition:

ANALYSIS:

Fiscal Year 2022-23 Annual Comprehensive Financial Report – City-wide Financial Results

The independent auditor has issued an unqualified opinion relative to the City’s financial statements for the fiscal year ending June 30, 2023. This opinion states that the financial statements present fairly, in all material respects, the City’s financial position. The audited results of the City’s financial activities for the fiscal year ending June 30, 2023, are presented in the attached Annual Comprehensive Financial Report (ACFR). Please refer to Attachment 1 for more information.

The report includes Government-wide financial statements with governmental and business-type activities presented separately. At the end of the fiscal year, the net position of the City’s governmental activities, inclusive of all governmental funds, all assets of the City (including infrastructure), and all liabilities (including long-term debt) was \$281.5 million, an increase of \$47.3 million from the prior year adjusted balance.

**Summary of Net Position
(in thousands)**

	Governmental Activities		Increase	Business-Type Activities		Increase
	2023	2022	(Decrease)	2023	2022	(Decrease)
Current and other assets	\$135,941	\$174,072	(\$38,131)	\$1,745	\$3,568	(\$1,823)
Capital assets	311,664	294,928	16,736	15,162	15,281	(119)
Total assets	<u>447,605</u>	<u>469,000</u>	<u>(21,395)</u>	<u>16,907</u>	<u>18,849</u>	<u>(1,942)</u>
Deferred outflows (Notes 9 and 11)	73,312	42,534	30,778	1,312	1,864	(552)
<hr/>						
Current and other liabilities	18,677	19,246	(569)	503	533	(30)
Noncurrent liabilities	192,517	88,630	103,887	6,942	4,086	2,856
Total liabilities	<u>211,194</u>	<u>107,876</u>	<u>103,318</u>	<u>7,445</u>	<u>4,619</u>	<u>2,826</u>
Deferred inflows (Notes 4G, 9 and 11)	28,213	169,434	(141,221)	772	5,475	(4,703)
Net Position:						
Net investment in capital assets	259,204	246,438	12,766	11,454	11,256	198
Restricted	46,773	36,668	10,105		0	0
Unrestricted	(24,466)	(48,883)	24,417	(653)	(1,189)	536
Total net position	<u>\$281,511</u>	<u>\$234,223</u>	<u>\$47,288</u>	<u>\$10,801</u>	<u>\$10,067</u>	<u>\$734</u>

This increase is attributable to several factors. First, Pension and Other Post-Employment Benefits (OPEB) adjustments, based mainly on fiscal year 2021-22 activity, and the impact of market gains achieved on investments during the measurement period. These adjustments resulted in a reduced cumulative impact of both pension and OPEB liabilities on the financial statements as a whole.

Also significantly impacting the increase was the capitalization of large-scale public works projects, namely the Third Street improvement project, during the year. This has the impact of both increasing capital assets in the asset section of the balance sheet as well as the net investment in capital assets in the net position section. To a lesser extent, the net position was impacted by positive results from strong sales and use tax and property tax rolls combined with

reduced personnel expenses resulting from position vacancies. The Parking Fund reported as a business-type activity, ended the fiscal year with a net position of \$10.8 million, or \$0.7 million greater than the previous fiscal year. The increase was mainly due to the aforementioned pension and OPEB adjustments as operational results remain subdued from the lingering impacts of the COVID-19 pandemic.

Additional explanatory information is provided in the Management’s Discussion and Analysis (MD&A) section beginning on page five of the attached ACFR. The MD&A provides key highlights and a summary view of financial activities for the year.

Financial Results: General Fund

General Fund expenditures and transfers out exceeded revenues and transfers by \$6.0 million, mainly due to the utilization of American Rescue Plan Act funds received in the prior year for major projects. This was partially offset by continued growth in the City’s major revenue sources and significantly reduced personnel costs resulting from position vacancies.

**Summary of General Fund Budget and Actual
For the fiscal year ended June 30, 2023 (in thousands)**

	Adopted Budget	Revised Budget	Actual
Revenues	\$96,768	\$98,268	\$98,099
Transfers in	1,770	1,131	1,131
Total resources	98,538	99,399	99,230
Expenditures	92,971	\$94,447	88,450
Operating transfers out	3,307	13,486	13,486
Capital transfers out	-	3,307	3,307
Total uses	96,278	111,240	105,243
Net Results	\$2,260	(\$11,841)	(\$6,013)

The fund balance of the General Fund as of June 30, 2023, was \$27.8 million (a decrease of \$6.0 million from the prior year’s balance): \$78 thousand is non-spendable, \$9.8 million is committed, \$17.3 million is assigned, and \$0.7 million is unassigned. The committed portion of \$9.8 million is for emergency and cash flow needs, which meets the minimum target reserve levels at 10% of general fund operating expenditures.

Memorandum on Internal Control

As a component of the annual financial audit, the auditors are required to communicate matters related to internal controls that may impact the accuracy of the City’s financial statements to the City Council. The auditor’s *Memorandum on Internal Control* (Attachment 2) identifies findings deemed to be either material weaknesses, significant deficiencies, or “other matters.”

The Memorandum on Internal Control issued with the audit of the financial statements for the fiscal year ended June 30, 2023, does not identify any material weaknesses or significant deficiencies. However, the memorandum notes that two “Other Matters” that were identified in the prior year’s audit were not addressed by management as of June 30, 2023, and are summarized as follows:

- **Finding 2022-01 – Inaccurate Building Permit Fees.** Over the course of the two prior fiscal years, the auditors noted that the rates charged within the City’s permit billing system

did not match the rates published in the City's Master Fee Schedule. Management had noted that the permit fees being charged were correct and that this matter stemmed from the City not having updated its formal Master Fee Schedule. While this issue remained "unresolved" as of June 30, 2023, management notes that the City Council took action to adopt the City's updated Master Fee schedule at their meeting on July 3, 2023. This matter is thus resolved.

- Finding 2022-2 – Purchasing Policy Compliance and Clarification of Requirements. This finding resulted in a recommendation from the independent auditor that the City review and update its Purchasing Policy to clarify requirements for the use of purchase orders and contracts and review internal controls to ensure practices comply with the City's policy. In their Memorandum of Internal Controls, the auditor notes that this matter has not yet been fully addressed by management.

Management's response (included in the Memorandum of Internal Control):

Management concurs with the need to update the City's Purchasing Policy and procedures to ensure an appropriate level of internal controls, compliance with policy requirements, and alignment with best practices. This effort has been hampered by staff turnover, vacancies in key positions, and competing priorities. Current management has prioritized the review of purchasing and contract administration protocols, including updating policies, documentation of procedures, staff training, and better utilization of the City's financial ERP system to monitor approvals, activity, and compliance.

Required Communications

Professional standards require that certain information regarding significant audit findings related to the audit be communicated to those charged with governance. These communications include minor changes to accounting policies, new accounting pronouncements, and a discussion of significant accounting estimates, among other items. No adverse communications were noted. Please refer to Attachment 3 for more information.

Child Development Program (Childcare) Financial Report

As a recipient of Childcare program grant funds from the California Department of Education, the City is required to engage the independent auditor to review report on the receipt and use of these funds as part of the annual financial audit. The Childcare Program has endured three consecutive years of subdued results following the COVID-19 pandemic, drawing the fund balance from \$1.7 million down to \$352 thousand on June 30, 2022. In FY 2022-23, results have turned positive with a \$259 thousand increase in fund balance stemming from increased program enrollment and grant augmentations. The program ended the year with \$3.9 million in total revenues and \$3.7 million in total expenditures, resulting in an ending fund balance of \$611 thousand. The audit resulted in no adverse findings. Please refer to Attachment 4 for more information.

Gann Appropriations Limit Compliance Report

This report is prepared by the City's independent auditor to validate the calculation of the annual adjustment to the City's annual appropriations limit, pursuant to Article XIII B of the State Constitution. The resultant, so called, Gann Limit, establishes the maximum amount of adjusted appropriations that may be included in the annual budget. The Agreed-Upon Procedures report for the Gann Appropriations Limit (Attachment 5) required three procedures to be performed, including testing the accuracy of the calculations and comparison of information presented.

FISCAL IMPACT:

SAN RAFAEL CITY COUNCIL AGENDA REPORT / Page: 5

No fiscal impact occurs by the City Council's acceptance of these reports. The fiscal year 2022-23 Annual Comprehensive Financial Report and related reports are presented as the actual results of the City and related entities' financial activities for the year.

RECOMMENDED ACTION:

Accept the Fiscal Year 2022-23 Annual Financial Report, Memorandum on Internal Control, Report of Required Communications, Child Development Program Financial Report, and GANN Appropriations Limit Report.

ATTACHMENTS:

1. FY 2022-23 Draft Annual Comprehensive Financial Report
2. FY 2022-23 Draft Memorandum of Internal Controls
3. FY 2022-23 Draft Required Communications
4. FY 2022-23 Draft Child Development Program Financial Report
5. FY 2022-23 Draft Gann Appropriations Limit Compliance Report



SAN RAFAEL
THE CITY WITH A MISSION

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDING JUNE 30, 2023



UC Marin Master Gardener Greenhouse, San Rafael, California

10/30/2023



10/30/2023

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended
June 30, 2023

City of San Rafael, California
1400 Fifth Avenue
San Rafael, California 94901

Prepared by the Finance Department of the City of San Rafael

10/30/2023



10/30/2023



Falkirk Cultural Center, San Rafael

INTRODUCTORY SECTION

10/30/2023



10/30/2023

CITY OF SAN RAFAEL, CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Year Ended June 30, 2023

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November XX, 2023

Honorable Mayor, Members of the City Council and Residents of San Rafael:

The Annual Comprehensive Financial Report (“Annual Report”) of the City of San Rafael (“City”) for the year ended June 30, 2023, 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, 2023.

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 Annual Report 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 Annual Report 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 basic financial statements, related footnote disclosures, and the combining and individual fund 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 24 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 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 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, 2023, was 59,681.

Downtown San Rafael is the location of many community events, including Second Friday Art Walks, Mill Valley Film Festival, West End Block Party, Thursday Night Farmer’s Market, Porchfest, and is one of only 14 designated 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 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 three locations. 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 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 Annual Report.



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 Annual Report.

Building from over a decade of community efforts to address San Rafael's aging essential public safety facilities, the Essential Facilities project continued during the year with phase II addressing which includes the modernization of Fire Stations 54 and 55.

Significantly, during the 2022-23 fiscal year, the City Council adopted a set of two-year Goals, Objectives, and Strategic Priorities that include:

- Economic Growth
- Sustainability, Climate Change, and Disaster Preparedness
- Diversity, Equity, Inclusion, and Belonging
- Housing and Homelessness

The programs, projects, and initiatives supporting these strategic goals will inform ongoing investment of city resources in the near term.

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 71% residential, 19% commercial, 2% industrial, and 8% unsecured and others. The top 25 sales tax producers provide about half of overall sales tax revenues.

The overall economy continues to navigate the impacts of the COVID 19 pandemic and, as of this writing, faces uncertainty of a looming recession. Inflation remains elevated but has eased from the highs of the last two years, and strong employment figures continue to justify further economic tightening. Economists are predicting pandemic fueled savings to begin running out through the latter half of the calendar year and a possible mild recession to follow.



Locally, Marin County is showing signs of slowing economic activity, however, remains at an elevated post-pandemic level. Unemployment remains low at 3.4%, below the latest state-wide rate of 4.6%, however the labor force has contracted by about 5% from pre-pandemic levels. In all, Marin County is still poised to weather the current period of economic tightening to return to growth in the medium term. Specifically, the San Rafael office market continues to see increased vacancies given the work-from-home policies by employers and reduced office footprints. This issue is not unique to San Rafael but impacts the entire commercial real estate office market. Depending on larger economic factors this could provide an opportunity for building redevelopment or re-use.

Economic Data

The following is a sample of 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, Hispanic Chamber of Commerce, Downtown Business Improvement District, and the Marin Economic Forum.
- Marin County's top employers include Kaiser Permanente, the City of San Rafael, Marin Independent Journal, Marin County Sheriff's Dept, YMCA San Francisco, Managed Health Network, 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 during the fiscal year ended June 30, 2023, for San Rafael were: 1. Autos and Transportation (27%), 2. State and County Pools, which mainly reflects ecommerce activity (24%), and 3. Building and Construction (19%).
- 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 927. The Four Points Sheraton was recently sold for \$38 million and is slated for a significant rebranding and upgrade. In addition, a downtown AC Marriot recently opened its doors providing 140-rooms and a roof-top bar/lounge. Lastly, a 185-room dual branded Hampton Suites/H2 hotel has started grading construction activities.
- 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 \$3,187. The median home value in San Rafael is \$1,341,284.



Recent growth and economic vibrancy:

- As mentioned above, the City is enjoying a boost in development of hotel rooms thanks to a new AC Marriott Hotel located in the heart of our Downtown. A dual-brand Hampton Inn/H2 Hotel is also coming soon in the East San Rafael neighborhood to serve a variety of large retailers and businesses as well as workers within the traditionally industrial area. These two hotels combined will add 325 new hotel rooms to the City and generate additional Transit Occupancy Tax (TOT).
- The City has recently entitled a major housing project at 1515 Fourth Street for 162 residential units and 8,900 sq. ft. of retail anchoring the western portion of the downtown. The development represents a catalytic investment into the downtown utilizing the City's recently adopted Downtown Precise Plan and State of California housing density bonuses.
- The City is processing a large project entitlement for redevelopment of the Northgate Mall. The proposed project would bring 1422 new housing units anchored by an IMAX movie theater, restaurants, and boost existing retail anchors.
- The City has adopted its first ever citywide Economic Development Strategic Plan in early 2023. the plan includes detailed actionable tasks that provide measurable benefits and value driving enhanced economic vitality.
- San Rafael continues to serve our local business and restaurant community by implementing a structured formal outdoor dining program called the Streetary Program, which replaced the temporary emergency outdoor dining program that greatly supported our businesses during the COVID-19 pandemic. In coordination with the Business Improvement District, the City has also reimaged the 'Dining Under the Lights' event into a tailored, post-COVID program including block parties and entertainment that draws foot traffic to our downtown and welcomed back the Thursday Night Farmer's Market which did not operate in 2022



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 Kate Llamas, Whitney Zimmerman, Rayanne Lulay, Damien Oyobio, Claire Coleman, and Finance Manager Shawn Plate, with oversight by Accounting Manager Van Bach and Finance Director Paul Navazio 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 twelfth consecutive year for which the City received the award.

Lastly, we appreciate the ongoing leadership and support from the Mayor and City Councilmembers. Their strong commitment to financial accountability and stewardship provide inspiration to the organization and motivate a high level of achievement.

Respectfully submitted,

Cristine Alilovich
City Manager

Paul Navazio
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

City Council

Kate Colin, Mayor
Maika Llorens Gulati, Vice Mayor
Maribeth Bushey, Councilmember
Eli Hill, Councilmember
Rachel Kerz, Councilmember

Elected Officials

Rob Epstein, City Attorney
Lindsay Lara, City Clerk

Executive Team

Cristine Alilovich, City Manager
David Spiller, Chief of Police
Darin White, Fire Chief
April Miller, Public Works Director
Alicia Giudice, Community Development Director
Catherine Quffa, Library & Recreation Director
Sean Mooney, Director of Digital Service & Open Government
Genevieve Coyle, Assistant City Attorney
Micah Hinkle, Director of Economic Development and Innovation
Paul Navazio, Director of Finance

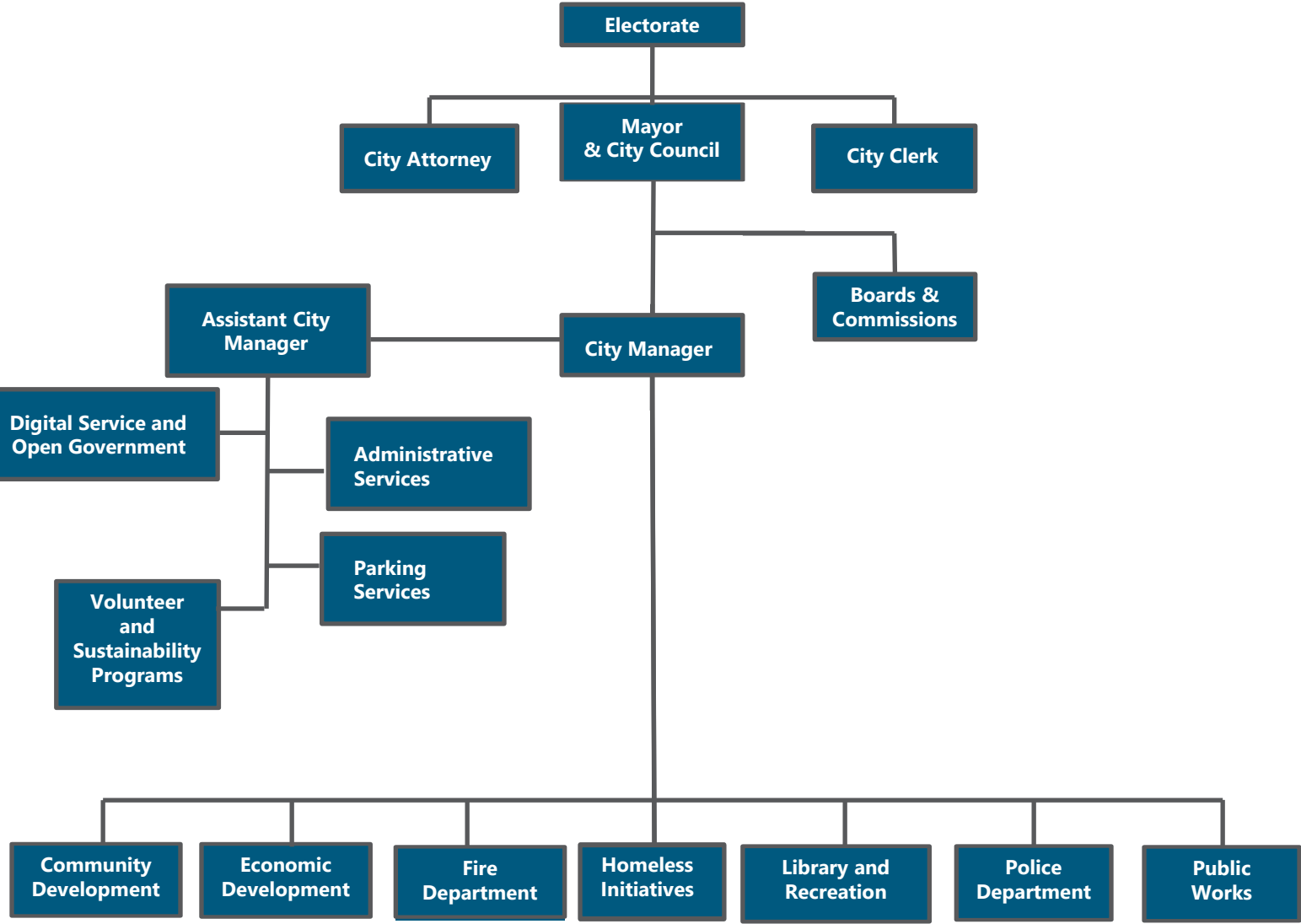


ORGANIZATIONAL CHART

REVIEW DRAFT

xiv

10/30/2023





LOCATION MAP



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of San Rafael
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO



Arbor Park, San Rafael

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the City Council
City of San Rafael, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, 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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of June 30, 2023, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Change in Accounting Principles

Management adopted the provisions of Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*, which became effective during the year ended June 30, 2023 and required restatement of certain governmental activities subscription-related balances as discussed in Note 1T to the financial statements.

The emphasis of these matters does not constitute a modification to our opinions.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other required supplementary information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 accompanying Supplementary Information, as listed in the Table of Contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Statistical Section listed in the Table of Contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated **DATE**, 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 solely 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 the effectiveness of the City's 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.

Pleasant Hill, California

DATE

CITY OF SAN RAFAEL
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2023

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, 2023. 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, 2023, by \$292.3 million.
- *Activities* – During the fiscal year the City's total revenues of \$152.8 million were greater than expenses of \$104.8 million for governmental and business-type activities.
- *Changes in Net Position* – The City's total net position increased by \$48.0 million in fiscal year 2022-2023 as compared to the net position of the previous year. Net position of governmental activities increased by \$47.3 million, while net position of the business-type activities increased by \$734 thousand.

Fund Level:

- *Governmental Funds* – As of the close of fiscal year 2022-2023, the City's governmental funds reported combined ending fund balances of \$78.5 million, an increase of \$6.6 million primarily due to receipt of grant funds in advance of capital project spending for projects such as the Third Street Rehabilitation project and the Pickleweed and Carnegie Library Renovation projects. Of this total amount, \$261 thousand is nonspendable, \$46.4 million is restricted, \$13.8 million is committed, \$17.3 million is assigned, and \$665 thousand is unassigned.
- Governmental fund revenues totaled \$147.6 million, an increase of \$500 thousand from the those of the previous fiscal year. Although the increase appears nominal, the prior year included the recognition of approximately \$16.1 million of one-time American Recovery Plan Act funds. The current year included over \$12 million in intergovernmental revenues related to the Third Street Rehabilitation Project against roughly \$3.3 million received for the project in the prior year. The remainder can be mainly attributed to a gain of \$1.2 million on the pooled investment portfolio during the year when compared with a loss of \$1.6 million in the prior year, as well as growth in taxes and assessments and charges for services of about \$5.3 million.
- Governmental fund expenditures increased by \$6.3 million to \$138.7 million, from \$132.4 million in the prior year. Major factors included increased project expenditures, most notably the Third Street Rehabilitation project, as well as compensation increases, and overall increasing costs for goods and services across all facets of operations.
- Enterprise fund net position increased \$734 thousand to \$10.8 million as the City's parking program began to rebound from the lingering effects of the pandemic during the year.

OVERVIEW OF FINANCIAL STATEMENTS

The Annual Comprehensive 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, including Fiduciary Funds, along with the Notes to these financial statements
4. Combining statements for Non-Major Governmental Funds and Internal Service Funds
5. Statistical Information

**Management's Discussion and Analysis
Fiscal Year Ended June 30, 2023**

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 generally accepted accounting principles.

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 the City's assets, deferred outflows/inflows of resources, and liabilities, with the difference 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 23 through 25 of this report.

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2023

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 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. 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 124 through 139 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-two 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-five governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages 28 through 31 of this report. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 124 through 139 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.

The proprietary fund financial statements can be found on pages 34 through 36 of this report.

**Management's Discussion and Analysis
Fiscal Year Ended June 30, 2023**

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 Statement of Changes in Fiduciary Net Position. The City's fiduciary funds include a private purpose trust fund to account for activities of the City of San Rafael Successor Agency and a custodial 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 38 through 39 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 41 through 96 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 General Fund and major funds (general, gas tax, and traffic and housing mitigation). The other section includes schedules of funding progress for the Marin County Employees' Retirement System and the City's OPEB plan. 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 the system and the OPEB plan. Required supplementary information can be found on pages 97 through 114 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

Net position measures the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. During this fiscal year, the net position of the City was \$281.5 million from Governmental Activities and \$10.8 million from Business-type Activities, for a total of \$292.3 million. This represents an increase of \$48 million from the prior year's net position.

CITY OF SAN RAFAEL
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2023

The following is the condensed Statement of Net Position for the fiscal years ended June 30, 2023 and 2022:

Summary of Net Position
(in thousands)

	Governmental Activities		Increase (Decrease)	Business-Type Activities		Increase (Decrease)
	2023	2022		2023	2022	
Current and other assets	\$135,941	\$174,072	(\$38,131)	\$1,745	\$3,568	(\$1,823)
Capital assets	311,664	294,928	16,736	15,162	15,281	(119)
Total assets	<u>447,605</u>	<u>469,000</u>	<u>(21,395)</u>	<u>16,907</u>	<u>18,849</u>	<u>(1,942)</u>
Deferred outflows (Notes 9 and 11)	<u>73,312</u>	<u>42,534</u>	<u>30,778</u>	<u>1,312</u>	<u>1,864</u>	<u>(552)</u>
Current and other liabilities	18,677	19,246	(569)	503	533	(30)
Noncurrent liabilities	192,517	88,630	103,887	6,942	4,086	2,856
Total liabilities	<u>211,194</u>	<u>107,876</u>	<u>103,318</u>	<u>7,445</u>	<u>4,619</u>	<u>2,826</u>
Deferred inflows (Notes 4G, 9 and 11)	<u>28,213</u>	<u>169,434</u>	<u>(141,221)</u>	<u>772</u>	<u>5,475</u>	<u>(4,703)</u>
Net Position:						
Net investment in capital assets	259,204	246,438	12,766	11,454	11,256	198
Restricted	46,773	36,668	10,105		0	0
Unrestricted	(24,466)	(48,883)	24,417	(653)	(1,189)	536
Total net position	<u>\$281,511</u>	<u>\$234,223</u>	<u>\$47,288</u>	<u>\$10,801</u>	<u>\$10,067</u>	<u>\$734</u>

Current and other governmental assets decreased by \$38.1 million, primarily resulting from the inclusion of a Net Pension Asset of \$46.6 million in the prior year that reverted to Net Pension Liability in the current year. The remainder is primarily the result of positive operating results as revenue growth outpaced expense growth during the year. The \$16.7 million increase in capital assets reflects project-to-date activity for major traffic infrastructure improvements, as well as Fire Station 54 and 55 construction and improvements. The increase of \$30.1 million in deferred outflows is primarily a result the impact of pension-related investment losses during the measurement year which caused the unamortized net difference between projected and actual earnings on plan investments to shift to a deferred outflow from deferred inflow in the prior year. 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. Current and other liabilities decreased by approximately \$569 thousand, primarily due a decrease in accounts payable of \$764 thousand. Noncurrent governmental liabilities increased by \$103.8 million mainly as a result of the reclassification of the prior year's net pension asset to a net pension liability mentioned previously. Deferred inflows decreased by \$141.2 million mainly as a result of the net difference between projected and actual earning on investments during the measurement period that resulted in a substantial net deferred outflow.

The net position in business-type activities reflects the fiscal activity of the Parking Services program and increased by \$734 thousand from the previous year as a result of a recovery in parking program revenues that had been slow to rebound from the impacts of the pandemic. Current and other assets decreased by \$1.8 million due the reclassification of the prior year's \$1.6 million net pension asset to a net pension liability in the current year. Correspondingly, noncurrent liabilities increased by \$2.8 million mainly due to the addition of the \$3.1 million net pension liability.

CITY OF SAN RAFAEL

**Management's Discussion and Analysis
Fiscal Year Ended June 30, 2023**

Capital assets decreased by \$119 thousand due to current year depreciation. The decreases in deferred outflows and related increases in deferred inflows and current and other assets were due to the pension-related adjustments mentioned above. The \$30 thousand increase in current liabilities is driven by the decrease in accounts payable to end the year.

At June 30, 2023, the largest portion of total net position in the amount of \$270.7 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 total net position, \$46.8 million, is subject to external restrictions, and their use is determined by those restrictions whether legal or by covenant. In addition, the unrestricted negative \$25.1 million represents the extent to which the net investment in capital assets and restricted net position exceed total net assets.

Net Position as of 6/30/2023	
(in thousands)	
Invested in Capital Assets (net)	\$270,658
Restricted	46,773
Unrestricted	<u>(25,119)</u>
Total Net Position	<u><u>\$292,312</u></u>

CITY OF SAN RAFAEL
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2023

Statement of Activities - Governmental

The following is the condensed Statement of Activities and Changes in Net Position for the fiscal years ended June 30, 2023 and 2022:

Summary of Changes in Net Position
(in thousands)

	Governmental Activities		Increase
	2023	2022	(Decrease)
REVENUES			
Program revenues:			
Charges for services	\$20,735	\$18,938	\$1,797
Operating grants and contributions	6,764	22,521	(15,757)
Capital grants and contributions	18,438	9,868	8,570
Total program revenues	<u>45,937</u>	<u>51,327</u>	<u>(5,390)</u>
General revenues:			
Property taxes	33,023	32,324	699
Sales taxes	45,633	44,110	1,523
Paramedic tax	5,224	5,110	114
Transient occupancy tax	3,396	2,976	420
Franchise tax	4,425	4,210	215
Business license tax	2,584	2,646	(62)
Other taxes	2,975	3,109	(134)
Investment earnings	1,709	(1,424)	3,133
Gain from sale of capital assets		990	(990)
Miscellaneous	3,233	2,966	267
Total general revenues	<u>102,202</u>	<u>97,017</u>	<u>5,185</u>
TOTAL REVENUES	<u>148,139</u>	<u>148,344</u>	<u>(205)</u>
EXPENSES			
General government	11,163	10,459	704
Public safety	49,904	34,379	15,525
Public works and parks	23,354	14,031	9,323
Community/economic development	4,437	2,835	1,602
Culture and recreation	10,723	7,431	3,292
Interest on long-term debt	1,793	2,005	(212)
TOTAL EXPENSES	<u>101,374</u>	<u>71,140</u>	<u>30,234</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES	<u>46,765</u>	<u>77,204</u>	<u>(30,439)</u>
Transfers in	521	521	-
Total Other Financing Sources (Uses)	<u>521</u>	<u>521</u>	<u>-</u>
Net Change in Net Position	47,286	77,725	(30,439)
Beginning Net Position	215,851	138,126	77,725
Ending Net Position, June 30	<u>\$263,137</u>	<u>\$215,851</u>	<u>\$47,286</u>

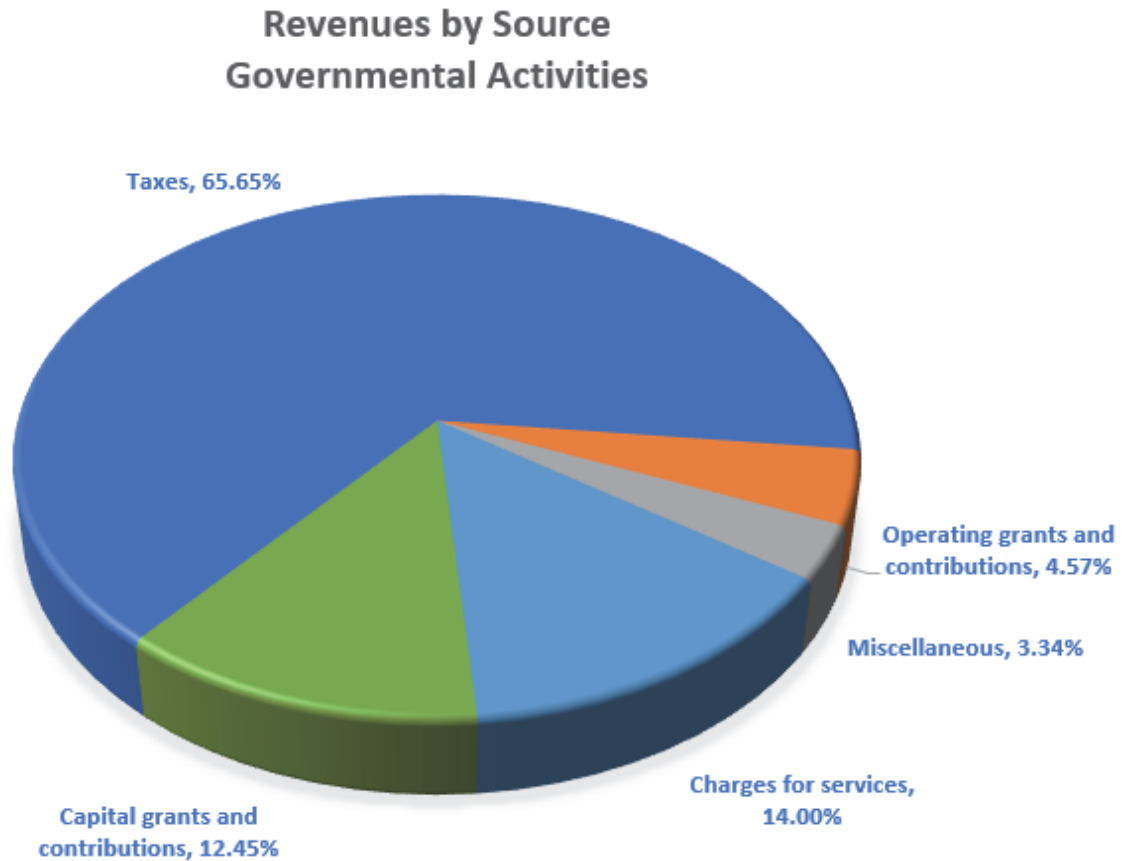
CITY OF SAN RAFAEL

**Management’s Discussion and Analysis
Fiscal Year Ended June 30, 2023**

The City’s governmental activities net position increased by \$47.3 million during fiscal year 2022-2023. Year-over-year revenues were largely similar to the prior year, however, there are significant fluctuations within program and general revenues to arrive at the total. Within program revenues, charges for services increased about \$1.8 million as the result of recovery in Recreation and Childcare programs from lingering effects of the pandemic, as well as growth in ambulance third-party billings. Operating grants and contributions decreased by \$15.8 million as the prior year amount included the recognition of \$16.1 million in one-time ARPA funds and Capital grants and contributions increased by roughly \$8.6 million mainly as the result of contributions to the Third Street Rehabilitation project. Within the general revenues category, investment earnings increased by \$3.1 million following the recording of a \$1.7 million gain during the year juxtaposed against the \$1.4 million loss of the prior year. The loss of the prior year was attributable to the rapid rise in interest rates during the period, causing a correspondingly sharp decrease in the value of bonds. Also of note, property and sales taxes continued to show strong growth, accounting for an increase of \$2.2 million in revenue for the year.

Overall operating expenses reflect significant increases for the fiscal year as a direct result of pension and OPEB adjustments made during the year. The prior year’s amounts were anomalously low as a result of extraordinary market returns during the measurement period ending June 30, 2021, that was reported June 30, 2022. The adjustments for these expenses offset personnel costs in each functional area on the Statement of Activities for fiscal 2021-22. Market losses during the June 30, 2022, fiscal year have had the opposite effect on balances for the current fiscal year, thus presenting a large variance that is not consistent with the City’s incremental functional program cost as presented on the fund financial statements.

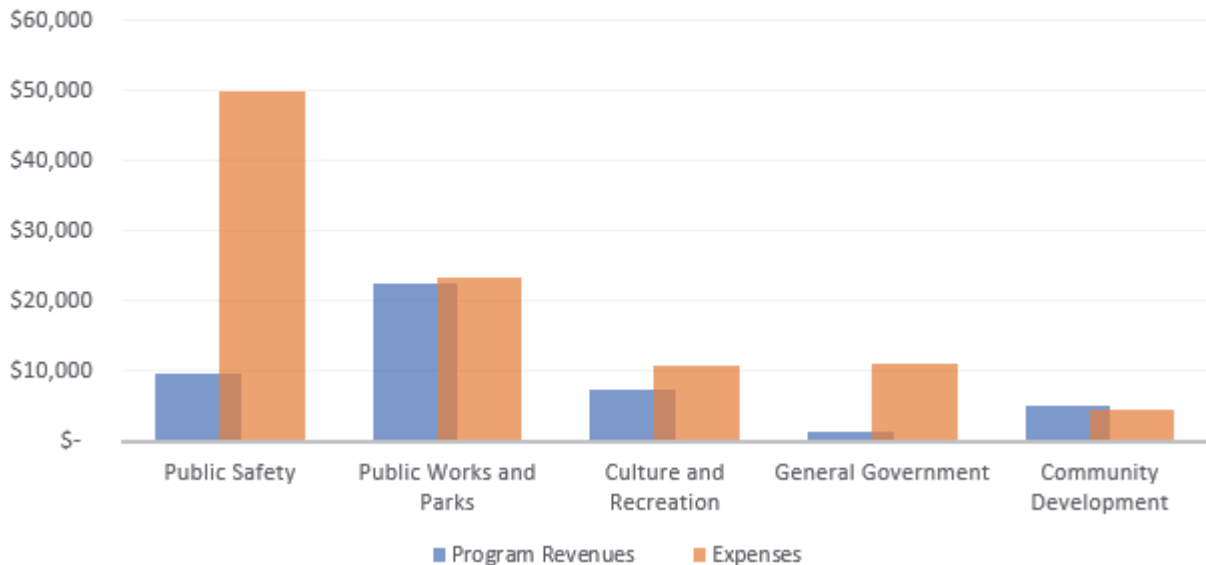
The following graph shows governmental revenues by source:



CITY OF SAN RAFAEL

**Management’s Discussion and Analysis
Fiscal Year Ended June 30, 2023**

**Expenses and Program Revenues
Governmental Activities
(in thousands)**



Total expenses for governmental activities were \$99.6 million (excluding interest on long-term debt of \$1.8 million). Program revenues offset total expenses as follows:

- Those who directly benefited from programs contributed \$20.7 million in charges for services.
- A total of \$25.2 million in operating and capital projects were funded by outside agencies through operating grants, capital grants, and contributions.

As a result, total expenses that were funded by tax revenues, investment income, other general revenues and fund balance were \$53.6 million.

Functional expenses for the year ended June 30, 2023, were as follows:

Expenses by Function

(in thousands)

Function	Amount	Percent of Total
General government	\$11,163	11.0%
Public safety	49,904	49.2%
Public works and parks	23,354	23.0%
Community development	4,436	4.4%
Culture and recreation	10,723	10.6%
Interest on debt	1,793	1.8%
Total expenses	\$101,373	100%

CITY OF SAN RAFAEL
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2023

Statement of Activities – Business-Type

Summary of Changes in Net Position
For the periods ended June 30, 2023 and 2022 (in thousands)

	Business-Type Activities		Increase (Decrease)
	2023	2022	
Revenues			
Program revenues:			
Charges for services	\$4,682	\$3,837	\$845
Total program revenues	<u>4,682</u>	<u>3,837</u>	<u>845</u>
General revenues:			
Investment Income	8	9	(1)
Total general revenues	<u>8</u>	<u>9</u>	<u>(1)</u>
TOTAL REVENUES	<u>4,690</u>	<u>3,846</u>	<u>844</u>
Expenses			
General government	3,436	2,227	1,209
TOTAL EXPENSES	<u>3,436</u>	<u>2,227</u>	<u>1,209</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES	1,254	1,619	(365)
OTHER FINANCING SOURCES (USES)			
Transfers out	(521)	(521)	-
Total Other Financing sources (uses)	<u>(521)</u>	<u>(521)</u>	<u>-</u>
Net Change in Net Position	733	1,098	(365)
Net Position, Beginning	<u>10,067</u>	<u>8,969</u>	<u>1,098</u>
Net Position, Ending	<u>\$10,800</u>	<u>\$10,067</u>	<u>\$733</u>

The net position for business-type activities increased from the prior year by \$733 thousand primarily as a result of increased program revenues following a sluggish post-pandemic recovery. In the prior two fiscal years the Parking services program was acutely affected by the lasting impacts of the coronavirus pandemic as reduced brick-and-mortar business activity and increased remote work arrangements reduced demand for street and garage parking.

Parking services is the City's only business-type activity with income derived from program revenues of \$4.7 million. Program revenues include parking meter coin income of \$1.4 million and parking garage hourly and monthly parking income of \$0.9 million. Revenues also include parking and non-vehicle code fines totaling \$2.4 million. Total expenses for parking services were \$3.4 million and transfers out to general fund and non-major governmental fund for support totaled \$521 thousand during the fiscal year 2022-2023.

CITY OF SAN RAFAEL
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2023

FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS

Governmental Funds

Fund Balance Classifications

Fund balances are classified in five categories: nonspendable, restricted, committed, assigned, and unassigned based on a 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, 2023, the City reported a combined ending fund balance of \$78.5 million of all its governmental funds (an increase of \$6.6 million from the prior year): \$261 thousand is non-spendable, \$46.4 million is restricted, \$13.8 million is committed, \$17.4 million is assigned, and \$665 thousand 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, 2023, was \$27.8 million (a decrease of \$6 million from the prior year balance): \$78 thousand is non-spendable, \$9.8 million is committed, \$17.3 million is assigned and \$665 thousand is unassigned. The committed portion of the balance includes \$9.8 million for emergency and cash flow needs.

General Fund Budgetary Highlights:

The original adopted General Fund budget projected total revenue of \$96.8 million and transfers-in of \$1.8 million for total resources of \$98.6 million. This budget appropriated expenditures of \$93 million and transfers-out of \$3.3 million for total appropriations of \$96.3 million. Revenues were later increased to \$98.3 million as a result of increased sales and use tax projections at mid-year. Transfers-in were reduced \$639 thousand mainly as a result of foregoing the annual transfer of administrative costs from the Gas Tax fund to maintain capacity within the fund for project needs. Transfers-out were increased by \$13.5 million mainly for project support of the San Quentin Pump Station project (\$7.25 million), Liability fund projects (\$2.4 million), and other capital projects (\$3.3 million).

Actual revenues, at \$98.1 million, exceeded original budgeted revenues by \$1.3 million. The increase is largely attributed to increased sales and use taxes, property taxes, and hotel taxes received during the year. These revenue increases were offset by lower than anticipated intergovernmental transfers and charges for services eclipsing favorable fair value adjustments to the City's fixed income portfolio of approximately \$637 thousand. Expenditures of \$88.5 million were \$4.5 million less than original budgeted expenditures of \$93 million as the City experienced significant personnel savings on vacant positions during the fiscal year. The City Council took action to apply a portion of these savings to the Capital Projects and Liability funds for project support via transfers out.

Fiscal year 2022-2023 General Fund expenditures and transfers out of \$105.2 million exceeded revenues and transfers in of \$99.2 million by \$6.0 million. The variance is primarily the result of the utilization of ARPA proceeds received in the prior year.

CITY OF SAN RAFAEL

**Management’s Discussion and Analysis
Fiscal Year Ended June 30, 2023**

**Summary of General Fund Budget and Actual
For the fiscal year ended June 30, 2023 (in thousands)**

	Adopted Budget	Revised Budget	Actual
Revenues	\$96,768	\$98,268	\$98,099
Transfers in	1,770	1,131	1,131
Total resources	<u>98,538</u>	<u>99,399</u>	<u>99,230</u>
Expenditures	92,971	\$94,447	88,450
Operating transfers out	3,307	13,486	13,486
Capital transfers out	-	3,307	3,307
Total uses	<u>96,278</u>	<u>111,240</u>	<u>105,243</u>
Net Results	<u>\$2,260</u>	<u>(\$11,841)</u>	<u>(\$6,013)</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 increased from \$4.9 million to \$5.7 million. Revenues totaled \$1.0 million, while \$223 thousand was charged against this fund to support the maintenance of the City-wide traffic model and the Grand Avenue Cycle Track project, which would add bicycle facility on the east side of grand Avenue between Fourth Street and Second Street. The balance in the fund is being held in anticipation of major street projects identified in the General Plan 2040 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 exceeded expenditures and net transfers by \$4.9 million in fiscal year 2022-2023 resulting in an increase in fund balance from \$6.9 million to \$11.8 million. The activities for the year were all planned and approved project work.

Expenditures during fiscal year 2022-2023 totaled \$16.9 million. In addition to routine street-related maintenance of \$1.3 million, major expenditures included \$10.1 million for the third street rehabilitation project, \$1.8 million for slurry seal projects, \$1.4 million for third street safety improvements, \$946 thousand for parking modifications and other enhancements at Spinnaker Point, and \$495 thousand for resurfacing and improvements to Bungalow Avenue.

The largest sources of revenues were \$1.1 million in development impact fees, \$1.3 million in federal grants, \$1.6 million from State gasoline taxes, \$1.4 million in State RMRA (Road Maintenance and Rehabilitation Account) funding, \$7.8 million in local Measure A and AA funding, and \$4.2 million in reimbursements from local agencies.

Essential Facilities Capital Projects Fund – The City uses this fund to account for major capital improvements to public safety facilities. During the year, construction was substantially completed on Fire Stations 54 and 55. Expenditures during fiscal year 2022-2023 totaled \$6.2 million and transfers from the General Fund representing an allocation of Measure E Transaction and Use Tax totaled \$587 thousand.

Non-major Governmental Funds – The City’s non-major funds are presented in the basic financial statements in the aggregate. At June 30, 2023, non-major funds had a total fund balance of \$29.5 million, a \$12.5 million increase over that of the previous year. The largest fund balance decrease, \$306 thousand, was recorded in the Measure A Open Space Fund as result of prior year fund balance being drawn down. The largest fund balance increase, \$5.4 million, was recorded in the Stormwater Fund as \$7.25 million in one-time funds were transferred from the general fund to support the San Quentin pump station repair project during the year.

**Management's Discussion and Analysis
Fiscal Year Ended June 30, 2023**

Of the ending total non-major fund balances of \$29.5 million: \$25.2 million (86%) is legally restricted for specific purposes by external funding source providers, \$4.0 million (14%) is committed for special purposes by the City Council, \$119 thousand (less than 1%) is assigned, and \$183 thousand (less than 1%) is nonspendable. 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 on page 35, the City's enterprise fund net position increased by \$733 thousand during the fiscal year. The Parking Services Fund is the City's sole business-type (Enterprise) activity.

The parking services fund's operating revenue increased by \$845 thousand in fiscal year 2022-2023 to \$4.7 million. The enterprise fund operating expenses were \$3.3 million in fiscal year 2022-2023, an increase of \$1.2 million over the prior fiscal year. The increase in operating revenues was the result of continued recovery from the pandemic driving higher demand for parking. The substantial increase in expenses is a direct result of pension adjustments related to the measurement year ending June 30, 2022, when extraordinary gains were achieved and offset pension expenses for the period. Pension adjustments related to allocated losses incurred during the measurement year ending June 30, 2023, resulted in a reverse of the prior year adjustment, and thereby operating expenditures, resulting in totals more in line with historic norms.

The City's Internal Service Funds are also reported in this Proprietary Fund classification. In fiscal year 2022-2023, the Internal Service Funds 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 \$4.3 million. Net investment in capital assets increased by \$206 thousand, while unrestricted fund balance increased by \$4.1 million. The increase in capital assets resulted primarily from vehicle purchases, offset by depreciation of existing capital assets. The increase in unrestricted fund balance reflects increased allocations to the Liability Fund to fund projects resulting from claims as well as increased allocations to the Vehicle Replacement Fund to fund repair and replacement of aging capital assets. 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 activities as of June 30, 2023, amounts to \$311.6 million, net of accumulated depreciation of \$211.4 million. This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure, right-to-use lease assets, 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 addition to the City's investment in capital assets for the current fiscal year was \$25.3 million, offset by accumulated depreciation of \$10.1 million.

Additions to capital assets during fiscal year 2022-2023 included:

- Machinery and Equipment: Vehicles totaling \$1.5 million
- Infrastructure: \$3.7 million
 - Bungalow Avenue Rehabilitation - \$1.5 million

CITY OF SAN RAFAEL
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2023

- San Rafael Canal Improvements - \$1.1 million
- Schoen parking lot conversion - \$1.1 million

A comparison of the City's Capital Assets for the fiscal years ending June 30, 2023 and 2022 is presented below:

Summary of Capital Assets
(in thousands)

	2023	2022 (as restated)*
Governmental Activities		
Land	\$84,026	\$84,026
Construction in progress	42,582	22,485
Land improvements	10,852	9,763
Buildings and structures	119,165	119,165
Machinery and equipment	22,016	20,497
Infrastructure	237,123	234,559
Intangible right-to-use leased building	5,476	5,476
Intangible right-to-use leased equipment	258	258
Intangible right-to-use subscription	1,559	1,559
Less accumulated depreciation	(211,394)	(201,301)
Subtotal Governmental Activities	<u>311,663</u>	<u>296,487</u>
Business-type Activities		
Land	8,621	8,621
Buildings and structures	10,714	10,714
Machinery and equipment	1,047	940
Less accumulated depreciation	(5,219)	(4,994)
Subtotal Business-type Activities	<u>15,163</u>	<u>15,281</u>
Total Capital Assets	<u><u>\$326,826</u></u>	<u><u>\$311,768</u></u>

Additional information on the City's capital assets can be found in Note 5 on pages 63 through 64 of this report.

* The 2022 balances have been restated to reflect the effects of the implementation of GASB Statement No. 96. See Note 1S for additional information.

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 a 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 16 for additional information on the Successor Agency.) The City's long-term obligations for the fiscal years ending June 30, 2023 and 2022 were as follows:

CITY OF SAN RAFAEL

**Management's Discussion and Analysis
Fiscal Year Ended June 30, 2023**

**Summary of Long-Term Debt
(in thousands)**

	<u>2023</u>	<u>2022</u>
Governmental Activity Debt:		
2018 Authority Lease Revenue Bond	\$44,852	\$47,600
2010 Taxable Pension Obligation Bonds	1,805	2,340
PG & E City Hall HVAC Retrofit Note Payable	13	46
PG & E Efficiency Note Payable	531	680
PG & E City Hall Efficiency Note Payable	143	165
Subtotal Governmental Activity Debt	<u>47,344</u>	<u>50,831</u>
Business-Type Activity Debt:		
PG & E Parking Lot Lighting Retrofit Note Payable	1	7
2012 Authority Lease Revenue Refunding Bonds	3,708	4,018
Subtotal Business-Type Activity Debt	<u>3,709</u>	<u>4,025</u>
Total Long-Term Obligations	<u><u>\$51,053</u></u>	<u><u>\$54,856</u></u>

ECONOMIC CLIMATE AND NEXT YEAR'S BUDGET

The global economy continues to slow as high inflation persists under tighter monetary policy. The International Monetary Fund currently projects global growth to slow from 3.5% in 2022 to 3.0% in 2023, then reduced further to 2.9% in 2024. Policy interest rates are at or close to a peak in most economies and with core inflation remaining stubborn, economies are likely to face mounting fiscal pressure as the cost of debt becomes more burdensome.

Nationally, the economic climate is focused on inflation and corresponding monetary policy surrounding interest rates. The US is likely close to a peak in interest rates as the Federal Reserve has recently signaled at least a pause in its tightening in the short-term as it continues to gather economic data supporting the general slowing of the economy to combat inflation. The country is likely to experience slow growth in the year ahead as the economy continues to grapple with persistent inflation.

In California, the long-forecasted recession appears to be postponed further as consumer spending remains strong and unemployment remains low at 4.6%. However, the housing market remains particularly constrained as high mortgage rates and low affordability put pressure on the sector, currently buoyed by a reduction in supply. Should current economic projections hold, the state may, in fact, weather this period of aggressive monetary policy without falling into an official recession.

Locally, Marin County remains somewhat insulated from more pronounced impacts of the macro environment with an unemployment rate among the lowest in the state at 3.7% and per capita income among the highest. However, the County has been experiencing a labor shortage since the onset of the pandemic that could put pressure on local businesses to perform and lead to inflationary pressures.

In San Rafael, sales and use tax forecasts show the city slowing from post-pandemic boom with a contraction of just over 1 percent for the coming fiscal year. Overall, the city's revenue sources are budgeted to grow at a rate of less than one percent in fiscal 2023-24, as the economy begins to cool, however remaining at its elevated post-pandemic level. The City's largest expenditure relates to personnel costs that are tied to labor agreements with each bargaining group. The City's labor units are all operating under three-year contracts that expire in 2024.

The City heads into the new fiscal year with a strong balance sheet and large capital projects in the pipeline bolstered by use of ARPA funds. Expectations are for large drawdowns on accumulated fund balances as capital projects get underway. However, costs are continuing to rise and certain projects may need to be prioritized to ensure the City does not become overextended.

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 deferred outflows of resources and the City's total liabilities and deferred inflows of resources, 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 and deferred inflows of resources from total assets and deferred outflows of resources.

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 and Capital Projects 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, deferred outflows/inflows of resources, 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, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	San Rafael Sanitation District
ASSETS				
Cash and investments available for operations (Note 2)	\$108,416,439	\$580,051	\$108,996,490	\$47,632,637
Restricted cash and investments (Note 2)	707,371		707,371	
Receivables:				
Accounts, net	4,164,410	1,164,507	5,328,917	1,884,396
Intergovernmental	9,941,501		9,941,501	
Grants	5,740,300		5,740,300	
Interest	460,766		460,766	
Loans (Note 4A)	3,722,291		3,722,291	
Long-term receivable from San Rafael Sanitation District (Note 4G)	2,002,944		2,002,944	
Leases receivable (Note 4H)	495,548		495,548	
Prepaid expenses and others	290,193		290,193	77,441
Capital assets (Note 5):				
Nondepreciable	126,607,764	8,620,853	135,228,617	7,769,106
Depreciable, net	185,055,855	6,541,564	191,597,419	52,320,884
Total Assets	<u>447,605,382</u>	<u>16,906,975</u>	<u>464,512,357</u>	<u>109,684,464</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pension (Note 9)	66,395,277	2,005,869	68,401,146	
Deferred outflows related to OPEB (Note 11)	6,916,720	105,280	7,022,000	
Total Deferred Outflows of Resources	<u>73,311,997</u>	<u>2,111,149</u>	<u>75,423,146</u>	
LIABILITIES				
Accounts payable	10,472,693	112,966	10,585,659	1,313,903
Developer and other deposits payable	846,711		846,711	
Interest payable		31,322	31,322	
Unearned revenue	468,456	21,402	489,858	
Claims payable (Note 13):				
Due in one year	2,886,630		2,886,630	
Due in more than one year	12,900,068		12,900,068	
Compensated absences (Note 1L):				
Due in one year	528,768	16,444	545,212	
Due in more than one year	3,701,377	115,104	3,816,481	
Long-term debt (Note 6):				
Due in one year	3,184,469	320,489	3,504,958	
Due in more than one year	44,160,068	3,387,928	47,547,996	
Lease liabilities (Note 14):				
Due in one year	62,395		62,395	
Due in more than one year	5,515,740		5,515,740	
Subscription liabilities (Note 14):				
Due in one year	226,781		226,781	
Due in more than one year	1,115,064		1,115,064	
Long-term payable to the City of San Rafael, due in more than one year (Note 4G)				2,002,944
Net OPEB liability, due in more than one year (Note 11)	22,740,857	346,143	23,087,000	
Net Pension liability, due in more than one year (Note 9)	102,383,546	3,093,111	105,476,657	
Total Liabilities	<u>211,193,623</u>	<u>7,444,909</u>	<u>218,638,532</u>	<u>3,316,847</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension (Note 9)	23,357,716	705,660	24,063,376	
Deferred inflows related to OPEB (Note 11)	4,385,251	66,749	4,452,000	
Deferred inflows related to leases receivable (Note 4H)	469,623		469,623	
Total Deferred Inflows of Resources	<u>28,212,590</u>	<u>772,409</u>	<u>28,984,999</u>	
NET POSITION (Note 8):				
Net investment in capital assets	259,204,102	11,454,000	270,658,102	59,178,014
Restricted for:				
Special revenue projects:				
Housing and street improvements	19,400,818		19,400,818	
Stormwater	6,629,459		6,629,459	
Emergency medical services	2,464,501		2,464,501	
Other	13,978,369		13,978,369	
Capital projects	4,300,186		4,300,186	
Total Restricted Net Position	<u>46,773,333</u>		<u>46,773,333</u>	
Unrestricted	(24,466,269)	(653,194)	(25,119,463)	47,189,603
Total Net Position	<u>\$281,511,166</u>	<u>\$10,800,806</u>	<u>\$292,311,972</u>	<u>\$106,367,617</u>

See accompanying notes to financial statements

CITY OF SAN RAFAEL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
General government	\$11,162,650	\$383,890	\$985,789	
Public safety	49,903,663	7,063,009	2,617,235	
Public works and parks	23,353,510	3,146,404	2,980,423	\$16,429,375
Community development	4,436,659	4,982,748		
Culture and recreation	10,723,168	5,158,806	180,368	2,008,856
Interest on long-term debt and fiscal charges	1,793,203			
Total Governmental Activities	<u>101,372,853</u>	<u>20,734,857</u>	<u>6,763,815</u>	<u>18,438,231</u>
Business-type Activities:				
Parking services	3,435,551	4,682,140		
Total Business-type Activities	<u>3,435,551</u>	<u>4,682,140</u>		
Total Primary Government	<u>\$104,808,404</u>	<u>\$25,416,997</u>	<u>\$6,763,815</u>	<u>\$18,438,231</u>
Component Unit				
San Rafael Sanitation District	<u>\$13,541,927</u>	<u>\$16,638,611</u>	<u>\$5,531</u>	<u>\$175,481</u>
General revenues:				
Taxes:				
Property				
Sales:				
Sales and Use				
Measure R quarter-cent sales				
Measure E half-cent sales				
Measure E quarter-cent sales				
Paramedic				
Transient occupancy				
Franchise				
Business license				
Other				
Investment earnings				
Gain from sale of capital assets				
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
(\$9,792,971)		(\$9,792,971)	
(40,223,419)		(40,223,419)	
(797,308)		(797,308)	
546,089		546,089	
(3,375,138)		(3,375,138)	
(1,793,203)		(1,793,203)	
<u>(55,435,950)</u>		<u>(55,435,950)</u>	
	\$1,246,589	1,246,589	
	<u>1,246,589</u>	<u>1,246,589</u>	
<u>(55,435,950)</u>	<u>1,246,589</u>	<u>(54,189,361)</u>	
			<u>\$3,277,696</u>
33,023,030		33,023,030	2,129,197
26,124,164		26,124,164	
4,802,175		4,802,175	
9,804,352		9,804,352	
4,902,176		4,902,176	
5,224,387		5,224,387	
3,396,479		3,396,479	
4,424,917		4,424,917	
2,583,546		2,583,546	
2,975,282		2,975,282	
1,708,860	8,320	1,717,180	1,328,202
3,233,349		3,233,349	11,759
521,322	(521,322)		
<u>102,724,039</u>	<u>(513,002)</u>	<u>102,211,037</u>	<u>3,469,158</u>
47,288,089	733,587	48,021,676	6,746,854
<u>234,223,077</u>	<u>10,067,219</u>	<u>244,290,296</u>	<u>99,620,763</u>
<u>\$281,511,166</u>	<u>\$10,800,806</u>	<u>\$292,311,972</u>	<u>\$106,367,617</u>



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 2022-2023:

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, 2023

	<u>Special Revenue Funds</u>				Other Governmental Funds	Total Governmental Funds
	General Fund	Traffic and Housing Mitigation	Gas Tax	Essential Facilities Capital Projects Fund		
ASSETS						
Cash and investments available for operations (Note 2)	\$22,962,334	\$3,796,390	\$8,177,990	\$4,117,352	\$26,574,041	\$65,628,107
Restricted cash and investments (Note 2)	621,650			3,352	82,369	707,371
Receivables:						
Accounts	1,771,001				2,393,409	4,164,410
Intergovernmental	9,170,687		392,561		378,253	9,941,501
Grants	45,538		5,004,338		690,424	5,740,300
Interest	454,608				6,158	460,766
Loans (Note 4A)	1,059	1,922,012			1,799,220	3,722,291
Leases (Note 4H)	42,363				453,185	495,548
Prepays	78,057				182,890	260,947
Total Assets	\$35,147,297	\$5,718,402	\$13,574,889	\$4,120,704	\$32,559,949	\$91,121,241
LIABILITIES						
Accounts payable	\$5,537,855	\$25,340	\$1,739,177	\$402,689	\$1,955,259	\$9,660,320
Deposits payable	278,204				189,388	467,592
Developer deposits payable	375,484				3,635	379,119
Unearned revenue					468,456	468,456
Total Liabilities	6,191,543	25,340	1,739,177	402,689	2,616,738	10,975,487
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	1,147,817					1,147,817
Related to leases (Note 4H)	39,939				429,684	469,623
Total Deferred Inflows of Resources	1,187,756				429,684	1,617,440
Fund Balances (Note 8):						
Nonspendable	78,057				182,890	260,947
Restricted		5,693,062	11,835,712	3,718,015	25,202,545	46,449,334
Committed	9,753,000				4,008,844	13,761,844
Assigned	17,272,274				119,248	17,391,522
Unassigned	664,667					664,667
Total Fund Balances	27,767,998	5,693,062	11,835,712	3,718,015	29,513,527	78,528,314
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$35,147,297	\$5,718,402	\$13,574,889	\$4,120,704	\$32,559,949	\$91,121,241

See accompanying notes to basic financial statements

CITY OF SAN RAFAEL
 GOVERNMENTAL FUNDS
 BALANCE SHEET - RECONCILIATION OF GOVERNMENTAL
 FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES
 JUNE 30, 2023

Total fund balances reported on the governmental funds balance sheet	\$78,528,314
<p>Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds because of the following:</p>	
<p>Capital assets used in Governmental Activities are not financial resources and, therefore, are not reported in the Governmental Funds.</p>	298,799,407
<p>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.</p>	37,966,327
<p>Long-term liabilities, including bonds payable, lease liabilities and subscription liabilities, are not due and payable in the current period and, therefore, are not reported in the Governmental Funds.</p>	(53,148,125)
Compensated absences	(4,230,145)
Unavailable revenue	1,147,817
Long-term receivable from San Rafael Sanitation District	2,002,944
Deferred outflows related to pension	66,395,277
Net pension liability	(102,383,546)
Deferred inflows related to pension	(23,357,716)
Deferred outflows related to OPEB	6,916,720
Deferred inflows related to OPEB	(4,385,251)
Net OPEB liability	<u>(22,740,857)</u>
Net position of governmental activities	<u><u>\$281,511,166</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, 2023

	<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	\$86,808,092				\$9,565,303	\$96,373,395
Licenses and permits	3,002,122					3,002,122
Fines and forfeitures	228,966					228,966
Use of money and properties	684,150	\$112,664	\$79,353	\$27,274	319,587	1,223,028
Intergovernmental	3,521,419	225,000	19,123,868		5,720,599	28,590,886
Charges for services	2,843,882	697,658	2,419,840		9,868,715	15,830,095
Other revenue	1,010,712		137,258		1,174,889	2,322,859
Total Revenues	98,099,343	1,035,322	21,760,319	27,274	26,649,093	147,571,351
EXPENDITURES						
Current:						
General government	13,114,356				744,268	13,858,624
Public safety	47,070,997				11,602,881	58,673,878
Public works and parks	14,602,766	142,969	3,695,723		1,094,130	19,535,588
Community development	5,174,237	16,009				5,190,246
Culture and recreation	3,201,698				9,462,584	12,664,282
Capital outlay		64,050	13,170,654	6,213,497	4,088,639	23,536,840
Debt service:						
Principal	3,044,551					3,044,551
Interest and fiscal charges	2,241,875					2,241,875
Total Expenditures	88,450,480	223,028	16,866,377	6,213,497	26,992,502	138,745,884
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	9,648,863	812,294	4,893,942	(6,186,223)	(343,409)	8,825,467
OTHER FINANCING SOURCES (USES)						
Transfers in (Note 3A)	1,131,142	8,897	32,400	586,926	12,817,453	14,576,818
Transfers out (Note 3A)	(16,793,126)		(8,897)		(18,457)	(16,820,480)
Total Other Financing Sources (Uses)	(15,661,984)	8,897	23,503	586,926	12,798,996	(2,243,662)
Net Change in Fund Balances	(6,013,121)	821,191	4,917,445	(5,599,297)	12,455,587	6,581,805
FUND BALANCES, BEGINNING OF YEAR	33,781,119	4,871,871	6,918,267	9,317,312	17,057,940	71,946,509
FUND BALANCES, END OF YEAR	\$27,767,998	\$5,693,062	\$11,835,712	\$3,718,015	\$29,513,527	\$78,528,314

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, 2023

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$6,581,805

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 and amortization expense.

Capital outlay and improvement expenditures are added back to fund balance	23,857,867
Depreciation and amortization expense is deducted from fund balance	(8,654,471)
(Depreciation and amortization expense is net of internal service fund depreciation and amortization of \$1,490,782, which has already been allocated to serviced funds).	

Long-Term Debt and Lease Liability 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 of long-term debt principal	2,956,642
Amortized bond premium expense is added back to fund balance	507,943
Repayments of lease principal	82,561
Repayments of subscription principal	5,348

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	57,666
Unavailable revenue	67,417
Long-term receivable from San Rafael Sanitation District	(1,321,117)

Net Pension (Asset) 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 (asset) liability.

16,574,632

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.

2,259,607

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.

4,312,189

Change in Net Position of Governmental Activities

\$47,288,089

See accompanying notes to financial statements



PROPRIETARY FUND FINANCIAL STATEMENTS
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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, 2023

	Business-type Activities - Enterprise Fund	Governmental Activities
	Parking Services	Internal Service Funds
ASSETS		
Current Assets:		
Cash and investments available for operations (Note 2)	\$580,051	\$42,788,332
Receivable:		
Accounts, net	1,164,507	
Prepaid expense		29,246
Total Current Assets	1,744,558	42,817,578
Noncurrent Assets:		
Capital assets (Note 5):		
Nondepreciable	8,620,853	910,869
Depreciable, net	6,541,564	11,953,343
Total Noncurrent Assets	15,162,417	12,864,212
Total Assets	16,906,975	55,681,790
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pension (Note 9)	2,005,869	
Deferred outflows related to OPEB (Note 11)	105,280	
Total Deferred Outflows of Resources	2,111,149	
LIABILITIES		
Current Liabilities:		
Accounts payable	112,966	812,373
Interest payable	31,322	
Unearned revenue	21,402	
Compensated absences, due in one year (Note 1L)	16,444	
Claims payable, due in one year (Note 13)		2,886,630
Long-term debt, due in one year (Note 6)	320,489	21,755
Subscription liabilities, due in one year (Note 14)		221,166
Total Current Liabilities	502,623	3,941,924
Noncurrent Liabilities:		
Compensated absences (Note 1L)	115,104	
Claims payable (Note 13)		12,900,068
Long-term debt (Note 6)	3,387,928	121,463
Net OPEB liability (Note 11)	346,143	
Net pension liability (Note 9)	3,093,111	
Subscription liabilities (Note 14)		752,008
Total Noncurrent Liabilities	6,942,286	13,773,539
Total Liabilities	7,444,909	17,715,463
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pension (Note 9)	705,660	
Deferred inflows related to OPEB (Note 11)	66,749	
Total Deferred Inflows of Resources	772,409	
NET POSITION (Note 8):		
Net investment in capital assets	11,454,000	11,747,820
Unrestricted	(653,194)	26,218,507
Total Net Position	\$10,800,806	\$37,966,327

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, 2023

	Business-type Activities - Enterprise Fund	Governmental Activities
	Parking Services	Internal Service Funds
OPERATING REVENUES		
Charges for current services	\$2,284,581	\$18,360,583
Other operating revenues	2,397,559	1,133,874
Total Operating Revenues	4,682,140	19,494,457
OPERATING EXPENSES		
Personnel	1,631,692	3,917,989
Insurance premiums and claims		9,012,844
Maintenance and repairs	178,555	164,010
Depreciation expense (Note 5)	225,055	1,490,782
General and administrative	1,261,236	3,832,184
Total Operating Expenses	3,296,538	18,417,809
Operating Income	1,385,602	1,076,648
NONOPERATING REVENUES (EXPENSES)		
Investment income	8,320	501,564
Miscellaneous revenue		28,976
Interest expense	(139,013)	(59,271)
(Loss) from disposal of capital assets		(712)
Total Nonoperating Revenues (Expenses)	(130,693)	470,557
Income Before Contributions and Transfers	1,254,909	1,547,205
TRANSFERS		
Transfers in (Note 3A)		3,485,000
Transfers out (Note 3A)	(521,322)	(720,016)
Net transfers	(521,322)	2,764,984
Change in Net Position	733,587	4,312,189
NET POSITION, BEGINNING OF YEAR	10,067,219	33,654,138
NET POSITION, END OF YEAR	\$10,800,806	\$37,966,327

See accompanying notes to financial statements

CITY OF SAN RAFAEL
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2023

	Business-type Activities - Enterprise Fund	Governmental Activities
	Parking Services	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers/other funds	\$2,284,581	\$18,378,748
Cash payments to suppliers for goods and services	(1,467,756)	(15,071,899)
Cash payments to employees for salaries and benefits	(2,392,760)	(1,367,804)
Other revenues	2,105,962	1,133,874
	<u>530,027</u>	<u>3,072,919</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Miscellaneous revenues		28,976
Interfund revenues		3,485,000
Interfund payments	(521,322)	(720,016)
	<u>(521,322)</u>	<u>2,793,960</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal payments on revenue bonds and note payable	(316,816)	(21,754)
Principal payments on subscription liability		(212,258)
Interest expenses and fiscal charges	(142,863)	(59,271)
Acquisition of capital assets	(106,742)	(1,463,889)
	<u>(566,421)</u>	<u>(1,757,172)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	8,320	501,564
	<u>8,320</u>	<u>501,564</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(549,396)	4,611,271
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,129,447</u>	<u>38,177,061</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$580,051</u>	<u>\$42,788,332</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$1,385,602	\$1,076,648
Adjustments to reconcile operating income to cash flows from operating activities:		
Depreciation	225,055	1,490,782
Net change in assets and liabilities:		
Accounts receivable	(287,201)	18,165
Prepays		(24,786)
OPEB-related items	(34,393)	
Accounts payable	(27,965)	327,134
Unearned revenue	(4,396)	
Compensated absence obligations	23,401	
Pension-related items	(750,076)	
Claims payable		184,976
	<u>\$530,027</u>	<u>\$3,072,919</u>
NON-CASH TRANSACTIONS:		
Retirement of capital assets		(\$712)
Amortization of bond discount	<u>\$725</u>	

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 present fund statements that consist of a Statement of Net Position and a Statement of Changes in 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 CUSTODIAL 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, 2023

	Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund	Pt. San Pedro Road Assessment District Custodial Fund
ASSETS		
Cash available for operations (Note 2)	\$135,693	\$241,301
Receivables:		
Taxes	65,000	752
Total Assets	200,693	242,053
LIABILITIES		
Interest payable		18,816
Total Liabilities		18,816
NET POSITION		
Restricted for:		
Bondholders	200,693	223,237
Total Net Position	\$200,693	\$223,237

See accompanying notes to financial statements

CITY OF SAN RAFAEL
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

	Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund	Pt. San Pedro Road Assessment District Custodial Fund
ADDITIONS		
Property taxes	\$630,000	\$172,083
Total Additions	630,000	172,083
DEDUCTIONS		
General government	114,870	9,758
Payments to bondholders		84,100
Interest expense	13,046	57,184
Total Deductions	127,916	151,042
Change in Net Position	502,084	21,041
NET POSITION		
Beginning of year	(301,391)	202,196
End of year	\$200,693	\$223,237

See accompanying notes to financial statements



CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

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 Unit*

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 unit is 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 to allow the life of the Authority to extend beyond that of the Agency. The Authority is administered by a governing board whose members are the City Council of the City.

Activities of the Authority related to the 2012 Authority Lease Revenue Refunding Bonds are reported in the Parking Services Enterprise Fund. Activities of the Authority related to the 2018 Authority Lease Revenue Bonds are reported in the City's General 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 4G, a receivable from the District has been established.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

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, and results of operations. 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 Morphey 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 and deferred outflows of resources, liabilities and deferred inflows of resources, 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, 2023

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 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, radio, and telephone replacement; employee benefits; liability insurance; workers’ compensation; dental insurance; employee retirement; retiree medical (OPEB); and sewer maintenance.

Fiduciary Funds – 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; and *Pt. San Pedro Road Assessment District Custodial 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.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

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, including lease and subscription liabilities, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions, including entering into contracts giving the City the right-to-use leased assets, are reported as *expenditures* in governmental funds. Proceeds from long-term debt and financing through 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 assets 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, 2023

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 assets 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 intergovernmental receivables and deferred amounts related to leases. 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. 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 maturities 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.

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, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Capital Assets

City

Contributed capital assets are valued at their estimated acquisition 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, except for intangible right-to-use lease assets and intangible right-to-use subscription assets, the measurement of which is discussed in Note 1R and Note 1S, respectively, below. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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
Right to use leased building	35 years
Right to use leased equipment	1.5 – 5 years
Right to use subscription asset	5 – 10 years

District

Collection systems and facilities purchased or constructed are stated at cost. Assets contributed are recorded at the estimated acquisition 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
Sewage collection facilities	5 – 50 years
General plant and administrative facilities	3 – 15 years

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

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 in compensated absences as of June 30, 2023 were as follows:

	Governmental Activities	Business-Type Activities	Total
Beginning Balance	\$4,287,811	\$108,147	\$4,395,958
Additions	3,003,055	90,749	3,093,804
Payments	(3,060,721)	(67,348)	(3,128,069)
Ending Balance	\$4,230,145	\$131,548	\$4,361,693
Current Portion	\$528,768	\$16,444	\$545,212

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, 2023

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

N. Sewer Charges – District

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 and become delinquent December 10 and April 10, for the first and second installments, respectively. 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 – District

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, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. 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.

Q. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

R. Leases

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment.

Lessee – The City is a lessee for noncancelable leases of equipment and land. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities in accordance with the capitalization policy for the underlying asset as discussed in Note 1K.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the lesser of its useful life or the life of the lease agreement.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments as follows:

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise, if applicable.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term lease liabilities on the statement of net position.

Lessor – The City is a lessor for noncancellable leases of certain buildings and land. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts as follows:

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. *Subscription-Based Information Technology Arrangements (SBITAs)*

A Subscription-Based Information Technology Arrangement (SBITA) is a contract that conveys control of the right to use another party's (a SBITA vendor's) IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

At the commencement of a SBITA, the City initially measures the subscription liability at the present value of payments expected to be made during the contract term. Subsequently, the subscription liability is reduced by the principal portion of payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for payments made at or before the SBITA commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over shorter of the subscription term or the useful life of the underlying IT assets.

Key estimates and judgments related to SBITAs include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments as follows:

- The City uses the interest rate charged by the IT vendor as the discount rate. When the interest rate charged by the IT vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for subscription liabilities.
- The subscription term includes the noncancellable period of the subscription.
- Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its subscription and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

T. *New Accounting Pronouncements*

GASB Statement No. 96 – In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. The primary objective of this Statement is to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. The provisions of this Statement were implemented during fiscal year 2023. As part of the implementation of this Statement, the City has accounted for certain subscription transactions, which require the restatement of beginning net position of the governmental activities capital assets and subscription liabilities in the amount of \$1,559,451, and the net effect on beginning net position and fund balance is zero. See the subscription disclosure in Note 14.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

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.

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, 2023, 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	\$108,996,490
Restricted cash and investments	<u>707,371</u>
Total Primary Government Cash and Investments	<u>109,703,861</u>

San Rafael Sanitation District (Component Unit):

Cash and investments available for operations	<u>47,632,637</u>
Total San Rafael Sanitation District Cash and Investments	<u>47,632,637</u>

Statement of Fiduciary Net Position (separate statement):

Successor Agency to the Redevelopment Agency Private Purpose Trust Fund:

Cash available for operations	<u>135,693</u>
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Pt. San Pedro Road Assessment District Custodial Fund:

Cash available for operations	<u>241,301</u>
Total Fiduciary Fund Cash and Investments	<u>376,994</u>
Total Cash and Investments	<u><u>\$157,713,492</u></u>

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 2 – CASH AND INVESTMENTS (Continued)

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.

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 Obligations	5 years	N/A	No limit	No limit
Federal Agency Securities and Instruments	5 years	N/A	No limit	No limit
Repurchase Agreements	1 year	N/A	No limit	No limit
Prime Commercial Paper	270 days	A-1	25%	10% of total outstanding commercial paper and 5% of portfolio
Banker’s 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	\$75m per Account
Money Market Funds	N/A	AAA	10%	N/A
Mortgage and Asset-Backed Obligations	5 years	AA	20%	N/A
Supranational Securities	5 years	AA	15%	N/A
Limited Obligation Improvement Bonds Related to Special Assessment Districts and Special Tax Districts issued by the City of San Rafael	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, 2023

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 Mutual 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
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
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.

Source: PYFS; In FY 2021, eliminated Muni, State and Local Bonds because those should not be listed here.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 2 – CASH AND INVESTMENTS (Continued)

E. 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, 2023:

	(a) Level 1	(b) Level 2	(c) Level 3	Total
City:				
Money Market Funds		\$1,470,184		\$1,470,184
U.S. Government Obligations	\$15,306,615			15,306,615
Federal Agency Securities and Instruments		8,669,294		8,669,294
Medium-Term Corporate Notes		19,536,092		19,536,092
Investment in Pt. San Pedro Bonds			\$949,493 (d)	949,493
	<u>\$15,306,615</u>	<u>\$29,675,570</u>	<u>\$949,493</u>	45,931,679
<i>Investments Exempt from Fair Value Hierarchy:</i>				
Local Agency Investment Fund				50,235,434
Marin County Investment Pool				<u>82,372</u>
Total Investments				<u>96,249,484</u>
<i>Cash in banks and on hand</i>				<u>13,454,377</u>
Total City Cash and Investments				<u>109,703,861</u>
Fiduciary:				
<i>Cash in banks</i>				<u>376,994</u>
Total Fiduciary Cash				<u>376,994</u>
Total City and Fiduciary Cash and Investments				<u>110,080,855</u>
San Rafael Sanitation District:				
<i>Marin County Investment Pool</i>				<u>47,632,637</u>
District's Total Cash and Investments				<u>47,632,637</u>
Total Cash and Investments				<u>\$157,713,492</u>

Source: The above GASB 72 Classifications in the different input levels are provided by US Bank.

- (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 Special Assessment District 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, 2023

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	\$1,470,184		\$1,470,184
Local Agency Investment Fund	50,235,434		50,235,434
Marin County Investment Pool	82,372		82,372
U.S. Government Obligations	5,955,576	\$9,351,039	15,306,615
Federal Agency Securities and Instruments	3,656,808	5,012,486	8,669,294
Medium-Term Corporate Notes	6,842,781	12,693,312	19,536,092
Investment in Pt. San Pedro Bonds		949,493	949,493
Total Investments	<u>\$68,243,154</u>	<u>\$28,006,330</u>	96,249,484
<i>Cash in banks and on hand</i>			<u>13,454,377</u>
Total City Cash and Investments			<u>109,703,861</u>
Fiduciary:			
<i>Cash in banks</i>			<u>376,994</u>
Total Fiduciary Cash			<u>376,994</u>
Total City and Fiduciary Cash and Investments			<u>110,080,855</u>
San Rafael Sanitation District:			
<i>Marin County Investment Pool</i>			<u>47,632,637</u>
Total District's Cash and Investments			<u>47,632,637</u>
Total Cash and Investments			<u>\$157,713,492</u>

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

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. Each regular LAIF account is permitted to have up to 15 transactions per month, with a minimum transaction amount of \$5,000, a maximum transaction amount of \$75 million and at least 24 hours advance notice for withdrawals of \$10 million or more.

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, 2023, these investments matured in an average of 260 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 12 days per August fact sheet.

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, 2023

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, 2023, for each of the City’s or District’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:			
Money Market Funds	\$1,470,184	2%	AAAm
Marin County Investment Pool	82,372	< 1%	AAA/V1
U.S. Government Obligations	15,306,615	16%	AAA
Federal Agency Securities and Instruments	8,669,294	9%	AAA
Medium-Term Corporate Notes	19,536,092	20%	AAA, AA2, AA3, A1, A2, A3
Local Agency Investment Fund	50,235,434	52%	Not Rated
Investment in Pt. San Pedro Bonds	949,493	1%	Not Rated
Total City Investments	<u>96,249,484</u>		
San Rafael Sanitation District:			
Marin County Investment Pool	<u>47,632,637</u>		AAA/V1
Total Investments	<u>\$143,882,121</u>		

H. Concentration Risk

Investments in the securities of any individual issuers, other than U.S. Treasury securities, mutual funds, and external investment pools, that represent 5% or more of the total entity-wide investments are as follows at June 30, 2023:

Reporting Unit	Issuer	Investment Type	Amount	Percentage of Investments
Entity-wide	Federal Home Loan Bank	Federal Agency Securities and Instruments	\$6,122,080	6%

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

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, 2023, were as follows:

From Fund	To Fund	Amount
General Fund	Essential Facilities Capital Projects Fund	\$586,926 (A)
	Non-Major Governmental Funds	12,721,200 (A) (B)
	Internal Service Funds	3,485,000 (A)
Gas Tax Special Revenue Fund	Traffic and Housing Mitigation Special Revenue Fund	8,897 (B)
Parking Services Enterprise Fund	General Fund	436,322 (C)
	Non-Major Governmental Funds	85,000 (A)
Internal Service Funds	General Fund	683,750 (C)
	Gas Tax Special Revenue Fund	25,013 (A)
	Non-Major Governmental Funds	11,253 (A)
Non-Major Governmental Funds	General Fund	11,070 (B)
	Gas Tax Special Revenue Fund	7,387 (B)
		<u>\$18,061,818</u>

(A) Transfers for administrative costs, grant matching, recreation, and other program support.

(B) Transfers for project support.

(C) Transfers for debt service.

NOTE 4 – LOANS AND LEASES RECEIVABLE

A. Summary of Loans Receivable

The City has identified the portion of fund balance represented by these loans as nonspendable or restricted as discussed in Note 8. As of June 30, 2023, these loans consisted of the following:

Employee Loans	\$1,059
Centertown Associates	936,446
3301 Kerner	862,774
One "H" Street Associates	28,574
Vivalon	1,893,438
Total	<u>\$3,722,291</u>

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 4 – LOANS AND LEASES RECEIVABLE (Continued)

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, 2023, the balance of the employee loans receivable was \$1,059.

C. *Centertown Associates Loan*

On August 20, 1990, the former Redevelopment Agency loaned Centertown Associates, Ltd, \$303,000 at 3% interest due semiannually for the construction of a 60-unit affordable apartment complex and was fully secured by a deed of trust. 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. On October 22, 2021, City Council approved the Amended and Restated Promissory Note for the loan. The amendment extended the due date to October 22, 2078, for the original loan balance of \$266,781 consisting of \$219,982 in remaining principal and \$46,799 in accrued interest as of the date of the amended loan agreement. In addition, the amendment included an additional loan in the amount of \$643,095 for a ground lease for certain land located at 855 C Street, currently improved with approximately sixty units of affordable housing. Interest is compounded at 1.74% annually and is repayable from residual receipts as defined under the agreement. Repayment is due on October 22, 2078. The amended note is secured by a Leasehold Deed of Trust with Assignment of Rents and Security Agreement on the Property. As of June 30, 2023, the balance of the loan including principal and accrued interest was \$936,446.

D. *3301 Kerner Loan*

On March 21, 2023, the City entered into a loan agreement in the amount of \$857,500 to fund the construction of a 41-unit multifamily rental housing development affordable to homeless or formerly homeless households with mental illness at rents affordable to extremely low- and very low- income households. The term is the later of (a) the fifty-seventh anniversary of the date the Deed of Trust is recorded in the Recorder's Office of Marin County or (b) the fifty-fifth anniversary of the date on which construction financing is converted into permanent financing.

Annual payments equal to the City's proportionate share of residual receipts attributable to the prior calendar year are due beginning June 1st after the end of the calendar year of the date that the construction loan for the property converts to a permanent loan. The note is secured by a Deed of Trust. As of June 30, 2023, the balance of the loan and accrued interest was \$862,774.

E. *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 the final payment is due January 18, 2034. As of June 30, 2023, the balance of this loan was \$28,574.

**CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023**

NOTE 4 – LOANS AND LEASES RECEIVABLE (Continued)

F. *Vivalon Loan*

On April 1, 2022, the City entered into a loan agreement in the amount of \$1,825,000 to fund construction of the Vivalon Healthy Aging Center located at 999 3rd Street. The site will include 66 one-bedroom and studio units for older adults and approximately 20% of the units will be supportive housing. The term is the later of (a) the fifty-seventh anniversary of the date the Deed of Trust is recorded in the Recorder’s Office of Marin County or (b) the fifty-fifth anniversary of the date on which construction financing is converted into permanent financing. Annual payments equal to the City’s proportionate share of residual receipts attributable to the prior calendar year are due beginning June 1st after the end of the calendar year that the construction loan for the property converts to a permanent loan. The note is secured by a Deed of Trust. As of June 30, 2023, the balance of the loan and accrued interest was \$1,893,438.

G. *Other Receivables – Long-Term Receivable from San Rafael Sanitation District*

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, 2023, is \$2,002,944, and is composed of the following:

Defined benefit pension liability allocation	\$1,403,972
Other post-employment benefit liability allocation	<u>598,972</u>
Total long-term receivable from San Rafael Sanitation District	<u><u>\$2,002,944</u></u>

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 4 – LOANS AND LEASES RECEIVABLE (Continued)

H. Leases Receivable

The City from time to time engages in lease arrangements allowing the right for others to use various owned land and buildings for the public benefit. As of June 30, 2023, these leases and related deferred inflows of resources consisted of the following:

	Leases Receivable	Deferred Inflows of Resources
Marin History Museum	\$42,363	\$39,939
Yacht Club	177,143	169,488
Trans Bay Cable	276,042	260,196
Total	\$495,548	\$469,623

On August 1, 2021, the City began leasing a building to the Marin History Museum with monthly payments of \$1,200 - \$1,260 through July 1, 2026. The City recognized \$12,953 in lease revenue and \$2,444 in interest revenue during the current fiscal year related to this lease. Also, the City has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term.

On April 1, 2014, the City began leasing property to the San Rafael Yacht Club. The lease was extended during fiscal year 2022 and lease payments are due annually with an initial amount of \$28,699 commencing March 31, 2022. Lease payments are to be increased by 5% every two years thereafter, until the end of the lease on March 31, 2029. The City recognized \$28,248 in lease revenue and \$4,036 in interest revenue during the current fiscal year related to this lease. Also, the City has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term.

On January 1, 2007, the City began leasing land to a third party for a cable operation. Lease payments are due annually with an initial amount of \$33,500 commencing March 31, 2022. Lease payments are to be increased by 3% every year thereafter, until the end of the lease on January 1, 2031. The City recognized \$32,525 in lease revenue and \$9,045 in interest revenue during the current fiscal year related to this lease. Also, the City has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 5 – CAPITAL ASSETS

Changes in capital assets during the fiscal year consisted of:

	Balance June 30, 2022 (as restated)	Additions	Retirements	Transfers	Balance June 30, 2023
Governmental Activities					
Capital assets not being depreciated:					
Land	\$84,025,659				\$84,025,659
Construction in progress	22,485,220	\$23,773,676		(\$3,676,791)	42,582,105
Total capital assets not being depreciated	106,510,879	23,773,676		(3,676,791)	126,607,764
Capital assets being depreciated:					
Land improvements	9,762,567			1,089,012	10,851,579
Buildings and structures	119,165,142				119,165,142
Machinery and equipment	20,497,081	1,548,080	(\$51,909)	23,238	22,016,490
Infrastructure	234,558,558			2,564,541	237,123,099
Intangible right-to-use leased building	5,476,219				5,476,219
Intangible right-to-use leased equipment	258,365				258,365
Intangible right-to-use subscription asset	1,559,451				1,559,451
Total capital assets being depreciated	391,277,383	1,548,080	(51,909)	3,676,791	396,450,345
Less accumulated depreciation and amortization for:					
Land improvements	(7,351,565)	(68,114)			(7,419,679)
Buildings and structures	(27,057,991)	(2,862,973)			(29,920,964)
Machinery and equipment	(15,107,704)	(1,036,353)	51,197		(16,092,860)
Infrastructure	(151,545,971)	(5,654,685)			(157,200,656)
Intangible right-to-use leased building	(156,463)	(156,464)			(312,927)
Intangible right-to-use leased equipment	(80,740)	(80,740)			(161,480)
Intangible right-to-use subscription asset		(285,924)			(285,924)
Total accumulated depreciation and amortization	(201,300,434)	(10,145,253)	51,197		(211,394,490)
Total net capital assets being depreciated and amortized	189,976,949	(8,597,173)	(712)	3,676,791	185,055,855
Total governmental activity capital assets	\$296,487,828	\$15,176,503	(\$712)		\$311,663,619

During fiscal year 2023, the City implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which required the restatement of capital assets, specifically to incorporate an intangible right-to-use subscription asset. As a result, an initial right-to-use subscription asset was recorded in the amount of \$1,559,451 as of July 1, 2022. The subscription asset is offset with a subscription liability as discussed in Note 14.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 5 – CAPITAL ASSETS (Continued)

	Balance June 30, 2022	Additions	Balance June 30, 2023
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	940,164	\$106,742	1,046,906
Total capital assets being depreciated	11,653,978	106,742	11,760,720
Less accumulated depreciation for:			
Buildings and structures	(4,126,773)	(205,362)	(4,332,135)
Machinery and equipment	(867,328)	(19,693)	(887,021)
Total accumulated depreciation	(4,994,101)	(225,055)	(5,219,156)
Total net capital assets being depreciated	6,659,877	(118,313)	6,541,564
Total business-type activity capital assets	\$15,280,730	(\$118,313)	\$15,162,417
	Balance June 30, 2022	Additions	Balance June 30, 2023
San Rafael Sanitation District			
Capital assets not being depreciated:			
Land and easements	\$115,329		\$115,329
Construction in progress	822,409	\$6,831,368	7,653,777
Total capital assets not being depreciated	937,738	6,831,368	7,769,106
Capital assets being depreciated:			
Subsurface lines	45,494,507	67,028	45,561,535
Sewage collection facilities	47,915,613	67,417	47,983,030
General plant and administration	2,366,681		2,366,681
Total capital assets being depreciated	95,776,801	134,445	95,911,246
Less accumulated depreciation for:			
Subsurface lines	(14,149,281)	(594,559)	(14,743,840)
Sewage collection facilities	(25,298,589)	(1,721,972)	(27,020,561)
General plant and administration	(1,699,220)	(126,741)	(1,825,961)
Total accumulated depreciation	(41,147,090)	(2,443,272)	(43,590,362)
Total net capital assets being depreciated	54,629,711	(2,308,827)	52,320,884
Total District's capital assets	\$55,567,449	\$4,522,541	\$60,089,990

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, 2023

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	\$92,586
Public safety	899,801
Public works and parks	6,919,199
Community development	51,080
Culture and recreation	691,805
Internal service funds	<u>1,490,782</u>
Total Governmental Activities	<u>\$10,145,253</u>
Business-type Activities	
Parking services	<u>\$225,055</u>
Total Business-type Activities	<u>\$225,055</u>

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, 2023, are as follows:

	Authorized and Issued	Balance June 30, 2022	Retirements	Balance June 30, 2023	Current Portion
Governmental Activities Bonds:					
2018 Authority Lease Revenue Bonds 4.00%-5.00%, due 6/1/2034 Add: unamortized bond premium	\$45,485,000	\$41,505,000 6,095,322	\$2,240,000 507,943	\$39,265,000 5,587,379	\$2,435,000
2010 Taxable Pension Obligation Bonds 6.00%-6.25%, due 7/1/2025	4,490,000	<u>2,340,000</u>	<u>535,000</u>	<u>1,805,000</u>	<u>565,000</u>
Total Governmental Activities Bonds		<u>49,940,322</u>	<u>3,282,943</u>	<u>46,657,379</u>	<u>3,000,000</u>
Governmental Activities - Direct Borrowings:					
PG & E City Hall HVAC Retrofit Note Payable 0.00%, due 11/30/2023	334,585	46,158	33,280	12,878	12,878
PG & E CEC Efficiency Note Payable 1.00%, due 12/22/2026	1,104,799	679,424	148,362	531,062	149,836
PG & E Energy Efficient Lighting Project Note Payable 0.00% due 1/20/30	174,036	<u>164,972</u>	<u>21,754</u>	<u>143,218</u>	<u>21,755</u>
Total Governmental Activities - Direct Borrowings		<u>890,554</u>	<u>203,396</u>	<u>687,158</u>	<u>184,469</u>
Total Governmental Activities Debt		<u>\$50,830,876</u>	<u>\$3,486,339</u>	<u>\$47,344,537</u>	<u>\$3,184,469</u>
Business-type Activities:					
Direct Borrowing:					
PG & E Parking Lot Lighting Retrofit Note Payable 0.00%, due 11/30/2023	66,380	<u>\$7,305</u>	<u>\$6,816</u>	<u>\$489</u>	<u>\$489</u>
2012 Authority Lease Revenue Refunding Bonds 2.00-4.00%, due 4/1/2033 Less: unamortized bond discount	6,750,000	4,025,000 <u>(7,797)</u>	310,000 <u>(725)</u>	3,715,000 <u>(7,072)</u>	320,000
Total Business-type Activities Bonds		<u>4,017,203</u>	<u>309,275</u>	<u>3,707,928</u>	<u>320,000</u>
Total Business-type Activities		<u>\$4,024,508</u>	<u>\$316,091</u>	<u>\$3,708,417</u>	<u>\$320,489</u>

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

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. The Authority has pledged revenue pursuant to a site and facility lease between the City and the Authority for the public safety center. The lease rental payments are due semi-annually and are in an amount sufficient to make payments on the Bonds. Principal payments are due annually on June 1 and interest is payable semiannually on June 1 and December 1. 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 Notes Payable

PG&E HVAC and 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, which does not bear interest. The debt was assumed as a means to finance energy-efficient retrofit projects which include updating the existing heating, ventilation, and air conditioning (HVAC) unit in City Hall and converting the street and parking lot lights 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, 2023

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 PG&E in an amount up to \$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 included interior and exterior lighting upgrades and energy management control systems. The City made the final draw on the loan and the final loan obligation was \$1,104,799. Payments commenced in December 2019, and are due semi-annually until paid in full in December 2026.

PG&E Energy Efficient Lighting Project

On September 20, 2021, the City executed a note payable agreement with PG&E in the amount of \$174,036, which does not bear interest. The debt was assumed as a means of financing energy efficient lighting for the Al Boro recreation center and the department of Public Works building. Repayment of the loan commenced in February 2022 and payments are due monthly until paid in full in January 2030.

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, 2023

NOTE 6 – LONG-TERM DEBT (Continued)

E. Future Debt Service

Future debt service requirements, including interest, at June 30, 2023, are as follows:

For the Year Ended June 30	Governmental Activities			
	Bonds		Direct Borrowings	
	Principal	Interest	Principal	Interest
2024	\$3,000,000	\$2,058,406	\$184,469	\$4,951
2025	3,245,000	1,900,250	173,106	3,436
2026	3,510,000	1,729,256	174,623	1,919
2027	3,105,000	1,565,750	98,762	386
2028	3,355,000	1,410,500	21,755	
2029 - 2033	21,025,000	4,262,500	34,443	
2034 - 2035	3,830,000	191,500		
Totals	41,070,000	\$13,118,162	687,158	\$10,692
Reconciliation of Long-term debt:				
Add: unamortized premium	5,587,379			
	<u>\$46,657,379</u>		<u>\$687,158</u>	

For the Year Ended June 30	Business-type Activities		
	Bonds		Direct Borrowing
	Principal	Interest	Principal
2024	\$320,000	\$134,288	\$489
2025	330,000	124,288	
2026	335,000	113,562	
2027	350,000	102,256	
2028	360,000	90,006	
2029 - 2033	2,020,000	241,806	
Totals	3,715,000	\$806,206	489
Reconciliation of Long-term debt:			
Less: unamortized discount	(7,072)		
	<u>\$3,707,928</u>		<u>\$489</u>

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 7 – DEBT WITHOUT CITY COMMITMENT

A. Special Assessment Debt Without City Commitment

Special assessment districts have been established in various parts of the City to provide improvements to properties located in those districts. Properties in these districts are assessed for the cost of improvements; these assessments are payable solely by property owners over the term of the debt issued to finance these improvements. The City is not legally or morally obligated to pay these debts or be the purchaser of last resort of any foreclosed properties in these special assessment districts, nor is it obligated to advance City funds to repay these debts in the event of default by any of these districts. The City does act as an agent for the property owners and bondholders and at June 30, 2023, the balances of these Districts’ outstanding debt were as follows:

	Project Description	Original Amount	Outstanding June 30, 2023
Pt. San Pedro Road Median Landscaping Assessment District Limited Obligation Bonds-2012	Pt. San Pedro Road Median Landscaping	\$1,750,000	\$1,075,200

B. Conduit Debt

The City has assisted private-sector entities by sponsoring their issuance of debt for purposes the City deems to be in the public interest. These debt issues are secured solely by the property financed by the debt. The City is not legally or morally obligated to pay these debts or be the purchaser of last resort of any foreclosed properties secured by these debts, nor is it obligated to advance City funds to repay these debts in the event of default by any of these issuers. At June 30, 2023, the balance of this issuers’ outstanding debt was as follows:

	Project Description	Original Amount	Outstanding June 30, 2023
San Rafael Redevelopment Agency Multifamily Housing Revenue Bonds-2000A	162-175 Belvedere Apartments	\$3,590,529	\$789,269
California Statewide Communities Development Authority Revenue Bonds-2001	St. Marks School	5,605,000	2,005,000
San Rafael Redevelopment Agency Multifamily Housing Revenue Bonds-2002	San Rafael Commons Apartments	6,100,000	4,025,000
San Rafael Redevelopment Agency Multifamily Housing Revenue Bonds-2007 Series A	Martinelli House Project	6,000,000	1,613,168
Multifamily Housing Revenue Bonds-2007 Series B	Martinelli House	1,000,000	103,077
	Total	<u>\$22,295,529</u>	<u>\$8,535,514</u>

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 8 – NET POSITION AND FUND BALANCE

A. Net Position

Net Position is the excess of all the City's assets and deferred outflows of resources over all its liabilities and deferred inflows of resources, 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.

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 generally accepted accounting principles, which require 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, loans 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 adopted the City's Fund Balance Policy.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 8 – NET POSITION AND FUND BALANCE (Continued)

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.

Detailed classifications of the City’s fund balances, as of June 30, 2023, are below:

	Special Revenue Funds		Capital Project Funds		Other Governmental Funds	Total
	General Fund	Traffic and Housing Mitigation	Gas Tax	Essential Facilities Capital Projects Fund		
Fund balances:						
Nonspendable:						
Prepays	\$78,057				\$182,890	\$260,947
Total Nonspendable	78,057				182,890	260,947
Restricted for:						
Assessment District capital projects					298,723	298,723
Baypoint Lagoons Assessment District					224,737	224,737
Bedroom tax capital projects					142,339	142,339
Childcare					610,965	610,965
Development services					400,028	400,028
Emergency medical services					2,281,841	2,281,841
Streets improvements and maintenance (gas tax)			\$11,835,712			11,835,712
Grant funded programs					1,050,383	1,050,383
Household hazmat facility					572,457	572,457
Library					4,444,464	4,444,464
Library assessment					934,285	934,285
Loch Lomond Assessment District					809,862	809,862
Loch Lomond Assessment District #2					896,955	896,955
Low and Moderate Income Housing					1,872,044	1,872,044
Measure A - Open Space					475,053	475,053
Measure C - Wildfire Prevention					1,386,411	1,386,411
Measure E - Public Safety Facility				\$3,718,015		3,718,015
Measure G - Cannabis					1,150,736	1,150,736
Parkland dedication					359,989	359,989
Public safety					124,363	124,363
Pt. San Pedro - Maintenance Portion					174,968	174,968
Recreation revolving					362,483	362,483
Stormwater					6,629,459	6,629,459
Traffic and housing mitigation		\$5,693,062				5,693,062
Total Restricted	9,753,000	5,693,062	11,835,712	3,718,015	25,202,545	46,449,334
Committed to:						
Capital improvement capital projects					3,986,983	3,986,983
Emergency and cash flow	9,753,000					9,753,000
Park capital projects					21,861	21,861
Total Committed	9,753,000				4,008,844	13,761,844
Assigned to:						
Contractual commitments	2,410,106					2,410,106
One-time funds allocated to projects	8,767,279					8,767,279
Capital Project grant matching	4,240,000					4,240,000
Infrastructure Reserve	600,000					600,000
General plan / long range planning	1,254,889					1,254,889
Open space capital projects					119,248	119,248
Total Assigned	17,272,274				119,248	17,391,522
Unassigned	664,667				119,248	664,667
Total Fund Balances	\$27,767,998	\$5,693,062	\$11,835,712	\$3,718,015	\$29,513,527	\$78,528,314

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 8 – NET POSITION AND FUND BALANCE (Continued)

C. *Minimum Fund Balance Policy*

The City Council adopted a General Fund Reserve Policy in November 2014 to establish target reserve levels and the methodology for calculating reserve levels. The Policy also establishes criteria for the use of reserves and a process to replenish reserves.

The Policy requires the City to strive to maintain the following fund balances:

1) Emergency and Cash Flow Reserve (10% minimum)

An emergency and cash flow reserve will be maintained for the purposes of (1) sustaining General Fund operations in the case of a public emergency, such as a natural disaster or other unforeseen catastrophic event; and (2) to cover sudden operating shortfalls caused by (a) a severe drop in revenues that cannot be sufficiently offset by a corresponding reduction in expenditures and/or other available resources, or (b) an unforeseen, unavoidable expenditure that must be paid from the General Fund.

This reserve level is measured as a percentage of annual operating expenditures. Budgeted operating expenditures are to be used for the purposes of budget allocations and projections, and actual operating expenditures are to be used for the purpose of measuring this reserve at fiscal year-end. This reserve may be expended only when the City Council determines by resolution that such action is consistent with the purpose and intent of this policy.

In the event the balance in the Emergency and Cashflow Reserve falls below the minimum level, the City Manager, shall recommend a plan to replenish the fund within a timeframe not to exceed three years. This recommendation shall be approved by the City Council no later than the time at which the next annual budget is adopted. Any variance from the stipulations established within this policy shall require approval by the City Council along with a statement of findings supporting the temporary or ongoing modification to this policy.

The required reserve was \$9,753,000 at June 30, 2023, and the balance of the reserve, included in the General Fund's committed fund balance was \$9,753,000 at that date.

2) Other Facilities and Infrastructure

The purpose of the assigned infrastructure reserve is to accumulate funds to be used for the purpose of non-public safety facility construction and major improvements (e.g., library, administrative and non-safety buildings, streets, and the stormwater system). This was \$600,000 at June 30, 2023.

The General Plan/Long Range Planning reserve included in the General Fund's assigned fund balance was \$1,254,889 at June 30, 2023, which is specifically assigned to the City's General Plan, a state required plan that must address eight topic areas – Neighborhoods, Community Design, Economic Vitality, Infrastructure, Governance, Culture and Arts, Parks and Recreation and Air and Water Quality.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 9 – PENSION PLAN

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 the 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. 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. 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, 2023

NOTE 9 – PENSION PLAN (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, 2023 were as follows:

	Employer Contribution Rate	Employee Contribution Rate	Benefit	Basis
City of San Rafael Misc Tier 1	52.37%	0.00% - 17.14%	2.7% @ 55	Highest year
City of San Rafael Misc Tier 2	53.15%	8.11% - 12.31%	2.0% @ 55	Average three highest years
City of San Rafael Fire Tier 1	71.55%	0% - 20.38%	3.0% @ 55	Highest year
City of San Rafael Fire Tier 2	70.51%	12.59% - 18.53%	3.0% @ 55	Average three highest years
City of San Rafael Safety Police Tier 1	71.14%	0% - 20.38%	3.0% @ 55	Highest year
City of San Rafael Safety Police Tier 2	72.39%	12.59% - 18.53%	3.0% @ 55	Average three highest years
PEPRA Misc	46.09%	9.74%	2.0% @ 62	Average three highest years
PEPRA Safety	62.31%	15.26%	2.7% @ 57	Average three highest years

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 9 – PENSION PLAN (Continued)

These rates were determined by MCERA, based on the actuarial valuation dated June 30, 2021. The actual rate of return on investments during that year was 32.0% on a market value basis net of investment expenses, as compared to the prior year's 6.75% assumption.

The City uses the actuarially determined percentages of payroll to calculate and pay contributions to MCERA. Contributions to the plan from the City were \$21,446,774 for the year ended June 30, 2023, based on a total payroll of \$48,676,936, of which \$35,543,480 represented the basis for the plan contributions. Of the total payroll subject to plan contributions, \$1,337,210 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 (9 years remaining as of June 30, 2021), except for the additional UAL attributable to the outstanding unfunded actuarial loss from 2009, which is being amortized over a separate closed period (currently 17 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 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, 2023, based on the following methodology: The City's NPL as of June 30, 2021, was updated to the measurement date of June 30, 2022 using the actual City's plan assets as of June 30, 2022, and estimating the change in the City's liabilities between July 1, 2021, and June 30, 2022. 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 \$105,476,657 or 33.73% of the total MCERA NPL of \$312,688,342 (reference MCERA's GASB 67/68 report as of June 30, 2022). This compares to the previous year's net pension liability of \$48,176,309 or 29.665% of the total MCERA net pension liability of \$162,401,177 (reference MCERA's GASB 67/68 report as of June 30, 2021).

In addition to the reporting of the NPL as of June 30, 2023, the City reported deferred inflows of \$24,063,376 and deferred outflows of \$68,401,146 as of the measurement date June 30, 2022. The City reported post-measurement date outflows of \$21,446,774 from actual fiscal year 2022-2023 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 net pension liability) 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.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 9 – PENSION PLAN (Continued)

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 \$61,138,857. After allocations to the San Rafael Sanitation District, the net impact on the City's Statement of Net Position was \$59,734,885.

Under generally accepted accounting principles, the City's pension expense is based on the Plan's pension expense, adjusted for the City's actual contributions and net pension liability (asset).

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 \$21. 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 to a net pension asset 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 6/30/2022	Measurement Date 6/30/2021
Net Pension Liability (Asset)	\$105,476,657	(\$48,176,309)
Deferred Inflows	24,063,376	164,252,572
Deferred Outflows	(46,954,402)	(15,753,361)
Impact on Net Position before Deferred Outflows from Contributions	82,585,631	100,322,902
Additional Deferred Outflows - Contributions Subsequent to Measurement Date	(21,446,744)	(21,859,307)
Impact on Statement of Net Position before Allocations	61,138,887	78,463,595
Allocation of Net Pension Liability (Asset) to SRSD	3,563,252	(1,635,722)
Allocation of Deferred Inflows (measurement date) to SRSD	812,918	5,576,838
Allocation of Deferred Outflows (measurement date) to SRSD	(2,310,754)	(534,871)
Impact on Net Position before Allocation of Deferred Outflows from Contributions to SRSD	2,065,416	3,406,245
Allocation of Additional Deferred Outflows (Contributions) to SRSD	(661,444)	(747,284)
Long-Term Receivable from SRSD, due to pension obligations (see Note 4F)	1,403,972	2,658,961
Impact on Statement of Net Position, net of receivable from SRSD	\$59,734,915	\$75,804,634
Pension Expense (Revenue)	\$4,048,455	(\$20,127,615)

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 9 – PENSION PLAN (Continued)

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. MCERA and the City have adopted a measurement date of June 30, 2022. The beginning of year measurement of TPL is based on the actuarial valuation as of June 30, 2021. The TPL at the end of the measurement year, June 30, 2022, is also measured as of the valuation date of June 30, 2021 and projected to June 30, 2022.

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, 2021. The FNP at the end of the measurement year, June 30, 2022, is also measured as of the valuation date of June 30, 2021, and projected to June 30, 2022.

The Net Pension Liability (NPL) is the City's liability (asset) 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, 2022 (measurement date) was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions applied to all prior periods included in the measurement.

Expected Return on Assets	6.75% per year, net of investment expenses
Discount Rate	6.75% per year
Price Inflation	2.50% per year
Salary Increases	3.00% 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 \$5,137,500 for FY 2021-22, 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 2020-21 amounts.
Post-Retirement COLA	Post-retirement COLAs are assumed at a rate of 2.5% for members with a 4% COLA cap, 2.4% for members with a 3% COLA cap, and 1.9% for members with a 2% COLA cap.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 9 – PENSION PLAN (Continued)

**Mortality Rates for
Healthy Members
and Inactives**

Mortality rates for Miscellaneous active members are based on the sex distinct Public General 2010 Employee Mortality Table, with generational mortality improvements projected from 2010 using Projection Scale MP-2020, with no adjustments.

Mortality rates for Safety active members are based on the sex distinct Public Safety 2010 Above-Median Income Employee Mortality Table, with generational mortality improvements Projected from 2010 using Projection Scale MP-2020, with no adjustments. 10% of Safety member active deaths are assumed to occur in the line of duty.

**Mortality Rates for
Retired Disabled
Members**

Rates of mortality for Miscellaneous disabled members are based on the sex distinct Public General 2010 Disabled Retiree Mortality Table, with generational mortality improvements projected from 2010 using Projection Scale MP-2020, with no adjustments, Rates of mortality for Safety disabled members are based on the sex distinct Public Safety 2010 Disabled Retiree Mortality Table, with generational mortality improvements projected from 2010 using Projection Scale MP-2020, adjusted by 95% for males with no adjustment for females.

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, 2022:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Long-Term Expected Rate of Return (with the effect of inflation)
Domestic Equities	32%	4.60%	7.10%
International Equities	22%	4.85%	7.35%
Fixed Income	23%	1.40%	3.90%
Public Real Assets	7%	3.20%	5.70%
Real Estate	8%	3.65%	6.15%
Private Equity	8%	6.00%	8.50%
Total	<u>100%</u>		

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 9 – PENSION PLAN (Continued)

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 6.75%. 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 (17 years remaining as of the June 30, 2021 actuarial valuation), and an amount necessary to amortize the remaining Unfunded Actuarial Liability as a level percentage of payroll over a closed period (9 years remaining as of the June 30, 2021 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.

The table below shows the sensitivity of the Net Pension Liability (Asset) to a one percent decrease and a one percent increase in the discount rate:

Description	1% Decrease 5.75%	Discount Rate 6.75%	1% Increase 7.75%
Total Pension Liability	\$1,265,780,847	\$1,120,775,111	\$1,001,365,195
Fiduciary Net Position	1,015,298,454	1,015,298,454	1,015,298,458
Net Pension Liability (Asset)	\$250,482,393	\$105,476,657	(\$13,933,263)
Fiduciary Net Position as a Percentage of the Total Pension	80.2%	90.6%	101.4%

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.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 9 – PENSION PLAN (Continued)

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	\$2,762,782	\$4,367,486
Changes in assumptions	5,679,576	
Change in proportion	7,957,716	10,883,765
Difference between City contributions and proportionate share of contributions		8,812,125
Actual FY 22-23 contributions (post measurement date)	21,446,774	
Net difference between projected and actual earnings on pension plan investments	30,554,298	
Deferred Inflows and Outflows Before Allocations	\$68,401,146	\$24,063,376
Allocation of Deferred Inflows and Outflows to SRSD		
As of measurement date	\$2,310,754	\$812,918
Post-measurement date	661,444	
Net Deferred Inflows and Outflows	\$65,428,948	\$23,250,458

The \$21,446,774 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year ended June 30	Amortization Amount
2024	(\$3,267,510)
2025	(3,324,244)
2026	(7,611,284)
2027	37,094,034
Total	\$22,890,996

**CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023**

NOTE 10 – PUBLIC AGENCY RETIREMENT SYSTEM (DEFINED CONTRIBUTION RETIREMENT PLAN)

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 \$140,479. The total covered payroll of employees participating in the plan for the year ended June 30, 2023, was \$3,746,098.

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, 2023, are summarized as follows:

	Elected Officials, Mid-Management, & Unrepresented Management	All other Bargaining Units
Eligibility	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	
Benefit	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
Surviving Spouse Benefit	Continuation to surviving spouse	
Medicare Part B	Hired < 4/1/07 Full reimbursement Hired ≥ 4/1/07 None	None
Other	No Dental, Vision, or Life Benefits	

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 11 – POST-EMPLOYMENT HEALTH CARE BENEFITS (Continued)

Membership in the plan consisted of the following at June 30, 2022, the measurement date:

Active plan members	348
Inactive employees or beneficiaries currently receiving benefit payments	378
Inactive employees entitled to but not yet receiving benefit payments	80
Total	806

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, 2022, using an actuarial valuation as of June 30, 2021. The following actuarial assumptions were used in the valuation: (a) 6.25% investment rate of return and (b) 2.50% of general inflation increase, and (c) a healthcare trend of declining annual increases ranging from 6.50% in 2023 to 3.75% 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.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2020 through June 30, 2021.

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)
Global Equity	59%	4.56%	7.06%
Fixed Income	25%	0.78%	3.28%
TIPS	5%	-0.08%	2.42%
Commodities	3%	1.22%	3.72%
REITs	8%	4.06%	6.56%
Total	100%		
Assumed Long-Term Rate of Inflation		2.50%	
Assumed Long-Term Investment Expenses		n/a	
Expected Long-Term Net Rate of Return		6.25%	
Discount Rate		6.25%	

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 11 – POST-EMPLOYMENT HEALTH CARE BENEFITS (Continued)

The Expected Long-Term Rate of Return is provided by CalPERS' Strategic Asset Allocation Overview in October 2018 – Strategy 1.

Discount Rate

The discount rate used to measure the total OPEB liability was 6.25%. 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.

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
	(a)	(b)	(c) = (a) - (b)
Balance at June 30, 2022 (6/30/21 measurement date)	\$48,228,000	\$29,296,000	\$18,932,000
Changes Recognized for the Measurement Period:			
Service Cost	566,000		566,000
Interest on the total OPEB liability	2,946,000		2,946,000
Contributions from the employer		3,294,000	(3,294,000)
Net investment income		(3,922,000)	3,922,000
Administrative expenses		(15,000)	15,000
Benefit payments and refunds	(3,286,000)	(3,286,000)	
Net Changes during July 1, 2022 to June 30, 2023	226,000	(3,929,000)	4,155,000
Balance at June 30, 2023 (6/30/22 measurement date)	\$48,454,000	\$25,367,000	\$23,087,000

The benefit payments and refunds include implied subsidy benefit payments in the amount of \$725,000.

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 (5.25 percent) or 1-percentage-point higher (7.25 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%)
\$28,379,000	\$23,087,000	\$18,613,000

**CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023**

NOTE 11 – POST-EMPLOYMENT HEALTH CARE BENEFITS (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

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 healthcare trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rates.

Plan's Net OPEB Liability/(Asset)		
Healthcare Cost		
Trend Rate -1%	Trend Rates	Trend Rate +1%
\$19,681,000	\$23,087,000	\$27,134,000

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 2022-2023 were as follows:

Service Cost	\$566,000
Interest on Total OPEB Liability	2,946,000
Projected earning on investments	(1,831,000)
Administrative expense	15,000
Recognition of deferred outflows/inflows:	
Experience	(1,792,000)
Assumptions	668,000
Asset Returns	317,000
OPEB Expense	\$889,000

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 11 – POST-EMPLOYMENT HEALTH CARE BENEFITS (Continued)

Components of deferred outflows of resources and deferred inflows of resources related to OPEB at June 30, 2023 were as follows:

	Governmental Activities	Business-Type Activities	Total
Deferred outflows of resources:			
Changes of assumptions	\$1,770,961	\$29,039	\$1,800,000
Net difference between projected and actual earnings on plan investments	2,009,231	29,769	2,039,000
Employer contributions made subsequent to the measurement date	3,136,528	46,472	3,183,000
Total deferred outflows of resources	\$6,916,720	\$105,280	\$7,022,000
Deferred inflows of resources:			
Differences between expected and actual experience	\$3,552,367	\$52,633	\$3,605,000
Changes of assumptions	832,884	14,116	847,000
Total deferred inflows of resources	\$4,385,251	\$66,749	\$4,452,000

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.

\$3,183,000 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, 2023. Other 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
2024	(\$864,000)
2025	(687,000)
2026	(31,000)
2027	969,000
	(\$613,000)

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 11 – POST-EMPLOYMENT HEALTH CARE BENEFITS (Continued)

The table below provides a summary of the key results during this reporting period.

Summary of Results		
Description	Measurement Date June 30, 2022	Measurement Date June 30, 2021
Net OPEB Liability	\$23,087,000	\$18,932,000
Deferred Inflows	4,452,000	10,113,000
Deferred Outflows	(3,839,000)	(2,940,000)
Impact on Net Position before deferred contributions	23,700,000	26,105,000
Additional Deferred Outflows - Contributions subsequent to measurement date	(3,183,000)	(3,294,000)
Impact on Statement of Net Position before Allocations	20,517,000	22,811,000
Allocation of NOL to SRSD	674,000	552,000
Allocation of Deferred Inflows (measurement date) to SRSD	129,971	294,865
Allocation of Deferred Outflows (measurement date) to SRSD	(112,075)	(85,722)
Impact on Net Position before deferred contributions to SRSD	691,896	761,143
Allocation of Additional Deferred Outflows (contributions) to SRSD	(92,924)	(96,043)
Long-Term Receivable from SRSD, due to OPEB obligations (see Note 4G)	598,972	665,100
Impact on Statement of Net Positions, net of receivable from SRSD	\$19,918,028	\$22,145,900
OPEB Expense	\$889,000	\$345,000
Covered Employee Payroll	\$42,604,000	\$39,310,000

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.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 12 – JOINTLY GOVERNED ORGANIZATIONS (Continued)

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 consortia 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 was \$321,517 for the year ended June 30, 2023. Financial statements of the System can be obtained from the County Librarian, Marin County Free Library at 1401 Los Gamos Drive, Suite 200, 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, administrative responsibility for MarinMap and the CATV program formerly administered by the Marin Telecommunications Authority established to regulate the rates for cable television service and equipment. The City's contribution to MGSA was \$766,726 for the year ended June 30, 2023. Financial statements of the MGSA can be obtained at 900 Fifth Avenue, Suite 100, San Rafael, California 94901.

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. The members entered into a Project Operating Agreement on February 1, 1999.

On February 1, 1999, the members entered into an Operating Agreement whereby 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 City contributed \$401,659 of the Authority's operations and debt service for the fiscal year ended June 30, 2023. 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.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 12 – JOINTLY GOVERNED ORGANIZATIONS (Continued)

D. *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 \$18,741 for the year ended June 30, 2023. Financial statements of the Authority can be obtained at 3501 Civic Center Drive, San Rafael, California 94903.

E. *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 five-member Board of Commissioners, two appointed by the Board of Directors of the District, two appointed by the governing board of the Ross Valley Sanitary District, and one appointed by the governing board of Sanitary District No. 2 (SD 2).

Total project costs for the joint venture were funded from federal (75%) and state (12.5%) clean water grants and from local shares (12.5% 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. 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 CMSA are available at the CMSA office at 1301 Anderson Drive, San Rafael, California 94901 and online at www.cmsa.us.

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.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 13 – RISK MANAGEMENT (Continued)

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 \$173,070,291. The City is self-insured up to \$750,000 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 \$1,154,942 in liability coverage premiums during the fiscal year ended June 30, 2023. Five years after settlement of all general liability 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 pool 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.

Generally accepted accounting principles require municipalities to record the liability for uninsured claims and to reflect the current portion of this liability as an expenditure in the 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.

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. The City's present value liability for uninsured claims below include a provision for claims incurred but not reported using a discount rate of 2%.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 13 – RISK MANAGEMENT (Continued)

	General Liability *	Workers' Compensation *	Totals, as of June 30	
			2023	2022
Balance, beginning of year	\$4,696,504	\$10,905,218	\$15,601,722	\$12,268,903
Current year claims and changes in estimates	1,404,334	2,452,582	3,856,916	5,221,270
Claims paid	(1,437,462)	(2,234,478)	(3,671,940)	(1,888,451)
Balance, end of year	<u>\$4,663,376</u>	<u>\$11,123,322</u>	<u>\$15,786,698</u>	<u>\$15,601,722</u>
Due in one year	\$1,110,010	\$1,776,620	\$2,886,630	\$2,802,022
Due in more than one year	<u>3,553,366</u>	<u>9,346,702</u>	<u>12,900,068</u>	<u>12,799,700</u>
Total claim liabilities	<u>\$4,663,376</u>	<u>\$11,123,322</u>	<u>\$15,786,698</u>	<u>\$15,601,722</u>

* Liability based on an actuarial valuation as of December 31, 2021, extrapolated to June 30, 2023.

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 Note 1 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.

CSRMA'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 the District have not exceeded coverage provided by CSRMA in any of the past three fiscal years.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 13 – RISK MANAGEMENT (Continued)

The following summarizes active insurance policies as of June 30, 2023 together with coverage limits for each insured event:

Insurance Program	Limits	Coverage Description
CSRMA - Allied World Assur.	\$3,000,000	Gen/Mgt liability - aggregate
CSRMA - Allied World Assur.	\$1,000,000	Gen/Mgt liability - occurrence
CSRMA - Allied World Assur.	\$1,000,000	Auto liability - accident
CSRMA - Allied World Assur.	\$4,000,000	Excess liability
CSRMA - Public Entity Property Insurance Program (P.E.P.I.P.)	\$24,978,734	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 - first party
CSRMA - Travelers Ins.	\$25,000	Identity theft
CSRMA - Lloyds of London	\$2,500,000	Deadly weapons - aggregate

The financial statements of CSRMA are available at their office: 100 Pine Street, 11th Floor, San Francisco, California 94111.

NOTE 14 – LEASE AND SUBSCRIPTION LIABILITIES

A. Lease Liabilities

A summary of governmental activities lease transactions for the fiscal year ended June 30, 2023, are as follows:

	Balance June 30, 2022	Retirements	Balance June 30, 2023	Current Portion
Governmental Activities				
Lease Liabilities				
Fire Station 57 Land Lease	\$5,480,451	(\$508)	\$5,479,943	\$5,540
Copier Equipment Leases	180,245	(82,053)	98,192	56,855
Total	<u>\$5,660,696</u>	<u>(\$82,561)</u>	<u>\$5,578,135</u>	<u>\$62,395</u>

On June 21, 2016, the City entered into a lease agreement as lessee with the County of Marin to lease property for constructing Fire Station # 57 for a 40 year term, ending on June 30, 2056. The City is required to make monthly principal and interest lease payments in the amount of \$13,343 commencing July 1, 2021. The monthly lease payments are increased annually in the amount of 3% every July 1. As of June 30, 2023, the balance of the lease liability was \$5,479,943 and the net value of the right-to-use asset was \$5,163,292, including accumulated amortization of \$312,927.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 14 – LEASE AND SUBSCRIPTION LIABILITIES (Continued)

The City has entered into four separate equipment lease agreements as a lessee for copiers with various vendors. The lease terms vary from 3-5 years and interest is implicit in the lease agreements in the amount of 5%. The City is required to make monthly or yearly principal and interest lease payments in varying amounts ranging from \$1,003 to \$50,278, depending on the lease. As of June 30, 2023, the balance of the lease liability was \$98,192 and the net value of the right-to-use asset was \$96,885, including accumulated amortization of \$161,480. The future principal and interest lease payments as of June 30, 2023 are as follows:

For the Year Ended June 30	Principal	Interest	Total
2024	\$62,395	\$168,654	\$231,049
2025	39,584	165,616	205,200
2026	29,156	164,311	193,467
2027	22,511	163,102	185,613
2028	28,841	162,340	191,181
2029-2033	252,404	793,055	1,045,459
2034-2038	472,289	739,684	1,211,973
2039-2043	756,237	648,772	1,405,009
2044-2048	1,119,143	509,648	1,628,791
2049-2053	1,579,033	309,179	1,888,212
2054-2058	1,216,542	57,837	1,274,379
Totals	<u>\$5,578,135</u>	<u>\$3,882,198</u>	<u>\$9,460,333</u>

B. Subscription-Based Information Technology Liabilities

A summary of subscription-based information technology arrangements (SBITA) transactions for the fiscal year ended June 30, 2023, are as follows:

	Balance June 30, 2022 (as restated)	Retirements	Balance June 30, 2023	Current Portion
Governmental Activities				
Subscription liabilities				
Axon	\$374,019	(\$5,348)	\$368,671	\$5,615
Microsoft	1,080,670	(162,496)	918,174	166,166
SeeClickFix	104,762	(49,762)	55,000	55,000
Total	<u>\$1,559,451</u>	<u>(\$217,606)</u>	<u>\$1,341,845</u>	<u>\$226,781</u>

On March 7, 2019, the City entered into a subscription agreement with Axon Enterprise, Inc. for a subscription with a 5 year term. The City is required to make yearly subscription payments ranging from \$24,049 to \$83,857 throughout the life of the subscription, which ends on December 31, 2029. Interest is implicit in the subscription agreement in the amount of 5%. As of June 30, 2023, the balance of the subscription liability was \$368,671 and the net value of the right-to-use asset was \$320,588, including accumulated amortization of \$53,431.

**CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023**

NOTE 14 – LEASE AND SUBSCRIPTION LIABILITIES (Continued)

On August 9, 2022, the City entered into a subscription agreement with Microsoft for a subscription with a 6 year term. The City is required to make yearly subscription payments of \$212,075 throughout the life of the subscription, which ends on August 31, 2028. Interest is implicit in the subscription agreement in the amount of 5%. As of June 30, 2023, the balance of the subscription liability was \$918,174 and the net value of the right-to-use asset was \$900,558, including accumulated amortization of \$180,112.

On February 23, 2022, the City entered into a subscription agreement with the SeeClickFix, Inc. for a subscription with a 2 year term. The City is required to make yearly subscription payments ranging from \$55,000 to \$57,750 throughout the life of the subscription, which ends on August 24, 2024. As of June 30, 2023, the balance of the subscription liability was \$55,000 and the net value of the right-to-use asset was \$52,381, including accumulated amortization of \$52,381.

The future subscription and interest subscription payments as of June 30, 2023 follows:

For the Year Ended June 30	Principal	Interest	Total
2024	\$226,781	\$67,092	\$293,873
2025	240,178	55,753	295,931
2026	252,188	43,744	295,932
2027	264,797	31,135	295,932
2028	278,037	17,895	295,932
2029	79,864	3,993	83,857
Totals	\$1,341,845	\$219,612	\$1,561,457

NOTE 15 – 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.

B. District

As of June 30, 2023, SRSD had several contracts for sewer improvement projects with remaining obligations of approximately \$7,800,000.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 16 – SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY PRIVATE-PURPOSE TRUST FUND (SUCCESSOR AGENCY) ACTIVITIES
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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. On July 1, 2018, the County of Marin formed a county-wide Oversight Board to oversee the activities of all Successor Agencies within the County, including San Rafael. 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.

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.

CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 16 – SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY PRIVATE-PURPOSE TRUST FUND (SUCCESSOR AGENCY) ACTIVITIES (Continued)
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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 matured annually after December 1 from 2018 to 2022, in amounts ranging from \$1,440,000 to \$2,070,000 and bore interest at rates from 5.58% to 5.60%. Interest on the Capital Appreciation Bonds compounded on each interest premium date and were paid in full at maturity. The bonds were 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. The 1999 Tax Allocation Capital Appreciation Bonds were paid off as of June 30, 2023.

**CITY OF SAN RAFAEL
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023**

NOTE 16 – SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY PRIVATE-PURPOSE TRUST FUND (SUCCESSOR AGENCY) ACTIVITIES (Continued)

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 were due annually on December 30 and interest payable semiannually on June 30 and December 30. The 2009 Tax Allocation Refunding Bonds were paid off as of June 30, 2023.

Use of Tax Increment

The former Agency pledged all future tax increment revenues for the repayment of the 1999 Capital Appreciation Bonds, and 2009 Tax Allocation Refunding Bonds. The pledge of all future tax increment revenues ended upon repayment of \$3.6 million in remaining debt service on the Bonds, which occurred December 1, 2022. For fiscal year June 30, 2023, tax increment revenue amounted to \$630 thousand which, combined with fund balance, was used to make the debt service payment of \$5 million.

The following table summarizes the activity for the fiscal year ended June 30, 2023:

	Authorized and Issued	Balance June 30, 2022	Additions	Retirements	Balance June 30, 2023	Current Portion
San Rafael Successor Agency						
1999 Tax Allocation Bonds						
Capital Appreciation Bonds						
5.58%-5.6%, due 12/1/2022	\$2,389,004	\$2,013,587	\$56,413	\$2,070,000		
2009 Tax Allocation Refunding Bonds						
3.00%-5.00%, due 12/1/2022	14,660,000	1,460,000		1,460,000		
Add: deferred bond premium costs		79,867		79,867		
		<u>\$3,553,454</u>	<u>\$56,413</u>	<u>\$3,609,867</u>		
Total Successor Agency Long-term Debt		<u>\$3,553,454</u>	<u>\$56,413</u>	<u>\$3,609,867</u>		

D. *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, 2023, the Successor Agency had prepared sixteen 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, 2023

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 lia	89.04%	84.31%	84.31%	86.27%	88.34%
Covered payroll (report date)	\$28,563,328	\$31,073,560	\$32,126,272	\$32,885,135	\$36,349,651
Net pension liability as a percentage of covered payroll	259.96%	458.02%	519.99%	366.88%	304.18%
Measurement date	<u>6/30/2019</u>	<u>6/30/2020</u>	<u>6/30/2021</u>	<u>6/30/2022</u>	
City's proportionate share	36.6081%	34.3574%	29.6650%	33.7322%	
Proportionate share of total pension liability	\$1,082,900,638	\$1,059,269,505	\$959,104,784	\$1,120,775,111	
Proportionate share of fiduciary net position	<u>949,023,107</u>	<u>901,989,929</u>	<u>1,007,281,093</u>	<u>1,015,298,454</u>	
Proportionate share of the net pension liability (asset)	<u>\$133,877,531</u>	<u>\$157,279,576</u>	<u>(\$48,176,309)</u>	<u>\$105,476,657</u>	
Plan fiduciary net position as a percentage of the total pension lia	87.64%	85.15%	105.02%	90.59%	
Covered payroll (report date)	\$33,106,430	\$32,887,922	\$31,697,590	\$34,418,052	
Net pension liability (asset) as a percentage of covered payroll	404.39%	478.23%	-151.99%	306.46%	

* - The fiscal year ended June 30, 2015 was the first year of implementation, therefore only nine years are shown.

**CITY OF SAN RAFAEL
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2023**

**Schedule of Contributions
Cost-Sharing Multiple Employer
Defined Benefit Pension Plan**

Last 10 years (subject to available information: first year of implementation was Fiscal Year ended June 30, 2015)

Fiscal year ended, June 30	<u>2015</u>
Contractually required contribution	\$17,802,358
Contributions in Relation to the Contractually required contribution	<u>17,802,358</u>
Contribution Deficiency/ (Excess)	<u>\$0</u>
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, 2023**

**Schedule of Contributions
Cost-Sharing Multiple Employer
Defined Benefit Pension Plan**

**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>\$0</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; PEPRAs 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, 2023**

**Schedule of Contributions
Cost-Sharing Multiple Employer
Defined Benefit Pension Plan**

**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>2017</u>
Contractually required contribution	\$20,003,001
Contributions in Relation to the Contractually required contribution	<u>20,003,001</u>
Contribution Deficiency/ (Excess)	<u>\$0</u>
Covered payroll	\$32,885,135
Contributions as a percentage of covered payroll	60.83%

Notes to Schedule

Valuation Date / Timing 6/30/2015 (for contributions made in FY2016-2017)

Key Methods and Assumptions Used to Determine Contribution Rates (for FY2016-17):

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll with separate period for Extraordinary Gains or Losses (24 years remaining as of 6/30/14), the remaining UAL as of June 30, 2013 (16 years as of 6/30/14), 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	19 years remaining as of June 30, 2016
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 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, 2023**

**Schedule of Contributions
Cost-Sharing Multiple Employer
Defined Benefit Pension Plan**

**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)	\$0
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; PEPRA 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
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 15-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, 2023**

**Schedule of Contributions
Cost-Sharing Multiple Employer
Defined Benefit Pension Plan**

**Last 10 years (subject to available information: first year of implementation was Fiscal Year ended June 30, 2015)
(Continued)**

Fiscal year ended, June 30	2019
Contractually required contribution	\$20,352,203
Contributions in Relation to the Contractually required contribution	20,352,203
Contribution Deficiency/ (Excess)	\$0
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, 2023

Schedule of Contributions
Cost-Sharing Multiple Employer
Defined Benefit Pension Plan

Last 10 years (subject to available information: first year of implementation was Fiscal Year ended June 30, 2015)
(Continued)

Fiscal year ended, June 30	2020
Contractually required contribution	\$20,031,614
Contributions in Relation to the Contractually required contribution	20,031,614
Contribution Deficiency/ (Excess)	\$0
Covered payroll	\$32,887,922
Contributions as a percentage of covered payroll	60.91%

Notes to Schedule

Valuation Date / Timing 6/30/2018 (for contributions made in FY2019-2020)

Key Methods and Assumptions Used to Determine Contribution Rates (for FY2019-20):

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll with separate period for Extraordinary Gains or Losses (20 years remaining as of 6/30/18), the remaining UAL as of June 30, 2013 (12 years as of 6/30/18), 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	12 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 15-year static projection used by CalPERS replaced by generational improvements from a base year of 2014 using Scale MP-2017. 0% of all Miscellaneous and 95% of all Safety pre-retirement deaths are assumed to be service-connected.
Disabled Mortality	Rates of mortality for retired members and their beneficiaries are given by CalPERS 2017 Post-Retirement Healthy Morality rates, adjusted by 90% for Males (Miscellaneous and Safety), with the 15-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, 2023**

**Schedule of Contributions
Cost-Sharing Multiple Employer
Defined Benefit Pension Plan**

**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>2021</u>
Contractually required contribution	\$20,106,821
Contributions in Relation to the Contractually required contribution	<u>20,106,821</u>
Contribution Deficiency/ (Excess)	<u>\$0</u>
Covered payroll	\$31,697,590
Contributions as a percentage of covered payroll	63.43%

Notes to Schedule

Valuation Date / Timing 6/30/2019 (for contributions made in FY2020-2021)

Key Methods and Assumptions Used to Determine Contribution Rates (for FY2020 - 21):

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll with separate period for Extraordinary Gains or Losses (19 years remaining as of 6/30/19), the remaining UAL as of June 30, 2013 (11 years as of 6/30/19), 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	11 years remaining as of June 30, 2019
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; PEPRAs 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 15-year static projection used by CalPERS replaced by generational improvements from a base year of 2014 using Scale MP-2017. 0% of all Miscellaneous and 95% of all Safety pre-retirement deaths are assumed to be service-connected.
Disabled Mortality	Rates of mortality for retired members and their beneficiaries are given by CalPERS 2017 Post-Retirement Healthy Mortality rates, adjusted by 90% for Males (Miscellaneous and Safety), with the 15-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, 2023**

**Schedule of Contributions
Cost-Sharing Multiple Employer
Defined Benefit Pension Plan**

**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>2022</u>
Contractually required contribution	\$21,859,307
Contributions in Relation to the Contractually required contribution	<u>(21,859,307)</u>
Contribution Deficiency/ (Excess)	<u>\$0</u>
Covered payroll	\$34,418,052
Contributions as a percentage of covered payroll	63.51%

Notes to Schedule

Valuation Date / Timing 6/30/2020 (for contributions made in FY2021-2022)

Key Methods and Assumptions Used to Determine Contribution Rates (for FY2021 - 22):

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll with separate period for Extraordinary Gains or Losses (18 years remaining as of 6/30/20), the remaining UAL as of June 30, 2013 (10 years as of 6/30/20), 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	10 years remaining as of June 30, 2020
Asset valuation method	Market Value
Inflation	2.50% per year
Salary increases	3.00% plus merit component based on employee classification and years of service
Investment Rate of Return	6.75%
Retirement Age	Classic Tiers: Safety - 50, Miscellaneous - 55; PEPRA Tiers: Safety - 57, Miscellaneous - 62
Healthy Mortality	Mortality rates for Miscellaneous active members are based on the sex distinct Public General 2010 Employee Mortality Table, with generational mortality improvements projected from 2010 using Projection Scale MP-2020, with no adjustments. Mortality rates for Safety active members are based on the sex distinct Public Safety 2010 Above-Median Income Employee Mortality Table, with generational mortality improvements projected from 2010 using Projection Scale MP-2020, with no adjustments. 10% of Safety member active deaths are assumed to occur in the line of duty
Disabled Mortality	Mortality Rates for Retired Disabled Members", should be "Rates of mortality for Miscellaneous disabled members are based on the sex distinct Public General 2010 Disabled Retiree Mortality Table, with generational mortality improvements projected from 2010 using Projection Scale MP-2020, with no adjustments. Rates of mortality for Safety disabled members are based on the sex distinct Public Safety 2010 Disabled Retiree Mortality Table, with generational mortality improvements projected from 2010 using Projection Scale MP-2020, adjusted by 95% for males with no adjustment for females.

**CITY OF SAN RAFAEL
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2023**

**Schedule of Contributions
Cost-Sharing Multiple Employer
Defined Benefit Pension Plan**

**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>2023</u>
Contractually required contribution	\$21,446,744
Contributions in Relation to the Contractually required contribution	<u>(21,446,744)</u>
Contribution Deficiency/ (Excess)	<u>\$0</u>
Covered payroll	\$35,543,480
Contributions as a percentage of covered payroll	60.34%

Notes to Schedule

Valuation Date / Timing 6/30/2021 (for contributions made in FY2022-2023)

Key Methods and Assumptions Used to Determine Contribution Rates (for FY2022 - 23):

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll with separate period for Extraordinary Gains or Losses (17 years remaining as of 6/30/21), the remaining UAL as of June 30, 2013 (9 years as of 6/30/21), 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	9 years remaining as of June 30, 2021
Asset valuation method	Market Value
Inflation	2.50% per year
Salary increases	3.00% plus merit component based on employee classification and years of service
Investment Rate of Return	6.75%
Retirement Age	Classic Tiers: Safety - 50, Miscellaneous - 55; PEPRA Tiers: Safety - 57, Miscellaneous - 62
Healthy Mortality	Mortality rates for Miscellaneous active members are based on the sex distinct Public General 2010 Employee Mortality Table, with generational mortality improvements projected from 2010 using Projection Scale MP-2020, with no adjustments. Mortality rates for Safety active members are based on the sex distinct Public Safety 2010 Above-Median Income Employee Mortality Table, with generational mortality improvements projected from 2010 using Projection Scale MP-2020, with no adjustments. 10% of Safety member active deaths are assumed to occur in the line of duty.
Disabled Mortality	Mortality Rates for Retired Disabled Members", should be "Rates of mortality for Miscellaneous disabled members are based on the sex distinct Public General 2010 Disabled Retiree Mortality Table, with generational mortality improvements projected from 2010 using Projection Scale MP-2020, with no adjustments. Rates of mortality for Safety disabled members are based on the sex distinct Public Safety 2010 Disabled Retiree Mortality Table, with generational mortality improvements projected from 2010 using Projection Scale MP-2020, adjusted by 95% for males with no adjustment for females.

CITY OF SAN RAFAEL
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2023

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

Agent Multiple Employer Defined Benefit Plan
Last Ten Fiscal Years
Other Post-Employment Benefits (OPEB)

Measurement period	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Total OPEB liability							
Service cost	\$766,000	\$789,000	\$822,000	\$805,000	\$687,000	\$679,000	\$566,000
Interest	3,447,000	3,540,000	3,435,000	3,515,000	3,196,000	3,238,000	2,946,000
Differences between expected and actual experience		(4,107,000)		(3,040,000)		(4,063,000)	-
Assumption changes		4,831,000		(2,735,000)		2,748,000	-
Benefit payments, including refunds of employee contributions	(2,896,000)	(3,015,000)	(3,028,000)	(3,072,000)	(3,225,000)	(3,315,000)	(3,286,000)
Net change in total OPEB liability	1,317,000	2,038,000	1,229,000	(4,527,000)	658,000	(713,000)	226,000
Total OPEB liability - beginning	48,226,000	49,543,000	51,581,000	52,810,000	48,283,000	48,941,000	48,228,000
Total OPEB liability - ending (a)	\$49,543,000	\$51,581,000	\$52,810,000	\$48,283,000	\$48,941,000	\$48,228,000	\$48,454,000
OPEB fiduciary net position							
Contributions - employer	\$2,896,000	\$3,475,000	\$3,573,000	\$3,725,000	\$3,784,000	\$3,323,000	\$3,294,000
Net investment income	157,000	1,675,000	1,425,000	1,224,000	770,000	6,319,000	(3,922,000)
Benefit payments, including refunds of employee contributions	(2,896,000)	(3,015,000)	(3,028,000)	(3,072,000)	(3,225,000)	(3,315,000)	(3,286,000)
Administrative expense	(7,000)	(8,000)	(44,000)	(12,000)	(19,000)	(17,000)	(15,000)
Net change in plan fiduciary net position	150,000	2,127,000	1,926,000	1,865,000	1,310,000	6,310,000	(3,929,000)
Plan fiduciary net position - beginning	15,608,000	15,758,000	17,885,000	19,811,000	21,676,000	22,986,000	29,296,000
Plan fiduciary net position - ending (b)	\$15,758,000	\$17,885,000	\$19,811,000	\$21,676,000	\$22,986,000	29,296,000	25,367,000
Plan net OPEB liability - ending (a) - (b)	\$33,785,000	\$33,696,000	\$32,999,000	\$26,607,000	\$25,955,000	\$18,932,000	\$23,087,000
Plan fiduciary net position as a percentage of the total OPEB liability	31.81%	34.67%	37.51%	44.89%	46.97%	60.74%	52.35%
Covered employee payroll	\$37,846,000	\$32,885,000	\$36,350,000	\$40,496,000	\$39,920,000	\$39,310,000	\$43,602,857
Plan net OPEB liability as a percentage of covered employee payroll	89.27%	102.47%	90.78%	65.70%	65.02%	48.16%	52.95%

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, 2023

SCHEDULE OF CONTRIBUTIONS

Agent Multiple Employer Defined Benefit Plan
Last Ten Fiscal Years
Other Post-Employment Benefits (OPEB)

Fiscal year	<u>2016-17</u>
Actuarially determined contribution	\$3,450,000
Contributions in relation to the actuarially determined contribution	<u>(3,475,000)</u>
Contribution deficiency (excess)	<u>(\$25,000)</u>
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 to converge to ultimate improvement rates in 2022
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 - 6/30/14 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, 2023**

SCHEDULE OF CONTRIBUTIONS

**Agent Multiple Employer Defined Benefit Plan
Last Ten Fiscal Years
Other Post-Employment Benefits (OPEB)
(Continued)**

Fiscal year	<u>2017-18</u>
Actuarially determined contribution	\$3,530,000
Contributions in relation to the actuarially determined contribution	<u>(3,563,000)</u>
Contribution deficiency (excess)	<u>(\$33,000)</u>
Covered employee payroll	\$36,350,000
Contributions as a percentage of covered employee payroll	9.80%

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 MP-2017
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

CITY OF SAN RAFAEL
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2023

SCHEDULE OF CONTRIBUTIONS

Agent Multiple Employer Defined Benefit Plan
Last Ten Fiscal Years
Other Post-Employment Benefits (OPEB)
(Continued)

Fiscal year	<u>2018-19</u>
Actuarially determined contribution	\$3,612,000
Contributions in relation to the actuarially determined contribution	<u>(3,725,000)</u>
Contribution deficiency (excess)	<u>(\$113,000)</u>
Covered employee payroll	\$40,496,000
Contributions as a percentage of covered employee payroll	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 MP-2017
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

CITY OF SAN RAFAEL
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2023

SCHEDULE OF CONTRIBUTIONS

Agent Multiple Employer Defined Benefit Plan
Last Ten Fiscal Years
Other Post-Employment Benefits (OPEB)
(Continued)

Fiscal year	<u>2019-20</u>
Actuarially determined contribution	\$3,677,000
Contributions in relation to the actuarially determined contribution	<u>(3,784,000)</u>
Contribution deficiency (excess)	<u>(\$107,000)</u>
Covered employee payroll	\$39,920,000
Contributions as a percentage of covered employee payroll	9.48%

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, 2019 actuarial valuation provided the Actuarially Determined Contributions for fiscal years ending 6/30/20 and 6/30/21.

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, 2019
Actuarial Cost Method	Entry Age Normal, Level Percentage of Payroll
Amortization Method	Level dollar amount, over approximate 10-year period
Remaining Amortization	16 years remaining as of June 30, 2019
Asset Valuation Method	Investment gains and losses spread over 5-year rolling period
Discount Rate	6.75% at June 30, 2019 and June 30, 2018, respectively
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	Mortality projected fully generational with Scale MP-2019
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 - 6/30/19 MCERA assumptions
Medical Trend	Non-Medicare - 7.25% for 2021, decreasing to an ultimate rate of 4.0% in 2076 and Medicare - 6.3% for 2021, decreasing to an ultimate rate of 4.00% in 2076
Healthcare participation for future retirees	Capped benefit: 90% currently covered, 70% currently waived PEMHCA minimum - 60%
Cap Increases	None

CITY OF SAN RAFAEL
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2023

SCHEDULE OF CONTRIBUTIONS

Agent Multiple Employer Defined Benefit Plan
Last Ten Fiscal Years
Other Post-Employment Benefits (OPEB)
(Continued)

Fiscal year	<u>2020-21</u>
Actuarially determined contribution	\$3,027,000
Contributions in relation to the actuarially determined contribution	<u>(3,322,583)</u>
Contribution deficiency (excess)	<u>(\$295,583)</u>
Covered employee payroll	\$39,310,000
Contributions as a percentage of covered employee payroll	8.45%

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, 2019 actuarial valuation provided the Actuarially Determined Contributions for fiscal years ending 6/30/20 and 6/30/21.

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, 2019
Actuarial Cost Method	Entry Age Normal, Level Percentage of Payroll
Amortization Method	Level dollar amount, over approximate 10-year period
Remaining Amortization	16 years remaining as of June 30, 2019
Asset Valuation Method	Investment gains and losses spread over 5-year rolling period
Discount Rate	6.75% at June 30, 2020 and June 30, 2019, respectively
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	Mortality projected fully generational with Scale MP-2019
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 - 6/30/19 MCERA assumptions
Medical Trend	Non-Medicare - 7.25% for 2021, decreasing to an ultimate rate of 4.0% in 2076 and Medicare - 6.3% for 2021, decreasing to an ultimate rate of 4.00% in 2076
Healthcare participation for future retirees	Capped benefit: 90% currently covered, 70% currently waived PEMHCA minimum - 60%
Cap Increases	None

**CITY OF SAN RAFAEL
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2023**

SCHEDULE OF CONTRIBUTIONS

**Agent Multiple Employer Defined Benefit Plan
Last Ten Fiscal Years
Other Post-Employment Benefits (OPEB)**

Fiscal year	<u>2021-22</u>
Actuarially determined contribution	\$3,093,000
Contributions in relation to the actuarially determined contribution	<u>(3,294,000)</u>
Contribution deficiency (excess)	<u>(\$201,000)</u>
Covered employee payroll	\$42,604,000
Contributions as a percentage of covered employee payroll	7.73%

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, 2021 actuarial valuation provided the Actuarially Determined Contributions for fiscal years ending 6/30/22 and 6/30/23.

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, 2021
Actuarial Cost Method	Entry Age Normal, Level Percentage of Payroll
Amortization Method	Level dollar amount, over approximate 10-year period
Remaining Amortization	14 years remaining as of June 30, 2021
Asset Valuation Method	Investment gains and losses spread over 5-year rolling period
Discount Rate	6.25% at June 30, 2022 and June 30, 2021, respectively
Contribution Policy	City contributes full ADC
General Inflation	2.50% per annum
Mortality, Retirement, Disability, Termination	Same as June 30, 2019 valuation
Mortality Improvement	Mortality projected fully generational with Scale MP-2021
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 - 2.75% Merit - Increases - same as MCERA Assumptions as of June 30, 2020 valuation
Medical Trend	Non-Medicare - 6.50% for 2023, decreasing to an ultimate rate of 3.75% in 2071 Medicare (Non-Kaiser) - 5.65% for 2023, decreasing to an ultimate rate of 3.75% in 2071 Medicare (Kaiser) - 4.60% for 2023, decreasing to an ultimate rate of 3.75% in 2071
Healthcare participation for future retirees	Capped benefit: 90% currently covered, 70% currently waived PEMHCA minimum - 60%
Cap Increases	None

CITY OF SAN RAFAEL
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2023

SCHEDULE OF CONTRIBUTIONS

Agent Multiple Employer Defined Benefit Plan
Last Ten Fiscal Years
Other Post-Employment Benefits (OPEB)

Fiscal year	<u>2022-23</u>
Actuarially determined contribution	\$2,618,000
Contributions in relation to the actuarially determined contribution	<u>(3,183,000)</u>
Contribution deficiency (excess)	<u>(\$565,000)</u>
Covered employee payroll	\$43,602,857
Contributions as a percentage of covered employee payroll	7.30%

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, 2021 actuarial valuation provided the Actuarially Determined Contributions for fiscal years ending 6/30/22 and 6/30/23.

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, 2021
Actuarial Cost Method	Entry Age Normal, Level Percentage of Payroll
Amortization Method	Level dollar amount, over approximate 10-year period
Remaining Amortization	13 year fixed period for 2022/23
Asset Valuation Method	Investment gains and losses spread over 5-year rolling period
Discount Rate	6.25%
Contribution Policy	City contributes full ADC
General Inflation	2.5% per annum
Mortality, Retirement, Disability, Termination	0630/20 MCERA Valuation assumptions
Mortality Improvement	Mortality projected fully generational with Scale MP-2021
Expected Long-Term Rate of Return on Investments	Same as discount rate - expected City contributions projected to keep sufficient
Salary Increases	Aggregate - 3% Merit - Increases - same as MCERA Assumptions as of June 30, 2020 valuation
Medical Trend	Non-Medicare - 6.5% for 2023 decreasing 3.75% for 2076 and later Medicare (Non-Kaiser) - 5.65% for 2023, decreasing to an ultimate rate of 3.75% in 2076 Medicare (Kaiser) - 4.60% for 2019, decreasing to an ultimate rate of 3.75% in 2076
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**

Generally accepted accounting principles dictate 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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes and special assessments	\$85,123,414	\$86,623,414	\$86,808,092	\$184,678
Licenses and permits	3,010,159	3,010,159	3,002,122	(8,037)
Fines and forfeitures	186,732	186,732	228,966	42,234
Use of money and properties	47,500	47,500	684,150	636,650
Intergovernmental	4,345,765	4,345,765	3,521,419	(824,346)
Charges for services	3,048,215	3,048,215	2,843,882	(204,333)
Other revenue	1,006,395	1,006,395	1,010,712	4,317
Total Revenues	<u>96,768,180</u>	<u>98,268,180</u>	<u>98,099,343</u>	<u>(168,837)</u>
EXPENDITURES				
Current:				
General government	15,361,785	15,762,644	13,114,356	2,648,288
Public safety	48,463,764	49,463,764	47,070,997	2,392,767
Public works and parks	14,273,239	14,273,239	14,602,766	(329,527)
Community development	6,323,809	6,398,809	5,174,237	1,224,572
Culture and recreation	3,266,529	3,266,529	3,201,698	64,831
Capital outlay	92,776	92,776		92,776
Debt service:				
Principal	2,956,642	2,956,642	3,044,551	(87,909)
Interest and fiscal charges	2,232,925	2,232,925	2,241,875	(8,950)
Total Expenditures	<u>92,971,469</u>	<u>94,447,328</u>	<u>88,450,480</u>	<u>5,996,848</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>3,796,711</u>	<u>3,820,852</u>	<u>9,648,863</u>	<u>5,828,011</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,770,072	1,131,142	1,131,142	
Transfers out	<u>(3,307,000)</u>	<u>(16,793,126)</u>	<u>(16,793,126)</u>	
Total Other Financing Sources (Uses)	<u>(1,536,928)</u>	<u>(15,661,984)</u>	<u>(15,661,984)</u>	
Net Change in Fund Balance	<u>\$2,259,783</u>	<u>(\$11,841,132)</u>	<u>(6,013,121)</u>	<u>\$5,828,011</u>
FUND BALANCE, BEGINNING OF YEAR			<u>33,781,119</u>	
FUND BALANCE, END OF YEAR			<u>\$27,767,998</u>	

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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of money and properties			\$112,664	\$112,664
Intergovernmental	\$225,000	\$225,000	225,000	
Charges for services	650,000	650,000	697,658	47,658
Total Revenues	<u>875,000</u>	<u>875,000</u>	<u>1,035,322</u>	<u>160,322</u>
EXPENDITURES				
Current:				
General government	105,000	105,000		105,000
Public works and parks	600,000	600,000	142,969	457,031
Community development			16,009	(16,009)
Capital outlay	200,000	200,000	64,050	135,950
Total Expenditures	<u>905,000</u>	<u>905,000</u>	<u>223,028</u>	<u>681,972</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(30,000)</u>	<u>(30,000)</u>	<u>812,294</u>	<u>842,294</u>
OTHER FINANCING SOURCES (USES)				
Transfers in		8,897	8,897	
Total Other Financing Sources (Uses)		<u>8,897</u>	<u>8,897</u>	
Net Change in Fund Balance	<u><u>(\$30,000)</u></u>	<u><u>(\$21,103)</u></u>	821,191	<u><u>\$842,294</u></u>
FUND BALANCE, BEGINNING OF YEAR			<u>4,871,871</u>	
FUND BALANCE, END OF YEAR			<u><u>\$5,693,062</u></u>	

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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of money and properties			\$79,353	\$79,353
Intergovernmental	\$29,435,867	\$29,435,867	19,123,868	(10,311,999)
Charges for services	2,007,767	2,007,767	2,419,840	412,073
Other revenue	250,000	250,000	137,258	(112,742)
	<u>31,693,634</u>	<u>31,693,634</u>	<u>21,760,319</u>	<u>(9,933,315)</u>
EXPENDITURES				
Current:				
Public works and parks	2,585,000	3,405,000	3,695,723	(290,723)
Capital outlay	25,660,000	26,655,013	13,170,654	13,484,359
	<u>28,245,000</u>	<u>30,060,013</u>	<u>16,866,377</u>	<u>13,193,636</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,448,634</u>	<u>1,633,621</u>	<u>4,893,942</u>	<u>3,260,321</u>
OTHER FINANCING SOURCES (USES)				
Transfers in		32,400	32,400	
Transfers out	(650,000)	(8,897)	(8,897)	
	<u>(650,000)</u>	<u>23,503</u>	<u>23,503</u>	
Net Change in Fund Balance	<u>\$2,798,634</u>	<u>\$1,657,124</u>	4,917,445	<u>\$3,260,321</u>
FUND BALANCE, BEGINNING OF YEAR			<u>6,918,267</u>	
FUND BALANCE, END OF YEAR			<u>\$11,835,712</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, 2023

	<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			\$27,274	\$27,274
Total Revenues			27,274	27,274
EXPENDITURES				
Capital outlay	\$3,996,830	\$6,213,497	6,213,497	
Total Expenditures	3,996,830	6,213,497	6,213,497	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,996,830)</u>	<u>(6,213,497)</u>	<u>(6,186,223)</u>	<u>27,274</u>
OTHER FINANCING SOURCES (USES)				
Transfers in		586,926	586,926	
Total Other Financing Sources (Uses)		586,926	586,926	
Net Change in Fund Balance	<u><u>(\$3,996,830)</u></u>	<u><u>(\$5,626,571)</u></u>	<u>(5,599,297)</u>	<u><u>\$27,274</u></u>
FUND BALANCE, BEGINNING OF YEAR			<u>9,317,312</u>	
FUND BALANCE, END OF YEAR			<u><u>\$3,718,015</u></u>	

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Recreation Revolving Fund – Established to administer the Recreation 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 that 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.

Measure C Wildfire Prevention Special Revenue Fund – Established for the purpose of reporting tax revenue and expenditures related to coordinated wildfire prevention activities authorized by Measure C, a parcel tax measure approved on March 3, 2020 by a two-thirds supermajority vote. This is a ten-year parcel tax levying up to 10 cents per building square foot tax and \$75 per multifamily unit.

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, 2023

	SPECIAL REVENUE FUNDS				
	Recreation Revolving	Baypoint Lagoons Assessment District	Household Hazmat Facility	Childcare	Loch Lomond #10 Community Facilities Dist.
ASSETS					
Cash and investments	\$840,012	\$224,610	\$559,605	\$651,512	\$809,720
Restricted cash and investments					
Receivables:					
Accounts	178,237		343,366		
Taxes		127			142
Grants				913	
Interest					
Loans					
Leases	177,143				
Prepaid expense	230				
	<u>177,143</u>				
	<u>230</u>				
Total Assets	<u>\$1,195,622</u>	<u>\$224,737</u>	<u>\$902,971</u>	<u>\$652,425</u>	<u>\$809,862</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$194,965		\$330,514	\$41,460	
Deposits payable					
Developer deposits payable					
Unearned revenue	468,456				
	<u>468,456</u>				
Total Liabilities	<u>663,421</u>		<u>330,514</u>	<u>41,460</u>	
Deferred Inflows of Resources:					
Unavailable revenue - leases	169,488				
	<u>169,488</u>				
Total Deferred Inflows of Resources	<u>169,488</u>				
Fund Balances:					
Nonspendable	230				
Restricted	362,483	\$224,737	\$572,457	\$610,965	\$809,862
Committed					
Assigned					
	<u>362,483</u>	<u>224,737</u>	<u>572,457</u>	<u>610,965</u>	<u>809,862</u>
Total Fund Balances	<u>362,713</u>	<u>224,737</u>	<u>572,457</u>	<u>610,965</u>	<u>809,862</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$1,195,622</u>	<u>\$224,737</u>	<u>\$902,971</u>	<u>\$652,425</u>	<u>\$809,862</u>

SPECIAL REVENUE FUNDS

Loch Lomond Marina #2 Community Facilities Dist.	Library	Library Assessment	Public Safety	Stormwater	Development Services	Grants	Parkland Dedication
\$899,821	\$4,444,598	\$1,024,440	\$156,410	\$7,269,767	\$192,304	\$1,090,357	\$359,989
1,221		4,664		115,583 4,216	226,438	165,000 31,019	
					276,042		
<u>\$901,042</u>	<u>\$4,444,598</u>	<u>\$1,029,104</u>	<u>\$156,410</u>	<u>\$7,389,566</u>	<u>\$694,784</u>	<u>\$1,286,376</u>	<u>\$359,989</u>
\$4,087	\$134	\$94,819	\$32,047	\$760,107	\$29,614 1,311 3,635	\$50,737 185,256	
<u>4,087</u>	<u>134</u>	<u>94,819</u>	<u>32,047</u>	<u>760,107</u>	<u>34,560</u>	<u>235,993</u>	
					260,196		
					260,196		
896,955	4,444,464	934,285	124,363	6,629,459	400,028	1,050,383	\$359,989
<u>896,955</u>	<u>4,444,464</u>	<u>934,285</u>	<u>124,363</u>	<u>6,629,459</u>	<u>400,028</u>	<u>1,050,383</u>	<u>359,989</u>
<u>\$901,042</u>	<u>\$4,444,598</u>	<u>\$1,029,104</u>	<u>\$156,410</u>	<u>\$7,389,566</u>	<u>\$694,784</u>	<u>\$1,286,376</u>	<u>\$359,989</u>

(Continued)

CITY OF SAN RAFAEL
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
FOR THE YEAR ENDED JUNE 30, 2023

	SPECIAL REVENUE FUNDS				
	Emergency Medical Services	Business Improvement	Pt. San Pedro Maintenance Portion	Low and Moderate Income Housing	Measure A Open Space
ASSETS					
Cash and investments	\$1,323,721	\$58,594	\$177,407	\$27,592	\$228,836
Restricted cash and investments					
Receivables:					
Accounts	298,748			45,232	
Taxes	26,131		817		279,694
Grants	658,492				
Interest					
Loans				1,799,220	
Leases					
Prepaid expense	182,660				
Total Assets	<u>\$2,489,752</u>	<u>\$58,594</u>	<u>\$178,224</u>	<u>\$1,872,044</u>	<u>\$508,530</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$25,251	\$58,594	\$3,256		\$33,477
Deposits payable					
Developer deposits payable					
Unearned revenue					
Total Liabilities	<u>25,251</u>	<u>58,594</u>	<u>3,256</u>		<u>33,477</u>
Deferred Inflows of Resources:					
Unavailable revenue - leases					
Total Deferred Inflows of Resources					
Fund Balances:					
Nonspendable	182,660				
Restricted	2,281,841		174,968	\$1,872,044	475,053
Committed					
Assigned					
Total Fund Balances	<u>2,464,501</u>		<u>174,968</u>	<u>1,872,044</u>	<u>475,053</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$2,489,752</u>	<u>\$58,594</u>	<u>\$178,224</u>	<u>\$1,872,044</u>	<u>\$508,530</u>

SPECIAL REVENUE FUNDS		CAPITAL PROJECTS FUNDS					Total Non-Major Governmental Funds
Measure G Cannabis	Measure C Wildfire Prevention	Capital Improvement	Bedroom Tax	Assessment Districts	Park Capital Projects	Open Space	
\$1,089,495	\$508,218	\$4,137,231	\$142,339	\$216,354 82,369	\$21,861	\$119,248	\$26,574,041 82,369
61,241	1,020,805						2,393,409 378,253 690,424 6,158 1,799,220 453,185 182,890
		6,158					
<u>\$1,150,736</u>	<u>\$1,529,023</u>	<u>\$4,143,389</u>	<u>\$142,339</u>	<u>\$298,723</u>	<u>\$21,861</u>	<u>\$119,248</u>	<u>\$32,559,949</u>
	\$142,612	\$153,585 2,821					\$1,955,259 189,388 3,635 468,456
	142,612	156,406					2,616,738
							429,684
							429,684
1,150,736	1,386,411	3,986,983	142,339	298,723	21,861	119,248	182,890 25,202,545 4,008,844 119,248
<u>1,150,736</u>	<u>1,386,411</u>	<u>3,986,983</u>	<u>142,339</u>	<u>298,723</u>	<u>21,861</u>	<u>119,248</u>	<u>29,513,527</u>
<u>\$1,150,736</u>	<u>\$1,529,023</u>	<u>\$4,143,389</u>	<u>\$142,339</u>	<u>\$298,723</u>	<u>\$21,861</u>	<u>\$119,248</u>	<u>\$32,559,949</u>

CITY OF SAN RAFAEL
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2023

	SPECIAL REVENUE FUNDS				
	Recreation Revolving	Baypoint Lagoons Assessment District	Household Hazmat Facility	Childcare	Loch Lomond #10 Community Facilities Dist.
REVENUES					
Taxes and special assessments		\$25,368			\$28,308
Use of money and properties	\$44,505	2,713	\$5,586	\$5,098	10,010
Intergovernmental	8,110			770,325	
Charges for services	1,958,147		177,582	3,183,904	
Other revenue	10,802			32,304	
Total Revenues	<u>2,021,564</u>	<u>28,081</u>	<u>183,168</u>	<u>3,991,631</u>	<u>38,318</u>
EXPENDITURES					
Current:					
General government			1,720		
Public safety			120,622		
Public works and parks		7,589			(36)
Culture and recreation	4,350,403			3,725,218	
Capital outlay					
Total Expenditures	<u>4,350,403</u>	<u>7,589</u>	<u>122,342</u>	<u>3,725,218</u>	<u>(36)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,328,839)</u>	<u>20,492</u>	<u>60,826</u>	<u>266,413</u>	<u>38,354</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	2,207,000				
Transfers out					
Total Other Financing Sources (Uses)	<u>2,207,000</u>				
Net Change in Fund Balances	(121,839)	20,492	60,826	266,413	38,354
Fund Balance, Beginning	<u>484,552</u>	<u>204,245</u>	<u>511,631</u>	<u>344,552</u>	<u>771,508</u>
Fund Balance, Ending	<u><u>\$362,713</u></u>	<u><u>\$224,737</u></u>	<u><u>\$572,457</u></u>	<u><u>\$610,965</u></u>	<u><u>\$809,862</u></u>

SPECIAL REVENUE FUNDS

Loch Lomond Marina #2 Community Facilities Dist.	Library	Library Assessment	Public Safety	Stormwater	Development Services	Grants	Parkland Dedication
\$244,286		\$1,132,972					\$11,797
10,453	\$48,755	11,534	\$1,395	\$21,280	\$50,383		4,452
	1,400,000		82,847			\$1,670,887	
	4,148			832,584			
	15,831		29,671	3,079		1,177	
<u>254,739</u>	<u>1,468,734</u>	<u>1,144,506</u>	<u>113,913</u>	<u>856,943</u>	<u>50,383</u>	<u>1,672,064</u>	<u>16,249</u>
						543,443	
94,693			207,633			485,230	
	44,833	1,169,872		858,666			
	66,957			1,888,523		463	
<u>94,693</u>	<u>111,790</u>	<u>1,169,872</u>	<u>207,633</u>	<u>2,747,189</u>		<u>1,029,136</u>	
160,046	1,356,944	(25,366)	(93,720)	(1,890,246)	50,383	642,928	16,249
			85,000	7,250,000		11,253	
			85,000	7,250,000		11,253	
160,046	1,356,944	(25,366)	(8,720)	5,359,754	50,383	654,181	16,249
736,909	3,087,520	959,651	133,083	1,269,705	349,645	396,202	343,740
<u>\$896,955</u>	<u>\$4,444,464</u>	<u>\$934,285</u>	<u>\$124,363</u>	<u>\$6,629,459</u>	<u>\$400,028</u>	<u>\$1,050,383</u>	<u>\$359,989</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, 2023

	SPECIAL REVENUE FUNDS				
	Emergency Medical Services	Business Improvement	Pt. San Pedro - Maintenance Portion	Low and Moderate Income Housing	Measure A Open Space
REVENUES					
Taxes and special assessments	\$5,224,387		\$141,705		\$586,957
Use of money and properties	8,656		1,960	\$30,833	5,504
Intergovernmental	712,173				
Charges for services	3,708,025				
Other revenue	400,679		8,845	54,407	
	<u>10,053,920</u>		<u>152,510</u>	<u>85,240</u>	<u>592,461</u>
EXPENDITURES					
Current:					
General government				85,766	
Public safety	8,422,019				
Public works and parks			117,578		15,640
Culture and recreation					172,258
Capital outlay					710,466
	<u>8,422,019</u>		<u>117,578</u>	<u>85,766</u>	<u>898,364</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,631,901</u>		<u>34,932</u>	<u>(526)</u>	<u>(305,903)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in					
Transfers out					
Total Other Financing Sources (Uses)					
Net Change in Fund Balances	1,631,901		34,932	(526)	(305,903)
Fund Balance, Beginning	<u>832,600</u>		<u>140,036</u>	<u>1,872,570</u>	<u>780,956</u>
Fund Balance, Ending	<u>\$2,464,501</u>		<u>\$174,968</u>	<u>\$1,872,044</u>	<u>\$475,053</u>

SPECIAL REVENUE FUNDS		CAPITAL PROJECTS FUNDS					Total Non-Major Governmental Funds
Measure G Cannabis	Measure C Wildfire Prevention	Capital Improvement	Bedroom Tax	Assessment Districts	Park Capital Projects	Open Space	
\$337,028	\$1,822,040		\$10,455				\$9,565,303
9,185	4,325	\$43,089	1,734	\$969		\$1,493	323,912
	1,076,257						5,720,599
	8,664	605,505			\$3,925		9,864,390
							1,174,889
<u>346,213</u>	<u>2,911,286</u>	<u>648,594</u>	<u>12,189</u>	<u>969</u>	<u>3,925</u>	<u>1,493</u>	<u>26,649,093</u>
113,339							744,268
39,320	2,328,057						11,602,881
		1,422,230					1,094,130
							9,462,584
							4,088,639
<u>152,659</u>	<u>2,328,057</u>	<u>1,422,230</u>					<u>26,992,502</u>
193,554	583,229	(773,636)	12,189	969	3,925	1,493	(343,409)
		3,264,200					12,817,453
(11,069)				(7,388)			(18,457)
(11,069)		3,264,200		(7,388)			12,798,996
182,485	583,229	2,490,564	12,189	(6,419)	3,925	1,493	12,455,587
968,251	803,182	1,496,419	130,150	305,142	17,936	117,755	17,057,940
<u>\$1,150,736</u>	<u>\$1,386,411</u>	<u>\$3,986,983</u>	<u>\$142,339</u>	<u>\$298,723</u>	<u>\$21,861</u>	<u>\$119,248</u>	<u>\$29,513,527</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, 2023

	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				\$25,000	\$25,368	\$368
Use of money and properties	\$28,900	\$44,505	\$15,605		2,713	2,713
Intergovernmental	48,000	8,110	(39,890)			
Charges for services	2,269,030	1,958,147	(310,883)			
Other revenue	475	10,802	10,327			
Total Revenues	<u>2,346,405</u>	<u>2,021,564</u>	<u>(324,841)</u>	<u>25,000</u>	<u>28,081</u>	<u>3,081</u>
EXPENDITURES						
Current:						
General government						
Public safety						
Public works and parks				208,655	7,589	201,066
Culture and recreation	4,770,850	4,350,403	420,447			
Capital outlay						
Total Expenditures	<u>4,770,850</u>	<u>4,350,403</u>	<u>420,447</u>	<u>208,655</u>	<u>7,589</u>	<u>201,066</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,424,445)</u>	<u>(2,328,839)</u>	<u>95,606</u>	<u>(183,655)</u>	<u>20,492</u>	<u>204,147</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	2,207,000	2,207,000				
Transfers out						
Total Other Financing Sources (Uses)	<u>2,207,000</u>	<u>2,207,000</u>				
NET CHANGE IN FUND BALANCE	<u>(\$217,445)</u>	<u>(121,839)</u>	<u>\$95,606</u>	<u>(\$183,655)</u>	<u>20,492</u>	<u>\$204,147</u>
FUND BALANCES, BEGINNING OF YEAR		<u>484,552</u>			<u>204,245</u>	
FUND BALANCES, END OF YEAR		<u>\$362,713</u>			<u>\$224,737</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)
	\$5,586	\$5,586		\$5,098	\$5,098	\$25,000	\$28,308	\$3,308
			\$460,945	770,325	309,380		10,010	10,010
\$187,500	177,582	(9,918)	2,980,000	3,183,904	203,904			
				32,304	32,304			
<u>187,500</u>	<u>183,168</u>	<u>(4,332)</u>	<u>3,440,945</u>	<u>3,991,631</u>	<u>550,686</u>	<u>25,000</u>	<u>38,318</u>	<u>13,318</u>
	1,720	(1,720)						
177,428	120,622	56,806				23,418	(36)	23,454
			3,931,097	3,725,218	205,879			
<u>177,428</u>	<u>122,342</u>	<u>55,086</u>	<u>3,931,097</u>	<u>3,725,218</u>	<u>205,879</u>	<u>23,418</u>	<u>(36)</u>	<u>23,454</u>
<u>10,072</u>	<u>60,826</u>	<u>50,754</u>	<u>(490,152)</u>	<u>266,413</u>	<u>756,565</u>	<u>1,582</u>	<u>38,354</u>	<u>36,772</u>
<u>\$10,072</u>	<u>60,826</u>	<u>\$50,754</u>	<u>(\$490,152)</u>	<u>266,413</u>	<u>\$756,565</u>	<u>\$1,582</u>	<u>38,354</u>	<u>\$36,772</u>
	<u>511,631</u>			<u>344,552</u>			<u>771,508</u>	
	<u>\$572,457</u>			<u>\$610,965</u>			<u>\$809,862</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, 2023

	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	\$83,000	\$244,286	\$161,286			
Use of money and properties		10,453	10,453		\$48,755	\$48,755
Intergovernmental				\$1,000	1,400,000	1,399,000
Charges for services				1,150	4,148	2,998
Other revenue				14,500	15,831	1,331
Total Revenues	83,000	254,739	171,739	16,650	1,468,734	1,452,084
EXPENDITURES						
Current:						
General government						
Public safety						
Public works and parks	191,114	94,693	96,421			
Culture and recreation				111,790	44,833	66,957
Capital outlay					66,957	(66,957)
Total Expenditures	191,114	94,693	96,421	111,790	111,790	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(108,114)	160,046	268,160	(95,140)	1,356,944	1,452,084
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers out						
Total Other Financing Sources (Uses)						
NET CHANGE IN FUND BALANCE	(\$108,114)	160,046	\$268,160	(\$95,140)	1,356,944	\$1,452,084
FUND BALANCES, BEGINNING OF YEAR		736,909			3,087,520	
FUND BALANCES, END OF YEAR		\$896,955			\$4,444,464	

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)
\$1,133,502	\$1,132,972	(\$530)		\$1,395	\$1,395		\$21,280	\$21,280
	11,534	11,534	\$80,000	82,847	2,847			
			15,000	29,671	14,671	\$830,000	832,584	2,584
							3,079	3,079
<u>1,133,502</u>	<u>1,144,506</u>	<u>11,004</u>	<u>95,000</u>	<u>113,913</u>	<u>18,913</u>	<u>830,000</u>	<u>856,943</u>	<u>26,943</u>
			207,634	207,633	1	4,734,950	858,666	3,876,284
1,169,872	1,169,872					7,716,266	1,888,523	5,827,743
<u>1,169,872</u>	<u>1,169,872</u>		<u>207,634</u>	<u>207,633</u>	<u>1</u>	<u>12,451,216</u>	<u>2,747,189</u>	<u>9,704,027</u>
<u>(36,370)</u>	<u>(25,366)</u>	<u>11,004</u>	<u>(112,634)</u>	<u>(93,720)</u>	<u>18,914</u>	<u>(11,621,216)</u>	<u>(1,890,246)</u>	<u>9,730,970</u>
			85,000	85,000		7,250,000	7,250,000	
			85,000	85,000		7,250,000	7,250,000	
<u>(\$36,370)</u>	<u>(25,366)</u>	<u>\$11,004</u>	<u>(\$27,634)</u>	<u>(8,720)</u>	<u>\$18,914</u>	<u>(\$4,371,216)</u>	<u>5,359,754</u>	<u>\$9,730,970</u>
	959,651			133,083			1,269,705	
	<u>\$934,285</u>			<u>\$124,363</u>			<u>\$6,629,459</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, 2023

	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	\$37,000	\$50,383	\$13,383			
Intergovernmental				\$2,401,572	\$1,670,887	(\$730,685)
Charges for services						
Other revenue					1,177	1,177
Total Revenues	<u>37,000</u>	<u>50,383</u>	<u>13,383</u>	<u>2,401,572</u>	<u>1,672,064</u>	<u>(729,508)</u>
EXPENDITURES						
Current:						
General government				1,984,086	543,443	1,440,643
Public safety				595,415	485,230	110,185
Public works and parks						
Culture and recreation						
Capital outlay				463	463	
Total Expenditures				<u>2,579,964</u>	<u>1,029,136</u>	<u>1,550,828</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>37,000</u>	<u>50,383</u>	<u>13,383</u>	<u>(178,392)</u>	<u>642,928</u>	<u>821,320</u>
OTHER FINANCING SOURCES (USES)						
Transfers in				11,253	11,253	
Transfers out						
Total Other Financing Sources (Uses)				<u>11,253</u>	<u>11,253</u>	
NET CHANGE IN FUND BALANCE	<u>\$37,000</u>	<u>50,383</u>	<u>\$13,383</u>	<u>(\$167,139)</u>	<u>654,181</u>	<u>\$821,320</u>
FUND BALANCES, BEGINNING OF YEAR		<u>349,645</u>			<u>396,202</u>	
FUND BALANCES, END OF YEAR		<u>\$400,028</u>			<u>\$1,050,383</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)
	\$11,797	\$11,797	\$5,227,120	\$5,224,387	(\$2,733)			
	4,452	4,452		8,656	8,656			
			181,100	712,173	531,073			
			2,800,000	3,708,025	908,025			
			450,000	400,679	(49,321)			
	16,249	16,249	8,658,220	10,053,920	1,395,700			
			8,821,778	8,422,019	399,759			
			8,821,778	8,422,019	399,759			
	16,249	16,249	(163,558)	1,631,901	1,795,459			
	16,249	\$16,249	(\$163,558)	1,631,901	\$1,795,459			
	343,740			832,600				
	\$359,989			\$2,464,501				

(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, 2023

	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	\$150,000	\$141,705	(\$8,295)			
Use of money and properties		1,960	1,960		\$30,833	\$30,833
Intergovernmental						
Charges for services						
Other revenue	8,000	8,845	845		54,407	54,407
Total Revenues	158,000	152,510	(5,490)		85,240	85,240
EXPENDITURES						
Current:						
General government				\$95,000	85,766	9,234
Public safety						
Public works and parks	192,186	117,578	74,608			
Culture and recreation						
Capital outlay						
Total Expenditures	192,186	117,578	74,608	95,000	85,766	9,234
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(34,186)	34,932	69,118	(95,000)	(526)	94,474
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers out						
Total Other Financing Sources (Uses)						
NET CHANGE IN FUND BALANCE	(\$34,186)	34,932	\$69,118	(\$95,000)	(526)	\$94,474
FUND BALANCES, BEGINNING OF YEAR		140,036			1,872,570	
FUND BALANCES, END OF YEAR		\$174,968			\$1,872,044	

SPECIAL REVENUE FUNDS

Measure A Open Space			Measure G Cannabis			Measure C Wildfire Prevention		
Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
\$206,806	\$586,957	\$380,151	\$300,000	\$337,028	\$37,028	\$1,899,260	\$1,822,040	(\$77,220)
	5,504	5,504		9,186	9,186		4,325	4,325
							1,076,257	1,076,257
				(1)			8,664	8,664
206,806	592,461	385,655	300,000	346,213	46,214	1,899,260	2,911,286	1,012,026
			120,325	113,339	6,986			
			38,731	39,320	(589)	2,292,059	2,328,057	(35,998)
	15,640	(15,640)						
780,000	172,258	607,742						
520,000	710,466	(190,466)				36,000		36,000
1,300,000	898,364	401,636	159,056	152,659	6,397	2,328,059	2,328,057	2
(1,093,194)	(305,903)	787,291	140,944	193,554	52,610	(428,799)	583,229	1,012,028
				(11,069)	(11,069)			
				(11,069)	(11,069)			
<u>(\$1,093,194)</u>	<u>(305,903)</u>	<u>\$787,291</u>	<u>\$140,944</u>	182,485	<u>\$41,541</u>	<u>(\$428,799)</u>	583,229	<u>\$1,012,028</u>
	780,956			968,251			803,182	
	<u>\$475,053</u>			<u>\$1,150,736</u>			<u>\$1,386,411</u>	



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, 2023

	<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	\$4,241,953	\$6,731,932	\$6,490,168	\$940,308	\$7,638,401
Prepaid expenses			29,246		
Capital assets:					
Nondepreciable assets	910,869				
Depreciable assets, net	<u>5,364,636</u>	<u>5,562,990</u>	<u>1,025,717</u>		
Total Assets	<u>10,517,458</u>	<u>12,294,922</u>	<u>7,545,131</u>	<u>940,308</u>	<u>7,638,401</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	1,813	3,500	205,453	31,747	4,065
Claims payable - due in one year					1,110,010
Long-term debt - due in one year	21,755				
Subscription liabilities - due in one year			221,166		
Non-current Liabilities:					
Claims payable - due in more than one year					3,553,366
Long-term debt - due in more than one year	121,463				
Subscription liabilities - due in more than one year			<u>752,008</u>		
Total Liabilities	<u>145,031</u>	<u>3,500</u>	<u>1,178,627</u>	<u>31,747</u>	<u>4,667,441</u>
NET POSITION:					
Net investment in capital assets	6,132,287	5,562,990	52,543		
Unrestricted	<u>4,240,140</u>	<u>6,728,432</u>	<u>6,313,961</u>	<u>908,561</u>	<u>2,970,960</u>
Total Net Position	<u>\$10,372,427</u>	<u>\$12,291,422</u>	<u>\$6,366,504</u>	<u>\$908,561</u>	<u>\$2,970,960</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>
\$11,921,344	\$530,675	\$2,459,325	\$457,513	\$646,439	\$236,090	\$494,184	\$42,788,332 29,246
							910,869 11,953,343
<u>11,921,344</u>	<u>530,675</u>	<u>2,459,325</u>	<u>457,513</u>	<u>646,439</u>	<u>236,090</u>	<u>494,184</u>	<u>55,681,790</u>
1,171 1,776,620	3,674		11,494		55,272	494,184	812,373 2,886,630 21,755 221,166
9,346,702							12,900,068 121,463 752,008
<u>11,124,493</u>	<u>3,674</u>		<u>11,494</u>		<u>55,272</u>	<u>494,184</u>	<u>17,715,463</u>
796,851	527,001	2,459,325	446,019	646,439	180,818		11,747,820 26,218,507
<u>\$796,851</u>	<u>\$527,001</u>	<u>\$2,459,325</u>	<u>\$446,019</u>	<u>\$646,439</u>	<u>\$180,818</u>		<u>\$37,966,327</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, 2023

	<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	\$1,000,000	\$1,806,860	\$2,406,890	\$1,268,580	\$2,364,880
Other operating revenues					229,857
Total Operating Revenues	<u>1,000,000</u>	<u>1,806,860</u>	<u>2,406,890</u>	<u>1,268,580</u>	<u>2,594,737</u>
OPERATING EXPENSES					
Personnel				877,845	265,366
Insurance premiums and claims					2,583,472
Maintenance and repairs	6,691	58,690			
General and administrative	119,185		1,885,542	338,305	170,322
Depreciation expense	293,708	916,227	280,847		
Total Operating Expenses	<u>419,584</u>	<u>974,917</u>	<u>2,166,389</u>	<u>1,216,150</u>	<u>3,019,160</u>
Operating Income (Loss)	<u>580,416</u>	<u>831,943</u>	<u>240,501</u>	<u>52,430</u>	<u>(424,423)</u>
NONOPERATING REVENUES (EXPENSES)					
Investment income	49,870	83,100	79,683	11,024	62,198
Interest expense			(59,271)		
Miscellaneous revenues					
Loss from disposal of capital assets			(712)		
Total Nonoperating Revenues (Expenses)	<u>49,870</u>	<u>83,100</u>	<u>19,700</u>	<u>11,024</u>	<u>62,198</u>
Net income (loss) before contributions and transfers	<u>630,286</u>	<u>915,043</u>	<u>260,201</u>	<u>63,454</u>	<u>(362,225)</u>
TRANSFERS					
Transfers in					2,385,000
Transfers out			(11,253)		(25,013)
Net transfers			<u>(11,253)</u>		<u>2,359,987</u>
Change in Net Position	<u>630,286</u>	<u>915,043</u>	<u>248,948</u>	<u>63,454</u>	<u>1,997,762</u>
NET POSITION, BEGINNING OF YEAR	<u>9,742,141</u>	<u>11,376,379</u>	<u>6,117,556</u>	<u>845,107</u>	<u>973,198</u>
NET POSITION, END OF YEAR	<u>\$10,372,427</u>	<u>\$12,291,422</u>	<u>\$6,366,504</u>	<u>\$908,561</u>	<u>\$2,970,960</u>

Workers' Compensation	Dental Insurance	Employee Retirement	OPEB/ Retiree Medical	Radio Replacement	Telephone Replacement	Sewer Maintenance	Total
\$2,507,634	\$465,707		\$2,537,541 901,026	\$713,526	\$672,221 2,991	\$2,616,744	\$18,360,583 1,133,874
2,507,634	465,707		3,438,567	713,526	675,212	2,616,744	19,494,457
224,593						2,550,185	3,917,989
2,726,272	333,266		3,369,834				9,012,844
193,045	44,198	\$2,000		401,658	98,629 582,394	95,535	164,010 3,832,184
							1,490,782
3,143,910	377,464	2,000	3,369,834	401,658	681,023	2,645,720	18,417,809
(636,276)	88,243	(2,000)	68,733	311,868	(5,811)	(28,976)	1,076,648
150,298	5,736	29,166	22,050	5,673	2,766		501,564 (59,271)
						28,976	28,976 (712)
150,298	5,736	29,166	22,050	5,673	2,766	28,976	470,557
(485,978)	93,979	27,166	90,783	317,541	(3,045)		1,547,205
		1,100,000 (683,750)					3,485,000 (720,016)
		416,250					2,764,984
(485,978)	93,979	443,416	90,783	317,541	(3,045)		4,312,189
1,282,829	433,022	2,015,909	355,236	328,898	183,863		33,654,138
\$796,851	\$527,001	\$2,459,325	\$446,019	\$646,439	\$180,818		\$37,966,327

CITY OF SAN RAFAEL
INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	Building Maintenance	Vehicle Replacement	Equipment Replacement	Employee Benefits	Liability Insurance
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers/other funds	\$1,018,165	\$1,806,860	\$2,406,890	\$1,268,580	\$2,364,880
Cash payments to suppliers for goods and services	(174,913)	(78,428)	(1,795,720)	(312,093)	(2,782,857)
Cash payments to employees for salaries and benefits				(877,845)	(265,366)
Other operating revenues					229,857
Cash Flows from Operating Activities	843,252	1,728,432	611,170	78,642	(453,486)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Miscellaneous revenues					
Interfund revenues					2,385,000
Interfund payments			(11,253)		(25,013)
Cash Flows from Noncapital Financing Activities			(11,253)		2,359,987
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Payment on note payable	(21,754)				
Payment on subscription liability			(212,258)		
Payment on subscription interest			(59,271)		
Acquisition and construction of capital assets	(24,362)	(1,439,527)			
Proceeds from sale of property					
Cash Flows from Investing Activities	(46,116)	(1,439,527)	(271,529)		
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	49,870	83,100	79,683	11,024	62,198
Cash Flows from Investing Activities	49,870	83,100	79,683	11,024	62,198
Net increase (decrease) in cash and cash equivalents	847,006	372,005	408,071	89,666	1,968,699
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,394,947	6,359,927	6,082,097	850,642	5,669,702
CASH AND CASH EQUIVALENTS, END OF YEAR	\$4,241,953	\$6,731,932	\$6,490,168	\$940,308	\$7,638,401
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$580,416	\$831,943	\$240,501	\$52,430	(\$424,423)
Adjustments to reconcile operating income to cash flows from operating activities:					
Depreciation	293,708	916,227	280,847		
Net change in assets and liabilities:					
Grants receivable	18,165				
Prepays			(24,786)		
Accounts payable	(49,037)	(19,738)	114,608	26,212	4,065
Claims payable					(33,128)
Net Cash Provided by (Used in) Operating Activities	\$843,252	\$1,728,432	\$611,170	\$78,642	(453,486)
NON-CASH TRANSACTIONS:					
Retirement of capital assets			(\$712)		

Workers' Compensation	Dental Insurance	Employee Retirement	OPEB/ Employee Retirement	Radio Replacement	Telephone Replacement	Sewer Maintenance	Total
\$2,507,634	\$465,707		\$2,537,541	\$713,526	\$672,221	\$2,616,744	\$18,378,748
(2,703,258)	(381,200)	(\$2,000)	(3,391,746)	(401,658)	(656,752)	(2,391,274)	(15,071,899)
(224,593)							(1,367,804)
			901,026		2,991		1,133,874
<u>(420,217)</u>	<u>84,507</u>	<u>(2,000)</u>	<u>46,821</u>	<u>311,868</u>	<u>18,460</u>	<u>225,470</u>	<u>3,072,919</u>
						28,976	28,976
		1,100,000					3,485,000
		(683,750)					(720,016)
		416,250				28,976	2,793,960
							(21,754)
							(212,258)
							(59,271)
							(1,463,889)
							(1,757,172)
150,298	5,736	29,166	22,050	5,673	2,766		501,564
150,298	5,736	29,166	22,050	5,673	2,766		501,564
(269,919)	90,243	443,416	68,871	317,541	21,226	254,446	4,611,271
12,191,263	440,432	2,015,909	388,642	328,898	214,864	239,738	38,177,061
<u>\$11,921,344</u>	<u>\$530,675</u>	<u>\$2,459,325</u>	<u>\$457,513</u>	<u>\$646,439</u>	<u>\$236,090</u>	<u>\$494,184</u>	<u>\$42,788,332</u>
(\$636,276)	\$88,243	(\$2,000)	\$68,733	\$311,868	(\$5,811)	(\$28,976)	\$1,076,648
							1,490,782
							18,165
(2,045)	(3,736)		(21,912)		24,271	254,446	(24,786)
218,104							327,134
							184,976
<u>(420,217)</u>	<u>\$84,507</u>	<u>(2,000)</u>	<u>\$46,821</u>	<u>\$311,868</u>	<u>\$18,460</u>	<u>\$225,470</u>	<u>\$3,072,919</u>
							(712)





San Francisco Bay Trail, San Rafael

STATISTICAL SECTION



STATISTICAL SECTION

This part of the City's Annual Comprehensive 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. Property Tax Rates, Direct & Overlapping Governments
4. Principal Property Taxpayers
5. 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

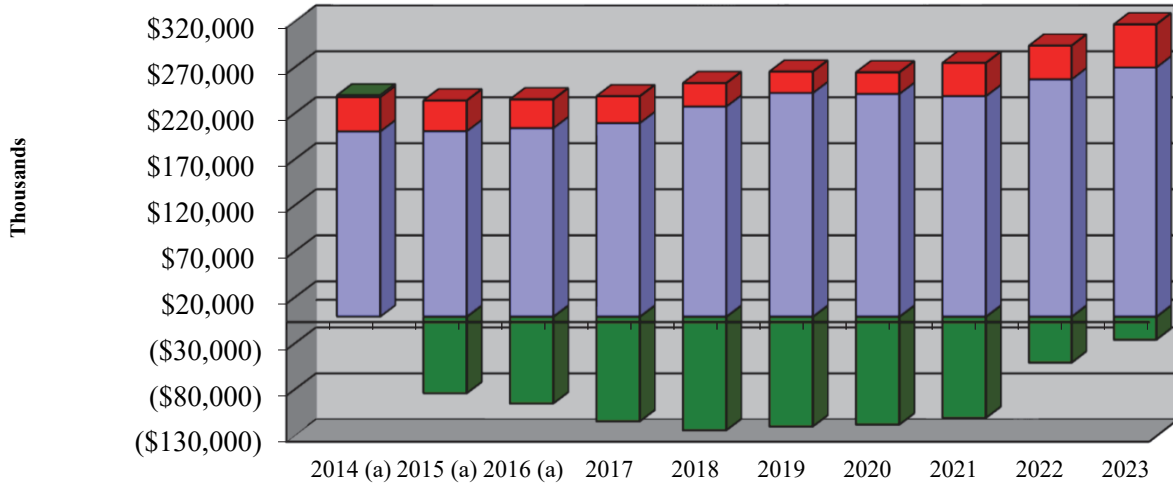
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs:

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 Annual Comprehensive Financial Reports for the relevant year.

**CITY OF SAN RAFAEL
NET POSITION BY COMPONENT
Last Ten Fiscal Years**



■ Net investment in capital assets
■ Restricted
■ Unrestricted

	<u>2014 (a)</u>	<u>2015 (a)</u>	<u>2016 (a)</u>	<u>2017</u>
Governmental activities				
Net investment in capital assets	\$190,286,275	\$190,621,085	\$193,707,175	\$199,202,842
Restricted	37,339,141	33,389,224	31,286,725	29,225,643
Unrestricted	(196,824)	(82,336,534)	(93,273,480)	(112,913,181)
Total governmental activities net position	<u><u>\$227,428,592</u></u>	<u><u>\$141,673,775</u></u>	<u><u>\$131,720,420</u></u>	<u><u>\$115,515,304</u></u>
Business-type activities				
Net investment in capital assets	\$10,786,591	\$10,744,952	\$10,958,058	\$10,968,642
Unrestricted	2,049,957	(938,519)	(1,136,050)	(871,620)
Total business-type activities net position	<u><u>\$12,836,548</u></u>	<u><u>\$9,806,433</u></u>	<u><u>\$9,822,008</u></u>	<u><u>\$10,097,022</u></u>
Primary government				
Net investment in capital assets	\$201,072,866	\$201,366,037	\$204,665,233	\$210,171,484
Restricted	37,339,141	33,389,224	31,286,725	29,225,643
Unrestricted	1,853,133	(83,275,053)	(94,409,530)	(113,784,801)
Total primary government net position	<u><u>\$240,265,140</u></u>	<u><u>\$151,480,208</u></u>	<u><u>\$141,542,428</u></u>	<u><u>\$125,612,326</u></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.

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$217,170,376	\$231,844,210	\$230,737,025	\$228,252,998	\$246,437,706	\$259,204,102
25,549,583	23,288,874	23,522,748	36,175,158	36,668,766	46,773,333
<u>(122,577,233)</u>	<u>(118,215,177)</u>	<u>(116,133,437)</u>	<u>(107,929,957)</u>	<u>(48,883,395)</u>	<u>(24,466,269)</u>
<u>\$120,142,726</u>	<u>\$136,917,907</u>	<u>\$138,126,336</u>	<u>\$156,498,199</u>	<u>\$234,223,077</u>	<u>\$281,511,166</u>
\$10,951,518	\$11,023,426	\$11,104,751	\$11,174,601	\$11,256,222	\$11,454,000
(886,848)	(1,180,121)	(1,204,307)	(2,205,300)	(1,189,003)	(653,194)
<u>\$10,064,670</u>	<u>\$9,843,305</u>	<u>\$9,900,444</u>	<u>\$8,969,301</u>	<u>\$10,067,219</u>	<u>\$10,800,806</u>
\$228,121,894	\$242,867,636	\$241,841,776	\$239,427,599	\$257,693,928	\$270,658,102
25,549,583	23,288,874	23,522,748	36,175,158	36,668,766	46,773,333
<u>(123,464,081)</u>	<u>(119,395,298)</u>	<u>(117,337,744)</u>	<u>(110,135,257)</u>	<u>(50,072,398)</u>	<u>(25,119,463)</u>
<u>\$130,207,396</u>	<u>\$146,761,212</u>	<u>\$148,026,780</u>	<u>\$165,467,500</u>	<u>\$244,290,296</u>	<u>\$292,311,972</u>

**CITY OF SAN RAFAEL
CHANGES IN NET POSITION
Last Ten Fiscal Years
(Accrual Basis of Accounting)**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Expenses				
Governmental Activities:				
General government	\$9,085,672	\$9,099,858	\$12,952,983	\$10,996,269
Public safety	43,800,158	39,968,631	55,399,798	44,366,734
Public works and parks	22,125,336	16,893,164	22,929,289	19,845,719
Community development	3,451,244	3,128,373	4,307,269	4,242,743
Culture and recreation	11,846,818	11,198,151	15,026,680	14,131,000
Interest on long-term debt and fiscal charges	327,350	284,288	277,263	271,263
Total Governmental Activities Expenses	<u>90,636,578</u>	<u>80,572,465</u>	<u>110,893,282</u>	<u>93,853,728</u>
Business-Type Activities:				
Parking services	4,125,476	4,249,597	4,762,851	4,188,152
Total Business-Type Activities Expenses	<u>4,125,476</u>	<u>4,249,597</u>	<u>4,762,851</u>	<u>4,188,152</u>
Total Primary Government Expenses	<u>\$94,762,054</u>	<u>\$84,822,062</u>	<u>\$115,656,133</u>	<u>\$98,041,880</u>
Component Unit:				
San Rafael Sanitation District	<u>\$11,378,055</u>	<u>\$11,375,239</u>	<u>\$11,654,767</u>	<u>\$11,255,194</u>
Program Revenues				
Governmental Activities:				
Charges for services:				
General government	\$2,838,940	\$1,379,523	\$526,495	\$421,393
Public safety	6,014,034	4,966,251	4,939,658	4,264,939
Public works and parks	6,101,460	3,078,267	5,157,289	1,804,698
Community development	3,279,251	3,796,684	4,004,178	3,850,107
Culture and recreation	6,417,003	6,537,646	6,683,059	6,941,013
Operating grants and contributions	4,698,142	4,185,450	4,678,338	3,965,351
Capital grants and contributions	762,719	1,308,027	1,470,953	1,702,993
Total Government Activities Program Revenues	<u>30,111,549</u>	<u>25,251,848</u>	<u>27,459,970</u>	<u>22,950,494</u>
Business-Type Activities:				
Charges for services:				
Parking services	4,485,394	5,173,557	5,212,181	5,268,991
Total Business-Type Activities Program Revenues	<u>4,485,394</u>	<u>5,173,557</u>	<u>5,212,181</u>	<u>5,268,991</u>
Total Primary Government Program Revenues	<u>\$34,596,943</u>	<u>\$30,425,405</u>	<u>\$32,672,151</u>	<u>\$28,219,485</u>
Component Unit:				
San Rafael Sanitation District				
Charges for service	\$13,732,496	\$14,629,758	\$15,414,530	\$16,014,016
Operating grants and contributions				36,945
Capital grants and contributions				79,245
Total Component Unit Program Revenues	<u>\$13,732,496</u>	<u>\$14,629,758</u>	<u>\$15,414,530</u>	<u>\$16,130,206</u>
Net (Expense)/Revenue				
Governmental Activities	(\$60,525,029)	(\$55,320,617)	(\$83,433,312)	(\$70,903,234)
Business-Type Activities	359,918	923,960	449,330	1,080,839
Total Primary Government Net Expense	<u>(\$60,165,111)</u>	<u>(\$54,396,657)</u>	<u>(\$82,983,982)</u>	<u>(\$69,822,395)</u>
Component Unit Activities	<u>\$2,354,441</u>	<u>\$3,254,519</u>	<u>\$3,862,215</u>	<u>\$4,875,012</u>

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$9,835,941	\$11,967,641	\$15,629,601	\$12,254,642	\$10,458,884	\$11,162,650
53,231,197	49,899,296	50,000,809	54,736,561	34,379,474	49,903,663
22,084,433	19,270,613	21,661,442	20,749,666	14,030,717	23,353,510
4,040,195	5,781,826	5,314,692	5,804,134	2,835,173	4,436,659
13,285,563	12,819,429	11,828,353	10,619,181	7,430,968	10,723,168
884,336	1,848,263	1,974,834	1,935,532	2,004,572	1,793,203
<u>103,361,665</u>	<u>101,587,068</u>	<u>106,409,731</u>	<u>106,099,716</u>	<u>71,139,788</u>	<u>101,372,853</u>
<u>4,627,716</u>	<u>5,038,553</u>	<u>4,491,375</u>	<u>3,748,667</u>	<u>2,226,556</u>	<u>3,435,551</u>
<u>4,627,716</u>	<u>5,038,553</u>	<u>4,491,375</u>	<u>3,748,667</u>	<u>2,226,556</u>	<u>3,435,551</u>
<u>\$107,989,381</u>	<u>\$106,625,621</u>	<u>\$110,901,106</u>	<u>\$109,848,383</u>	<u>\$73,366,344</u>	<u>\$104,808,404</u>
<u>\$12,235,868</u>	<u>\$12,601,257</u>	<u>\$13,853,263</u>	<u>\$13,790,905</u>	<u>\$12,892,687</u>	<u>\$13,541,927</u>
\$517,542	\$377,606	\$394,882	\$388,833	\$1,039,816	\$383,890
5,628,478	5,304,832	5,824,555	5,332,486	6,302,852	7,063,009
2,362,375	4,158,338	3,082,495	2,719,148	2,996,881	3,146,404
3,814,892	4,312,259	5,470,010	8,390,282	4,493,292	4,982,748
6,819,303	5,750,846	4,370,442	2,932,869	4,105,520	5,158,806
5,142,670	4,584,855	5,545,731	5,132,596	22,520,880	6,763,815
974,603	8,042,524	1,348,640	8,718,764	9,867,883	18,438,231
<u>25,259,863</u>	<u>32,531,260</u>	<u>26,036,755</u>	<u>33,614,978</u>	<u>51,327,124</u>	<u>45,936,903</u>
<u>5,203,585</u>	<u>5,362,016</u>	<u>5,063,318</u>	<u>3,351,864</u>	<u>3,836,881</u>	<u>4,682,140</u>
<u>5,203,585</u>	<u>5,362,016</u>	<u>5,063,318</u>	<u>3,351,864</u>	<u>3,836,881</u>	<u>4,682,140</u>
<u>\$30,463,448</u>	<u>\$37,893,276</u>	<u>\$31,100,073</u>	<u>\$36,966,842</u>	<u>\$55,164,005</u>	<u>\$50,619,043</u>
\$16,829,908	\$16,964,083	\$16,874,361	\$16,945,721	\$16,458,113	\$16,638,611
58,440	5,907	5,719	5,609	5,568	5,531
105,734	1,433,871	175,217	277,752	517,752	175,481
<u>\$16,994,082</u>	<u>\$18,403,861</u>	<u>\$17,055,297</u>	<u>\$17,229,082</u>	<u>\$16,981,433</u>	<u>\$16,819,623</u>
(\$78,101,802)	(\$69,055,808)	(\$80,372,976)	(\$72,484,738)	(\$19,812,664)	(\$55,435,950)
575,869	323,463	571,943	(396,803)	1,610,325	1,246,589
<u>(\$77,525,933)</u>	<u>(\$68,732,345)</u>	<u>(\$79,801,033)</u>	<u>(\$72,881,541)</u>	<u>(\$18,202,339)</u>	<u>(\$54,189,361)</u>
<u>\$4,758,214</u>	<u>\$5,802,604</u>	<u>\$3,202,034</u>	<u>\$3,438,177</u>	<u>\$4,088,746</u>	<u>\$3,277,696</u>

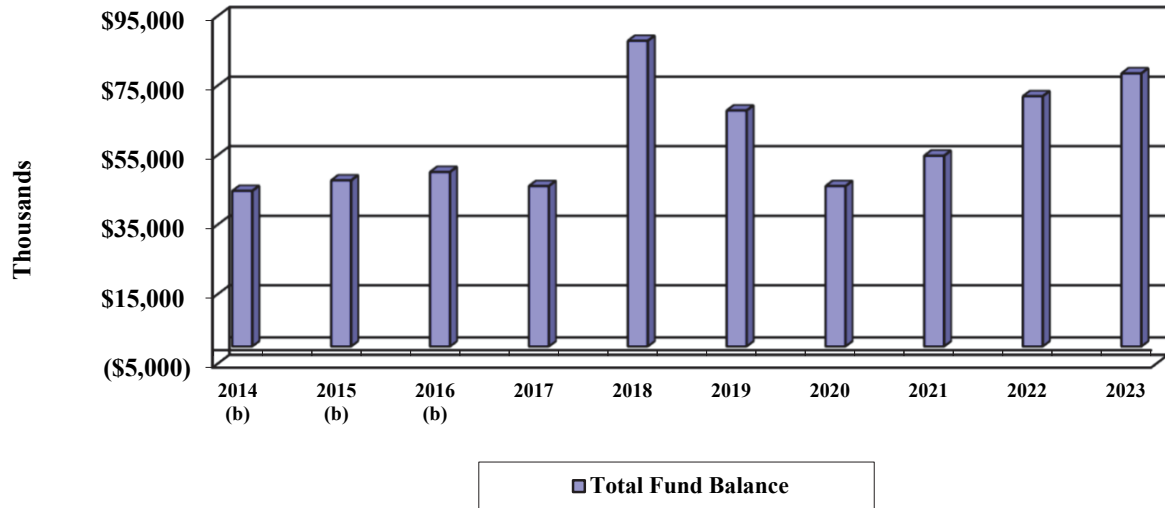
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CITY OF SAN RAFAEL
CHANGES IN NET POSITION
(continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property	\$18,439,619	\$19,039,443	\$19,998,567	\$23,343,140
Sales	27,758,971	32,269,915	34,348,089	31,819,259
Paramedic	3,816,070	3,820,240	4,226,020	5,485,637
Transient occupancy	2,332,277	2,661,878	3,063,263	2,984,758
Franchise	3,260,958	3,272,390	3,418,277	3,610,824
Business license	2,588,728	2,670,071	2,824,664	2,774,803
Other	3,452,171	3,295,751	3,465,193	1,824,830
Investment earnings	184,171	216,066	300,091	210,628
Gain (loss) from sale of capital assets				
Miscellaneous	1,140,743	2,254,901	1,387,315	2,448,604
Transfers	449,917	432,630	448,478	536,000
Total Government Activities	<u>63,423,625</u>	<u>69,933,285</u>	<u>73,479,957</u>	<u>75,038,483</u>
Business-Type Activities:				
Investment earnings	4,375	7,008	14,723	10,810
Gain (loss) from sale of capital assets				
Transfers	(449,917)	(432,630)	(448,478)	(536,000)
Total Business-Type Activities	<u>(445,542)</u>	<u>(425,622)</u>	<u>(433,755)</u>	<u>(525,190)</u>
Total Primary Government	<u>\$62,978,083</u>	<u>\$69,507,663</u>	<u>\$73,046,202</u>	<u>\$74,513,293</u>
Component Unit:				
San Rafael Sanitation District				
Property Taxes	\$1,345,018	\$1,319,852	\$1,367,172	\$1,528,047
Investment earnings	151,729	171,804	46,225	97,090
Miscellaneous				
Aid from other governmental agencies	22,125	35,090		
Total Component Unit	<u>\$1,518,872</u>	<u>\$1,526,746</u>	<u>\$1,413,397</u>	<u>\$1,625,137</u>
Special Item				
Governmental Activities		\$4,462,815		
Component Unit Activities		(\$4,462,815)		
Change in Net Position				
Governmental Activities	\$2,898,596	\$19,075,483	(\$9,953,355)	\$4,135,249
Business-Type Activities	(85,624)	498,338	15,575	555,649
Total Primary Government	<u>\$2,812,972</u>	<u>\$19,573,821</u>	<u>(\$9,937,780)</u>	<u>\$4,690,898</u>
Change in Net Position				
Component Unit Activities	<u>\$3,873,313</u>	<u>\$318,450</u>	<u>\$5,275,612</u>	<u>\$6,500,149</u>

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$24,627,373	\$25,903,240	\$26,491,505	\$30,993,516	\$32,324,129	\$33,023,030
34,119,502	35,626,646	33,784,770	39,599,113	44,110,471	45,632,867
4,923,148	4,934,584	4,923,092	5,153,448	5,109,836	5,224,387
3,115,151	3,203,499	2,410,745	1,797,578	2,976,234	3,396,479
3,726,841	3,627,254	4,029,050	3,973,806	4,209,979	4,424,917
2,790,212	2,788,496	2,824,722	2,575,341	2,645,636	2,583,546
2,245,882	1,783,170	2,152,617	2,996,950	3,108,543	2,975,282
556,745	1,450,434	1,907,591	388,645	(1,424,183)	1,708,860
			26,784	989,991	
5,991,713	5,904,968	2,470,926	2,813,015	2,965,697	3,233,349
632,657	608,698	586,387	538,405	521,209	521,322
<u>82,729,224</u>	<u>85,830,989</u>	<u>81,581,405</u>	<u>90,856,601</u>	<u>97,537,542</u>	<u>102,724,039</u>
24,436	63,870	71,583	4,065	8,802	8,320
<u>(632,657)</u>	<u>(608,698)</u>	<u>(586,387)</u>	<u>(538,405)</u>	<u>(521,209)</u>	<u>(521,322)</u>
<u>(608,221)</u>	<u>(544,828)</u>	<u>(514,804)</u>	<u>(534,340)</u>	<u>(512,407)</u>	<u>(513,002)</u>
<u>\$82,121,003</u>	<u>\$85,286,161</u>	<u>\$81,066,601</u>	<u>\$90,322,261</u>	<u>\$97,025,135</u>	<u>\$102,211,037</u>
\$1,620,584	\$1,727,221	\$1,833,137	\$1,888,197	\$2,086,682	\$2,129,197
234,379	519,793	876,369	48,614	(406,535)	1,328,202
10,690	7,768	489			11,759
<u>\$1,865,653</u>	<u>\$2,254,782</u>	<u>\$2,709,995</u>	<u>\$1,936,811</u>	<u>\$1,680,147</u>	<u>\$3,469,158</u>
\$4,627,422	\$16,775,181	\$1,208,429	\$18,371,863	\$77,724,878	\$47,288,089
<u>(32,352)</u>	<u>(221,365)</u>	<u>57,139</u>	<u>(931,143)</u>	<u>1,097,918</u>	<u>733,587</u>
<u>\$4,595,070</u>	<u>\$16,553,816</u>	<u>\$1,265,568</u>	<u>\$17,440,720</u>	<u>\$78,822,796</u>	<u>\$48,021,676</u>
<u>\$6,623,867</u>	<u>\$8,057,386</u>	<u>\$5,912,029</u>	<u>\$5,374,988</u>	<u>\$5,768,893</u>	<u>\$6,746,854</u>

**CITY SAN RAFAEL
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)**



	<u>2014 (b)</u>	<u>2015 (b)</u>	<u>2016 (b)</u>	<u>2017</u>
General Fund				
Nonspendable	\$503,338	\$399,299	\$476,316	\$508,446
Restricted				
Committed				
Assigned	6,866,149	12,374,002	16,440,910	14,900,945
Unassigned		1,588,500	1,772,577	1,295,041
Total General Fund	<u>\$7,369,487</u>	<u>\$14,361,801</u>	<u>\$18,689,803</u>	<u>\$16,704,432</u>
All Other Governmental Funds				
Nonspendable	\$8,719	\$2,359	\$9,449	
Restricted	30,185,064	31,742,184	27,552,245	\$25,812,405
Committed	2,185,825	931,871	3,799,421	3,491,708
Assigned	4,959,533	712,810	119,183	115,103
Unassigned				
Total all other governmental funds	<u>\$37,339,141</u>	<u>\$33,389,224</u>	<u>\$31,480,298</u>	<u>\$29,419,216</u>

(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.

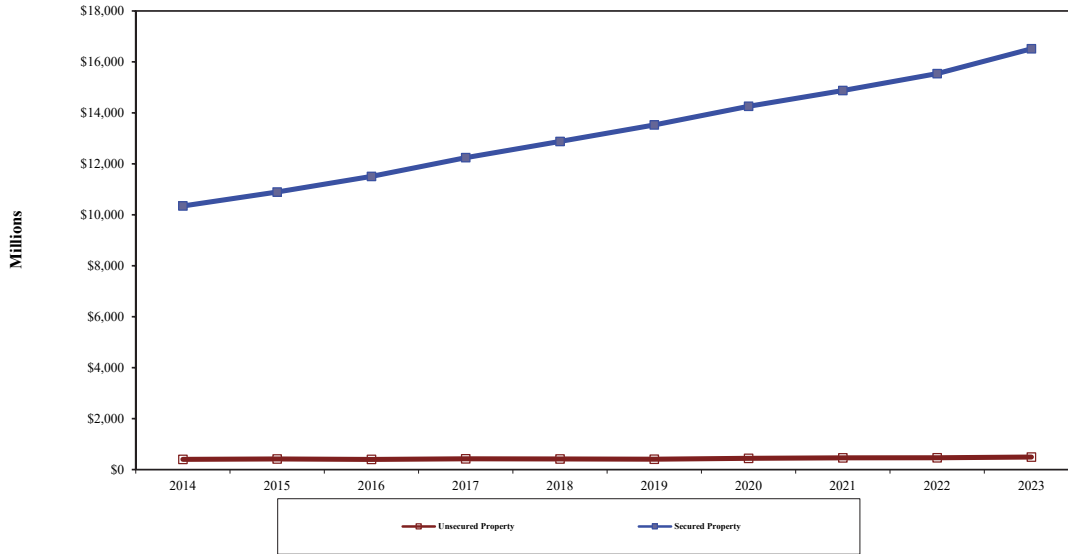
2018	2019	2020	2021	2022	2023	(a)
\$1,008,234	\$37,271	\$7,540	\$377,861	\$95,279	\$78,057	
11,214,720	11,391,084	9,799,140	8,321,000	9,415,000	9,753,000	
	1,104,216		7,226,153	24,270,840	17,272,274	
			920,885		664,667	
<u>\$12,222,954</u>	<u>\$12,532,571</u>	<u>\$9,806,680</u>	<u>\$16,845,899</u>	<u>\$33,781,119</u>	<u>\$27,767,998</u>	
\$302,366	\$27,627	\$7,813		\$89,761	\$182,890	
73,489,688	53,260,504	34,288,302	\$36,043,515	36,443,519	46,449,334	
1,754,983	1,901,271	1,884,153	1,831,036	1,514,355	4,008,844	
115,942	118,139	120,920	116,842	117,755	119,248	
		(11,118)				
<u>\$75,662,979</u>	<u>\$55,307,541</u>	<u>\$36,290,070</u>	<u>\$37,991,393</u>	<u>\$38,165,390</u>	<u>\$50,760,316</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,			
	2013	2014	2015	2016
Revenues				
Taxes and special assessments	\$51,549,306	\$56,686,142	\$61,804,228	\$65,866,218
Licenses and permits	1,929,387	1,934,755	2,456,820	2,588,411
Fines and forfeitures	734,005	669,553	556,076	435,829
Use of money and properties	325,043	363,089	444,757	460,206
Intergovernmental	11,869,889	11,953,308	13,233,503	13,685,003
Charges for services	23,575,374	19,949,333	15,346,794	14,366,744
Other revenue	4,092,411	2,045,407	1,777,003	3,208,749
Total Revenues	94,075,415	93,601,587	95,619,181	100,611,160
Expenditures				
Current:				
General government	10,529,480	8,678,833	10,203,687	11,349,079
Public safety	41,377,062	41,900,762	43,954,515	47,071,166
Public works and parks	12,002,448	13,697,957	12,758,643	14,390,699
Community development	2,961,275	3,296,375	3,416,859	3,670,108
Culture and recreation	10,591,057	11,106,367	11,616,777	12,048,104
Capital outlay	4,009,454	2,154,900	4,498,924	4,813,757
Capital improvement/special projects	5,284,720	7,168,776	2,186,986	4,826,576
Debt service:				
Principal		208,642	75,172	75,172
Interest and fiscal charges	283,805	327,350	284,288	277,263
Total Expenditures	87,039,301	88,539,962	88,995,851	98,521,924
Excess (deficiency) of revenues over (under) expenditures	7,036,114	5,061,625	6,623,330	2,089,236
Other Financing Sources (Uses)				
Issuance of debt				
Proceeds from PG&E loans		568,481		
Proceeds from sale of capital assets				
Transfers in	8,425,474	3,655,302	4,348,149	7,533,364
Transfers (out)	(6,711,657)	(3,053,865)	(3,051,499)	(6,582,555)
Total other financing sources (uses)	1,713,817	1,169,918	1,296,650	950,809
Extraordinary Item				
Transfer to Successor Agency	(2,352,584)			
Net Change in fund balances	\$6,397,347	\$6,231,543	\$7,919,980	\$3,040,045
Debt service as a percentage of noncapital expenditures	0.4%	0.7%	0.4%	0.4%

2017	2018	2019	2020	2021	2022	2023
\$71,166,891	\$74,893,789	\$77,101,185	\$76,410,697	\$86,347,728	\$93,604,982	\$96,373,395
2,559,841	2,718,166	2,661,500	3,047,144	3,000,666	3,077,355	3,002,122
400,283	384,268	337,680	350,388	219,030	296,300	228,966
349,349	654,531	1,583,060	1,537,869	667,104	(1,597,714)	1,223,028
8,063,156	8,878,974	15,602,264	9,287,181	16,859,749	34,239,157	28,590,886
13,425,161	14,660,094	15,166,876	13,834,843	15,065,363	13,315,014	15,830,095
1,842,053	5,219,414	5,158,042	2,309,226	1,875,299	4,199,820	2,322,859
<u>97,806,734</u>	<u>107,409,236</u>	<u>117,610,607</u>	<u>106,777,348</u>	<u>124,034,939</u>	<u>147,134,914</u>	<u>147,571,351</u>
10,557,416	10,010,100	12,553,499	16,689,526	12,426,899	17,716,666	13,858,624
49,018,153	51,805,708	51,678,876	50,071,531	54,363,872	58,397,721	58,673,878
16,752,961	17,647,312	15,617,622	17,453,823	15,110,972	16,495,547	19,535,588
3,759,564	4,051,224	4,988,260	5,276,887	6,270,129	5,736,213	5,190,246
12,646,728	12,823,771	12,468,008	11,179,410	9,700,739	11,319,546	12,664,282
2,100,926	22,815,967	38,701,047	25,984,748	13,635,066	17,345,454	23,536,840
7,403,249						
175,172	280,172	495,172	618,316	2,563,711	2,829,057	3,044,551
271,263	1,005,636	2,356,207	2,482,778	2,443,476	2,512,515	2,241,875
<u>102,685,432</u>	<u>120,439,890</u>	<u>138,858,691</u>	<u>129,757,019</u>	<u>116,514,864</u>	<u>132,352,719</u>	<u>138,745,884</u>
<u>(4,878,698)</u>	<u>(13,030,654)</u>	<u>(21,248,084)</u>	<u>(22,979,671)</u>	<u>7,520,075</u>	<u>14,782,195</u>	<u>8,825,467</u>
	46,565,800		23,999			
					1,000,000	
9,287,007	68,351,964	15,482,297	13,797,526	7,549,590	6,441,764	14,576,818
<u>(8,454,762)</u>	<u>(68,373,222)</u>	<u>(14,280,034)</u>	<u>(12,585,216)</u>	<u>(6,329,123)</u>	<u>(5,114,742)</u>	<u>(16,820,480)</u>
<u>832,245</u>	<u>46,544,542</u>	<u>1,202,263</u>	<u>1,236,309</u>	<u>1,220,467</u>	<u>2,327,022</u>	<u>(2,243,662)</u>
<u>(\$4,046,453)</u>	<u>\$33,513,888</u>	<u>(\$20,045,821)</u>	<u>(\$21,743,362)</u>	<u>\$8,740,542</u>	<u>\$17,109,217</u>	<u>\$6,581,805</u>
0.5%	1.3%	2.8%	3.0%	4.9%	4.6%	4.6%

**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					
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%
2020	10,545,909,554	2,850,424,603	293,144,677	127,151,762	13,816,630,596	442,888,708	14,259,519,304	14,259,519,304	0.11724%
2021	11,011,781,157	2,956,073,592	305,080,963	143,953,920	14,416,889,632	460,690,899	14,877,580,531	14,877,580,531	0.11734%
2022	11,516,548,822	3,109,589,216	311,491,969	138,527,146	15,076,157,153	463,320,122	15,539,477,275	15,539,477,275	0.11734%
2023	12,306,902,659	3,227,380,341	332,424,829	156,067,190	16,022,775,019	492,746,700	16,515,521,719	16,515,521,719	0.11746%

- (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 2012/13 - 2021/22 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>	<u>Total Direct Rate</u>
2014	0.154	0.295	0.7890	0.0461	1.2838	0.11985%
2015	0.154	0.295	0.7651	0.0461	1.2599	0.11657%
2016	0.154	0.295	0.7846	0.0695	1.3028	0.11672%
2017	0.154	0.295	0.8251	0.0553	1.3291	0.11693%
2018	0.154	0.295	0.8127	0.0661	1.3275	0.11709%
2019	0.154	0.295	0.8495	0.0650	1.3635	0.11742%
2020	0.154	0.295	0.8289	0.0635	1.3414	0.11724%
2021	0.154	0.295	0.8221	0.0678	1.3389	0.11734%
2022	0.154	0.295	0.7995	0.0678	1.3160	0.11734%
2023	0.154	0.295	0.7995	0.0678	1.3160	0.11746%

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 2013/14 - 2022/23 Tax Rate Tables

**CITY OF SAN RAFAEL
PROPERTY TAX RATES
DIRECT & OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS (RATE PER \$100 OF ASSESSED VALUE)**

	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>
Basic Levy (1)	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Dixie School Bonds 2000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.02920
Marin Community College Bonds	0.02040	0.01800	0.01650	0.01420	0.03380	0.03390	0.02690	0.02650	0.02750	0.02580
Marin Healthcare Bond	0.00000	0.00000	0.02350	0.00930	0.02010	0.01900	0.01750	0.02180	0.02180	0.02070
Miller Creek School Bonds	0.01500	0.01470	0.04170	0.03830	0.02090	0.03450	0.03280	0.03030	0.01950	0.01830
Ross Elementary School	0.06570	0.06030	0.06150	0.06030	0.06190	0.06180	0.05710	0.05800	0.05760	0.05500
Ross Valley School Bonds	0.05960	0.05700	0.05550	0.05370	0.05680	0.05390	0.05270	0.05190	0.04870	0.05260
San Rafael Elementary Bonds	0.03320	0.02620	0.02570	0.05350	0.05030	0.07290	0.07050	0.06950	0.07400	0.06860
San Rafael High Bonds	0.05130	0.04850	0.04710	0.07100	0.05680	0.06170	0.06000	0.05830	0.04630	0.05030
Tamalpais Union High School	0.03860	0.03520	0.03130	0.02880	0.02690	0.02580	0.02390	0.02260	0.02060	0.01950
Total Direct & Overlapping Tax Rates	1.28380	1.25990	1.30280	1.32910	1.32750	1.36350	1.34140	1.33890	1.31600	1.34000
City's Share of 1% Levy Per Prop 13	0.12306	0.12233	0.12233	0.12233	0.12233	0.12232	0.12232	0.12231	0.12231	0.12231
Total Direct Rate	0.11985	0.11657	0.11672	0.11693	0.11709	0.11742	0.11724	0.11734	0.11734	0.11746

Notes:

(1) In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

Data Source: Marin County Assessors Office 2013/14 - 2022/23 Tax Rate Tables

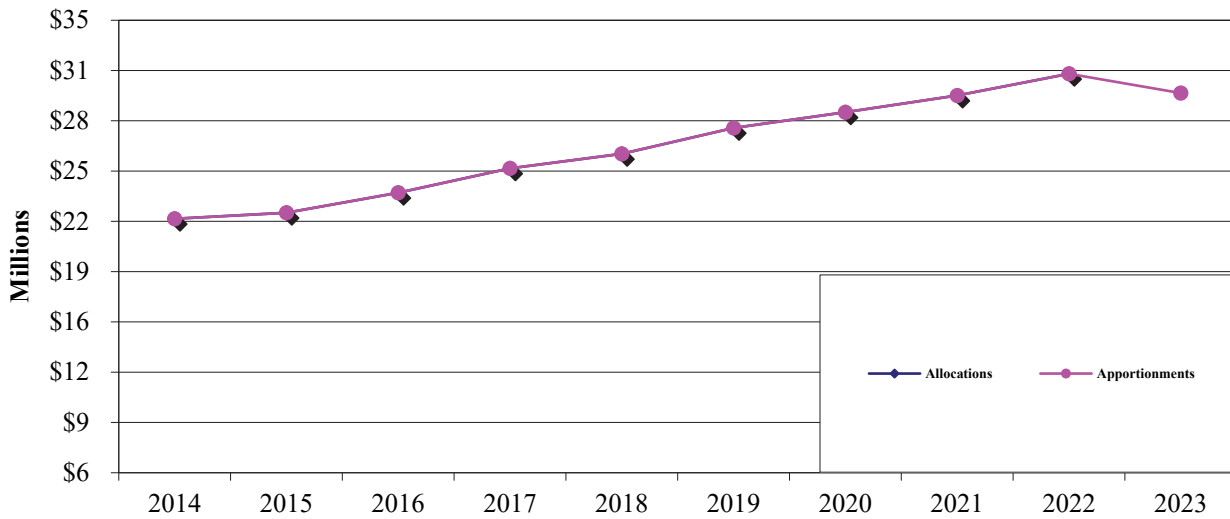
**CITY OF SAN RAFAEL
PRINCIPAL PROPERTY TAX PAYERS
CURRENT FY 2022/23 AND FY 2013/2014**

Taxpayer	FY 2022-2023		FY 2013-2014	
	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	\$ 288,969,400	1.85%		
MGP XI Northgate LLC	227,517,623	1.44%		
Kaiser	143,855,630	0.92%		
NCP Multifamily LLC	120,334,902	0.74%		
Pur San Rafael LLC	108,059,080	0.68%		
Bre Properties, Inc	68,466,907	0.43%		
South Valley Apartments LLC	58,002,597	0.37%		
NCP Commercial LLC	56,338,212	0.35%		
North Bay 4040 TT LLC	55,312,563	0.34%	43,244,721	0.42%
Regency Center II Assoc LP	50,872,364	0.32%	43,570,118	0.42%
Bay Apartment Communities Inc			41,487,664	0.40%
Northgate Mall Associates			136,409,102	1.32%
SR Corporation Center AC			108,029,829	1.04%
33 North Associates LLC			37,701,909	0.35%
Autodesk			36,232,837	0.36%
Sutter Health			50,624,561	0.49%
Robert Dickson Trust			46,092,851	0.45%
Marin Sanitary Service			38,913,644	0.35%
Subtotal	\$ 1,177,729,278	7.13%	\$ 582,307,236	5.63%

Total Net Assessed Valuation:

Fiscal Year 2022-2023	\$ 16,516,184,701
Fiscal Year 2013-2014	\$ 10,346,956,958

**CITY OF SAN RAFAEL
PROPERTY TAX LEVIES AND COLLECTIONS (1)
LAST TEN FISCAL YEARS**

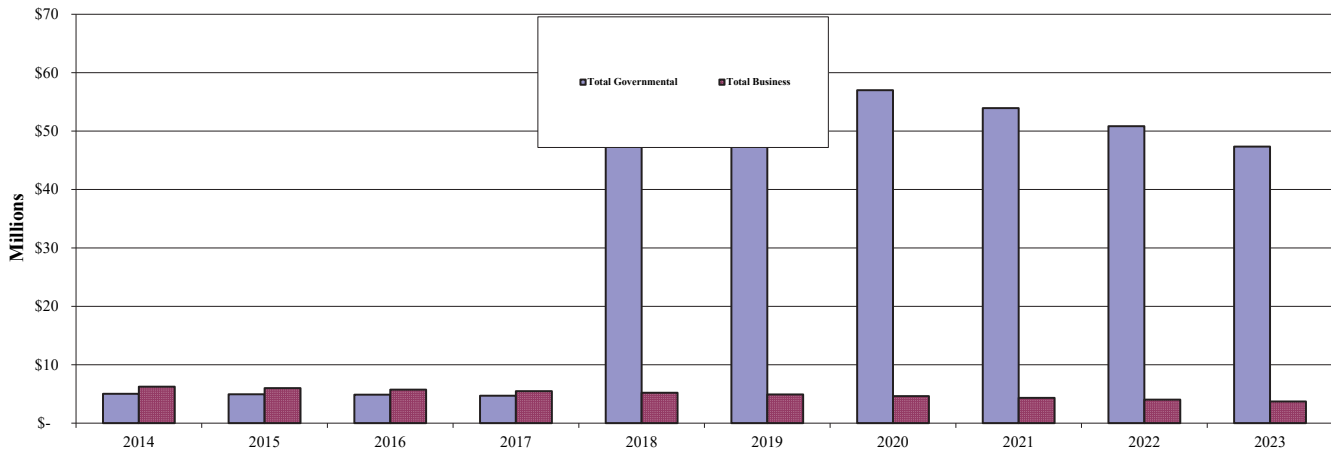


Fiscal Year	Rate	Levies	Allocations	Collections	Apportionments	Delinquencies	Delinquent taxes as a Percent of Allocations
2014	1.00	(2)	\$ 22,001,357	(2)	\$ 22,001,357	(2)	0.0%
2015	1.00	(2)	22,376,457	(2)	22,376,457	(2)	0.0%
2016	1.00	(2)	23,636,093	(2)	23,636,093	(2)	0.0%
2017	1.00	(2)	25,173,651	(2)	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%
2020	1.00	(2)	28,709,606	(2)	28,709,606	(2)	0.0%
2021	1.00	(2)	29,762,184	(2)	29,762,184	(2)	0.0%
2022	1.00	(2)	31,129,632	(2)	31,129,632	(2)	0.0%
2023	1.00	(2)	29,914,556	(2)	29,914,556	(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	Note Payable	Pension Obligation Bonds	Lease Revenue Bonds	Total
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	\$ 53,612,097	59,106,048
2019	1,233,779	3,765,000	53,104,153	58,102,932
2020	1,084,462	3,320,000	52,596,209	57,000,671
2021	905,751	2,845,000	50,178,265	53,929,016
2022	890,555	2,340,000	47,600,321	50,830,876
2023	687,158	1,805,000	44,852,378	47,344,536

Business-Type Activities

Fiscal Year	Parking Services Bonds	Note Payable	Total	Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
2014	\$ 6,186,403	\$ 61,836	\$ 6,248,239	\$ 11,267,078	0.43%	191.41
2015	5,942,128	55,020	5,997,148	10,940,815	0.41%	180.60
2016	5,692,853	48,204	5,741,057	10,609,552	0.38%	174.38
2017	5,433,577	41,388	5,474,965	10,168,288	0.35%	167.65
2018	5,164,303	34,572	5,198,875	64,304,923	2.04%	1,070.93
2019	4,890,027	27,755	4,917,782	63,020,714	2.00%	1,053.73
2020	4,605,753	20,939	4,626,692	61,627,363	1.87%	1,044.25
2021	4,316,478	14,123	4,330,601	58,259,617	1.72%	962.01
2022	4,017,203	7,307	4,024,510	54,855,386	1.45%	919.14
2023	3,707,928	489	3,708,417	54,539,293	N/A	N/A

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, 2023

2022-23 Assessed Valuation: 16,515,650,963

	Total Debt	% Applicable (1)	City's Share of
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>6/30/2023</u>		<u>Debt 6/30/2023</u>
Marin Community College District	\$ 569,640,000	17.304%	\$ 98,570,506
San Rafael High School District	215,795,091	79.160%	170,823,394
Tamalpais Union High School District	74,340,000	0.066%	49,064
Miller Creek School District (Formerly Dixie School District)	27,642,000	67.204%	18,576,530
Ross School District	15,398,683	1.255%	193,253
Ross Valley School District	39,643,251	0.010%	3,964
San Rafael School District	159,776,681	84.625%	135,211,016
Marin Healthcare District	464,745,000	20.708%	96,239,395
Marin Emergency Radio Authority Parcel Tax Obligations	26,295,000	17.280%	4,543,776
City of San Rafael 1915 Act Bonds	1,075,200	100.000%	1,075,200
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 525,286,098
 DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Marin County Certificates of Participation	\$ 73,930,000	17.280%	\$ 12,775,104
Marin County Pension Obligation Bonds	52,050,000	17.280%	8,994,240
Marin County Transit District General Fund Obligations			-
Marin Municipal Water District General Fund Obligations			-
Marin Community College District Certification of Participation	11,268,897	17.304%	1,949,970
San Rafael School District General Fund Obligations	2,630,000	84.625%	2,225,638
City of San Rafael General Fund Obligations	43,667,157	100.000%	43,667,157 (2)
City of San Rafael Pension Obligations	1,805,000	100.000%	1,805,000
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			71,417,109
Less: City of San Rafael obligations supported by enterprise revenues			3,715,000
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 67,702,109
 TOTAL GROSS DIRECT DEBT			 45,472,157
TOTAL NET DIRECT DEBT			41,757,157
TOTAL OVERLAPPING DEBT			551,231,050
 GROSS COMBINED TOTAL DEBT			 596,703,207 (3)
NET COMBINED TOTAL DEBT			592,988,207

(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 assessed value.

(2) Includes \$687,157 PG&E notes.

(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease

Ratios to 2022-23 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	3.18%
Total Gross Direct Debt (\$45,472,157)	0.28%
Total Net Direct Debt (\$41,757,157)	0.25%
Gross Combined Total Debt	3.61%
Net Combined Total Debt	3.59%

Ratios to Redevelopment Incremental Valuation (\$3,311,940,202)

Total Overlapping Tax Increment Debt	0.06%
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Data Source: Avenu Insights & Analytics, California Municipal Statistics, Inc.

CITY OF SAN RAFAEL
COMPUTATION OF LEGAL BONDED DEBT MARGIN
June 30, 2023

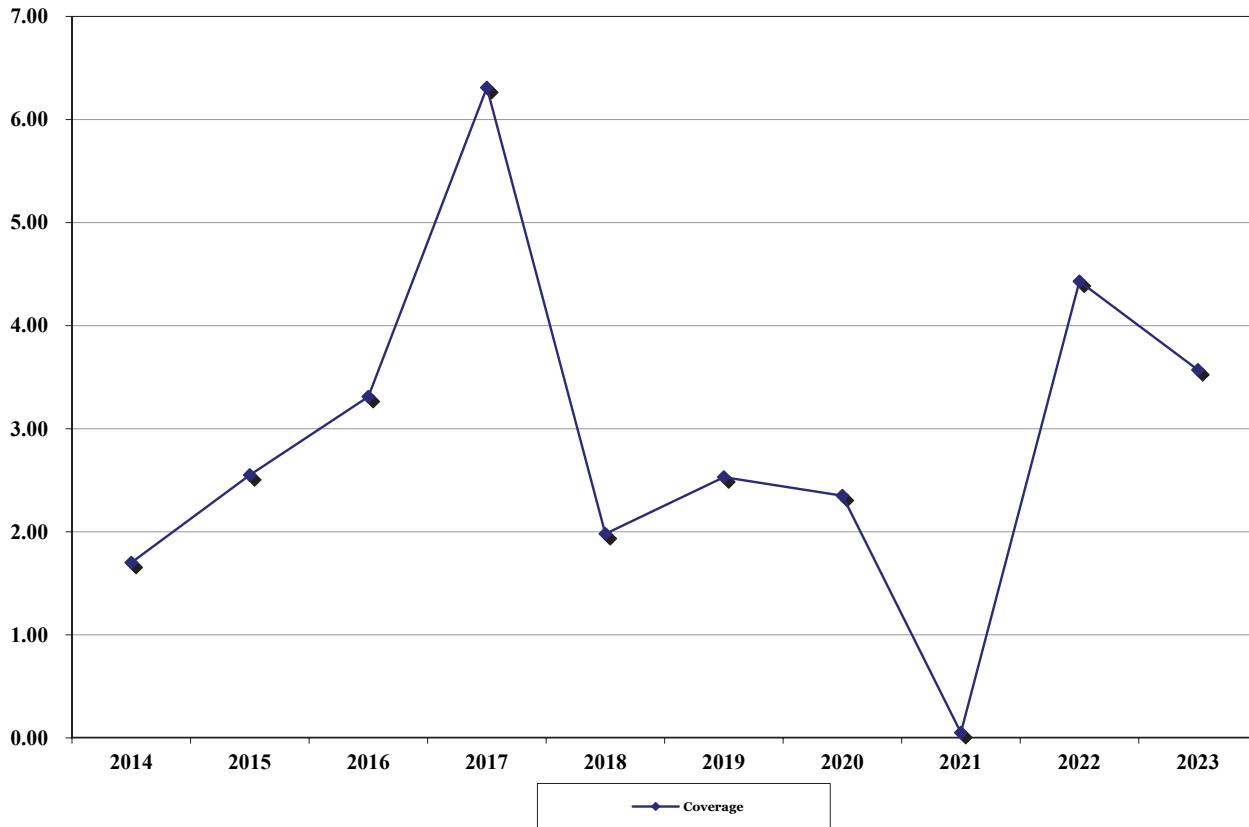
ASSESSED VALUATION:	\$ 16,515,650,963
BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)	619,336,911
LESS AMOUNT OF DEBT SUBJECT TO LIMIT:	50,830,876
LEGAL BONDED DEBT MARGIN	\$ 568,506,035

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
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	59,106,048	423,820,681	13.95%
2019	507,248,067	58,102,932	449,145,135	12.94%
2020	534,731,974	57,000,671	477,731,303	11.93%
2021	557,909,270	53,929,016	503,980,254	10.70%
2022	582,730,398	50,830,876	531,899,522	9.56%
2023	619,332,064	47,344,536	571,987,528	8.28%

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 of that value.

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	
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
2020	5,134,901	4,072,433	1,062,468	284,999	167,700	452,699	2.35
2021	3,355,929	3,332,327	23,602	290,000	161,288	451,288	0.05
2022	3,845,683	1,851,746	1,993,937	300,000	150,338	450,338	4.43
2023	4,690,455	3,071,480	1,618,974	310,000	143,588	453,588	3.57

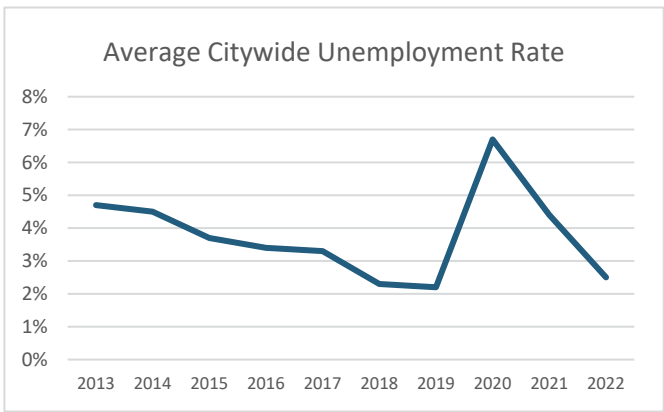
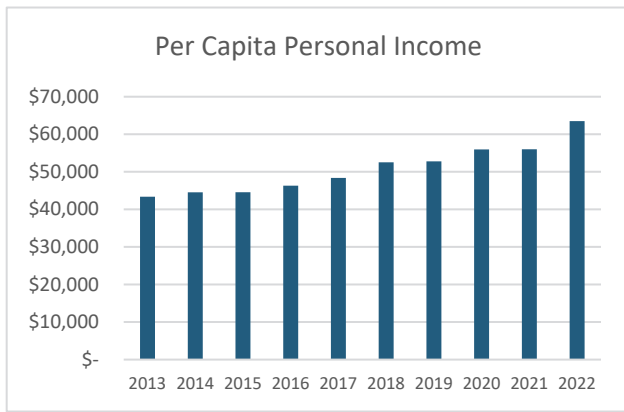
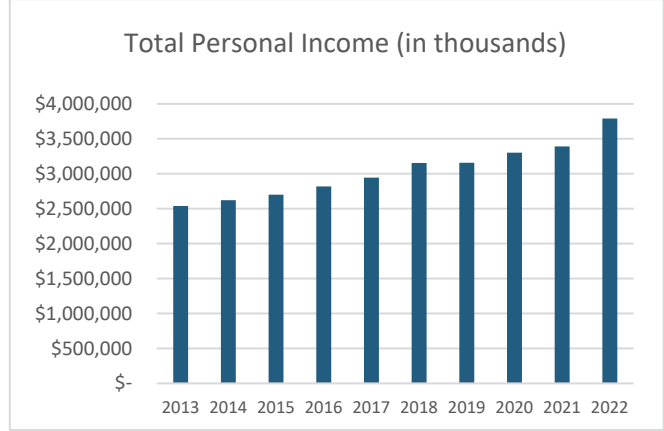
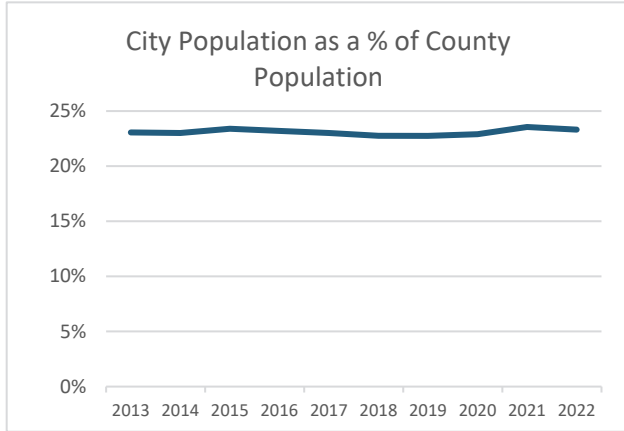
Notes: On March 26, 2003, the City Financing Authority issued lease revenue bonds for the design and construction of a new parking facility. On August 12, 2012, the City Financing Authority refunded the series 2003 lease revenue bonds with series 2012 lease revenue refunding bonds to take advantage of 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**



Calendar Year	City Population (1)	Marin County Population	City Population % of County	Personal Income (2) (in thousands)	Per Capita Personal Income (2)	Average Unemployment Rate (3)
2013	58,566	254,007	23.06%	\$ 2,538,895	\$ 43,351	4.70%
2014	58,863	255,846	23.01%	2,621,228	44,531	4.50%
2015	60,582	258,972	23.39%	2,699,436	44,558	3.70%
2016	60,842	262,274	23.20%	2,817,497	46,308	3.40%
2017	60,651	263,604	23.01%	2,943,227	48,374	3.30%
2018	60,046	263,886	22.75%	3,152,985	52,509	2.30%
2019	59,807	262,879	22.75%	3,156,708	52,781	2.20%
2020	59,016	257,774	22.89%	3,301,286	55,938	6.70%
2021	60,560	257,135	23.55%	3,390,278	55,982	4.40%
2022	59,681	256,018	23.31%	3,789,444	63,494	2.50%

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) US Census Bureau, most recent American Community Survey
 (3) Unemployment Data: California Employment Development Department

**CITY OF SAN RAFAEL
PRINCIPAL EMPLOYERS
FISCAL YEAR 2022-2023
LAST TEN CALENDAR YEARS**

Employer	2022		2021		2020		2019	
	#	(A)	#	(A)	#	(A)	#	(A)
Kaiser Permanente	2,339	1.83%	2,339	1.82%	2,059	1.64%	2,014	6.22%
BioMarin Pharmaceutical Inc.	950	0.74%	950	0.74%	950	0.76%	950	2.93%
San Rafael Elementary/High Schools District	700	0.55%	700	0.55%	700	0.56%	700	2.16%
City of San Rafael	420	0.33%	412	0.32%	405	0.32%	410	1.27%
Dominican University of California	394	0.31%	394	0.31%	394	0.31%	421	1.30%
Buckelew Programs		0.00%		0.00%		0.00%	103	0.32%
Lifehouse		0.00%		0.00%		0.00%	100	0.31%
EO Products		0.00%		0.00%	108	0.09%	150	0.46%
Toyota Marin		0.00%		0.00%		0.00%	141	0.44%
Ghilotti Bros., Inc.	298	0.23%	298	0.23%	298	0.24%		
Community Action Marin	200	0.16%	200	0.16%	270	0.21%		
Equator Coffees, LLC	95	0.07%	95	0.07%	88	0.07%		
Totals	5,396	4.21%	5,388	4.20%	5,272	4.20%	4,989	15.40%

Number of FTE employees in Marin locations
(A) Percentage of total employment

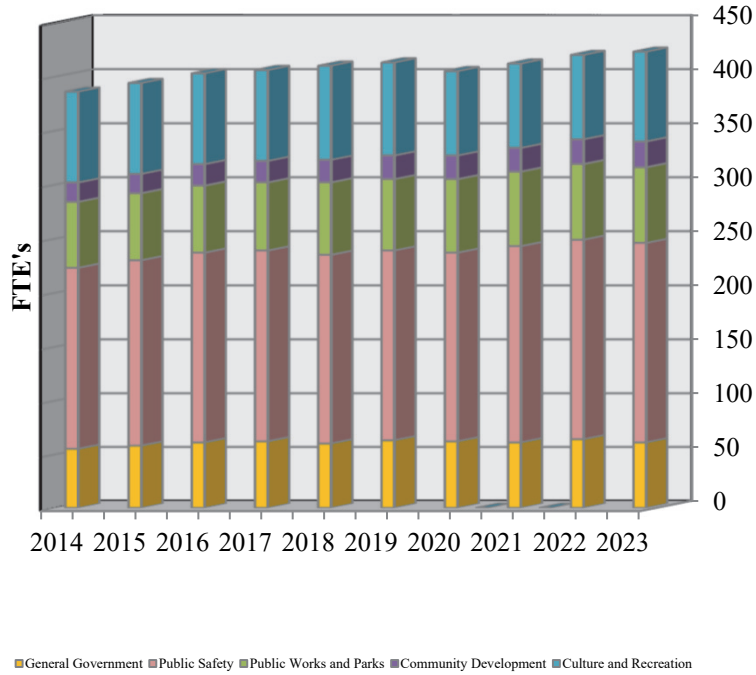
Note: From the EDD website, it shows that the Total Average 2022 Employment in the City of San Rafael was 128,162 of which it is used as the denominator for the 2022 percentages are calculated.

Data Sources: State of California, Employment Development Department, Labor Market Information Division & North Bay Business Journal (Annual Book of Lists)

2018		2017		2016		2015		2014		2013	
#	(A)	#	(A)	#	(A)	#	(A)	#	(A)	#	(A)
2,092	6.62%	2,061	6.52%	662	2.02%	1,575	4.82%	1,637	5.26%	1,756	5.74%
700	2.22%	700	2.22%	650	1.98%	650	1.99%	600	1.93%	600	1.96%
410	1.30%	454	1.44%	577	1.76%	581	1.78%	666	2.14%	643	2.10%
319	1.01%	456	1.44%	485	1.48%	422	1.29%	354	1.14%	347	1.13%
106	0.34%	240	0.76%	186	0.57%						
4,508	14.27%	5,650	17.88%	5,314	16.20%	5,620	17.19%	6,025	19.37%	6,079	19.87%



**CITY OF SAN RAFAEL
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**



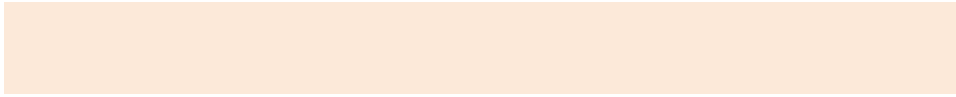
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Function										
General Government	55.11	58.11	60.61	62.11	60.11	63.11	62.11	61.41	63.69	60.69
Public Safety	168.00	171.75	175.75	176.55	175.35	175.65	175.30	181.50	185.00	185.00
Public Works and Parks	61.00	62.00	62.00	63.00	66.67	66.00	68.00	69.00	70.00	70.00
Community Development	17.80	17.80	19.80	20.00	21.00	22.00	21.75	21.75	23.00	24.00
Culture and Recreation	83.66	84.23	84.25	84.35	87.35	85.82	78.07	78.07	78.07	83.07
Total	385.57	393.89	402.41	406.01	410.48	412.58	405.23	411.73	419.76	422.76

Data Source: City of San Rafael's Finance Department

**CITY OF SAN RAFAEL
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Function/Program				
Public safety:				
Fire:				
Inspection permit issued	261	282	198	233
Police:				
Police calls for service	51,261	55,805	57,026	53,567
Law violations:				
Part I crimes	2,289	2,533	2,523	2,392
Physical arrests (adult and juvenile)	3,227	3,450	3,453	2,526
Traffic violations	4,498	4,168	3,252	3,341
Parking violations	38,814	36,398	34,803	36,169
Public works				
Street resurfacing (miles) (Eng Div)	9.00	6.40	6.76	2.32
Potholes repaired	N/A	N/A	N/A	N/A
Asphalt used for street repairs (tons)	10,700	11,000	7,195	5,800
Culture and recreation:				
Recreation class participants	9,857	10,023	12,725	13,493
Recreation Facility Rentals				
Childcare School-Age program participants				
Library:				
Items in collection	168,620	127,763	227,890	117,354
Total items borrowed	478,960	443,639	469,790	327,297

Note: N/A denotes information not available.

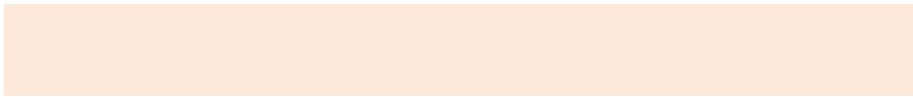


2018	2019	2020	2021	2022	2023
186	123	167	207	195	170
51,013	47,919	47,968	43,649	42,901	42,693
2,326	1,893	2,988	2,546	2,015	2,024
2,019	1,923	2,527	1,893	1,945	1,769
2,758	2,944	2,342	2,161	1,710	1,734
36,208	40,407	28,029	24,099	30,178	35,399
2.50	4.30	14.30	5.00	11.70	21
N/A	N/A	967	1,368	1,024	1,335
4,730	7,200	5,885	3,650	5,100	3,411
12,842	N/A	N/A	N/A	N/A	
	5,146	3,875	1,550	1,962	7,001
	7,592	6,270	2,132	3,675	2,660
115,812	123,432	140,610	103,399	95,687	97,117
324,452	356,301	199,903	113,385	169,378	185,800

**CITY OF SAN RAFAEL
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	2014	2015	2016	2017
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
Cultural Art Centers				
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	145	145	145	145

Data Source: City of San Rafael's Finance Department



<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
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	4,448	4,448
89	89	90	90	90	90
20	20	24	24	24	24
42	42	99	99	99	99
14	14	14	14	14	14
20	20	20	20	20	20
1	1	2	2	2	2
		1	1	1	1
4	4	3	3	3	3
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	6	6	6	6
5	5	5	5	5	5
2	2	2	2	2	2
2	2	2	2	2	2
145	145	145	145	145	145



**CITY OF SAN RAFAEL
MEMORANDUM ON INTERNAL CONTROL
FOR THE YEAR ENDED JUNE 30, 2023**

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**CITY OF SAN RAFAEL
MEMORANDUM ON INTERNAL CONTROL**

For the Year Ended June 30, 2023

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MEMORANDUM ON INTERNAL CONTROL

To the City Council of
the City of San Rafael, California

In planning and performing our audit of the basic financial statements of the City of San Rafael (City) as of and for the year ended June 30, 2023, 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 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 the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. 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. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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. We consider the deficiency in internal control included on the Schedule of Significant Deficiency to be a significant deficiency.

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.

Government Auditing Standards require the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying Schedule of Significant Deficiency and Schedule of Other Matters. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

REVIEW DRAFT

11:17 AM

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.

Pleasant Hill, California

DATE

**CITY OF SAN RAFAEL
MEMORANDUM ON INTERNAL CONTROL
SCHEDULE OF SIGNIFICANT DEFICIENCY**

2023-01 Inaccurate Building Permit Fees – Prior Year Recommendation Not Implemented

During the current year audit, we followed up on the status of the Significant Deficiency identified on the Status of Prior Year Significant Deficiency Item 2022-01. We found that the deficiency has not been addressed as of June 30, 2023. Therefore, it is deemed to be a current year Significant Deficiency. Details of the deficiency and management's response is listed in the Status of Prior Year Significant Deficiency.

Management's Response:

See Management's Response to Current Year Status for the above deficiency as listed in the Status of Prior Year Significant Deficiency.

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**CITY OF SAN RAFAEL
MEMORANDUM ON INTERNAL CONTROL**

SCHEDULE OF OTHER MATTERS

2023-02 Purchasing Policy Compliance and Clarification of Requirements - Prior Year Recommendation Not Implemented

During the current year audit, we followed up on the status of the Other Matter identified on the Status of Prior Year Other Matters Item 2022-02. We found that the matter has not been addressed as of June 30, 2023. Therefore, it is deemed to be a current year Other Matter. Details of the matter and management's response is listed in the Status of Prior Year Other Matters.

Management's Response:

See Management's Response to Current Year Status for the above matter as listed in the Status of Prior Year Other Matters.

**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 affect in the next few years. We have cited them here to keep you informed of developments.

EFFECTIVE FISCAL YEARS 2022, 2023 and 2024:

GASB 99 – Omnibus 2022

The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are as follows:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument
- Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset
- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short term SBITA, and recognition and measurement of a subscription liability
- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP)
- Disclosures related to nonmonetary transactions
- Pledges of future revenues when resources are not received by the pledging government

**CITY OF SAN RAFAEL
MEMORANDUM ON INTERNAL CONTROL**

SCHEDULE OF OTHER MATTERS

GASB 99 – Omnibus 2022 (Continued)

- Clarification of provisions in Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statements
- Terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*
- Terminology used in Statement 53 to refer to resource flows statements.

The Requirements of this Statement are Effective as Follows:

The requirements in paragraphs 26–32 related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.

The requirements in paragraphs 11–25 related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

The requirements in paragraphs 4–10 related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

Earlier application is encouraged and is permitted by individual topic.

How the Changes in This Statement Will Improve Financial Reporting

The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to more easily locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements.

**CITY OF SAN RAFAEL
MEMORANDUM ON INTERNAL CONTROL**

SCHEDULE OF OTHER MATTERS

EFFECTIVE FISCAL YEAR 2023/24:

GASB 100 – Accounting for Changes and Error Corrections

The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability

This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements.

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated.

Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles.

**CITY OF SAN RAFAEL
MEMORANDUM ON INTERNAL CONTROL**

SCHEDULE OF OTHER MATTERS

EFFECTIVE FISCAL YEAR 2024/25:

GASB 101 – Compensated Absences

The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

Recognition And Measurement

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee’s pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

Notes To Financial Statements

This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

**CITY OF SAN RAFAEL
MEMORANDUM ON INTERNAL CONTROL**

SCHEDULE OF OTHER MATTERS

GASB 101 – Compensated Absences (Continued)

How the Changes in this Statement Will Improve Financial Reporting

The unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave.

The model also will result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences.

**CITY OF SAN RAFAEL
MEMORANDUM ON INTERNAL CONTROL**

STATUS OF PRIOR YEAR SIGNIFICANT DEFICIENCIES

2022-01 Inaccurate Building Permit Fees

The rates charged in the City’s permit billing system should be consistent with the City’s Master Fee Schedule approved by City Council and on the City’s website.

As noted in the prior year Memorandum on Internal Control comment 2021-01, we again noted that the rates charged in the City’s permit billing system are not consistent with the City’s Master Fee Schedule approved by City Council.

During the fiscal year 2022 audit, we tested twenty-five receipts and recalculated the fees using the City’s Master Fee Schedule and noted five receipts for building permits that we recalculated, but could not arrive at the same amount charged. Based on our recalculations using the City’s Master Fee Schedule, the building permit fees that should have been charged, and the related amount undercharged were as follows:

Receipt Number	Building Permit Fee Charged	Building Permit Fee That Should Have Been Charged Based on Master Fee Schedule	Undercharged
003-00001681	\$3,997.00	\$4,820.20	\$(823.20)
017-00000203	2,317.00	3,140.20	(823.20)
017-00001783	1,210.00	1,714.00	(504.00)
003-00003680	918.10	1,251.64	(333.54)
003-00004064	947.50	1,285.60	(338.10)

We understand that the Community Development Department (CDD) staff determined that the Master Fee Schedule approved by City Council and posted on the City’s website included incorrect building permit fees and CDD staff believed that the correct fees had been charged.

We also noted one receipt for an investigation fee (receipt # 003-00003019) and one receipt for a building permit renewal fee (receipt # 017-00001262) that were not listed on the revised Master Fee Schedule, nor supported by an ordinance or resolution. The CDD staff indicated that the Master Fee Schedule is being updated to incorporate these fees that were charged.

Although City staff believe that the correct fees were charged for the building permits, investigation fee and building permit renewal fees, we were unable to verify that the correct fees were charged based on the Master Fee Schedule approved by City Council. Therefore, the City’s building permit fees, investigation fees, fire prevention inspection fees and building permit renewal fees revenues may be understated.

We understand that the City plans to present an updated Master Fee Schedule to Council to ensure that accurate charges are approved and presented on the City’s website. We recommend that the City develop a process to ensure that the fees approved by City Council are properly entered into the City’s permit billing system to ensure proper fees are charged. In addition, we recommend that the City ensure that the Master Fee Schedule on the City’s website agrees to the Master Fee Schedule approved by City Council.

**CITY OF SAN RAFAEL
MEMORANDUM ON INTERNAL CONTROL**

STATUS OF PRIOR YEAR SIGNIFICANT DEFICIENCIES

2022-01 Inaccurate Building Permit Fees (Continued)

Current Status:

We understand that the City Council has approved an updated Master Fee Schedule, effective in July 2023, and that the City has developed a process to ensure that accurate fees were entered into the City's permit billing system and that charges were approved and presented on the City's website.

Management's Response:

The revised Master Fee Schedule was approved by council with the December 19, 2022, meeting, however, because the fee schedule related to fiscal 2023-24 the website was not updated until July 1, 2023, when it became effective. Subsequently, the City's various billing systems were reviewed for accuracy to ensure agreement with the approved schedule and no variances were noted.

2021-01 Inaccurate Building Permit Fees

The rates charged in the City's permit billing system should be consistent with the City's Master Fee Schedule approved by City Council and on the City's website.

We tested twenty-five receipts and recalculated the fees using the City's Master Fee Schedule and we noted one receipt for a building permit in the amount of \$78,946 that we recalculated, but could not arrive at the same amount. Based on our recalculation using the City's Master Fee Schedule, the building permit fee that should have been charged was \$83,137.

The Community Development Department (CDD) staff determined that the Master Fee Schedule approved by City Council and posted on the City's website included incorrect building permit fees and CDD staff believed that the correct fees had been charged, resulting in the fee of \$78,946.

Although City staff believe that the correct fees were charged, we were unable to verify that the correct fees were charged based on the Master Fee Schedule approved by City Council. Therefore, the City's building permit fees may be understated due to the use of a lower fee schedule.

We understand that the City plans to present an updated Master Fee Schedule to Council to ensure that accurate charges are approved and presented on the City website. We recommend that the City develop a process to ensure that the fees approved by City Council are properly entered into the City's permit billing system to ensure proper fees are charged. In addition, we recommend that the City ensure that the Master Fee Schedule on the City's website agree to the Master Fee Schedule approved by City Council.

Current Status:

See current year comment 2023-01 and Status of Prior Year Significant Deficiencies comment 2022-01.

**CITY OF SAN RAFAEL
MEMORANDUM ON INTERNAL CONTROL**

STATUS OF PRIOR YEAR OTHER MATTERS

2022-02 Purchasing Policy Compliance and Clarification of Requirements

The City's Purchasing Policy should indicate when the use of a purchase order, contract, or both is required, including any exceptions, as necessary. The City's Purchasing Policy defines a contract as including, but not being "limited to, a purchase order, a contract for services, a contract for maintenance, leasing of property or equipment, an addendum or change order, a letter agreement, a memorandum of understanding, or memorandum of agreement." The Purchasing Policy defines a purchase order as "a standardized form to be utilized in contracts for materials, supplies, labor and equipment." The Purchasing Policy does not specify whether a purchase order and a contract are required for all purchases, but we understand it is the City's practice to obtain both documents for purchases.

During the fiscal year 2022 audit, we selected twenty-five disbursements for testing of supporting documentation and compliance with the City's Purchasing Policy and noted two disbursements for which the disbursements were supported by a contract, however, they were not supported by a purchase order. We also noted one disbursement that was supported by a purchase order, but not a contract. For similar types of transactions tested, we noted that these types of disbursements were supported by both a purchase order and a contract.

For one of the disbursements noted above, City staff indicated that the staff overseeing the initial project and contract is no longer with the City and that a purchase order was not created for the vendor and contract for the project due to a staff oversight. And, for the second disbursement noted above, City staff indicated that they did not think it was necessary for a purchase order to be created as the vendor is used for on-call repair sidewalk repair services. Lastly, for the third disbursement noted above, City staff indicated that the purchase order was created without a contract, due to a staff oversight. Although that appears reasonable, there does not appear to be such an exemption in the City's Purchasing Policy for the use of a contract, purchase order or both. Therefore, the City is not in compliance with the Purchasing Policy for these purchases.

We recommend that the City ensure all purchases comply with purchase documentation requirements and revise the Purchasing Policy to clarify those requirements to reflect current practices.

Current Status:

During our fiscal year 2023 audit, we noted that the City has not revised the Purchasing Policy to clarify when a purchase order, contract, or both are required, as well as any broad exemptions. We also noted that the City has not developed a process to ensure that all purchases comply with purchase documentation requirements of contracts and purchase orders as the process still remains decentralized.

Management's Response:

Management concurs with the need to update the City's Purchasing Policy and procedures to ensure appropriate level of internal controls, compliance with policy requirements and alignment with best practices. This effort has been hampered by staff turnover, vacancies in key positions and competing priorities. Current management has prioritized review of purchasing and contract administration protocols, to include updating policies, documentation of procedures, staff training and better utilization of the City's financial ERP system to monitor approvals, activity, and compliance.

**CITY OF SAN RAFAEL
MEMORANDUM ON INTERNAL CONTROL**

STATUS OF PRIOR YEAR OTHER MATTERS

2022-03 Current Contracts

The City should ensure that all contracts with outside parties are current.

During the fiscal year 2022 audit, we selected twenty-five disbursements for testing of supporting documentation and noted one disbursement in the amount of \$97,615 made to the Transportation Authority of Marin, for which the most recent contract in place expired on January 1, 2011.

We understand that the City is currently working on a revised contract with the Transportation Authority of Marin, however, the City should develop procedures to ensure that all contracts are current to ensure that payments to outside parties are valid and properly supported.

Current Status:
Implemented.

**CITY OF SAN RAFAEL
REQUIRED COMMUNICATIONS
FOR THE YEAR ENDED JUNE 30, 2023**

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**CITY OF SAN RAFAEL
REQUIRED COMMUNICATIONS**

For the Year Ended June 30, 2023

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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 (City) for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 23, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Accounting Policies - Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City 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 follows:

GASB 96 – Subscription Based Information Technology Arrangements

This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

The subscription term includes the period during which a government has a noncancelable right to use the underlying IT assets. The subscription term also includes periods covered by an option to extend (if it is reasonably certain that the government or SBITA vendor will exercise that option) or to terminate (if it is reasonably certain that the government or SBITA vendor will not exercise that option).

Under this Statement, a government generally should recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. A government should recognize the subscription liability at the commencement of the subscription term, —which is when the subscription asset is placed into service. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term.

Future subscription payments should be discounted using the interest rate the SBITA vendor charges the government, which may be implicit, or the government's incremental borrowing rate if the interest rate is not readily determinable. A government should recognize amortization of the discount on the subscription liability as an outflow of resources (for example, interest expense) in subsequent financial reporting periods.

The subscription asset should be initially measured as the sum of (1) the initial subscription liability amount, (2) payments made to the SBITA vendor before commencement of the subscription term, and (3) capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. A government should recognize amortization of the subscription asset as an outflow of resources over the subscription term.

The pronouncement became effective, and as disclosed in Note 1T to the financial statements required a prior period restatement for the cumulative effect on the financial statements.

The following pronouncements became effective, but did not have a material effect on the financial statements:

- GASB 91 – *Conduit Debt Obligations***
- GASB 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements***
- GASB 99 – *Omnibus 2022, paragraphs 11-25***

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 estimates affecting the City's financial statements were:

Estimated Net Pension Asset (Liability) and Pension-Related Deferred Outflows and Inflows of Resources: Management's estimates of the net pension asset (liability) and related deferred outflows/inflows of resources are disclosed in Note 9 to the financial statements and are based on an actuarial study and accounting valuation determined by the Marin County Employees' Retirement Association which are based on the experience of the City. We evaluated the key factors and assumptions used to develop the estimates and determined they are reasonable in relation to the basic financial statements taken as a whole.

Estimated Net OPEB Liability and OPEB-Related Deferred Outflows and Inflows of Resources: Management's estimates of the net OPEB liability and related deferred outflows/inflows of resources are disclosed in Note 11 to the financial statements and are based on an actuarial study determined by a consultant, which is based on the experience of the City. We evaluated the key factors and assumptions used to develop the estimates and determined they are reasonable in relation to the basic financial statements taken as a whole.

Estimate of the depreciation: Management's estimate of 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 1K 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, 2022, cash and investments were measured by fair value, as disclosed in Note 2 to the financial statements. Fair value is essentially market pricing in effect as of June 30, 2022. These fair values are not required to be adjusted for changes in general market conditions occurring subsequent to June 30, 2022.

Estimated Long-Term Receivable from San Rafael Sanitation District: Management's estimate of the long-term receivable from the District is disclosed in Note 4G to the financial statements and is based on the District's estimated liability for pension and post-employment health care benefits incurred by the City for the District staff, but not yet funded. We evaluated the key factors and assumptions used to develop the long-term receivable from the District in determining that it is reasonable in relation to the financial statements taken as a whole.

Estimated Claims Liabilities: Management's estimate of the claims liabilities payable is disclosed in Note 13 to the financial statements and is based on actuarial studies determined by a consultant, which are based on the claims 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.

Estimate of Compensated Absences: Accrued compensated absences which are comprised of accrued vacation, holiday, and certain other compensating time is estimated using accumulated unpaid leave hours and hourly pay rates in effect at the end of the fiscal year as disclosed in Note 1L to the financial statements. We evaluated the key factors and assumptions used to develop the accrued compensated absences and determined that it is reasonable in relation to the basic financial statements taken as a whole.

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 **DATE**.

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 City’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 Matters

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 that accompanies the financial statements, but is 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 them.

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.

Pleasant Hill, California
DATE

**CITY OF SAN RAFAEL
CHILD DEVELOPMENT PROGRAM
BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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**CITY OF SAN RAFAEL
CHILD DEVELOPMENT PROGRAM
FOR THE YEAR ENDED JUNE 30, 2023**

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the City Council
City of San Rafael, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the City of San Rafael Child Development Program (Program) of the City of San Rafael (City), California, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Program's basic financial statements as listed in the Table of Contents.

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, 2023, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for 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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the Program's basic financial statements. The accompanying Supplementary Information, as listed in the Table of Contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such 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 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 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 **Date** 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 solely 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 the effectiveness of the Program's 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.

Pleasant Hill, California
DATE

CITY OF SAN RAFAEL CHILD DEVELOPMENT PROGRAM
BALANCE SHEET
JUNE 30, 2023

ASSETS

Cash (Note 3)	\$651,512
Grants receivable (Note 4)	<u>913</u>
Total Assets	<u><u>\$652,425</u></u>

LIABILITIES AND FUND BALANCE

Accounts payable	<u>\$41,460</u>
Total Liabilities	<u>41,460</u>
Fund balance, restricted (Note 5)	<u>610,965</u>
Total Liabilities and Fund Balance	<u><u>\$652,425</u></u>

See accompanying notes to financial statements

CITY OF SAN RAFAEL CHILD DEVELOPMENT PROGRAM
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2023

REVENUES

Restricted:

State grants:

Current year grants	\$541,103
CDBG preschool grant	23,000
First five school readiness grants	117,556
Local grant	20,913

Unrestricted:

Interest	5,098
Parent fees - noncertified children	3,183,904
Other revenue	32,304

	3,923,878
--	-----------

EXPENDITURES

Certified salaries	143,367
Classified Salaries	1,715,409
Employee benefits	1,229,531
Training and instruction	6,829
Office supplies	594
Books and supplies	214,387
Utilities and housekeeping services	28,352
Rentals	25,845
Travel and conference	1,319
Services and other operating expenditures	137,493
Equipment	55,271
Insurance	28,490
Renovation and repair	77,556

	3,664,443
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CHANGE IN FUND BALANCE	259,435
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FUND BALANCE,

Beginning of year	351,530
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End of year	\$610,965
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See accompanying notes to financial statements

CITY OF SAN RAFAEL
CHILD DEVELOPMENT PROGRAM
Notes to the Basic Financial Statements
For the Year Ended June 30, 2023

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 Financial Statements
For the Year Ended June 30, 2023**

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, Mortgage and Asset-Backed Obligations 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, 2023**

NOTE 4 – GRANTS RECEIVABLE

The Program has the following grants receivable at June 30, 2023:

Agency	Grant	Amount
Marin County	First 5 Grant	\$913
	Total	\$913

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 Financial Statements
For the Year Ended June 30, 2023

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, 2023, 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 FEDERAL, STATE AND LOCAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Program	Federal Assistance Listing Number	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	40CDBG23CD452	\$23,000	\$23,000	\$23,000
US Department of Health and Human Services Pass-through State of California, Department of Education Child Care and Development Block Grant ARPA -- Stabilization Stipend COVID 19 -- CRRSA Stipend	93.575	Not available 004-0045655	102,474 24,806	74,874	\$74,874
Total Federal Awards			<u>\$150,280</u>	<u>\$97,874</u>	<u>\$97,874</u>
State Awards					
Child Development Division State Preschool Program FY2023		CSPP-2274	\$492,677	\$492,677	\$492,677
Total State Awards			<u>\$492,677</u>	<u>\$492,677</u>	<u>\$492,677</u>
County Award					
County of Marin First Five - Preschool		CSRI-21-009-11	\$117,556	\$117,556	\$117,556
Total County Awards			<u>\$117,556</u>	<u>\$117,556</u>	<u>\$117,556</u>
Local Awards					
Marin Child Care Council		N/A	\$20,913	\$20,913	\$20,913
Total Local Awards			<u>\$20,913</u>	<u>\$20,913</u>	<u>\$20,913</u>
Total State, Federal Awards, and Local			<u>\$781,426</u>	<u>\$729,020</u>	<u>\$729,020</u>

CITY OF SAN RAFAEL CHILD DEVELOPMENT PROGRAM
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED JUNE 30, 2023

	State Preschool Program (CSPP1283)	Total CDE CD Contracts	Non-CDE Programs	Total
REVENUES				
Restricted:				
State grants:				
Current year grants	\$541,103	\$541,103		\$541,103
CDBG preschool grant			\$23,000	23,000
First Five school readiness grants			117,556	117,556
Local grants			20,913	20,913
Unrestricted:				
Interest			5,098	5,098
Parent fees - noncertified children			3,183,904	3,183,904
Other revenue			32,304	32,304
Total Revenues	<u>541,103</u>	<u>541,103</u>	<u>3,382,775</u>	<u>3,923,878</u>
EXPENDITURES				
Certified salaries	143,367	143,367		143,367
Classified salaries	106,643	106,643	1,608,766	1,715,409
Employee benefits	194,820	194,820	1,034,711	1,229,531
Training and instruction			6,829	6,829
Office supplies			594	594
Books and supplies	25,784	25,784	188,603	214,387
Utilities and housekeeping services			28,352	28,352
Travel and conference			1,319	1,319
Rentals			25,845	25,845
Services and other operating expenditures	22,063	22,063	115,430	137,493
Equipment			55,271	55,271
Insurance			28,490	28,490
Renovation and repair			77,556	77,556
Total Expenditures	<u>492,677</u>	<u>492,677</u>	<u>3,171,766</u>	<u>3,664,443</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>48,426</u>	<u>48,426</u>	<u>211,009</u>	<u>259,435</u>
CHANGE IN FUND BALANCE	<u><u>\$48,426</u></u>	<u><u>\$48,426</u></u>	<u><u>\$211,009</u></u>	<u><u>\$259,435</u></u>

CITY OF SAN RAFAEL CHILD DEVELOPMENT PROGRAM
SCHEDULE OF EXPENDITURES BY STATE CATEGORIES
FOR THE YEAR ENDED JUNE 30, 2023

		CSPP-2274 State Preschool Program	Totals
EXPENDITURES:			
1000	Certified personnel salaries	\$143,367	\$143,367
	Due from State		
1100	Teachers' salaries	143,367	143,367
1200	Administration		
1300	Supervisors' salaries		
1600	Infant educators		
2001	Classified personnel salaries	\$106,643	\$106,643
2100	Instructional aides' salaries	106,643	106,643
2300	Clerical and other office salaries		
2500	Food services salaries		
2600	Transportation salaries		
3000	Employee benefits	\$194,820	\$194,820
3200	Payroll taxes (Medicare)	3,383	3,383
3300	Other benefits	141,094	141,094
3400	Health and welfare	47,673	47,673
3600	Workers' compensation insurance	2,670	2,670
4000	Books and supplies	\$25,784	\$25,784
4200	Other books		
4300	Instructional materials and supplies	25,784	25,784
4500	Other supplies		
4600	Food supplies		
5000	Services and other operating expenditures	\$22,063	\$22,063
5100	Lecturer		
5200	Travel and conferences		
5300	Memberships and dues	603	603
5400	Insurance	1,689	1,689
5500	Utilities and housekeeping services	2,219	2,219
5600	Rentals, leases and repairs		
5700	Audit expense		
5800	Other direct services & admin.	17,552	17,552
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		\$492,677	\$492,677

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 CLAIMED ADMINISTRATIVE COSTS
 FOR THE YEAR ENDED JUNE 30, 2023

	CSPP-2274 State Preschool Program
<u>Administrative Costs</u>	
5000 Services and other operating expenses (audit fees)	\$7,282
Total Administrative Costs claimed for reimbursement	\$7,282

CITY OF SAN RAFAEL CHILD DEVELOPMENT PROGRAM

SCHEDULE OF CLAIMED EQUIPMENT EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2023

<u>Capitalized Equipment Expensed on the AUD with Prior Written Approval</u>		<u>CSPP-2274</u>
None		<u>\$0</u>
Subtotal		<u>0</u>
 <u>Capitalized Equipment Expensed on the AUD without Prior Written Approval</u>		 <u>CSPP-2274</u>
None		<u>0</u>
Subtotal		<u>0</u>
Total		<u><u>\$0</u></u>

NOTE: The City's capitalization threshold is \$5,000.

CITY OF SAN RAFAEL CHILD DEVELOPMENT PROGRAM

SCHEDULE OF CLAIMED EXPENDITURES FOR RENOVATIONS AND REPAIRS
FOR THE YEAR ENDED JUNE 30, 2023

<u>Capitalized R&R Project Under \$10,000</u>	<u>CSPP-2274</u>
None	<u>\$0</u>
Subtotal	<u>0</u>
<u>Capitalized R&R Project of \$10,000 or More with Prior Written Approval</u>	<u>CSPP-2274</u>
None	<u>0</u>
Subtotal	<u>0</u>
<u>Capitalized R&R Project of \$10,000 or More without Prior Written Approval</u>	<u>CSPP-2274</u>
None	<u>0</u>
Subtotal	<u>0</u>
Total	<u><u>\$0</u></u>

NOTE: The City's capitalization threshold is \$5,000.

Contractor Name: City of San Rafael Child Development Program

Contract Number: CSPP 2274

**California Department of Education
Audited Enrollment, Attendance and Fiscal
Report for California State Preschool Program**

Fiscal Year Ended: June 30, 2023

Vendor Code: 2193

Section 1 – Number of Counties Where Services are Provided

Number of counties where the agency provided services to certified children (Form 1): **1**

Number of counties where the agency provided mental health consultation services to certified children (Form 2): **0**

Number of counties where the agency provided services to non-certified children (Form 3): **0**

Number of counties where the agency provided mental health consultation services to non-certified children (Form 4): **0**

Total enrollment and attendance forms to attach: **1**

Note: For each of the above categories, submit one form for each service county.

Section 2 – Days of Enrollment, Attendance and Operation

Enrollment and Attendance Form Summary	Column A Cumulative FY per CPARIS	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjusted Days per Audit
Total Certified Days of Enrollment	11,864		11,864	11,864.0000
Total Certified Days of Enrollment with Mental Health Consultation Services			0	
Days of Attendance (including MHCS)	10,567		10,567	N/A
Total Non-Certified Days of Enrollment			0	
Total Non-Certified Days of Enrollment with Mental Health Consultation Services			0	

Days of Operation	Column A Cumulative FY per CPARIS	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjusted Days per Audit
Days of Operation	175		175	N/A

Section 3 – Revenue

Restricted Income	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Child Nutrition Programs			0
County Maintenance of Effort (EC Section 8260)			0
Other: ARPA		74,874	74,874
Other:			0
TOTAL RESTRICTED INCOME	0	74,874	74,874

Transfer from Reserve	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Transfer from Preschool Reserve Account			0

Other Income	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Waived Family Fees for Certified Children			0
Interest Earned on Child Development Apportionment Payments			0
Unrestricted Income: Fees for Non-Certified Children			0
Unrestricted Income: Head Start			0
Other:			0
Other:			0

Section 4 - Reimbursable Expenses

Cost Category	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Direct Payments to Providers (FCCH only)			0
1000 Certificated Salaries	143,367		143,367
2000 Classified Salaries	106,643		106,643
3000 Employee Benefits	194,820		194,820
4000 Books and Supplies	25,784		25,784
5000 Services and Other Operating Expenses	22,063		22,063
6100/6200 Other Approved Capital Outlay			0
6400 New Equipment (program-related)			0
6500 Equipment Replacement (program-related)			0
Depreciation or Use Allowance			0
Start-up Expenses (service level exemption)			0
Indirect Costs (include in Total Administrative Cost)			0
TOTAL REIMBURSABLE EXPENSES	492,677	0	492,677

Does the agency have an indirect cost rate approved by its cognizant agency (Select YES or NO)? Yes No

Approved Indirect Cost Rate:

Specific Items of Reimbursable Expenses	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Total Administrative Cost (included in Reimbursable Expenses)		7,282	7,282
Total Staff Training Cost (included in Reimbursable Expenses)			0

NO SUPPLEMENTAL REVENUE / EXPENSES Check this box and omit page 4.

Section 5 - Supplemental Funding

Supplemental Revenue	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Enhancement Funding	10,420		10,420
Other:			0
Other:			0
TOTAL SUPPLEMENTAL REVENUE	10,420	0	10,420

Supplemental Expenses	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
1000 Certificated Salaries			0
2000 Classified Salaries			0
3000 Employee Benefits	35		35
4000 Books and Supplies			0
5000 Services and Other Operating Expenses	6,200		6,200
6000 Equipment / Capital Outlay	357		357
Depreciation or Use Allowance			0
Indirect Costs			0
Non-Reimbursable Supplemental Expenses	84		84
TOTAL SUPPLEMENTAL EXPENSES	6,676	0	6,676

Section 6 - Summary

Description	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Total Certified Days of Enrollment (including MHCS)	11,864	0	11,864
Days of Operation	175	0	175
Days of Attendance (including MHCS)	10,567	0	10,567
Total Certified Adjusted Days of Enrollment	N/A	N/A	11,864.0000
Total Non-Certified Adjusted Days of Enrollment	N/A	N/A	0.0000
Restricted Program Income	0	74,874	74,874
Transfer from Preschool Reserve Account	0	0	0
Interest Earned on Apportionment Payments	0	0	0
Direct Payments to Providers	0	0	0
Start-up Expenses (service level exemption)	0	0	0
Total Reimbursable Expenses	492,677	0	492,677
Total Administrative Cost	0	7,282	7,282
Total Staff Training Cost	0	0	0
Non-Reimbursable Cost (State Use Only)	N/A	N/A	

Section 7 – Auditor’s Assurances

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 Education Division:

Eligibility, enrollment and attendance records are being maintained as required (Select YES or NO): Yes No

Reimbursable expenses claimed in Section 4 are eligible for reimbursement, reasonable, necessary, and adequately supported (Select YES or NO): Yes No

Section 8 – Comments

Include any comments in the comment box. If necessary, attach additional sheets to explain adjustments.

Adjustments identified in Column B are adjustments made to report audit fees as administrative costs and ARPA funds.

**California State Preschool Program – Form 1
 Certified Children Days of Enrollment and Attendance**

Service County: Marin

Enrollment Description	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Three Years Old Full-time-plus			0	2.1240	0.0000
Three Years Old Full-time			0	1.8000	0.0000
Three Years Old Part-time	2,452		2,452	1.0872	2,665.8144
Four Years and Older Full-time-plus			0	1.1800	0.0000
Four Years and Older Full-time			0	1.0000	0.0000
Four Years and Older Part-time	7,911		7,911	0.6040	4,778.2440
Exceptional Needs Full-time-plus			0	2.8320	0.0000
Exceptional Needs Full-time			0	2.4000	0.0000
Exceptional Needs Part-time	1,501		1,501	1.4496	2,175.8496
Dual Language Learner Full-time-plus			0	1.4160	0.0000
Dual Language Learner Full-time			0	1.2000	0.0000
Dual Language Learner Part-time			0	0.6040	0.0000

Enrollment Description	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
At Risk of Abuse or Neglect Full-time-plus			0	1.2980	0.0000
At Risk of Abuse or Neglect Full-time			0	1.1000	0.0000
At Risk of Abuse or Neglect Part-time			0	0.6040	0.0000
Severely Disabled Full-time-plus			0	2.8320	0.0000
Severely Disabled Full-time			0	2.4000	0.0000
Severely Disabled Part-time			0	1.4496	0.0000
TOTAL CERTIFIED DAYS OF ENROLLMENT	11,864	0	11,864	N/A	9,619.9080

Attendance	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
DAYS OF ATTENDANCE	10,567		10,567	N/A	N/A

Enter the sum of Total Certified Days of Enrollment from all Form 1s in the Total Certified Days of Enrollment line of AUD 8501, Section 2.

Enter the sum of Days of Attendance from all Form 1s and Form 2s in the Days of Attendance line of AUD 8501, Section 2.

Contractor Name: City of San Rafael Child Development Program

Section 1 – Prior Year Reserve Account Activity

1. Beginning Balance (2021–22 AUD 9530A Ending Balance): 10,696

2. Plus Transfers to Reserve Account:

2021–22 Contract No.	Per 2021–22 Post-Audit EENFS 9530
1283	8,369
Total Transferred from 2021–22 Contracts	8,369

3. Less Excess Reserve to be Billed:

4. 2021–22 EENFS 9530 Reserve Balance After Billing: 19,065

Section 2 – Current Year Reserve Account Activity

5. Plus Interest Earned This Year on Reserve:

Description	Column A per CPARIS	Column B Audit Adjustments	Column C Total per Audit
Interest Earned	2		2

6. Less Transfers to Contracts from Reserve:

2022–23 Contract No.	Column A per CPARIS	Column B Audit Adjustments	Column C Total per Audit
			0
			0
			0
Total Transferred to Contracts	0	0	0

7. Ending Balance:

Description	Column A per CPARIS	Column B Audit Adjustments	Column C Total per Audit
Ending Balance on June 30, 2023	19,067	0	19,067

COMMENTS – If necessary, attach additional sheets to explain adjustments.

**CITY OF SAN RAFAEL
CHILD DEVELOPMENT PROGRAM
Notes to the Supplementary Information
For the Year Ended June 30, 2023**

NOTE 1 – NOTE TO SUPPLEMENTARY INFORMATION

In accordance with the applicable requirements from the Funding Terms and Conditions of the City of San Rafael’s child development contract:

A. *Interest Expense*

Interest expense is only allowable as a reimbursable cost in certain circumstances when it has been preapproved by the administering state department or relates to the lease purchase, acquisition, or repair or renovation of early learning and care facilities owned or leased by the contractor. No interest expense was claimed as a reimbursable expense for the year ended June 30, 2023.

B. *Related Party Rent Expense*

All expenses claimed for reimbursement under a related party rent transaction must be supported by a fair market rental estimate from an independent appraiser, licensed by the California Office of Real Estate Appraisers. No related party rent expense was claimed as a reimbursable expense for the year ended June 30, 2023.

C. *Bad Debt Expense*

Bad debt expense is unallowable unless it relates to uncollected family fees where documentation of adequate collection attempts exists. No bad debt expense was claimed to a child development contract for the year ended June 30, 2023.

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**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, 2023, and have issued our report thereon dated **DATE**. Our report included an emphasis of a matter paragraph disclosing the implementation of a new accounting principle.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Program's internal control over financial reporting (internal control) as a basis for designing of 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 the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a deficiency in internal control that we consider to be a significant deficiency as listed on the Schedule of Significant Deficiency included as part of our separately issued Memorandum on Internal Control dated **BFS Opinion Date**, which is an integral part of our audit and should be read in conjunction with this report.

Report on 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 financial statements. 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 that are required to be reported under *Government Auditing Standards*.

City's Response to Findings

Government Auditing Standards require the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in our separately issued Memorandum on Internal Control dated [BFS Opinion Date], which is an integral part of our audit and should be read in conjunction with this report. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Pleasant Hill, California

DATE

**CITY OF SAN RAFAEL
CHILD DEVELOPMENT PROGRAM
SUMMARY OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023**

None noted.

**CITY OF SAN RAFAEL
CHILD DEVELOPMENT PROGRAM
CURRENT STATUS OF PRIOR YEAR FINDINGS
For the Year Ended June 30, 2023**

None noted.

**INDEPENDENT ACCOUNTANT’S REPORT ON
APPLYING AGREED UPON PROCEDURES FOR
COMPLIANCE WITH THE PROPOSITION 111
2023-2024 APPROPRIATIONS LIMIT INCREMENT**

Honorable Mayor and Members of the City Council
City of San Rafael, California

We have performed the procedures enumerated below on the Appropriations Limit Worksheet (Worksheet) of the City of San Rafael, California, for the year ended June 30, 2024. The City’s management is responsible for the Worksheet.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of these procedures, which were suggested by the League of California Cities and presented in their Article XIII B Appropriations Limitation Uniform Guidelines, performed solely to assist you in meeting the requirements of Section 1.5 of Article XIII B of the California Constitution. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

- A. We obtained the Worksheet (Exhibit B to the Resolution) and determined that the 2023-2024 Appropriations Limit of \$179,385,992 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. However, the Resolution indicated that the percent change in California’s per capita personal income was selected, but the Worksheet shows that the larger adjustment factor of the change in assessment roll for nonresidential construction of Marin County was used for the calculation of the 2023-2024 Appropriations Limit.
- B. We recomputed the 2023-2024 Appropriations Limit by multiplying the 2022-2023 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, and the Change in Assessment Roll for Nonresidential Construction Factor to the Marin County Worksheet.

We were engaged by the City to perform this agreed-upon procedures engagement and conducted our engagement 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 engagement, 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.

REVIEW DRAFT

10/30/2023

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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.

Pleasant Hill, California

DATE