



AGENDA

REGULAR CITY COUNCIL MEETING

Tuesday, November 17, 2015 – 7:00 p.m.

City Council Chambers

Meeting Location

El Cerrito City Hall

10890 San Pablo Avenue, El Cerrito

Mark Friedman – Mayor

Mayor Pro Tem Greg Lyman
Councilmember Jan Bridges

Councilmember Janet Abelson
Councilmember Gabriel Quinto

ROLL CALL

7:00 p.m.

CONVENE REGULAR CITY COUNCIL MEETING

1. PLEDGE OF ALLEGIANCE TO THE FLAG OR OBSERVATION OF MOMENT OF SILENCE – *Mayor Pro Tem Lyman.*

2. COUNCIL / STAFF COMMUNICATIONS *(Reports of Closed Session, commission appointments and informational reports on matters of general interest which are announced by the City Council & City Staff.)*

3. ORAL COMMUNICATIONS FROM THE PUBLIC

All persons wishing to speak should sign up with the City Clerk. Remarks are typically limited to 3 minutes per person. The Mayor may reduce the time limit per speaker depending upon the number of speakers. Kindly state your name and city of residence for the record. Comments regarding non-agenda, presentation and consent calendar items will be heard first. Comments related to items appearing on the Public Hearing or Policy Matter portions of the Agenda are taken up at the time the City Council deliberates each action item. Individuals wishing to comment on any closed session scheduled after the regular meeting may do so during this public comment period or after formal announcement of the closed session.

4. PRESENTATION

Fiscal Year 2014-15 and 2015-16 Budget Update

Receive an update on year-end results for Fiscal Year 2014-15 that ended on June 30, 2015 and an update on revenue and expenditure trends for the first three months of the current fiscal year 2015-16 through September 30, 2015.

5. ADOPTION OF THE CONSENT CALENDAR – Item Nos. 5A through 5F

A. Minutes for Approval

Approve the November 3, 2015 Special Concurrent City Council/Redevelopment Agency Successor Agency meeting – Closed Session and Regular City Council meeting minutes.

B. Ordinance Establishing a Local Minimum Wage

First reading approved by unanimous vote on November 3, 2015.

Adopt Ordinance No. 2015–09 amending the El Cerrito Municipal Code (ECMC) Title 6 (“Business Permits and Regulations”) by adding a new Chapter 6.95 (“City Minimum Wage Standards”).

C. Human Rights Day and Month Proclamation

Approve a proclamation declaring December 10, 2015 as Human Rights Day and December as Human Rights Month in the City of El Cerrito, and encouraging all residents to study and promote the ideas contained in the Universal Declaration of Human Rights to the end that freedom, justice, and equality will flourish and be made available to all.

D. Annual Review of Financial Policies

Adopt a resolution approving changes to the City’s Comprehensive Financial Policy and Investment Policy and rescinding and replacing Resolution No. 2012–13.

E. Amendments to the City Classification Plan and Resolution No. 2014–22 for Management and Confidential Employees

Adopt a resolution amending the City’s Classification Plan and Resolution No. 2014–22 as follows: 1) Establish the classification and salary for the position of Senior Human Resources Analyst; and 2) Modify the control points for management and confidential employees.

F. Quarterly Cash & Investment Report

Receive and file the City’s Quarterly Investment Report for the period ending September 30, 2015.

6. PUBLIC HEARINGS

Proposed Integrated Waste Management Fees and East Bay Sanitary Garbage & Green Waste Collection and Processing Rates

Staff requests that Council take the following actions: 1) Conduct a public hearing and upon conclusion adopt a resolution setting Integrated Waste Management (IWM) Fees, effective January 1, 2016; and 2) Upon closure of the public hearing, adopt a resolution reaffirming the calculation of and continuing in effect, the maximum allowable rates as identified in the attached resolution, for the collection of garbage and green waste, effective January 1, 2015.

7. POLICY MATTERS - None

8. COUNCIL LOCAL AND REGIONAL LIAISON ASSIGNMENT REPORTS

Mayoral and City Council communications regarding local and regional liaison assignments and committee reports.

9. ADJOURN REGULAR CITY COUNCIL MEETING

The next regular City Council meeting is Tuesday, December 1, 2015 at 7:00 p.m. at City Hall, 10890 San Pablo Avenue, El Cerrito, California.

The City of El Cerrito serves, leads and supports our diverse community by providing exemplary and innovative services, public places and infrastructure, ensuring public safety and creating an economically and environmentally sustainable future.

Channel 28 and AT&T Uverse Channel 99. The meetings are rebroadcast on Channel 28 the following Thursday and Monday at 12 noon, except on holidays. Live and On-Demand Webcast of the Council Meetings can be accessed from the City's website <http://www.el-cerrito.org/ind-ex.aspx?NID=114>. Copies of the agenda bills and other written documentation relating to items of business referred to on the agenda are on file and available for public inspection in the Office of the City Clerk, at the El Cerrito Library and posted on the City's website at www.el-cerrito.org prior to the meeting.

- In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk, (510) 215-4305. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35.102-35.104 ADA Title I). Assistive listening devices are available for use at the meeting.
- ***The Deadline for agenda items and communications*** is eight days prior to the next meeting by 12 noon, City Clerk's Office, 10890 San Pablo Avenue, El Cerrito, CA. Tel: 215-4305 Fax: 215-4379, email cmorse@ci.el-cerrito.ca.us
- IF YOU CHALLENGE A DECISION OF THE CITY COUNCIL IN COURT, YOU MAY BE LIMITED TO RAISING ONLY THOSE ISSUES YOU OR SOMEONE ELSE RAISED AT THE COUNCIL MEETING. ACTIONS CHALLENGING CITY COUNCIL DECISIONS SHALL BE SUBJECT TO THE TIME LIMITATIONS CONTAINED IN CODE OF CIVIL PROCEDURE SECTION 1094.6.
- The City Council believes that late night meetings deter public participation, can affect the Council's decision-making ability, and can be a burden to staff. City Council Meetings shall be adjourned by 10:30 p.m., unless extended to a specific time determined by a majority of the Council.



AGENDA BILL

Agenda Item No. 4

Date: November 17, 2015
To: El Cerrito City Council
From: Lisa Malek-Zadeh, Finance Director/City Treasurer
Subject: Budget Update

ACTION REQUESTED

1. Receive an update on year-end results for Fiscal Year 2014-15 that ended on June 30, 2015
2. Receive an update on revenue and expenditure trends for the first 3 months of the current fiscal year 2015-16 through September 30, 2015

BACKGROUND/ANALYSIS

Fiscal Year 2014-15 Year-End Results

Preliminary ending balances for the General Fund for Fiscal year 2014-15 that ended June 30, 2015 are summarized in the following charts. Staff is currently working with the City's Auditors, Maze & Associates, to finalize the year and complete the FY 2014-15 audit. During this process, the Auditors may identify additional adjustments; however, staff doesn't anticipate any adjusting entries that will significantly change the numbers as presented in this report.

Staff provided City Council with FY 2014-15 year-end projections at the June 16, 2015 meeting. Table 1 includes the Amended budget for FY 2014-15, the June projections, actual revenues and expenditures at year end and variances between the Amended budget and the actuals at June 30, 2015.

Based on the revenue received and spending patterns through June, staff expected the ending reserve balance to be a little better than 6%. While revenues performed better than assumed in the amended budget, they were not as high as projected. The ending balance was just slightly less than anticipated in June, but higher than the assumed in the Amended budget at just under 5%.

Table 1. Fiscal Year 2014-15 General Fund Overview

General Fund Summary	2012-13 Actual	2013-14 Actual	2014-15 Amended	2014-15 Projected Year End	2014-15 Actual	Variance Amended to Actual
Beginning Restricted Fund Balance	\$598,957	\$1,059,976	\$0	\$0	\$0	\$0
Beginning Unassigned Fund Balance	\$2,608,745	\$1,281,566	\$1,270,466	\$1,270,466	\$1,270,466	\$0
Total Revenues	\$29,366,108	\$29,053,045	\$29,591,988	\$30,123,137	\$29,766,576	\$174,588
Personnel	\$22,699,729	\$22,256,364	\$22,843,451	\$22,402,195	\$22,633,987	\$209,464
Non-Personnel	\$6,457,298	\$6,853,694	\$6,658,923	\$7,038,813	\$6,861,786	(\$202,863)
Total Expenses	\$29,157,028	\$29,110,059	\$29,502,374	\$29,441,008	\$29,495,774	\$6,600
Annual Balance/Shortfall	\$209,080	(\$57,013)	\$89,614	\$682,129	\$270,803	(\$181,189)
Transfer Out Grant	\$0	\$669,599	\$0	\$0	\$0	\$0
Transfers Out- CIP	\$1,157,184	\$344,428	\$74,839	\$74,838	\$74,838	\$1
Total Transfer out of Restricted Funds	\$1,157,184	\$1,014,027	\$74,839	\$74,838	\$74,838	\$1
Ending Fund Balance/Deficit	\$2,259,598	\$1,270,501	\$1,285,241	\$1,877,756	\$1,466,430	(\$181,189)
Unassigned Ending Fund Balance/Deficit	\$2,259,598	\$1,270,501	\$1,285,241	\$1,877,756	\$1,466,430	(\$181,189)
Ending Unassigned Reserve Percent	7.75%	4.36%	4.36%	6.38%	4.97%	0.62%

General Fund Revenues

Overall, revenue to the General Fund performed as anticipated as presented in Table 2.

Table 2. Fiscal Year 2014-15 General Fund Revenues

General Fund Revenues	2012-13 Actual	2013-14 Actual	2014-15 Amended	2014-15 Projected Year End	2014-15 Actual	Variance Amended to Actual
Property Taxes	\$5,564,453	\$6,190,958	\$6,702,996	\$6,687,666	\$6,938,037	\$235,041
Sales Taxes	\$5,109,397	\$5,361,233	\$4,972,250	\$4,972,250	\$5,055,703	\$83,453
Franchise Taxes	\$1,065,858	\$1,228,307	\$1,393,175	\$1,393,175	\$1,376,771	(\$16,404)
Business License Taxes	\$742,229	\$855,923	\$861,995	\$861,995	\$800,882	(\$61,113)
Utility Users Taxes	\$3,066,580	\$3,137,017	\$3,190,100	\$3,199,757	\$3,106,232	(\$83,868)
Other Taxes (TOT, Construction, Othe	\$103,651	\$130,556	\$134,124	\$75,055	\$115,955	(\$18,169)
Total Taxes	\$15,652,169	\$16,903,994	\$17,254,640	\$17,189,898	\$17,393,579	\$138,939
Licenses and Permits	\$516,703	\$539,567	\$531,000	\$534,746	\$493,243	(\$37,757)
Fines & Forfeitures	\$277,222	\$375,554	\$325,000	\$328,415	\$269,602	(\$55,398)
Use of Money & Property	\$321,279	\$289,389	\$344,900	\$347,508	\$350,219	\$5,319
Intergovernmental Revenues	\$5,027,113	\$5,036,793	\$5,428,502	\$5,905,313	\$5,781,514	\$353,012
Charges for services	\$4,938,694	\$4,956,927	\$4,585,442	\$4,655,622	\$4,458,264	(\$127,178)
Other Revenues	\$285,400	\$146,442	\$221,647	\$260,778	\$119,299	(\$102,348)
Financing Sources	\$1,595,300	\$0	\$0	\$0	\$0	\$0
Transfers In	\$752,228	\$804,379	\$900,857	\$900,857	\$900,857	\$0
Total Other Revenues	\$13,713,939	\$12,149,052	\$12,337,348	\$12,933,239	\$12,372,998	\$35,650
Total Revenues	\$29,366,108	\$29,053,045	\$29,591,988	\$30,123,137	\$29,766,576	\$174,588

Property Taxes: When the FY 2014-15 budget was adopted in June 2014, property tax was expected to generate about \$6.5 million. After budget adoption and based on new information from the Assessor's Office, staff reported that revenue was likely to be closer to \$6.7 million. At the mid-year update, the budget was amended to reflect this change. In June, it appeared that revenue was tracking as expected, but by the end of the fiscal year, the City received a little over \$6.9 million. The additional \$235,000 was the result of higher than expected supplemental property taxes and Residual Property Tax Distribution (RPTTF); the property tax generated in the former redevelopment area. The amount of RPTTF the City receives varies from year to year and depends on the revenue left after all of the Successor Agencies' enforceable obligations have been paid. These funds are then shared among all of the taxing entities. For this reason it is very difficult to determine the exact amount the City will receive in a given year. One reason the amount received this year was higher is due to the disputed Streetscape project. The Department of Finance has not yet approved this as enforceable obligation of the Successor Agency and as a result there was more money available to be distributed between the taxing entities.

Sales Taxes: Also included in mid-year update, was an amendment to increase the City's projected sales tax revenue for FY 2014-15. In January 2015, voters approved Measure R, the ballot measure that increased the sales tax rate in El Cerrito from .5% to 1%. As a result, the City anticipated receiving an additional \$367,000 in FY 2014-15, but by year end the total collected was just over \$5 million. This is approximately \$83,000 more than was included in the year-end projections and close to \$451,000 more than the budget adopted in June 2014.

Utility Users Tax: Revenue received from Utility Users taxes (UUT) has been the subject of several budget discussions over the last few years. While utility companies continue to raise rates, the UUT revenue received by the City has remained relatively flat. Anticipating this would once again be the case, at mid-year, staff decreased the revenue projection to just \$3.2 million. This assumed only a moderate increase over revenue received in the prior year, following the trend seen over the last two years. However, even with this lowered projection, revenue received was less than the amount received in FY 2013-14 and about \$84,000 less than the revised projection for FY 2014-15.

Other General Fund Revenues: Revenues to the General Fund from licenses and permits, charges for services, intergovernmental revenues and various other one-time revenues were projected to generate \$12.3 million. While revenues did meet the Amended budget, building permits, parking citations, planning inspection fees, recreation program fees as well as other one-time revenues were shy of the projections made in June. A one-time reimbursement of \$192,000 from the State of California for SB 90 mandated expenses helped offset the revenues that were short, but this was insufficient to fully offset the revenues that missed the June assumptions.

General Fund Expenditures

General Fund expenditures totaled \$29.5 million by year end, about \$6,600 less than the amended budget, but approximately \$55,000 more than projected in June.

Table 3. Fiscal Year 2014-15 General Fund Expenditures

General Fund Expenditures	2012-13 Actual	2013-14 Actual	2014-15 Amended	2014-15 Projected Year End	2014-15 Actual	Variance Amended to Actual
Personnel						
Personnel	\$22,699,729	\$22,256,364	\$22,843,451	\$22,402,195	\$22,633,987	\$209,464
Non-Personnel						
Professional & Technical Services	\$2,913,407	\$3,178,742	\$3,065,725	\$3,383,161	\$3,296,004	(\$230,279)
Purchased Property/Other Services	\$1,635,764	\$1,548,625	\$1,640,501	\$1,636,274	\$1,556,181	\$84,320
Supplies	\$1,018,443	\$882,631	\$1,009,032	\$1,074,820	\$990,769	\$18,263
Financing Costs	\$889,684	\$1,243,696	\$943,665	\$944,559	\$1,018,832	(\$75,167)
Total Non-Personnel (Before 1-Time)	\$6,457,298	\$6,853,694	\$6,658,923	\$7,038,813	\$6,861,786	(\$202,863)
1-Time						
Transfers Out-Grants	\$0	\$669,599	\$0	\$0	\$0	\$0
Transfers Out- CIP	\$1,157,184	\$344,428	\$74,839	\$74,838	\$74,838	\$1
Total Transfer out of Restricted Funds	\$1,157,184	\$1,014,027	\$74,839	\$74,838	\$74,838	\$1
Total Non-Personnel	\$7,614,483	\$7,867,722	\$6,733,762	\$7,113,652	\$6,936,625	(\$202,863)
Total Expenditures	\$30,314,212	\$30,124,086	\$29,577,213	\$29,515,847	\$29,570,612	\$6,601

In the June update, based on spending trends at the time, staff anticipated a savings in personnel costs of \$441,000. At year end, higher than expected overtime costs and a remaining invoice for workers compensation premium, resulted in less savings in personnel than originally included in the year end assumptions. While less than expected, there were still cost savings in personnel totaling \$209,000.

Costs for non-staffing related items include professional services, utilities, supplies and debt service payments. The amended budget for these items totaled \$6.7 million, but costs were projected to be \$7.1 million by the end of the fiscal year. At June 30, non-personnel costs totaled just slightly more than \$6.9 million with actual expenses less than projected except in Professional & Technical Services and Financing Costs. The City has continued to rely on Professional & Technical Services to offset the high number of staff vacancies and Financing Costs exceeded projections due to Tax Anticipation Revenue Notes (TRAN) interest. Because of cash flow needs, the City issued the TRAN a few months earlier than in prior years. This increased the number of months and cost the City paid for borrowing funds.

Special Revenue Funds

The remainder of the City's budget is made up of various special revenue funds. Table 4 summarizes the ending balances for the City's major special funds for FY 2014-15. The table also includes the projected year-end balances in comparison to actual ending balances.

Table 4. Fiscal Year 2014-15 All Funds Ending Balance

Fund Name	FY 2014-15 Actual Revenue	FY 2014-15 Actual Expenditures	2014-15 Projected Ending Balance	FY 2014-15 Ending Balance	Variance
Gas Tax	\$687,615	\$526,740	\$120,685	\$135,360	\$14,675
NPDES	\$374,563	\$365,604	\$9,667	\$32,973	\$23,306
Landscape and Lighting Dist	\$853,980	\$892,040	\$2,343	\$9,212	\$6,869
Measure J Return to Source	\$457,958	\$376,532	\$94,622	\$151,987	\$57,365
Measure J Storm Drain	\$697,877	\$522,498	\$73,342	\$82,733	\$9,391
Measure A Parcel Tax	\$439,507	\$485,606	\$138,914	\$389,260	\$250,346
Asset Seizure	\$6,501	\$439	\$128,942	\$129,003	\$61
Vehicle Abatement	\$24,117	\$25,888	\$181,419	\$195,284	\$13,865
Park In Lieu			\$20	\$12,010	\$11,990
Street Improvement & Maint	\$1,758,010	\$1,387,517	\$87,169	\$147,836	\$60,667
Art in Public Places	\$6,000	\$1,950	\$48,694	\$52,144	\$3,450
Paratransit	\$138,084	\$112,354	\$36,108	\$45,100	\$8,992
Federal, State and Local Grants	\$90,616	\$92,802	\$101,089	\$116,259	\$15,170
C.O.P.S. Grant	\$102,951	\$94,529	\$0	\$8,422	\$8,422
City LMI Housing	\$125,000	\$104,385	\$1,216,501	\$1,269,513	\$53,012
Capital Improvements	\$1,049,354	\$1,467,317	(\$595,977)	(\$1,498,039)	(\$902,062)
Integrated Waste Management	\$2,204,405	\$2,308,242	\$151,381	\$185,098	\$33,717
Vehicle/Equipment Replacement	\$128,532	\$128,532	(\$26,862)	(\$26,862)	\$0

Approximately \$430K of the deficit in the CIP fund is related to a redevelopment commitment that has been requested, but not yet reimbursed by the Department of Finance. The remainder of the deficit is being repaid over the next several years from multiple funds.

With the exception of the Capital Improvement Fund, all of the City's special revenue funds performed as projected and in some cases better than expected.

Balances in special revenue funds may be used to support programs in a year when annual revenues are insufficient to cover the costs for the year. Funds with higher balances may also be used to cover more costly one-time expenses such as capital improvement repairs.

Capital Improvement Fund: Expenses for projects funded through the Capital Improvement Program (CIP) are generally paid on a reimbursement basis. Often the reimbursements for costs incurred in the year are not received until the following the year, resulting in a deficit. The ending deficit in the CIP fund of \$1.5 million for FY 2014-15 is in part due to this timing issue. In addition, approximately \$430,000 of the deficit is related to Redevelopment Agency (RDA) project expenditures. Reimbursement for RDA expenditures that occurred between 2006 and 2011 were never transferred to the CIP fund. This obligation of the Redevelopment Successor Agency has continued to be requested on its Recognized Obligation Payment Schedule;

however it has yet to be approved by the Department of Finance (DOF). The Fund will continue to have a negative balance until the DOF approves the release of funds or other funding sources for the deficit can be identified.

Fiscal Year 2015-16 Update

With only 3 months of trend information, the focus of budget monitoring at this point in the fiscal year is to confirm revenue and expenditures are tracking as expected and are in line with the assumptions included in the budget that was adopted in June.

Citywide Expenditures

Through September 30, costs for personnel should be approximately 23% spent. Table 5 summarizes expenditures through September by the City's major funding sources.

Table 5. Fiscal Year 2015-16 Personnel Expenditures

Personnel Expenditures by Fund	2015-16 Adopted	Actual 7/1-9/30/15	% Spent
General Fund	\$23,833,946	\$5,466,754	23%
Gas Tax	\$240,890	\$54,766	23%
NPDES	\$158,409	\$67,834	43%
Landscape and Lighting Dist	\$259,610	\$55,993	22%
Measure J Return to Source	\$126,076	\$29,909	24%
Measure J Storm Drain	\$282,469	\$67,503	24%
Street Improvemt Fund	\$70,457	\$13,668	19%
Paratransit	\$52,328	\$16,616	32%
City LMI Housing Fund	\$1	\$0	0%
Capital Improvements	\$31,298	\$1,259	4%
Integrated Waste Management	\$1,237,420	\$273,807	22%

With the exception of the NPDES and Paratransit funds, the City's General Fund and special revenue funds are on track to be spent as adopted. Personnel expenditures in the special funds may appear higher at certain times in the fiscal year depending on the allocation of staff for special projects. These Funds will be reviewed again at mid-year to ensure they are tracking with the expected year-end projections.

Non-personnel expenses don't follow a consistent spending pattern from month to month, which makes it difficult to predict year-end expenses this early in the fiscal year. However, comparing the current year's spending to the same period in prior years and factoring in any one-time expenditures, the current fiscal year's spending pattern appears to be tracking as expected. These trends will be analyzed again and an update provided during the mid-year budget review.

Citywide Revenues

Similar to non-personnel spending, the receipt of revenue doesn't follow a consistent pattern and revenues are received at various times throughout the year. Some revenues are expected monthly such as sales tax or reimbursements for public safety services, while others like Property taxes are received multiple times during the year.

Through September 30, revenue received is as projected with the exception of the revenue streams highlighted in Table 6.

Table 6. Fiscal Year 2015-16 General Fund Revenues Changes

General Fund Revenues	2015-16 Adopted	Actual 7/1-9/30/15	% Received To Date	2015-16 Projected	Variance
Property Taxes	\$7,010,142	\$137,034	2%	\$7,357,025	\$346,883
In Lieu Taxes	\$2,008,312	\$0	0%	\$2,183,534	\$175,222
Other Misc Revenues	\$134,067	\$144,931	59%	\$244,067	\$110,000
Total Revenues	\$31,180,146	\$3,268,459	10%	\$31,812,251	\$632,105

An increase of \$522,000 in Property and In Lieu taxes is the result of a 10% increase in El Cerrito's assessed value. After the last few years of relatively flat property taxes, the outlook for property taxes is optimistic. Based on information recently provided by the City's tax consultants, the median sale price of a single family home is up 10.9% from last year. The current median of \$730,000 is an all-time high and is 13% higher than the peak in 2007.

Continued growth is projected into next fiscal year as consultants predict that the final Prop 8 properties will be restored. In El Cerrito 59.3% of the properties awaiting recapturing in 2012-13 have been fully reinstated. It is estimated that the remaining Props 8 will be recaptured by next fiscal year.

While not property related, the increase of \$110,000 in Other Misc revenue is the result of fees received for the start of a long awaited development project.

Next Steps

Staff will continue to monitor the trends discussed in this report and will provide Council with an update along with any recommended budget amendments during the mid-year budget review to be presented sometime in March. Also included in mid-year update, will be a discussion of next steps and considerations as staff develops the next biennial budget for fiscal years 2016-17 and 2017-18.

Reviewed by:



Scott Hanin
City Manager

EL CERRITO CITY COUNCIL

MINUTES

SPECIAL CONCURRENT CITY COUNCIL/REDEVELOPMENT AGENCY SUCCESSOR AGENCY MEETING – CLOSED SESSION

Tuesday, November 3, 2015 – 6:00 p.m.

Hillside Conference Room

REGULAR CITY COUNCIL MEETING

Tuesday, November 3, 2015 – 7:00 p.m.

City Council Chambers

Meeting Location

El Cerrito City Hall

10890 San Pablo Avenue, El Cerrito

Mark Friedman – Mayor

Mayor Pro Tem Greg Lyman
Councilmember Jan Bridges

Councilmember Janet Abelson
Councilmember Gabriel Quinto

ROLL CALL

Councilmembers Abelson, Bridges, Lyman, Quinto and Mayor Friedman all present.

6:00 p.m.

CONVENE SPECIAL CONCURRENT CITY COUNCIL/REDEVELOPMENT SUCCESSOR AGENCY MEETING – CLOSED SESSION

Mayor Friedman convened the Special Concurrent City Council/Redevelopment Successor Agency meeting at 6:03 p.m.

ANNOUNCEMENT OF CLOSED SESSION

CITY COUNCIL CLOSED SESSION ITEMS

1) CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

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

Councilmember Abelson recused herself from this item because her husband owns stock in Union Pacific Railroad.

2) CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

(Government Code Section 54956.9(d)(1))

Name of case: Sipple v. City of Alameda, et al. (Los Angeles Superior Court Case No. BC462270)

REDEVELOPMENT SUCCESSOR AGENCY ITEM

3) CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

(Government Code Section 54956.9(d)(1))

Name of case: El Cerrito Redevelopment Agency Successor Agency v. Cohen, (Third Appellate District, Case No. C078064)

ORAL COMMUNICATIONS – *No speakers.*

RECESSED INTO CLOSED SESSION at 6:04 p.m.

ADJOURNED SPECIAL CONCURRENT CITY COUNCIL/REDEVELOPMENT SUCCESSOR AGENCY MEETING – CLOSED SESSION at 6:50 p.m.

ROLL CALL

Councilmembers Abelson, Bridges, Lyman, Quinto and Mayor Friedman all present.

7:00 p.m. CONVENE REGULAR CITY COUNCIL MEETING

Mayor Friedman convened the regular City Council meeting at 7:00 p.m.

Mayor Friedman reported that the City Council had just met in Closed Session and directed the City Attorney to settle the first two matters listed on the Closed Session agenda and gave direction to staff regarding the Successor Agency item. *(Councilmember Abelson recused herself from the Closed Session regarding anticipated litigation because her husband owns stock in Union Pacific Railroad).*

1. PLEDGE OF ALLEGIANCE TO THE FLAG OR OBSERVATION OF MOMENT OF SILENCE was led by Councilmember Jan Bridges.

2. COUNCIL / STAFF COMMUNICATIONS

Mayor Friedman thanked the Rosenberg family for donating 1.68 acres of land located at to the City. The land is located on King Drive.

Councilmember Quinto reported that he attended a Sierra Club dinner on October 30 and congratulated El Cerrito resident Paloma Pavel who was honored at the dinner. Richmond City Councilmembers Gayle McLaughlin and Jovanka Beckles were also in attendance.

Mayor Pro Tem Lyman invited all to a free showing of the movie, Sundar Shadi's Gifts, at the Cerrito Theater on November 14 at 11:00 a.m. Mayor Pro Tem Lyman also reported that Marin Clean Energy (MCE) recently sent a mailing to residents regarding what the MCE portfolio looks like. The MCE energy portfolio is doing quite well compared to Pacific Gas & Electric (PGE).

Councilmember Abelson reported that several councilmembers attended the grand opening of Resources for Community Development's Ohlone Gardens affordable housing project located at 6431-6495 Portola Drive, El Cerrito. The project offers 57 units of affordable housing designed in a tasteful manner and features a play area on the upper level. Although it is located next to BART, the triple paned windows prevent one from hearing the trains go by. The project hopes to achieve LEED Platinum certification. Councilmember Abelson also noted the success of the Recreation Department's annual Halloween carnival and haunted house events and announced that the Senior Center is offering an informative seminar on the digestive system on November 18 at 1:15 p.m..

Mayor Friedman reported that he and Mayor Pro Tem Lyman presented a Mayoral Proclamation to Barbara Davis at the St. Peter Christian Methodist Episcopal (CME) Church for her many years of service to the community. Mayor Friedman thanked Patricia Durham for setting up the presentation and Reverend Williams for his hospitality and inspiration.

3. ORAL COMMUNICATIONS FROM THE PUBLIC

Al Miller, El Cerrito, encouraged all to attend Assemblymember Tony Thurmond's Education Town Hall meeting on November 5 and a Senior Resource Fair on November 4.

Paul Fadelli, El Cerrito, thanked the City Council for considering the Sundar Shadi Proclamation this evening and shared his memories of visiting the Shadi Display.

James Hardy, El Cerrito, asked the City for assistance in addressing a problem with oversized vehicles parking in his neighborhood. This creates a blind spot when he backs out of his driveway. Several large trucks have been parked on Potrero Avenue in the last couple of months. Mr. Hardy said he has not seen a parking monitor tagging vehicles in a couple of months.

4. PRESENTATION

El Cerrito – Kensington Community Wildfire Protection Plan – Presentation by Cheryl Miller, Executive Director, Diablo Fire Safe Council.

Action: Received presentation.

5. ADOPTION OF THE CONSENT CALENDAR – Item Nos. 5A through 5J

Moved, seconded (Lyman/Abelson) and carried unanimously to approve Consent Calendar item Nos. 5A through 5J as indicated below.

A. Minutes for Approval

Approve the October 6, 2015 Regular City Council meeting minutes.

Action: Approved minutes.

B. Proclamation Recognizing the El Cerrito Preschool Cooperatives 75th Anniversary

Approve a proclamation congratulating and honoring the El Cerrito Preschool Cooperative for its 75 years of valuable service to the children and parents of the community, and extending to those parents and teachers, the City Council's best wishes for a bright future.

Action: Approved proclamation.

C. Proclamation Recognizing the Sundar Shadi Holiday Display

Approve a proclamation recognizing the Sundar Shadi Holiday Display and the dedication and on-going commitment of volunteers in continuing the tradition of sharing the Holiday Display as a gift to the community and celebrating this unique part of El Cerrito's history and culture.

Action: Approved proclamation.

D. Proclamation Declaring November 4, 2015 as "Shelter-in-Place Education Day"

Approve a proclamation recognizing the importance of preparing for emergencies and encouraging participation in the Contra Costa Community Awareness Emergency Response (CAER) Group's public education efforts. In support of the parents, teachers, students and staff that will be participating with hundreds of other schools and childcare centers in the Shelter-in-Place Drill, the City Council proclaims November 4, 2015, as "Shelter-in-Place Education Day" in the City of El Cerrito.

Action: Approved proclamation.

E. Amendment to the City's Neighborhood Traffic Management Program

Adopt a resolution amending the City's Neighborhood Traffic Management Program to re-classify Speed Humps as a Tier I Measure. *Exempt from CEQA.*

Action: Adopted Resolution No. 2015–65.

F. Funding Appropriation for Tree Hazard Reduction Work in City Parks

Adopt a resolution: 1) Approving an additional appropriation of \$35,000 from the unrestricted General Fund balance as part of a mid-year budget adjustment to the Fiscal Year (FY) 2015-16 Adopted Budget to address tree hazard reduction work in City parks; and 2) Authorizing the City Manager to enter into an agreement with West Coast Arborists in an amount not to exceed \$25,000 for hazard reduction work in Arlington and other City parks. *Exempt from CEQA.*

Action: Adopted Resolution No. 2015–66.

G. Professional Services Agreement with Management Partners

Adopt a resolution authorizing the City Manager to execute an amendment to the Professional Services Agreement between the City of El Cerrito and Management Partners (Consultant) to provide support services to the Community Development Department in an amount not to exceed \$22,000 bringing the total contract to an amount not to exceed \$42,000.

Action: Adopted Resolution No. 2015–67.

H. First Amendment to License Agreement with BART for Ohlone Greenway

Adopt a resolution authorizing the City Manager to execute the First Amendment to the License Agreement (First Amendment) by and between the San Francisco Bay Area Rapid Transit District (BART) and the City of El Cerrito (City) regarding improvement, operation, and maintenance of the BART owned portion of the Ohlone Greenway. *Exempt from CEQA.*

Action: Adopted Resolution No. 2015–68.

I. 2014 Pavement Rehabilitation Project, City Project No. C3074 – Funding Appropriation for Tree Work on Manila Avenue

Adopt a resolution amending the Capital Improvement Program/Annual Program of Maintenance and Improvement pursuant to the Measure A Street Improvement Program and the Fiscal Year (FY) 2015-16 Adopted Budget to appropriate an additional \$18,750 in the Measure A Street Improvement Fund (Fund 211) for completion of tree installation work under the 2014 Pavement Rehabilitation Project, City Project No. C3074. *Exempt from CEQA.*

Action: Adopted Resolution No. 2015–69.

J. Committee on Aging Appointment

Approve a Committee on Aging recommendation to appoint Margot Allen to the Committee on Aging, effective November 3, 2015.

Action: Approved recommendation.

6. PUBLIC HEARINGS – None**7. POLICY MATTERS****CITY COUNCIL ITEM****A. Minimum Wage Ordinance**

Receive a presentation, hear public comments and upon conclusion, introduce by title, waive any further reading, and approve an ordinance amending the El Cerrito Municipal Code Title

6 (“Business Permits and Regulations”) by adding a new Chapter 6.95 (“City Minimum Wage Standards”).

Presenter: Suzanne Iarla, Assistant to the City Manager.

Speakers: Contra Costa Supervisor John Gioia, acknowledged the City Council for its leadership, particularly Mayor Friedman, for leading the minimum wage effort in El Cerrito. Supervisor Gioia said that a quarter of the households in Contra Costa County do not earn a wage that has been defined by the United Way as self-sufficient. El Cerrito is taking the lead to be the first city to adopt an ordinance that will hopefully become a model ordinance countywide. Adopting a minimum wage ordinance will help not just families in El Cerrito but will also be part of a larger countywide effort which will simplify compliance, enforcement and will have regional benefits.

Rita Xavier, San Pablo, President of the League of Women Voters – Contra Costa County, stated that the U.S. League of Women Voters believes that one of the goals of social policy should be to promote self-sufficiency for individuals and families and that the most effective social programs are those designed to prevent or reduce poverty. Minimum/Living Wage is also a California League of Women Voters priority for education and action in 2015-2017. Ms. Xavier said, without mentioning specific dollar amounts, that the League of Women Voters supports a minimum wage.

William White, United Way of the Bay Area, stated that he supports the minimum wage proposal. The United Way strongly believes that a minimum wage ordinance is one of the most powerful tools that local governments have at their disposal to lift up working families in Contra Costa County. Mr. White said a household in Contra Costa County consisting of two adults and two children would need to earn \$71,000 or more per year just to be self-sufficient and meet basic needs. Mr. White stated that the United Way is hoping that passing the ordinance will set a standard for other cities in the County. The United Way applauds the City Council’s leadership and consideration of the ordinance and strongly urges the City Council to pass a minimum wage ordinance.

Rochelle Pardue-Okimoto, El Cerrito and Vice-Chair of the Human Relations Commission (HRC), stated that the HRC supports an ordinance that increases the minimum wage to \$15/hour. Ms. Pardue-Okimoto encouraged the City Council to include sick time in the ordinance and stated that sick time protects the worker and the public and is important to individuals, families and the community. Ms. Pardue-Okimoto stated that the Human Relations Commission, in considering the concept of minimum wage, discussed the importance of supporting small businesses with a campaign to shop local and shop El Cerrito and make sure businesses are supported while they support their workers.

David McCoard, representing the Sierra Club and as a resident of El Cerrito, stated that the City Council had received a letter from the San Francisco Bay Chapter of the Sierra Club encouraging the passage of a higher minimum wage in El Cerrito.

Sue Goldberg, El Cerrito, stated that she very much appreciates the direction the Council is taking and strongly supports minimum wage increases, particularly \$15 an hour by 2018 because of the increased cost in housing. Ms. Goldberg also stated that an increase should come sooner than July 2016 and include the implementation of paid sick leave days.

George Gager, El Cerrito, Arts and Culture Commission and Economic Development Committee member, stated that the average median income for a family of four in the United States is \$51,939. In San Francisco it is \$101,900. In Contra Costa County the median is \$92,900. Mr. Gager urged the City Council to pass the proposed ordinance and consider accelerating increases in the minimum wage in the future.

Al Miller, El Cerrito, stated that, in reviewing supplemental communications, that he was appalled to find out that someone suggested that Well Grounded Coffee and Tea located on Stockton Avenue was exploiting employees by paying them less than \$15/hour. Mr. Miller stated that the proprietors of Well Grounded, Kevin and Jen, have established a community around Well Grounded that spreads beyond the boundaries of El Cerrito. Mr. Miller said he

was angry that someone would make unsupported comments in public about people who have contributed so much to the young employees that they train. Mr. Miller expressed his support for the minimum wage proposal but wishes that it would be implemented sooner. Mr. Miller urged the Council to consider a training wage for those employed for the first time that would be below the proposed minimum wage for small businesses like Well Grounded that would result in a promotion to the full minimum wage upon successful completion of training.

Susan Grant, Senior Helpers, a provider of in-home non-medical care with an office in El Cerrito, stated that raising the minimum wage would damage the elderly. Ms. Grant stated that raising the minimum wage is okay for other business sectors but will be devastating for those who receive 24 hour care. Ms. Grant asked the City Council to exempt the in-home care industry because [the minimum wage proposal] will result in paying caregivers \$122,000 a year for regular and overtime pay without consideration of additional employer costs and will impact protections for the caregiver, client and taxes, particularly if the jobs go underground.

Margaret Hanlon-Gradie, Executive Director of the Contra Costa AFL-CIO Labor Council, stated that raising the minimum wage, among other measures, is a way to strengthen families and communities in an age of economic inequality. Ms. Hanlon-Gradie thanked the City Council for its leadership and work and noted Labor's appreciation that there are no exemptions in the proposed ordinance and that the wage is indexed to CPI in 2020. Ms. Hanlon-Gradie stated that service charges need to be dedicated to the worker providing the service and that this protection needs to be in the ordinance along with a sick leave policy.

Wendy Bloom, Berkeley and member of California Nurses Association, reported on the status of Berkeley's minimum wage efforts and stated that El Cerrito is coming in behind the region. Ms. Bloom asked the City Council to consider starting at a higher minimum wage to achieve consistency in the region and include sick leave and service charge protections, and enable strong enforcement.

Gabriel Hagland, Oakland, SEIU, applauded the City Council's leadership for bringing the issue to the forefront, summarized polling that had been done in the region and stated that it would be a mistake to go forward without paid sick leave and service protections.

Dan Jameyson, SEIU 1021, thanked the City Council for its leadership and stated that SEIU strongly supports the inclusion of paid sick leave, and a minimum wage of \$12.50 upon adoption with increases to \$15 by 2018.

Kevin O'Neal, El Cerrito, stated that people are not shopping in El Cerrito. Mr. O'Neal summarized the differences in population, economic sectors, commuter influx, business license tax and sales tax in El Cerrito versus San Francisco. The City Council is expecting a lot from a small amount of people to pave the way for the minimum wage increase. Mr. O'Neal urged the Council to think about ways to bring more businesses to El Cerrito and for consumers to spend money here. Raising the minimum wage will raise the cost of living of people that live in El Cerrito. Mr. O'Neal asked the Council to consider making an exemption for people under 18.

Mariana Moore, Director, Ensuring Opportunity Campaign to End Poverty in Contra Costa County, stated that increasing the minimum wage is a proven strategy to reduce poverty. Ms. Moore acknowledged the City Council, the Democratic Club and all the partners throughout the County for their leadership. The UC Berkeley Labor Study showed that increasing the minimum wage to \$15/hour will benefit 1/3 of the workforce in the County. Ms. Moore said that it is her hope that the ordinance approved this evening will become a model that other cities can build on.

Jim Becker, CEO, Richmond Community Foundation and Co-Chair of the Ensuring Opportunity Campaign, acknowledged the work of the Council, staff and community leaders. Mr. Becker stated that poverty is not a natural state. Raising the minimum wage is the right thing to do and El Cerrito has the opportunity to be the champion for Contra Costa County.

Reverend Kevin Omi, Sycamore Congregational Church of Christ in El Cerrito, encouraged the Council to pass a comprehensive ordinance which would include paid sick leave days and service charge protections by 2018.

Jessica Lynam, on behalf of the El Cerrito members of the California Restaurant Association, stated that local businesses are struggling to make ends meet while employing workers that mean the most to their operation. Members in El Cerrito are operating on a thin profit margin of 3.5%. The UC Berkeley study showed that costs would increase the most in the restaurant industry. It would be 6.9% by 2020 due to a minimum wage increase. Restaurant owners are considering options such as whether to forgo expansion, lay-off employees, cut hours or close. The Association encouraged the Council to enact a more targeted ordinance to avoid unintended consequences and extend the training period to match Richmond's and exempt workers under the age of 17. Ms. Lynam asked the Council to look into a total compensation model to avoid wage inequality and compression in restaurants and commended the Council for not including paid sick leave and service charges in the proposed ordinance.

Nicholas Arzio, El Cerrito, stated that staff presented a five year schedule for public input at several community meetings with \$12/hour which is slightly different than the \$11/hour that is presented to the Council this evening. The El Cerrito Democratic Club resolution identified rates that would be no less than those identified in Richmond's ordinance. The Democratic Club would like to see slightly higher rates in 2016 and 2017 and an earlier start time.

Nicholas Gallore, El Cerrito, said that raising the minimum wage is a step in the right direction. Mr. Gallore said it was his recollection that the majority of those who attended the Council's August 18 study session spoke in favor of moving forward with a minimum wage of \$15/hour by 2018. Mr. Gallore asked the Council to move forward with an ordinance that includes \$15/hour by 2018 and paid sick leave. Mr. Gallore asked the Council to listen to small businesses to avoid negative impacts, find some way to exempt businesses that bring young people into the job market, and help the elderly.

Reverend Kurt Kuhwald, Oakland, said the disparity in wealth and wages is a moral issue. Increasing wages for workers affirms the integrity of the work they are doing. Raising the minimum wage is a way to attack disparity and increase individual security. Reverend Kuhwald encouraged the Council to consider including paid sick days in the ordinance.

Reverend Dr. Melinda McLain, Mira Vista United Church of Christ, applauded the Council and the civility of the proceedings. Reverend McLain stated that this is a moral issue about basic human dignity, encouraged a more rapid implementation and the inclusion of sick leave at some point.

Jennifer Lin, Eastbay Alliance for a Sustainable Economy (EBASE), stated that EBASE is heartened by some of the aspects of the model policy presented to the Council this evening however it is not the actual model policy that EBASE would like to see. Improvements that could be made are a faster increase in the minimum wage, inclusion of paid sick days and/or service charge protections. The City of Oakland just released a report on its six month implementation of the minimum wage including paid sick leave and service charge protections. The report includes a survey of 110 businesses. Ms. Lin expressed her hope that the Council would make the minimum wage ordinance the best policy possible.

Tina Sandoval, Richmond, stated that she is a fast-food worker. Those currently making minimum wage are struggling and are having to make sacrifices. Ms. Sandoval said she cannot afford to have her daughter and son together in this Country and queried why there has to be a wait for the minimum wage to increase.

Jenny Divish, Richmond, described the difficulties of those that currently work at minimum wage. Ms. Divish encouraged the Council to pass a minimum wage ordinance with sick time provisions.

Melody Howe Weintraub, Multi-Faith Action Coalition, thanked the City Council for its work in discussing the minimum wage ordinance. Ms. Weintraub encouraged the Council to support the ordinance with the addition of a hospitality charge protection and paid sick leave.

Irene Segura, SEIU caregiver in El Cerrito, San Pablo and Richmond spoke in support of the minimum wage. Ms. Segura said home caregivers work hard with elderly and disabled individuals to improve quality of life. Often, individuals do not have enough hours authorized for good quality care but caregivers will help them to make sure they are okay. Ms. Segura said she feels that her work is valuable enough to be paid a minimum wage and she should not have to struggle to survive.

Tom Panas, El Cerrito, stated that he was supportive of the proposed ordinance and thanked Al Miller for sharing his thoughts regarding the salacious suggestions that the owners of Well Grounded exploit their workers and encouraged support for Mr. Miller's remedies for small local businesses.

Servant Brian K. Woodson, Sr., El Cerrito, Faith Alliance for a Moral Economy, thanked the Council and urged the Council to do as much as it can, and as quick as it can, in approving the minimum wage ordinance including sick days and tip protection.

Bob Lane, Multifaith Action Coalition and Faith Alliance for a Moral Economy, encouraged the Council to consider a sick leave provision in the ordinance as it is a public health issue and not just a matter of an employer relationship but affects the health of the public. Additionally, the difference in reaching \$15/hour in 2018 versus 2020 is an additional \$6,000 for a low paid worker.

Mabel Lam, SEIU, spoke in support of home healthcare providers. Home healthcare providers act as a lifeline to some of the City's most vulnerable residents, those that are chronically disabled or are elderly. Ms. Lam said she sees home healthcare workers struggle on a day to day basis just to make ends meet. Receiving sick leave is a benefit that many home healthcare workers are currently exempt from. Having a minimum wage increase would enable home healthcare providers to live in the communities where they currently serve. Ms. Lam encouraged the Council to approve a policy that is as expedient and comprehensive as possible.

Actions: Moved, seconded (Lyman/Bridges) and carried unanimously to approve by title, waive any further reading, an ordinance amending El Cerrito Municipal Code Title 6 ("Business Permits and Regulations") a new Chapter 6.95 ("City Minimum Wage Standards") as revised to include the following changes:

1) Add an additional finding, "Whereas, in 2010, over 30% of the households in El Cerrito were considered to be Low, Very Low or Extremely Low income households;"

2) Amend Section 6.95.40(B) to read:

B. The Minimum Wage rate shall be as follows:

1. Beginning on July 1, 2016, the Minimum Wage shall be an hourly rate of ~~\$11.00~~ \$11.60 per hour.

2. Beginning on January 1, ~~2018~~ 2017, the Minimum Wage shall be an hourly rate of ~~\$13.00~~ \$12.25 per hour.

3. Beginning on ~~July~~ January 1, ~~2019~~ 2018 the Minimum Wage shall be an hourly rate of ~~\$14.00~~ \$13.60 per hour.

4. Beginning on ~~July~~ January 1, ~~2020~~ 2019, the Minimum Wage shall be an hourly rate of \$15.00 per hour.

5. Beginning on ~~July~~ January 1, ~~2021-2020~~ and each ~~July~~ -January 1 thereafter, the Minimum Wage shall increase by an amount equal to the prior year's increase, if any, in the CPI, as determined by the United States Department of Labor. The City shall use the ~~February-to-February~~ August-to-August change in the CPI to

calculate the annual increase, if any. A decrease in the CPI shall not result in a decrease of the Minimum Wage; and

- 3) Change the words “May” and “July” in Section 6.95.060(A) to “November” and “January.”

The City Council also directed staff to return to the City Council in February 2016 regarding options for policies related to paid sick leave and hospitality charge protections.

REDEVELOPMENT AGENCY SUCCESSOR AGENCY ITEM

B. Long Range Property Management Plan

Adopt a Successor Agency resolution approving and authorizing the submittal of a Long Range Property Management Plan to the Oversight Board and State Department of Finance.

Presenter: Melanie Mintz, Community Development Director

Action: Moved, seconded (Lyman/Abelson) and carried unanimously to adopt Successor Agency Resolution No. 2015–03.

8. COUNCIL LOCAL AND REGIONAL LIAISON ASSIGNMENT REPORTS

Mayor Pro Tem Lyman reported that the MCE Board received a presentation on the Draft Environmental Report for a large solar panel project in Richmond. The goal is to break ground by July 2016. The project will provide more local jobs installing solar panels on forty acres of former Chevron property.

At the October 29 West County Integrated Waste Management/RecycleMore Authority Joint Powers Authority (JPA) Board meeting, the Board considered its reserve accounts and resolved to retain \$1.7 million for one time capital improvement projects and expenses and \$1.3 million for a revolving operating fund of which \$1 million will be available for use in any given year and \$300,000 of permanent reserve to protect against litigation and lawsuits that have not been planned for. The reserve accounts currently total \$7.7 million. RecycleMore is planning to disburse \$4.7 million. El Cerrito will be getting a little more than \$500,000 of the disbursement. The Board will be discussing what the JPA will look like in the future. Mayor Pro Tem Lyman stated that it is his recommendation that the City remain in the JPA.

9. ADJOURNED at 10:20 p.m.

COMMUNICATIONS RECEIVED PRIOR TO THE COUNCIL MEETING by October 30, 2015

Item No. 7(A) Minimum Wage Ordinance

1. Exploiting young people? – *Email submitted by Kevin O’Neal, Well Grounded Tea & Coffee Bar, El Cerrito.*
2. City minimum wage; high school student case – *Submitted by Robert MacDonald, El Cerrito.*

SUPPLEMENTAL COMMUNICATIONS AND REPORTS RECEIVED AFTER THE AGENDA PACKET WENT TO PRINT

3. Errata sheet and revised ordinance containing additional staff recommendations – *Submitted by Suzanne Iarla, Assistant City Manager.*
4. Comments on the proposed minimum wage ordinance – *Submitted by Margaret Hanlon-Gradie, Executive Director, Central Labor Council of Contra Costa County AFL-CIO.*

5. Comments on proposed minimum wage ordinance – Submitted by Jessica Lynam, Director, Government Affairs + Public Policy, California Restaurant Association.
6. Comments on proposed minimum wage ordinance – *Submitted by California Nurses Association, Contra Costa County Labor Council, AFL-CIO, East Bay Alliance for a Sustainable Economy, East Bay Organizing Committee, the Fight for \$15 organization of fast food workers, SEIU 1021, SEIU 2015, UNITE HERE 2850, United Food and Commercial Workers/Making Change at Walmart through Jennifer Lin, EBASE.*
7. Clergy and faith leaders applaud leadership in taking concrete steps to improve the lives of the lowest-paid workers in El Cerrito – *Submitted by Faith Alliance for a Moral Economy; A project of EBASE, Oakland and signed by 9 faith leaders who serve and/or live in El Cerrito through Jennifer Lin, EBASE.*
8. Powerpoint presentation – Submitted by Suzanne Iarla, Assistant City Manager.
9. Letter urging passage of a higher minimum wage in El Cerrito – *Submitted by Michelle Myers, Sierra Club.*
10. Letter urging serious consideration of the proposed minimum wage ordinance – *Submitted by Congressman Mark DeSaulnier.*

ORDINANCE No 2015–09

AN ORDINANCE OF THE CITY OF EL CERRITO AMENDING THE EL CERRITO MUNICIPAL CODE BY ADDING A NEW CHAPTER 6.95 (“CITY MINIMUM WAGE STANDARDS”)

WHEREAS, the current Federal minimum wage rate is \$7.25 per hour, and the California minimum wage will be \$10.00 per hour on January 1, 2016; and

WHEREAS, the cost of living in the San Francisco Bay area is higher than the national average and many families in Contra Costa County struggle to cover basic household expenses; and

WHEREAS, a county-wide increase of the minimum wage to \$15 per hour by 2020 would benefit about 33% of Contra Costa’s workforce, and 89% of working poor families; and

WHEREAS, a county-wide increase of the minimum wage to \$15 per hour by 2020 would bring the minimum wage up from 38% to 50.1% of the Contra Costa median full-time wage, well within the historical range of the ratio for the federal minimum wage to the national median full-time wage; and

WHEREAS, in Contra Costa County, more than half of workers receiving the minimum wage are employed in four industries: retail trade (19.9%), food services (17.9%), health services (9.4%), and administrative and waste management services (8.4%), a classification that includes building services contractors and employment agencies, and

WHEREAS, in 2014, there were 453 companies operating in El Cerrito with a total of 5,035 employees; and

WHEREAS, over half the jobs in El Cerrito in 2014 were concentrated in the retail, accommodation and food services, health care and social assistance, and administrative and waste management services industries; and

WHEREAS, a county-wide increase of the minimum wage to \$15 per hour by 2020 would likely result in only modest prices increases for consumers spread over five years, generally ranging from 0.2% to 1.9% annually with most notably an estimated 7% overall increase in operating costs for restaurants; and

WHEREAS, other jurisdictions in the region are considering enacting a minimum wage that is higher than the minimum wage required by federal and state law, and the Cities of San Francisco, Oakland, Emeryville, Berkeley, San Jose, Mountain View, Sunnyvale, Santa Clara, Palo Alto, and Richmond have already adopted such a minimum wage; and

WHEREAS, in an effort to help working households achieve economic security and acknowledging the higher relative cost of living in San Francisco Bay Area, the City Council of the City of El Cerrito wishes to enact a citywide minimum wage that is higher than the minimum wage required by the federal and state rates; and

WHEREAS, payment of a minimum wage advances the interests of the City as a whole, by creating jobs that keep workers and their families out of poverty; and

WHEREAS, a higher minimum wage rate protects the public health, safety and welfare by requiring that workers employed in El Cerrito are compensated in such a manner as to enable and facilitate their individual self-reliance within the City of El Cerrito; and

WHEREAS, the City Council of the City of El Cerrito may desire to consider additional benefits to workers employed in El Cerrito in the future beyond those required by the State, including enhanced paid sick leave, as other communities within the region explore additional ways to improve the lives of workers in the San Francisco Bay Area; and

WHEREAS, in 2010, over 30% of the households in El Cerrito were considered to be Low, Very Low or Extremely Low income households; and

WHEREAS, the City of El Cerrito may adopt a higher minimum wage pursuant to the powers vested in the City under the laws and Constitution of the State of California including but not limited to the police powers vested in the City pursuant to Article XI, Section 7 of the California Constitution and section 1205(b) of the California Labor Code; and

WHEREAS, it is the intent of the City Council, in enacting a minimum wage ordinance, to ensure compliance with the business standards and practices of the City and to increase the minimum wage for workers within the geographic boundaries of the City.

NOW THEREFORE, The City Council of the City of El Cerrito does hereby ordain as follows:

SECTION 1. FINDINGS.

The above recitals are hereby declared to be true and correct and are findings of the City Council of the City of El Cerrito.

SECTION 2. AMENDMENT OF EL CERRITO MUNICIPAL CODE TITLE 6

Chapter 6.95 (“City Minimum Wage Standards”) is hereby added to Title 6 (“Business Permits and Regulations”) of the El Cerrito Municipal Code to read as follows:

CHAPTER 6.95 CITY MINIMUM WAGE STANDARDS

6.95.010 – Title.

6.95.020 – Authority.

6.95.030 – Definitions.

6.95.040 – Minimum Wage.

6.95.050 – Exemptions and Waivers.

6.95.060 – Notice, Posting and Payroll Records.

6.95.070 – Retaliation Barred.

6.95.080 – Implementation.

6.95.090 – Enforcement.

6.95.100 – Private Rights Of Action.

6.95.110 – Remedies.

6.95.120 – No Preemption of Higher Standards.

6.95.130 – Fees.

6.95.010 Title. This Chapter shall be known as the “City Minimum Wage Standards.”

6.95.020 Authority. This Chapter is adopted pursuant to the powers vested in the City of El Cerrito under the laws and Constitution of the State of California, including but not limited to, the police powers vested in the City pursuant to Article XI Section 7 of the California Constitution and Section 1205(b) of the California Labor Code.

6.95.030 Definitions. As used in this Chapter, the following capitalized terms shall have the following meanings:

A. "City" shall mean the City of El Cerrito or any person, business, or public agency designated by the city council or city manager to perform various investigative, enforcement and informal resolution functions pursuant to this chapter.

B. “CPI” shall mean the Consumer Price Index for urban wage earners and clerical workers for the San Francisco-Oakland-San Jose, CA metropolitan statistical area (or if such index is discontinued, then in the most similar successor index).

C. "Employee" shall mean any person who:

1. In a particular week performs at least two hours of work within the geographic boundaries of the City for an Employer; and

2. Qualifies as an employee entitled to payment of a minimum wage from any employer under the California minimum wage law, as provided under Section 1197 of the California Labor Code and wage orders published by the California Industrial Welfare Commission.

D. "Employer" shall mean any Person who conducts business in the City, or maintains a business facility in the City, and directly or indirectly (including through the services of a temporary services, staffing agency or similar entity) employs or exercises control over the wages, hours or working conditions of any Employee. Any person exempt from payment of the California minimum wage is not an Employer for the purposes of this Chapter.

E. “Minimum Wage” shall have the meaning set forth in Section 6.95.040.

F. “Person” shall mean any individual, association, organization, partnership, business trust, limited liability company, corporation or other legal entity.

G. “Particular week” shall mean any seven consecutive days, starting with the same calendar day each week beginning at any hour on any day, so long as it is fixed and regularly occurring.

1. An employer may establish the day of week when an employee's "particular week" starts, but once an employee's workweek is established, it remains fixed regardless of his /her working schedule.

2. An employer may change an employee's workweek only if the change is intended to be permanent and is not designed to evade an employer's obligations to this chapter.

6.95.040 Minimum Wage.

A. Employers shall pay Employees no less than the Minimum Wage for each hour worked within the geographic boundaries of the City.

B. The Minimum Wage rate shall be as follows:

1. Beginning on July 1, 2016, the Minimum Wage shall be an hourly rate of \$11.60 per hour.

2. Beginning on January 1, 2017, the Minimum Wage shall be an hourly rate of \$12.25 per hour.

3. Beginning on January 1, 2018, the Minimum Wage shall be an hourly rate of \$13.60 per hour.

4. Beginning on January 1, 2019, the Minimum Wage shall be an hourly rate of \$15.00 per hour.

5. Beginning on January 1, 2020, and each January 1 thereafter, the Minimum Wage shall increase by an amount equal to the prior year's increase, if any, in the CPI, as determined by the United States Department of Labor. The City shall use the August to August change in the CPI to calculate the annual increase, if any. A decrease in the CPI shall not result in a decrease of the Minimum Wage.

C. An Employer may not count an Employee's tips or gratuities as a credit toward the Employer's obligation to pay the Employee the Minimum Wage.

D. An Employer who compensates Employees, in whole or in part, on a commission basis that is consistent with State and Federal law, may count commission earnings toward its obligation to pay the Minimum Wage.

E. Whenever the California Labor Code requires an employee to be paid at a rate using a formula based on the state minimum wage, the same formula shall be used to calculate the payment of an employee under this Chapter, except that the local Minimum Wage shall be used. This section shall also apply to learners and apprentices eligible to be paid less than the minimum wage under the provisions of the Labor Code and the regulations of the Department of Industrial Relations.

6.95.050 Exemptions and Waivers.

A. Individual Waiver Prohibited.

Any waiver by an individual Employee of any of the provisions of this Chapter shall be deemed contrary to public policy and shall be void and unenforceable. Any request to an individual Employee by an Employer to waive his or her rights under this Chapter shall constitute a violation of this Chapter.

B. Waiver through Collective Bargaining.

To the extent required by federal law, all or any portion of the applicable requirements of this chapter may be waived in a bona fide collective bargaining agreement, provided that such waiver is explicitly set forth in such agreement in clear and unambiguous terms.

6.95.060 Notice, Posting And Payroll Records.

A. By November 1 of each year, the City shall publish and make available to Employers a bulletin announcing the adjusted Minimum Wage rate for the upcoming year, which shall take effect on January 1. In conjunction with this bulletin, the City shall publish and make available to Employers, in all languages spoken by at least ten percent of the workforce in the City, a notice suitable for posting by Employers in the workplace informing Employees of the current Minimum Wage rate and of their rights under this Chapter.

B. Every Employer shall post, in a conspicuous place at any workplace or job site where any Employee works, the notice published each year by the City informing Employees of the current Minimum Wage rate and of their rights under this Chapter. Every Employer shall post such notices in any language spoken by at least ten percent of the Employees at the workplace or job site. In the event that at least ten percent of the Employees at a workplace or job site speak a language for which the City does not publish and make available a notice, the Employer shall be responsible for accurately translating the notice published by the City. Every Employer shall also provide each Employee at the time of hire with the Employer's name, address, and telephone number in writing.

C. Employers shall maintain for at least three years a record for each Employee, which shall include the Employee's name, hours worked, pay rate, and service charges collected and distributed. Upon an Employee's reasonable request, Employers shall provide that Employee with a copy of his or her records within ten calendar days.

D. Employers shall permit access to work sites and relevant records for authorized City representatives, with appropriate notice and during normal business hours or at a mutually agreeable time, for the purpose of monitoring compliance with this Chapter and investigating employee complaints of noncompliance, including production for inspection and copying of its employment records, but without allowing social security numbers to become a matter of public record. Relevant payroll records may include all time cards, cancelled checks, cash receipts, books, documents, schedules, forms, reports, receipts or other evidences which reflect job assignments, work schedules by days and hours, and the disbursement of payments to an employee(s). Where an Employer does not maintain or retain adequate records documenting wages paid, or does not allow the City reasonable access to such records, the Employee's account of how much he or she was paid shall be presumed to be accurate, absent clear and convincing evidence otherwise. Any Employer who fails to maintain or retain adequate records may be subject to a fine or penalty pursuant to Section 6.95.090.

6.95.070 Retaliation Barred.

It is unlawful for an Employer to discriminate in any manner or take adverse action against any Employee, including but not limited to termination, reduction in compensation or number of hours worked, or reassignment of duties, in retaliation for the Employee exercising his

or her rights under this Chapter, including for making a complaint to the City, participating in any of its proceedings, using any civil remedies to enforce his or her rights, or otherwise asserting his or her rights under this Chapter. Taking adverse action against an Employee within 120 days of that Employee's exercise of rights protected by this Chapter shall raise a rebuttable presumption that the Employer acted in retaliation. The Employer may overcome this presumption by establishing, with clear and convincing evidence, a non-retaliatory reason for the adverse action.

6.95.080 Implementation.

A. Guidelines. The city manager or designee is authorized to establish an administrative procedure for receiving and investigating complaints of noncompliance with this Chapter and rendering the City's decisions on the merits of such complaints. The city manager or designee shall coordinate implementation and enforcement of this chapter and may promulgate appropriate guidelines or rules for such purposes. The city manager or designee is also authorized to establish administrative procedures and guidelines for the City initiating investigation and enforcement of noncompliance with this Chapter on its own accord and in the absence of a specific complaint.

B. Investigation. The City shall be responsible for investigating any possible violation of this chapter by an Employer or other person. The City shall have the authority to inspect workplaces, interview persons and request the city attorney to subpoena books, papers, records or other items relevant to the enforcement of this chapter.

C. Reporting Violations. An Employee or any other person may report to the City in writing any suspected violation of this chapter. The City shall encourage reporting pursuant to this subsection by keeping confidential, to the maximum extent permitted by applicable laws, the name and other identifying information of the Employee or person reporting the violation, provided, however, that with the authorization of such person, the City may disclose his or her name and identifying information as necessary to enforce this chapter or other labor laws. In order to further encourage reporting by Employees, if the City notifies an Employer that the City is investigating a complaint, the City shall require the employer to post or otherwise notify its Employees that the City is conducting an investigation, using a form provided by the City.

D. Informal Resolution. The City shall make every effort to resolve complaints informally, in a timely manner, and shall have a policy that the City shall take no more than one year to resolve any matter before initiating an enforcement action. However, the failure of the City to meet this one year deadline shall not be grounds for closure or dismissal of the complaint.

E. The City is authorized to award the same relief in its proceedings as a court may award. Employees are not required to pursue administrative remedies as a prerequisite for pursuing a civil action under this Chapter.

F. The city manager, upon approval by the City Council, may designate another agency or entity to administer this Chapter.

6.95.090 Enforcement.

Where compliance with the provisions of this Chapter is not forthcoming, as determined by the City in its sole discretion, the City may take any appropriate enforcement action to ensure compliance, including but not limited to the following:

A. The City may issue an Administrative Citation pursuant to provisions of the City's Municipal Code, El Cerrito Municipal Code Chapter 1.14. The amount of this fine shall vary based on the provision of this Chapter violated, as specified below:

1. A fine may be assessed for retaliation by an Employer against an Employee for exercising rights protected under this Chapter. The fine may be up to one thousand dollars (\$1,000.00) for each Employee retaliated against.

2. A fine of up to five hundred dollars (\$500.00) may be assessed for any of the following violations of this Chapter:

a. Failure to post notice of the Minimum Wage rate.

b. Failure to maintain payroll records for the minimum period of time as provided in this Chapter.

c. Failure to allow the City access to payroll records.

B. A fine equal to the total amount of appropriate remedies, pursuant to Section 6.95.110 of this Chapter. Any and all money collected in this way that is the rightful property of an Employee, such as back wages, interest, and civil penalty payments, shall be disbursed by the City in a prompt manner.

C. If a repeated violation of this Chapter has been finally determined, the City may require the employer to post public notice of the employer's failure to comply in a form determined by the city.

D. The City has the authority to waive or decrease the amount of any fee or civil penalty an Employer owes to the City under this Chapter.

E. The City Attorney may initiate a civil action for injunctive relief and damages and civil penalties in a court of competent jurisdiction.

F. Any Employer who receives an Administrative Citation under this Section may appeal such station pursuant to the provisions of El Cerrito Municipal Code Chapter 1.14.

6.95.100 Private Rights of Action.

Any Person claiming harm from a violation of this Chapter may bring an action against the Employer in a court of competent jurisdiction to enforce the provisions of this Chapter and shall be entitled to all remedies available to remedy any violation of this Chapter, including but not limited to back pay, reinstatement and/or injunctive relief. Violations of this Chapter are declared to irreparably harm the public and covered employees generally. The Court shall award reasonable attorney's fees, witness fees and expenses to any plaintiff who prevails in an action to

enforce this Chapter. Any Person who negligently or intentionally violates this Chapter shall be also liable for civil penalties up a maximum of \$1,000 for each violation, in addition to any other remedies provided.

6.95.110 Remedies.

A. The remedies for violation of this Chapter include but are not limited to:

1. Reinstatement, the payment of back wages unlawfully withheld, and the payment of an additional sum as a civil penalty in the amount of at least \$50 to each Employee whose rights under this Chapter were negligently or intentionally violated for each day or portion thereof that the violation occurred or continued, and fines imposed pursuant to other provisions of this Chapter or state law.

2. Interest on all due and unpaid wages at the rate of interest specified in subdivision (b) of Section 3289 of the California Civil Code, which shall accrue from the date that the wages were due and payable as provided in Part 1 (commencing with Section 200) of Division 2 of the California Labor Code, to the date the wages are paid in full.

3. Reimbursement of the City's administrative costs of enforcement and reasonable attorney's fees.

4. The City may require the Employer to pay an additional sum as a civil penalty in the amount of \$100 to the City for each Employee or person whose rights under this Chapter were violated for each day or portion thereof that the violation occurred or continued, and other penalties imposed pursuant to other provisions of this Code or state law.

B. The remedies, penalties and procedures provided under this Chapter are cumulative and are not intended to be exclusive of any other available remedies, penalties and procedures established by law which may be pursued to address violations of this Chapter. Actions taken pursuant to this Chapter shall not prejudice or adversely affect any other action, administrative or judicial, that may be brought to abate a violation or to seek compensation for damages suffered.

C. No criminal penalties shall attach for any violation of this Chapter, nor shall this Chapter give rise to any cause of action for damages against the City.

D. The city may place a lien or special assessment on an Employer's property for the recovery of any unpaid fines of penalties under this Chapter, pursuant to the procedures provided for in Chapter 1.08 of this Code.

6.95.120 No Preemption of Higher Standards.

The purpose of this Chapter is to ensure minimum labor standards. This Chapter does not preempt or prevent the establishment of superior employment standards (including higher wages) or the expansion of coverage by ordinance, resolution, contract, or any other action of the City. This Chapter shall not be construed to limit a discharged Employee's right to bring a common law cause of action for wrongful termination. In the event that the state or federal minimum wage is greater than the Minimum Wage provided for in this Chapter, the greater minimum wage shall apply.

6.95.130 Fees.

Nothing herein shall preclude the City Council from imposing a fee on all Employers to recover the cost of administering this Chapter.

SECTION 3. SEVERABILITY.

If any provision or application of this Ordinance is declared illegal, invalid or inoperative, in whole or in part, by any court of competent jurisdiction, the remaining provisions and portions thereof and applications not declared illegal, invalid or inoperative shall remain in full force or effect. The courts are hereby authorized to reform the provisions of this Ordinance in order to preserve the maximum permissible effect of each subsection herein. The City Council of the City of El Cerrito hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase hereof irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases be held unconstitutional, invalid, or unenforceable. Nothing herein may be construed to impair any contractual obligations of the City. This Ordinance shall not be applied to the extent it will cause the loss of any federal or state funding of City activities.

SECTION 4. NOTICING, POSTING AND PUBLICATION.

This Ordinance is adopted pursuant to the procedures established by state law, and all required notices have been given and the procedure for adoption has been properly held and conducted.

SECTION 5. EFFECTIVE DATE.

This Ordinance shall take effect and be enforced beginning on July 1, 2016, and prior to the expiration of fifteen days from the passage thereof, the Ordinance or a summary thereof shall be posted or published as may be required by law, and thereafter the same shall be in full force and effect.

THE FOREGOING ORDINANCE was introduced and first read at a regular meeting of the El Cerrito City Council on November 3, 2015, and approved by the following vote on November 3, 2015:

AYES:	Councilmembers Abelson, Bridges, Lyman, Quinto and Mayor Friedman
NOES:	None
ABSENT:	None
ABSTAIN:	None

ADOPTED AND ORDERED published at a regular meeting of the City Council held on November XX, 2015 and passed by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

Mark Friedman, Mayor

ATTEST:

Cheryl Morse, City Clerk

EL CERRITO CITY COUNCIL PROCLAMATION

Human Rights Month, December 2015

Human Rights Day, December 10, 2015

WHEREAS, on December 10, 1948, the member States of the United Nations signed the Universal Declaration of Human Rights and countries of different political, economic and social systems unanimously agreed on the fundamental rights that all people share solely on the basis of their common humanity; and

WHEREAS, the Universal Declaration of Human Rights asserts recognition of the inherent dignity and of the equal and inalienable rights of all members of the human family is the foundation of freedom, justice, and peace; and

WHEREAS, disregard for human rights has resulted in acts which have offended the conscience of humankind, and where the advent of the world in which human beings shall enjoy freedom of speech and belief and freedom from fear has been proclaimed as the highest aspiration of the common people; and

WHEREAS, the Universal Declaration is referred to as the primary definition of human rights standards and is increasingly referred to as customary international law, by which all countries should abide; and

WHEREAS, the primary responsibility to promote respect for these rights and freedoms lies with each individual in the City of El Cerrito, and each of us can play a major role in enhancing human rights; and

WHEREAS, the people of El Cerrito reaffirm their faith in fundamental human rights, in the dignity and worth of the human person and in the equal rights of men and women and have determined to promote social progress and better standards of life.

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of El Cerrito does hereby proclaim December 10, 2015 as Human Rights Day and December as Human Rights Month in the City of El Cerrito, and we encourage all residents to study and promote the ideas contained in the Universal Declaration of Human Rights to the end that freedom, justice, and equality will flourish and be made available to all.

Dated: November 17, 2015

Mark Friedman, Mayor



AGENDA BILL

Agenda Item No. 5(D)

Date: November 17, 2015
To: El Cerrito City Council
From: Lisa Malek-Zadeh, Finance Director/City Treasurer
Subject: Annual Review of Financial Policies

ACTION REQUESTED

Adopt a resolution approving changes to the City's Comprehensive Financial Policy and Investment Policy and rescinding and replacing Resolution 2012-13.

BACKGROUND

Currently there are two policies relating to the City's finances that require an annual review, the Investment Policy and Comprehensive Financial Policy. Each year the policies are reviewed by city staff and the Financial Advisory Board (FAB). Any recommended changes to these policies are brought to the City Council for review and approval. The policies were last reviewed by the City Council at its February 21, 2012 council meeting.

Both policies have been reviewed and discussed by the FAB at their October 13, 2015 meeting; FAB passed a motion to approve the policies with the revised changes. These changes are shown in "redline" form as Exhibits A and B to the attached Resolution.

FINANCIAL POLICY CHANGES

Both policies have been reviewed and discussed by the FAB. At the November 12, 2013 meeting FAB approved changes to the financial policies. These changes were again reviewed at the October 13, 2015 meeting where FAB made additional changes and passed a motion to approve the Investment Policy and Comprehensive Financial Policy with the recommended changes.

Suggested changes to the policies primarily include editing corrections, numbering inconsistencies and the addition or deletion of words to improve understanding. In addition, FAB adopted some substantive changes to the Comprehensive Financial Policy and recommends City Council approve the addition of two new sections as well as the change proposed to one of the sections. These are discussed in more detail below.

Financial Advisory Board Recommended Changes

Change Section 1.1 Ten-Year Plans

FAB recommends changing the requirement of a ten-year plan for the General Fund and Integrated Waste Fund to a 5-year plan.

New Section 3.3

FAB recommends the City have as a goal to achieve a minimum cash balance equal to 15 days of authorized operating expenses in order to meet anticipated City obligations without reliance on borrowed funds. Should the cash balance fall below the minimum due to unanticipated circumstances, the minimum cash balance should be restored as soon as practical.

New Section 3.8

The operating reserve shall be identified as cash or cash equivalents and be separately stated on the financial statements.

Staff Recommendation

Section 1.1

Staff agrees with FAB's recommendation and proposes City Council approve this change. A good long-term financial plan uses assumptions about economic conditions, future spending scenarios, and variables that are very hard to predict in the long term. For this reason, setting the minimum at five years will provide a more realistic plan. It is more likely that staff has information about the next two to three years and can prepare a better forecast based on known or likely information. Staff may include longer periods of time if there are significant future events that are known or are projected such as the end of revenue measure or significant increases in retirement costs that may impact the financial outlook, but this should not be required.

The information included in a five year plan is more reliable and realistic and will provide better information to make necessary decisions.

Section 3.3

As discussed over the last few years, with the loss of redevelopment funding and other 1-time events, the City has had to rely on the use of reserves more frequently than in prior years. This has reduced the amount and availability of reserve funds that can be used to cover expenses in months when revenues are low. For the last few years, the City has issued Tax Revenue Anticipation Notes (TRAN). This short term loan provides the City with sufficient cash to cover expenses when revenues are inadequate to cover ongoing expenses. In order to meet FAB's recommended goal, the City could not rely on borrowed funds such as the TRAN and would need to have on hand the equivalent of 15 days of operating expenses or about \$1.1 million- 1.5 million, based on an average month.

Staff agrees with FAB's recommendation to include the new section stating that it is the City's goal to achieve a minimum cash balance equal to 15 days of authorized operating expenses without the reliance on borrowed funds. As this is expressed as goal and not a requirement, and the City's financial position continues to improve each fiscal year, at some point it may no longer be required to issue a TRAN.

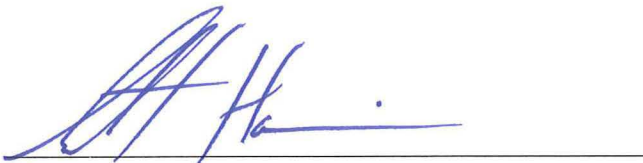
Section 3.8

Identifying the operating reserve as cash or cash equivalents proposed by FAB was already been implemented as part of the FY 2012-13 Comprehensive Annual Financial Report. While FAB's recommendation was to apply this requirement to the General Fund only, staff implemented this across all City funds. This provides a better understanding of the year end balances and available resources.

FINANCIAL CONSIDERATIONS

These policies are intended to provide financial direction to staff and greater assurance to the City Council on the processes and procedures taken to assure financial responsibility of the City. Continuing annual approval of these Financial Policies has been included in these drafts for the purpose of ongoing review and exposure of the policies to the City Council.

Reviewed by:



Scott Hanin
City Manager

Attachments:

- 1. City Resolution
 - Exhibit A - Comprehensive Financial Policy
 - Exhibit B - Investment Policy

RESOLUTION 2015-XX

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL CERRITO APPROVING
REVISIONS TO THE COMPREHENSIVE FINANCIAL POLICY AND INVESTMENT POLICY
AND RESCINDING RESOLUTION NO. 2012-13**

WHEREAS, the purpose of the Comprehensive Financial Policy and Investment Policy is to provide guidelines for operational and strategic decision making related to financial matters; and

WHEREAS, the Comprehensive Financial Policy and Investment Policy was last amended in February 2012 as a part of the annual review; and

WHEREAS, the Comprehensive Financial Policy and Investment Policy has been reviewed by the Financial Advisory Board; and

WHEREAS, revisions to both policies as recommended by the Financial Advisory Board and further recommended by City staff have been incorporated in the attached documents.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of El Cerrito hereby approves the revised City of El Cerrito Comprehensive Financial Policy and Investment Policy effective December 15, 2015 incorporated by reference and attached hereto as Exhibit A and Exhibit B.

BE IT FURTHER RESOLVED, that Resolution No. 2012-13 is hereby rescinded.

I CERTIFY that at a regular meeting on November 17, 2015 the City Council of the City of El Cerrito passed this Resolution by the following vote:

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

IN WITNESS of this action, I sign this document and affix the corporate seal of the City of El Cerrito on November __, 2015.

Cheryl Morse, City Clerk

APPROVED:

Mark Friedman, Mayor

City of El Cerrito
Comprehensive Financial Policy

Approved
Resolution:

PURPOSE:

To establish a comprehensive set of financial policies for the City that will serve as a guideline for operational and strategic decision making related to financial matters.

POLICY:

The following financial policies are intended to establish a comprehensive set of guidelines for use by the City Council and staff on decision-making that has a fiscal impact. The goal is to maintain the City's financial stability in order to be able to continually adapt to local, regional and national economic changes. Such policies will allow the City to maintain and enhance a sound fiscal condition.

This financial policy will be reviewed annually by the Financial Advisory Board and any proposed substantive revisions will be submitted to the City Council for approval. The City's comprehensive financial policies will be utilized when preparing the Annual Operating Budget and shall be in conformance with all state and federal laws, generally accepted accounting principles (GAAP) and standards of the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA).

1. OVERVIEW & LONG-TERM FINANCIAL PLANNING

- 1.1. A Five-Year Year Financial Plan will be prepared at a minimum for the General Fund, and Integrated Waste Management Funds. The City's Five-Year Financial Plan is the long-term picture of the City's finances and will be updated annually as part of the annual budget process.
- 1.2. The City shall seek a balance in the overall revenue structure between more stable revenue sources (e.g. Property Tax and Utility Taxes) and economically sensitive revenue sources (e.g., Sales Tax).
- 1.3. The City shall develop and maintain methods for the evaluation of future development and major fiscal impacts on the City budget.

- 1.4. The City shall develop and implement a financial plan to address its funding needs for issues like deferred maintenance and unfunded liabilities.
- 1.5. The City shall address issues related to cash flow requirements and any short term borrowing requirements on a timely basis.
- 1.6. The City shall require any annexation agreements to have a long- term beneficial financial impact on the City.

2. BUDGET POLICIES

- 2.1. The City Manager shall prepare a proposed annual budget to be reviewed by the Financial Advisory Board and presented to the City Council within all statutorily prescribed deadlines. The City Council will adopt the budget at a public hearing by June 30 of each year.
- 2.2. A Budget will be adopted by Resolution of the City Council annually, which will contain the budget amendment process, budget amendment authority, and spending authorities.

All departments are responsible for meeting the City's financial policy goals and ensuring the City's long-term financial health. Budget control is maintained at the fund level. The City Manager is authorized to transfer budgeted amounts within departments and within funds. In addition, amendments that are made to authorize spending of increased or new special purpose revenues may be approved by the City Manager. Budget modifications between funds or increases or decreases to a fund's overall budget must be approved by the City Council.

- 2.3. It is the City's policy to adopt a balanced General Fund budget where operating revenue is equal to, or exceeds, operating expenditures. In the event a balanced budget is not adopted, due to a

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deliberate reduction of accumulated fund balance or if the cause of the imbalance is expected to last for no more than one year, as with the case of a one time settlement or large purchase, the planned use of reserves to balance the budget is permitted as long as the reserve is consistent with the amounts described in Section 3., General Fund Balance Reserve Policy.

- 2.4. The operating budget shall serve as the annual financial plan for the City. It shall serve as the City's management plan for implementing goals and objectives of the City Council, City Manager and departments and will define service levels.
- 2.5. During the annual budget development process, the existing budget shall be examined to assure removal or reduction of any services or programs that should be eliminated or reduced in cost.
- 2.6. The annual review process shall include an assessment to determine if funds are available to operate and maintain proposed capital facilities and other public improvements.
- 2.7. Any year-end operating surpluses will revert to unappropriated balances for use in maintaining reserve levels set by policy and will be available for capital projects and/or one-time expenditures upon approval of the City Council/.
- 2.8. Where practical, the City's annual budget will include performance measures of workload, efficiency, and effectiveness.

2.9. Revenues:

2.9.1. The City will estimate annual revenues using an objective, analytical process; specific assumptions will be documented and maintained. Budgeted revenues will be estimated conservatively using accepted standards and estimates provided by the state, other governmental agencies, and/or reliable economic forecasters when available.

2.9.2. Specific revenue sources will not be dedicated for specific purposes, unless required by law or Generally Accepted Accounting Principles (GAAP). All non-tax increment, non-restricted revenues will be deposited in the General

Fund and appropriated through the budget process. On-going revenues will fund on-going expenditures.

2.9.3. A diversified and stable revenue system will be maintained to the extent possible to protect programs from short-term fluctuations in any single revenue source.

2.10. Appropriations:

2.10.1. The City shall, to the extent possible, pay for current year expenditures with current year revenues. Where authorized activities or equipment remain incomplete and/or unpurchased, revenues and/or fund balance may be carried forward at the City Manager's direction to the next fiscal year to support such an activity/purchase.

2.10.2. The City shall avoid budgetary procedures which rely on financial strategies that defer payment of current operating expenses to future years.

2.10.3. Department Heads are responsible for ensuring that department expenditures stay within the department's budgeted appropriation.

2.10.4. A City Council Resolution is necessary to increase any total fund appropriation where no corresponding revenue offset exists that is restricted for that purpose.

2.10.5. The City Manager may adjust appropriations among departments within a fund.

3. GENERAL FUND RESERVE POLICY

3.1. The purpose of the reserve policy is to set aside funds to insure against events that would adversely affect the financial condition of the City and jeopardize the continuation of necessary public services. The reserve is designed to provide adequate cash flow, protect bond ratings, and offset economic downturns and revenue shortfalls. The reserve is also available to provide for one-time funding in the event of an emergency situation such as a natural disaster or unanticipated liability.

3.2. It is a goal of the City to achieve a general fund annual operating reserve of 15%, with a minimum of 10%, of projected General Fund operating

City of El Cerrito
Comprehensive Financial Policy

Approved
Resolution:

expenditures in each fiscal year. As part of the annual budget process, the City Council shall consider a Five-Year Plan that attempts to maintain the minimum reserve balance of 15%. The City Council may adopt a deficit budget to deal with the uses discussed in Section 3.5 so long as the projected reserve does not go below 10% in any year of the Five-Year Plan. Should the General Fund reserve fall below 10%, each budget year the City will adopt a plan to restore the reserve percentage to 10% within five years and 15% within 10 years.

3.3. **NEW** It is a goal of the City to achieve and maintain a minimum cash balance equal to 15 days of authorized operating expenses in order to meet anticipated City obligations without reliance on borrowed funds. Should the cash balance fall below the minimum due to unanticipated circumstances, the minimum cash balance should be restored as soon as practical.

3.4. The portion of the reserve below 10% should be utilized only for a financial emergency (as determined by the City Council), natural disaster or significant unanticipated liability. If this portion of the reserve is utilized for such an event, the Ten-Year Plan presented with the Annual Operating Budget must be developed so that the 10% base threshold is replenished within five years.

3.5. The unreserved fund balance in an Internal Service Fund may be transferred to the General Fund only for a fiscal emergency or for one-time uses such as natural disasters or unforeseen liabilities.

3.6. The reserves between the 10% and 15% level are designed to be used by the City to deal with revenue fluctuations that arise as a result of changes in the economy and provide opportunities to maintain services and programs where funding may be difficult. Also, a portion of any operating reserve in excess of 10% of annual revenues resulting from the

previous fiscal year's operations could be committed to capital improvement projects or used to retire existing debt, fund future liabilities or potential legislative actions, establish or replenish equipment replacement funds, and/or establish or replenish deferred maintenance funds as long as the amount is considered in the adopted Ten-Year Plan to achieve a balance of 15% within ten years.

3.7. One-time revenues will not be used to fund ongoing City programs. Any one-time revenue receipt during the fiscal year should be recognized and recorded in a "non-recurring revenue source" category. One-time revenue windfalls include: sales of City-owned real estate, CalPERS rebates, lump sum (net present value) savings from debt restructuring, litigation settlement, unexpected revenues, and other similar sources of revenue as designated by the City Council.

3.8. **NEW** The operating reserve should be itemized as cash or cash equivalents and be separately stated on the financial statements.

4. FINANCIAL REPORTING POLICIES

3.9.4.1. Accounting Standards:

3.9.1. The City's accounting and financial reporting systems shall be maintained in conformance with all state and federal laws, generally accepted accounting principles (GAAP) and standards of the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA). The City will make every attempt to implement all changes to governmental accounting practices at the earliest practicable time.

4.2.

3.10. Annual Audit:

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3-10-1-4.2.1. An annual audit will be performed by an independent public accounting firm with an audit opinion to be included with the City's published Comprehensive Annual Financial Report (CAFR). The CAFR will be submitted annually to the Government Finance Officers Association for peer review with the goal of continuing receipt of the Certificate of Achievement for Excellence in Financial Reporting.

3-10-2-4.2.2. The independent firm will be selected through a competitive bidding process at least once every five years. The contract may be for an initial period of three years with two additional one-year options at the City Council's discretion. The current firm may be allowed to participate in the bid process. The need for rotation of the audit staff or audit firm will be considered in the bid process. The Finance Director will review the qualifications of prospective firms and make a recommendation to the City Council. The audit contract will be awarded by the City Council.

4-5. OPERATIONAL MANAGEMENT POLICIES

4-1-5.1. The City shall endeavor to avoid committing to new spending for operating or capital improvement purposes until an analysis of all current and future cost implications relating to those programs and projects is completed.

4-2-5.2. All departments will participate in the responsibility of meeting policy goals and ensuring long-term financial health. Future service plans and program initiatives will be developed to reflect current policy directives, projected resources and future service requirements.

4-3-5.3. Departmental requests for increases in staffing will be thoroughly analyzed; only those that meet adopted program initiatives and policy directives will be considered. To the extent feasible, personnel cost reductions will be achieved through attrition.

4-4-5.4. **User Fees and Charges and Development Impact Fees:**

4-4-1-5.4.1. Where direct services to users can be measured, as set forth in the Master Fee Schedule, the City should use appropriate fees, charges or assessments rather than general tax funds. All user fees and charges will be examined or adjusted annually to determine the direct and indirect cost of service. User fees and charges for services shall be established at a level related to the cost of providing such service except where the City Council has determined there is a public benefit to subsidize the service with tax based revenue. The acceptable recovery rate and any associated changes to user fees and charges will be approved by the City Council following public review.

4-4-2-5.4.2. The City may identify the costs associated with new development as a basis for establishing development impact fees but the long-term benefit of the development to the City should be considered in establishing such fees.

4-5-5.5. Grant Management:

4-5-1-5.5.1. The City shall actively pursue federal, state and other grant opportunities when deemed appropriate. Before accepting any grant, the City shall thoroughly consider the implications in terms of ongoing obligations that will be required in connection with acceptance of said grant and present that report for approval by the City Council.

4-5-2-5.5.2. The term of Grant funded positions for programs should be clearly identified and presented to the City Council for approval. It is mandatory to disclose if General Fund revenues will be needed to fund a position during or after the Grant or program expires.

4-5-3-5.5.3. Grant funding will be considered to leverage City funds. Inconsistent and/or fluctuating grants should not be used to fund ongoing programs. Programs financed with grant monies will be budgeted in separate cost centers, and the service program will be adjusted to reflect the level of available funding. In the event of reduced grant funding, City resources may be substituted only after all program priorities and alternatives are considered.

4-5-4-5.5.4. The cost of all externally mandated services for which funding is available shall be fully evaluated,

City of El Cerrito
Comprehensive Financial Policy

Approved
Resolution:

including overhead, to allow for complete reimbursement of expenses.

4.6.5.6. Revenue Collection Policy:

4.6.1.5.6.1. The City will pursue revenue collection and auditing to assure that monies due the City are received in a timely manner.

4.6.2.5.6.2. The City will seek reimbursement from the appropriate agency for State and Federal mandated costs whenever possible.

4.6.3.5.6.3. The City will centralize accounts receivable/collection activities so that all receivables are handled consistently.

4.6.4.5.6.4. Accounts receivable management and diligent oversight of collections from all revenue sources are imperative. Sound financial management principles include the establishment of an allowance for doubtful accounts. Efforts shall be made to pursue the timely collection of delinquent accounts. When such accounts are deemed uncollectible, they will be written-off from the financial statements in accordance with established policies.

5.6. FINANCIAL MANAGEMENT POLICIES

5.1.6.1. Staff shall keep City Council apprised of financial opportunities available and shall develop appropriate recommendations.

5.2.6.2. All requests for City Council action shall include an analysis of the immediate and future fiscal impact of such action. No appropriation for new or expanded programs or staffing levels shall be approved without identifying the amount and source of available funds.

5.3.6.3. All externally mandated services for which funding is available shall be charged to allow for complete reimbursement of expenses including overhead.

5.4.6.4. **Cash Management Investment:**

5.4.1.6.4.1. Cash and investment programs will be maintained in accordance with California Government Code Section 53600 et seq. and the City's adopted investment policy and will ensure that proper controls and safeguards are maintained. Pursuant to the Investment Policy, the Financial Advisory Board, at least annually will review, and the City Council will affirm, a detailed investment policy.

5.4.2.6.4.2. Reports on the investment portfolio and cash position will be developed and presented to the Financial Advisory Board and the City Council in conformity with the California Government Code.

5.4.3.6.4.3. Funds will be managed in a prudent and diligent manner with emphasis on safety of principal, liquidity, and yield, in that order.

5.4.4.6.4.4. The quarterly report shall include a statement in compliance with government code 53646.

6.7. CAPITAL IMPROVEMENT PROJECT POLICIES

6.1.7.1. A Ten-year Capital Improvement Plan will be developed and updated annually, including anticipated funding sources. Capital improvement projects are defined as infrastructure or equipment purchases or construction which result in a capitalized asset and have a useful (depreciable) life of two years or more.

6.2.7.2. Each Capital Improvement Project will identify, where applicable, current operating maintenance costs and funding streams available to repair and/or replace deteriorating infrastructure and to avoid significant unfunded liabilities.

6.3.7.3. The City will develop and implement a post-implementation evaluation of its infrastructures condition on a specified periodic basis, estimating the remaining useful life, and projecting replacement costs.

6.4.7.4. The City shall actively pursue outside funding sources for all Capital

Improvement Projects. Outside funding sources, such as grants, shall be used to finance only those Capital Improvement Projects that are consistent with the Ten-year Capital Improvement Plan and/or local governmental priorities, and whose operating and maintenance costs will be included in future operating budget forecasts.

~~6-5-7.5.~~ Capital improvement lifecycle costs will be coordinated with the development of the Operating Budget. Future operating, maintenance and replacement costs associated with new capital improvements will be forecasted, matched to available revenue sources, and included in the Operating Budget. Capital project contract awards will include a fiscal impact statement disclosing the expected operating impact of the project and when such cost is expected to occur.

~~6-6-7.6.~~ The City must carefully seek and analyze the appropriate type of financing instrument appropriate for financing capital projects. Several options may be available – general obligation debt, fee-supported debt, fund reserves, tax increment, etc. All debt financing mechanisms shall be carefully considered and analyzed for fiscal benefit and cost effectiveness. Long-term borrowing shall be restricted to projects too large to be financed from current revenues (pay-as-you-go). Where possible, special assessment, revenue or other self-supporting bonds shall be used in lieu of general obligation bonds.

~~7-8.~~ DEBT MANAGEMENT POLICIES

~~7-1-8.1.~~ Issuance of Debt:

~~7-1-8.1.1.~~ The City will not use long-term debt to pay for on-going operations. The use of bonds, certificates of participation or capital leases will only be considered for significant capital and infrastructure improvements.

~~7-1-2-8.1.2.~~ New debt issues, and refinancing of existing debt, must be analyzed for compatibility within the City's overall financial planning within the Ten-Year Financial Plan. The review shall include, but not be limited to, cash flow analysis and the maintenance of the City's bond rating. Annual debt service

shall not produce an adverse impact upon future operations.

~~7-1-3-8.1.3.~~ Debt financing should not exceed the useful life of the infrastructure improvement with the average (weighted) bond maturities at or below twenty years.

~~7-1-4-8.1.4.~~ Total debt will not exceed two percent (2%) of the total assessed value of property in the City and General Fund Debt Service will not exceed 5% of operational appropriations.

~~7-2-8.2.~~ Credit Rating:

~~7-2-1-8.2.1.~~ It is the City's goal to acquire an AAA/Aaa credit rating from all three major rating agencies in order to minimize costs and preserve access to credit.

~~7-2-2-8.2.2.~~ The City may pay the bond insurance which is considered as part of the rating, however, the rating agency will evaluate the structure of the bond to validate the bond rating. To support this policy, the City will continue to maintain its position of full financial disclosure and proactive fiscal planning.

~~8-9.~~ EQUIPMENT REPLACEMENT FUND

~~8-1-9.1.~~ The City may maintain a dedicated fund to provide for replacement of vehicles and certain equipment. Unreserved fund balance will be available for transfer to the General Fund only in the event of a fiscal emergency as described in Section 3.4.

~~9-10.~~ ENTERPRISE FUNDS

~~9-1-10.1.~~ All Enterprise Funds user fees will be examined annually to ensure that they recover all direct and indirect costs of service, provide for

~~9-2-10.2.~~ capital improvements and maintenance, and maintain adequate reserves.

~~9-3-10.3.~~ Rate increases shall be approved by the City Council following formal noticing and a public hearing. Rate adjustments will be based on the projected expenditures in the Ten-Year Financial plan.

City Of El Cerrito Investment Policy

Approved:
Resolution:

POLICY

It is the policy of the City of El Cerrito ("City"), to invest public funds in a manner which provides for safety of principal while providing sufficient liquidity to cover the City's short and long term needs while generating the appropriate yield. All investment activity will conform to the California Government Code, Sections 53601 through 53659.

In accordance with Section 53646 of the California Government Code, the Treasurer may annually render to the City Council a statement of investment policy and the policy will have been previously reviewed by the Financial Advisory Board.

1.0 SCOPE

This investment policy applies to all financial assets of the City as accounted for in the City of El Cerrito's Comprehensive Annual Financial Report. Policy statements included in this document focus on the City's pooled funds, but will also apply to all other funds under the Treasurer's control unless specifically exempted by statute or ordinance. This policy includes, but is not limited to the following funds:

- General Fund
- Enterprise Funds
- Capital Project Funds
- Debt Service Funds
- Special Revenue Funds
- Internal Service Funds
- Trust and Agency Funds
- Retirement Agency Funds
- Any new funds created by the City Council

This policy specifically exempts any City or bond proceeds in the possession of a trustee or fiscal agent. These bond proceeds shall be invested in accordance with the requirements and restrictions outlined in the bond documents. This policy does not apply to any lending program of the City.

2.0 PRUDENCE

All persons authorized to make investment decisions for the City of El Cerrito are trustees and

therefore fiduciaries subject to the prudent person rule.

The standard of prudence to be used by City of El Cerrito fiduciaries is the "Prudent Investor" Standard found in the California Government Code Section 53600.3.

The fiduciaries are the City Manager, City Treasurer and City Council. Acting within the intent and scope of the Investment Policy and other written procedures, and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported to the City Council in a timely manner and the fiduciaries take appropriate action to control adverse developments.

3.0 OBJECTIVE

The objective of the investment portfolio is to meet the City's short and long-term cash flow needs. To achieve this objective, the portfolio will be structured to provide, in priority order, safety of principal, liquidity and yield.

3.1 Safety: Safety of principal is the foremost objective of the City of El Cerrito in the investment of public funds. All investments of the City shall be undertaken in a manner that ensures the preservation of capital. Each investment transaction shall seek to ensure that capital losses are avoided, whether from issuer default, broker/dealer default, or erosion of market value. The City shall seek to preserve principal by mitigating the two types of risk: credit risk and market risk.

3.2 Credit Risk: Credit risk is the risk of loss due to failure of the issuer to repay an obligation and shall be mitigated by investing in only high quality credit investments and by diversifying the investment portfolio so that the failure of any one issuer would not unduly jeopardize the City's fiscal status.

3.3 Market Risk: Market risk is the risk of market value fluctuations due to overall changes in the general level of interest rates and shall be mitigated by structuring the portfolio so that securities mature at the same time major expenditures occur,

eliminating the need to sell securities prior to their maturity. The taking of short positions, which is, selling securities the City does not own, is prohibited. It is explicitly recognized herein, however, that in a diversified portfolio, occasional measured losses are inevitable and must be considered within the context of overall investment return.

3.4 Liquidity: The City's investment portfolio will be structured to provide sufficient liquidity to meet the operating requirements of the City of El Cerrito. The City of El Cerrito will attempt to match its investments with anticipated cash flow requirements whenever possible. The maximum maturity of any one security, unless otherwise restricted by the California Government Code, is limited to five years. The portfolio's weighted average maturity shall be limited to three years.

3.5 Yield: State law requires that the objective of return on investment be subordinate to the objectives of safety and liquidity. Employees should also seek the best return on investments while satisfying the concerns of safety and liquidity. Therefore, the Treasurer shall seek to achieve a return on the funds under City control throughout all economic cycles, taking into consideration the City of El Cerrito's investment risk constraints and cash flow requirements.

4.0 DELEGATION OF AUTHORITY

Pursuant to Section 53601 of the California Government Code, the City Council as the legislative body of the City of El Cerrito has primary responsibility for the investment of all funds in the City treasury. As authorized under Section 53607 of the California Government Code, the City Council hereby delegates its authority to invest or reinvest the funds of the City, and to sell or exchange securities so purchased, to the City Treasurer who shall assume full responsibility for all such transactions until such time as this delegation of authority may be revoked by the City Council. In the City Treasurer's absence the City Manager is authorized to perform any such transactions.

5.0 INVESTMENT PROCEDURES

The City Treasurer may establish written investment policy procedures for the operation of the investment program consistent with this policy. The procedures could include reference to safekeeping, wire transfer agreements, banking service contracts and collateral/depository agreements.

6.0 ETHICS AND CONFLICT OF INTEREST

Elected officials, officers and employees of the City who make investment decisions will refrain from any activity that could conflict with the proper execution of the investment program or which could impair their ability to make impartial investment decisions. Employee actions will be in accordance with this policy, California Government Code Sections 1090 et seq, 87100 et seq., other applicable Government Code Sections or future Council actions.

7.0 AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

The City of El Cerrito shall transact business only with commercial banks, savings and loans, credit unions, and investment securities broker/dealers. The broker/dealers must be primary dealers regularly reporting to the Federal Reserve Bank of New York or regional broker/dealers that qualify under the Securities and Exchange Commission Rule 15c3-1 (uniform net capital rule). Selection of financial institutions and broker/dealers authorized to do business with the City shall be at the discretion of the fiduciaries. The Treasurer will maintain a list of financial institutions authorized to provide investment services to the City.

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Treasurer with audited financial statement from the three most recent years, at least three references from other California Local agencies, a completed Broker/dealer questionnaire and a statement certifying that the institution has reviewed the California Government Code Section 53600 et seq. and the City's Investment Policy. The certification will state that the financial institution or broker/dealer and all investments presented to the Treasurer will be in compliance with the applicable State Code and the City Investment Policy.

The Treasurer shall determine if the Financial Institutions are adequately capitalized, make markets in securities appropriate to the City's needs and are recommended by other local agency portfolio managers.

The Treasurer will conduct an annual review of the financial condition of all qualified institutions. Additionally, their current financial statements are required to be on file.

8.0 AUTHORIZED INVESTMENTS

The City is authorized by California Government Code Section 53600 et seq. to invest in the following types of securities:

United States Treasury Bills, Bonds, and Notes, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest. There is no limitation as to the percentage of the portfolio that can be invested in this category. The maximum term shall be five years.

Obligations issued by United States Government Agencies such as, but not limited to the Federal Farm Credit Bank (FFCB), the Federal Home Loan Bank (FHLB), the Federal Home Loan Mortgage Corporation (FHLMC), the Federal National Mortgage Association (FNMA), the Student Loan Marketing Association (SLMA), the Government National Mortgage Association (GNMA) and the Tennessee Valley Authority (TVA). United States Government Agency securities with call features are also authorized. There is no limitation as to the percentage of the portfolio that can be invested in this category. The maximum term shall be five years.

Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as Banker's Acceptances. Purchases in this category may not exceed 180 days to maturity nor exceed 30% of the cost value of the portfolio.

Commercial Paper of prime quality and ranked P1 by Moody's Investor Services, A1 by Standard and Poor's or F1 by Fitch Financial Services Inc., issued by a corporation organized and operating in the U.S. as a general corporation and having assets in excess of \$500 million and having an "A" or better rating on its long term debt as provided by Moody's, Standard and Poor's or Fitch. Purchases of eligible commercial paper may not exceed 270 days to maturity. Purchases of commercial paper may not exceed 10 percent of the cost value of the portfolio or represent more than 10 percent of the outstanding paper of an issuing corporation.

Total combined corporate debt (Commercial Paper and Medium Term Notes) may not exceed 20 percent of the cost value of the portfolio.

Negotiable Certificates of Deposit issued by a nationally or state-chartered bank or a state or federal savings institution or credit union. Securities eligible for purchase in this category shall be rated "A" or better by Moody's, Standard and Poor's or

Fitch. Purchases of Negotiable Certificates of Deposit shall not exceed 30 percent of the cost value of the portfolio nor exceed a five-year term.

Medium Term Notes (MTNs) issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. MTNs eligible for investment in this category must be rated "A" or better by Moody's, Standard and Poor's or Fitch. Investments in this category will be limited to a five-year maximum maturity and may not exceed 10 percent of the cost value of the portfolio.

Total combined corporate debt (Commercial Paper and Medium Term Notes) may not exceed 20 percent of the cost value of the portfolio.

Shares of beneficial interest issued by diversified management companies that are Money Market Funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940. These funds must either have attained the highest rating/ranking by at least two of the three largest nationally recognized rating services. Investments in this category will not exceed 5 percent of the portfolio.

State Pool – Local Agency Investment Fund (LAIF). This fund was established by the State Treasurer for the benefit of Local agencies under California Government Code Section 16429.1. The City may invest in the LAIF up to the maximum amount permitted by State law. Purchase of investments will take into account the need for liquidity offered by LAIF for operational purposes, as well as the need for portfolio diversification.

Time Certificates of Deposit collateralized in accordance with the California Government Code Sections 53652 and 53653, may be purchased by the City from banks or savings and loan associations or credit unions. Purchases in this category will not exceed 5 years to maturity or 30 percent of the cost value of the portfolio. Purchases in a single institution will not exceed 10 percent of the cost value of the portfolio.

Derivative Securities are those securities that derive their value from another asset or index. Investments in derivative securities will be made using the Prudent Investor Rule and will be limited to federal agency callable issues. Purchases in this

category will not exceed 10% of the cost value of the portfolio.

Prohibited Investments. Investments not described herein are ineligible investments. The City shall not invest any funds in inverse floaters, range notes, or interest only strips that are derived from a pool of mortgages, in accordance with, California Government Code Section 53601.6. With the exception of callable agencies, any security that derives its value from another asset or index is prohibited. In addition, the City shall not invest any funds in any security that could result in zero interest accrual if held to maturity.

9.0 INVESTMENT POOLS/MUTUAL FUNDS

A thorough investigation of any pooled investments or money market mutual fund is required prior to investing City funds. A due diligence review will be performed on all money market mutual funds and pooled investment funds on a continued basis.

As outlined in section 7.0 of this policy, investments in mutual funds are restricted to money market mutual funds and must meet the experience and asset requirements as stated. The fiduciaries will continually monitor the funds to ensure the maintenance of those ratings/requirements.

Reports on the performance of the Pooled Money Investment Account/LAIF can be found on the California State Treasurer's web site as well as the Investment Board report, historical rates/costs and market valuations. These reports shall be reviewed by the Treasurer each month as part of the due diligence review.

10.0 COLLATERALIZATION

California Government Code, Sections 53652 et seq., specifies the types and levels of collateral for public funds on deposit above the FDIC insurance amounts. The collateral requirements apply to both active bank deposits (checking and savings accounts) and inactive bank deposits (non-negotiable certificates of deposit) and must be maintained for all the City's bank deposits

11.0 SAFEKEEPING AND CUSTODY

All securities held by the City of El Cerrito shall be held in safekeeping by a third party bank trust department acting as agent for the City under the terms of the custody agreement executed by the bank and the City, and shall be evidenced by safekeeping receipts. All securities will be received and delivered using standard delivery-versus-payment (DVP) procedures. Investments in the

State Pool or money market mutual funds are undeliverable and are not subject to delivery or third party safekeeping.

12.0 DIVERSIFICATION

Except as provided in section 8.0, the City of El Cerrito will diversify its portfolio by investment type, issuer, maturity dates and broker/dealer. Limits for security types are set forth in Section 8.0 of this document.

13.0 INTERNAL CONTROLS

The City Treasurer will maintain a system of internal controls to ensure compliance with investment procedures of the City and Successor Agency of the City of El Cerrito and the California Government Code and these controls will be audited annually by the City's external audit firm.

14.0 REPORTING

The Council may request that the Treasurer render a report to the City Council. The report shall include the type of investment, issuer, maturity date, par and cost/book values of all securities, investments and monies held by the City of El Cerrito. It shall also include the rate of interest, the current market value as of the report date and the source of the valuation. The report shall state compliance of the portfolio with the Investment Policy as well as the California Government Code and it shall state the City's ability to meet its estimated expenditures for the next six months or provide an explanation as to why sufficient money is not available and what actions are being done to correct the deficiency.

15.0 INVESTMENT POLICY REVIEW AND ADOPTION

The City of El Cerrito's investment policy will continue to be reviewed and adopted by the City Council annually, even if not required by California Government Code 53646. Prior to the annual submission to the City Council the Investment Policy will be reviewed by the Financial Advisory Board and the Board's comments will be presented to the City Council for its consideration.

16.0 GLOSSARY

AGENCIES: Federal agency securities and/or Government sponsored enterprises.

BANKERS ACCEPTANCE (BA): A draft or bill or exchange accepted by a bank or trust company. The accepting institution, as well as the issuer, guarantees payment of the bill.

BROKER: A broker brings buyers and sellers together for a commission.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate. Time certificates of deposit are collateralized in accordance with the State code. Large-denomination CD's are typically negotiable and non-collateralized.

COLLATERAL: Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DELIVERY-VERSUS-PAYMENT: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt of the securities.

DERIVATIVES: (1) Financial instruments whose return profile is linked to or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to \$250,000 per deposit.

FEDERAL HOME LOAN BANKS (FHLB): Government sponsored wholesale banks (currently 12 regional banks) which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions

and insurance companies. The mission of the FHLB is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

FIDUCIARY: An individual in whom another has placed the utmost trust and confidence to manage and protect property or money. The relationship wherein one person has an obligation to act for other's benefit.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the US Government. Ginnie Mae securities are backed by the mortgages, including FHA and VA mortgages. The term "pass-throughs" is often used to describe Ginnie Maes.

ISSUER: A legal entity that has the power to issue and distribute securities. Issuers include corporations, municipalities, foreign and domestic governments and their agencies, and investment trusts.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a

substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

POOLED MONEY INVESTMENT FUND (LAIF): The aggregate of all funds from political subdivisions that are placed in the custody of the County or State Treasurer for investment and reinvestment. The State of California's pool is known as the Local Agency Investment Fund, or LAIF.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

PORTFOLIO: Collection of securities and investments held by an investor.

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC) registered securities broker-dealers, banks and a few unregulated firms.

PRUDENT PERSON RULE: An investment standard. In some states, the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state. In other states, the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

RATE OF RETURN: For fixed-rate securities, it is the coupon or contractual dividend rate divided by the purchase price which is also the current yield.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

SECURITIES & EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SEC RULE 15c301: See Uniform Net Capital Rule.

TREASURY BILLS: A non-interest bearing discount security issued by the US Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BONDS: Long-term coupon-bearing US Treasury securities issued as direct obligations of the US Government and having initial maturities of more than 10 years.

TREASURY NOTES: Medium-term coupon-bearing US Treasury securities issued as direct obligations of the US Government and having initial maturities from two to 10 years.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as non-member broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15:1; also called *net capital rule* and *net capital ratio*. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

YIELD: The rate of annual income return on an investment, expressed as a percentage: (a) Income Yield is obtained by dividing the current dollar income by the current market price for the security; (b) Net Yield or Yield to Maturity is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.



AGENDA BILL

Agenda Item No. 5(E)

Date: November 17, 2015
To: El Cerrito City Council
From: Karen Pinkos, Assistant City Manager
Subject: Amendments to City Classification Plan and Resolution 2014-22 for Management and Confidential Employees

ACTION REQUESTED

Adopt a Resolution amending the City's Classification Plan and Resolution 2014-22 as follows:

1. Establish the classification and salary for the position of Senior Human Resources Analyst; and
2. Modify the control points for management and confidential employees.

BACKGROUND

The City's Strategic Plan identifies "Deliver Exemplary Government Services" as a primary goal. The strategies outlined for this goal include recruiting and retaining a talented workforce, and maintaining an emphasis on providing excellent customer service.

In recent years, the City Manager has reorganized and restructured some Departments and Divisions within the City organization in order to improve service and provide emphasis on City Council goals and priorities. These changes and positions have been authorized through the budget process. With the vacancies that have occurred over the past few years, the Department Directors have been reviewing staffing within their respective Departments to consider additional opportunities for reorganization and restructuring in order to sustain services, and continue Staff's focus on City Council priorities.

ANALYSIS

Senior Human Resources Analyst

The City's Human Resources Division, within City Management, has been operating for the last several years with two positions: Human Resources Manager and Human Resources Technician. In 2014, the incumbent in the Human Resources Manager position left the City, and the position has remained vacant. In the interim, the Assistant City Manager has been staffing this position as acting Human Resources Manager. This has allowed City management to strategically review the Division and better determine

Agenda Item No. 5(E)

the needs of the City with respect to the programs, functions, and abilities that Human Resources can and should be providing to El Cerrito employees.

As a result, some of the duties of the Human Resources Manager position will continue to be performed by the Assistant City Manager, meaning that the remaining duties would not meet the Human Resources Manager classification. These duties can be fulfilled by a Senior Human Resources Analyst position, which can be interpreted as a level below the Manager position but with significant responsibility to be able to assist the Assistant City Manager in managing the Division. Duties include overseeing some of the day-to-day operations of the Division such as coordinating recruitments, benefits administration, employee relations, and organizational development.

The recommended salary has been benchmarked to the Senior Program Manager position, as the classifications reflect similar levels of education, experience, and Knowledge, Skills, and Abilities requirements. This salary is also within the range of the current market rate as determined by a survey of this position within the City's survey group.

Control Point Adjustments

In order to determine compensation for the unrepresented management and confidential employee group, a control point is established based on the "top step" paid by other cities within our survey group. These control points have not been readjusted to market since 2006, with the exception of four Cost of Living Adjustments (COLAs). The control points were adjusted in July 2007(3%), July 2008(3%), July 2009 (2.5%), and July 2015 (3%). Since that time however, the Consumer Price Index – San Francisco-San Jose - Oakland, All Urban Wage Earners (CPI) used to measure the COLAs has increased by approximately 24%.

Rather than re-survey all of these positions to reset the control points, staff is proposing increasing them by 10.3%, representing the net change in the CPI after adjusting for the four COLAs that occurred during the period between 2006 and now. Based on compensation surveys for the Public Safety Managers Group and a few random surveys of classifications in the management group, staff feels this methodology not only reasonably reflects the market place but also is far less labor-intensive than re-surveying all of the classifications. If over time, it is determined that a specific classification (s) is not in line with the market, staff can re-survey and return to Council for necessary adjustments.

Additionally, the three confidential positions of Accountant II, Fire Secretary, and Human Resources Technician are recommended to be changed from a step salary range to the same control point system as the management positions. This will allow the same salary adjustments, and flexibility to make future adjustments, for these positions as the management group.

No salaries will be automatically adjusted as a result of this action. Salaries will be adjusted as appropriate based on annual performance evaluations. All classifications have been adjusted based on this formula with the exception of the Development

Agenda Item No. 5(E)

Services Manager and the Assistant City Manager which have been benchmarked against other classifications in order to maintain appropriate internal equity.

FINANCIAL CONSIDERATIONS

There will be no additional costs for the proposed changes to the classification plan for Senior Human Resources Analyst, as these costs are included within the adopted 2015-16 operating budget. As previously noted, no salary adjustments will take place as a result of control point adjustments, and projected salary or merit increases for individual employees will be taken into account during the upcoming budget process.

Reviewed by:



Scott Hanin, City Manager

Attachments:

1. Resolution establishing classification and salary of Senior Human Resources Analyst and amending Resolution 2014-22
2. Class Specification – Senior Human Resources Analyst

RESOLUTION 2015-XX

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL CERRITO
AMENDING THE CITY CLASSIFICATION PLAN TO ADD THE CLASSIFICATION
OF SENIOR HUMAN RESOURCES ANALYST AND AMENDING RESOLUTION
2014-22

WHEREAS, the City Council of the City of El Cerrito has an adopted
Classification Plan for positions in the City's service; and

WHEREAS, the current Classification Plan does not include a class description
for a Senior Human Resources Analyst; and

WHEREAS, the City must amend the Classification Plan and Resolution 2014-22
to include the Senior Human Resources classification and establish compensation; and

WHEREAS, it is in the City's best interest to recruit and retain high quality
employees for the City; and

WHEREAS, an effective means for achieving this objective is to provide
competitive salaries, benefits, and conditions of employment for said employees.

NOW THEREFORE, BE IT RESOLVED, that the City Council does hereby
amend the City's Classification Plan to establish the class specification of Senior Human
Resources Analyst, as specified in Exhibit A, attached hereto and incorporated herein;
and amend Resolution 2014-55 as follows:

**CHAPTER 1
EMPLOYEES**

1.1 Management employees are, for purposes of this section, those actively involved
in the following classifications:

- Accounting Supervisor
- Administrative Analyst I,II,III
- Assistant City Manager
- Assistant to the City Manager
- Associate Engineer
- Building Official
- City Clerk
- Community Development Director
- Development Services Manager
- Environmental Services Manager
- Finance Director
- Human Resources Manager
- Information Systems Manager
- Maintenance Services Superintendent

Program Manager
Public Works Director/City Engineer
Recreation Director
Recycling Operations Supervisor
Senior Engineer
Senior Human Resources Analyst
Senior Planner
Senior Program Manager

- 1.2 Confidential employees are, for the purposes of this section, those actively involved in the following classifications:

Accountant II
Fire Secretary
Human Resources Technician

CHAPTER 2 SALARIES AND BENEFITS

- 2.1 Salary Control Points and Ranges
A. The following control points shall apply and serve as the midpoint of approved monthly salary ranges for management employees:

Accounting Supervisor	8,623
Administrative Analyst I	6,618
Administrative Analyst II	7,280
Administrative Analyst III	8,008
Asst. to the City Manager	8,555
Assistant City Manager	
Associate Engineer	8,750
Building Official	10,877
City Clerk	12,772
Community Development Director	13,465
Development Services Manager	11,421
Environmental Services Manager	9,725
Finance Director	13,446
Human Resources Manager	12,164
Information Systems Manager	12,164
Maintenance Services Superintendent	8,008
Program Manager	8,008
Public Works Director/City Engineer	13,611
Recreation Director	13,345
Recycling Operations Supervisor	7,237
Recreation Supervisor	8,008
Senior Engineer	10,852
Senior Human Resources Analyst	8,894

Agenda Item No. 5(E)**Attachment 1**

Senior Planner	8,327
Senior Program Manager	8,894

- 2.2 The following control points shall apply and serve as the midpoint of approved monthly salary ranges for confidential employees:

Accountant II	6,710
Fire Secretary	5,441
Human Resources Technician	6,285

- B. A salary range of 25% above and below the control point shall be created, within which a Department Head or the City Manager may approve salary adjustments of up to 5% or 10% per calendar year, respectively.

I CERTIFY that at a regular meeting on November 17, 2015 the El Cerrito City Council passed this resolution by the following vote:

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

IN WITNESS of this action, I sign this document and affix the corporate seal of the City of El Cerrito on November XX, 2015.

Cheryl Morse, City Clerk

APPROVED:

Mark Friedman, Mayor

CITY OF EL CERRITO

SENIOR HUMAN RESOURCES ANALYST

*Class specifications are intended to present a descriptive list of the range of duties performed by employees in the class. Specifications are **not** intended to reflect all duties performed within the job.*

DEFINITION

Under general direction, performs a variety of complex professional human resources work in areas such as recruitment and selection, employee relations, organization and employee development, labor relations, classification, compensation and budget, workers' compensation, safety, and benefits administration; performs specialized technical work in various phases of human resources administration; serves as a resource and consultant to other staff; and provides highly responsible complex staff assistance to the Assistant City Manager/Human Resources Manager.

DISTINGUISHING CHARACTERISTICS

This position is responsible for administering major human resources programs or functions with significant impact on departmental or Citywide human resources policy and services. Incumbents contribute significantly to the development and implementation of Citywide long-term goals, policies, and procedures related to human resources programs. Responsibilities of the position require considerable technical and functional human resources expertise in order to independently determine methods and priorities in the area of assignment, and incumbents are held accountable for strategy, achievement of objectives, and efficient use of resources. This class is distinguished from the Human Resources Manager classification in that the latter has full managerial responsibility for the Human Resources Division.

SUPERVISION RECEIVED AND EXERCISED

Receives general supervision from the Assistant City Manager/Human Resources Manager; may supervise and review the work of professional and/or clerical staff.

ESSENTIAL FUNCTIONS

Essential responsibilities and duties may include, but are not limited to, the following:

Manage, monitor, evaluate, and participate in the programmatic administration and operations of assigned human resources functions, policies, processes, procedures and program budgets.

Serve as the subject matter expert regarding assigned human resources functions within the Division; provides professional support and available resources to the Assistant City Manager/Human Resources Manager, the City's management, and employees; provides guidance with respect to assigned programmatic areas.

Identifies opportunities for improvement in the current policies, procedures, and systems of assigned human resources functions; develops recommendations for changes recognizing the implications of recommendations; implements changes as appropriate and as directed.

Conducts assigned personnel related surveys and studies, analyzes data and prepares reports, including recommendations; researches, compiles, analyzes, and evaluates general and statistical information regarding selection procedures, recruitment methods, equal employment, benefits administration, and other Human Resources practices and procedures.

Assists departments in determining the most effective organizational structure and staffing patterns using current classifications or developing new ones as appropriate.

Provides assistance in labor relations activities including negotiations and contract interpretation.

Participates in budget preparation and administration; prepares cost estimates for budget recommendations; submits justifications for staff, supplies, and equipment; monitors and controls expenditures.

Administers the City's recruitment and selection program, including brochure development, screening guidelines, test question design, and candidate management; develops and administers selection processes for compliance with state and federal legislation and with City ordinances.

Assists with the management of the City's classification plan; conducts job analyses, develops classification specifications and prepares related recommendations.

Advises departments regarding grievances and/or disciplinary actions; interprets policies, regulations, and codes.

Identifies, plans, organizes and facilitates various training activities; including mandated training such as safety, security, and fire prevention.

Administers equal employment and affirmative action programs, as directed; conducts preliminary investigation of discrimination and harassment complaints and compliance enforcement activities for City departments.

Administers various benefit programs, including but not limited to health, life, vision, dental, and unemployment insurance; retirement and deferred compensation plans; prepares recommendations regarding third party administrators, City self-insured programs, and other benefit programs.

Prepare and present comprehensive administrative, financial, and statistical reports on all aspects of assigned projects and/or programs.

Manage, monitor, and coordinate the work of consultants; work with vendors and suppliers; write RFP/RFQs, contract and grant applications; negotiate terms, conditions, and performance standards.

Keep staff informed of complex and changing federal, state, and local laws and regulations.

Make public presentations to legislative bodies and community groups.

Serve as staff to commissions or boards; prepare agendas and staff reports as directed.

Represent the City in meetings and maintain liaison with elected officials, representatives of local, regional, state, or other public agencies, businesses, professional and community groups, the media, and the public.

Builds and maintains positive working relationships with co-workers, other City employees, community organizations, state/local agencies and associations, and the public; and provide exemplary customer service.

Marginal Functions:

Perform related duties as assigned.

QUALIFICATIONS:

Knowledge of:

Principles and practices of Human Resources administration including recruitment, selection, job analysis, classification and compensation systems, employee benefits, training and career development, labor and employee relations, and principles of organization and management.

Extensive knowledge of applicable federal, state, and local laws, codes, and regulations governing Human Resources.

Standard and accepted principles, practices, and methods of planning, developing, and administering training, employee development, and organizational development programs.

Principles and practices of supervision, motivation, performance evaluation, and discipline.

Consultant oversight practices.

Negotiation practices and techniques.

Budget preparation and administration.

Principles and practices of research, analysis and technical report writing.

Principles and practices of planning and administering multiple and complex projects and/or programs.

Extensive knowledge of governmental functions and paths of coordination.

Modern office practices and procedures, methods, and equipment, including computer and applicable software.

Ability to:

Consistently apply concepts, laws, methods, techniques, approaches, and other guidelines of professional work in the human resources management field.

Work courteously, effectively, and tactfully with department heads, managers, supervisors, employees, and their representatives.

Administer major human resources programs and projects; organize, prioritize, and manage multiple projects and other work assigned.

Use initiative and good judgment.

Interpret and apply relevant legislation and court rulings.

Analyze and evaluate complex problems and develop appropriate solutions.

Communicate clearly and concisely both verbally and in writing.

Establish and maintain effective working relationships with others.

Work independently in the completion of assignments

Coordinate staff resources, as needed.

Maintain physical and mental capacities appropriate to the performance of assigned duties and responsibilities.

Effectively manage multiple and highly complex projects.

Administer major or comprehensive programs, as assigned.

Interpret and apply specialized, highly complex legislation and court rulings.

Coordinate multi-faceted programs or projects and direct work of others as needed.

Experience and Training Guidelines:

Any combination of experience and training that would likely provide the required knowledge and abilities is qualifying. A typical way to obtain the knowledge and abilities would be:

Experience:

Four years of progressively responsible human resources experience, performing administrative, program/project management, and/or analytical functions, preferably in a public agency or other similar organization; supervisory experience preferred.

Training:

Bachelor's degree in Human Resources, Business Administration, Public Administration, or a closely related field; master's degree preferred.

Licenses/Certificates/Other Requirements:

Possession of or ability to obtain before date of appointment, a valid California Driver's License.

PHYSICAL DEMANDS (may vary depending on area of assignment/program/department)

Sitting:	Frequently	Lifting:	
Standing:	Occasionally	up to 10 lbs:	Occasionally to Frequently
Walking:	Occasionally	11 to 25 lbs:	Occasionally
Bending:	Occasionally	26 to 50 lbs:	Never
Crouching:	Occasionally	51 to 75 lbs:	Never
Stooping:	Occasionally	76 to 100 lbs:	Never
Kneeling:	Never	100 + lbs:	Never
Crawling:	Never	Carrying	
Climbing:	Occasionally	up to 10 lbs:	Occasionally to Frequently
Balancing:	Never	11 to 25 lbs:	Occasionally
Running:	Never	26 to 50 lbs:	Never
Twisting:	Occasionally	51 to 75 lbs:	Never
Turning:	Occasionally	76 to 100 lbs:	Never
Jumping:	Never	100 + lbs:	Never
Pushing/Pulling:		Hearing:	
up to 10 lbs:	Occasionally	Conversation:	Frequently
11 to 25 lbs:	Occasionally	Telephone:	Frequently
26 to 50 lbs:	Never	Earplugs:	Occasionally
51 to 75 lbs:	Never		
76 to 100 lbs:	Never		
100 + lbs:	Never		
Grasping – firm:	Occasionally		
Finger dexterity:	Frequently		
Reaching forward:	Frequently		
Reaching overhead:	Occasionally		
Pinch grasp:	Occasionally		
Grasp – light:	Frequently		
Coordination -			
Eye-hand:	Frequently		
Eye-hand-foot:	Occasionally		
Driving:	Occasionally		
Talking:	-		
Face-to-face:	Frequently		
Verbal contact:	Frequently		
Public:	Occasionally to Frequently		
Vision:			
Acuity far:	Required		
Acuity, near:	Required		

Depth perception:	Required
Field of vision:	Required
Accommodation:	Required
Color vision:	Required

MENTAL REQUIREMENTS

Abstract variables, Interpret instructions, Problems-standard, Detailed, uninvolved instructions, One or two-step instructions, Reading-simple, Reading-complex, Writing-simple, Writing-complex, Math skills-simple, Math skills-complex, Clerical, Coordination, Analyzing, Compiling, Computing, Copying, Comparing, Negotiating, Instructing, Supervising, Persuading, Speaking-signaling, Serving, Taking instructions-helping, Setting-up, Comprehend/follow instructions, Perform simple-repetitive tasks, Maintain work pace, Relate to other people, Influence other people, Perform varied-complex tasks, Generalizations/evaluations, Responsibility for direction.

WORK ENVIRONMENT

Indoors, Using computer/computer monitor screen, Works around others, Works alone, Works with others.

Est. 11/2015



AGENDA BILL

Agenda Item No. 5(F)

Date: November 17, 2015
To: El Cerrito City Council
From: Shannon Collins, Accounting Supervisor
Subject: Quarterly Cash & Investments Report for Period Ending September 30, 2015

ACTION REQUESTED

Receive and file the City's Quarterly Investment Report for the period ending September 30, 2015.

BACKGROUND/ANALYSIS

Quarterly Investment Report Review

The Quarterly Investment Report for July 2015 – September 2015 shows that the City's investments had a par value of \$1,524,444 as of September 30, 2015. During the quarter interest of approximately \$39 was earned and debt service payments for the Recycle Center, RDA Bonds, and the Swim Center were made totaling \$2,199,356.

The City continues to have minimal investments that are not required for debt service reserves and to have limited, if any, interest earnings on restricted funds. Of the total amount invested, \$2,706 is invested in the pooled funds with the State Treasurer's Local Agency Investment Funds (LAIF) and \$1,521,738 is held in money market funds.

Cash Balance

The cash balance in the City's general checking account for the period ending September 30, 2015 was \$8,336,065.68. This is higher than the average balance due to the receipt of \$5,000,000 from the issuance of the City's Tax Revenue Anticipation Notes (TRAN) received in July.

FINANCIAL CONSIDERATIONS

The purpose of the City's Investment Policy is to provide guidelines for prudent investment of the City's idle funds and maximum efficiency of the City's cash management system.

The ultimate goal is to enhance the City's economic condition while protecting the funds at all times. The City's investments comply with the "Authorized Investments" section of the Investment Policy.

Reviewed by:



Scott Hanin
City Manager

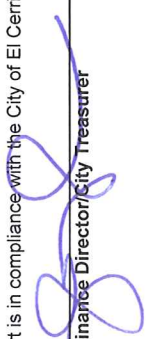
Attachment:

1. City of El Cerrito Quarterly Investment Report For Period Ending September 30, 2015

City of El Cerrito
Quarterly Cash & Investment Report
For the Period Ending September 30, 2015

FUND	INVESTMENT TYPE	INVESTMENT	TRUSTEE/ BROKER	PAR VALUE	COST	INTEREST OR YIELD	MATURITY DATE	COST/ 100	*MARKET VALUE
Pooled Investments	Pooled Fund	LAIF	CA State Treasurer	\$2,706.06	\$2,706.06	0.24%	N/A	100.00	\$2,706.06
Solar Project Financing	Prime Money Market	Deutsche Bank Prime Money Market	Deutsche Bank	\$10,170.49	\$10,170.49	0.01%	N/A	100.00	\$10,170.49
Swim Center Fund	Blackrock Institutional Money Market	Union Bank/Blackrock Liquidity	Union Bank of CA	\$166,937.34	\$166,937.34	0.01%	N/A	100.00	\$166,937.34
City Hall Debt Fund	Blackrock Institutional Money Market	Union Bank/Blackrock Liquidity	Union Bank of CA	\$603,401.52	\$603,401.52	0.01%	N/A	100.00	\$603,401.52
Street Improvement Fund	Blackrock Institutional Money Market	Union Bank/Blackrock Liquidity	Union Bank of CA	\$741,228.82	\$741,228.82	0.01%	N/A	100.00	\$741,228.82
				\$1,524,444.23	\$1,524,444.23				\$1,524,444.23
Cash Account (General Checking)	Mechanics Bank	N/A	N/A	\$8,336,065.68	\$8,336,065.68	N/A	N/A	N/A	\$8,336,065.68
Total Cash and Investments				\$9,860,509.91	\$9,860,509.91				\$9,860,509.91

I certify that this report is in compliance with the City of El Cerrito Investment Policy and that there are adequate funds available to meet the next six months of estimated expenditures as required by the California Government Code


Lisa Malek-Zadeh, Finance Director/City Treasurer



AGENDA BILL

Agenda Item No. 6

Date: November 17, 2015

To: El Cerrito City Council

From: Maria Sanders, Operations + Environmental Services Manager
Yvetteh Ortiz, Public Works Director/City Engineer

Subject: Proposed Integrated Waste Management Fees and East Bay Sanitary Garbage & Green Waste Collection and Processing Rates -- Effective January 1, 2016

ACTIONS REQUESTED

Staff requests that Council take the following actions:

- 1) Conduct a public hearing and upon conclusion adopt a resolution setting Integrated Waste Management (IWM) Fees, effective January 1, 2016.
- 2) Upon closure of the public hearing, adopt a resolution reaffirming the calculation of and continuing in effect the maximum allowable rates as identified in the attached resolution, for the collection of garbage and green waste, effective January 1, 2015.

BACKGROUND & ANALYSIS

Integrated Waste Management Fee

In 1990, the City of El Cerrito established IWM Fees to cover integrated waste management services. Services funded by IWM Fees include the City-run operations of the El Cerrito Recycling + Environmental Resource Center (RERC), curbside collection of recyclable materials, and other waste collection, reduction, recycling and environmental programs currently operated by the Department of Public Works, Operations + Environmental Services Division (OESD). The City's franchised waste hauler, East Bay Sanitary Company (EBS), collects IWM Fee revenues as a component of the monthly charges for solid waste collection, processing and disposal services via EBS's regular billing cycle. After collection, these revenues are transferred to the City of El Cerrito's IWM Fund.

Over the past nine years, the City Council has considered and adopted annual increases to the IWM Fees. As part of the Fiscal Year (FY) 2015-16 Updated Budget, the City Council approved a forecast for the IWM Fund that included increasing IWM Fee revenue by 8%, from the \$1,949,688 budgeted for collection in calendar year 2015 to \$2,105,663 in calendar year 2016. However, several factors have contributed to the IWM Fund having a slightly larger revenue requirement of \$2,125,160 in calendar year 2016, or an increase of 9% to the IWM fees. These factors include continued increases in use of services at the RERC; a drop in vendor prices for recycled metal, cardboard, and motor oil; increased vehicle maintenance costs; and new compliance and one-time

legal costs related to implementing the new General Industrial Permit for storm water management for the City's recycling and solid waste facilities.

The proposed 2016 IWM Fees necessary to generate \$2,125,160 in IWM Fee revenues during calendar year 2016 are included in Attachment 1. This new revenue requirement will increase the monthly solid waste bill of the typical residential customer by less than \$1.00 per month. Overall, the solid waste bill for customers in all sectors will increase by between 2.2% and 2.9% in 2016.

East Bay Sanitary Garbage and Green Waste Collection Rates

In contrast to IWM Fees (which the City sets and EBS collects), EBS sets and charges the rates for garbage and green waste collection based upon maximum rates authorized by the Council, pursuant to City of El Cerrito Municipal Code Chapter 8.12. EBS rates have been adjusted annually for many years. Most recently, EBS rates were increased effective January 1, 2015. This year EBS is not requesting a rate adjustment, so the 2015 rates will remain in effect.

In late 2012, the City and EBS completed a Rate and Operations Review that culminated in Council's adoption of a Fifth Amendment to the East Bay Sanitary Franchise Agreement (Resolution 2012-89, November 20, 2012). The Amendment provided for lower rates, greater services, and an extension of the Franchise Agreement through December 31, 2025. The review process resulted in the development of an annual adjustment to EBS's annual revenues via a Refuse Rate Index (RRI). Additionally, the Fifth Amendment established a Revenue Balancing Account, which provides for adjustments in the revenue requirement to account for any difference between the projected rate revenues and the actual rate revenues received in prior calendar years. The Revenue Balancing Account ensures that any over- or under-collection of revenues is captured in future years' rates, meaning that EBS is fairly compensated when revenues are lower than required by the agreement. Conversely, when revenues are higher than required, any over-collection of revenues is used to offset future rate adjustments.

EBS has calculated a 2016 RRI revenue adjustment of 1.96%, creating a 2016 revenue requirement of \$4,309,524. However, as a result of an over-collection of revenue in 2014 of \$153,054 (mainly due to an unanticipated increase in commercial and Construction & Demotion roll-off¹ revenues), the amount due to EBS in 2016 can be met via the rates that were established by the Council in 2015; as such, no changes to EBS's garbage and green waste collection rates are being proposed.

With the assistance of R3 Consulting Group, City staff has reviewed the RRI adjustment figure and the proposed 2016 collection revenue requirement, including revenue from the balance account, for accuracy, consistency, and reasonableness. Because no changes to EBS's garbage and green waste collection rates are being proposed, the current rates

¹ "Roll-off" refers to collection and disposal services related to debris boxes provided by East Bay Sanitary.

will remain in effect and are included in Attachment 1. Since these rates will not change, a public hearing is not required.

East Bay Sanitary Post-Collection Rates: Processing and Disposal

Effective January 1, 2014, the City Council approved a Post-Collection Agreement between the City and Republic Services for processing and disposal services (Resolution 2013-54). The City Council also sets Post-Collection Rates (Resolution 2013-64) to cover expenses for processing and disposal of waste using a methodology which is stipulated by the Post-Collection Agreement.

Per the terms of the Post-Collection Agreement, Republic Services has calculated and proposed a 2016 Blended Rate of \$94.22 per ton of garbage, green waste, construction and demolition debris and commercial dry waste delivered by EBS to Republic's facilities. With the assistance of R3 Consulting Group, City staff has reviewed the proposed 2016 Blended Per Ton Rate for accuracy, consistency, and reasonableness.

These disposal and processing costs are paid by EBS and are included in the rates that they collect. As discussed above, due to an over-collection of revenue in 2014, EBS has proposed to use the balancing account to absorb this increase in the Blended Per Ton Rate. Thus, the current rates will remain in effect and are included in Attachment 1.

STRATEGIC PLAN CONSIDERATIONS

Adoption of the IWM Fees would help fulfill the following City of El Cerrito Strategic Plan goal and objective: Goal F: Foster Environmental Sustainability Citywide (*Implement the City's Climate Action Plan, including reducing the amount of waste generated in El Cerrito*). Specifically, the proposed rates and fees will support continued reductions for El Cerrito waste sent to landfills.

ENVIRONMENTAL CONSIDERATIONS

The services being funded by the proposed 2016 IWM Fees and the existing EBS Collection Rates and Post-Collection Rates will continue to enable El Cerrito to reduce its environmental impact via further decreases in the number of tons of solid waste sent to landfill. Specifically, the proposed rates and fees will enable the City and EBS to maintain, expand, and improve the range of diversion services for solid waste customers.

FINANCIAL CONSIDERATIONS

The proposed IWM Fees and existing EBS Collection and Post-Collection Rates are included in Attachment 1 (2016 Garbage, Green Waste and Recycling Rates). Adoption of the proposed combined IWM Fees will result in total monthly cost increases of \$0.90 for 20 gallon customers (40% of cart subscriptions), \$0.92 for 35 gallon customers (54% of cart subscriptions), and \$1.97 for 64 gallon customers (6% of cart subscriptions). Approximately consistent with the increase in cart subscription rates, bulk commercial collection rates will increase by less than 2.4%.

LEGAL CONSIDERATIONS

The City Attorney has reviewed the proposed actions and found that legal considerations have been addressed. The Notice of Public Hearing for the IWM fees was publicly posted on November 7, 2015 and published in the November 7 and November 12, 2015 editions of the West County Times. Because no changes to the EBS garbage, green waste collection and post collection rates are being proposed, a public hearing to continue existing rates is not required.

Reviewed by:



Scott Hanin, City Manager

Attachments:

1. 2016 Garbage, Green Waste and Recycling Rates
2. Resolution 2015-XX (IWM Recycling Fees)
3. Resolution 2015-YY (Garbage and Green Waste Collection Rates)

The City of El Cerrito



2016 Solid Waste Collection, Processing and Disposal Rates

Residential Rates | Single Family Homes and Multi-family Dwellings up to 4 units

Residential Solid Waste Services include weekly collection of recycling (grey), green waste (green), garbage (blue); limited free on-call collection of larger quantities from your home; free access to the regional Household Hazardous Waste (HHW) Facility, and free access to most services at the El Cerrito Recycling + Environmental Resource Center. Additional recycling carts are available at no extra cost.

Weekly Collection of Recycling, Green Waste, and Garbage						
<i>Monthly Cost based on garbage container size</i>						
Container Size	Collection	Post-Collection	IWM Fee	2016 Total Monthly Cost	2015 Total Monthly Cost	\$ Change in Monthly Cost
20 Gallon Cart	\$ 18.13	\$ 3.60	\$ 10.67	\$ 32.40	\$ 31.50	\$ 0.90
35 Gallon Cart	\$ 25.01	\$ 6.30	\$ 11.69	\$ 43.00	\$ 42.08	\$ 0.92
64 Gallon Cart	\$ 50.68	\$ 12.65	\$ 23.07	\$ 86.40	\$ 84.43	\$ 1.97
Weekly Collection of Additional Green Waste Containers (one 64 gallon container serviced weekly included in above rates)						
<i>Monthly Cost based on size of additional green waste container(s)</i>						
Container Size	Collection	Post-Collection	IWM Fee	2016 Total Monthly Cost	2015 Total Monthly Cost	\$ Change in Monthly Cost
35 Gallon Cart	\$ 27.51	Included	\$ -	\$ 27.51	\$ 27.51	\$ -
64 Gallon Cart	\$ 53.20	Included	\$ -	\$ 53.20	\$ 53.20	\$ -

Integrated Waste Management (IWM) Fee: The IWM Fee covers curbside recycling collection for El Cerrito residents and businesses and supports the daily operations of the El Cerrito Recycling Center. The Fee is set and assessed on each trash container collected by East Bay Sanitary Company, based on trash container size.

Commercial Rates | Businesses and Multi-family Dwellings over 4 units

Commercial Solid Waste Services include collection of recycling (grey), green waste (green), garbage (blue) and most services at the El Cerrito Recycling + Environmental Resource Center. Additional recycling carts are available at no extra cost.

Once Weekly Collection of Garbage						
<i>Monthly Cost based on garbage container size</i>						
Container Size	Collection	Post-Collection	IWM Fee	2016 Total Monthly Cost	2015 Total Monthly Cost	\$ Change in Monthly Cost
20 Gallon Cart	\$ 18.13	\$ 3.60	\$ 10.67	\$ 32.40	\$ 31.50	\$ 0.90
35 Gallon Cart	\$ 25.01	\$ 6.30	\$ 11.69	\$ 43.00	\$ 42.08	\$ 0.92
64 Gallon Cart	\$ 50.68	\$ 12.65	\$ 23.07	\$ 86.40	\$ 84.43	\$ 1.97
One Cubic Yard	\$ 173.03	\$ 32.50	\$ 82.33	\$ 287.87	\$ 281.32	\$ 6.54
Two Cubic Yards	\$ 329.84	\$ 65.00	\$ 164.67	\$ 559.51	\$ 546.42	\$ 13.09
Multiple Weekly Collections of Garbage						
<i>Monthly Cost based on garbage container size and number of pickups per week</i>						
Container Size	Pickups per week					
	1	2	3	4	5	6
20 Gallon Cart	\$ 32.40	\$ 64.80	\$ 97.20	\$ 129.60	\$ 162.00	\$ 194.40
35 Gallon Cart	\$ 43.00	\$ 85.99	\$ 128.99	\$ 171.98	\$ 214.98	\$ 257.97
64 Gallon Cart	\$ 86.40	\$ 172.80	\$ 259.20	\$ 345.60	\$ 432.00	\$ 518.40
One Cubic Yard	\$ 287.87	\$ 543.62	\$ 799.37	\$ 1,055.13	\$ 1,310.88	\$ 1,566.63
Two Cubic Yards	\$ 559.51	\$ 1,071.01	\$ 1,582.52	\$ 2,094.03	\$ 2,605.53	\$ 3,117.04
Green Waste Collection						
<i>Monthly Cost based on green waste container size and number of pickups per week</i>						
Container Size	Pickups per week					
	1	2	3	4	5	
35 Gallon Cart	\$ 27.51	\$ 55.02	\$ 82.53	\$ 110.04	\$ 137.55	
64 Gallon Cart	\$ 53.20	\$ 106.40	\$ 159.60	\$ 212.80	\$ 266.00	
On-Call Bulk Collection (Debris Boxes and Compactors)						
<i>Rates listed are per pickup, and are not inclusive of all charges for these services. Please call East Bay Sanitary for complete rates and fees at 510-237-4321.</i>						
Container Type	Collection	Post-Collection	IWM Fee	Total		
Compacted Rates (per yard)	\$ 66.06	\$ 15.00	\$ 19.00	\$ 100.06		
Roll-off (Debris Box)	Market Rate (per load)	Market Rate (per ton)	\$75.00 (per load)	Varies - Call East Bay Sanitary at 510-237-4321 for price quote.		

Integrated Waste Management (IWM) Fee: The IWM Fee covers curbside recycling collection for El Cerrito residents and businesses and supports the daily operations of the El Cerrito Recycling Center. The Fee is set and assessed on each trash container collected by East Bay Sanitary Company, based on trash container size.

RESOLUTION 2015–XX

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL CERRITO FIXING
AND SETTING THE INTEGRATED WASTE MANAGEMENT FEES
EFFECTIVE JANUARY 1, 2016**

WHEREAS, the City of El Cerrito has established Integrated Waste Management Fees (IWM Fees) for Integrated Waste Management Services provided by the Department of Public Works, Operations + Environmental Services Division (OESD), including operation of the El Cerrito Recycling + Environmental Center, curbside collection of recyclable materials, and other waste collection, reduction, recycling and environmental programs; and

WHEREAS, the City Council of the City of El Cerrito sets and charges the IWM Fees, and the Fees are collected by East Bay Sanitary Company as part of the garbage bills and transferred in whole to the City of El Cerrito's Integrated Waste Management fund; and

WHEREAS, the City has reviewed and considered financial information as a part of the regular budget process to determine whether increases to IWM Fee revenues are warranted and justified; and

WHEREAS, the City Council intends to adopt IWM Fees to be effective January 1, 2016, thus keeping the OESD's Integrated Waste Management functions as an on-going concern; and

NOW THEREFORE BE IT RESOLVED, by the City Council of the City of El Cerrito that the rates for each IWM service shall be as follows, effective January 1, 2016:

Garbage Container Size	IWM Fee
20 Gallon Cart (per mo.)	\$10.67
35 Gallon Cart (per mo.)	11.69
64 Gallon Cart (per mo.)	23.07
One Cubic Yard (per mo.)	82.33
Two Cubic Yards (per mo.)	164.67
35 Gallon Green Waste (per mo.)	0.00
64 Gallon Green Waste (per mo.)	0.00
Compacted (per yard)	19.00
Roll-off (per load)	75.00

BE IT FURTHER RESOLVED, that this Resolution shall become effective immediately upon passage and adoption.

I CERTIFY that at a regular meeting on November 17, 2015, the City Council passed this resolution by the following vote:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:

Agenda Item No. 6
Attachment 2

ABSENT: COUNCILMEMBERS:

IN WITNESS of this action, I sign this document and affix the corporate seal of the City of El Cerrito on November XX, 2015.

Cheryl Morse, City Clerk

Approved:

Mark Friedman, Mayor

RESOLUTION 2015 – YY

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL CERRITO REAFFIRMING THE CALCULATION OF AND CONTINUING IN EFFECT THE MAXIMUM ALLOWABLE RATES FOR THE COLLECTION OF GARBAGE AND GREEN WASTE EFFECTIVE JANUARY 1, 2015

WHEREAS, the City of El Cerrito and East Bay Sanitary Company (the Company) have entered into that certain Franchise Agreement dated September 2, 1997 (as amended, the “Franchise Agreement”); and

WHEREAS, the Company has not requested an adjustment to the maximum allowable rates for the collection of garbage and green waste for 2016; and

WHEREAS, the current garbage and green waste collection rates effective January 1, 2015 were calculated pursuant to the methodology established in the Franchise Agreement; these rates have been reviewed for accuracy, consistency with the adjustment methodology, and reasonableness for 2016; and the City has verified that the findings for these rates remain true and thus the Company may continue to charge up to the current allowed maximum.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of El Cerrito that the maximum rates that East Bay Sanitary Company may charge will not be adjusted, and those rates, effective January 1, 2015 shall remain as follows:

Garbage Container Size	EBS Collection Rate (\$)	Post-Collection Rate (\$)
20 Gallon Cart (per mo.)	18.13	3.60
35 Gallon Cart (per mo.)	25.01	6.30
64 Gallon Cart (per mo.)	50.68	12.65
One Cubic Yard (per mo.)	173.03	32.50
Two Cubic Yards (per mo.)	329.84	65.00
35 Gallon Green Waste (per mo.)	27.51	0.00
64 Gallon Green Waste (per mo.)	53.20	0.00
Compacted Rates (per yard)	66.06	15.00
Roll-off (per load)	NA – Market Rate	NA – Market Rate

BE IT FURTHER RESOLVED, that this Resolution shall become effective immediately upon passage and adoption.

I CERTIFY that at a regular meeting on November 17, 2015, the City Council passed this resolution by the following vote:

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

Agenda Item No. 6
Attachment 3

IN WITNESS of this action, I sign this document and affix the corporate seal of the City of El Cerrito on November XX, 2015.

Cheryl Morse, City Clerk

Approved:

Mark Friedman, Mayor