AGENDA

REGULAR CITY COUNCIL MEETING
Tuesday, November 20, 2012 – 7:00 p.m.
City Council Chambers

Meeting Location
El Cerrito City Hall
10890 San Pablo Avenue, El Cerrito

Bill Jones – Mayor

Mayor Pro Tem Greg Lyman
Councilmember Rebecca Benassini
Councilmember Ann Cheng
Councilmember Janet Abelson

ROLL CALL

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

1. **PLEDGE OF ALLEGIANCE TO THE FLAG –** Mayor Jones.

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.)*

Sustainable Contra Costa Leadership in Sustainability Award 2012 for the El Cerrito Recycling and Environmental Resource Center.

Additional honors received as follows:

Certificate of Special Congressional Recognition – Congressman George Miller
California State Senate Certificate of Recognition – Senator Mark DeSaulnier
California State Assembly Certificate of Recognition – Assemblymembers Joan Buchanan, Susan Bonilla and Nancy Skinner.

3. **ORAL COMMUNICATIONS FROM THE PUBLIC**

All persons wishing to speak should sign up with the City Clerk. Remarks are limited to 3 minutes per person. Please 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. PRESENTATIONS

A. Tehiyah Day School Proclamation – *Presentation by Councilmember Abelson*

Present and approve a proclamation recognizing and celebrating Tehiyah Day School on the occasion of its designation as a 2012 National Blue Ribbon School.

B. ICMA Community Sustainability Awards – *Presentation by Marcia Raines, City Manager of Millbrae and Pat Martel, City Manager of Daly City.*

C. Contra Costa/Solano County Food Bank – *Presentation by David Keifer, Food Bank Ambassador.*

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

Consent Calendar items are considered to be routine by the City Council and will be enacted by one motion unless a request for removal for discussion or explanation is received prior to the time Council votes on the motion to adopt the Consent Calendar.

A. Minutes for Approval

Approve the October 16, 2012 Regular City Council and Special City Council Meeting – Closed Session meeting minutes.

B. Distribution of Tickets Pursuant to the Fair Political Practices Commission Regulation 18944.1

Review and adopt a resolution and policy regarding the distribution of complimentary tickets received by the City, pursuant to the Fair Political Practices Commission Regulation Section 18944.1.

C. Renew Participation in the Contra Costa Abandoned Vehicle Service Authority

Adopt a resolution authorizing the City Manager or his designee to renew participation in the Contra Costa County Abandoned Vehicle Abatement Service Authority by entering into a joint powers agreement.

D. Quarterly Investment Report

Receive and file the City's September 30, 2012 Quarterly Investment Report.

E. Annual Maddy Act Local Appointments List

Receive and file a listing of all current board and commission members whose terms will expire January 1, 2013 and vacancy information for each board, commission and committee.

F. 2012-2013 Holiday Closure

Consistent with prior years, administrative offices at City Hall will be closed for the holiday period beginning Friday, December 21, 2012 through Tuesday, January 1, 2013 to facilitate the consolidation of employee vacation schedules and to save energy. City administrative offices will reopen on Wednesday, January 2, 2013.

G. Financial Advisory Board Enabling Ordinance Clean Up

Introduce by title, waive any further reading and approve an ordinance amending El Cerrito Municipal Code Section 2.04.300 – Financial Advisory Board, to delete references to the former redevelopment agency and further clarify the Financial Advisory Board's function and duties.

6. PUBLIC HEARING – None

7. POLICY MATTERS

A. Solid Waste Rate and Operational Review Report and Extension of the Garbage and Green Waste Collection Franchise Agreement with the East Bay Sanitary Company

Receive a presentation and report from staff regarding the 2011/2012 Solid Waste Rate and Operations Review and adopt a resolution approving the Fifth Amendment to the Franchise Agreement between the City of El Cerrito and the East Bay Sanitary Company, Inc., extending the Franchise Agreement by seven years, through December 31, 2025.

B. Budget Update

Receive and comment on the General Fund budget update for the period of July 1, 2012 through October 31, 2012.

C. Amendment of El Cerrito Municipal Code Chapter 8.12 – Collection and Disposal of Waste Stream

Introduce by title, waive any further reading and approve an ordinance amending El Cerrito Municipal Code (ECMC) Chapter 8.12 – Collection and disposal of waste stream, to include provisions for salvage and regulation of certain activities at the El Cerrito Recycling and Environmental Center.

D. Central Avenue and Liberty Street Streetscape Improvements Project, City Project No. C-3063, Federal Project No. CML–5239 (020)

Adopt a resolution approving the following actions: 1) Approve plans for the Central Avenue and Liberty Street Streetscape Improvements Project; 2) Reject the bid from California Constructores, Inc. as non-responsive and accept all other bids; 3) Amend the Capital Improvement Program to transfer an amount not to exceed $160,000 of Measure A Street Improvement Funds from the Annual Street Improvement Program to the Central Avenue and Liberty Street Streetscape Improvements Project; and 4) Authorize the City Manager to award a contract, contingent on successful negotiations with Redgwick Construction Company (the lowest responsible bidder for the project) for a deductive change order after undergoing a value engineering process which is not inconsistent with the revised budget for the Central Avenue and Liberty Street Streetscape Improvements Project, City Project No. C–3063.

E. Grant to Writer Coach Connection

At the request of Councilmember Benassini, consider a $2,500 grant in support of the Writer Coach Connection (WCC) funding request in Fiscal Year 2012–13.

8. COUNCIL ASSIGNMENTS/LIAISON REPORTS

A. Mayor Jones Assignments: Contra Costa County Mayors' Conference, Crime Prevention Committee, Design Review Board, Disaster Preparedness Council Delegate, Municipal Service Corporation Chair, Oversight Board of the Successor Agency for the Former El Cerrito Redevelopment Agency, Pension Board Chair, Temporary Permits Committee, Tom Bates Regional Sports Field JPA, Underground Utilities Committee, West County Integrated Waste Management Authority Alternate and West County Mayors' & Supervisors' Association.

B. Mayor Pro Tem Lyman Assignments: Commission/Committee Rules Subcommittee, Contra Costa County Mayors' Conference Alternate, Disaster Preparedness Council Alternate, Economic Development Board, Municipal Services Corporation Vice-Chair, Pension Board Alternate, Planning Commission, Tree Committee, West County Integrated Waste Management Authority Delegate and West County Mayors' & Supervisors' Association Alternate.

C. Councilmember Abelson Assignments: Association of Bay Area Governments (ABAG) General Assembly Alternate, Committee on Aging, Contra Costa Transportation Authority, Environmental Quality Committee, League of California Cities East Bay Division Delegate and West Contra Costa Transportation Advisory Committee Delegate.

D. Councilmember Benassini Assignments: Arts and Culture Commission, Park and Recreation Commission, Redevelopment Agency Vice-Chair, and Tom Bates Regional Sports Field JPA Alternate.

E. Councilmember Cheng Assignments: Association of Bay Area Governments (ABAG) General Assembly Delegate, Commission/Committee Rules Subcommittee, Financial Advisory Board, Human Relations Commission, League of California Cities East Bay Division Alternate, Redevelopment Agency Chair and West Contra Costa Transportation Advisory Committee Alternate.

9. ADJOURN REGULAR CITY COUNCIL MEETING

The next regularly scheduled City Council meeting is December 4, 2012. The meeting will take place in the City Council Chambers at City Hall, 10890 San Pablo Avenue, El Cerrito.

- Council Meetings can be heard live on FM Radio, KECG – 88.1 and 97.7 FM and viewed live on Cable TV - KCRT- Channel 28. 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).

- ***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 Item No. 4(A)

EL CERRITO CITY COUNCIL PROCLAMATION

In Recognition of Tehiyah Day School

WHEREAS, Tehiyah Day School is a Jewish Day School that recently celebrated its 30^{th} anniversary; and

WHEREAS, Tehiyah Day School has been located in El Cerrito since 1983; and

WHEREAS, part of Tehiyah Day School's mission is to provide students throughout the East Bay with an academically excellent values-based education, regardless of their ability to pay; and

WHEREAS, Tehiyah Day School was recently selected by the U.S. Department of Education as a 2012 National Blue Ribbon School and the City of El Cerrito wants to recognize and celebrate this prestigious national recognition; and

WHEREAS, Tehiyah Day School was recognized as an Exemplary High Performing School, cited as the best of what our country has to offer and a model for schools across the country by the U.S. Secretary of Education, and

WHEREAS, Tehiyah Day School was selected for this honor because of its conviction that every child has promise and that education is the surest pathway to a strong, secure future, and

WHEREAS, Tehiyah Day School is the only private school in Northern California selected for this honor and one of only two in the State of California, and

WHEREAS, Tehiyah Day School is the only Jewish day school selected for this honor in the United States.

NOW THEREFORE, the City Council of the City of El Cerrito does hereby recognize and celebrate Tehiyah Day School on its designation as a 2012 National Blue Ribbon School.

Dated: November 20, 2012

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William C. Jones III, Mayor

U.S. Secretary of Education Arne Duncan Recognizes 269 Schools as 2012 National Blue Ribbon Schools

September 7, 2012

Contact:
Press Office, (202) 401-1576, press@ed.gov

U.S. Secretary of Education Arne Duncan today recognized 269 schools as 2012 National Blue Ribbon Schools based on their overall academic excellence, or for making progress in improving student academic achievement levels. Secretary Duncan was joined by Arlington Public Schools Superintendent Patrick Murphy for the announcement at Arlington Traditional Elementary School in Arlington, Va.

The Department will honor approximately 219 public and 50 private schools at a recognition ceremony on Nov. 12-13 in Washington, D.C. In its 30-year history, the National Blue Ribbon Schools Program has bestowed this coveted award on nearly 7,000 of America's schools.

"Our nation has no greater responsibility than helping all children realize their full potential," Duncan said. "Schools honored with the National Blue Ribbon Schools award are committed to accelerating student achievement and preparing students for success in college and careers. Their work reflects the conviction that every child has promise and that education is the surest pathway to a strong, secure future."

The National Blue Ribbon Schools award honors public and private elementary, middle, and high schools where students perform at very high levels or where significant improvements are being made in students' levels of achievement.

The program recognizes schools in one of two performance categories. The first category is "Exemplary High Performing," in which schools are recognized among their state's highest performing schools, as measured by state assessments or nationally-normed tests. The second category is "Exemplary Improving," in which schools that have at least 40 percent of their students from disadvantaged backgrounds demonstrate the most progress in improving student achievement levels as measured by state assessments or nationally-normed tests.

To select National Blue Ribbon Schools, the Department requests nominations from the top education official in every state, the District of Columbia, Puerto Rico, the Department of Defense Education Activity, and the Bureau of Indian Education. The Council for American Private Education (CAPE) nominates private schools. A total of 417 schools nationwide may be nominated, with allocations determined by the numbers of K-12 students and schools in each jurisdiction. The Secretary of Education invites nominated schools to submit an application for possible recognition as a National Blue Ribbon School.

Note To Editors: A list of the 2012 National Blue Ribbon Schools is available at http://www.ed.gov/nationalblueribbonschools. Nominated schools from some states will be included at a later date following final certification by the state's chief state school officer.

Tehiyah, a short history

Jean Glasser and Allison Kent Weiss have seen Tehiyah Day School mature from its infancy in a one-room school house in Kensington to a thriving well-resourced campus in the El Cerrito hills.

Jean was one of Tehiyah's original two teachers in 1979-80, and Allison joined the mix in 1980-81. Ruth Gorrin, Gail Taback, and Deborah Weinstein join Jean and Allison as current teachers with at least 25 years of experience at the school. Through the years, the faculty has been incredibly committed to Tehiyah. "The most amazing thing about Tehiyah has always been the sense of family and community," said Jean. "When people have tragedies, simchas, family events, anything that's going on in their lives, people always come together and help. It has always been that way. It hasn't changed."

Jean taught with general studies teacher Diane Etzel in a kindergarten-first-grade combination class during the 1979-80 school year. Etzel was a kindergarten teacher at Congregation Beth El in Berkeley prior to joining Tehiyah. Initially, Tehiyah's founding families had hoped that Beth El would extend their educational offerings beyond kindergarten. After it became clear that Beth El was not interested in a new educational initiative, a core group of families joined together to form a Jewish day school, which would serve the diverse needs of the community.

The founding families divided up tasks and took advantage of everyone's strengths. For example, Carl Groch, an architect, acted as a part-time consultant; parents with business backgrounds gave sound advice; and those with an education background, such as Evie Groch, interviewed new teachers and helped develop the curriculum.

Robert Alter, professor of literature at Cal and one of the founders, came up with the name Tehiyah. Robert thought Tehiyah, meaning renewal in Hebrew, was an appropriate name since this Jewish day school meant the renewal of their commitment to Judaism. The founding families explored numerous locations for the new school and finally decided upon the Kensington Youth Hut for the sum of $1 an hour. The parents worked together to paint the room, build tables to Diane Etzel's specifications, and get the school ready for opening day.

When school opened there were 12 students, and by the end of that first year there were 15. As the first school year came to a close, Jean and Diane realized they needed to hire additional staff for the following year. Jean contacted Allison, who she knew from college, and brought her on board. "This place is my entire adult life," said Allison. "I came here straight from grad school. This was my first full-time teaching job. We have grown and matured and become adults together. When I started here, I was the young kid; now I'm the old lady."

Before the founders knew it, the first two years had flown by, and Tehiyah's numbers outgrew the Kensington Youth Hut. It was time to move on. But where? Again, the group called on the skills of one of their own, a parent who happened to be an architecture student at the time, Nancy Bardach. She scoured the East Bay to find a new home for the flourishing Tehiyah.

Nancy searched until she found an appropriate site on 6th Street. The location, now home to Black Pine Circle, was to become the school's home, and was affectionately known as "the school that Nancy built."

In three short years, Tehiyah outgrew the 6th Street site, and the search for a new location was on once again. Through the steadfast efforts of Gene Millstein and Stuart Marson, the present campus in El Cerrito was identified and purchased.

The 2012-13 school year marks Tehiyah's 29th year on Tassajara Avenue. Cherished families, faculty, staff, board members, and community supporters have helped make Tehiyah a place where children want to go every day. Now, the school serves more than 240 students in Bridge Kindergarten through Eighth Grade, and was named a 2012 National Blue Ribbon School for its Exemplary Academics by the U.S. Department of Education.

Mission & Values

The mission of Tehiyah Day School is to inspire curiosity, a strong sense of community, and a vibrant connection to Judaism. At Tehiyah, we live the curriculum!

We are guided in the pursuit of our mission by core Jewish values that include the following:

- *Kehillah* (Community): We promote a strong sense of community and *ruach* (spirit). Our families, teachers and administrators work together to create an environment that is warm, safe, nurturing, inclusive and welcoming. A significant aspect of our community is the diversity of religious observances; we honor all points of entry into the Jewish experience. People with secular beliefs and those with a more traditional outlook can find connections at Tehiyah.
- *L'midah* (Lifelong Learning): We nurture the unique potential of all students and instill in them a capacity for creative thinking and an intellectual curiosity.
- *Menschlichkeit* (Being a Good Person): We strive to raise "mensches," creating a culture of *derekh eretz* (thoughtful conduct), *kavod* (treating each other with respect), *chesed* (kindness), and *rachamanut* (compassion).
- *Ruach* (Connection to Judaism): We inspire our students to develop a personal connection to Jewish life and to understand and appreciate the wisdom, spiritual depth and ethical guidance of Judaism.
- *Tikkun Olam* (Social Responsibility): We prepare our students for responsible citizenship in the broader community, encouraging them through individual and collective action to make the world around them a more compassionate, just, and peaceful place
- *Yisrael* (The Land of Israel): We foster an inextricable commitment to, and love for, the State of Israel, its culture, language, history, and land. We support Israel in a thoughtful way without lockstep support of any particular governmental position or political party. We support Israel by taking an unequivocal stand on its right to sovereignty, and by fostering many and varied connections to Israeli culture.

To enable our students to live the curriculum at Tehiyah, we have developed the following educational priorities:

- Ensuring that students internalize what they study through project-based education and multiple pathways to learning. (*L'midah*)
- Providing a place to grow intellectually, emotionally, socially, and spiritually, and a lifelong educational foundation for the whole person. (*Menschlichkeit*)
- Creating a safe, nurturing and pluralistic Jewish environment while at the same time challenging our students' intellects. (*Ruach*)
- Enabling each child to develop Jewish literacy including joy and pride in Jewish identity and respect for differences in the breadth, beauty, diversity, and resilience of Jewish observances. As a Jewish community day school not affiliated with any single movement, Tehiyah Day School creates a contemporary Jewish experience in an environment that provides equal learning opportunities for all students. (*Ruach*)
- Teaching Hebrew and thus providing our children with the means to form a strong connection to their heritage. (*Ruach*)
- Bringing to life what our students learn in Judaic Studies and in Hebrew. To this end, our eighth-grade class is given the opportunity to participate in a class trip to Israel. (*Yisrael*)
- Helping students become responsible, compassionate members of our community and of the world. (*Kehillah, Tikkun Olam*)
- Fostering and promoting academic excellence and creative expression in both General and Judaic Studies. (*L'midah*)

FOOD BANK
of Contra Costa & Solano

Programs and Services

The Food Bank of Contra Costa and Solano provides food for more than 132,000 hungry people each month through direct service programs and a network of 180 partner agencies. We distributed over 13.8 million pounds of food in fiscal year 2011 - that is enough for over 11 million meals.

Food Assistance Program. 25,600 individuals receive boxes of fresh produce, bread, and USDA commodities at one of 29 sites throughout Contra Costa and Solano counties every month. Each household is low-income as defined by the federal government.

Food for Children. More than 1,000 children, age four and five, receive free food every month at one of 9 sites throughout Contra Costa and Solano counties. The children, who are referred by WIC staff (WIC is the federal government's Women, Infants, and Children program), are provided with a large box of nutritious, high-protein food weighing 25 pounds.

Senior Food Program (formerly Brown Bag Program). Over 2,500 low-income senior citizen households in Contra Costa and Solano counties receive free groceries twice per month. The groceries supplement the food that seniors are able to buy on their own, stretching their precious dollars further.

Extra Helpings. People who are living with HIV/AIDS in Contra Costa County and who are enrolled in case management services through the County Health Department receive food twice a month at no cost. Over 134 clients receive a box full of nutritious canned and dry food, a bag of fresh fruits, vegetables and bread, along with a gallon of milk at each distribution. The Extra Helpings Program clients are referred to the Food Bank by their case managers. This program offers home delivery service to those clients who are medically homebound.

Farm 2 Kids. Through the Farm 2 Kids program, the Food Bank provides additional food for children whose families cannot afford to keep food on the table. Every week during the school year, the Food Bank provides 3 - 5 pounds of fresh produce to more than 9,000 children in 79 after school programs at low-income schools in Contra Costa and Solano counties. Research shows that increased consumption of a variety of fruits and veggies over a lifetime reduces risk of chronic disease. Farm 2 Kids is an excellent way to get more produce out into a community that could really use it, since over 50% of the students in these schools receive free or reduced price lunches.

CalFresh Outreach. Over half of the people in California who are eligible to receive benefits from the government do not participate in CalFresh. This means that more people rely on food banks and food pantries for food than is necessary. The Food Bank of Contra Costa and Solano promotes the benefits of the CalFresh Program, formerly known as Food Stamps and nationally known as the Supplemental Nutrition Assistance Program (SNAP) to the people who come to food distributions and the nonprofit agencies that serve them. In partnership with Kathi Kelly, Contra Costa County CalFresh Program Analyst, and Juanita McCord-Fleming, Solano County CalFresh Program Specialist, the Food Bank sponsors regular trainings called "Myths and Facts of Food Stamps" and hosts quarterly luncheons where staff from community-based organizations can have a dialogue with county staff about their experiences referring people to County Food Stamp offices.

Emergency Food Pantries and Soup Kitchens. Individuals and families in crisis situations receive three-day food boxes, or get a hot meal at a soup kitchen. More than 5 million meals are provided to over 84,000 people from Food Bank-supported emergency food pantries and kitchens during the year.

Local Charities. Community organizations such as churches, childcare agencies, and residential programs receive food regularly from the Food Bank. Some provide hot meals on site, while others distribute food baskets.

FOOD BANK
of Contra Costa & Solano

Become a Volunteer and Help Us End Hunger

For more than 35 years the Food Bank of Contra Costa and Solano has been serving the community by feeding hungry people, reducing food waste, and raising public awareness about issues related to food and hunger. Critical to helping us provide food throughout the year to thousands of men, women and children facing hunger in our community are the hundreds of volunteers who generously donate their time and talents every day.

There are a variety of volunteer opportunities at the Food Bank of Contra Costa and Solano. Whether it's by advocating and raising awareness or giving your time and energy, there are different ways you can help the Food Bank fight hunger and feed our neighbors in need. The Food Bank welcomes your help and we offer different options to fit your schedule.

Volunteer Opportunities in Food Distribution Warehouse volunteers are needed every day! Help us sort and move food products, box fresh produce, assemble canned and dry food, which is then distributed through direct service programs and partner agencies. Volunteer shifts for individuals and groups exist in both our Concord and Fairfield warehouses and typically last 2-3 hours. Warehouse volunteer opportunities must be scheduled in advance and are usually available on Mondays through Saturdays.

Direct distribution volunteers help us in the community at designated program sites. Volunteers who are scheduled in advance arrive at sites early on weekday mornings to help set up tables and canopies, bag food, and distribute to clients. This is a great way to learn about the Food Bank programs in action while helping us distribute food directly to those in need.

Volunteer Opportunities in the Food Bank Offices. Never a dull moment in our offices. Join our office team to greet visitors, answer phones, handle mail, enter data, stuff envelopes, perform a variety of other clerical tasks, and assist with special projects Monday-Friday from 8:00am-4:30pm. All office volunteer opportunities must be scheduled in advance.

Volunteer Opportunities in the Community. Organize a food drive or special event. We make it easy for community volunteers to coordinate food drives and events where nonperishable food is collected and funds are raised on behalf of the Food Bank. Food drives and events can be as big or small as you like and can involve both adults and children. Read about traditional and virtual food drives, Buy-a-Bag and special event ideas at www.foodbankccs.org.

Become a Hunger Fighter. We welcome you to stay in touch with us by simply visiting www.foodbankccs.org to join our online community of caring citizens who receive occasional e-news related to their area(s) of interest. Invite us to speak at your social club, work group or fraternal organization. Through our presentation, we will raise awareness and educate your friends and colleagues about hunger in Contra Costa and Solano counties -- and what we can do together to end it. Help us share information and mobilize others to take action through your Facebook page, blog, Twitter, etc. Learn more about current campaigns and opportunities to help the Food Bank fight hunger at www.foodbankccs.org/advocate.

Have a knack for public speaking? Through our special training you can become a Food Bank Ambassador. We will give you the tools and knowledge to help raise awareness and educate the public about what the Food Bank does to help fight hunger throughout the community. If you enjoy public speaking to groups and/or at events and are interested in representing the Food Bank to local businesses, community organizations, schools, and social clubs, contact us to find out more information about our next Food Bank Ambassador training.

There are many other ideas on how you can make a difference. Take a tour of our Food Bank and then help spread the word about the resources we offer the community. Host a dinner party or potluck and encourage guests to make a cash or nonperishable food donation instead of bringing wine, flowers, or other goodies. Organize your friends, family members, and neighbors to write letters urging elected officials and media outlets to support making issues of hunger a priority through effective legislation. Read about the many community events (www.foodbankccs.org/events) taking place which offer a variety of ways to get involved and help support the Food Bank.

Volunteer Opportunities for Children, Families and Groups. Children are welcome to volunteer. All children ages 11 - 15 must be accompanied by an adult leader. For family or school/community groups, at least one adult leader is required to volunteer with every 2 to 3 children ages 11 - 12 and for every 2 to 4 children ages 13 and up.

Family Volunteer Day is a not quite quarterly special volunteer event which showcases the benefits of families working together while introducing them to community service. Family Volunteer Day is open to families with children ages 5 and older. Email volunteerhelpdesk@foodbankccs.org for more information about the next Family Volunteer Day events.

To learn more about volunteering with the Food Bank of Contra Costa and Solano, please visit www.foodbankccs.org.

EL CERRITO CITY COUNCIL

MINUTES

REGULAR CITY COUNCIL MEETING
Tuesday, October 16, 2012 – 7:00 p.m.
City Council Chambers

SPECIAL CITY COUNCIL – CLOSED SESSION
Tuesday, October 16, 2012 – Immediately following the regular meeting
Hillside Conference Room

Meeting Location
El Cerrito City Hall
10890 San Pablo Avenue, El Cerrito

Bill Jones – Mayor

Mayor Pro Tem Greg Lyman
Councilmember Rebecca Benassini
Councilmember Ann Cheng
Councilmember Janet Abelson

ROLL CALL

Present: Councilmembers Abelson, Benassini, Lyman and Mayor Jones.

Absent: Councilmember Cheng.

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

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

1. **PLEDGE OF ALLEGIANCE TO THE FLAG** was led by Councilmember Abelson.

2. **COUNCIL / STAFF COMMUNICATIONS**

Councilmember Abelson reported that she attended the El Cerrito Toastmasters 30th Anniversary on October 4, 2012 to present a proclamation on behalf of the Mayor. The Toastmasters are an interesting and lively group.

Councilmember Lyman reported that he and Mayor Jones were asked to witness a local attempt at a Guinness World Record for the world's largest meatloaf.

Councilmember Benassini thanked staff and everyone who participated in the citywide garage sale on October 13, 2012. The Arts and Culture Commission will be celebrating Arts Month on October 26 at City Hall from 5-7 p.m. Councilmember Benassini invited all to attend and be a part of the unveiling of the first public art icon which will be installed at City Hall.

Mayor Jones attended the West County Integrated Waste Management Authority meeting and received a presentation on rates for the next year. More information is located on the recyclemore website http://www.recyclemore.com.

3. ORAL COMMUNICATIONS FROM THE PUBLIC

4. PRESENTATIONS – None.

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

Moved, seconded (Abelson/Lyman; Ayes – Councilmembers Abelson, Benassini, Lyman and Mayor Jones; Noes – None; Abstain – None; Absent – Councilmember Cheng) and carried to approve Consent Calendar Item Nos. 5A through 5E in one motion as indicated below.

A. Minutes for Approval

Approve the October 2, 2012 Special City Council Meeting – Closed Session and October 2, 2012 Regular City Council meeting minutes

Action: Approved minutes.

B. Shelter in Place Education Day Proclamation

Approve a proclamation declaring November 7, 2012 as "Shelter in Place Education Day" in the City of El Cerrito and recognizing the importance of preparing for emergencies and encouraging participation in the Contra Costa Community Awareness Emergency Response (CAER) Group's public education efforts.

Action: Approved proclamation.

C. Freedom From Bullies Week Proclamation

Approve a proclamation declaring October 14-20, 2012 as "Freedom from Bullies Week" in the City of El Cerrito.

Action: Approved proclamation.

D. School Resource Officer Agreement

Adopt a resolution authorizing the City Manager to enter into an agreement with the West Contra Costa Unified School District (WCCUSD) to partially fund three School Resource Officer positions (SROs) in an amount of $420,000 per year, to be paid by the School District, and rescind Resolution No. 2012–50. Two SROs will continue to be assigned to El Cerrito High School and one will be assigned to Portola Middle School. If authorized, this agreement becomes effective immediately, and will continue through June 30, 2013. The agreement shall automatically renew on July 1, 2013 and on every July 1 thereafter for an additional one-year term.

Action: Adopted Resolution No. 2012–80.

E. Cancel the November 6, 2012 City Council Meeting

Approve a recommendation to cancel the regular November 6, 2012 City Council meeting due to a conflict with the General Presidential Election that is held on the same date. All Polling Places are open from 7:00 a.m. to 8:00 p.m. on Election Day.

Action: Approved recommendation.

6. PUBLIC HEARING – None

7. POLICY MATTERS

The presentation of Item Nos. 7(A) and 7(B) were combined and voted on separately at the request of Mayor Pro Tem Lyman.

A. Design-Build Agreement for Construction of Solar Photovoltaic Systems at Six City Facilities

Presenter: Maria Sanders, Environmental Analyst.

Adopt a resolution authorizing the City Manager to execute a contract in a form approved by the City Attorney and RGS Energy Incorporated in an amount not to exceed $1,587,000 to design and construct solar photovoltaic systems to offset energy use at six municipal sites.

Speaker: Al Miller, El Cerrito, spoke in support of Item Nos. 7(A) and 7(B). Mr. Miller stated the importance of the City Council's continued support for the environment and quality of life in El Cerrito. This is another great example of elected officials working together in response to the public's demands.

Action: Moved, seconded (Lyman/Abelson; Ayes – Councilmembers Abelson, Benassini, Lyman and Mayor Jones; Noes – None; Abstain – None; Absent – Councilmember Cheng) and carried to adopt Resolution No. 2012–81as amended on the floor to clarify language regarding the solar photovoltaic installation at the Community Center and Swim Center as referenced in the tenth recital of the resolution.

B. Solar Equipment Lease Purchase Financing

Adopt a resolution authorizing the City Manager to enter into the required agreements with Green Campus Partner (GCP) for solar equipment lease purchase financing for the installation of a solar photovoltaic system on various city facilities.

Presenter: Mary Dodge, Administrative Services Director.

Speaker: Al Miller, El Cerrito, spoke in support of both Item Nos. 7(A) and 7(B) as noted above.

Action: Moved, seconded (Lyman/Benassini; Ayes – Councilmembers Abelson, Benassini, Lyman and Mayor Jones; Noes – None; Abstain – None; Absent – Councilmember Cheng) and carried to adopt Resolution No. 2012–82.

C. Potrero Avenue Intersection Safety Improvements between 55th and 56th Streets, City Project No. C–3045, Federal Project No. HSIP 5239(013)

Adopt a resolution approving plans, rejecting the bid from J.A. Gonsalves & Sons Construction, Inc. as non-responsive and accepting all other bids; and authorizing the City Manager to award a contract, contingent on successfully securing additional grant funding and/or successful negotiations with Redgwick Construction Company (the lowest responsible bidder for the project) for a deductive change order after undergoing a value engineering process which is not inconsistent with the approved budget for the Potrero Avenue Intersection Safety Improvements between 55th and 56th Streets Project, Contract No. C–3045.

Presenter: Jerry Bradshaw, Public Works Director.

Action: Moved, seconded (Abelson/Lyman; Ayes – Councilmembers Abelson, Benassini, Lyman and Mayor Jones; Noes – None; Abstain – None; Absent – Councilmember Cheng) and carried to adopt Resolution No. 2012–83 as revised by staff to eliminate the word grant in the title and enacting clause of the resolution.

8. COUNCIL ASSIGNMENTS/LIAISON REPORTS

A. Mayor Jones – No report.

B. Mayor Pro Tem Lyman – No report.

C. Councilmember Abelson – No report.

D. Councilmember Benassini – No report.

E. Councilmember Cheng – Absent.

9. ADJOURNED REGULAR CITY COUNCIL MEETING at 8:17 p.m.

ROLL CALL

Present: Councilmembers Abelson, Benassini, Lyman and Mayor Jones.

Absent: Councilmember Cheng.

10. CONVENED SPECIAL CITY COUNCIL MEETING – CLOSED SESSION at 8:17 p.m.

ANNOUNCEMENT OF CLOSED SESSION

Conference with Labor Negotiators *(Pursuant to Government Code Section 54957.6)*

Agency Designated Representatives: Scott Hanin, City Manager, Sky Woodruff, City Attorney, Jennifer Faught, Assistant City Attorney, Sukari Beshears, Employee Services Manager.

Employee Organizations: Service Employees International Union, Local 1021
Unrepresented Employees
El Cerrito Police Employees Association
International Association of Firefighters, Local 1230
Public Safety Management Group

ORAL COMMUNICATIONS FROM THE PUBLIC – No comments.

RECESSED INTO CLOSED SESSION at 8:18 p.m.

ADJOURNED SPECIAL CITY COUNCIL MEETING – CLOSED SESSION at 9:56 p.m.

THE CITY OF EL CERRITO

Agenda Item No. 5(B)

Date: November 20, 2012

To: El Cerrito City Council

From: Sky Woodruff, City Attorney

Subject: Policy Regarding the Distribution of Tickets Pursuant to the Fair Political Practices Commission Regulation 18944.1

ACTION REQUESTED

Staff requests that the City Council review and adopt the attached resolution and policy regarding the distribution of complimentary tickets received by the City, pursuant to the Fair Political Practices Commission Regulation Section 18944.1.

BACKGROUND

On November 8, 2011, in response to requests from the League of California Cities and local government agencies, the FPPC amended Regulation 18944.1. These amendments were effective as of January 1, 2012. Regulation 18944.1 describes the circumstances when the distribution of tickets or passes to a City Official does not result in a gift to the City Official who accepts the ticket or pass.

Recall that the gift rules state that a public official must disclose gifts received from a source if the cumulative value is $50 or more within a reporting period. Additionally, reportable gifts are prohibited if the value is more than $420 from a single source within a reporting period.

Regulation 18944.1 provides that, when a state or local agency distributes a ticket or pass to an official of that agency and the official uses the ticket or pass, the ticket or pass does not have to be reported as a gift pursuant to FPPC gift rules, provided that one or more of the following conditions apply:

1. The ticket or pass is provided to the official for an event at which the official performs a ceremonial role or function.
2. The ticket or pass is given gratuitously to an agency and is then distributed to an official or employee for his or her personal use, if all of the following apply:
    a. The original source of the ticket or pass was not earmarked for use by particular agency officials;
    b. The agency determines in its sole discretion who may use the ticket or pass; and
    c. The distribution of the ticket or pass by the agency is made in accordance with an adopted policy, which permits distribution when it furthers a specific governmental or public purpose.

3. The agency obtains the ticket or pass: (i) pursuant to the terms of a contract for use of public property; (ii) because the agency controls the event or venue; or (iii) through purchase at fair market value and then distributes to an official for his or her use in accordance with an adopted policy, which permits distribution to accomplish a specific governmental or public purpose.

If a local agency wishes to take advantage of the exception to the gift rules identified under scenarios 2 or 3, above, the FPPC requires the legislative body of the local agency to adopt a written policy governing the distribution of "complimentary tickets or passes."

ANALYSIS

The attached Policy complies with FPPC Regulation 18944.1, as recently amended. The Policy would apply to every officer, agent and employee of the City who is obligated to file an Annual Statement of Economic Interests ("FPPC Form 700") under state law or the City's current Conflict of Interest Code. In general, the Policy governs the distribution of all tickets or passes received by the City that provide admission to a facility, event, show, or performance for an entertainment, amusement, recreational or similar purpose.

Section 6 of the Policy identifies the permissible public purposes for distributing tickets or passes to City Officials. These public purposes include, for example, economic development, promotion of City-run community events or resources, encouraging or rewarding volunteer public service or achievement by City residents, and recognition of City employees. Additionally, the Policy also authorizes the distribution of tickets or passes to the family, including spouses and dependent children, of the City Official.

The Policy establishes the City Manager, or his designee, to serve as the Ticket Administrator. The Ticket Administrator is responsible for distributing complimentary tickets consistent with the Policy and documenting and use of complimentary tickets.

Note that the Policy does not apply to tickets provided to City Officials directly by third parties, and therefore those tickets must be disclosed on the FPPC Form 700.

FPPC Regulation 18944.1 also requires that the City document the distribution and use of complimentary tickets on FPPC Form 802 (Tickets Provided by Agency Report) ("FPPC Form 802"). FPPC Form 802 is also used to report admission to events for individuals who perform ceremonial roles. FPPC Form 802 requires identifying information regarding the agency, the organization distributing the tickets or passes, a description of the event, the officials and/or organizations or individuals receiving the complimentary tickets or passes, the number of tickets received, the face value of each ticket or pass, and the specific governmental or public purpose for which the distribution was made. The City must complete and post the FPPC Form 802 on its website within thirty (30) days of distributing the ticket or pass. When this Policy is followed and a FPPC Form 802 is completed, City Officials are exempt from the gift limit and do not need to report the tickets or passes on the City Official's FPPC Form 700.

Staff recommends that the City Council adopts the attached resolution.

FINANCIAL CONSIDERATIONS

None.

LEGAL CONSIDERATIONS

The City Attorney has reviewed this report and resolution and concurs with the recommendation.

Reviewed by:

Scott Hanin, City Manager

Attachments: Resolution Adopting a Complimentary Ticket Distribution Policy Pursuant to Fair Political Practices Commission Regulation 18944.1

Agenda Item No. 5(B)
Attachment 1

RESOLUTION 2012–XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL CERRITO ADOPTING A COMPLIMENTARY TICKET DISTRIBUTION POLICY PURSUANT TO FAIR POLITICAL PRACTICES COMMISSION REGULATION 18944.1

WHEREAS, on November 8, 2011, Fair Political Practices Commission ("FPPC") Regulation 18944.1 was amended by the FPPC, and these amendments were effective as of January 1, 2012; and

WHEREAS, Regulation 18944.1 describes the circumstances in which the distribution of tickets or passes to a City Official does not result in a gift to the City Official who accepts such ticket or pass; and

WHEREAS, if a local agency wishes to take advantage of the exception to the gift rules identified under FPPC Regulation 18944.1, the FPPC requires the legislative body of the local agency to adopt a written policy governing the distribution of "complimentary tickets or passes"; and

WHEREAS, the City Council would like to adopt such a policy and take advantage of the exemptions provided by FPPC Regulation 18944.1.

NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of El Cerrito does hereby resolve as follows:

Section 1. The foregoing recitals are true and correct and are hereby incorporated by reference.

Section 2. The City Council hereby adopts the policy regarding the distribution of complimentary tickets pursuant to the Pair Political Practices Commission Regulation 18944.1, attached hereto and incorporated herein as Exhibit A.

I CERTIFY that at a regular meeting on November 20, 2012 the City Council passed this resolution by the following vote:

AYES:	COUNCILMEMBERS:
NOES:	COUNCILMEMBERS:
ABSTAIN:	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 20, 2012.

Cheryl Morse, City Clerk

APPROVED:

William C. Jones, III, Mayor

Exhibit A

CITY OF EL CERRITO POLICY REGARDING THE DISTRIBUTION OF COMPLIMENTARY TICKETS PURSUANT TO FAIR POLITICAL PRACTICES COMMISSION REGULATION 18944.1

Section 1. Purpose of Policy.

The purpose of this Policy is to establish a fair and equitable process for the distribution of complimentary tickets or passes provided to the City in compliance with the requirements of Section 18944.1 of the Fair Political Practices Commission Regulations. This Policy is subject to all applicable FPPC Regulations and the Political Reform Act, as they now exist or may hereafter be added or amended. These regulations can be found at Title 2 of the California Code of Regulations ("FPPC Regulations").

Section 2. Definitions.

Unless otherwise expressly provided herein, words and terms used in this Policy shall have the same meaning as that ascribed to such words and terms in the California Political Reform Act of 1974 (Government Code Sections 81000, et seq., as may be amended from time to time) and FPPC Regulations.

A. "City" means the City of El Cerrito, and any other affiliated agency created or activated by the City Council, and any departments, boards and commissions thereof.

B. "City Official" means every officer, agent and employee of the City who is obligated to file an Annual Statement of Economic Interests ("FPPC Form 700") under state law or the City's current conflict of interest code.

C. "City Venue" means any facility owned, controlled or operated by the City, or any City department, commission or board.

D. "FPPC" means the California Fair Political Practices Commission.

E. "Family" means spouse, registered domestic partner, children and dependent children as defined in FPPC Regulation 18943.

F. "Policy" means this Policy Regarding the Distribution of Complimentary Tickets Pursuant to FPPC Regulation 18944.1.

G. "Ticket" means a "ticket or pass" as that term is defined in FPPC Regulation 18944.1, as amended from time to time, but which currently defines a "ticket or pass" as admission privileges to a facility, event, show or performance for an entertainment, amusement, recreational, or similar purpose. If other benefits, such as food, beverages or other items, are provided to the City Official at the event and such benefits are not included as part of the admission to the event, those benefits are not covered by this Policy.

Section 3. Application of Policy.

A. Generally, this Policy applies to the distribution of all Tickets received by the City that provide admission to a facility, event, show, or performance for an entertainment, amusement, recreational or similar purpose.

B. This Policy shall be applicable to every officer, agent and employee of the City who is obligated to file a FPPC Form 700 under state law or the City's Conflict of Interest Code.

C. This Policy governs the distribution of complimentary Tickets received by the City that are either:

1. Gratuitously provided to the City by an outside source;

2. Purchased by the City;

3. Acquired by the City as consideration pursuant to the terms of a contract for the use of a City venue; or

4. Acquired and distributed by the City in any other manner.

D. This Policy does not apply to:

1. Any other item of value provided to the City or any City Official, regardless of whether received gratuitously or for which consideration is provided;

2. Tickets provided by sources other than the City;

3. Tickets received by a City Official from the City where both the City Official and the City treat and report the value of the Ticket as income consistent with applicable state and federal income tax laws and the Ticket is reported as income pursuant to the provisions of this Policy; or

4. Tickets provided to public officials directly by third parties (these tickets must be disclosed on the FPPC Form 700).

Section 4. General Provisions.

A. No Right to Tickets: The use of complimentary Tickets is a privilege extended by the City and not the right of any person to which the privilege may from time to time be extended.

B. Limitation on Transfer of Tickets: Tickets distributed to a City Official pursuant to this Policy shall not be transferred to any other person, except to members of the City Official's Family solely for their personal use. If a City Official transfers a Ticket he or she has received from the City to another person, as opposed to returning the Ticket to the City for redistribution, then the value of the Ticket or Tickets he or she transfers shall constitute a gift to him or her and shall be reportable as provided by the FPPC Regulations.

C. Prohibition Against Sale of or Receiving Reimbursement for Tickets: No person who receives a Ticket pursuant to this Policy shall sell or receive reimbursement for the value of such Ticket.

Section 5. Ticket Administrator.

A. The City Council delegates the authority to the City Manager or his/her designee to be the Ticket Administrator for purposes of implementing the provisions of this Policy.

B. The Ticket Administrator shall have the authority, in his or her sole discretion, to establish procedures for the distribution of Tickets in accordance with this Policy. Such authority includes the power to distribute a Ticket to the City Manager provided that doing so is otherwise consistent with this Policy. All requests for Tickets that fall within the scope of this Policy shall be made in accordance with the procedures established by the Ticket Administrator.

C. The Ticket Administrator shall determine the face value of Tickets distributed by the City for purposes of Sections 6.A. and 6.B. of this Policy.

D. The Ticket Administrator, in his or her sole discretion, may revoke or suspend the Ticket privileges of any person who violates any provision of this Policy or the procedures established by the Ticket Administrator for the distribution of Tickets.

E. For the purpose of implementing this Policy, and completing and posting the FPPC Tickets Provided by Agency Report ("FPPC Form 802"), the Ticket Administrator shall be the "Agency Head."

Section 6. Conditions Under Which Tickets May be Distributed.

A. The distribution of any Ticket by the City to, or at the behest of, a City Official must accomplish a "public purpose", which includes one or more of the following:

1. Facilitating the performance of a ceremonial role or function by a City Official on behalf of the City at an event, for which the City Official may receive enough Tickets for each member of the City Official's Family.

2. Facilitating the attendance of a City Official at an event where the job duties of the City Official require his or her attendance at the event, for which the City Official may receive enough Tickets for each member of the City Official's family.

3. Promotion of inter-governmental relations and/or cooperation and coordination of resources with other governmental agencies, including, but not limited to, attendance at an event with or by elected or appointed public officials from other jurisdictions, their staff members and their guests.

4. Economic or business development purposes on behalf of the City.

5. Promotion of City resources and/or facilities available to City residents.

6. Promotion of City-run, sponsored or supported community events, activities or programs.

7. To monitor and evaluate the value of City-run, sponsored or supported community events, activities or programs to the City, including but not limited to evaluation of the venue, quality of performances and compliance with City policies, agreements and other requirements.

8. Promotion and evaluation of events, activities or programs at City venues, including but not limited to evaluation of the venue, quality of performances and compliance with City policies, agreements and other requirements.

9. Promoting, supporting and/or showing appreciation for programs or services rendered by charitable and non-profit organizations benefiting City residents.

10. Promotion of City tourism on a local, state, national or worldwide scale.

11. Business retention or attraction on a local, state, national or worldwide scale.

12. Promotion of City recognition, visibility, and/or profile on a local, state, national or worldwide scale.

13. Encouraging City resident and business support for and attendance at local events.

14. Encouraging participants in City sponsored programs to attend local events.

15. Attracting or rewarding volunteer public service.

16. Encouraging or rewarding significant academic, athletic, or public service achievements by City students, residents or businesses.

17. Attracting and retaining highly qualified City employees.

18. Recognizing or rewarding meritorious service by a City employee.

19. Promoting enhanced City employee performance or morale.

20. As an incident to the above public purposes, allowing for the Family of the City Official to accompany the City Official to events to accomplish any of the purposes listed in this Policy.

Section 7. Tickets Distributed at the Behest of a City Official.

A. Only the following City Officials shall have authority to behest Tickets: City Council Members, the City Manager, and Department Heads.

B. Tickets shall be distributed at the behest of a City Official only for one or more public purposes set forth in Section 6.A. above.

C. If Tickets are distributed at the behest of a City Official, such City Official shall not use one of the Tickets so distributed to attend the event.

Section 8. Other Benefits.

A. The distribution of Tickets pursuant to this Policy shall not constitute a "gift" to the City Official receiving the Ticket, however, other benefits, such as food or beverage or other gifts provided to the City Official that are not part of the admission provided by the complimentary Ticket, will need to be accounted for as gifts.

B. If the City receives complimentary Tickets that are earmarked for particular City Officials, then the Tickets are considered gifts to that particular City Official. If these Tickets are not returned unused to the provider within thirty (30) days of receipt, then the City Official must comply with the applicable FPPC gift limit regulations and reporting regulations.

Section 9. Posting and Disclosure Requirements.

A. The distribution of Tickets pursuant to this Policy shall be documented in a completed FPPC Form 802. Within thirty (30) calendar days of the distribution of a Ticket, the Ticket Administrator shall prepare and certify a FPPC Form 802. The completed FPPC Form 802 must be maintained as a public record, and be forwarded to the FPPC for posting on its website. Such postings shall include the following information (in addition to any other information required by the FPPC):

1. The name of the person receiving the Ticket, except that if the recipient is an organization, the City may post the name, address, description of the organization and number of Tickets provided to the organization in lieu of posting the names of each recipient;

2. A description of the event;

3. The date of the event;

4. The face value of the Ticket;

5. The number of Tickets provided to each person;

6. If the Ticket is distributed at the behest of a City Official, the name of the City Official who made such behest; and

7. A description of the public purpose(s) under which the distribution was made, or alternatively, the City Official is treating the Ticket as income.

B. The City may post the name of the department or other unit of the City and the number of Tickets or passes provided to the department or other unit in lieu of posting the name of the individual employee as required in Section 9.A.1 above.

Section 10. Alternative to Above Policy

A. As an alternative to complying with Sections 4 through 9 of this Policy, a City Official may:

1. Ask that the City report the distribution of the Ticket as income and treat the Ticket(s) as income consistent with applicable federal and state income tax laws;

2. Reimburse the City for the face value of the Ticket; or

3. Report the receipt of the Ticket or pass on the City Official's FPPC Form 700, if the value of the Ticket is over $50 and the aggregate value of the Ticket from a single source in a calendar year is $410 or less.

Policy adopted by the City Council on __________________, 2012.

1977782.1

AGENDA BILL

Agenda Item No. 5(C)

Date:	November 20, 2012
To:	El Cerrito City Council
From:	Sylvia Moir, Chief of Police Michael Regan, Police Captain
Subject:	Renew Participation in the Contra Costa Abandoned Vehicle Abatement Service Authority

ACTION REQUESTED

Adopt a Resolution authorizing the City Manager or his designee to renew participation in the Contra Costa Abandoned Vehicle Abatement Service Authority by entering into a Joint Powers Agreement.

BACKGROUND

The City of El Cerrito Police Department opted to join the Contra Costa Abandoned Vehicle Abatement Authority in 1991 as authorized by Council Resolution No. 91-64. This Joint Powers Authority was formed pursuant to California Vehicle Code Section 22710 and California Government Code Section 6500.

The formation of the JPA allowed Contra Costa County and the Cities to spilt $1.00 of registration fees for all vehicles registered in the County with the money being used to off-set the cost of abandoned vehicle abatement. The money is split between the entities in a two step formula. First, fifty percent of the money is divided amongst the entities based upon population. Second, the remaining money is paid to the entities based on the number of abandoned vehicle that are abated per year.

FINANCIAL CONSIDERATIONS

Over the last ten years, the City has received $202,157.74 from its participation in the Abandoned Vehicle program. The annual average is $20,215.77. This money is utilized to purchase equipment and supplies used in the abandoned vehicle abatement process.

LEGAL CONSIDERATIONS:

The City Attorney has reviewed and approved the JPA renewal.

Reviewed by:

Scott Hanin, City Manager

Attachments:

1. Proposed Resolution 2012 - XXX
2. Joint Powers Agreement
3. Abandoned Vehicle Abatement Service Authority Plan

RESOLUTION 2012 - XX

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL CERRITO AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO RENEW PARTICIPATION IN THE CONTRA COSTA ABANDONED VEHICLE ABATEMENT JOINT POWERS AUTHORITY

WHEREAS, the California Vehicle Code allows for the establishment of the Abandoned Vehicle Authority; and

WHEREAS, the City of El Cerrito finds that abandoned, inoperable, wrecked, dismantled vehicles or parts thereof pose a health and safety hazard and are found to be public nuisances; and

WHEREAS, the City of El Cerrito finds that the Abandoned Vehicle Abatement Program is needed to provide for the proper removal and disposal of abandoned vehicles.

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of El Cerrito hereby authorizes the City Manager or his designee to renew the City's participation in the Contra Costa Abandoned Vehicle Abatement Authority pursuant to Section 22710 of the California Vehicle Code.

I CERTIFY that at a regular meeting held on November ____, 2012, the El Cerrito City Council passed this resolution by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

IN WITNESS of this action, I sign this document and affix the corporate seal of the City of El Cerrito on November ___, 2012.

____

Cheryl Morse, City Clerk

APPROVED:

____

William C. Jones III, Mayor

Agenda Item No. 5(C)
Attachment 2

JOINT POWERS AGREEMENT

FOR

THE CITIES AND COUNTY OF CONTRA COSTA ABANDONED VEHICLE ABATEMENT SERVICE AUTHORITY

ANTIOCH
BRENTWOOD
CLAYTON
CONCORD
DANVILLE
EL CERRITO
EL SOBRANTE
HERCULES
LAFAYETTE
MARTINEZ
MORAGA
OAKLEY
PINOLE
PITTSBURG
PLEASANT HILL
RICHMOND
SAN PABLO
SAN RAMON
WALNUT CREEK

Revised September, 2012

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JOINT POWERS AGREEMENT
FOR
THE CITIES AND COUNTY OF CONTRA COSTA ABANDONED VEHICLE ABATEMENT SERVICE AUTHORITY

1. **PARTIES**: The parties to this agreement are the County of Contra Costa and those cities within the County that have elected to create and participate in the Cities and County of Contra Costa Abandoned Vehicle Abatement Service Authority as provided herein.

2. **PURPOSE AND AUTHORITY**: The purpose of this Agreement is to establish a Service Authority for the abatement of abandoned vehicles in Contra Costa County pursuant to California Vehicle Code section 22710 and California Government Code Section 6500, et seq.

3. **CREATION**: Upon the effective date of this Agreement, there is hereby created the Cities and County of Contra Costa Abandoned Vehicle Abatement Service Authority (hereafter referred to as the "Authority"). It shall function as a separate public entity and distinct from the member jurisdictions, to implement this agreement in accordance with California Vehicle Code section 22710, and all other sections of California law as may apply.

4. **MEMBERSHIP IN THE AUTHORITY**: Membership in the Authority will be open to all cities who, by approved resolution of their City Council, agree to participate in the Authority. In addition, the County of Contra Costa shall be entitled to membership upon approval of a resolution by the Board of Supervisors.

5. **BOARD OF DIRECTORS**:

a. The Authority shall be governed by a seven member Board of Directors, to be elected by the members of the Authority. In the first year, three members will be elected to one year terms and four members, including the County representative, to a two years term; all other terms thereafter shall be two years.

b. The duties of the Board of Directors will include, but are not limited to, preparing and recommending to the County Board of Supervisors and City Councils, action on the Abandoned Vehicle Abatement Program, prepare and submit a Service Plan to the State, conduct and report the results of any survey, study or analysis, manage the financial affairs of the Authority, modify and/or approve quarterly and annual reports to the State and disburse funds.

c. The seven member Board of Directors shall be selected as follows:

1. One representative each, from two west county cities comprising El Cerrito, Hercules, Pinole, Richmond, and San Pablo. The representatives shall be elected on a majority vote of Authority members from those cities.

2. One representative each, from two central county cities comprising Concord, Danville, Lafayette, Martinez, Moraga, Orinda, Pleasant Hill, San Ramon, and Walnut Creek. The representatives shall be elected on a majority vote of Authority members from those cities.

3. One representative each, from two east county cities comprising Antioch, Brentwood, Clayton and Pittsburg. The representatives shall be elected on a majority vote of Authority members from those cities.

4. A county representative shall be appointed by the Board of Supervisors.

6. <u>VOTING RIGHTS</u>: Each member of the Authority shall be entitled to one vote in forming the Authority and selecting the Board of Directors.

7. <u>POWERS AND DUTIES</u>:

a. **<u>CONTRACTS AND ACTS</u>**: Pursuant to California Vehicle Code section 22710(b), the authority may contract and may undertake any act convenient or necessary to carry out any law relating to the Authority, including acts necessary to ensure that the vehicle registration fee authorized by California Vehicle Code section 9250.7 is used in accordance with the requirements of California Vehicle Code section 22710.

b. **<u>ORDINANCE</u>**: Pursuant to California Vehicle Code section 22710(c)(1), the Authority may adopt an ordinance establishing procedures for the abatement, removal, and disposal, as a public nuisance, or abandoned, wrecked, dismantled, or inoperative vehicles, or parts thereof, from private or public property, and for the recovery of costs to the Authority for the administration, removal, and disposal of vehicles and/or parts thereof, as authorized pursuant to California Government Code sections 25845 and 38773.5, and California Vehicle Code section 22523. As governed by existing State law, recovery methods may include, but are not restricted to, release fees, citation, lien, and/or towing fees.

c. **PROGRAM AND PLAN**: Pursuant to California Vehicle Code section 22710(d), the Authority shall implement an Abandoned Vehicle Abatement Program and Plan, following approval of the Program and Plan by the County of Contra Costa and a majority of the cities having a majority of the incorporated population. The Program and Plan shall be consistent with the guidelines prepared by the California Highway Patrol (CHP).

d. **RESTRICTION**: The manner of exercising powers granted to the Authority by this Agreement shall be subject to the same restrictions as are imposed upon the County of Contra Costa in its exercise of similar powers.

8. FEE: Pursuant to California Vehicle Code section 9250.7, the Authority hereby imposes an annual service fee of one dollar ($1) on vehicles registered to an owner with an address in Contra Costa County, including the incorporated cities, provided the Abandoned Vehicle Abatement Program and Plan, referred to in section 7.c above is approved by the County and a majority of cities having a majority of the incorporated population, in substantial compliance with California Vehicle Code section 22710(d).

9. MEETINGS: The Authority and the Board of Directors shall meet as necessary to carry out the purpose and duties of the Authority. No meeting shall be conducted with fewer than five (5) members, which represents a quorum, and any votes of the Authority will be by a majority of that quorum.

10. STAFF: Pursuant to California Vehicle Code section 22710(b), the Authority shall be staffed by representatives from the participating Authority members.

11. AUDIT: There shall be strict accountability of all Authority funds. The County Auditor shall be the auditor for the Authority. The Auditor shall report all receipts and disbursements to the Authority, and make or contract to make, an annual audit of the Authority pursuant to the requirements of California Government Code section 6505.

12. FUNDS: The funds received by the Authority from the one dollar ($1) registration fee shall be used in accordance with California Vehicle Code section 22710(d)(5), and shall be distributed to the cities and the County for their use in accordance with California Vehicle Code section 22710(c)(2). The funds will be disbursed, as received, on population figures issued by the California State Department of Finance.

13. DEBTS AND LIABILITIES: The debts, liabilities, and obligations of the Authority shall not be the debts, liabilities, and obligations of any of the member jurisdictions. Any participating member of the Authority shall defend, indemnify, save and hold harmless the Service Authority and any other participating members from any and all claims, costs, liability for any damages, sickness, death or injury to person or persons, and damage or destruction of public or private property, including without limitation all consequential damages from any cause whatsoever arising directly or indirectly from or connected with the operations or services of the participating members or its agents, servants, or employees, and ill make good to and reimburse the Service Authority for any expenditures, including reasonable attorney's fess, the Service Authority may make by reason of such matters and, if requested by the Authority, defend any such suits at the sole cost and expense of the involved participating member.

14. AUTHORITY COSTS: The service Authority will contract, via this Agreement, with each individual member agency, and undertake actions that are required by law relating to the performance of duties in the removal of abandoned vehicles from public and private property and public roadways and the cost associated with these duties. Any costs incurred in the operation of the Service Authority must be approved by a majority vote of the Board of Directors.

15. AMENDMENT: This Agreement may be amended upon majority vote of all member jurisdictions.

16. TERMINATION BY MEMBERS: Subject to California Vehicle Code section 22710, this Agreement may be terminated by member jurisdictions as follows:

a. **INDIVIDUAL MEMBER JURISDICTIONS**: A member jurisdiction may terminate its participation in this Agreement and the Service Authority immediately by providing written notice to the County any time before the Abandoned Vehicle Abatement Program and Plan has been approved by the Contra Costa County Board of Supervisors (pursuant to California Vehicle Code section22710(d)). Notice to the County shall be delivered to the Director of the Department of Conservation and Development, 30 Muir Road, Martinez, California, 94553. The Director shall notify the Board of Supervisors upon receipt of said notice.

After the Abandoned Vehicle Abatement Program and Plan has been approved, a member jurisdiction may terminate it's participation in this Agreement and the Authority by providing thirty (30) days written notice of such termination to the Authority and the other member jurisdictions. Termination shall not relieve a member jurisdiction of its duty to comply with the Abandoned Vehicle Abatement Program and Plan, California Vehicle Code section 22710, and the regulations adopted pursuant thereto, this Agreement, and the rules of the Authority as to any funds received from the Authority.

Notice of Termination may be rescinded at any time before the effective date of termination provided written notice is given to the Authority, Contra Costa County Board of Supervisors (via the Director of the Department of Conservation and Development), and the member jurisdictions.

b. **MAJORITY:** This Agreement may be terminated at any time by a simple majority of the member jurisdictions voting to dissolve the Authority.

17. NEW MEMBER: A jurisdiction may chose to enter into the Authority by giving a Notice of Submission, which is to be in resolution form, and approved by a majority vote of that jurisdiction's governing council or board. The resolution is to be received no later than April 1st by the Authority. Upon approval from the CHP, distribution of funds to the new member jurisdiction will be in accordance with rules previously approved in the Agreement. Appropriation of the one dollar ($1) fee will commence on July 1st of the new fiscal year and be distributed thereafter on a quarterly basis by the State Controller.

18. TERMINATION: The Authority shall cease to exist on the date that all revenues received by the Authority pursuant to California Vehicle Code sections 9250.7 and 22710 have been expended.

19. COUNTERPARTS: This Agreement may be executed in counterparts which, taken together, shall constitute one and the Agreement.

20. EFFECTIVE DATE: This Agreement may be executed upon approval, by a two-thirds vote of the Contra Costa County Board of Supervisors, and approval by the City Councils of a majority of the cities having a majority of the population within the incorporated jurisdictions within Contra Costa County.

21. <u>REPORTING REQUIREMENTS</u>: When an Authority member city fails to meet the reporting requirements, the following procedure will apply:

1. A letter will be sent from the Service Authority to that city's City Manager notifying him or her of potential actions to be taken by the Authority if the report is not received

2. Quarterly disbursement of funds to that city will be withheld pending receipt of the Quarterly Report

3. If the reports have not been submitted as required, after a period of twelve (12) months, funds will be returned to the Service Authority and disbursed according to the formula used for quarterly fund distributions.

THE CITIES AND COUNTY OF CONTRA COSTA ABANDONED VEHICLE ABATEMENT SERVICE AUTHORITY

PLAN

September, 2012

ABANDONED VEHICLE ABATEMENT PLAN

1. SERVICE AUTHORITY:

California Vehicle Code (CVC) Section 22710 provides for the establishment of a Service Authority for the abatement of abandoned vehicles. The parties to this Agreement are the County of Contra Costa and those cities within the County that have elected to create and participate in the Cities and County of Contra Costa Abandoned Vehicle Abatement Service Authority as approved by the Contra Costa Board of Supervisors and authorized under the Joint Powers Agreement.

2. PURPOSE:

The purpose of the Joint Powers Agreement is to establish a Service Authority in Contra Costa County, pursuant to CVC Section 22710, to engage in the abatement of abandoned vehicles (and automobile parts) within the County of Contra Costa.

3. RESOLUTIONS:

Copies of each participating city and the County's resolutions providing for the establishment of the Authority, including imposition of a one dollar ($1.00) registration fee as per CVC Sections 22710 and 9250.7(a) are on file with the Authority, the California Highway Patrol (CHP), and the Office of the State Controller (SC). City and County ordinances are also found on-line at each jurisdictions official website.

4. ESTIMATE OF THE NUMBER OF ABANDONED VEHICLES:

As required by Section 22710 VC, No governmental agency shall receive any funds from an Authority for the abatement of abandoned vehicles pursuant to an approved abandoned vehicle abatement program unless the governmental agency has submitted an annual report to the Authority stating the manner in which the funds were expended, and the number of vehicles abated. The governmental agency shall receive that percentage of the total funds collected by the Authority that is equal to the percentage of vehicles abated by the agency as a ratio of the total number of abandoned vehicles abated by all agencies that are members of the Authority.

5. ORDINANCES:

Each of the participating agencies have ordinances in place establishing procedures for the abatement, removal, and disposal as public nuisances, any abandoned, wrecked, dismantled, or inoperative vehicles (or parts thereof) from private or public property, including highways, in accordance with the requirements of CVC Sections 22660 and 22661. This includes ordinances developed for cost recovery pursuant to California Government Code Sections 25845 or 38773.5.

6. DISPOSAL AND ENFORCEMENT STRATEGY:

Each of the participating agencies have abandoned vehicle abatement processing formats or Standard Operating Procedures in place for the enforcement of CVC Sections 22523(a)(b). Statutory authority for the removal of abandoned vehicles is CVC Section 22669, as well as local ordinances adopted for the removal and disposal, as public nuisances, abandoned, wrecked, dismantled, or inoperative vehicles (or parts thereof) from private or public property.

In accordance with CVC Sections 22671 and 22851.3, each member will maintain a contractual agreement with a licensed auto dismantler and/or qualified tow company for the removal and disposal of abandoned vehicles and may employ such contractors for the abatement, removal, and disposal as public nuisances, abandoned, wrecked, dismantled, or inoperative vehicles (or parts thereof) from private or public property. Abated vehicles or parts shall be disposed of by removal to a dismantler or to a scrap yard for processing as scrap, unless the vehicle qualifies for restoration pursuant to CVC Section 5004.

7. COST RECOVERY STRATEGY:

a. General: Participating agencies shall utilize the provisions of CVC Section 22523 to effect partial recovery of costs incurred in the removal of an abandoned vehicle. Additionally, member cities have enacted ordinances supporting cost recovery under California Government Code Sections 25845 and 38773.5.

b. Funding System: It is the intent of the abandoned vehicle abatement participants to recover the costs of abandoned vehicle abatement activities from the Authority.

(1) Definition of Costs Recoverable from the Authority: These costs include staff time dedicated towards, and reasonably related to abandoned vehicle abatement, consistent with each participating jurisdiction's approved and adopted Plan, including but not limited to costs associated with investigation, site inspection, monitoring, necessary reports, telephone contacts, correspondence and meetings with involved parties. Staff time shall be calculated at an hourly rate as established by each participant.

(2) Cost Accounting and Recovery Required: Each Service Authority member jurisdiction will maintain records of the costs incurred while participating in the Abandoned Vehicle Abatement Program and the Authority shall attempt recovery of those costs.

(3) Audit: The Authority and their jurisdictions shall conduct annual audits to ensure that funds are being spent in compliance with CVC Sections 9250.7 and 22710. An annual audit of the accounts and records of every agency or entity is required. Audits may be performed by the city, or county auditor/controller, or shall be contracted with a certified public accountant or public accountant pursuant to California Government Code Section 6505 (see CHP Handbook, Chapter 3, Audit Guidelines). The Authority shall be audited by a third-party auditor on, or before, August, 2013 *, and every other year thereafter.

(4) Disbursement of Funds:

(a) The money received by an Authority pursuant to CVC Section 9250.7 shall be disbursed to the cities and the county for their use in accordance with CVC Section 22710.

(b) The funds will be disbursed quarterly, as received, and based upon the number of vehicles abated by the agency in ratio to the total number of abandoned vehicles abated by all agencies that are members of the Authority.

(c) The quarterly disbursement of funds to each participating jurisdiction shall be based on the fiscal year beginning in July.

(d) The County Treasurer's Office will receive all funds disbursed to the Authority by the State Office of the Controller and shall disburse said funds, including interest, less any expenses resulting from contractual agreements to conduct audits, to each member jurisdiction as authorized by the Board of Directors under the terms of this Plan. The Treasurer shall report all receipts and disbursements to the Authority on a quarterly basis.

(e) Any funds received by the Authority that are not expended in abating abandoned vehicles under an approved Abandoned Vehicle Abatement Program shall, within 90 days of the close of the fiscal year in which the funds were received, be returned to the State Office of the Controller for deposit in the Motor Vehicle Account of the State Transportation Fund.

(5) Debts and Liabilities. The debts, liabilities, and obligations of the Authority shall not be the debts, liabilities, and obligations of any of the member jurisdictions.

* **A third party audit of the Authority was accomplished in August of 2011**

ABANDONED VEHICLE ABATEMENT PLAN

8. REPORTING REQUIREMENTS:

a. Annual Reports to the State Office of the Controller. In order to meet its obligation, the Controller requests that each Authority, established pursuant to the provisions of CVC Sections 9250.7 and 22710, submit on an annual basis, data relative to the operation of its Abandoned Vehicle Abatement Program. The Controller has prepared Annual Status Report forms for the reporting requirements of the Service Authorities and member jurisdictions. An Authority shall submit their reports to the Controller on these forms. The Annual Fiscal Year-End Report shall contain the required reporting information to satisfy the California State Legislature's intent of ensuring appropriate fiscal controls.

Annual Fiscal Year-End Reports shall be submitted on or before October 31st of each year to ensure continued funding from the State and compliance with legislative requirements. The report should contain the following information:

(1) The total revenues received by the Service Authority for the previous fiscal year

(2) The total expenditures by the Service Authority for the previous fiscal year

(3) The total number of vehicles abated during the previous fiscal year

(4) The average cost of abating vehicles during the previous fiscal year

(5) Any additional unexpended fee revenues for the Service Authority for the previous fiscal year.

(6) The total number of "Notice to Abate" tags posted on vehicles during the fiscal year

(7) The total number of vehicles disposed of, pursuant to an ordinance adopted in compliance with CVC Section 22710 during the fiscal year

(8) The total expenditures by the Service Authority for towing and storage of abandoned vehicles during the previous fiscal year

CITIES AND COUNTY OF CONTRA COSTA
ABANDONED VEHICLE ABATEMENT SERVICE AUTHORITY

PLAN

Agreed to as written. Signature from each participating member agency

1. Antioch ____
2. Brentwood ____
3. Clayton ____
4. Concord ____
5. Danville ____
6. El Cerrito ____
7. El Sobrante ____
8. Hercules ____
9. Lafayette ____
10. Martinez ____
11. Moraga ____
12. Oakley ____
13. Pinole ____
14. Pittsburg ____
15. Pleasant Hill ____
16. Richmond ____
17. San Pablo ____
18. San Ramon ____
19. Walnut Creek ____
20. County ____

THE CITY OF EL CERRITO

AGENDA BILL

Agenda Item No. 5(D)

Date: November 20, 2012

To: El Cerrito City Council

From: Mary Dodge, Administrative Services Director/City Treasurer

Subject: September 30, 2012 Quarterly Investment Report

ACTION REQUESTED

Receive and file the City's September 30, 2012 Quarterly Investment Report.

QUARTERLY INVESTMENT REPORT REVIEW

The Quarterly Investment Report shows that the city's investments had a par value of $1,570,329.52 as of September 30, 2012. This is a decrease of $4,103,621.12 from last quarter due to operational uses at a low point in the year relative to cash flow.

Without any bond proceeds to invest, the City continues to have minimal investments that are not required for debt service reserves, and to have limited, if any, interest earnings on those restricted funds. Due to those restrictions, and the low value of Treasury Investments in the Blackrock Liquidity funds, Federal National Mortgage Association (FNMA) Agency Bonds were purchased for the bulk of the reserve amounts during the quarter. This purchase increased the return on investment for the debt reserve funds for the City Debt Fund and the Street Improvement Fund to .62%.

The Local Area Investment Fund (LAIF) continues to provide the most liquid investment asset available, and will continue to be used to invest the operational portion of the city's cash in order to maintain cash flow. As of September these funds have been used for operational purposes. Overall, interest rates continue to be extremely low and currently LAIF is at .35%, which is one basis point down from the last quarter. While the LAIF account had a very low balance as of this date, cash was available in the city's Mechanics Bank checking account for continuing operations until the issuance of the Tax Anticipation Notes (TAN). The TAN's were approved by the City Council on October 2, 2012 in the amount of $4,000,000 to provide operational cash for the City until the receipt of 55% of the property tax from Contra Costa County in mid-December.

FINANCIAL CONSIDERATIONS

The purpose of the City's Investment Policy is to provide guidelines for the prudent investment of the City's idle funds, and to outline the policies for maximizing the efficiency of the City's cash management system. The ultimate goal is to enhance the economic status of the City while protecting the funds at all times. The City's investments are in compliance with the "Authorized Investments" section of the Investment Policy.

Reviewed by:

Scott Hanin
City Manager

Attachment:

1. City of El Cerrito September 30, 2012 Quarterly Investment Report.

Agenda Item No. 5(D)
Attachment 1

ʼity of El Cerrito

ɹarterly Investment Report
r the Period Ending September 30, 2012

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	$86.71	$86.71	0.35%	N/A	100.00	$86.71
Swim Center Fund	Money Market	Union Bank/Blackrock Liquidity	Union Bank of CA	$225,714.51	$225,714.51	0.01%	N/A	100.00	$225,714.51
City Hall Debt Fund	Money Market	Union Bank/Blackrock Liquidity	Union Bank of CA	$3,317.33	$3,317.33	0.01%	N/A	100.00	$3,317.33
	Fed Natl Mtg Assn	Union Bank/ FNMA	Union Bank of CA	$600,000.00	$600,000.00	0.62%	9/26/2017	100.00	$600,000.00
Street Improvement Fund	Money Market	Union Bank/Blackrock Liquidity	Union Bank of CA	$1,210.97	$1,210.97	0.01%	N/A	100.00	$1,210.97
	Fed Natl Mtg Assn	Union Bank/ FNMA	Union Bank of CA	$740,000.00	$740,000.00	0.62%	9/26/2017	100.00	$740,000.00
TOTALS, as of September 30, 2012				**$1,570,329.52**	**$1,570,329.52**				**$1,570,329.52**

I certify that this report is in compliance with the City of El Cerrito Investment Policy and California Government Code 53646.

Mary Dodge

Mary Dodge, Administrative Services Director/City Treasurer

MADDY ACT LOCAL APPOINTMENTS LIST

NOTICE TO THE RESIDENTS OF THE CITY OF EL CERRITO: In compliance with the requirements of the Maddy Act, Government Code §54970, please find below, a listing of all current board and commission members whose terms will expire on January 1, 2013. This list was posted on or before December 31, 2012 at El Cerrito City Hall, 10890 San Pablo Avenue, the El Cerrito Library, 6510 Stockton Avenue and the El Cerrito Community Center, 7007 Moeser Lane. The City Council invites all residents interested in serving on a Board, Commission or Committee to apply. An application may be downloaded from the City's website at www.el-cerrito.org or obtained from the City Clerk, 215-4305. The DEADLINE for receipt of applications is Monday, 12/10/12 by 12:00 p.m. in the City Clerk's office. Please note that the City Council conducts open recruitment year round should any unexpected vacancies occur and any applications received after the deadline will be kept on file for this purpose. Please consider submitting an application now!

ARTS & CULTURE COMMISSION

Meets the 3rd Wednesday at 7:00 p.m. at City Hall. Staff Liaison: Suzanne Iarla, 215–4318, siarla@ci.el-cerrito.ca.us. Qualifications: Resident of El Cerrito. Members shall demonstrate a commitment to various arts disciplines, including but not limited to: fine arts, performing arts, literary arts, art history and arts education.

Committee Member	Date Appointed	Term Expiration
Existing Vacancy		1/1/2013
Heidi Rand	3/20/12	1/1/2013
Cristin Sethi	11/1/12	1/1/2013
Luis Zavala	3/20/12	1/1/2013

CITIZENS STREET OVERSIGHT COMMITTEE

Meets 4th Monday of September, 2nd Monday of November and 4th Monday of January at 7:00 p.m. at City Hall. Staff Liaison: Jerry Bradshaw, 215–4368, jbradshaw@ci.el-cerrito.ca.us. Qualifications: Resident of El Cerrito. **No scheduled vacancies in 2013.**

CIVIL SERVICE COMMISSION

Meets on-call at 7:00 p.m. at City Hall. Qualifications: Resident of El Cerrito. Staff Liaison: Sukari Beshears, 215–4304, sbeshears@ci.el-cerrito.ca.us. Qualifications: Resident of El Cerrito. **No scheduled vacancies in 2013.**

COMMITTEE ON AGING

Meets the 3rd Wednesday at 3:00 p.m. at City Hall. Staff Liaison: Janet Bilbas, 559–7677, jbilbas@ci.el-cerrito.ca.us. Qualifications: El Cerrito Resident. **Four Vacancies Exist – All residents are encouraged to apply. Appointments to the Committee are made by the City Council upon recommendation of the Committee.**

CITY OF EL CERRITO – MADDY ACT LOCAL APPOINTMENTS LIST

CRIME PREVENTION COMMITTEE

Meets the 2nd Wednesday at 7:00 p.m. at City Hall. Staff Liaison: Scott Cliatt, 215–4418, scliatt@ci.el-cerrito.ca.us. Qualifications: El Cerrito Resident and successful completion of a criminal records background check. **Eleven Vacancies Exist – All residents are encouraged to apply. Appointments to the Committee are made by the City Council upon recommendation of the Committee.**

DESIGN REVIEW BOARD

Meets the 1st Wednesday at 7:30 p.m. at City Hall. Staff Liaison: Noel Ibalio, 215–4330, nibalio@ci.el-cerrito.ca.us. Qualifications: Resident of El Cerrito. At least three members shall be members of the design profession.

Board Member	Date Appointed	Term Expiration
Radziah Loh	1/1/2009	1/1/2013

ECONOMIC DEVELOPMENT BOARD

Meets Quarterly at City Hall at 6:30 p.m. Staff Liaison: Dwayne Dalman, 215-4362, ddalman@ci.el-cerrito.ca.us. Qualifications: Members shall be either residents of the city or own or operate businesses in the city. Owners or operators of a business in the city do not have to be city residents.

Board Member	Date Appointed	Term Expiration
Chamber Appointee	1/1/2012	1/1/2013
Carla Hansen	3/20/2012	1/1/2013

ENVIRONMENTAL QUALITY COMMITTEE

Meets 2nd Tuesday at 7:00 p.m. at City Hall. Staff Liaison: Garth Schultz, 559-7684, gschultz@ci.el-cerrito.ca.us. Qualifications: El Cerrito resident or business member. Knowledge of, interest in, and/or involvement in issues affecting environmental quality desired. **Five vacancies exist – All residents and representatives of local businesses are encouraged to apply. Appointments to the Committee are made by the City Council upon recommendation of the Committee.**

FINANCIAL ADVISORY BOARD

Meets 2nd Tuesday at 7:00 at City Hall. Staff Liaison: Mary Dodge, 215–4312, mdodge@ci.el-cerrito.ca.us. Qualifications: Resident of El Cerrito. Members shall have demonstrated expertise in financial management, accounting, fiscal analysis, computer applications, economic analysis or related skills.

Board Member	Date Appointed	Term Expiration
Rich Bartke	1/1/2009	1/1/2013
Brad Caftel	3/4/2002	1/1/2013
Hale Kronenberg	5/4/2009	1/1/2013
Bruce Yow	8/13/12	1/1/2013

CITY OF EL CERRITO – MADDY ACT LOCAL APPOINTMENTS LIST

HUMAN RELATIONS COMMISSION

Meets 1st Wednesday at 7:00 p.m. at City Hall. Qualifications: Resident of El Cerrito. Staff Liaison: Sukari Beshears, 215-4304, sbeshears@ci.el-cerrito.ca.us. Qualifications: Resident of El Cerrito.

Commissioner	Date Appointed	Term Expiration
Linda Jolivet	1/1/2009	1/1/2013
Existing Vacancy		1/1/2013
Existing Vacancy		1/1/2016

PARKS AND RECREATION COMMISSION

Meets the 4th Wednesday at 7:00 p.m. in Council Chambers. Staff Liaison: Chris Jones, 559–7005, cjones@ci.el-cerrito.ca.us. Qualifications: Resident of El Cerrito.

Commissioner	Date Appointed	Term Expiration
Manish Doshi	1/1/2009	1/1/2013
Steve Lipson	1/1/2009	1/1/2013
Existing Vacancy		1/1/2014

PLANNING COMMISSION

Meets the 3rd Wednesday at 7:00 p.m. in Council Chambers. Staff Liaison: Jennifer Carman, 215–4330, jcarman@ci.el-cerrito.ca.us. Qualifications: Resident of El Cerrito.

Commissioner	Date Appointed	Term Expiration
Amy Coty	1/1/2009	1/1/2013
Bill Kuhlman	1/1/2009	1/1/2013

TREE COMMITTEE

Up to 15 members. Meets second Monday at 7:00 p.m. in the Hillside Room. Staff Liaison Stephen Pree, 215–4333, spree@ci.el-cerrito.ca.us Qualifications: Resident of El Cerrito. **Ten vacancies exist.**

LOCAL APPOINTMENTS TO REGIONAL BODIES

CONTRA COSTA LIBRARY COMMISSION

Meets bi-monthly on the 4th Thursday at 7:00 p.m. at the Library Administration Conference Room in Pleasant Hill. One primary and one alternate are appointed by the City Council as representatives from the City of El Cerrito. Qualifications: Resident of El Cerrito.

Commissioner	Date Appointed	Term Expiration
Steven Poulos [Primary]	7/7/2009	6/30/2013
Tom Panas	1/1/2009	1/1/2013

CCC TRANSPORTATION AUTHORITY CITIZENS ADVISORY COMMITTEE

Meets 4th Wednesday at 6:30 p.m. in Pleasant Hill. One person is appointed by the City Council as a representative from the City of El Cerrito. Qualifications: Resident of El Cerrito. **No scheduled vacancies until 2015.**

CITY OF EL CERRITO – MADDY ACT LOCAL APPOINTMENTS LIST

CCC MOSQUITO AND VECTOR CONTROL DISTRICT BOARD OF TRUSTEES

Meets bi-monthly on the 2nd Monday at 7:00 p.m. in Concord. One person is appointed by the City Council as a representative from the City of El Cerrito. Qualifications: Resident of El Cerrito. **There are no scheduled vacancies until 2016.**

WEST CONTRA COSTA CITIZENS BOND OVERSIGHT COMMITTEE

Meets once per month at 1300 Potrero, Richmond. One primary and one alternate member are appointed to this 21 member WCCUSD Committee. Qualifications: Resident of El Cerrito.

Commissioner	Date Appointed	Term Expiration
Paul Gilbert-Snyder		12/13/2012
Vacancy - Alternate		

Dated: October 18, 2012
Revised: November 25, 2012

Cheryl Morse, City Clerk

AGENDA BILL

Agenda Item No. 5(G)

Date: November 20, 2012

To: El Cerrito City Council

From: Mary Dodge, Administrative Services Director/City Treasurer

Subject: Amendment to El Cerrito Municipal Code Section 2.04.300, Financial Advisory Board

ACTION REQUESTED

Introduce by title, waive any further reading and approve an ordinance amending El Cerrito Municipal Code Section 2.04.300 Financial Advisory Board, to delete references to the former redevelopment agency and further clarify the Financial Advisory Board's function and duties.

BACKGROUND

El Cerrito Municipal Code Section 2.04.300, the enabling legislation for the Financial Advisory Board (FAB) was initially adopted in 2000 for the purpose of providing citizen input on financial matters related to the City. An ordinance was adopted in 2007 that revised the Municipal Code relating to the appointment of FAB members and in 2010 to clarify their duties and responsibilities. With the dissolution of the El Cerrito Redevelopment Agency (Agency) the current ordinance requires revisions to remove references to the former Agency. Additional changes are also proposed to further clarify the FAB's mission and include an annual review of City Council Compensation.

ANALYSIS

The proposed changes in the revised ordinance reflect the dissolution of the Agency as well as other wording changes recommended by the FAB, primarily for clarification of functions. The addition of wording regarding the annual review of City Council compensation as a part of the Annual Operating Budget would clarify the City's procedures for compliance with the Contra Costa Grand Jury Report No. 1104 regarding City Council Compensation consistent with the county-wide Contra Costa County Grand Jury Report No. 1104.

The proposed changes were discussed at the regular Financial Advisory Board meetings on October 9, 2012 and November 13, 2012. The changes are intended to reflect the current scope of review performed by the FAB and clarify for future members, the FAB's duties and responsibilities. Second reading of the ordinance is scheduled for December 18, 2012.

LEGAL CONSIDERATIONS

The City Attorney has reviewed and approved the proposed amendment to El Cerrito Municipal Code Section 2.04.300 - Financial Advisory Board.

Reviewed by:

Scott Hanin, City Manager

Attachment:

1. Ordinance No. 2012-XX
2. Contra Costa County Grand Jury Report #1104

Agenda Item No. 5(G)
Attachment 1

ORDINANCE NO. 2012–XX

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF EL CERRITO AMENDING EL CERRITO MUNICIPAL CODE SECTION 2.04.300 – FINANCIAL ADVISORY BOARD

WHEREAS, the Financial Advisory Board was established by Ordinance 2000-3 and codified as El Cerrito Municipal Code 2.04.300 for the purpose of providing citizen input on financial matters related to the City; and

WHEREAS, Ordinance 2007-2 was adopted to revise El Cerrito Municipal Code Section 2.04.300 relating to the appointment of FAB members; and

WHEREAS, Ordinance 2010-1 amended El Cerrito Municipal Code Section 2.04.300 to further clarify the duties and responsibilities of the Financial Advisory Board; and

WHEREAS, the Financial Advisory Board recently reviewed El Cerrito Municipal Code Section 2.04.300 and recommends deleting references to the Redevelopment Agency due to the dissolution of the Redevelopment Agency by the State of California and also recommends further amendment of the El Cerrito Municipal Code to further refine and clarify the Financial Advisory Board's duties and responsibilities, including an annual review of City Council compensation.

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

SECTION 1: Chapter 2.04.300 of the El Cerrito Municipal Code is hereby amended with the following additions and deletions to read as follows (additions in underline; deletions in ~~strikethrough)~~:

2.04.300 Financial Advisory Board.

A. There shall be a financial advisory board consisting of five members who reside in the city and have demonstrated expertise in financial management, accounting, fiscal analysis, computer applications, economic analysis or related skills. The financial advisory board shall have the powers and duties stated below, and such other duties as the council shall decide:

1. To conduct a review and make recommendations on the proposed annual budget and long-term financial plan for the city and ~~the redevelopment agency~~all component units ~~each year~~ to assist the city council ~~and redevelopment agency~~ in making decisions on major expenditures and revenue sources, and to include a review of ~~the~~City Council compensation consistent with county-wide recommendations included in Contra Costa Grand Jury Report No. 1104;

2. To monitor the city ~~and redevelopment agency~~ expenditure and revenue patterns and recommend adjustments to the long-term financial plans as necessary;

3. To conduct an annual review of the city's Comprehensive Financial Policy and ~~city's investment~~ Investment ~~policies~~ Policy and make recommendations regarding the managing of the city's financial reserves to assure maximum returns on approved investments;

4. When requested by the city council~~,~~ ~~redevelopment agency board~~, or staff to evaluate proposals, programs and contracts for both long- and short-term financial consequences, assess alternatives and make appropriate recommendations;

5. To review the annual audit and management letter and provide the city council ~~and the redevelopment agency~~ with recommended changes in financial practices;

6. To review and make recommendations on all proposed bonds, ~~or~~ other debt instruments or long term obligations to be issued or assumed by the city ~~or the redevelopment agency~~; and

7. To review the form and format of budget documents, agenda bills and other recurring financial reports prepared by the city and issue recommendations to the city council and the city manager regarding how the form and format of these documents may be modified to allow for greater clarity in the manner financial information is reported.

SECTION 2

This rdinance shall take effect and be enforced thirty (30) days after the date of its adoption, and prior to the expiration of fifteen (15) 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 at a regular meeting of the City Council on November 20, 2012, and approved by the following vote on December ______, 2012:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

____

William C. Jones III, Mayor

ATTEST:

____

Cheryl Morse, City Clerk

Contact: Linda Chew
Foreperson
(925) 957-5638

Contra Costa County Grand Jury Report #1104

ELECTED BOARD MEMBERSHIP

Public Service or Public Employment?

TO: Cities and Towns in Contra Costa County (see distribution list)
Independent Special Districts (see distribution list)

SUMMARY

Given the difficult economic challenges facing local government, the Contra Costa County Grand Jury conducted a survey about compensation for elected Special District Boards (Board) and City Councils (Council). The Grand Jury looked at the use of funds and if the total amounts spent by these agencies for elected officials' compensation seemed reasonable.

The study revealed significant compensation disparities among elected Boards and Councils within Contra Costa County (County).

For example, while Martinez and Oakley both have similar populations of about 35,000 residents, the Martinez City Council total compensation is $131,326, while Oakley's is only $28,544.

San Ramon with 60,000 residents pays $163,190 to its entire Council while Pittsburg, with slightly more residents, pays its Council $40,035.

Richmond and Antioch, both with around 100,000 residents, pay their entire Councils $267,139 and $112, 591 respectively.

The Grand Jury recognizes those agencies that pay nothing or minimum compensation and thus demonstrate the spirit of public service.

At the same time, there are a large number of Boards and Councils that are being compensated amounts which may be viewed as exorbitant. Board and Council members are elected to serve their constituents. They set policy, oversee programs and services administered by professional employees and are accountable to the public for their actions.

The Grand Jury believes the public should be aware of the compensation paid to their elected officials, what benefits are provided and whether the compensation structure indicates that the spirit of public service has changed to an entitlement of public employment.

BACKGROUND

County residents are living in very difficult economic times, in which both public agencies and individuals have had to cut spending.

The Grand Jury surveyed all 19 cities in the County as well as the 27 largest independent special districts that have their own publicly elected Boards of Directors. Population information for the analysis was obtained from Local Agency Formation Commission reports. The survey collected data for Fiscal Years (FY) 2008-09 and 2009-10.

Information was requested for the following categories pertaining to annual expenditures for elected officials: salary and/or meeting fees, health care insurance costs, pension or deferred compensation, life insurance premiums, car allowance or mileage, cell phone and/or internet access and travel & conference costs.

The total amount spent county-wide in FY 2009-10 on compensation for the surveyed Boards and Councils was $2,419,169.

The following data is grouped by cities and special districts. Data reported are the total amounts for each Board or Council regardless of the number of elected members. All cities have five elected Council members with the exception of Richmond, which has seven. All special districts have five Board members except the Byron-Bethany Irrigation District, which has nine, with two vacancies.

Cities

- The average annual amount spent for each Council was $77,895.
- Lafayette, Moraga and Orinda had minimal expenses for their elected leaders.
- Eight cities compensate their elected leaders more than the average for all surveyed. These cities spent an average of $136,145. Of that amount, 76.4% was paid for salary and/or meeting fees and health care benefits. See table below.
- Twelve cities pay for elected officials' pensions or other forms of retirement benefits.
- Twelve cities pay for elected officials' health care insurance costs.
- Eight cities pay life insurance premiums for elected officials.
- Six cities pay for elected officials' cell phone or internet access.

The following table summarizes the compensation data collected for the cities.

Total Council Compensation Expense

Cities	Population	Cost	Salary and/or Meeting Fees	Health Care Insurance Costs	Pension & Deferred Comp	Other Costs
City of Lafayette	24,500	$631	$0	$0	$0	$631
Town of Moraga	16,800	$2,673	$0	$0	$0	$2,673
City of Orinda	17,600	$2,801	$0	$0	$0	$2,801
City of Oakley	34,000	$28,544	$27,924	$0	$0	$620
City of Clayton	10,784	$29,590	$23,400	$0	$4,640	$1,550
City of El Cerrito	23,596	$37,613	$26,710	$0	$3,574	$7,329
City of Pittsburg	63,004	$40,035	$33,240	$5,220	$0	$1,575
Town of Danville	42,601	$54,998	$40,064	$11,764	$1,502	$1,668
City of Pinole	19,193	$59,965	$17,862	$41,396	$0	$707
City of Walnut Creek	66,000	$61,798	$35,100	$0	$16,086	$10,612
City of Pleasant Hill	33,377	$72,206	$37,950	$27,541	$4,569	$2,146
City of Brentwood	50,614	$91,998	$34,155	$42,425	$2,186	$13,232
City of Hercules	23,000	$93,691	$51,960	$34,141	$5,059	$2,531
City of San Pablo	30,950	$100,961	$45,210	$37,906	$6,555	$11,290
City of Antioch	100,150	$112,591	$53,746	$1,922	$5,576	$51,346
City of Concord	124,780	$128,262	$74,580	$42,303	$10,720	$659
City of Martinez	36,179	$131,326	$46,200	$71,416	$9,697	$4,012
City of San Ramon	59,002	$163,190	$47,935	$59,768	$12,457	$43,030
City of Richmond	102,186	$267,139	$152,130	$53,700	$0	$61,309
Total of 19 Cities		***$1,480,012***	***$748,166***	***$429,502***	***$82,622***	***$219,721***
Average of 19 Cities		***$77,895***	***$39,377***	***$22,605***	***$4,349***	***$11,564***

Note: Richmond has seven Council members; all other cities have five Council members

Special Districts

- The average annual amount spent for each Board was $34,784.
- Nine special districts paid their elected leaders from zero to less than $100 in total. They are: Crockett Community Services District, Diablo Community Services District, Kensington Police Protection & Community Services District, Town of Knightsen Community Services District, Kensington Fire Protection District, Rodeo-Hercules Fire Protection District, Bethel Island Municipal Improvement District, Green Valley Recreation and Park District, and Moraga-Orinda Fire District.
- Eight special districts compensate their elected officials more than the average for all surveyed. These districts spent an average of $99,089. Of that amount 87.7% was paid for salary and/or meeting fees and health care insurance costs. See the table below.
- Eight out of the nine most generous special districts are water or wastewater providers that pass on their costs to rate payers.
- Three special districts contribute to pension or other form of retirement benefits for one or more elected officials.

- Nine special districts pay for health care insurance costs for one or more elected officials.
- Four special districts pay life insurance premiums for one or more elected officials.

The following table summarizes the compensation data collected for the 27 special districts.

Total Special District Board Compensation Expense

Special District	Popu-lation	Total Cost	Salary & Meeting Fees	Health Care Insurance Costs	Pension	Other Costs
Crockett Community Services District	3,500	$0	$0	$0	$0	$0
Diablo Community Services District	1,200	$0	$0	$0	$0	$0
Kensington Police Prot & Com. Serv. Dist.	5,000	$0	$0	$0	$0	$0
Knightsen Town Community Serv. Dist	1,500	$0	$0	$0	$0	$0
Kensington Fire Protection District	4,936	$0	$0	$0	$0	$0
Rodeo-Hercules Fire Protection District	30,000	$0	$0	$0	$0	$0
Bethel Island Municipal Improve District	3,000	$0	$0	$0	$0	$0
Green Valley Recreation and Park District	473	$0	$0	$0	$0	$0
Moraga-Orinda Fire District	42,000	$50	$0	$0	$0	$50
Byron Sanitary District	995	$4,425	$4,425	$0	$0	$0
Diablo Water District	31,000	$7,365	$7,300	$0	$0	$65
Ambrose Recreation and Park District	23,000	$7,858	$5,150	$0	$0	$2,708
Rodeo Sanitary District	8,717	$8,975	$8,975	$0	$0	$0
San Ramon Valley Fire Protection Dist	158,071	$12,331	$8,085	$0	$0	$4,246
Pleasant Hill Recreation and Park District	40,003	$15,226	$12,500	$0	$0	$2,726
West Contra Costa Healthcare District	201,196	$16,385	$8,200	$4,188	$0	$3,997
Los Medanos Comm. Healthcare District	81,953	$20,500	$20,500	$0	$0	$0
Discovery Bay Community Services Dist	15,000	$22,661	$22,500	$0	$0	$161
Stege Sanitary District	40,000	$30,670	$22,540	$0	$0	$8,130
Mt. View Sanitary District	18,253	$41,283	$19,307	$12,593	$0	$9,383
Mt. Diablo Healthcare District	191,452	$42,498	$0	$42,498	$0	$0
East Contra Costa Irrigation District	60,000	$76,227	$3,605	$72,192	$0	$430
Ironhouse Sanitary District	35,350	$94,070	$28,220	$62,780	$2,051	$1,020
Contra Costa Water District	550,000	$99,826	$36,700	$41,177	$0	$21,949
Byron-Bethany Irrigation District	3,000	$105,380	$5,360	$99,684	$0	$336
Central Contra Costa Sanitary District	451,900	$158,174	$52,156	$90,435	$0	$15,583
West County Wastewater District	124,398	$175,254	$93,934	$44,277	$18,823	$18,220
Total of 27 Special Districts		***$939,158***	***$359,457***	***$469,823***	***$20,873***	***$89,005***
Average of 27 Special Districts		***$34,784***	***$13,313***	***$17,401***	***$773***	***$3,296***

Note: Byron-Bethany Irrigation District has nine Board members, of which two are vacant; all other special districts have five Board members.

Contra Costa Water District reported no pensions paid but has a provision in their retirement plan to pay a pension for Board members at age 62 after 10 years of service.

Professional full-time managers are hired to run each agency. Historically, elected officials have looked upon their work as public service for the betterment of the community. Agencies have provided their elected leaders with benefits. These include health care insurance, employer paid retirement benefits, life insurance premiums, payments for cell phone/internet access, and mileage reimbursement or car allowance.

The total dollar amounts are small in relation to agency overall budgets. However, services to the public are being reduced in most agencies which usually means staff reductions. Although service reductions have been implemented, governing boards have continued to enjoy the same level of benefits. They should demonstrate their leadership by eliminating or reducing benefits.

FINDINGS AND RECOMMENDATIONS

Each agency named needs to respond only for its own practices.

Finding # 1: Sixteen cities and eighteen special districts provide benefits to their elected leaders in some fashion. These benefits may include salary, meeting fees, health care insurance costs, pension or deferred compensation, life insurance premiums, cell phone usage, and internet connections.

> **Recommendation # 1:** All cities and special districts should conduct an annual public review of compensation provided to their respective elected Councils and Boards. This review should include such items as salary, meeting fees, health care insurance costs, pension/deferred compensation, life insurance premiums, cell phone usage, and internet connections. The public review should address whether or not changes in compensation are warranted.

Finding # 2: Eight cities spend more than the county-wide average ($39,377) for salary and meeting fees. They are: Antioch, Concord, Danville, Hercules, Martinez, Richmond, San Pablo and San Ramon.

> **Recommendation # 2:** These cities, as part of the annual review in Recommendation 1, should consider whether it would be appropriate to implement reductions of salary and meeting fee expenditures to bring them in line with other cities.

Finding # 3: Eight special districts spend more than the county-wide average ($13,313) for salary and meeting fees. They are: Central Contra Costa Sanitary District, Contra Costa Water District, Discovery Bay Community Services District, Ironhouse Sanitary District, Los Medanos Community Healthcare District, Mt. View Sanitary District, Stege Sanitary District and West County Wastewater District.

> **Recommendation # 3**: These special districts, as part of the annual review in Recommendation 1, should consider whether it would be appropriate to implement a

reduction of salary and meeting fee expenditures to bring them in line with other special districts.

Finding # 4: Health care benefits are provided to elected Board members by twelve cities and nine special districts.

Recommendation # 4: The policy of paying health care insurance costs for Council and Board members should be reviewed to determine whether this practice is appropriate. The agencies following this practice are:

Cities: Antioch, Brentwood, Concord, Danville, Hercules, Martinez, Pinole, Pittsburg, Pleasant Hill, Richmond, San Pablo and San Ramon.

Special Districts: Byron-Bethany Irrigation District, Central Contra Costa Sanitary District, Contra Costa Water District, East Contra Costa Irrigation District, Ironhouse Sanitary District, Mt. Diablo Healthcare District, Mt. View Sanitary District, West Contra Costa Healthcare District and West County Wastewater District.

Finding # 5: Pension benefits, with potential long-term financial implications for the agency, are provided to Council and Board members by twelve cities and three special districts.

Recommendation # 5: The policy of paying pension or deferred compensation for Council and Board members should be reviewed to determine whether this practice is appropriate. The agencies following this practice are:

Cities: Antioch, Brentwood, Clayton, Concord, Danville, El Cerrito, Hercules, Martinez, Pleasant Hill, San Pablo, San Ramon and Walnut Creek.

Special Districts: Central Contra Costa Sanitary District, Ironhouse Sanitary District and West County Wastewater District.

REQUIRED RESPONSES

Findings and Recommendations:

Cities and Towns	
Antioch	1, 2, 4 and 5
Brentwood	1, 4 and 5
Clayton	1 and 5
Concord	1, 2, 4 and 5
Danville	1, 2, 4 and 5
El Cerrito	1 and 5
Hercules	1, 2, 4 and 5
Martinez	1, 2, 4 and 5
Oakley	1
Pinole	1 and 4
Pittsburg	1 and 4
Pleasant Hill	1, 4 and 5
Richmond	1, 2 and 4

San Pablo	1, 2, 4 and 5
San Ramon	1, 2, 4 and 5
Walnut Creek	1 and 5
Independent Special Districts:	
Ambrose Recreation and Park District	1
Byron-Bethany Irrigation District	1 and 4
Byron Sanitary District	1
Central Contra Costa Sanitary District	1, 3, 4 and 5
Contra Costa Water District	1, 3 and 4
Diablo Water District	1
Discovery Bay Community Services District	1 and 3
East Contra Costa Irrigation District	1 and 4
Ironhouse Sanitary District	1, 3, 4 and 5
Los Medanos Community Healthcare District	1 and 3
Mt. Diablo Healthcare District	1 and 4
Mt. View Sanitary District	1, 3 and 4
Pleasant Hill Recreation and Park District	1
Rodeo Sanitary District	1
San Ramon Valley Fire Protection District	1
Stege Sanitary District	1 and 3
West Contra Costa County Healthcare District	1 and 4
West County Wastewater District	1, 3, 4 and 5

Distribution List:

Cities and Towns
Antioch, Brentwood, Clayton, Concord, Danville, El Cerrito, Hercules, Lafayette, Martinez, Moraga, Oakley, Orinda, Pinole, Pittsburg, Pleasant Hill, Richmond, San Pablo, San Ramon and Walnut Creek.

Independent Special Districts:
Crockett Community Services District, Diablo Community Services District, Discovery Bay Community Services District, Kensington Police Protection and Community Services District, Knightsen Community Services District, Kensington Fire Protection District, Moraga-Orinda Fire District, Rodeo-Hercules Fire Protection District, San Ramon Valley Fire Protection District, Los Medanos Community Healthcare District, Mt. Diablo Healthcare District, West Contra Costa County Healthcare District, Byron-Bethany Irrigation District, East Contra Costa Irrigation District, Bethel Island Municipal Improvement District, Ambrose Recreation and Park District, Green Valley Recreation and Park District, Pleasant Hill Recreation and Park District, Byron Sanitary District, Central Contra Costa Sanitary District, Ironhouse Sanitary District, Mt. View Sanitary District, Rodeo Sanitary District, Stege Sanitary District, West County Wastewater District, Contra Costa Water District and Diablo Water District.

AGENDA BILL

Agenda Item No. 7(A)

Date: November 20, 2012

To: El Cerrito City Council

From: Garth Schultz, Environmental Analyst
Melanie Mintz, Environmental Services Division Manager
Karen Pinkos, Assistant City Manager
Scott Hanin, City Manager

Subject: Solid Waste Rate and Operations Review and Extension of the Garbage and Green Waste Collection Franchise Agreement with East Bay Sanitary Company, Inc.

ACTION REQUESTED

Receive a presentation and report from Staff regarding the 2011/2012 Solid Waste Rate and Operations Review and adopt a resolution approving the Fifth Amendment to the Franchise Agreement between the City of El Cerrito and East Bay Sanitary Company, Inc. extending the Franchise Agreement by seven years, through December 31, 2025.

BACKGROUND

East Bay Sanitary Company is a privately held family business that has been the City's franchised hauler of garbage and green waste since 1941. The current Franchise Agreement with the Company was entered into in 1997, with an original termination date of December 31, 2009. In 2009, per the Company's right in the Agreement to request an extension, the Agreement was extended by the City Council (Resolution 2009-82) to December 31, 2017. In July 2011, the Agreement was extended by one year, terminating December 31, 2018, in order to facilitate the City directed implementation of the weekly green waste collection program and the financing of new collection trucks (Resolution 2011-53).

Per the terms of the Second Amendment to the Franchise Agreement, the Company generally requests annual index-based adjustments to the garbage and green waste collection rates. In 2010, the Company requested that the City Council consider an additional rate adjustment to address the fact that a large proportion of El Cerrito's residents had "migrated" to smaller garbage container sizes due largely to increased recycling. This migration to smaller container sizes has had an adverse impact on EBS's revenues because collection rates are set by an incentive-based "pay-as-you-throw" model wherein collection service on larger garbage containers cost more than collection service for smaller garbage containers. This incentive-based model was not related to the actual costs-of-service and resulted, industry-wide, in a revenue problem. The Council granted an additional increase – above the normal index-based adjustment – to the Company's collection rates in order to mitigate the financial effects that migration has on the Company's business, effective January 2011 (Resolution 2010-80). At that time, the City and Company agreed to do further analysis of the migration issue while also taking the opportunity to ensure that the Company's expenses remain within agreed upon limits, address the company's pension liability, and evaluate solid waste collection operations in order to identify opportunities for increased efficiency.

In July 2011, the City Council adopted a resolution authorizing the City Manager to execute a contract with R3 Consulting Group, Inc. (R3) to perform a detailed review of the Company's rates and operations (Resolution 2011-52). The scope of work also included a review of the City's recycling collection operations and an analysis of the City's readiness to implement mandatory commercial recycling required by the State. On May 30, 2012, as an outcome of the detailed review process, and to fulfill the City's goal to provide cost-effective rates and operational efficiency, the Company proposed extending the Franchise Agreement through December 31, 2025.

DISCUSSION

Rate and Operations Review

R3 conducted the rate and operations review between July and December 2011. The objectives of the review, as specified in the City's RFP for the project, were to:

- Determine revised rates for garbage and green waste collection services, effective January 1, 2012
- Establish a revised rate setting methodology for future rate adjustments to account for and mitigate the effects of future container migration
- Review and identify potential operational efficiencies for the City's franchised garbage and green waste hauler
- Evaluate potential revisions to the indexed rate adjustment methodology to address ongoing account migration
- Evaluate potential changes to services and service levels
- Assess the efficiency of the Company's current operations and review proposed equipment purchases and operational changes
- Assess opportunities for increased efficiencies

The review involved detailed examination of the Company's expenses, operations, accounts and services. All of the objectives of the review were met, and are detailed in the Final Report (included as Attachment 2a). To summarize the highlights, R3 reported that:

- The Company has made incremental changes to maximize operational efficiencies in recent years such that there does not appear to be any significant additional opportunities for increased efficiency in collection operations
- The Company operates its routes, customer service, and billing operations safely, effectively and efficiently
- Some of the Company's expenses should be reduced and/or disallowed from the rate base
- There is potential for greater customer services duties related to recycling

- There is potential for the Company to incorporate routine maintenance of the City's recycling collection fleet into its own maintenance operations

Based on a completed draft review in December 2011, R3 recommended that the Company's collection rates be increased 0.81% from 2011 to 2012. However, due to the fact that the entire review process included allowing the Company to have an opportunity to respond to R3's recommendation, no adjustments to the Company's collection rates were considered by the City for 2012 (Agenda Item No. 6, December 19, 2011). As a result, all residential solid waste rates have remained unchanged since January 1, 2011[1]. In May 2012, the Company provided its response to R3's recommendations, which included a proposal to extend the Franchise Agreement. Due to the potential for greater short and long-term cost savings, increased services and more rate stability, staff met with the Company throughout 2012 to determine if an extension agreement would leverage and result in adequate benefits to the City.

Negotiated Extension Proposal

Attachment 2 is the proposed Fifth Amendment to the Franchise Agreement that details all of the proposed extension terms. These terms represent the culmination of several months of good faith negotiations by the City and the Company. If approved by the City Council, the Fifth Amendment to the Franchise Agreement will serve to establish a greater level of partnership between the Company and the City, and by taking away the revenue losses associated with migration to smaller cans, the partnership includes the Company being an active partner in encouraging greater participation in recycling, green waste and other diversion programs. Amending the agreement per these terms reinforces El Cerrito's progress towards providing cutting edge solid waste services at a competitive price. In summary, the extension terms that result in these benefits include:

1. The Company increasing its operating ratio from 89% to 90.5% (a <u>decrease</u> in the Company's profit margin);

2. The Company reducing the rate cost of officer wages, and freezing those wages in 2013;

3. The Company lengthening the amortization time of all trucks and equipment;

4. The Company providing regular preventative maintenance of the City's recycling collection fleet using existing staffing, which will save thousands per year in City maintenance costs and provide for better fleet performance and safety'

5. The Company agreeing to designate a Commercial Account Representative to conduct in-depth site visits focused on recycling and diversion of waste sent to landfills for all commercial subscribers;

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[1] Solid waste rate components include: the Company's collection rates for garbage and green waste collection; the RecycleMore rates for processing of green waste, garbage and hazardous waste, and the City's rates for collection and processing of recyclables (both curbside collection and the Recycling + Environmental Resource Center). The total of these three rate components have remained the same since January 1, 2011.

6. The Company conducting an annual customer service and recycling training for its employees, with the objective of providing consistent high-level customer service, as well as a tri-annual Customer Satisfaction Assessment and Survey;

7. The Company increasing its customer service hours via phone, email, and walk-in to its El Cerrito offices and running a website with online bill payment by checking accounts;

8. The Company providing other new services, including container cleaning and labeling, brochure distribution, electronic waste collection, and increased on-call services;

9. The Company agreeing to a performance review with respect to all existing and new services, indentifying and remedying any deficiencies, by December 31, 2014;

10. The City and Company establishing a balancing account that will mitigate the effects of migration and provide for greater rate stability (by including over- or under-collection of revenues in the rates);

11. The City and Company agree to annual rate adjustments per a Refuse Rate Index (Attachment 2c) that adjusts costs of depreciation and interest to actual annual figures (potentially reducing future rate increases);

12. The City designating rate share coverage (78.5%) of the Company's unfunded pension liability;

13. The City removing language from the Franchise Agreement that limits the Company's ability to sell[2]

14. The City extending the Franchise Agreement through December 31, 2025; and

15. The City increasing the Company's annual Franchise Fee from 10% to 12%, effective January 1, 2013.

Extension in 2012 vs. Bidding in 2018

In negotiating the terms of the proposed extension agreement, staff and R3 Consulting considered whether the near-term benefits of extending the agreement outweigh the potential benefits of putting the garbage and green waste collection services out to bid in 2018. One of the main factors considered was the cost of El Cerrito's solid waste services compared to the costs seen in neighboring East Bay communities.

Figure 1 (Comparison of 2012 East Bay Solid Waste Collection rates) illustrates that El Cerrito's solid waste rates – when adjusted to account for the incomparable services offered by the El

[2] Section 5 of the Agreement includes several references to the Agreement term reverting to two (2) years upon transfer or sale. The Company has expressed that this limitation will limit its ability to sell the Company if it desires (and the City approves); staff agrees with the Company's assessment, and recommends deletion of these references.

Cerrito Recycling + Environmental Resource Center[3] – are competitive with the rates and services offered elsewhere in the East Bay. For example, El Cerrito's adjusted collection rate for 20 gallon garbage customers (30% of El Cerrito residents) is more than $4.00 per month *less* than the average collection rate in cities where green waste and recycling is collected weekly; the 65% of El Cerrito residents using a 35 gallon garbage container pay almost $1.00 per month more for equivalent services in other cities.

Figure 1 - Comparison of 2012 East Bay Solid Waste Rates

Shown in descending order by 32/35 gallon rate

City	*Service Providers*	*Services Included / Notes*	*20 gal*	*32/35 gal*	*64 gal*	*96 gal*
El Cerrito *(all services included)*	East Bay Sanitary Company, City of El Cerrito	Weekly garbage, green waste and recycling. Local full service recycling center. Local and regional HHW programs included.	**$ 27.09**	**$ 38.10**	**$ 74.57**	**NA**
Albany	Waste Management	Weekly garbage, green waste and recycling. Regional HHW program included.	$ 33.97	$ 38.04	$ 65.75	$ 93.45
El Cerrito Adjusted *(less 1/2 of IWM fee for cost of Recycling Center)*	East Bay Sanitary Company, City of El Cerrito	Weekly garbage, green waste and recycling. Regional HHW program included.	**$ 22.82**	**$ 33.78**	**$ 65.93**	**NA**
Average of Weekly Services (Albany, Alameda / San Leandro, Oakland, Orinda)			*$ 26.63*	*$ 32.82*	*$ 60.93*	*$ 89.27*
Alameda / San Leandro	Alameda County Industries	Weekly garbage, green waste and recycling. Regional HHW program included.	$ 23.80	$ 33.02	$ 54.25	$ 75.78
Average (without El Cerrito and Berkeley)			*$ 26.37*	*$ 32.27*	*$ 57.96*	*$ 85.20*
Orinda	Allied Waste	Weekly garbage, green waste and recycling. Regional HHW program included.	$ 27.41	$ 31.60	$ 61.28	$ 91.67
West Contra Costa County (Unincorporated)	Richmond Sanitary Service	Weekly garbage, bi-weekly green waste and recycling. Regional HHW program limited.	$ 25.50	$ 31.01	$ 59.42	$ 88.50
West Contra Costa County Average (Incoporated)	Richmond Sanitary Service	Weekly garbage, bi-weekly green waste and recycling. Regional HHW program included. Average of Richmond, San Pablo, Pinole, Hercules.	$ 26.23	$ 31.34	$ 56.28	$ 81.95
Berkeley	City of Berkeley	Weekly garbage, green waste and recycling. Local recycling center. Regional HHW program included. *Rates subsidized by Transfer Station revenues.	$ 18.09	$ 28.93	$ 57.83	$ 86.72
Oakland	Waste Management / California Waste Solutions	Weekly garbage, green waste and recycling. Regional HHW program included.	$ 21.34	$ 28.63	$ 62.43	$ 96.19

Even when collection rates in cities that do not have weekly recycling and green waste (e.g. the rest of West County) are included, El Cerrito's adjusted rates for 20 gallon customers are $2.77 *less* than the regional average, while the 35 gallon rate is $2.55 more. However, it is important to note that El Cerrito's residential collection rates went up by $1.65 per month in January 2011 to implement weekly collection of green waste; if the cities with bi-weekly collection of

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[3] In Figure 1, the rates used for "El Cerrito Adjusted" are equal to the actual collection rates less one half (½) of the Integrated Waste management (IWM) Fee on all solid waste subscriptions. The IWM fee covers curbside collection of recyclables (½of the Fee) and the operations of the Recycling + Environmental Resource Center (the other ½ of the Fee). ½ of the Fee has been subtracted for the purposes of demonstrating an equivalent service comparison.

recycling and green waste were to increase collection frequency for recycling and green waste, it can be assumed that collection rates in these cities would go up by at least $1.65 per month, bringing the regional averages up by about $1.00 each.

The best overall comparative level of service locally is provided to Albany by Waste Management (the largest solid waste company in North America), which has one of the highest landfill diversion levels in the state, weekly collection services for all waste streams, and a variety of additional curbside services for hard-to-recycle materials. While not a complete apples-to-apples comparison (because Albany doesn't have a recycling center) the level of service provided to solid waste subscribers in Albany is relatively on par with those provided in El Cerrito. To provide for increases in service levels, Albany's solid waste collection rates have increased in recent years and now, on average, are greater than El Cerrito's collection rates for residential subscribers. Overall, the data indicates that El Cerrito's costs for solid waste services, including those provided by the East Bay Sanitary Company, are in-line with what should be expected in our region given the high level of services available.

In regards to the franchise extension, several other cities in our region have also opted to extend their current franchise agreements with their solid waste haulers. This includes Albany, Clayton, Martinez and Pittsburg. Reasons vary, but among the factors that are considered are the costs of conducting a bidding process and uncertainties and risks inherent in making a switch to another provider. If the City Council decides to extend the franchise agreement to December 31, 2025, El Cerrito's franchise agreement will be scheduled to co-terminate with the franchise agreements currently in place in Richmond, San Pablo, Pinole and Hercules. Staff believes that, because of the much greater service base that would be involved, regional level competitive bidding for solid waste collection services would be much more likely to yield positive cost and service benefits for El Cerrito than would be possible if El Cerrito were to seek bids on its own at an earlier date.

ENVIRONMENTAL CONSIDERATIONS

Extending the Franchise Agreement with East Bay Sanitary Company is an important tactic in reducing the amount of solid waste sent to landfills by El Cerrito's residents and businesses. As the Agreement stands now, the Company has a disincentive to promote solid waste diversion, such as increased recycling and green waste participation, because these activities directly impact the Company's bottom line. The terms of this extension agreement, including provision of a commercial account representative, recycling customer services training and increased no-cost on-call collection services are all ways in which the Company is committing to partner with the City to reduce landfill waste and decrease the community's environmental impact. Additionally, the terms of the agreement include establishment of a revenue balancing account that eliminates the Company's disincentive to proactively encourage participation in recycling and green waste programs. Ultimately, having the Company as a waste diversion partner will better – and more cost-effectively – enable the City to meet greater waste diversion and GHG-emissions reduction goals, as proposed in the soon-to-be released Climate Action Plan.

FINANCIAL CONSIDERATIONS

Extending the Franchise Agreement will have positive financial impacts for El Cerrito's residents and businesses. First, extending the Agreement keeps the Company's 2013 (and future) collection rates about 2% lower than they would have been without the extension, based on the Company's lowered profit share, greater amortization schedule for depreciation and interest, and other Company concessions[4]. The establishment of a balancing account ensures greater rate stability in the future by mitigating the rate impacts of migration while ensuring that rate payers benefit if revenues exceed expectations. New services provided by the Company, including recycling vehicle maintenance and outreach, are projected to reduce City costs by about $25,000 per year. Additionally, the Refuse Rate Index provides for low cost future service increases (and/or greater rate stabilization) as costs such as depreciation, interest, and pension liability are reduced or eliminated from the rate base.

Finally, as a part of the extension, the Company's Franchise Fee, which currently accounts for approximately $490,000 per year in General Fund revenues, will be increased from 10% to 12%, effective January 1, 2013. This will result in approximately $100,000 of additional General Fund revenue per fiscal year (~$50,000 in FY 12/13), offsetting around 28% of the current Environmental Services Division (ESD) General Fund budget (~$180,000 in FY 12/13) and 55% of projected future ESD budgets.

Franchise fees in the Bay Area range from 2% (sanitary districts in Marin and San Mateo counties) to 21% (Emeryville). The proposed 12% franchise fee is at the mid-point of franchise fees in our region. Of 48 cities surveyed that use a percentage of rate revenue to determine franchise fee amounts, 8 of them have franchise fees that are less than 10%, 33 have franchise fees between 10% and 15%, and 7 have franchise fees that greater than 15%.

LEGAL CONSIDERATIONS

The City Attorney reviewed and approved the franchise agreement amendment.

Reviewed by:

Scott Hanin, City Manager

Attachments:

1. Accompanying Resolution

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[4] 2013 maximum allowable East Bay Sanitary collection rates are scheduled for public hearing before the City Council on December 18, 2012. Details about the proposed East Bay Sanitary collection rates as well as the RecycleMore processing rates and City recycling rates will be made available via public notice starting December 8, 2012.

2. Fifth Amendment to Franchise Agreement between City of El Cerrito and East Bay Sanitary Company, Inc., with Attachments
    a. Rate and Operations Review conducted by R3 Consulting Group, Inc.
    b. 2013 Base Year Rate Model
    c. Refuse Rate Index

RESOLUTION 2012–XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL CERRITO EXTENDING THE GARBAGE AND GREEN WASTE COLLECTION FRANCHISE AGREEMENT WITH EAST BAY SANITARY COMPANY, INC. BY SEVEN YEARS VIA A FIFTH AMENDMENT TO THE FRANCHISE AGREEMENT

WHEREAS, the City of El Cerrito (City) and East Bay Sanitary Company, Inc. (EBS) have entered into that certain Franchise Agreement, dated September 2, 1997 and amended most recently on July 21, 2011; and

WHEREAS, pursuant to Section 3.A of the Franchise Agreement (via the Fourth Amendment) the exclusive franchise granted to EBS shall terminate on December 31, 2018; and

WHEREAS, on July 18, 2011 the City Council authorized a detailed review of EBS, with the City and EBS agreeing to review the cost-effectiveness of EBS's rates and the efficiency of its operations; and

WHEREAS, no increase to EBS collection rates was adopted for the 2012 calendar year pending completion of the review process; and

WHEREAS, on May 30, 2012, as an outcome of the detailed review process and in response to the City's requests for more cost-effective rates, improved services and improved operational efficiencies, the Company proposed an extension of the Franchise Agreement through December 31, 2025; and

WHEREAS, EBS and the City have met in good faith to negotiate the terms of an extension agreement that provides for cost-effective and stable rates, efficient operations, and more services for El Cerrito solid waste subscribers; and

WHEREAS, City staff and R3 Consulting Group, Inc (R3), the City selected contractor that performed the detailed review, have reviewed the terms of the proposed extension, including value to the City and impacts on total solid waste collection rates and in comparison to other communities accounting for all services being provided in El Cerrito; and

WHEREAS, extending the Franchise Agreement to December 31, 2025 means that the City's agreement with EBS will co-terminate with the franchise agreements currently held by other haulers with other west Contra Costa County cities, which introduces the potential for greater economies of scale via joint procurement than would otherwise be possible if El Cerrito were to bid its franchised solid waste services on its own.

NOW THEREFORE BE IT RESOLVED, by the City Council of the City of El Cerrito, that it hereby approves the Fifth Amendment to the Franchise Agreement between the City of El Cerrito and East Bay Sanitary Company, Inc. (attached hereto as Exhibit 1) which extends the Agreement by seven years, through December 31, 2025, and that the City's franchise fee shall be 12% of the gross revenue derived by EBS from the collection and disposal of garbage and green waste within the City.

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

I CERTIFY that at a regular meeting on November 20, 2012 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 XX, 2012.

____
Cheryl Morse, City Clerk

APPROVED:

____
William C. Jones III, Mayor

FIFTH AMENDMENT TO FRANCHISE AGREEMENT BETWEEN CITY OF EL CERRITO AND EAST BAY SANITARY COMPANY, INC.

This Amendment to the Franchise Agreement is entered into as of the X day of November, 2012 by and between the CITY OF EL CERRITO, a municipal corporation (City) and EAST BAY SANITARY COMPANY, INC. a California corporation (Company).

Preamble

WHEREAS, City and Company have entered into that certain Franchise Agreement dated September 2, 1997 (the "Franchise Agreement"); and

WHEREAS, pursuant to Section 3.A of the Franchise Agreement (via the Fourth Amendment) the exclusive franchise granted to the Company shall terminate on December 31, 2018; and

WHEREAS, the City and Company have been engaged in a Rate and Operations Review since 2011; and

WHEREAS, as a result of the Rate and Operations Review there was no adjustment made to the Company's collection rates between 2011 and 2012; and

WHEREAS, the Company agrees to forego any rate revenue adjustment in 2012 and any associated 2012 revenues; and

WHEREAS, as a further result of the Rate and Operations Review the Company has requested to extend the Franchise Agreement through December 31, 2025 and has proposed several service changes that the City believes will result in superior services for El Cerrito rate payers; and

WHEREAS, the City and Company have met in good faith to discuss the terms of extending the Franchise Agreement; and

WHEREAS, in consideration of an extension of the Franchise Agreement, the Company agrees to increase its operating ratio from 89% to 90.5%; and

WHEREAS, in consideration of an extension, and based on the results of the Rate and Operations Review (Attachment 1), the City and Company agree to the 2013 rate year application (Attachment 2) negotiated by the Company and the City; and

WHEREAS, the 2013 rate year application will serve as the Base Year Rate Model and for future rate adjustments; and

WHEREAS, in consideration of an extension of the Franchise Agreement, the City agrees that the rate base will cover 78.5 percent of the Company's unfunded pension liability and establish a balancing account to capture the over/under collection of revenues per the Collection Revenue Requirement; and

WHEREAS, by agreeing to this extension, the Company is committing to working as a willing partner with the City to continually reduce the amount of waste sent to landfills, maximize the amount of materials that can be reduced, reused, recycled, composted, or otherwise diverted;

THEREFORE, IN CONSIDERATION OF THE COVENANTS AND CONDITIONS CONTAINED HEREIN, THE CITY AND COMPANY DO HEREBY AGREE AS FOLLOWS:

1. **The foregoing recitals are hereby incorporated into this Agreement.**

2. **Section 3 (Franchise Term and Extensions) of the Franchise Agreement is hereby replaced in its entirety as follows:**

   A. The exclusive franchise granted to the Company under the terms and conditions of this Agreement shall be extended seven (7) years upon execution of this Agreement and shall terminate on December 31, 2025.

   B. Prior to December 31, 2014, the City shall review the Company's performance with respect to all existing services and all new services established by this Amendment. Upon completion, the City will draft a written report of performance review and transmit that written report to the Company and the City Council. This report will detail any deficiencies in Company performance per the terms of the amended Franchise Agreement. If any aspects of the Company's performance are found to be in default of its obligations under the Agreement, then the City shall take action as per Section 20 of the Franchise Agreement.

   E. If at any time prior to the last two years of this Agreement the Company notifies the City of its desire to pursue an extension beyond the expiration of this agreement, the Company and the City will meet in good faith to discuss the possibility of extending this Agreement. Nothing in this Section shall obligate the City or the Company to extending this Agreement.

3. **Section 5 (Transfer or Assignment of Franchise) is hereby amended as follows:**

   A. [This entire provision to be deleted.]

   C. [This entire provision to be deleted.]

   F. [This entire provision to be deleted.]

   G. [This entire provision to be replaced as follows:] Any change in control of the Company without prior City approval, or any attempt to assign or subcontract this Agreement or any part hereof, or any obligation hereunder, without City consent, shall constitute a material breach of this Agreement. Such a breach shall confer on the City the right to terminate this Agreement in its entirety without the utilization of the procedures set forth in Section 20 of this Agreement. "Change in control" shall mean any sale, transfer, or acquisition of the Company resulting in the effective management of the Company being in the control of persons or entities who are not shareholders on the date of the execution of this Agreement.

I (5). [This entire provision to be deleted.]

4. Section 11 (Company Provided Services) is hereby amended to include:

I. Maintenance of the City's Recycling Collection Fleet:

Starting December 1, 2012, the Company shall perform regular preventative maintenance service of the City's recycling collection fleet at the Company's maintenance facility, such service to include:

1. Monthly Brake Checks and BIT Inspections (LD 1)

   a. Inspection and adjustment of all brake slack adjusters on front and rear axles for all collection vehicles
   b. Check air compressor system, brake pads, and all other components of braking system and repair as needed
   c. Full BIT inspection of all collection vehicles
   d. Provide complete report of all brake checks, adjustments, and BIT inspections to the City

2. Quarterly Preventative Maintenance Services (LD 2)

   a. Complete vehicle inspection
   b. Oil change and oil crankcase filter replacement
   c. Fuel filter replacement
   d. Coolant filter replacement
   e. Hydraulic filter replacement
   f. Air filter replacement (as needed)
   g. Provide complete report of all services to the City

The Company agrees to provide the above services with existing staffing levels at no charge to the City, and schedule all other required maintenance, to the extent feasible, so that additional maintenance labor costs (e.g., overtime) are not incurred and included in the rate base unless formally authorized in writing by the City. The Company will charge the City for parts at cost.

In the event that the above maintenance services directly result in overtime costs, despite the City's and Company's best efforts to schedule those services such that overtime costs are not incurred, those costs will be charged to the City on a per over-time labor hour basis. The Company shall notify the City via phone and email within 48 hours of the overtime costs being incurred. The Company shall invoice the City for the overtime charges on a monthly basis and shall include details about the days, times, and services which were the cause of the overtime charges. Payments to the Company for these services shall not be considered rate revenue.

3. Full Service Vehicle Maintenance Program

The Company and City agree to meet in good faith to discuss and develop a proposal for a full service vehicle maintenance program for the City's recycling collection fleet (and/or other City fleets) that will provide for greater safety, efficiency, and cost effectiveness with respect to the maintenance and performance of the City's recycling collection fleet (and/or other City fleets). The proposal shall include the services listed below as well as other services necessary to the establishment of a full service program and the total annual labor cost of the proposed program, as well as estimates for other non-labor costs. Upon Company and City agreement regarding the scope, services, and cost of the program, the City will consider how best to initiate the program if it so desires.

a. Lubrication and greasing of all zerk points on body and chassis
b. Check PTO pump mechanism and repair/recommend as needed
c. Check coolant system/radiator and repair/recommend as needed
d. Check welds and repair/recommend as needed
e. Check and change oil and filters of automatic transmission when required or need and recommend interval for this service
f. Check exhaust system, DPF filter and related components and repair as needed

g. Monthly consultation, recommendation, and repair of mechanical breakdowns, at a minimum of one monthly repair of a breakdown as requested, including but not limited to the following:

    i. Damaged components in engine compartment
    ii. Damaged components, missing parts in chassis
    iii. Damaged components in hydraulic system, including hoses, pumps, switches, leaks and oil changes, packer blades, operating handles, wear-and-tear
    iv. Troubleshoot electrical issues and codes from on-board computers, and repair/recommend as needed
    v. On-road emergencies as requested
    vi. Provide complete report of all repairs to the City

J. Commercial Subscription Profile

By January 31st of 2013 and annually thereafter the Company shall provide the City with a digital commercial customer subscription profile that lists all commercial accounts and the weekly solid waste, recycling (City to provide), green waste and food waste service levels by account. The commercial customer subscription profile will also document:

a. All annual in-depth diversion site visits the Company proposes to conduct during the current calendar year (see Item "K" below) and,
b. All in-depth diversion visits conducted during the prior calendar year, and all prior years by commercial customer along with the date so as to provide a complete record of all in-depth diversion visits conducted during the term of the Agreement.

Prior to January 31, 2013, the City and Company will meet to establish the criteria for determining the proposed list of annual site visits and to develop a plan for tracking and implementing the annual in-depth diversion site visits.

K. Commercial Account Representative and Annual In-Depth Diversion Site Visits (LDs 3 & 9)

The Company shall designate a commercial account representative to perform in-depth diversion site visits with all El Cerrito food service businesses and all commercial accounts including all debris box customers. The Company shall work with the City to create, maintain and annually update the list of businesses and commercial accounts that shall be visited (see Commercial Subscription Profile above) by the Company and the Company shall enlist the City and/or a consultant to establish protocols to make these site visits as effective as possible at decreasing the amount of waste sent to landfills. The commercial account representative shall conduct no less than 30 in-depth diversion site visits per calendar quarter.

Furthermore, the Company shall provide the City with digital quarterly in-depth diversion site visit reports that include:

a. The total number of site visits performed each quarter;
b. The name and address of each customer visited, including customers who the company aggressively attempted to contact, without success;
c. Full contact information for each business including an on-site contact;
d. The subscription levels (garbage and green waste) for each customer;
e. The action items/changes resulting from the site visit; and
f. Other information to establish progress towards diversion as requested by the City.

Reports shall be due no later than the end of the month immediately following the end of each calendar quarter (i.e., April 30th; July 31st, October 31st and January 31st).

The City reserves the right to require reasonable changes to the content and/or format of this and any and all other reports that the Company is required to provide to the City. The City also reserves the right to require the Company to provide any other information that it deems necessary for effectively administering its franchise with the Company in a complete and timely manner, with the understanding that determination of additional information does not impose addition costs on the Company.

L. Annual Customer Service Training

The Company shall establish annual customer service and recycling training for all Company personnel with the objective of providing consistent high-level customer service. The Company shall provide a copy of the proposed training materials annually, no later than January 31st of each year along with documentation of all staff who received the prior year's training.

M. Tri-Annual Customer Satisfaction Assessment and Survey (LD 4)

The Company shall establish a tri-annual customer satisfaction assessment and survey, with the first tri-annual survey completed by December 31, 2013. The customer satisfaction assessment will include an improvement plan, and the Company shall report the results of the assessment and the improvement plan to the City once finalized. The Company shall submit a draft of the survey to the City for approval by April 1st of each year that the survey is to be conducted.

N. Brochure Distribution

The Company shall collaborate with the City in the development of solid waste brochures for residential and commercial customers, and split the cost (50/50) to design and print all solid waste brochures. The Company also agrees to attach a full service brochure to each residential cart in the City, at the City's discretion, beginning at the earliest in Calendar year 2013 and at a maximum of every three years thereafter, at no additional cost to the rate base.

O. Increased Company Customer Service and Office Hours

The Company shall increase customer service hours at the Company's offices from 9 a.m. to 3 p.m. to 7:30 a.m. to 3:30 p.m. during which customer service representatives will be available via walk-in after 8:00 a.m., phone after 7:30 a.m., and email after 7:30 a.m.

P. Company Website, Online and Email Bill Payment (LD 5)

The Company shall establish a website with standard customer service functions including direct emailing to Company customer service representatives, , and online bill payment via checking accounts. The Company's website shall be fully functioning no later than January 31, 2013.

Q. Cart and Bin Cleaning as Requested

The Company shall provide for cleaning of Company collection containers, including carts at a rate of $25 per cart, bins at a rate of $50 per bin, and roll-off containers at a rate of $100, as requested by residents, businesses, or the City. There shall be no cost to the City for the cleaning of containers in use at City owned or operated facilities. Revenue generated by cart and bin cleaning shall be considered rate revenue and contribute toward the Company's revenue requirement, but not subject to the franchise fee.

R. Cart and Bin Labeling / Lid Replacement (LD 6)

At the City's request, the Company shall ensure that all company containers are labeled with durable full color labels and / or lid imprints that illustrate and spell out the range of items that are and are not acceptable within all containers (including garbage, green waste, debris boxes, and other Company provided services). If the City directs the Company to label all containers per this provision, the Company will be allowed to recover the cost of producing the labels in the collection rates. The Company will complete installation of the labels and/or lids without cost to the rate base, and shall complete installation within one (1) year of the City's decision to do so. Prior to procuring any lids or labels the Company shall seek and be granted City approval for the design and content of the lids and labels. Labels / lids shall be replaced as needed to ensure that the appropriate use of each container is readily understandable to the Company's subscribers.

S. E-Waste Collection

The Company shall aggressively promote and provide e-waste collection to residents twice per year at no additional cost to the City or its ratepayers. Materials to be collected shall include, but not necessarily be limited to all electronic items (and peripherals) accepted at the City's Recycling and Environmental Resource Center. These materials will be hauled to the Recycling Center for transfer to the City's contracted e-waste handler.

T. Increased On-Call Annual Collections

The Company shall provide on-call collection of up one and a half (1.5) cubic yards of Garbage as defined by the City's municipal code and on-call collection of up one and a half (1.5) cubic yards of Green Waste as defined in the most current green waste processing agreement between the City and its designated green waste processor. Collection for each on-call service (one Garbage and one Green Waste) shall be available to each residential account receiving cart service at no additional cost to the City or its ratepayers. On call collections shall be scheduled within 10 working days of the customer's request for such service, unless the customer requests otherwise. The Company shall also provide on-going promotion of this service to all applicable accounts. All materials shall be put out for collection by residents in a manner agreed to by the Company and City.

Prior to June 30, 2013, the Company agrees to review the performance of the on-call annual collections program with the City in order to identify and implement changes to the service that will maximize the landfill diversion of this program and provide the widest range of on-call services available, as compared to the best on-call collection operations in our region.

U. Drop-box Service at the Recycling Center and Corporation Yard (LD 7)

The Company shall provide drop-box service as needed for all drop-box service requests from the City of El Cerrito Recycling and Environmental Resource Center and Corporation Yard. Drop-box service shall be provided at the same level of frequency as per the average weekly service from November 2010 through October 2012. Additional drop-box services greater than the above mentioned average weekly service frequency that directly result in overtime costs will be charged to the City on a per over-time labor hour basis. The Company shall notify the City via phone and email within 48 hours of the overtime costs being incurred. The Company shall invoice the City for the overtime charges on a monthly basis and shall include details about the days, times, and loads that were the cause of the overtime charges. Payments to the Company for these services shall not be considered rate revenue.

V. Covered Roll-offs for The City Transfer Station

At the City's discretion, the Company shall provide up to four (4) covered steel roll-off containers for the City's solid waste transfer station, as specified by the City. The costs of the roll-off containers shall be recovered via the Company's depreciation schedule, at a recovery term that shall be mutually agreed upon by the City and the Company.

W. Detailed Digital Operational Quarterly Reports to the City (LD 8)

The Company shall provide detailed quarterly reports to the City in Excel format no later than the end of the month immediately following the end of each calendar quarter. Reports shall include the following:

- Total solid waste tonnage collected broken out by line of business (residential, commercial, roll-off);
- All garbage and green waste subscription details by line of business;
- Total green waste tonnage collected by line of business and also;
- Total number of targeted commercial food waste accounts and number of participating accounts, with full service details.

The City reserves the right to request additional operational and / or financial information to be included as part of the quarterly reports.

X. Ownership of Containers

Ownership of cans and carts shall rest with Company, except that ownership of cans or carts in the possession of a customer at the end of this Agreement shall rest with City. At its sole discretion, City may elect not to exercise its rights with regards to this Section and in such case the cans and carts shall remain the property of Company upon termination of this Agreement. In this event Company shall be responsible for removing all cans and carts in service from the service area and reusing or recycling such cans and carts. At timer of transfer, Company will be reimbursed for the net book value of items being transferred.

Y. Liquidated Damages

1. $250 for each failure to conduct and accurately document monthly brake checks and BIT inspections of City vehicles within any given month.
2. $250 for each failure to conduct and accurately document quarterly preventative maintenance services of City vehicles within any calendar quarter.
3. $50 each for failure to conduct any of the 30 required quarterly in-depth diversion site visits within each calendar quarter.
4. $1,000 for failure to conduct the required tri-annual customer satisfaction assessment and survey and report the results as required by December 31st, 2013, 2016, 2019, 2022 and 2025.
5. $100 per day for failure to have a fully functioning Company website no later than January 1, 2013.
6. $1,000 for failure to provide the required cart and bin labeling on all carts within one-and-half years of the City's initial request to do so, and an additional $50 per day for each day after that date that required labeling is not completed.
7. $250 for each failure to provide drop-box hauling service from the City of El Cerrito Recycling and Environmental Resource Center and Corporation Yard within 5 working days of the service being requested.
8. $50 per working day for quarterly reports submitted later than the end of the month following the end of each calendar quarter.

9. $50 per working day for quarterly in-depth diversion site visit reports submitted later than the end of the month following the end of each calendar quarter.
10. $50 per working day for audited financial statements submitted after July 1st of each calendar year (Section 16.B).

5. Section 12 (Service Rates) is hereby amended to replace and include:

E. The Company shall provide the City will annual audited financial statements no later than July 1st of each year (LD 10).

F. The City and Company agree to adjust the collection rate annually on January 1st, starting on January 1st 2014 based on the Refuse Rate Index (RRI) methodology provided in Attachment 3. That adjustment shall also account for the impact of the rate revenue Balancing Account, as described in Section 12 G, below.

G. The City and Company agree to establish a Balancing Account to address over or under collection of rate revenues compared to the revenue requirement and mitigate the rate impact of changes to solid waste subscription levels and provide for greater rate stability.

H. City reserves the right to conduct a detailed rate review no more frequently than every three years during the remaining term of the agreement for resetting rates. The methodology to be followed, including allowable and non-allowable expenses and expense limitations is to follow the most recent detailed rate review. Company to pay cost of rate review that will be an allowable expense to be recovered during the following rate year and then removed from rate base. Company reserves the right to request a detailed rate review if variance arises in total actual costs as compared to total indexed costs by greater than 5% in any year.

6. Section 23 (General Provisions) is hereby amended to include:

L. The City and Company agree that, absent other agreements pertaining to flow control for El Cerrito's franchised waste stream (garbage and green waste), the City shall retain the ultimate right to direct the entirely of that flow.

M. The City and Company agree to increase the City's Franchise Fee from 10% to 12% of all collection, disposal and maintenance service and other revenues received by the Company excluding rental fees and revenues from City of Richmond accounts serviced by the Company. All franchise fee payments are due to the City on a bi-monthly schedule by the end of the month following the end of each bi-monthly period.

N. The Company shall request City approval for all purchases of equipment over $50,000.

O. The Company shall depreciate all trucks and containers over 10-years or greater for the duration of the franchise term.

P. The Company agrees to change its operating ratio from 89.0% to 90.5% effective January 1, 2012.

Q. The City agrees that the rate share of the Company's pension liability will be 78.5%, pending managerial review of the pension fund and investment strategy. The Company agrees that the annual rate revenue share of the Company's pension liability shall not exceed $45,885 per year, until a time when the pension becomes fully funded when the amount will be removed from the rate base. If the rate base share (78.5%) of the annual pension liability contribution exceeds (or does not meet) $45,885, then the amount owed (saved) that year shall be debited (or credited) against the balancing account. If at the end of the franchise term there remains an unfunded pension liability, the City will compensate the Company that unfunded pension liability over a period of no more than five (5) years.

R. The City and Company agree to meet in good faith at a future date to update and/or rewrite this Franchise Agreement in order to amend, restate, and modernize the Franchise Agreement in ways that are comparable with other local/regional franchise agreements.

7. Franchise Agreement.

Except as expressly set forth herein, the Franchise Agreement remains in full force and effect.

8. Entire Agreement.

This Fifth Amendment is executed in three (3) duplicate originals, each of which is deemed to be an original. This Fifth Amendment includes twelve (12) pages of text and three (3) attachments.

IN WITNESS WHEREOF, the parties hereby have executed this Agreement on the day first above written:

City	**Company**
Signature ______________________	Signature ________________________
Printed Name ___________________	Printed Name _____________________
Title __________________________	Title ____________________________
Date __________________________	Date ____________________________

APPROVED AS TO FORM:

____
City Attorney

ATTEST:

____
City Clerk

Agenda Item No. 7(A)
Attachment 2a

Final Report

Franchised Garbage and Green-Waste Hauler Rate and Operations Review

Submitted to:

City of El Cerrito

THE CITY OF
EL CERRITO

November 6, 2012

R3

R3 Consulting Group, Inc.
Resources, Respect, Responsibility

R3 Consulting Group, Inc.
Resources Responsibility Respect

1512 Eureka Road, Suite 220
Roseville, CA 95661
Tel: 916-782-7821
Fax: 916-782-7824
www.r3cgi.com

November 6, 2012

Mr. Garth Schultz
Environmental Analyst
City of El Cerrito
7501 Schmidt Lane
El Cerrito, CA 94530

Subject: Final Report – Franchised Hauler Garbage and Green Waste Hauler Rate and Operations Review

Dear Mr. Schultz:

R3 Consulting Group (R3) is pleased to submit the attached Final Report of our Franchised Hauler Garbage and Green Waste Hauler Rate and Operations Review to the City of El Cerrito (City). We wish to thank East Bay Sanitary Company (EBS) and its Consultant Armanino McKenna for their cooperation during our review. EBS responded to information requests in a timely manner, provided us with access to staff, facilities and operations, and worked cooperatively with us throughout the course of our review.

As you are aware, R3 completed its review in November 2011 and issued its Draft Report to the City on November 30, 2011. Since that time a number of events have occurred including:

- EBS requested an extension to its existing franchise with the City and submitted:
    - A revised rate adjustment calculation reflecting various proposed adjustments to the rate adjustment calculation in R3's Draft Report in exchange for the requested contract extension; and
    - A list of various service enhancements in exchange for the requested contract extension.
- EBS requested, and the City agreed to an adjustment to its proposed revised rate adjustment to reflect lower than anticipated 2011 year-to-date revenues associated with account migration;
- EBS provided a revised rate adjustment calculation to reflect a January 1, 2013 rate adjustment rather than the original intended January 1, 2012 rate adjustment; and
- The City reviewed the various financial and operational terms of EBS's proposed contract extension and submitted a counter proposal to EBS.

The attached report is based on the analysis that was completed in November 2011 and has not been updated to reflect any of the events that have occurred since then. The calculated rate adjustment reflected in the attached Final Report, however provided the basis for the subsequent negotiations which occurred. As part of those negotiations R3 was retained by the City to assist it with its review of various contractual terms and conditions and rate impacts and the development of its counter proposal to EBS.

We appreciate the opportunity to be of service to the City. Please free to contact me at (916) 782-7821, or by e-mail at wschoen@r3cgi.com, if you have any questions or comments regarding our Final Report.

Sincerely,

R3 Consulting Group

William H. Schoen

William Schoen
Principal

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R3

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Introduction

The City of El Cerrito (City) has an exclusive franchise agreement (Agreement) with East Bay Sanitary Company (EBS) for the collection of residential and commercial garbage and green waste, as well as debris box/roll off container collection services. The Agreement expires on December 31, 2018.[1] Residential and commercial recycling services are provided by the City. EBS bills City residents and businesses for garbage and green waste collection services based on maximum rates established by resolution of the City Council. In addition to those rates, EBS also collects the following fees:

- The Integrated Waste Management (IWM) Fee, which is set by the City Council, to cover the cost of the City's recycling collection programs; and
- The Integrated Resource Recovery Facility (IRRF) Fee, which is set by the West Contra Costa County Integrated Waste Management Authority (RecycleMore).

The last review of EBS's garbage and green waste collection rates, completed in 2003, included the development of rate setting guidelines (Guidelines), which were used to set "base year" rates for 2004.[2] In 2005 the City Council passed the Second Amendment to the Agreement with EBS, which established an indexed methodology, which has been used to adjust EBS's rates annually from 2006 through 2010.

The Total Rate charge to customers is comprised of the following four (4) components:

- Collection Rate
- Integrated Waste Management (IWM) Fee
- Integrated Resource Recovery Facility (IRRF) Fee
- Container Rent (commercial containers only)

In 2010, the City and EBS negotiated an adjustment to EBS's 2011 rates above the amount calculated via the indexed rate adjustment methodology. This was in response to EBS's claim, and City's verification, of less than anticipated collection revenue due to significant account migration to smaller garbage container sizes. Those rates include new services for City residents,

1 Per the Fourth Amendment to the Agreement.

2 While the Guidelines were used as the basis for adjusting EBS's rates for FY 2002, 2003 and 2004, they were never formally adopted as an amendment to the Agreement.

including weekly green waste collection services that started in February 2011 and incorporated food scraps and food-soiled paper, new collection trucks and financing for construction of the City's new recycling center.

As a result of rate adjustment negotiations in 2010, EBS and the City agreed to conduct a detailed rate review for purposes of setting "base year" rates for 2012. That detailed rate review was the primary focus of this project. In addition, the following tasks were also undertaken:

- Evaluate potential revisions to the indexed rate adjustment methodology to address an ongoing account migration;
- Evaluate potential changes to services and service levels (e.g., 10-gallon rate);
- Assess the efficiency of EBS's current operations and review proposed equipment purchases and operational changes; and
- Assess opportunities for increased efficiencies.

Project Objectives

The primary project objectives included the following:

- To determine revised rates for garbage and green waste collection services effective January 1, 2012;
- To establish a revised rate setting methodology for future rate adjustments; and
- To review and identify potential operational efficiencies for the City's franchised garbage and green waste hauler.

Summary Findings and Recommendations

FY 2012 Recommended Rate Adjustment

Based on our review we recommend that the FY 2011 Collection Rate and Container Rent portion of the Total Rate be increased by 0.81 percent for purposes of establishing the FY 2012 Base Year rates. As part of any rate adjustment the City may wish to consider increasing the 20-gallon rate by a greater amount to bring that rate more in line with the cost of service.

Operational Efficiencies

EBS

With the proposed transition to fully automated collection vehicles for residential solid waste and yard waste, EBS plans to eliminate

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one of the six (6) residential routes it currently operates. This represents a 17 percent reduction in residential routes. Based on a review of current and projected productivity, there does not appear to be any additional significant opportunities for increased operational efficiencies. It is possible, however, that EBS may be able to respond to customer service inquires related to recycling services that the City currently handles with its existing customer service staff, allowing the City to reduce its staff time dedicated to this task.

Additionally, as agreed to as part of EBS's Maintenance Facility Terms and Conditions of Approval, current maintenance staffing capacity should enable EBS's maintenance operation to effectively provide required preventative maintenance for the City's recycling vehicles and potentially some portion of other non-scheduled maintenance requirements that may arise.

City Recycling Operations

We recommend that the City discontinue the current 4-day per week 10-hour per day schedule for its recycling operations and replace it with a standard 5-day per week 8-hour per day schedule. This should allow for significant improvements in system capacity and efficiencies in staff scheduling.

Background

The City is a member agency of the West Contra Costa Integrated Waste Management Authority (Authority), which was formed through a joint powers agreement between the cities of El Cerrito, Hercules, Pinole, Richmond and San Pablo. The Authority has the sole power of "direction" over "franchised" waste materials, is responsible for setting the Disposal Rates (IRRF Fee) for these materials, and oversees the operations of the IRRF, which was built to serve as a garbage transfer station and processing center for curbside recyclables. The Authority sets Disposal Rates annually (effective January 1st); these rates are passed through to the ratepayers without modification and require no approval by the City Council. Disposal Rates are assessed on a per-can basis for cart accounts, a per-yard basis for commercial accounts and a per-ton basis for debris box accounts. Because the City's recycling programs pre-date the joint powers agreement, the City is free to direct its own recyclables, and is not required to fund recycling related expenses incurred by the IRRF as part of the garbage rates. Subscription to garbage collection service within the City is mandatory.

City Operated Recycling Program

Services and Routes

The City of El Cerrito provides weekly recycling collection for all homes, apartments, and businesses in El Cerrito. All recyclables, including paper, cardboard, cans, bottles, plastic containers and bags are collected commingled in grey recycling carts. The City currently operates the following three (3) daily recycling routes, as shown in Table 1:

- Two (2) 1-person residential fully automated curbside recycling side-loader routes;[3] and
- One (1) 2-person mixed residential / commercial rear loader route.[4]

Table 1
City Recycling Route Configuration

LINE OF BUSINESS	ROUTE CONFIGURATION		
	Vehicle	Routes	Crew
Residential Recycling	Fully/Semi-auto SL	2	1-person
Commercial Recycling	Rear Loader	1	2-person

The City also operates a Recycling Center that provides drop-off recycling and other diversion services. The Recycling Center also includes a processing facility that processes all recyclable materials collected at the Recycling Center. Materials collected by the City's residential and commercial recycling routes are delivered to a third party processor.[5] Funding for the City's Recycling Program is obtained through the assessment of the IWM Fee. The IWM Fee is assessed on a per-can basis for cart accounts, and a per-yard basis for container and debris box accounts.

Staffing

Staffing of the City's residential and commercial recycling operation and Recycling Center is scheduled on a 4-day per week 10-hour per day schedule (4x10 schedule). Route drivers work from 4:00 am until 2:00 pm and Recycling Center staff work from

3 The City estimates that 60% to 70% of residential accounts are compatible with fully-automated service while the driver must exit the vehicle to service the remaining 30-40% due to restricted access as a result of on street parking.

4 The rear loader crew consists of a driver and a "helper" who is a temporary employee provided through an employment agency.

5 The City currently delivers curbside recyclables to the Rock-Tenn (formerly Smurfit) facility at 800 77th Avenue in Oakland.

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8:00 am until 6:00 pm.[6] The current weekly staffing schedule is provided in the Table 2 below.

Table 2
City Staffing Schedule

Staff	Total	Staffing Schedule						
		Mon	Tue	Wed	Thur	Fri	Sat	Sun
Drivers	4	3	3	4	3	3		
Lead Worker	1		1	1	1	1		
Operations Supervisor	1	1	1	1	1			
Temp Labor (Rear Loader)	1	1	1	1	1	1		
Temp Labor (Recycling Center)	1						1	1
Totals	8	5	6	7	6	5	1	1

Notes: The Operations Supervisor, Lead Worker and all Drivers have Class B licenses.
The Lead Worker Position is currently vacant.

Route trucks typically collect one (1) load per day. Material collected on any given day is held overnight at the Recycling Center and delivered to the processor (Rock-Tenn in Oakland – formerly Smurfit) first thing in the morning to avoid traffic. Routes are typically completed by 11:30 a.m. and return to the Recycling Center. Route drivers are then assigned work at the Recycling Center for the remainder of their shift. Drivers are provided with a 37.5 minute unpaid lunch and receive 37.5 minutes of paid break time each day.

Vehicles

The City has two (2) side-loading vehicles and two (2) rear-loading vehicles with one of those rear loading vehicles serving as a spare.

East Bay Sanitary Company

EBS is a family owned business that has served the City for approximately sixty years. Its office is located in El Cerrito. EBS's shop facility is located in Richmond and is leased from a minority stockholder of the company. There are four officers of the company that are active in day-to-day operations. A fifth retired

6 The Recycling Center is open Monday - Friday: 8:00am to 5:45pm and Saturday - Sunday: 9:00am to 4:45pm

officer currently serves as a paid advisor. An organizational chart is provided in Appendix A.

EBS reported that, with the retirement of Clyde Figone in 2004, duties performed by the other owners remain essentially the same. Mark Figone acquired the roles of CEO and CFO. All of the active owners perform essentially the same daily customer service, account management and administration and banking roles. Cara Figone and Mark Figone manage the computer system along with EBS's outside computer programmer. In addition to his administrative role, Richard Figone also handles has various other responsibilities, including supervising union employees and outside customer service, including cart delivery.[7]

Services, Routes and Staffing

EBS provides the following services to the City under the terms of an exclusive franchise agreement (Agreement) with the City that expires on December 31, 2018:[8]

- Weekly residential garbage collection;
- Weekly residential organics collection (green waste and food waste);
- Commercial solid waste collection; and
- Industrial (roll-off) service.

EBS also provides the following non-franchised services:

- Collection of 60 residential accounts in the Unincorporated County.[9]

The current truck and crew configurations used by EBS to provide franchised services are shown in Table 3 below. EBS has proposed to purchase four (4) new fully automated side loading vehicles to replace four (4) existing side loaders.[10] It also plans to convert one residential solid waste route to a yard waste route, which it is able to do largely because of available capacity within the existing system and efficiencies that can be realized with fully automated collection. This proposed new routing structure, which is also shown in Table 3, is expected to be implemented at the end of 2011.

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[7] Source: November 16, 2010 email from M. Figone to W. Schoen (R3).

[8] Per Fourth Amendment to the Franchise Agreement

[9] These accounts are in Richmond Sanitary Service's (RSS) service area (Wildcat Canyon, Vista Heights) but are picked up by the Company under an informal agreement with RSS due to their location. These accounts are serviced by the Company's residential routes and also receive green waste and recycling services.

[10] Existing side loaders are model years 1999, 1999, 2000 and 2002.

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Table 3
EBS Current and Proposed Routing Structure

LINE OF BUSINESS	CURRENT			PROPOSED		
	Vehicle	Routes	Crew	Vehicle	Routes	Crew
Residential Solid Waste	Semi-auto SL	4	1-person	Fully-auto SL	3	1-person
Green Waste	Semi-auto RL	2	1-person	Fully-auto SL	1	1-person
			1-person	Semi-auto RL	1	1-person
Commercial Solid Waste	Semi-auto RL	1.5	1-person	Semi-auto RL	1.5	1-person
Roll-Off	Roll-off	1 (1)	1-person	Roll-off	1 (1)	1-person
Total Staffing		8			7	

(1) Roll-off driver covers the 0.5 commercial routes

With minor exceptions, single-family residential solid waste (cart) accounts are serviced exclusively by the residential solid waste routes, and commercial solid waste (cart and container) accounts are serviced exclusively by the commercial solid waste route. Multi-family solid waste cart accounts are serviced primarily by the residential solid waste routes, although the commercial route does pick up several multi-family cart accounts. Several commercial accounts participate in the green waste program and are collected by the residential green waste route.

Solid Waste Facilities

EBS delivers garbage and green waste directly to the Golden Bear Transfer Station (an affiliated Company of Richmond Sanitary Service, a subsidiary of Republic Industries) located at the West Contra Costa County Landfill in Richmond. Garbage is transferred to the Keller Canyon Landfill in Contra Costa County, while green waste and food waste is composted on-site. Both the disposal and compost processing contracts are made by the Authority through a competitive bid process.

Account Migration

The City's solid waste management system is currently facing a problem similar to that many other jurisdictions are facing. Specifically reduced solid waste rate revenue due to accounts reducing service levels (i.e., account migration), in part due to the success of the City's diversion programs. Appendix B provides an analysis prepared by EBS that projects an annual loss in revenues of approximately $26,000 in 2010 and $49,000 in 2011 due to account migration. In response, the City made a specific adjustment to the rates for FY 2011 to address the lost revenue due to account migration. EBS has reported that accounts have continued to "downsize" which will impact future revenues.

Franchise Fees

EBS reported that it pays a franchise fee on all gross revenues, with the exception of the 60 accounts that it services in the City of Richmond and the revenue associated with the rental charges for debris boxes and commercial containers.[11]

Variance Analysis

As part of our review of the reasonableness of EBS's expenses, a review of historical revenues and expenses was conducted. Appendix C provides a variance analysis of EBS's major line item Revenues & Expenses for 2005 through 2010 based on audited financial statements, as well as a more detailed variance analysis of the General & Operating expense line item category.

Findings of the variance analysis include the following:

<u>Revenues</u>

- Between 2009 and 2010 overall Revenues increased by 4% (~$174,000), with City of El Cerrito revenues (residential and commercial revenues) increasing by 3% (~$139,000) and Debris Box Collection revenues increasing by 13% (~$36,000).
- Between 2005 and 2010 overall Revenues increased by 14% (~$590,000), with City of El Cerrito revenues increasing by 20% (~$730,000) and Debris Box Collection revenues decreasing by 28% (~$122,000).

<u>Expenses</u>

- Between 2009 and 2010 Operating Expenses decreased 2% (~$112,000).
  - Employee Benefits decreased by 43% (~$240,000)[12]
  - Disposal Expense increased by 10% (~$124,000)
  - Insurance decreased by 4% (~$3,000), which EBS attributed to a competitive market;
  - General and Operating costs decreased by 2%

[11] The Rate Adjustment Guidelines specify that "The Franchise Fee for the Rate Year shall be calculated by multiplying the Revenue Requirement less Rental Fees by 10%" (page 15)

[12] There was a $239,000 adjustment related to the FASB 158 accounting of the Accrued Pension Benefit Obligation. The change in the audited numbers is a result of actuarial calculations that follow GAAP guidelines. This number is not the same number that needs to be paid in order to fund the pension, but rather the number calculated that shows the Accrued Pension Benefit Obligation change.

($~11,000)

- Diesel increased by 20% (~16,000)
- Parts decreased by 23% (~7,000)
- Pension and Profit Sharing decreased by 35% (~$4,000)
- Repairs decreased by 28% (~5,000)
- Tires and Tubes decreased by 14% (~$2,000)
- Travel and Entertainment decreased by 98% (~$17,000)

- Between 2005 and 2010 Operating Expenses increased by 14% (~$538,000) an average annual increase of approximately 3%.
  - Salaries and Wages increased by 23% (~$287,000), which EBS attributed to increased union wages (~4% annually) and officer compensation taken as salary rather than stockholder distributions;[13]
  - Employee Benefits decreased by 37% (~$186,000, largely due to the decrease in this expense in 2010);
  - Disposal Expense increased by 39% (~$378,000);
  - Insurance decreased 10% (~$8,000); and
  - General & Operating expense increased by 2% (~$11,000).
    - Bad Debt Expense increased by 132% (~$8,000);
    - Legal, accounting and other professional services increased 34% (~$36,000), which EBS attributed in part to increased accounting expense;
    - Travel and Entertainment decreased by 98% (~$17,000)
    - Pension and Profit Sharing decreased by 63% (~$11,000)
    - Parts decreased by 35% (~14,000)
    - Repairs decreased by 43% (~9,000)

[13] The Company reported that it did not add any staff during this period, but that Officers took salary instead of distributions.

- Tires and Tubes decreased by 17% (~$3,000)

Rate Review

FY 2012 Detailed Rate Application

At the City's direction, R3 assisted EBS with preparing a detailed base year Rate Application for FY 2012 (effective January 1, 2012). The Rate Application was prepared using the following general process, as documented in the Rate Adjustment Guidelines, with noted adjustments:

Forecasting Expenses

- Adjust Actual Costs for the Prior Year (FY 2010) to account for Non-Allowable Expenses and any additional expenses that may be allowed or disallowed (e.g., adjustments for impact of weekly green waste collection);
- Forecast Allowed Costs for the Current Year (FY 2011) for Direct Labor, Vehicle Expense, General and Administrative Expense based on the percentage change in the specified indices;[14]
- Forecast Allowed Costs for the Rate Year (FY 2012) for Direct Labor, Vehicle Expense, General and Administrative Expense based on the percentage change in the specified indices.
- Set Depreciation/Interest Expense for the Rate Year (FY 2012) to EBS's FY 2012 projected depreciation expense;[15]
- Calculate Profit; and
- Calculate the Total Revenue Requirement by adding FY 2012 expenses as established above to the Pass-Through Expenses (Franchise Fee, IWM Fee and Dump Expense), as established per the Guidelines.

Forecasting Revenues

- Project Collection Rate Revenues for the Rate Year by multiplying the Current Year Collection Rates by the most current subscription levels (i.e., number of accounts by each service level / rate code);

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14 The Second Amendment to the Franchise Agreement established an annual Indexed Rate Adjustment Process using specified indices to adjust various components of EBS's expenses. For purposes of forecasting FY 2011 and FY 2012 expenses, we have used the index adjustment methodology specified in the Second Amendment, with the exception of depreciation expense, which has been set to the "projected actual" expense for 2012.

15 Current depreciation schedule adjusted as appropriate.

- Set Disposal Rate Revenues to the Rate Year Dump Expense projected by the Authority; and
- Add Other Franchised Income.

The calculated Rate Adjustment based on the above Guidelines is provided in Appendix D, and accounts for the various identified adjustments that are discussed in the following sections. The rate adjustment calculation is shown for 7-year term consistent with the remaining term under the existing Agreement.

As shown, based on our review and accounting for the various expense adjustments discussed in the following sections we recommend that the FY 2011 Collection Rate and Container Rent portion of the Total Rate be increased by 0.81 percent for purposes of establishing the FY 2012 Base Year rates. As part of any rate adjustment the City may wish to consider increasing the 20-gallon rate by a greater amount to bring that rate more in line with the cost of service.

Review of Allowable and Non-Allowable Expenses

The Guidelines identify specific Non-Allowable Expenses to be excluded as part of the Actual Costs used to determine the appropriate rate adjustment (Appendix E). They also provide for disallowing "unreasonable expense in kind or amount". In addition:

- While not specifically identified in the Guidelines the allowable FY 2000 travel expense was set at $5,780;[16] and
- The allowable rent expense for EBS's maintenance facility was set at $10,655 as of the start of operations.[17]

While the Guidelines provided a starting point for the review of the reasonableness of EBS's expenses, a thorough review of the general reasonableness of all expenses was conducted that included:

- A review of 2010 General Ledger entries;
- A review of the depreciation schedule including the reasonableness of depreciated assets and changes to the depreciation expense to reflect the elimination of any one-time expenses that would be fully depreciated as of July 1, 2011 (the start of the Base Year);
- A review of a sample of officer credit card statements;

[16] Exhibit 2 of Hilton, Farnkopf and Hobson's December 19, 2003 report; Review of East Bay Sanitary Company's FY 2000 Revenues and Expenses and FYs 2002, 2003 and 2004 Rate Adjustment Calculations.

[17] May 6, 2003 Letter from City Manager to East Bay Sanitary Company Re: Maintenance Facility Terms and Conditions of Approval.

- A comparison of the limits established for certain expenses to the actual expenses incurred to determine if the limits had been exceeded; and
- Reconsideration of the reasonableness of the limits established for certain expenses and consideration of any other expenses that could be considered unreasonable and therefore disallowed for purposes of setting rates.

Based on our review, we are recommending the following adjustments to EBS's audited FY 2010 expenses and FY 2012 projected expenses to account for non-allowable expenses, updated depreciation expenses and its proposed changes to the residential collection system.

Expense Adjustments

Based on review of EBS's 2010 expenses, and in consultation with City staff, we recommend that the following expenses be disallowed:

- Reduce Wages Officers by $135,354 to reflect:
  - $99,897 in combined officer wages above allowed expense limit;
  - $35,457 to reflect retirement of former General Manager;[18] and
- Reduce Employee Benefits by $18,018 to reflect Health Insurance associated with retired partner;
- Reduce Insurance Expense by ($4,360 in 2010);[19]
- Set Depreciation Expense at $277,883 (7-year remaining term) for FY 2012 reflecting:
  - FY 2012 depreciation on new assets acquired in 2011, including four (4) new side loaders;
  - Adjusted FY 2012 depreciation to reflect reduced depreciation of existing assets; and
  - Elimination of FY 2012 depreciation expense for two owner company cars (sedans).
- Reduce Contributions by $2,800 in 2010 associated with CRRC PAC contributions);
- Reduce Dues and Subscriptions by $4,188 to be consistent with the 2010 adjusted limit of $17,914 ($22,102 in 2010);
- Reduce Employee Gifts ($1,958 in 2010);

18 The lowest of the five allowed salaries for the five owners.

19 For purposes of equity acquisition by remaining partners if a partner dies.

- Reduce Legal, Accounting and Other Professional Services associated with Director Fees for outside director ($6,388 in 2010);
- Reduce Promotional Expenses be disallowed in full ($1,155 in 2010);
- Reduce Rent by $3,900 to adjust for 2 months of additional office rent ($1,950/month) applied to 2010;[20] and
- Increase Travel by $6,612, reflecting an increase from the $313 2010 expense to the 2010 adjusted limit of $6,925.

Adjustment for Weekly Yard Waste Program

The following adjustments to expenses were made to account for the projected impact of the full implementation of EBS's weekly yard waste collection program and related operational changes:

- Reduce Wages-Drivers & Helpers by $64,525 in 2012;
- Reduce Employee Benefits by $51,055 in 2012; and
- Increase Licenses by $3,000 in 2012.

Adjustment for Officer 401K Contributions

Set 401K contributions for four (4) officers at $21,600 as a pass-through expense not subject to profit, reflecting 5 percent of allowed officer compensation.

Review of EBS's Pension Liability

Current Pension Liability and Associated Assumptions

EBS reported that through 2008 it provided a defined benefit pension plan to shareholders, teamsters, employees and one office employee. That plan was to be paid out based on an average of an employee's last 3 years of salary, with the maximum payout based on 60 percent of that average salary, at 30-years of service (2% per year). That plan was "frozen" in September 2009[21] and was replaced with a 401K plan and has an unfunded liability of approximately $584,000 as of September 1, 2011, as shown in Table 4 below.

By freezing the plan, no new participants are eligible for the pension benefits as of the effective date. However, this does not change an employer's obligation to provide retirement benefits to plan participants prior to the effective date.

EBS is currently funding the 401K plan as well as the unfunded liability portion of the pension plan and reported that shareholders have not accrued any pension benefits since the pension plan was

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20 Total Monthly Rent = $13,898 ($11,498 for Maintenance Facility and $1,950 for office) = $166,776 per year vs. Financial Statement Rent expense of $170,676; difference = $3,900.

21 Per August 23, 2011 email from M. Figone to W. Schoen.

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frozen. Appendix F contains a brief explanation of the Pension Liability issue provided by EBS.

Table 4
Pension Funding Information

Pension Fund			
Total Liability	$	2,457,547.00	As of 9/1/2011
Current Assets	$	1,873,206.40	As of 8/11/2011
Unfunded Liability	$	584,340.60	

	Minimum Required Funding	
2009	$	255,349
2010	$	44,000
2011 [(1)]	$	110,000

[(1)] plus interest through the date of last deposit

As part of the FY 2012 rate adjustment the City has agreed to fully fund 78.5 percent of the Company's pension liability, pending managerial review of the pension fund and investment strategy. The annual rate revenue share of that pension liability shall not exceed $66,565 per year. This annual funding will be removed from the rate base when the pension becomes fully funded.

Operations Review

Assessment of EBS's Current and Planned Equipment and Routing and Opportunities for Increased Efficiency

In general, we found EBS's current routing structure and route productivity to be reasonable. With EBS's proposed transition to fully-automated collection vehicles for residential solid waste and yard waste, it plans to eliminate one of the six (6) residential routes it currently operates; amounting to a 17 percent reduction in residential routes. Based on a review of current and projected productivity there does not appear to be additional significant opportunities for increased operational efficiencies.

Current Residential Solid Waste Collection System - Residential collection services are organized in a distinct area of the City each day and "sweep" across the City over the course of the week. This is a common and effective routing strategy.

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Appendix G provides an account of the number of accounts and containers for each of the four (4) existing residential solid waste routes. As shown, under the current system the residential solid waste routes average 403 accounts per route per day and service a total of 453 containers, with the majority of multiple-container accounts belonging to commercial or multi-family accounts.

An on-route review of collection operations found that the drivers were working at a reasonable and consistent pace. The efficiency of collection operations is dictated in large part by the semi-automated collection system that requires the driver to exit the vehicle at every account to provide service. Given the productivity limitations of the semi-automated collection system and the existing work load, we believe the use of four (4) daily routes to provide residential collection services is reasonable and appropriate.

Proposed Residential Solid Waste Collection System - Under its proposed system, to be implemented at the end of 2011, EBS will be reducing the number of residential solid waste routes from four (4) to three (3) and converting those routes to fully-automated vehicles. This decrease in the number of routes will increase the individual route work load significantly, from approximately 400 accounts per route per to approximately 540 on average (a 33% increase in daily workload). While the workload is increasing, the use of fully-automated collection vehicles will increase productivity and should allow for effectively completing the daily workload with three (3) routes. Beyond that change, however, it is unlikely that additional route savings can be realized. Attention should, however be focused on opportunities to limit any overtime that may be required to complete the system workload.

EBS reported that it anticipates that the net impact of a reduction of one (1) solid waste route and the implementation of a fully-automated collection system will be a longer work day, although there is sufficient capacity within the system to accommodate the change without incurring overtime.

Current Yard Waste Collection System – Residential accounts are provided with weekly yard waste services. Under the current system two (2) semi-automated routes provide collection service. Table 5 below, provides an analysis of the productivity of the residential yard waste routes for various weekly set-out rates. As shown, at a 50 percent set-out rate each route averages approximately 500 accounts per day.

Table 5
Yard Waste Collection Productivity Data

Total Accounts	Account per Day	Accounts Per Route (2 Routes)		
		Set Out Rate		
		33%	50%	67%
9,967	1,993	329	498	668

As with the residential solid waste routes, our on-route review of the yard waste routes found that drivers were operating at a reasonable and consistent pace. Yard waste work load is generally more variable than solid waste, given changes in yard waste generation over the course of the year. Based on our review of collection records and our on route observations we believe the use of two (2) daily routes to provide residential yard waste collection services is reasonable and appropriate.

Proposed Yard Waste Collection System – Yard waste routes would be expected to gain some productivity with the replacement of one (1) semi-automated vehicle with a fully automated vehicle. This will increase the capacity of the yard waste collection system. The fully automated vehicle should be used in those areas of the City most conducive to fully automated collection (i.e., wider streets with limited on-street parking), and the system rerouted if necessary to optimize the use of the fully-automated vehicle in the most appropriate areas.

Commercial Solid Waste – Appendix G includes a breakdown of the daily workload for EBS's commercial collection system. As shown, there is an average of 90 stops and 287 containers (lifts) each day. EBS currently operates one full-time 2-person commercial rear loader route with roll-off staff providing coverage for an additional 0.5 routes. At this staffing level the workload for one (1) commercial route is approximately 60 stops per day and 189 lifts, which falls within what we consider to be a reasonable range for commercial rear-loader productivity.

Roll-Off Services – The City provides roll-off services on a scheduled and as-needed basis. Roll-off services by their nature are impacted by the economy and also tend to experience seasonal fluctuations. EBS currently has one (1) roll-off driver, which is the minimum necessary to provide roll-off service with the available roll-off capacity currently used to supplement commercial collection routes.

Overtime - EBS reported that prior to 2010 it incurred virtually no overtime. The only exception was for Saturday service, which is provided with overtime hours.[22] With the shift to weekly green

[22] The City may wish to consider charging a premium for weekend service.

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waste service prior to the introduction of the fully-automated vehicles it has been incurring several hours of overtime each week. Once the fully-automated vehicles are implemented, however, EBS expects that overtime will be eliminated.

Review of Proposed Equipment Purchases and Operational Changes

EBS's proposed transition from semi-automated to fully-automated residential solid waste and yard waste collection makes operational sense and will result in significant increased solid waste collection efficiencies, as discussed above. A review of EBS's associated equipment capital and depreciation projections found, as follows:

- All existing route vehicles are depreciated on a straight line basis over ten (10) years, consistent with the Maintenance Facility Terms and Conditions of Approval.
- Pickup trucks are depreciated on a straight line basis over five (5) years;
- EBS's yard waste analysis assumed a seven (7) year depreciation period for both the proposed vehicles and carts consistent with the remaining term of the Agreement.
  - A preliminary invoice supports a cost of approximately $300,000 per vehicle.
  - EBS has proposed $120,000 in cart purchases as part of the capital cost projection for the new system;
  - Increasing the depreciation term from seven to ten years would reduce the net depreciation and interest expense by approximately $43,000 annually for the first seven years of the term, which would lower the associated rate revenues by approximately one percent (1%).
  - Over a ten year term, net depreciation and interest expense would be approximately $110,000 higher than if the equipment were depreciated over seven years due to higher interest payments.

Identify and Analyze Potential Service Changes

Other than the planned change in the residential collection system routes and vehicles, we do not recommend any changes to EBS's basic operational structure or services. We also do not recommend that the City implement a mini-can rate category at this time (e.g., a 10-gallon or 13-gallon mini can). Mini can service is not compatible with fully-automated collection at this time (i.e., to our knowledge there are no fully-automated compatible containers of that size commercially available at this time).

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Additionally, this would potentially increase revenue loss due to account migration, likely with little if any increase in diversion (assuming 20-gallon customers are currently maximizing waste diversion opportunities). We do, however, suggest that the City consider adjusting rates this year and potentially in subsequent years so that the rates, in particular the 20-gallon rate relative to the 35 gallon-rate, are more representative of the cost of service. This will hopefully mitigate some of the revenue loss associated with account migration without an associated decrease in diversion.

Billing Audit

R3 conducted a billing audit of a sample of residential accounts to assess the accuracy of EBS's billing with the service levels provided. The audit included:

- Comparing billing records to actual service levels in the field; and
- Comparing the charges from a recent billing cycle to the approved rate schedule.

The audit found that the Company's rates were consistent with the approved rate schedule. We did, however, identify a total of nine (9) accounts out of a sample of 166 accounts where the billing record did not match the actual service levels provided in the field.

Of those differences:

- Six (6) had 20-gallon containers and were being billed for 35-gallon service (EBS reported that five (5) of these accounts had reduced from 35- to 20-gallon service since the last billing cycle and that one (1) was still under review);
- One (1) had a 35-gallon container and was being billed for 65-gallon service (EBS reported that it had discovered this error in May and corrected the billing);
- One (1) had 65-gallon service and was being billed for 35-gallon service (EBS reported that this account was incorrectly billed and that an adjustment has been made); and
- One (1) had 35-gallon container and was being billed for 20-gallon service (EBS reported that this account was still under review).

Safety

The consideration of "Safety First" is central to effective operations. As with other aspects of operations, there needs to be clear standards for safety performance, and policies and procedures supporting those standards that are regularly communicated to staff at all levels. Safety performance measures (benchmarks) should be established and tracked to enable management to effectively monitor, assess and improve performance through, among other things, effective and routine diagnostic review in support of efforts for continuous improvement.

Experience Modification Factor

One way of assessing the safety record of a company is by reviewing its experience modification factor. The Compensation Insurance Rating Board (CIRB) develops experience modification factors for employers who have workers compensation annual premiums of $5,000 or more. An experience modification factor adjusts an employer's premium to reflect the difference between the employer's loss experience and the average experience that is expected for its classification(s) and size.

The Experience Rating Plan places an emphasis on the number (frequency) of claims and (to a lesser extent) the severity of workplace accidents. If an employer has better experience than is expected for an average employer in the same industry with the similar payroll, the employer receives a premium credit. On the other hand, if the employer's experience is worse than the comparable average, the employer receives a premium debit. The ability of the employer to directly affect his/her premium in this manner serves as an incentive to control or eliminate workplace injuries.[23]

Figure 1 below provides EBS's Experience Modification Factor for 2000 through 2011. As shown, with the exception of 2008, EBS's experience modification factor has been less than the industry average, which is good and for which EBS should be commended. It would not be unreasonable to expect that the proposed implementation of fully-automated collection vehicles would have a positive impact on worker safety and injuries.

[23] New York State Workers Compensation Board. http://www.wcb.state.ny.us/content/main/Employers/experModFactor.jsp

R3

Figure 1
Experience Modification Factor

Management of Overweight Vehicles

EBS reported that all routes collect one (1) load each day. EBS also reported that it manually enters weight tags every day and that it is extremely rare that a vehicle is overweight.

Assessment of the Capacity of the City's Recycling Collection Operations

Capacity of City's Existing Recycling Collection Operations

The capacity of the City's recycling collection operations is limited by the fact that all routes are only able to effectively collect one load per day. As previously discussed, the City's residential and commercial recycling drivers and Recycling Center staff operate on a 10-hour per day, 4 day per week schedule (4x10). Route drivers work from 4:00 am until 2:00 pm and Recycling Center staff work from 8:00 am until 6:00 pm. Route trucks collect one (1) load per day and complete their route by 11:30 (7.5 hours). They are then assigned various duties at the Recycling Center. The loads are held overnight in the truck and then delivered to the recycling facility in Oakland the following morning to avoid traffic and reduce travel time.

Given that routes can only effectively collect one load per day, there is only available capacity within the system to service additional accounts to the extent that they can be collected as part of the one load per day (i.e., without exceeding legal vehicle load weight). Additional capacity can, however, be achieved by changing from the current 4x10 schedule and replacing it with a

R3

standard 5-day per week, 8-hour per day (5x8) schedule as discussed below.

Pros and Cons of 4-day per Week Versus 5-day per Week Schedule

The City is considering changing from the current 4x10 schedule to a 5x8 schedule. The major benefit of a 10-hour day is the potential to increase productivity by maximizing load weights without requiring an additional load. Typically there are perhaps five (5) hours per day of productive on-route time during the course of an 8-hour day (~60% daily productivity hours), with pre- and post-trip requirements and travel time to and from the processing facility and route all requiring time that is not available for collection. If, however, additional time is available to service more accounts and collect more material without requiring another load (which generates additional non-productive time) that additional collection time is 100 percent productive (as compared to 60% average daily productive hours).

The City's current 4x10 schedule however, does not provide for increased productivity as compared to an 8-hour day. This is due to the fact that routes are completing a full load within an 8-hour time window and cannot effectively collect another load within the remaining available time. While drivers are assigned various tasks around the Recycling Center to utilize their remaining time within the 10-hour schedule, that is not a cost effective use of driver time. In fact, given that routes are able to complete a full load within a standard 8-hour work schedule, it seems clear that changing from a 4x10 to a 5x8 schedule will result in increased system capacity.

The following tables compare staff availability for the 4x10 and 5x8 schedules. As shown, with the 5x8 schedule the system realizes an increase of 6 staff-days over the 5 day work week (a 20% increase in staffing capacity). This provides for significant increased staffing coverage over the course of the work week, without impacting the ability of drivers to complete their daily workload assignments within the available 8-hour schedule.

Table 6
Comparison of 4x10 and 5x8 Staffing Schedules

Staff	Total	Staffing Schedule Full Time Equivalent Employees (4-day per week 10-hours per day)							
		Mon	Tue	Wed	Thur	Fri	Weekday Staffing Subtotal	Sat	Sun
Drivers	4	3	3	4	3	3	16		
Lead Worker	1		1	1	1	1	4		
Operations Supervisor	1	1	1	1	1		4		
Temp Labor (Rear Loader)	1	1	1	1	1	1	5		
Temp Labor (Recycling Center)	1						0	1	1
Totals	8	5	6	7	6	5	29	1	1

Staff	Total	Staffing Schedule Full Time Equivalent Employees (5-day per week 8-hours per day)							
		Mon	Tue	Wed	Thur	Fri	Weekday Staffing Subtotal	Sat	Sun
Drivers	4	4	4	4	4	4	20		
Lead Worker	1	1	1	1	1	1	5		
Operations Supervisor	1	1	1	1	1	1	5		
Temp Labor (Rear Loader)	1	1	1	1	1	1	5		
Temp Labor (Recycling Center)	1						0	1	1
Totals	8	7	7	7	7	7	35	1	1

Notes: The Operations Supervisor, Lead Worker and all Drivers have Class B licenses.
The Lead Worker Position is currently vacant.

Any additional Recycling Center work load requirement that is currently being provided by drivers after they complete their routes can be handled in any number of ways, including with the additional available staff days, through some level of overtime or potentially with temporary part time staffing.

- At this point it does not appear that EBS's residential routes will have significant (if any) available capacity; however this assumption should be reviewed after the new routes have been implemented.

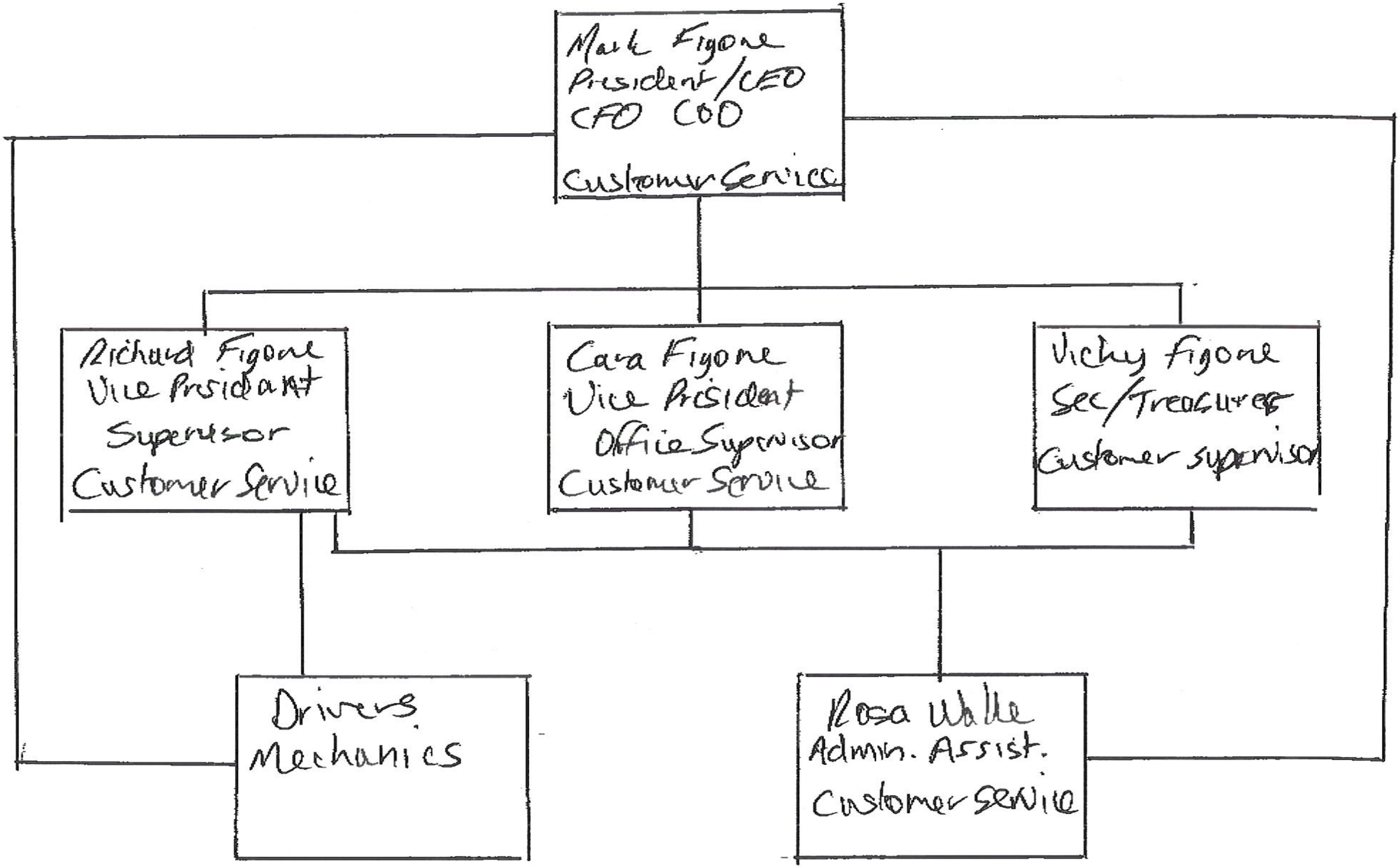
R3

- It is not clear what (if any) capacity may exist within EBS's commercial collection system after mandatory recycling is implemented.
- We recommend that EBS conduct a comprehensive commercial route audit that includes verifying the accuracy of billing data, assessing the potential for increased recycling (in conjunction with City staff) and reducing collection frequency. To the extent that collection frequency can be reduced, additional capacity will become available.

Appendix A

Organizational Chart

R3


Mark Figone
President/CEO
CFO COO
Customer Service
Richard Figone
Vice President
Supervisor
Customer Service
Cara Figone
Vice President
Office Supervisor
Customer Service
Vicky Figone
Sec/Treasurer
Customer supervisor
Drivers
Mechanics
Rosa Walle
Admin. Assist.
Customer Service

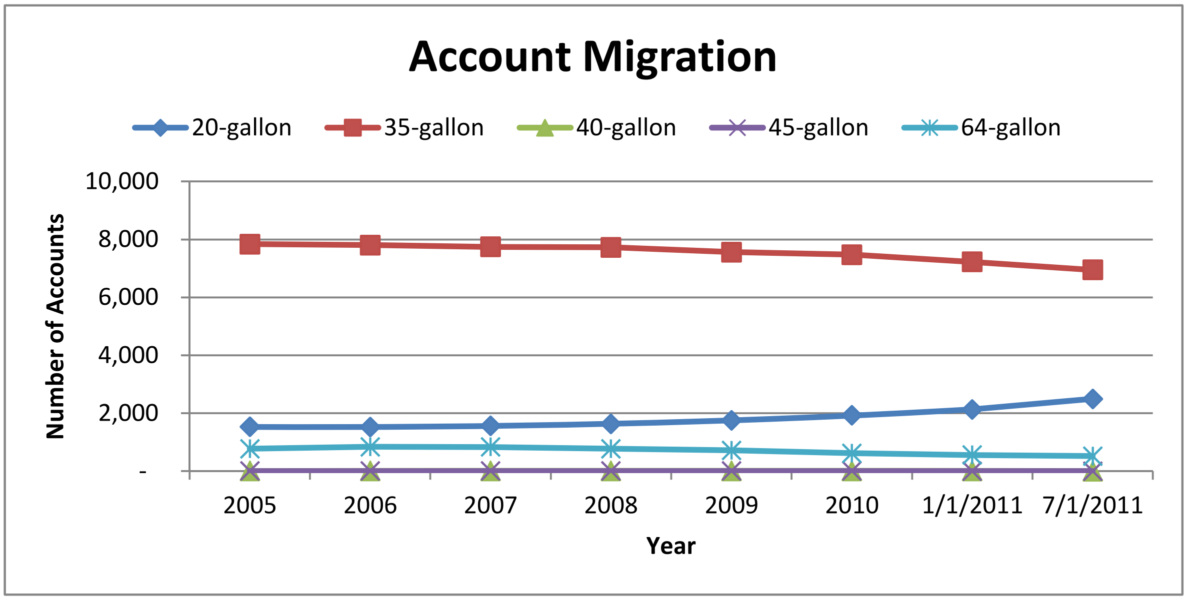
Appendix B

Account Migration

R3

Cart Size	Accounts							
	2005	2006	2007	2008	2009	2010	1/1/2011	7/1/2011
20	1,531	1,526	1,565	1,637	1,750	1,928	2,131	2,494
35	7,836	7,805	7,744	7,730	7,560	7,471	7,223	6,952
40	9	9	12	12	11	11	6	-
45	9	8	6	6	6	6	4	-
64	774	843	833	775	721	620	561	521
Total	**10,159**	**10,191**	**10,160**	**10,160**	**10,048**	**10,036**	**9,925**	**9,967**

Note: EBS has eliminated the 40 and 45 gallon can as an option. There are still 2 customers using them that are charged the 35 gallon can rate.



Cart Size	2005		2010		2011			
					1-Jan		25-Jul	
20	1,531	15%	1,928	19%	2,131	21%	2,494	25%
35	7,836	77%	7,471	74%	7,223	73%	6,952	70%
40	9	0%	11	0%	6	0%	-	0%
45	9	0%	6	0%	4	0%	-	0%
64	774	8%	620	6%	561	6%	521	5%
Total	10,159	100%	10,036	100%	9,925	100%	9,967	100%

Appendix C

Variance Analysis

- Revenues & Expenses
- General & Operating Expenses

R3

Appendix C
VARIANCE ANALYSIS
(Revenues & Expenses)

	A	E	F	G	H	I	J	K	L	M	N	S	T
2			**2005**		**2006**		**2007**		**2008**		**2009**		**2010**
4													
5	Revenues												
6	Refuse Collection												
7	City of El Cerrito		$ 3,588,855		$ 4,037,601		$ 4,015,970		$ 4,158,840		$ 4,179,989		$ 4,319,061
8	Schools												
9	Debris box collection		$ 439,206		$ 421,572		$ 329,092		$ 301,977		$ 281,220		$ 316,906
10	Rental fees		$ 111,321		$ 113,441		$ 134,170		$ 115,235		$ 103,747		$ 96,545
11	Maintenance services and other		$ 28,582		$ 22,189		$ 20,259		$ 20,035		$ 19,091		$ 25,481
12	Total revenues		$ 4,167,964		$ 4,594,803		$ 4,499,491		$ 4,596,087		$ 4,584,047		$ 4,757,993
13													
14	Operating expenses												
15	Salaries and wages		$ 1,229,652		$ 1,247,849		$ 1,296,806		$ 1,426,297		$ 1,496,753		$ 1,516,637
16	Employee benefits		$ 509,613		$ 477,283		$ 549,039		$ 566,525		$ 563,114		$ 323,570
17	Disposal expense		$ 964,391		$ 1,353,319		$ 1,088,828		$ 1,114,271		$ 1,218,479		$ 1,342,577
18	City franchise fee		$ 397,810		$ 446,061		$ 433,515		$ 452,035		$ 450,758		$ 458,729
19	Insurance		$ 82,558		$ 63,190		$ 69,859		$ 71,065		$ 76,965		$ 74,128
20	Depreciation and amortization		$ 123,091		$ 127,841		$ 140,654		$ 185,949		$ 124,574		$ 114,527
21	General and operating		$ 652,962		$ 665,556		$ 690,274		$ 782,613		$ 678,876		$ 667,493
22	Total operating expenses		$ 3,960,077		$ 4,381,099		$ 4,268,975		$ 4,598,755		$ 4,609,519		$ 4,497,661
23													
24	Income / (Loss) from operations		$ 207,887		$ 213,704		$ 230,516		$ (2,668)		$ (25,472)		$ 260,332
25													
26	Other income (expense)												
27	Investment income		$ 5,377		$ 2,845		$ 6,207		$ 5,588		$ 953		$ 354
28	Loss/Gain on disposal of assets		$ (14,738)		$ (3,041)		$ (13,997)		N/A		N/A		$ 1,000
29	Director's Fees												
30	Other income (expense), net		$ (20,184)		$ 6,571		$ (39,809)		$ 8,307		$ (1,329)		$ (1,685)
31	Interest expense		$ (20,064)		$ (17,106)		$ (29,972)		$ (34,826)		$ (25,423)		$ (19,352)
32	Total other income (expense), net		$ (49,609)		$ (10,731)		$ (77,571)		$ (20,931)		$ (25,799)		$ (19,683)

Appendix C
VARIANCE ANALYSIS
(Revenues & Expenses)

	A	U	V	W	X	Y	Z	AA	AB	AC	AD	AE	AF	AG
2			**2006 vs. 2005**		**2007 vs. 2006**		**2008 vs. 2007**		**2009 vs. 2008**		**2010 vs. 20009**		**2010 vs. 2005**	
4														
5	Revenues													
6	Refuse Collection													
7	City of El Cerrito		$ 448,746	13%	$ (21,631)	-1%	$ 142,870	4%	$ 21,149	1%	$ 139,072	3%	$ 730,206	20%
8	Schools													
9	Debris box collection		$ (17,634)	-4%	$ (92,480)	-22%	$ (27,115)	-8%	$ (20,757)	-7%	$ 35,686	13%	$ (122,300)	-28%
10	Rental fees		$ 2,120	2%	$ 20,729	18%	$ (18,935)	-14%	$ (11,488)	-10%	$ (7,202)	-7%	$ (14,776)	-13%
11	Maintenance services and other		$ (6,393)	-22%	$ (1,930)	-9%	$ (224)	-1%	$ (944)	-5%	$ 6,390	33%	$ (3,101)	-11%
12	Total revenues		$ 426,839	10%	$ (95,312)	-2%	$ 96,596	2%	$ (12,040)	0%	$ 173,946	4%	$ 590,029	14%
13														
14	Operating expenses													
15	Salaries and wages		$ 18,197	1%	$ 48,957	4%	$ 129,491	10%	$ 70,456	5%	$ 19,884	1%	$ 286,985	23%
16	Employee benefits		$ (32,330)	-6%	$ 71,756	15%	$ 17,486	3%	$ (3,411)	-1%	$ (239,544)	-43%	$ (186,043)	-37%
17	Disposal expense		$ 388,928	40%	$ (264,491)	-20%	$ 25,443	2%	$ 104,208	9%	$ 124,098	10%	$ 378,186	39%
18	City franchise fee		$ 48,251	12%	$ (12,546)	-3%	$ 18,520	4%	$ (1,277)	0%	$ 7,971	2%	$ 60,919	15%
19	Insurance		$ (19,368)	-23%	$ 6,669	11%	$ 1,206	2%	$ 5,900	8%	$ (2,837)	-4%	$ (8,430)	-10%
20	Depreciation and amortization		$ 4,750	4%	$ 12,813	10%	$ 45,295	32%	$ (61,375)	-33%	$ (10,047)	-8%	$ (8,564)	-7%
21	General and operating		$ 12,594	2%	$ 24,718	4%	$ 92,339	13%	$ (103,737)	-13%	$ (11,383)	-2%	$ 14,531	2%
22	Total operating expenses		$ 421,022	11%	$ (112,124)	-3%	$ 329,780	8%	$ 10,764	0%	$ (111,858)	-2%	$ 537,584	14%
23														
24	Income / (Loss) from operations		$ 5,817	3%	$ 16,812	8%	$ (233,184)	-101%	$ (22,804)	855%	$ 285,804	-1122%	$ 52,445	25%
25														
26	Other income (expense)													
27	Investment income		$ (2,532)	-47%	$ 3,362	118%	$ (619)	-10%	$ (4,635)	-83%	$ (599)	-63%	$ (5,023)	-93%
28	Loss/Gain on disposal of assets		$ 11,697	-79%	$ (10,956)	360%	$ 13,997	-100%	N/A	N/A	NA	N/A	$ 15,738	-107%
29	Director's Fees													
30	Other income (expense), net		$ 26,755	-133%	$ (46,380)	-706%	$ 48,116	-121%	$ (9,636)	-116%	$ (356)	27%	$ 18,499	-92%
31	Interest expense		$ 2,958	-15%	$ (12,866)	75%	$ (4,854)	16%	$ 9,403	-27%	$ 6,071	-24%	$ 712	-4%
32	Total other income (expense), net		$ 38,878	-78%	$ (66,840)	623%	$ 56,640	-73%	$ (4,868)	23%	$ 6,116	-24%	$ 29,926	-60%

Appendix C
VARIANCE ANALYSIS
(General & Operating Expenses)

	A	B	C	D	E	F	G	H	I
3									
4			**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	
5									% of Total
6	Auto and truck expense		$ 7,269	$ 4,792	$ 2,019	N/A	N/A	N/A	
7	Bad dept expense		$ 5,759	$ 10,439	$ 6,868	$ 5,121	N/A	$ 13,371	2%
8	Billing expense		$ 18,057	$ 10,514	$ 27,127	$ 21,438	$ 25,614	$ 18,073	3%
9	Communications		$ 5,926	$ 10,926	$ 6,256	$ 6,484	$ 5,831	$ 4,454	1%
10	Computer		$ 10,726	$ 22,033	$ 17,280	$ 14,424	$ 19,391	$ 13,484	2%
11	Contributions		$ 10,490	$ 11,498	$ 8,835	$ 11,433	$ 9,255	$ 8,210	1%
12	Damage claims		N/A	$ 6,002	$ 1,000	$ 1,000	$ 1,450	$ 500	0%
13	Diesel		$ 75,360	$ 96,968	$ 98,144	$ 126,532	$ 82,021	$ 98,348	15%
14	Dues and subscriptions		$ 17,271	$ 19,806	$ 20,742	$ 21,804	$ 19,203	$ 22,102	3%
15	Employee gifts		$ 3,126	$ 5,752	$ 2,269	$ 4,725	$ 1,669	$ 1,958	0%
16	Equipment rental		$ 6,495	$ 1,509	$ 1,359	$ 2,530	$ 2,646	$ 2,212	0%
17	Gas and oil		$ 22,532	$ 23,835	$ 23,089	$ 6,541	$ 70	$ 236	0%
18	Uniforms, laundry and linen		$ 1,881	$ 3,799	$ 4,065	$ 2,749	$ 6,059	$ 2,960	0%
19	Legal, accounting and other professional services		$ 107,243	$ 81,236	$ 73,601	$ 130,364	$ 139,605	$ 143,358	21%
20	Licenses		$ 15,151	$ 14,527	$ 18,177	$ 22,463	$ 18,485	$ 18,196	3%
21	Miscellaneous		$ 17,645	$ 12,320	$ 19,462	$ 27,838	$ 23,415	$ 16,094	2%
22	Office supplies		$ 9,978	$ 8,967	$ 8,930	$ 15,951	$ 18,154	$ 18,157	3%
23	Parts		$ 39,385	$ 61,637	$ 60,540	$ 74,994	$ 32,915	$ 25,422	4%
24	Pension and profit sharing		$ 17,500	$ 10,060	$ 25,881	$ 28,630	$ 10,146	$ 6,552	1%
25	Postage		$ 3,033	$ 5,924	$ 2,610	$ 2,430	$ 3,611	$ 5,007	1%
26	Promotion		$ 1,803	$ 606	$ 1,381	$ 857	$ 1,008	$ 1,155	0%
27	Rents		$ 159,474	$ 140,302	$ 154,371	$ 161,688	$ 162,876	$ 170,676	26%
28	Repairs		$ 20,994	$ 12,520	$ 21,173	$ 14,700	$ 16,442	$ 11,920	2%
29	Security		$ 3,590	$ 3,981	$ 3,776	$ 5,046	$ 3,940	$ 4,068	1%
30	Supplies		$ 1,574	$ 1,482	$ 2,441	$ 3,087	$ 808	$ 966	0%
31	Taxes		$ 14,825	$ 19,099	$ 15,285	$ 8,122	$ 20,382	$ 21,453	3%
32	Telephone		$ 15,368	$ 16,410	$ 14,415	$ 15,361	$ 14,900	$ 15,280	2%
33	Tires and tubes		$ 18,329	$ 22,447	$ 23,676	$ 17,270	$ 17,496	$ 15,129	2%
34	Travel and entertainment		$ 17,043	$ 18,951	$ 18,287	$ 21,492	$ 14,274	$ 313	0%
35	Utilities		$ 5,135	$ 7,214	$ 7,215	$ 7,539	$ 7,210	$ 7,839	1%
36									
37	**Total general and operating expenses**		**$ 652,962**	**$ 665,556**	**$ 690,274**	**$ 782,613**	**$ 678,876**	**$ 667,493**	**100%**

Appendix C
VARIANCE ANALYSIS
(General & Operating Expenses)

	A	J	N	O	P	Q	R	S	T	U	V	W	X	Y
3			**2006 vs. 2005**		**2007 vs. 2006**		**2008 vs. 2007**		**2009 vs. 2008**		**2010 vs. 20009**		**2010 vs. 2005**	
4			**$**	**%**	**$**	**%**	**$**	**%**	**$**	**%**			**$**	**%**
5														
6	Auto and truck expense		$ (2,477)	-34%	$ (2,773)	-58%	$ 2,019	100%	N/A	N/A	N/A		$ (7,269)	-100%
7	Bad dept expense		$ 4,680	81%	$ (3,571)	-34%	$ (1,747)	-25%	$ (5,121)	-100%	$ 13,371	#VALUE!	$ 7,612	132%
8	Billing expense		$ (7,543)	-42%	$ 16,613	158%	$ (5,689)	-21%	$ 4,176	19%	$ (7,541)	-29%	$ 16	0%
9	Communications		$ 5,000	84%	$ (4,670)	-43%	$ 228	4%	$ (653)	-10%	$ (1,377)	-24%	$ (1,472)	-25%
10	Computer		$ 11,307	105%	$ (4,753)	-22%	$ (2,856)	-17%	$ 4,967	34%	$ (5,907)	-30%	$ 2,758	26%
11	Contributions		$ 1,008	10%	$ (2,663)	-23%	$ 2,598	29%	$ (2,178)	-19%	$ (1,045)	-11%	$ (2,280)	-22%
12	Damage claims		$ 6,002	100%	$ (5,002)	-83%	$ -	0%	$ 450	45%	$ (950)	-66%	$ 500	100%
13	Diesel		$ 21,608	29%	$ 1,176	1%	$ 28,388	29%	$ (44,511)	-35%	$ 16,327	20%	$ 22,988	31%
14	Dues and subscriptions		$ 2,535	15%	$ 936	5%	$ 1,062	5%	$ (2,601)	-12%	$ 2,899	15%	$ 4,831	28%
15	Employee gifts		$ 2,626	84%	$ (3,483)	-61%	$ 2,456	108%	$ (3,056)	-65%	$ 289	17%	$ (1,168)	-37%
16	Equipment rental		$ (4,986)	-77%	$ (150)	-10%	$ 1,171	86%	$ 116	5%	$ (434)	-16%	$ (4,283)	-66%
17	Gas and oil		$ 1,303	6%	$ (746)	-3%	$ (16,548)	-72%	$ (6,471)	-99%	$ 166	237%	$ (22,296)	-99%
18	Uniforms, laundry and linen		$ 1,918	102%	$ 266	7%	$ (1,316)	-32%	$ 3,310	120%	$ (3,099)	-51%	$ 1,079	57%
19	Legal, accounting and other professional se		$ (26,007)	-24%	$ (7,635)	-9%	$ 56,763	77%	$ 9,241	7%	$ 3,753	3%	$ 36,115	34%
20	Licenses		$ (624)	-4%	$ 3,650	25%	$ 4,286	24%	$ (3,978)	-18%	$ (289)	-2%	$ 3,045	20%
21	Miscellaneous		$ (5,325)	-30%	$ 7,142	58%	$ 8,376	43%	$ (4,423)	-16%	$ (7,321)	-31%	$ (1,551)	-9%
22	Office supplies		$ (1,011)	-10%	$ (37)	0%	$ 7,021	79%	$ 2,203	14%	$ 3	0%	$ 8,179	82%
23	Parts		$ 22,252	56%	$ (1,097)	-2%	$ 14,454	24%	$ (42,079)	-56%	$ (7,493)	-23%	$ (13,963)	-35%
24	Pension and profit sharing		$ (7,440)	-43%	$ 15,821	157%	$ 2,749	11%	$ (18,484)	-65%	$ (3,594)	-35%	$ (10,948)	-63%
25	Postage		$ 2,891	95%	$ (3,314)	-56%	$ (180)	-7%	$ 1,181	49%	$ 1,396	39%	$ 1,974	65%
26	Promotion		$ (1,197)	-66%	$ 775	128%	$ (524)	-38%	$ 151	18%	$ 147	15%	$ (648)	-36%
27	Rents		$ (19,172)	-12%	$ 14,069	10%	$ 7,317	5%	$ 1,188	1%	$ 7,800	5%	$ 11,202	7%
28	Repairs		$ (8,474)	-40%	$ 8,653	69%	$ (6,473)	-31%	$ 1,742	12%	$ (4,522)	-28%	$ (9,074)	-43%
29	Security		$ 391	11%	$ (205)	-5%	$ 1,270	34%	$ (1,106)	-22%	$ 128	3%	$ 478	13%
30	Supplies		$ (92)	-6%	$ 959	65%	$ 646	26%	$ (2,279)	-74%	$ 158	20%	$ (608)	-39%
31	Taxes		$ 4,274	29%	$ (3,814)	-20%	$ (7,163)	-47%	$ 12,260	151%	$ 1,071	5%	$ 6,628	45%
32	Telephone		$ 1,042	7%	$ (1,995)	-12%	$ 946	7%	$ (461)	-3%	$ 380	3%	$ (88)	-1%
33	Tires and tubes		$ 4,118	22%	$ 1,229	5%	$ (6,406)	-27%	$ 226	1%	$ (2,367)	-14%	$ (3,200)	-17%
34	Travel and entertainment		$ 1,908	11%	$ (664)	-4%	$ 3,205	18%	$ (7,218)	-34%	$ (13,961)	-98%	$ (16,730)	-98%
35	Utilities		$ 2,079	40%	$ 1	0%	$ 324	4%	$ (329)	-4%	$ 629	9%	$ 2,704	53%
36													$ -	
37	**Total general and operat**		**$ 12,594**	**2%**	**$ 24,718**	**4%**	**$ 92,339**	**13%**	**$ (103,737)**	**-13%**	**$ (11,383)**	**-2%**	**$ 14,531**	**2%**

Appendix D

Base Year Rate Adjustment Calculation

R3

APPENDIX D
Base Year Rate Adjustment Calculation

		2010 Prior Year Actuals Total	Adjustments	Adjusted Total	Index Adjustment	2011 Current Year Forecasted Total	Index Adjustment	Adjustments	2012 Rate Year Forecasted Total
REVENUES									
Refuse Collection									
City of El Cerrito		$ 4,319,061							$ 4,540,651
Schools									
Debris Box Collection		$ 316,906							$ 316,906
Rental fees		$ 96,545							$ 96,545
Maintenance services and other		$ 25,481							$ 25,841
Total Revenues		**$ 4,757,993**							**$ 4,979,943**
EXPENSES									
Salaries and wages		$ 1,516,637							
Wages-Drivers & Helpers		$ 769,573		$769,573	103.64%	$797,608	103.68%	$ (64,525)	$762,453
Wages-Officers		$ 558,830	$ (135,354)	$423,476	101.23%	$428,683	101.85%		$436,604
Wages-Office		$ 188,235		$188,235	101.23%	$190,549	101.85%		$194,070
Employee benefits		$ 323,570	$ (18,018)	$305,552	101.23%	$309,309	101.85%	$ (51,055)	$263,969
Insurance		$ 74,128	$ (4,360)	$69,768	101.23%	$70,626	101.85%		$71,931
Depreciation and amortization		$ 114,527		$114,527	per Dep Sch	$114,527	per Dep Sch		$277,883
General and operating					101.23%		101.85%		
Bad dept expense		$ 13,371		$13,371	101.23%	$13,535	101.85%		$13,785
Billing expense		$ 18,073		$18,073	101.23%	$18,295	101.85%		$18,633
Communications		$ 4,454		$4,454	101.23%	$4,509	101.85%		$4,592
Computer		$ 13,484		$13,484	101.23%	$13,650	101.85%		$13,902
Contributions		$ 8,210	$ (2,800)	$5,410	101.23%	$5,477	101.85%		$5,578
Damage claims		$ 500		$500	101.23%	$506	101.85%		$515
Diesel		$ 98,348		$98,348	115.50%	$113,597	117.47%		$133,443
Dues and subscriptions		$ 22,102	$ (4,188)	$17,914	101.23%	$18,134	101.85%		$18,469
Employee gifts		$ 1,958	$ (1,958)	$0	101.23%	$0	101.85%		$0
Equipment rental		$ 2,212		$2,212	101.23%	$2,239	101.85%		$2,281
Gas and oil		$ 236		$236	115.50%	$273	117.47%		$320
Interest		$ 19,352							$96,747
Uniforms, laundry and linen		$ 2,960		$2,960	101.23%	$2,996	101.85%		$3,052
Legal, accounting and other professional services		$ 143,358	$ (6,388)	$136,970	101.23%	$147,454	101.85%		$150,178
Licenses		$ 18,196		$18,196	101.23%	$18,420	101.85%	$ 3,000	$21,760
Miscellaneous		$ 16,094		$16,094	101.23%	$16,292	101.85%		$16,593
Office supplies		$ 18,157		$18,157	101.23%	$18,380	101.85%		$18,720
Parts		$ 25,422		$25,422	101.23%	$25,735	101.85%		$26,210
Pension and profit sharing		$ 6,552		$6,552	101.23%	$6,633	101.85%		$6,755
Postage		$ 5,007		$5,007	101.23%	$5,069	101.85%		$5,162
Promotion		$ 1,155	$ (1,155)	$0	101.23%	$0	101.85%		$0
Rents		$ 170,676	$ (3,900)	$166,776	101.23%	$168,826	101.85%		$171,946
Repairs		$ 11,920		$11,920	101.23%	$12,067	101.85%		$12,290
Security		$ 4,068		$4,068	101.23%	$4,118	101.85%		$4,194
Supplies		$ 966		$966	101.23%	$978	101.85%		$996
Taxes		$ 21,453		$21,453	101.23%	$21,717	101.85%		$22,118
Telephone		$ 15,280		$15,280	101.23%	$15,468	101.85%		$15,754
Tires and tubes		$ 15,129		$15,129	101.23%	$15,315	101.85%		$15,598
Travel and entertainment		$ 313	$ 6,612	$6,925	101.23%	$7,010	101.85%		$7,140
Utilities		$ 7,839		$7,839	101.23%	$7,935	101.85%		$8,082
Total Operating Costs		**$ 2,715,708**	**$ (171,509)**	**$2,524,847**		**$2,595,927**		**$ (130,083)**	**$2,821,722**
Operating Ratio	89.0%	**$335,649**	Calculated Target Profit						**$348,752**
Pass-Through Expenses									
Franchise Fees	10.00%	$ 458,729							$ 490,488
Dump Expense		$ 1,342,577							$ 1,272,204
Officer 401K Contributions		$ -							$ 21,600
City of El Cerrito Balancing Account Funding		$ -							$ -
Pension Liability Payments		$ -							$ 65,551
Subtotal		**$ 4,852,663**							**$5,020,317**
Income / (Loss) from Operations =		$ (94,670)							$ (40,373)
Other income (expense)									
Investment income		$ 354							
Loss/Gain on disposal of assets		$ 1,000							$ -
Director's Fees									$ -
Other income (expense), net		$ (1,685)							$ -
Interest expense									$ -
Total other income (expense), net		$ (331)							$ -
Total Revenue Requirement		**$ 4,852,994**							**$5,020,317**
Revenue Surplus / (Shortfall) =		**$ (95,001)**						**Revenue Surplus / (Shortfall) =**	**$ (40,373)**
								Rate Revenue =	**$ 4,954,102**
								Required COLLECTION Rate Adjustment =	**0.81%**

Appendix E

Non-Allowable Expenses

R3

STEP 2 - ADJUSTMENT OF ACTUAL COSTS

The Actual Costs for the Prior Year determined above shall be adjusted for each of the following (unless otherwise noted) to determine the Allowed Cost of Operations for the Prior Year:

A. Related Party Entities

Costs related to any related party entities shall be identified by the Company as part of its Detailed Rate Adjustment Application. Payments to affiliates of the Company other than reasonable compensation for goods and services rendered shall not be allowed. Where costs are allocated to or from a related party, the allocation method used shall be clearly identified and supporting calculations provided with the Application.

B. Non-Franchised Operations

Costs related to non-franchised operations shall be identified by the Company as part of its Detailed Rate Adjustment Application. Where costs are allocated to or from non-franchised operations the allocation method used shall be consistent with the procedures described in these guidelines and clearly identified. Supporting calculations shall also be provided with the Detailed Rate Adjustment Application.

C. Non-Allowable Expenses

Non-allowable expenses shall be identified by the Company as part of its Detailed Rate Adjustment Application and excluded as part of the adjustment of Actual Costs. Non-allowable expenses include the following (FY $2004):

- Promotion expenses above allowed annual cap of $2,024;
- Contributions above allowed annual cap of $7,354;
- Legal expenses above allowed annual cap of $33,745;
- Dues and Subscriptions above allowed annual cap of $15,869;
- Officer salaries (Wages-Officers) above an allowed annual cap of $249,867
- Director Fees;
- Fines and Penalties;
- Liquidated damages;
- Income taxes;
- Political donations;
- Rental or lease charges for collection vehicles which are greater than the cost of acquisition plus prime rate over 7 years;

- Goodwill;
- Payments to affiliates of the Company other than reasonable compensation for goods and services rendered;
- Expenses not associated with solid waste operations franchised under the Agreement;
- Unreasonable expense in kind or amount; and
- The principal portion of any loan repayments.

D. Reasonable and Necessary Costs

Prior Year Actual Costs should be reduced by the Company to exclude and/or reduce any costs that were not reasonably and necessarily incurred in the performance of the services provided in accordance with the City's franchise agreement, or are in excess of those previously agreed to by the Company. For example, costs for personnel during the implementation of new services greater than the expense assumed in the Contractor's proposed cost for that service might be disallowed.

E. Other Expenses Allowed/Disallowed in Company's Allowed Cost of Operations

Additional expenses, not set forth in the guidelines, may be allowed or disallowed for purposes of determining the Company's Prior Year Allowed Cost of Operations, such as when City directs the Company to perform additional services or when the Company incurs additional costs for which it is solely responsible.

Appendix F

Pension Liability Information

R3

Appendix F
PENSION LIABILITY

Through 2008, East Bay Sanitary provided a defined benefit pension plan to shareholders, Teamsters employees and one office employee. The plan was to be paid out based on an average of an employees last 3 years salary. The employee would receive 60% of that average as a monthly or lump sum payment upon retirement.

An actuarial analysis of the plan was performed annually. We were then provided a funding contribution amount for the year that was necessary to maintain the required cash balance in the plan. With the market collapse in 2008 we were notified of an unfunded liability to the plan in excess of $1.5M and informed that the 2009 funding requirement would be approximately $250K.

No longer able to manage this risk going forward, we elected to freeze the plan and began directing contributions to a 401k plan. So we are now funding both the 401k as well as a current unfunded liability from the old defined benefit plan which currently amounts to approximately $1.08M.

The amount being contributed to the 401k on behalf of our drivers and per the union agreement is currently $4.13 per hour. This comes to approximately $65K per year. In addition, we have 2 mechanics in the Machinist union who represent another $14.9K of pension obligation annually.

We did not begin making 401k contributions until 2010. So the amount reflected in the 2009 audit as pension expense only includes funding to the old defined benefit plan as well as to the Machinist plan.

Our total pension requirement going forward will consist of the annual requirement for the unfunded liability ($85K in 2010), the Teamsters obligation of approximately $65K per year, and the Machinist obligation of approximately $14.9K per year. In addition, since the plan was frozen, shareholders are currently not accruing any pension benefit whatsoever. So we are requesting that this be a consideration in this rate review going forward as well. I have submitted a request to our actuary to determine what percentage of the annual funding requirement actually accrues to shareholders. I should hear within the week.

Appendix G

EBS Route Productivity Data

R3

RESIDENTIAL ROUTE WORKLOAD

		Commercial		Multi/Apts		Residential		Total	
Route	Day	Accts	Containers	Accts	Containers	Accts	Containers	Accts	Containers
1	Mon	5	5	2	4	522	523	529	532
	Tue					435	437	435	437
	Wed	2	2	28	138	357	360	387	500
	Thur					378	379	378	379
	Fri	1	1	28	123	308	311	337	435
	Total	**8**	**8**	**58**	**265**	**2,000**	**2,010**	**2,066**	**2,283**
	Average	3	3	19	88	400	402	413	457
2	Mon	5	6	1	2	536	538	542	546
	Tue					422	425	422	425
	Wed	10	10	11	41	429	436	450	487
	Thur (1)					386	391	386	391
	Fri	4	10	17	63	430	432	451	505
	Total	**19**	**26**	**29**	**106**	**2,203**	**2,222**	**2,251**	**2,354**
	Average	6	9	10	35	441	444	450	471
3	Mon	7	13	55	236	231	240	293	489
	Tue	1	1	3	8	444	444	448	453
	Wed			16	77	361	362	377	439
	Thur			1	2	343	346	344	348
	Fri	1	1	3	3	501	501	505	505
	Total	**9**	**15**	**78**	**326**	**1,880**	**1,893**	**1,967**	**2,234**
	Average	3	5	16	65	376	379	393	447
4	Mon	2	2	78	340	179	187	259	529
	Tue			11	38	382	387	393	425
	Wed			6	19	344	347	350	366
	Thur					346	349	346	349
	Fri	3	4	36	131	385	392	424	527
	Total	**5**	**6**	**131**	**528**	**1,636**	**1,662**	**1,772**	**2,196**
	Average	3	3	33	132	327	332	354	439
	Average	4	5	19	80	386	389	403	453
System Total		41	55	296	1,225	7,719	7,787	8,056	9,067

(1) includes 60 Richmond accounts

4 route daily route average =	403	453
3 route daily route average =	537	604

COMMERCIAL ROUTE WORKLOAD

Route	5	Commercial Stops	Commercial Containers	Multi/Apts Stops	Multi/Apts Containers	Residential Stops	Residential Containers	Total Stops	Total Containers	Additional Listed as "Total"	
	Mon	97	135	6	178	1	1	104	314		
	Tue	61	99	10	155	6	6	77	260	1	1
	Wed	81	116	7	159	1	1	89	276	1	1
	Thur	74	96	9	213			83	309	1	1
	Fri	88	137	7	138	1	1	96	276	1	1
							Total =	449	1,435		
							Average =	90	287		
	Sat	61	85	3	94			64	179	1	1

Saturday service is covered through overtime

East Bay Sanitary 2013 Collection Rate Application

			2010 Actual Expenses per Audited Financials	**2011** Actual Expenses per Audited Financials	**2012** R3 Rate Calculation based on 2010 Audited Financials - No Extension	**2013** Forecast based on 2012 R3 Rate Calculation and 2011 Actuals - No Extension	**2013** Negotiated Rate Application - 7 Year Extension
Revenues							
Residential and Commercial Collection			$ 4,319,061	$ 4,644,836	$ 4,540,651	$ 4,500,493	$ 4,500,493
Debris Box			316,906	272,755	316,906	272,755	272,755
Rental Fees			96,545	102,248	96,545	102,248	102,248
Maintenance and Other Services			25,481	29,467	25,841	29,467	29,467
Total Revenues			**4,757,993**	**5,049,306**	**4,979,943**	**4,904,963**	**4,904,963**
Expenses							
Driver Wages			769,573	824,017	762,453	817,885	817,885
Officer Wages			558,830	428,683	436,604	445,161	463,342
Office Wages			188,235	190,549	194,070	197,874	194,851
Total Wages			***1,516,638***	***1,443,249***	***1,393,127***	***1,460,920***	***1,476,078***
Employee Benefits			323,570	309,309	263,969	269,143	269,131
Insurance			74,128	67,204	71,931	73,341	69,784
Total Personnel			**1,914,336**	**1,819,762**	**1,729,027**	**1,803,404**	**1,814,993**
Depreciation and Amortization			114,527	126,396	277,883	277,883	200,523
Bad debt expense			13,371	-	13,785	15,108	7,500
Billing			18,073	17,249	18,633	17,911	17,911
Communications			4,454	4,762	4,592	4,945	4,945
Computers			13,484	15,175	13,902	15,758	15,758
Contributions			8,210	6,674	5,578	5,813	5,813
Damage claims			500	2,500	515	2,596	2,596
Diesel			98,348	135,499	133,443	173,730	173,730
Dues and subscriptions			22,102	19,498	18,469	19,198	19,198
Employee gifts			1,958	1,904	-	-	-
Equipment rental			2,212	1,864	2,281	1,936	1,936
Gas and oil			236	720	320	923	923
Interest			-	-	96,747	96,747	96,747
Uniforms, laundry, and linen			2,960	2,495	3,052	2,591	2,591
Legal, accounting, professional services			143,358	149,326	150,178	156,482	156,482
Licenses			18,196	16,137	21,760	19,815	19,815
Misc.			16,094	17,053	16,593	17,708	17,708
Office supplies			18,157	16,981	18,720	17,633	17,633
Parts			25,422	39,543	26,210	41,061	41,061
Pension and profit sharing			6,552	7,990	6,755	8,297	8,297
Postage			5,007	3,237	5,162	3,361	3,361
Promotion			1,155	1,126	-	-	-
Rents			170,676	164,136	171,946	170,438	170,438
Repairs			11,920	15,242	12,290	15,827	15,827
Security			4,068	4,187	4,194	4,348	4,348
Supplies			966	1,191	996	1,237	1,237
Taxes			21,453	20,845	22,118	21,645	21,645
Telephone			15,280	14,168	15,754	14,712	14,712
Tires and tubes			15,129	19,584	15,598	20,336	20,336
Travel and entertainment			313	12	7,140	7,047	7,047
Utilities			7,839	7,749	8,082	8,047	8,047
Pension Liability			-	-	-	-	-
Total Operations			**782,020**	**833,243**	**1,092,696**	**1,163,133**	**1,078,165**
Total Operating Expenses			**2,696,356**	**2,653,005**	**2,821,723**	**2,966,537**	**2,893,158**
	Prev	New					
Operating Ratio	89.0%	90.5%	333,257	327,899	348,752	366,651	303,702
Pass Through Expenses	Prev	New					
Franchise Fees	10%	12%	458,729	487,691	490,488	506,984	602,101
Disposal / Processing			1,342,577	1,343,816	1,272,204	1,272,204	1,272,204
Officer 401k			-	-	21,600	21,600	21,600
Pension Liability			-	-	65,551	65,551	45,885
Balancing Account			-	-	-	-	-
Grand Total Expenses			4,830,919	4,812,411	5,020,318	5,199,527	5,138,650
Income (Loss)			**(72,926)**	**236,895**	**(40,375)**	**(294,564)**	**(233,687)**
Other Income			(331)	(11,995)	-	-	-
Revenue Requirement			4,831,250	4,824,406	5,020,318	5,199,527	5,138,650
Rate Revenue			4,732,512	5,019,839	4,954,102	4,875,496	4,875,496
Rate Revenue Increase %					0.81%	6.04%	4.79%
						6.91%	

No increase adopted for 2012.

Draft effective increase if extension not agreed to.

Attachment A

Refuse Rate Index

The Refuse Rate Index (RRI) adjustment shall be calculated in the following manner:

1. The expenses for the required franchised services for the designated fiscal period (January – December) shall be prepared in the format set forth in the Operating Cost Statement - Description on the following page of this Attachment.
2. The expenses for the required franchised services shall be broken down into the following seven cost categories: Union Labor; Non-Union Labor, Diesel Fuel; Vehicle Maintenance, All Other, Depreciation and Interest and Pension Liability. Each cost category is assigned a weighted percentage factor based on that cost category's proportionate share of the total of the costs shown for all cost categories.
3. The following indices published by the United States Department of Labor, Bureau of Labor Statistics (BLS) and the United States Energy and Information Administration (Diesel Fuel), the actual adjustment to union wage rates, the actual change in the Depreciation and Interest Expense, and a set annual amount of $45,885 in Pension Liability funding are used to calculate the adjustment for each cost category. The change in each index shall be calculated using the change in the 12-month average of RRI index values between the base period, which shall be the prior preceding 12-month period ending August 31st, and the preceding 12-month period ending August 31st as contained in the most recent release of the source documents listed. The change in Depreciation and Interest expense shall be based on the actual expense for the prior calendar year compared to the actual expense for the immediately preceding calendar year. In the event any index is discontinued, a successor index shall be selected by the City. Successor indices shall be those indices that are most closely equivalent to the discontinued indices as recommended by the BLS.

Cost Category	**Index**
Union Labor	The applicable annual adjustment to the wage rates and benefits specified in the Company's applicable Union Agreement
Non-Union Labor	Series ID: ceu6056210008 Professional and business services – waste collection
Diesel Fuel	Series ID: cuusa422setb01 Consumer Price Index, All Urban Consumers, Gasoline (all types) – Bay Area
Vehicle Maintenance	Series ID: pcu333924333924 Industrial truck, trailer and stacker mfg.
All Other	Series ID: cuura422sa0 Consumer Price Index, All Urban Consumers, All Items – Bay Area
Depreciation and Interest	The actual change for the most recently completed calendar year compared to the prior year
Pension Liability	Set at $45,885 without adjustment until fully funded.

4. The percentage weight for each cost category is multiplied by the change in each appropriate index to calculate a weighted percentage for each cost category. The weighted percentage changes for each of the seven cost categories are added together to calculate the "collection component" of the Refuse Rate Index.

Operating Cost Statement - Description

Union Labor: (Adjustment to account for weighting of any differing adjustments to wages and / or specific benefit accounts)

List all union labor salary and benefit accounts.

List payroll tax accounts directly related to the above salary accounts.

List employee group medical and life accounts directly related to the above salary accounts.

List employee retirement or profit sharing contributions accounts directly related to the above salary accounts.

Non-Union Labor:

List all non-union labor salary and benefit accounts.

List payroll tax accounts directly related to the above salary accounts.

List employee group medical and life accounts directly related to the above salary accounts.

List employee retirement or profit sharing contributions accounts directly related to the above salary accounts.

Diesel Fuel: List all diesel fuel accounts.

Depreciation and Interest:

List all depreciation and interest accounts

Vehicle Maintenance:

List all collection or collection related vehicle parts accounts.

Pension Liability Funding:

Set at $45,885 without adjustment until fully funded.

All Other: List all other expense accounts related to the services provided under this Agreement not including any disposal related expenses that are covered through the IRRF Rate. This category includes all insurance including general liability, fire, truck damage, and extended coverage; rent on property, truck licenses and permits; real and personal property taxes; telephone and other utilities; employee uniforms; safety equipment; general yard repairs and maintenance; non-diesel fuel; office supplies; postage; trade association dues and subscription; advertising; and miscellaneous other expenses.

RRI Example

Item #	Category	Data Source	Percent Change (1)	Category Costs	Category Weight (2)	Weighted Percentage Change (3)
1	Union Labor	The applicable annual adjustment to the wage rates and benefits specified in the Company's applicable Union Agreement	5.00%	$817,885	27.83%	1.39%
2	Non-Union Labor	Series ID: ceu6056210008 Professional and business services – waste collection	1.77%	$1,161,887	39.53%	0.70%
3	Diesel Fuel	Series ID: cuusa422setb01 Consumer Price Index, All Urban Customers, Gasoline (all types), Bay Area	-27.68%	$173,730	5.91%	-1.64%
4	Vehicle Maintenance	Series ID: pcu333924333924 Industrial truck, trailer and stacker mfg.	10.26%	$77,224	2.63%	0.27%
5	All Other	Series ID: cuura422sa0 Consumer Price Index, All Urban Customers, All Items, Bay Area	0.99%	$365,162	12.42%	0.12%
6	Depreciation and Interest	Set to actual	5.00%	$297,270	10.11%	0.51%
7	Pension Liability Funding	No annual adjustment to Pension Funding Liability - Existing rates set to generate $45,885 annually.	0.00%	$45,885	1.56%	0.00%
RRI				**$2,939,043**	**100.00%**	**1.35%**

(1) Assumes these are the percentage changes in the indices from year to year.

(2) Assumes the categories represent these percentages as a total of CONTRACTOR'S operating costs.

(3) Represents the product of Percentage Change x Category Weight.

In this example, the Refuse Rate Index is 1.35% (i.e., rates would be increased by 1.35%).

One-Time or Ongoing Additional Expenses

Additional adjustments may be made for the addition of any one-time or ongoing expenses approved by the City. To calculate the additional percentage increase required for any such additional expenses, the amount of additional expense will be divided by the total operating costs for the seven RRI cost categories. For example, if the amount of additional expense is $50,000, and the Company's operating costs for the seven cost categories total $2,939,043, the additional required rate increase would be $50,000 / $2,939,043 = 1.70%. Using the example above, this would result in a total RRI adjustment of 1.35% + 1.70% = 3.05%.

If this adjustment is made for a one-time additional expense, there will need to be a negative adjustment to the RRI percentage in the following year in order to remove the one-time expense from the rate base. This negative adjustment will be calculated by dividing the total amount of one-time expense by the *adjusted* total operating costs for the year in which the one-time addition was incorporated. For example, if the additional expense of $50,000 (used as an example above) was a one-time expense, the negative adjustment to the RRI percentage in the following year would be -$50,000 / ($2,939,043 x (1+3.05%)) = -1.65%. It should be noted that this negative adjustment is not "additive" to the regularly calculated RRI increase in the subsequent year (i.e., the adjustment must be applied separately by multiplication) (see Attachment A-1 for calculation).

Attachment A-1 provides an example of a one-time additional expense added to the RRI calculation.

Revenue Balancing Account

In addition to the above RRI Collection Rate adjustment, an additional adjustment will be made to account for any difference between the projected rate revenues and the actual rate revenues received. As an example, a January 1, 2014 RRI rate adjustment of 3.05% is projected to generate $3,713,325 in collection rate revenues (not including IRRF Rate Revenues). If the 2014 audited financial statements submitted as part of the RRI application due October 1, 2015 report total rate revenues of $3,700,000 there is a shortfall of $13,325. Therefore, a Revenue Balancing Account adjustment would be in an amount equal to the amount of shortfall divided by the total operating costs for the seven cost categories submitted on October 1, 2015. For example, if the amount of shortfall is $13,325, and the Company's operating costs for the seven cost categories total $3,500,000, the additional required rate increase would be $13,325 / $3,500,000 = 0.38%. It should be noted that this adjustment is not "additive" to the regularly calculated RRI increase in that year (i.e., the adjustment must be applied separately by multiplication).

A negative adjustment will be made in instances where a rate revenue surplus is realized. For example, if instead of a shortfall there is a surplus of $13,325, and the Company's operating costs for the seven cost categories total $3,500,000, the required negative adjustment would be -$13,325 / $3,500,000 = -0.38%. It should be noted that this adjustment is not "additive" to the regularly calculated RRI increase in that year (i.e., the adjustment must be applied separately by multiplication).

Attachment A-2 illustrates how the revenue shortfall/surplus is determined by projecting the Company's revenue and comparing to actual revenues received.

ATTACHMENT A-1

In Rate Year 2, Category Costs can either be reestablished using new financial information, or they can be taken as the previous year's "Adjusted Category Costs" (as shown here). If the latter method is used, any "ongoing" Additions to Rate Base from Rate Year 1 must be added to this year's Category Costs ("one-time" additions do not need to be added).

In Rate Year 3, Category Costs can either be reestablished using new financial information, or they can be taken as the previous year's "Adjusted Category Costs" (as shown here). If the latter method is used, any "ongoing" Additions to Rate Base from Rate Year 2 must be added to this year's Category Costs ("one-time" additions do not need to be added).

			RATE YEAR 1				
Item #	Category	Data Source	Percent Change (1)	Category Costs	Category Weight (2)	Weighted Percentage Change (3)	Adjusted Category Costs
1	Union Labor	The applicable annual adjustment to the wage rates and benefits specified in the Company's applicable Union Agreement	5.00%	$817,885	27.83%	1.39%	$858,779
2	Non-Union Labor	Series ID: ceu6056210008 Professional and business services – waste collection	1.77%	$1,161,887	39.53%	0.70%	$1,182,428
3	Diesel Fuel	Series ID: cuusa422setb01 Consumer Price Index, All Urban Customers, Gasoline (all types), Bay Area	-27.68%	$173,730	5.91%	-1.64%	$125,643
4	Vehicle Maintenance	Series ID: pcu333924333924 Industrial truck, trailer and stacker mfg.	10.26%	$77,224	2.63%	0.27%	$85,147
5	All Other	Series ID: cuura422sa0 Consumer Price Index, All Urban Customers, All Items, Bay Area	0.99%	$365,162	12.42%	0.12%	$368,777
6	Depreciation and Interest	Set to actual	5.00%	$297,270	10.11%	0.51%	$312,134
7	Pension Liability Funding	No annual adjustment to Pension Funding Liability - Existing rates set to generate $45,885 annually.	0.00%	$45,885	1.56%	0.00%	$45,885
RRI				**$2,939,043**	**100.00%**	**1.35%**	**$2,978,792**

	RATE YEAR 2				
Item #	Percent Change (1)	Category Costs	Category Weight (2)	Weighted Percentage Change (3)	Adjusted Category Costs
1	5.00%	$858,779	28.83%	1.44%	$901,718
2	-0.04%	$1,182,428	39.69%	-0.02%	$1,181,975
3	15.97%	$125,643	4.22%	0.67%	$145,704
4	0.90%	$85,147	2.86%	0.03%	$85,911
5	1.37%	$368,777	12.38%	0.17%	$373,815
6	5.00%	$312,134	10.48%	0.52%	$327,740
7	0.00%	$45,885	1.54%	0.00%	$45,885
RRI		**$2,978,792**	**100.00%**	**2.82%**	**$3,062,748**

	RATE YEAR 3				
Item #	Percent Change (1)	Category Costs	Category Weight (2)	Weighted Percentage Change (3)	Adjusted Category Costs
1	5.00%	$901,718	29.44%	1.47%	$946,804
2	0.49%	$1,181,975	38.59%	0.19%	$1,187,804
3	17.14%	$145,704	4.76%	0.82%	$170,677
4	0.79%	$85,911	2.81%	0.02%	$86,589
5	2.05%	$373,815	12.21%	0.25%	$381,489
6	5.00%	$327,740	10.70%	0.54%	$344,127
7	0.00%	$45,885	1.50%	0.00%	$45,885
RRI		**$3,062,748**	**100.00%**	**3.29%**	**$3,163,375**

(1) Assumes these are the percentage changes in the indices from year to year.
(2) Assumes the categories represent these percentages as a total of CONTRACTOR'S operating costs.
(3) Represents the product of Percentage Change x Category Weight.

	Additions to Rate Base		
Category	Description	One-Time?	Cost
Union Labor			
Non-Union Labor			
Diesel Fuel			
Vehicle Maintenance			
All Other	Example One-Time Addition to Rate Base	Yes	$50,000
Depreciation and Interest			
Pension Liability Funding			

Total Additions to Rate Base	**$50,000**
Total Adjusted Costs	**$3,028,792**
Additional Required Rate Increase	**1.70%**
Total Rate Increase	**3.05%**

The Adjustment to Remove Prev. One-Time Additions to Rate Base (-1.65%) is not exactly equal to the Additional Required Rate Increase (1.70%) from the prior year. This is because the one-time expense must be removed from the *Total Adjusted* Costs from the previous year, rather than the original Category Costs. For example:

Original adj. to add expense = $50,000 / ($2,939,043)
= **1.70%**

Adj. to remove expense = -$50,000 / ($2,939,043 x (1+3.05%))
= -$50,000 / ($3,028,792)
= **-1.65%**

EXAMPLE

Scenario:	One-Time Adjustment		No One-Time Adjustment	
Example Rate:	$	10.00	$	10.00
RY1 Increase:	3.05%	10.305	1.35%	10.135
RY2 Increase:	1.12%	10.421	2.82%	10.421

Check: **OK**

Additions to Rate Base (Rate Year 2)		
Description	One-Time?	Cost

Total Additions to Rate Base	**$0**
Total Ending Costs	**$3,062,748**
Additional Required Rate Increase	**0.00%**
Total Rate Increase	**2.82%**

If previous year's Additions to Rate Base were ***one-time*** *additions:*

Adjustment to Remove Prev. One-Time Additions to Rate Base	**-1.65%**
Grand Total Rate Increase	**1.12%**

If previous year's Additions to Rate Base were ***ongoing*** *additions, the amount of those additions should be added to the appropriate Category Cost above.*

IMPORTANT NOTE: The "Total Rate Increase" and the "Adjustment to Remove Prev. One-Time Additions to Rate Base" are ***NOT*** *additive. The Adjustment to Remove Prev. One-Time Additions to Rate Base must be applied separately. The resulting "Grand Total Rate Increase" calculation is:*
(1+"Adjustment") x (1+"Total Rate Increase) - 1

Additions to Rate Base (Rate Year 3)		
Description	One-Time?	Cost

Total Additions to Rate Base	**$0**
Total Ending Costs	**$3,163,375**
Additional Required Rate Increase	**0.00%**
Total Rate Increase	**3.29%**

If previous year's Additions to Rate Base were ***one-time*** *additions:*

Adjustment to Remove Prev. One-Time Additions to Rate Base	**0.00%**
Grand Total Rate Increase	**3.29%**

If previous year's Additions to Rate Base were ***ongoing*** *additions, the amount of those additions should be added to the appropriate Category Cost above.*

IMPORTANT NOTE: The "Total Rate Increase" and the "Adjustment to Remove Prev. One-Time Additions to Rate Base" are ***NOT*** *additive. The Adjustment to Remove Prev. One-Time Additions to Rate Base must be applied separately. The resulting "Grand Total Rate Increase" calculation is:*
(1+"Adjustment") x (1+"Total Rate Increase) - 1

East Bay Sanitary 2013 Collection Rate Application

			2013 Negotiated Rate Application - 7 Year Extension	RRI Cost Category	2014 Revenues Projected by RRI	Actual 2014 Revenues	Difference
Revenues							
Rate Revenues (incl. Rental Fees)			**3,603,292**	**+3.05%** →	**3,713,325**	**3,700,000**	**13,325**
IRFF Rate Revenues			1,272,204				
Maintenance and Other Services			29,467				
Total Revenues			**4,904,963**				
Expenses							
Driver Wages			817,885	Union Labor			
Officer Wages			463,342	Non-Union Labor			
Office Wages			194,851	Non-Union Labor			
Total Wages			***1,476,078***				
Employee Benefits			269,131	Non-Union Labor			
Insurance			69,784	Non-Union Labor			
Total Personnel			**1,814,993**				
Depreciation and Amortization			200,523	Depreciation and Interest			
Bad debt expense			7,500	All Other			
Billing			17,911	All Other			
Communications			4,945	All Other			
Computers			15,758	All Other			
Contributions			5,813	All Other			
Damage claims			2,596	All Other			
Diesel			173,730	Diesel Fuel			
Dues and subscriptions			19,198	All Other			
Employee gifts			-	All Other			
Equipment rental			1,936	All Other			
Gas and oil			923	All Other			
Interest			96,747	Depreciation and Interest			
Uniforms, laundry, and linen			2,591	All Other			
Legal, accounting, professional services			156,482	Non-Union Labor			
Licenses			19,815	All Other			
Misc.			17,708	All Other			
Office supplies			17,633	All Other			
Parts			41,061	Vehicle Maintenance			
Pension and profit sharing			8,297	Non-Union Labor			
Postage			3,361	All Other			
Promotion			-	Non-Union Labor			
Rents			170,438	All Other			
Repairs			15,827	Vehicle Maintenance			
Security			4,348	All Other			
Supplies			1,237	All Other			
Taxes			21,645	All Other			
Telephone			14,712	All Other			
Tires and tubes			20,336	Vehicle Maintenance			
Travel and entertainment			7,047	All Other			
Utilities			8,047	All Other			
Pension Liability			-	Pension Liability			
Total Operations			**1,078,165**				
Total Operating Expenses			**2,893,158**				
	Prev	New					
Operating Ratio	89.0%	90.5%	303,702				
Pass Through Expenses	Prev	New					
Franchise Fees	10%	12%	602,101				
Disposal / Processing			1,272,204				
Officer 401k			21,600				
Pension Liability			45,885				
Balancing Account			-				
Grand Total Expenses			5,138,650				
Income (Loss)			**(233,687)**				
Other Income			-				

Divide this value by the total operating costs for the seven cost categories in the year the Revenue Balancing Account adjustment takes place in order to determine the additional % adjustment required.

817,885	**Union Labor**
1,161,887	**Non-Union Labor**
173,730	**Diesel Fuel**
77,224	**Vehicle Maintenance**
365,162	**All Other**
297,270	**Depreciation and Interest**
-	**Pension Liability**

NON-UNION LABOR

Employment, Hours, and Earnings from the Current
Original Data Value

Series Id: CEU6056210008

Not Seasonally Adjusted

Super Sector:	Professional and business services
Industry:	Waste collection
NAICS Code:	5621
Data Type:	AVERAGE HOURLY EARNINGS OF PRODUCTION AND NONSUPERVISORY EMPLOYEES
Years:	2002 to 2012

% Change for years 2009, 2010 and 2011 used for purposes of illustration on Attachment A-1. For a RRI rate adjustment effective January 1, 2014, the % change between average value for the 12-month period ending August 2012 and the average value for the 12-month period ending August 2013 would be used.

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	Average	% Change
2002	13.88	13.84	14.00	14.27	14.38	14.52	14.87	14.81	14.67	14.66	14.76	14.79	14.48		
2003	14.91	14.74	15.05	15.21	15.20	15.39	15.54	15.56	15.33	15.67	15.87	15.43	15.33	15.04	
2004	15.25	15.18	15.11	15.26	15.35	15.34	15.51	15.46	15.34	15.27	15.10	15.06	15.27	15.40	2.37%
2005	14.90	14.71	14.83	15.38	15.45	15.64	15.76	15.90	15.84	15.97	15.92	16.09	15.54	15.28	-0.77%
2006	16.07	16.09	16.32	16.18	16.39	16.64	16.58	16.73	16.33	16.61	16.37	16.59	16.41	16.24	6.26%
2007	16.55	16.66	16.94	16.59	16.81	16.63	16.97	16.71	16.91	16.86	17.28	17.06	16.83	16.65	2.54%
2008	17.04	17.12	17.22	17.19	17.17	17.27	17.19	17.02	17.11	17.00	17.67	17.66	17.22	17.11	2.79%
2009	17.73	17.86	17.72	17.32	17.32	17.09	17.21	17.27	17.69	17.37	17.22	17.38	17.43	17.41	1.77%
2010	17.28	17.19	17.22	17.21	17.42	17.68	17.45	17.77	17.94	17.86	17.46	17.48	17.50	17.41	-0.04%
2011	17.31	17.38	17.22	17.44	17.37	17.68	17.49	17.28	17.41	17.15	17.33	17.10	17.35	17.49	0.49%
2012	17.18	17.14	17.18	17.44	17.58	17.37	17.47	17.31	17.24					17.31	-1.07%

Consumer Price Index - All Urban Consumers
Original Data Value

Series Id: CUUSA422SETB01

Not Seasonally Adjusted

Area: San Francisco-Oakland-San Jose, CA
Item: Gasoline (all types)
Base Period: 1982-84=100
Years: 2002 to 2012

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	Average	% Change
2002	98.8	98.8	111.8	126.4	123.2	125.3	127.6	126.1	124.8	122.5	128.0	125.3	119.9		
2003	131.1	146.4	164.2	161.4	146.7	140.9	143.3	147.4	160.7	142.6	130.9	125.3	145.1	140.17	
2004	128.0	141.7	161.7	163.1	171.3	175.7	168.2	160.1	159.9	178.0	178.5	163.2	162.5	152.44	8.76%
2005	147.7	155.3	173.7	199.0	194.8	183.0	195.3	205.8	226.3	222.1	195.0	168.5	188.9	177.85	16.67%
2006	177.1	188.8	193.1	220.1	249.8	242.2	241.1	236.5	213.5	191.1	186.1	193.6	211.1	213.38	19.98%
2007	199.904	208.115	235.535	251.848	262.584	249.699	240.699	225.521	222.381	234.636	258.004	254.849	236.981	221.52	3.81%
2008	248.986	246.717	272.803	288.467	303.504	340.526	339.158	311.970	292.294	264.723	182.948	141.060	269.430	276.83	24.97%
2009	153.240	167.998	164.472	174.782	190.478	222.585	219.897	228.031	236.840	231.912	226.980	220.962	203.181	200.21	-27.68%
2010	229.403	222.820	232.235	235.070	235.684	234.512	239.427	240.257	230.378	235.786	241.123	245.781	235.206	232.18	15.97%
2011	254.001	263.781	296.965	316.808	313.826	294.033	287.194	283.951	294.641	289.849	284.870	269.894	287.484	271.97	17.14%
2012	279.256	301.685	327.044	317.016	324.627	300.519	285.116	309.893	314.814					298.70	9.83%

Producer Price Index Industry Data
Original Data Value

Series Id: PCU333924333924

Industry: Industrial truck, trailer, and stacker mfg
Product: Industrial truck, trailer, and stacker mfg
Base Date: 197912
Years: 2002 to 2012

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	Average	% Change
2002	155.4	155.5	155.5	154.6	154.4	154.5	155.4	155.5	155.5	155.5	155.5	156.1	155.3		
2003	156.1	156.3	156.5	156.2	156.2	157.0	157.0	157.1	157.1	157.2	157.2	157.3	156.8	156.25	
2004	157.8	158.5	159.0	160.1	160.9	161.2	161.9	162.2	162.3	163.2	163.9	164.0	161.2	159.20	1.89%
2005	165.2	165.4	165.6	169.0	169.4	169.7	170.0	170.1	170.2	170.7	170.8	171.2	168.9	166.48	4.57%
2006	171.6	172.1	172.3	173.1	173.8	174.6	176.1	176.4	176.6	177.5	177.6	177.6	175.0	172.74	3.76%
2007	178.4	178.5	179.1	179.8	179.8	179.8	180.3	180.3	180.3	180.3	180.6	180.0	179.8	178.78	3.49%
2008	182.6	182.8	182.9	184.2	185.4	187.0	198.0	198.3	202.1	202.5	202.4	202.6	192.6	185.20	3.59%
2009	203.0	203.0	203.0	205.9	205.8	205.8	207.0	207.3	207.3	207.4	207.4	207.8	205.9	204.20	10.26%
2010	205.0	205.0	205.0	206.0	207.0	204.2	205.1	205.2	205.1	205.1	205.9	205.9	205.4	206.03	0.90%
2011	206.3	206.7	206.9	209.5	209.4	209.9	210.6	210.6	210.8	210.9	210.8	210.9	209.5	207.66	0.79%
2012	213.6	215.8	214.6	215.2	215.5	218.1	217.4	218.1	218.2					214.31	3.20%

ALL OTHER

Consumer Price Index - All Urban Consumers
Original Data Value

Series Id: CUURA422SA0

Not Seasonally Adjusted

Area: San Francisco-Oakland-San Jose, CA
Item: All items
Base Period: 1982-84=100
Years: 2002 to 2012

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	Average	% Change
2002		191.3		193.0		193.2		193.5		194.3		193.2	193.0		
2003		197.7		197.3		196.3		196.3		196.3		195.3	196.4	195.85	
2004		198.1		198.3		199.0		198.7		200.3		199.5	198.8	197.62	0.90%
2005		201.2		202.5		201.2		203.0		205.9		203.4	202.7	201.28	1.86%
2006		207.1		208.9		209.1		210.7		211.0		210.4	209.2	207.52	3.10%
2007		213.688		215.842		216.123		216.240		217.949		218.485	216.048	213.88	3.07%
2008		219.612		222.074		225.181		225.411		225.824		218.528	222.767	221.45	3.54%
2009		222.166		223.854		225.692		225.801		226.051		224.239	224.395	223.64	0.99%
2010		226.145		227.697		228.110		227.954		228.107		227.658	227.469	226.70	1.37%
2011		229.981		234.121		233.646		234.608		235.331		234.327	233.390	231.35	2.05%
2012		236.880		238.985		239.806		241.170						237.75	2.76%

RATE ADJUSTMENT SCHEDULE

Contract begins	1/1/2014	
Contractor submits financial info for CY 2013	10/1/2014	CY 2013 info not availa
Rate adjustment approved by City Council (approx.)	11/1/2014	
Rate adjustment takes effect	1/1/2015	
Contractor submits financial info for CY 2014	10/1/2015	
Rate adjustment approved by City Council (approx.)	11/1/2015	
Rate adjustment takes effect	1/1/2016	
Contractor submits financial info for CY 2015	10/1/2016	
Rate adjustment approved by City Council (approx.)	11/1/2016	
Rate adjustment takes effect	1/1/2017	

Adjust all dates up/down in increments of one year depending on contract start date.

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Item #	Category	Data Source	Percent Change [1]	Category Costs	Category Weight [2]	Weighted Percentage Change [3]	Adjusted Category Costs
			RATE YEAR 1				
1	Union Labor	The applicable annual adjustment to the wage rates and benefits specified in the Company's applicable Union Agreement	5.00%	$817,885	27.83%	1.39%	$858,779
2	Non-Union Labor	Series ID: ceu6056210008 Professional and business services – waste collection	1.77%	$1,161,887	39.53%	0.70%	$1,182,428
3	Diesel Fuel	California No 2 Diesel Ultra Low Sulfur (0-15 ppm): http://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=EMD_EPD2DXL0_PTE_SCA_DPG&f=M	#REF!	$173,730	5.91%	#REF!	#REF!
4	Vehicle Maintenance	Series ID: pcu333924333924 Industrial truck, trailer and stacker mfg.	10.26%	$77,224	2.63%	0.27%	$85,147
5	All Other	Series ID: cuura422sa0 Consumer Price Index, All Urban Customers, All Items Bay Area	0.99%	$365,162	12.42%	0.12%	$368,777
6	Depreciation and Interest	Set to actual	0.00%	$297,270	10.11%	0.00%	$297,270
7	Pension Liability Funding	No annual adjustment to Pension Funding Liability - Existing rates set to generate $45,885 annually.	0.00%	$45,885	1.56%	0.00%	$45,885
RRI				**$2,939,043**	**100.00%**	**#REF!**	**#REF!**

Revenue Impact to Company

#REF!

[1] Assumes these are the percentage changes in the indices from year to year.
[2] Assumes the categories represent these percentages as a total of CONTRACTOR'S operating costs.
[3] Represents the product of Percentage Change x Category Weight.

Item #	Category	Data Source	Percent Change [1]	Category Costs	Category Weight [2]	Weighted Percentage Change [3]	Adjusted Category Costs
			RATE YEAR 1				
1	Union Labor	The applicable annual adjustment to the wage rates and benefits specified in the Company's applicable Union Agreement	5.00%	$817,885	31.51%	1.58%	$858,779
2	Non-Union Labor	Series ID: ceu6056210008 Professional and business services – waste collection	1.77%	$1,161,887	44.76%	0.79%	$1,182,428
3	Diesel Fuel	California No 2 Diesel Ultra Low Sulfur (0-15 ppm): http://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=EMD_EPD2DXL0_PTE_SCA_DPG&f=M	#REF!	$173,730	6.69%	#REF!	#REF!
4	Vehicle Maintenance	Series ID: pcu333924333924 Industrial truck, trailer and stacker mfg.	10.26%	$77,224	2.97%	0.31%	$85,147
5	All Other	Series ID: cuura422sa0 Consumer Price Index, All Urban Customers, All Items Bay Area	0.99%	$365,162	14.07%	0.14%	$368,777
6	Depreciation and Interest	Set to actual	0.00%	$0	0.00%	0.00%	$0
7	Pension Liability Funding	No annual adjustment to Pension Funding Liability - Existing rates set to generate $45,885 annually.	0.00%	$0	0.00%	0.00%	$0
RRI				**$2,595,888**	**100.00%**	**#REF!**	**#REF!**

Revenue Impact to Company

#REF!

[1] Assumes these are the percentage changes in the indices from year to year.
[2] Assumes the categories represent these percentages as a total of CONTRACTOR'S operating costs.
[3] Represents the product of Percentage Change x Category Weight.

AGENDA BILL

Agenda Item No. 7(B)

Date: November 20, 2012

To: El Cerrito City Council

From: Mary Dodge, Administrative Services Director/City Treasurer
Scott Hanin, City Manager

Subject: Budget Update

ACTION REQUESTED

Receive and comment on the General Fund budget update for the period of July 1, 2012 through October 31, 2012.

BACKGROUND

During the FY2012-13 budget approval process submission of interim budget update reports was proposed. More frequent reporting was believed to be good practice as the City budget has become much more volatile in recent years due mostly to factors beyond our control. To begin development of the review process, two budget reports are attached that were generated directly from the New World Systems (NWS) finance program for the four months ending October 31, 2012 of the 2012-13 fiscal year. Our goal is to generate reports directly from NWS to reduce duplicative efforts and allow for easy reconciliation with our other financial reports. Other reports can be made available as desired by the Council.

Attachment 1 is a one page *Budget by Account Classification Report* which is presented to show at a very high level, how the general fund is performing in comparison to the adopted budget and the prior year's year-to-date activity by classification. The 10 page *Budget by Organization Report* (Attachment 2) provides an additional level of detail in order to allow for a deeper review of the budget variances by breaking the classification out by General Fund organization (division).

ANALYSIS

At this time of year, certain aspects of the budget are difficult to review from these reports due to timing of payments and the receipt of revenues. The intent of this report is to provide information; therefore, we are not proposing any adjustments at this time.

Overall, the budget is performing as planned. As has been noted in the past, revenues are very difficult to predict early in the fiscal year due to timeliness of receipts, timing of property taxes and seasonal changes in fee revenue. On the expenditure side, costs are easier to predict as personnel costs make up roughly 80% of the budget and progress at an even rate. Below we have included discussion of only significant known variances from projections based on currently available information. We have not highlighted smaller variances or those that we believe, based on historical information, will ultimately meet the budget projections. As always, additional detail is available upon request.

Revenues

Major fluctuations in the Revenue classification are in the areas of Charges for Services, Other Revenue and Other Financing Sources. All variances in those classifications are from timing of revenue receipts and no significant variances are anticipated. As mentioned in previous budget discussions, the largest variance in revenues is an unanticipated reduction to assessed values of 2.44% related to secured property taxes which results in a loss of revenue of approximately $300,000. However, staff recently learned that this loss will be largely offset by our Sales and Use Tax In Lieu of Property taxes (Triple Flip) increase of $240,000 above projections and higher Office of Emergency Services reimbursement of $40,000 related to the Fire Department's increased mutual aid calls earlier this fiscal year. Additionally, we are anticipating a $50,000 increase in franchise fees associated with the solid waste franchise agreement, discussed in a separate agenda bill and not included in these numbers.

Assuming other revenues will come somewhat above or below their budgeted amounts, revenues are projected at this time to be consistent with the adopted budget. The one significant unknown, is the final disposition of all requested enforceable obligations related to the dissolution of redevelopment which could impact the budget; however, most of that risk is mitigated by restricted reserves, set aside for economic development related activities.

Expenditures

In expenditures, the areas for further review are Personnel Services, because of the materiality of that classification, and Other Purchased Services because of the high balance spent through four months. General Fund expenditures overall are at 33%, which is exactly on target for four months of the fiscal year. Personnel Services are at a favorable variance of 1% due to salary savings which are anticipated to increase as the window for the retirement service credit closes in late November.

The classification for Other Purchased Services includes our annual insurance premiums which are paid at the beginning of the year by the Employee Services Division. Having this large expenditure paid out early in the year fails to report an accurate percentage in that classification. Additionally, the City receives a retroactive adjustment that offsets the amount in that budget line item, but the amount will not be known until close to the end of the fiscal year. As has been the case in the past, staff believes that expenditures will ultimately come in as planned or below budgeted levels. Because of the 2-Year Service Credit window and other vacancies, staff has the ability in some cases to decrease expenses through vacant positions in order to achieve necessary savings.

CONCLUSION

The NWS reports were reviewed by the Financial Advisory Board (FAB) at their regular meeting on November 13, 2012 and a discussion was held on the variances mentioned in this report. For future quarterly updates the FAB suggested including the Integrated Waste Management Fund, since it is also shown in the budget with a ten year plan, and providing line item detail for the classification – Property and Other Taxes.

At this time there are no unanticipated material variances in revenues or unanticipated variances in expenditures for the FY2012-13. As such, there is no need to make any budget adjustments or course corrections to the originally adopted operating budget for fiscal year 2012-13 at this time. We anticipate our regular mid-year review in February where we will go into more detail and consider any necessary adjustments.

Attachment:

1. Budget by Account Classification Report
2. Budget by Organization Report

Budget by Account Classification Report

Through 10/31/12
Prior Fiscal Year Activity Included
Summary Listing

Account Classification	Adopted Budget	Budget Amendments	Amended Budget	Current Month Transactions	YTD Encumbrances	YTD Transactions	Budget - YTD Transactions	% used/ Rec'd	Prior Year YTD
Fund **101 - General Fund**									
REVENUE									
Property and Other Taxes	16,898,200.00	.00	16,898,200.00	1,268,886.08	.00	2,141,559.31	14,756,640.69	13	1,916,097.12
Licenses & Permits	669,936.00	.00	669,936.00	55,632.50	.00	196,422.96	473,513.04	29	188,457.87
Fines & Forfeitures	265,000.00	.00	265,000.00	26,466.16	.00	78,600.24	186,399.76	30	46,751.08
Use of Money and Property	331,080.00	.00	331,080.00	20,871.97	.00	85,684.11	245,395.89	26	73,707.74
Intergovernmental Revenues	4,818,362.00	.00	4,818,362.00	393,215.39	.00	996,831.67	3,821,530.33	21	890,395.39
Charges for Services	5,210,896.00	.00	5,210,896.00	302,538.12	.00	1,229,097.42	3,981,798.58	24	1,474,130.90
Other Revenue	273,700.00	.00	273,700.00	7,454.10	.00	48,211.75	225,488.25	18	(49,997.85)
Other Financing Sources	724,936.00	.00	724,936.00	.00	.00	181,234.00	543,702.00	25	353,972.50
REVENUE TOTALS	$29,192,110.00	$0.00	$29,192,110.00	$2,075,064.32	$0.00	$4,957,641.46	$24,234,468.54	17%	$4,893,514.75
EXPENSE									
Personnel Services	22,759,903.00	.00	22,759,903.00	1,736,192.62	.00	7,335,207.00	15,424,696.00	32	6,974,807.68
Purchased Professional & Technical Services	2,452,940.00	63,899.71	2,516,839.71	232,757.91	68,841.00	682,385.96	1,765,612.75	30	509,408.88
Purchased Property Services	986,120.00	.00	986,120.00	84,115.39	.00	241,190.28	744,929.72	24	230,296.86
Other Purchased Services	1,116,010.00	.00	1,116,010.00	106,573.76	2,376.84	916,021.30	197,611.86	82	788,774.52
Supplies	650,850.00	.00	650,850.00	21,845.52	7,177.74	157,290.46	486,381.80	25	224,149.23
Property & Capital	252,500.00	.00	252,500.00	1,059.44	.00	13,041.39	239,458.61	5	27,033.91
Other Objects	67,600.00	7,000.00	74,600.00	(27.90)	.00	31,739.83	42,860.17	43	40,403.72
Other Financing Uses	734,100.00	.00	734,100.00	.00	.00	27,700.41	706,399.59	4	36,743.91
EXPENSE TOTALS	$29,020,023.00	$70,899.71	$29,090,922.71	$2,182,516.74	$78,395.58	$9,404,576.63	$19,607,950.50	33%	$8,831,618.71
Fund **101 - General Fund** Totals									
REVENUE TOTALS	29,192,110.00	.00	29,192,110.00	2,075,064.32	.00	4,957,641.46	24,234,468.54	17	4,893,514.75
EXPENSE TOTALS	29,020,023.00	70,899.71	29,090,922.71	2,182,516.74	78,395.58	9,404,576.63	19,607,950.50	33	8,831,618.71
Fund **101 - General Fund** Totals	$172,087.00	($70,899.71)	$101,187.29	($107,452.42)	($78,395.58)	($4,446,935.17)	$4,626,518.04		($3,938,103.96)
Grand Totals									
REVENUE TOTALS	29,192,110.00	.00	29,192,110.00	2,075,064.32	.00	4,957,641.46	24,234,468.54	17	4,893,514.75
EXPENSE TOTALS	29,020,023.00	70,899.71	29,090,922.71	2,182,516.74	78,395.58	9,404,576.63	19,607,950.50	33	8,831,618.71
Grand Totals	$172,087.00	($70,899.71)	$101,187.29	($107,452.42)	($78,395.58)	($4,446,935.17)	$4,626,518.04		($3,938,103.96)

Budget by Organization Report

Through 10/31/12
Prior Fiscal Year Activity Included
Detail Listing

Classification	Adopted Budget	Budget Amendments	Amended Budget	Current Month Transactions	YTD Encumbrances	YTD Transactions	Budget - YTD Transactions	% used/ Rec'd	Prior Year YTD
Fund **101 - General Fund**									
REVENUE									
Department **0000 - Non-Departmental Revenue**									
Property and Other Taxes	16,893,300.00	.00	16,893,300.00	1,268,886.08	.00	2,141,354.74	14,751,945.26	13	1,915,856.81
Licenses & Permits	.00	.00	.00	.00	.00	.00	.00	+++	.00
Fines & Forfeitures	15,000.00	.00	15,000.00	3,186.09	.00	6,261.73	8,738.27	42	3,829.51
Use of Money and Property	97,500.00	.00	97,500.00	6,873.97	.00	32,577.86	64,922.14	33	32,092.05
Intergovernmental Revenues	1,810,000.00	.00	1,810,000.00	.00	.00	6,768.00	1,803,232.00	0	17,766.18
Charges for Services	702,000.00	.00	702,000.00	.00	.00	.95	701,999.05	0	255,000.20
Other Revenue	177,500.00	.00	177,500.00	2,082.00	.00	20,925.40	156,574.60	12	1,104.83
Other Financing Sources	695,543.00	.00	695,543.00	.00	.00	173,885.75	521,657.25	25	346,838.25
Department **0000 - Non-Departmental Revenue** Totals	$20,390,843.00	$0.00	$20,390,843.00	$1,281,028.14	$0.00	$2,381,774.43	$18,009,068.57	12%	$2,572,487.83
Department **1010 - City Council**									
Charges for Services	.00	.00	.00	.00	.00	.00	.00	+++	4,100.00
Department **1010 - City Council** Totals	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	+++	$4,100.00
Department **1030 - City Attorney**									
Charges for Services	.00	.00	.00	.00	.00	.00	.00	+++	.00
Department **1030 - City Attorney** Totals	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	+++	$0.00
Department **1040 - City Clerk**									
Charges for Services	10,000.00	.00	10,000.00	1,050.00	.00	6,418.80	3,581.20	64	796.80
Department **1040 - City Clerk** Totals	$10,000.00	$0.00	$10,000.00	$1,050.00	$0.00	$6,418.80	$3,581.20	64%	$796.80
Department **1050 - Finance Department**									
Licenses & Permits	.00	.00	.00	.00	.00	.00	.00	+++	.00
Charges for Services	75,000.00	.00	75,000.00	3,015.00	.00	50,424.00	24,576.00	67	49,480.00
Other Revenue	.00	.00	.00	.00	.00	.00	.00	+++	.00
Department **1050 - Finance Department** Totals	$75,000.00	$0.00	$75,000.00	$3,015.00	$0.00	$50,424.00	$24,576.00	67%	$49,480.00
Department **1060 - Employee Services Div**									
Charges for Services	.00	.00	.00	.00	.00	.00	.00	+++	.00
Other Revenue	.00	.00	.00	.00	.00	.00	.00	+++	.00
Department **1060 - Employee Services Div** Totals	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	+++	$0.00
Department **1070 - Information Systems Div**									
Charges for Services	.00	.00	.00	.00	.00	.00	.00	+++	.00
Department **1070 - Information Systems Div** Totals	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	+++	$0.00
Department **1080 - Environmental Services**									
Intergovernmental Revenues	42,500.00	.00	42,500.00	.00	.00	3,000.00	39,500.00	7	2,494.36
Other Revenue	2,000.00	.00	2,000.00	.00	.00	20.00	1,980.00	1	30.00
Department **1080 - Environmental Services** Totals	$44,500.00	$0.00	$44,500.00	$0.00	$0.00	$3,020.00	$41,480.00	7%	$2,524.36
Department **2011 - Police Administration**									
Use of Money and Property	.00	.00	.00	.00	.00	.00	.00	+++	.00
Intergovernmental Revenues	12,000.00	.00	12,000.00	250.00	.00	14,370.72	(2,370.72)	120	4,303.20
Charges for Services	135,000.00	.00	135,000.00	12,701.00	.00	57,921.00	77,079.00	43	47,946.60

Budget by Organization Report

Through 10/31/12
Prior Fiscal Year Activity Included
Detail Listing

THE CITY OF EL CERRITO

Classification	Adopted Budget	Budget Amendments	Amended Budget	Current Month Transactions	YTD Encumbrances	YTD Transactions	Budget - YTD Transactions	% used/ Rec'd	Prior Year YTD
Fund **101 - General Fund**									
REVENUE									
Department **2011 - Police Administration**									
Other Revenue	.00	.00	.00	.00	.00	.00	.00	+++	.00
Department **2011 - Police Administration** Totals	$147,000.00	$0.00	$147,000.00	$12,951.00	$0.00	$72,291.72	$74,708.28	49%	$52,249.80
Department **2012 - Police Operations**									
Fines & Forfeitures	250,000.00	.00	250,000.00	23,280.07	.00	72,338.51	177,661.49	29	42,921.57
Intergovernmental Revenues	470,000.00	.00	470,000.00	140,000.00	.00	140,000.00	330,000.00	30	105,000.00
Charges for Services	.00	.00	.00	.00	.00	.00	.00	+++	.00
Other Revenue	.00	.00	.00	.00	.00	.00	.00	+++	.00
Department **2012 - Police Operations** Totals	$720,000.00	$0.00	$720,000.00	$163,280.07	$0.00	$212,338.51	$507,661.49	29%	$147,921.57
Department **2013 - Police Investigations**									
Charges for Services	.00	.00	.00	.00	.00	.00	.00	+++	.00
Other Revenue	.00	.00	.00	893.10	.00	893.10	(893.10)	+++	900.00
Department **2013 - Police Investigations** Totals	$0.00	$0.00	$0.00	$893.10	$0.00	$893.10	($893.10)	+++	$900.00
Department **2510 - Fire Administration**									
Intergovernmental Revenues	2,458,862.00	.00	2,458,862.00	252,965.39	.00	832,680.95	1,626,181.05	34	760,826.65
Charges for Services	55,000.00	.00	55,000.00	4,896.48	.00	12,029.75	42,970.25	22	37,648.50
Other Financing Sources	.00	.00	.00	.00	.00	.00	.00	+++	.00
Department **2510 - Fire Administration** Totals	$2,513,862.00	$0.00	$2,513,862.00	$257,861.87	$0.00	$844,710.70	$1,669,151.30	34%	$798,475.15
Department **3020 - Public Works Engineering**									
Intergovernmental Revenues	15,000.00	.00	15,000.00	.00	.00	12.00	14,988.00	0	5.00
Charges for Services	178,500.00	.00	178,500.00	16,908.90	.00	55,148.19	123,351.81	31	69,151.28
Other Revenue	10,000.00	.00	10,000.00	.00	.00	.00	10,000.00	0	.00
Department **3020 - Public Works Engineering** Totals	$203,500.00	$0.00	$203,500.00	$16,908.90	$0.00	$55,160.19	$148,339.81	27%	$69,156.28
Department **3030 - Public Works Maintenance**									
Intergovernmental Revenues	.00	.00	.00	.00	.00	.00	.00	+++	.00
Charges for Services	16,320.00	.00	16,320.00	3,033.72	.00	5,445.72	10,874.28	33	9,183.00
Other Revenue	.00	.00	.00	.00	.00	202.00	(202.00)	+++	.00
Other Financing Sources	.00	.00	.00	.00	.00	.00	.00	+++	.00
Department **3030 - Public Works Maintenance** Totals	$16,320.00	$0.00	$16,320.00	$3,033.72	$0.00	$5,647.72	$10,672.28	35%	$9,183.00
Department **4010 - Comm Dev-Econ Developmt**									
Charges for Services	.00	.00	.00	.00	.00	.00	.00	+++	.00
Other Revenue	.00	.00	.00	.00	.00	.00	.00	+++	32.58
Department **4010 - Comm Dev-Econ Developmt** Totals	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	+++	$32.58
Department **4030 - Comm Dev-Planning**									
Charges for Services	137,700.00	.00	137,700.00	11,417.12	.00	43,967.39	93,732.61	32	39,054.13
Other Revenue	1,000.00	.00	1,000.00	.00	.00	.00	1,000.00	0	.00
Department **4030 - Comm Dev-Planning** Totals	$138,700.00	$0.00	$138,700.00	$11,417.12	$0.00	$43,967.39	$94,732.61	32%	$39,054.13
Department **4040 - Comm Dev-Building Svcs**									
Property and Other Taxes	4,900.00	.00	4,900.00	.00	.00	204.57	4,695.43	4	240.31

Budget by Organization Report

Through 10/31/12
Prior Fiscal Year Activity Included
Detail Listing

Classification	Adopted Budget	Budget Amendments	Amended Budget	Current Month Transactions	YTD Encumbrances	YTD Transactions	Budget - YTD Transactions	% used/ Rec'd	Prior Year YTD
Fund **101 - General Fund**									
REVENUE									
Department **4040 - Comm Dev-Building Svcs**									
Licenses & Permits	669,936.00	.00	669,936.00	55,632.50	.00	196,422.96	473,513.04	29	188,457.87
Intergovernmental Revenues	.00	.00	.00	.00	.00	.00	.00	+++	.00
Charges for Services	476,850.00	.00	476,850.00	33,743.16	.00	122,118.07	354,731.93	26	131,084.56
Department **4040 - Comm Dev-Building Svcs** Totals	$1,151,686.00	$0.00	$1,151,686.00	$89,375.66	$0.00	$318,745.60	$832,940.40	28%	$319,782.74
Department **5010 - Recreation-Admin**									
Use of Money and Property	.00	.00	.00	.00	.00	.00	.00	+++	.00
Intergovernmental Revenues	10,000.00	.00	10,000.00	.00	.00	.00	10,000.00	0	.00
Charges for Services	82,110.00	.00	82,110.00	1,634.00	.00	42,512.03	39,597.97	52	41,698.60
Other Revenue	.00	.00	.00	.00	.00	154.40	(154.40)	+++	.00
Department **5010 - Recreation-Admin** Totals	$92,110.00	$0.00	$92,110.00	$1,634.00	$0.00	$42,666.43	$49,443.57	46%	$41,698.60
Department **5020 - Recreation-Chldcr Admin**									
Intergovernmental Revenues	.00	.00	.00	.00	.00	.00	.00	+++	.00
Charges for Services	1,556,010.00	.00	1,556,010.00	144,602.67	.00	419,697.36	1,136,312.64	27	363,582.46
Other Revenue	.00	.00	.00	.00	.00	.00	.00	+++	(65,945.51)
Department **5020 - Recreation-Chldcr Admin** Totals	$1,556,010.00	$0.00	$1,556,010.00	$144,602.67	$0.00	$419,697.36	$1,136,312.64	27%	$297,636.95
Department **5030 - Recreation-Swim Center**									
Use of Money and Property	45,900.00	.00	45,900.00	6,204.50	.00	13,120.50	32,779.50	29	8,476.26
Intergovernmental Revenues	.00	.00	.00	.00	.00	.00	.00	+++	.00
Charges for Services	663,612.00	.00	663,612.00	39,044.49	.00	206,087.44	457,524.56	31	233,917.14
Other Revenue	200.00	.00	200.00	.00	.00	126.60	73.40	63	142.25
Department **5030 - Recreation-Swim Center** Totals	$709,712.00	$0.00	$709,712.00	$45,248.99	$0.00	$219,334.54	$490,377.46	31%	$242,535.65
Department **5040 - Recreation-Senior Svcs**									
Property and Other Taxes	.00	.00	.00	.00	.00	.00	.00	+++	.00
Use of Money and Property	3,060.00	.00	3,060.00	.00	.00	148.00	2,912.00	5	401.25
Intergovernmental Revenues	.00	.00	.00	.00	.00	.00	.00	+++	.00
Charges for Services	96,612.00	.00	96,612.00	8,348.60	.00	17,925.60	78,686.40	19	16,759.39
Other Revenue	68,000.00	.00	68,000.00	4,129.00	.00	11,503.25	56,496.75	17	7,548.00
Other Financing Sources	29,393.00	.00	29,393.00	.00	.00	7,348.25	22,044.75	25	7,134.25
Department **5040 - Recreation-Senior Svcs** Totals	$197,065.00	$0.00	$197,065.00	$12,477.60	$0.00	$36,925.10	$160,139.90	19%	$31,842.89
Department **5050 - Recreation-Adult/Commnty**									
Use of Money and Property	184,620.00	.00	184,620.00	7,793.50	.00	39,837.75	144,782.25	22	32,738.18
Charges for Services	116,382.00	.00	116,382.00	7,582.90	.00	39,616.10	76,765.90	34	33,576.53
Other Revenue	.00	.00	.00	.00	.00	.00	.00	+++	.00
Department **5050 - Recreation-Adult/Commnty** Totals	$301,002.00	$0.00	$301,002.00	$15,376.40	$0.00	$79,453.85	$221,548.15	26%	$66,314.71
Department **5060 - Recreation-Youth Services**									
Intergovernmental Revenues	.00	.00	.00	.00	.00	.00	.00	+++	.00
Charges for Services	602,800.00	.00	602,800.00	14,560.08	.00	149,785.02	453,014.98	25	141,151.71
Other Revenue	15,000.00	.00	15,000.00	350.00	.00	14,387.00	613.00	96	6,190.00

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Detail Listing

Classification	Adopted Budget	Budget Amendments	Amended Budget	Current Month Transactions	YTD Encumbrances	YTD Transactions	Budget - YTD Transactions	% used/ Rec'd	Prior Year YTD
Fund **101 - General Fund**									
REVENUE									
Department **5060 - Recreation-Youth Services**									
Other Financing Sources	.00	.00	.00	.00	.00	.00	.00	+++	.00
Department **5060 - Recreation-Youth Services** Totals	$617,800.00	$0.00	$617,800.00	$14,910.08	$0.00	$164,172.02	$453,627.98	27%	$147,341.71
Department **6020 - Economic Development**									
Charges for Services	307,000.00	.00	307,000.00	.00	.00	.00	307,000.00	0	.00
Other Revenue	.00	.00	.00	.00	.00	.00	.00	+++	.00
Department **6020 - Economic Development** Totals	$307,000.00	$0.00	$307,000.00	$0.00	$0.00	$0.00	$307,000.00	0%	$0.00
REVENUE TOTALS	$29,192,110.00	$0.00	$29,192,110.00	$2,075,064.32	$0.00	$4,957,641.46	$24,234,468.54	17%	$4,893,514.75
EXPENSE									
Department **1010 - City Council**									
Personnel Services	34,033.00	.00	34,033.00	2,836.01	.00	11,344.07	22,688.93	33	11,283.59
Purchased Professional & Technical Services	14,000.00	.00	14,000.00	.00	.00	.00	14,000.00	0	4,527.17
Other Purchased Services	24,200.00	.00	24,200.00	128.86	.00	1,281.42	22,918.58	5	9,246.72
Supplies	1,300.00	.00	1,300.00	20.37	.00	117.20	1,182.80	9	169.53
Property & Capital	.00	.00	.00	.00	.00	.00	.00	+++	.00
Other Financing Uses	.00	.00	.00	.00	.00	.00	.00	+++	.00
Department **1010 - City Council** Totals	$73,533.00	$0.00	$73,533.00	$2,985.24	$0.00	$12,742.69	$60,790.31	17%	$25,227.01
Department **1020 - City Manager**									
Personnel Services	580,667.00	.00	580,667.00	43,258.97	.00	177,910.43	402,756.57	31	175,264.58
Purchased Professional & Technical Services	80,000.00	45,271.00	125,271.00	9,645.00	37,341.00	42,738.52	45,191.48	64	17,813.10
Purchased Property Services	.00	.00	.00	.00	.00	.00	.00	+++	.00
Other Purchased Services	49,800.00	.00	49,800.00	4,807.47	.00	7,813.64	41,986.36	16	17,302.33
Supplies	7,200.00	.00	7,200.00	41.84	.00	813.26	6,386.74	11	867.58
Property & Capital	3,000.00	.00	3,000.00	.00	.00	.00	3,000.00	0	808.58
Other Financing Uses	.00	.00	.00	.00	.00	.00	.00	+++	.00
Department **1020 - City Manager** Totals	$720,667.00	$45,271.00	$765,938.00	$57,753.28	$37,341.00	$229,275.85	$499,321.15	35%	$212,056.17
Department **1030 - City Attorney**									
Purchased Professional & Technical Services	300,000.00	.00	300,000.00	51,237.57	.00	119,236.82	180,763.18	40	95,196.57
Supplies	.00	.00	.00	.00	.00	.00	.00	+++	.00
Other Financing Uses	.00	.00	.00	.00	.00	.00	.00	+++	.00
Department **1030 - City Attorney** Totals	$300,000.00	$0.00	$300,000.00	$51,237.57	$0.00	$119,236.82	$180,763.18	40%	$95,196.57
Department **1040 - City Clerk**									
Personnel Services	201,802.00	.00	201,802.00	15,209.39	.00	62,238.50	139,563.50	31	59,943.37
Purchased Professional & Technical Services	29,800.00	.00	29,800.00	.00	.00	.00	29,800.00	0	.00
Purchased Property Services	.00	.00	.00	.00	.00	.00	.00	+++	.00
Other Purchased Services	13,500.00	.00	13,500.00	646.22	.00	1,566.11	11,933.89	12	5,445.78
Supplies	8,000.00	.00	8,000.00	525.28	.00	1,548.31	6,451.69	19	1,197.48
Property & Capital	2,500.00	.00	2,500.00	.00	.00	.00	2,500.00	0	193.37
Other Objects	.00	.00	.00	.00	.00	.00	.00	+++	.00

THE CITY OF EL CERRITO

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Classification	Adopted Budget	Budget Amendments	Amended Budget	Current Month Transactions	YTD Encumbrances	YTD Transactions	Budget - YTD Transactions	% used/ Rec'd	Prior Year YTD
Fund **101 - General Fund**									
EXPENSE									
Department **1040 - City Clerk**									
Other Financing Uses	.00	.00	.00	.00	.00	.00	.00	+++	.00
Department **1040 - City Clerk** Totals	$255,602.00	$0.00	$255,602.00	$16,380.89	$0.00	$65,352.92	$190,249.08	26%	$66,780.00
Department **1050 - Finance Department**									
Personnel Services	403,766.00	.00	403,766.00	46,253.37	.00	196,714.31	207,051.69	49	189,853.44
Purchased Professional & Technical Services	186,000.00	10,000.00	196,000.00	19,569.68	.00	37,083.99	158,916.01	19	41,075.75
Purchased Property Services	.00	.00	.00	.00	.00	.00	.00	+++	.00
Other Purchased Services	12,800.00	.00	12,800.00	1,142.16	.00	2,456.74	10,343.26	19	2,024.26
Supplies	10,000.00	.00	10,000.00	353.60	.00	2,690.61	7,309.39	27	2,853.32
Property & Capital	1,000.00	.00	1,000.00	.00	.00	368.51	631.49	37	.00
Other Objects	30,000.00	7,000.00	37,000.00	.00	.00	12,094.58	24,905.42	33	21,112.79
Other Financing Uses	711,500.00	.00	711,500.00	.00	.00	27,700.41	683,799.59	4	36,743.91
Department **1050 - Finance Department** Totals	$1,355,066.00	$17,000.00	$1,372,066.00	$67,318.81	$0.00	$279,109.15	$1,092,956.85	20%	$293,663.47
Department **1060 - Employee Services Div**									
Personnel Services	283,075.00	.00	283,075.00	21,413.73	.00	87,234.89	195,840.11	31	83,398.07
Purchased Professional & Technical Services	24,500.00	.00	24,500.00	3,604.55	.00	14,839.12	9,660.88	61	13,349.45
Purchased Property Services	.00	.00	.00	.00	.00	.00	.00	+++	.00
Other Purchased Services	414,500.00	.00	414,500.00	43,039.68	.00	710,860.66	(296,360.66)	171	554,426.45
Supplies	23,500.00	.00	23,500.00	1,659.31	.00	6,179.15	17,320.85	26	6,404.91
Property & Capital	1,000.00	.00	1,000.00	.00	.00	.00	1,000.00	0	61.16
Other Objects	.00	.00	.00	.00	.00	.00	.00	+++	.00
Other Financing Uses	.00	.00	.00	.00	.00	.00	.00	+++	.00
Department **1060 - Employee Services Div** Totals	$746,575.00	$0.00	$746,575.00	$69,717.27	$0.00	$819,113.82	($72,538.82)	110%	$657,640.04
Department **1070 - Information Systems Div**									
Personnel Services	300,211.00	.00	300,211.00	22,873.91	.00	93,561.10	206,649.90	31	89,791.75
Purchased Professional & Technical Services	32,000.00	.00	32,000.00	8,142.42	.00	15,752.64	16,247.36	49	9,082.58
Purchased Property Services	2,000.00	.00	2,000.00	141.66	.00	141.66	1,858.34	7	296.11
Other Purchased Services	7,200.00	.00	7,200.00	384.20	.00	1,885.53	5,314.47	26	1,436.31
Supplies	2,100.00	.00	2,100.00	11.22	.00	201.39	1,898.61	10	227.78
Property & Capital	19,500.00	.00	19,500.00	365.05	.00	2,109.27	17,390.73	11	6,246.08
Other Objects	.00	.00	.00	.00	.00	.00	.00	+++	.00
Other Financing Uses	.00	.00	.00	.00	.00	.00	.00	+++	.00
Department **1070 - Information Systems Div** Totals	$363,011.00	$0.00	$363,011.00	$31,918.46	$0.00	$113,651.59	$249,359.41	31%	$107,080.61
Department **1080 - Environmental Services**									
Personnel Services	160,115.00	.00	160,115.00	11,862.53	.00	48,437.62	111,677.38	30	48,108.55
Purchased Professional & Technical Services	2,000.00	.00	2,000.00	.00	.00	.00	2,000.00	0	444.20
Other Purchased Services	19,000.00	.00	19,000.00	180.00	.00	462.13	18,537.87	2	2,355.57
Supplies	2,300.00	.00	2,300.00	456.66	.00	457.76	1,842.24	20	35.03
Department **1080 - Environmental Services** Totals	$183,415.00	$0.00	$183,415.00	$12,499.19	$0.00	$49,357.51	$134,057.49	27%	$50,943.35

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Fund **101 - General Fund**									
EXPENSE									
Department **2011 - Police Administration**									
Personnel Services	1,599,706.00	.00	1,599,706.00	123,500.38	.00	489,073.44	1,110,632.56	31	445,015.02
Purchased Professional & Technical Services	903,000.00	.00	903,000.00	97,974.40	.00	190,611.33	712,388.67	21	159,020.89
Purchased Property Services	76,500.00	.00	76,500.00	16,632.41	.00	30,638.76	45,861.24	40	20,693.56
Other Purchased Services	109,400.00	.00	109,400.00	16,719.07	.00	32,615.73	76,784.27	30	32,679.44
Supplies	68,750.00	.00	68,750.00	5,319.28	2,647.90	18,472.92	47,629.18	31	18,805.22
Property & Capital	62,800.00	.00	62,800.00	69.94	.00	427.35	62,372.65	1	1,677.42
Other Objects	.00	.00	.00	.00	.00	335.51	(335.51)	+++	591.68
Other Financing Uses	.00	.00	.00	.00	.00	.00	.00	+++	.00
Department **2011 - Police Administration** Totals	$2,820,156.00	$0.00	$2,820,156.00	$260,215.48	$2,647.90	$762,175.04	$2,055,333.06	27%	$678,483.23
Department **2012 - Police Operations**									
Personnel Services	6,024,870.00	.00	6,024,870.00	411,822.89	.00	1,717,462.28	4,307,407.72	29	1,787,485.36
Purchased Professional & Technical Services	31,040.00	.00	31,040.00	.00	.00	2,560.00	28,480.00	8	642.68
Purchased Property Services	56,100.00	.00	56,100.00	3,361.81	.00	9,981.76	46,118.24	18	9,962.59
Other Purchased Services	23,570.00	.00	23,570.00	2,795.07	.00	3,476.60	20,093.40	15	5,925.74
Supplies	101,700.00	.00	101,700.00	224.94	115.71	28,034.81	73,549.48	28	34,185.64
Property & Capital	105,000.00	.00	105,000.00	.00	.00	.00	105,000.00	0	90.28
Other Objects	.00	.00	.00	.00	.00	.00	.00	+++	.00
Other Financing Uses	.00	.00	.00	.00	.00	.00	.00	+++	.00
Department **2012 - Police Operations** Totals	$6,342,280.00	$0.00	$6,342,280.00	$418,204.71	$115.71	$1,761,515.45	$4,580,648.84	28%	$1,838,292.29
Department **2013 - Police Investigations**									
Personnel Services	1,274,527.00	.00	1,274,527.00	81,783.24	.00	353,299.44	921,227.56	28	318,772.63
Purchased Professional & Technical Services	115,300.00	.00	115,300.00	12,324.50	.00	12,324.50	102,975.50	11	15,266.00
Purchased Property Services	15,300.00	.00	15,300.00	90.00	.00	122.97	15,177.03	1	60.00
Other Purchased Services	7,950.00	.00	7,950.00	401.22	.00	4,371.36	3,578.64	55	328.50
Supplies	23,800.00	.00	23,800.00	1,396.22	.00	1,979.95	21,820.05	8	11,524.51
Property & Capital	5,000.00	.00	5,000.00	.00	.00	.00	5,000.00	0	3,038.75
Other Objects	.00	.00	.00	.00	.00	.00	.00	+++	.00
Other Financing Uses	.00	.00	.00	.00	.00	.00	.00	+++	.00
Department **2013 - Police Investigations** Totals	$1,441,877.00	$0.00	$1,441,877.00	$95,995.18	$0.00	$372,098.22	$1,069,778.78	26%	$348,990.39
Department **2510 - Fire Administration**									
Personnel Services	7,373,445.00	.00	7,373,445.00	616,342.08	.00	2,532,847.01	4,840,597.99	34	2,265,473.21
Purchased Professional & Technical Services	33,000.00	.00	33,000.00	(516.00)	.00	(413.72)	33,413.72	-1	4,255.23
Purchased Property Services	340,600.00	.00	340,600.00	10,208.54	.00	43,494.32	297,105.68	13	37,397.30
Other Purchased Services	85,000.00	.00	85,000.00	5,564.66	.00	12,278.87	72,721.13	14	23,358.46
Supplies	107,400.00	.00	107,400.00	1,722.53	.00	22,803.01	84,596.99	21	35,320.27
Property & Capital	25,000.00	.00	25,000.00	497.93	.00	9,600.59	15,399.41	38	8,336.53
Other Objects	1,000.00	.00	1,000.00	.00	.00	.00	1,000.00	0	450.00
Other Financing Uses	.00	.00	.00	.00	.00	.00	.00	+++	.00

Classification	Adopted Budget	Budget Amendments	Amended Budget	Current Month Transactions	YTD Encumbrances	YTD Transactions	Budget - YTD Transactions	% used/ Rec'd	Prior Year YTD
Fund **101 - General Fund**									
EXPENSE									
Department **2510 - Fire Administration** Totals	$7,965,445.00	$0.00	$7,965,445.00	$633,819.74	$0.00	$2,620,610.08	$5,344,834.92	33%	$2,374,591.00
Department **3020 - Public Works Engineering**									
Personnel Services	187,685.00	.00	187,685.00	18,108.07	.00	72,958.03	114,726.97	39	89,105.27
Purchased Professional & Technical Services	17,600.00	8,628.71	26,228.71	5,295.11	31,500.00	18,607.60	(23,878.89)	191	5,236.70
Purchased Property Services	800.00	.00	800.00	.00	.00	.00	800.00	0	.00
Other Purchased Services	7,650.00	.00	7,650.00	2,566.78	.00	2,965.11	4,684.89	39	1,837.44
Supplies	5,000.00	.00	5,000.00	115.46	.00	835.51	4,164.49	17	1,681.27
Property & Capital	1,500.00	.00	1,500.00	74.10	.00	221.12	1,278.88	15	.00
Other Objects	.00	.00	.00	.00	.00	.00	.00	+++	.00
Other Financing Uses	.00	.00	.00	.00	.00	.00	.00	+++	.00
Department **3020 - Public Works Engineering** Totals	$220,235.00	$8,628.71	$228,863.71	$26,159.52	$31,500.00	$95,587.37	$101,776.34	56%	$97,860.68
Department **3030 - Public Works Maintenance**									
Personnel Services	87,311.00	.00	87,311.00	5,950.81	.00	25,945.56	61,365.44	30	25,495.49
Purchased Professional & Technical Services	16,000.00	.00	16,000.00	820.87	.00	3,469.86	12,530.14	22	6,166.58
Purchased Property Services	255,300.00	.00	255,300.00	39,942.63	.00	94,649.75	160,650.25	37	74,884.41
Other Purchased Services	28,000.00	.00	28,000.00	4,654.83	.00	6,645.47	21,354.53	24	3,995.65
Supplies	35,000.00	.00	35,000.00	524.67	.00	11,024.51	23,975.49	31	14,025.03
Property & Capital	3,000.00	.00	3,000.00	52.42	.00	52.42	2,947.58	2	6,009.76
Other Objects	.00	.00	.00	.00	.00	.00	.00	+++	.00
Other Financing Uses	.00	.00	.00	.00	.00	.00	.00	+++	.00
Department **3030 - Public Works Maintenance** Totals	$424,611.00	$0.00	$424,611.00	$51,946.23	$0.00	$141,787.57	$282,823.43	33%	$130,576.92
Department **4010 - Comm Dev-Econ Developmt**									
Personnel Services	.00	.00	.00	.00	.00	.00	.00	+++	44,999.84
Purchased Professional & Technical Services	.00	.00	.00	.00	.00	.00	.00	+++	.00
Purchased Property Services	.00	.00	.00	.00	.00	.00	.00	+++	.00
Other Purchased Services	.00	.00	.00	174.13	.00	174.13	(174.13)	+++	90.28
Supplies	.00	.00	.00	60.64	.00	500.30	(500.30)	+++	432.42
Property & Capital	.00	.00	.00	.00	.00	.00	.00	+++	.00
Other Objects	.00	.00	.00	.00	.00	.00	.00	+++	.00
Other Financing Uses	.00	.00	.00	.00	.00	.00	.00	+++	.00
Department **4010 - Comm Dev-Econ Developmt** Totals	$0.00	$0.00	$0.00	$234.77	$0.00	$674.43	($674.43)	+++	$45,522.54
Department **4030 - Comm Dev-Planning**									
Personnel Services	417,308.00	.00	417,308.00	31,694.09	.00	129,146.57	288,161.43	31	127,359.58
Purchased Professional & Technical Services	62,500.00	.00	62,500.00	2,530.00	.00	2,530.00	59,970.00	4	1,083.20
Purchased Property Services	.00	.00	.00	.00	.00	.00	.00	+++	.00
Other Purchased Services	24,700.00	.00	24,700.00	1,773.26	.00	2,011.66	22,688.34	8	3,643.51
Supplies	8,500.00	.00	8,500.00	302.42	.00	1,703.90	6,796.10	20	2,234.17
Property & Capital	3,000.00	.00	3,000.00	.00	.00	262.13	2,737.87	9	.00
Other Objects	.00	.00	.00	.00	.00	.00	.00	+++	.00

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Fund **101 - General Fund**									
EXPENSE									
Department **4030 - Comm Dev-Planning**									
Other Financing Uses	.00	.00	.00	.00	.00	.00	.00	+++	.00
Department **4030 - Comm Dev-Planning** Totals	$516,008.00	$0.00	$516,008.00	$36,299.77	$0.00	$135,654.26	$380,353.74	26%	$134,320.46
Department **4040 - Comm Dev-Building Svcs**									
Personnel Services	614,591.00	.00	614,591.00	50,672.97	.00	212,304.34	402,286.66	35	220,551.96
Purchased Professional & Technical Services	223,500.00	.00	223,500.00	4,375.31	.00	7,104.72	216,395.28	3	6,721.88
Purchased Property Services	15,500.00	.00	15,500.00	.00	.00	16.99	15,483.01	0	1,524.73
Other Purchased Services	18,500.00	.00	18,500.00	958.10	.00	1,543.54	16,956.46	8	4,683.06
Supplies	6,700.00	.00	6,700.00	449.96	.00	2,386.98	4,313.02	36	2,105.97
Property & Capital	2,700.00	.00	2,700.00	.00	.00	.00	2,700.00	0	157.50
Other Objects	.00	.00	.00	.00	.00	.00	.00	+++	.00
Other Financing Uses	.00	.00	.00	.00	.00	.00	.00	+++	.00
Department **4040 - Comm Dev-Building Svcs** Totals	$881,491.00	$0.00	$881,491.00	$56,456.34	$0.00	$223,356.57	$658,134.43	25%	$235,745.10
Department **5010 - Recreation-Admin**									
Personnel Services	287,691.00	.00	287,691.00	16,987.91	.00	103,556.47	184,134.53	36	87,015.80
Purchased Professional & Technical Services	22,000.00	.00	22,000.00	.00	.00	4,066.90	17,933.10	18	8,019.08
Purchased Property Services	101,000.00	.00	101,000.00	6,849.98	.00	38,143.09	62,856.91	38	51,997.49
Other Purchased Services	134,100.00	.00	134,100.00	4,066.57	.00	85,764.79	48,335.21	64	75,746.39
Supplies	36,500.00	.00	36,500.00	806.21	.00	11,353.96	25,146.04	31	10,948.28
Property & Capital	5,000.00	.00	5,000.00	.00	.00	.00	5,000.00	0	.00
Other Objects	36,000.00	.00	36,000.00	(27.90)	.00	19,294.74	16,705.26	54	18,108.85
Other Financing Uses	22,600.00	.00	22,600.00	.00	.00	.00	22,600.00	0	.00
Department **5010 - Recreation-Admin** Totals	$644,891.00	$0.00	$644,891.00	$28,682.77	$0.00	$262,179.95	$382,711.05	41%	$251,835.89
Department **5020 - Recreation-Chldcr Admin**									
Personnel Services	1,082,356.00	.00	1,082,356.00	92,462.71	.00	405,117.98	677,238.02	37	399,526.87
Purchased Professional & Technical Services	4,200.00	.00	4,200.00	.00	.00	.00	4,200.00	0	3,088.40
Purchased Property Services	20,100.00	.00	20,100.00	1,008.03	.00	3,677.09	16,422.91	18	6,262.00
Other Purchased Services	22,300.00	.00	22,300.00	485.55	.00	5,324.78	16,975.22	24	10,178.65
Supplies	46,700.00	.00	46,700.00	788.93	.00	9,714.46	36,985.54	21	20,329.23
Property & Capital	4,000.00	.00	4,000.00	.00	.00	.00	4,000.00	0	255.48
Other Objects	.00	.00	.00	.00	.00	.00	.00	+++	.00
Other Financing Uses	.00	.00	.00	.00	.00	.00	.00	+++	.00
Department **5020 - Recreation-Chldcr Admin** Totals	$1,179,656.00	$0.00	$1,179,656.00	$94,745.22	$0.00	$423,834.31	$755,821.69	36%	$439,640.63
Department **5030 - Recreation-Swim Center**									
Personnel Services	684,355.00	.00	684,355.00	45,303.78	.00	266,122.21	418,232.79	39	261,491.90
Purchased Professional & Technical Services	21,000.00	.00	21,000.00	2,750.00	.00	9,177.50	11,822.50	44	292.50
Purchased Property Services	77,000.00	.00	77,000.00	3,932.62	.00	15,099.62	61,900.38	20	22,883.48
Other Purchased Services	19,200.00	.00	19,200.00	822.36	.00	7,125.81	12,074.19	37	8,898.22
Supplies	87,500.00	.00	87,500.00	4,868.86	.00	19,615.05	67,884.95	22	35,210.81

Budget by Organization Report

Through 10/31/12
Prior Fiscal Year Activity Included
Detail Listing

Classification	Adopted Budget	Budget Amendments	Amended Budget	Current Month Transactions	YTD Encumbrances	YTD Transactions	Budget - YTD Transactions	% used/ Rec'd	Prior Year YTD
Fund **101 - General Fund**									
EXPENSE									
Department **5030 - Recreation-Swim Center**									
Property & Capital	1,000.00	.00	1,000.00	.00	.00	.00	1,000.00	0	.00
Other Objects	.00	.00	.00	.00	.00	.00	.00	+++	.00
Other Financing Uses	.00	.00	.00	.00	.00	.00	.00	+++	.00
Department **5030 - Recreation-Swim Center** Totals	$890,055.00	$0.00	$890,055.00	$57,677.62	$0.00	$317,140.19	$572,914.81	36%	$328,776.91
Department **5040 - Recreation-Senior Svcs**									
Personnel Services	326,221.00	.00	326,221.00	20,042.83	.00	108,762.22	217,458.78	33	107,778.26
Purchased Professional & Technical Services	19,500.00	.00	19,500.00	1,559.50	.00	5,834.55	13,665.45	30	6,701.20
Purchased Property Services	18,700.00	.00	18,700.00	613.07	.00	3,761.60	14,938.40	20	3,678.52
Other Purchased Services	31,100.00	.00	31,100.00	843.53	2,376.84	4,493.03	24,230.13	22	6,682.43
Supplies	25,500.00	.00	25,500.00	540.11	4,414.13	4,836.82	16,249.05	36	6,288.60
Property & Capital	1,500.00	.00	1,500.00	.00	.00	.00	1,500.00	0	79.50
Other Objects	600.00	.00	600.00	.00	.00	15.00	585.00	2	140.40
Other Financing Uses	.00	.00	.00	.00	.00	.00	.00	+++	.00
Department **5040 - Recreation-Senior Svcs** Totals	$423,121.00	$0.00	$423,121.00	$23,599.04	$6,790.97	$127,703.22	$288,626.81	32%	$131,348.91
Department **5050 - Recreation-Adult/Commnty**									
Personnel Services	197,407.00	.00	197,407.00	14,379.16	.00	49,155.08	148,251.92	25	41,869.03
Purchased Professional & Technical Services	70,000.00	.00	70,000.00	6,108.20	.00	18,717.36	51,282.64	27	21,857.04
Purchased Property Services	4,200.00	.00	4,200.00	1,334.64	.00	1,462.67	2,737.33	35	474.92
Other Purchased Services	7,000.00	.00	7,000.00	2,864.00	.00	3,096.42	3,903.58	44	1,737.22
Supplies	10,500.00	.00	10,500.00	123.47	.00	1,724.31	8,775.69	16	1,902.27
Property & Capital	5,000.00	.00	5,000.00	.00	.00	.00	5,000.00	0	79.50
Other Objects	.00	.00	.00	.00	.00	.00	.00	+++	.00
Other Financing Uses	.00	.00	.00	.00	.00	.00	.00	+++	.00
Department **5050 - Recreation-Adult/Commnty** Totals	$294,107.00	$0.00	$294,107.00	$24,809.47	$0.00	$74,155.84	$219,951.16	25%	$67,919.98
Department **5060 - Recreation-Youth Services**									
Personnel Services	342,591.00	.00	342,591.00	20,883.46	.00	100,234.19	242,356.81	29	95,224.11
Purchased Professional & Technical Services	201,000.00	.00	201,000.00	7,336.80	.00	85,152.51	115,847.49	42	89,568.68
Purchased Property Services	3,020.00	.00	3,020.00	.00	.00	.00	3,020.00	0	181.75
Other Purchased Services	21,600.00	.00	21,600.00	11,184.97	.00	16,992.09	4,607.91	79	16,752.11
Supplies	29,700.00	.00	29,700.00	1,498.81	.00	10,027.76	19,672.24	34	17,399.91
Property & Capital	1,000.00	.00	1,000.00	.00	.00	.00	1,000.00	0	.00
Other Objects	.00	.00	.00	.00	.00	.00	.00	+++	.00
Other Financing Uses	.00	.00	.00	.00	.00	.00	.00	+++	.00
Department **5060 - Recreation-Youth Services** Totals	$598,911.00	$0.00	$598,911.00	$40,904.04	$0.00	$212,406.55	$386,504.45	35%	$219,126.56
Department **6020 - Economic Development**									
Personnel Services	296,170.00	.00	296,170.00	22,550.33	.00	91,781.26	204,388.74	31	.00
Purchased Professional & Technical Services	45,000.00	.00	45,000.00	.00	.00	92,991.76	(47,991.76)	207	.00
Purchased Property Services	.00	.00	.00	.00	.00	.00	.00	+++	.00

Budget by Organization Report

Through 10/31/12
Prior Fiscal Year Activity Included
Detail Listing

THE CITY OF EL CERRITO

Classification	Adopted Budget	Budget Amendments	Amended Budget	Current Month Transactions	YTD Encumbrances	YTD Transactions	Budget - YTD Transactions	% used/ Rec'd	Prior Year YTD
Fund **101 - General Fund**									
EXPENSE									
Department **6020 - Economic Development**									
Other Purchased Services	34,940.00	.00	34,940.00	371.07	.00	815.68	34,124.32	2	.00
Supplies	3,200.00	.00	3,200.00	34.73	.00	268.53	2,931.47	8	.00
Property & Capital	.00	.00	.00	.00	.00	.00	.00	+++	.00
Other Objects	.00	.00	.00	.00	.00	.00	.00	+++	.00
Other Financing Uses	.00	.00	.00	.00	.00	.00	.00	+++	.00
Department **6020 - Economic Development** Totals	$379,310.00	$0.00	$379,310.00	$22,956.13	$0.00	$185,857.23	$193,452.77	49%	$0.00
Department **9000 - Non-Departmental**									
Purchased Professional & Technical Services	.00	.00	.00	.00	.00	.00	.00	+++	.00
Other Purchased Services	.00	.00	.00	.00	.00	.00	.00	+++	.00
Supplies	.00	.00	.00	.00	.00	.00	.00	+++	.00
Property & Capital	.00	.00	.00	.00	.00	.00	.00	+++	.00
Other Objects	.00	.00	.00	.00	.00	.00	.00	+++	.00
Other Financing Uses	.00	.00	.00	.00	.00	.00	.00	+++	.00
Department **9000 - Non-Departmental** Totals	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	+++	$0.00
Department **9050 - Capital Outlay**									
Property & Capital	.00	.00	.00	.00	.00	.00	.00	+++	.00
Other Financing Uses	.00	.00	.00	.00	.00	.00	.00	+++	.00
Department **9050 - Capital Outlay** Totals	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	+++	$0.00
EXPENSE TOTALS	$29,020,023.00	$70,899.71	$29,090,922.71	$2,182,516.74	$78,395.58	$9,404,576.63	$19,607,950.50	33%	$8,831,618.71
Fund **101 - General Fund** Totals									
REVENUE TOTALS	29,192,110.00	.00	29,192,110.00	2,075,064.32	.00	4,957,641.46	24,234,468.54	17	4,893,514.75
EXPENSE TOTALS	29,020,023.00	70,899.71	29,090,922.71	2,182,516.74	78,395.58	9,404,576.63	19,607,950.50	33	8,831,618.71
Fund **101 - General Fund** Totals	$172,087.00	($70,899.71)	$101,187.29	($107,452.42)	($78,395.58)	($4,446,935.17)	$4,626,518.04		($3,938,103.96)
Grand Totals									
REVENUE TOTALS	29,192,110.00	.00	29,192,110.00	2,075,064.32	.00	4,957,641.46	24,234,468.54	17	4,893,514.75
EXPENSE TOTALS	29,020,023.00	70,899.71	29,090,922.71	2,182,516.74	78,395.58	9,404,576.63	19,607,950.50	33	8,831,618.71
Grand Totals	$172,087.00	($70,899.71)	$101,187.29	($107,452.42)	($78,395.58)	($4,446,935.17)	$4,626,518.04		($3,938,103.96)

AGENDA BILL

Agenda Item No. 7(C)

Date: November 20, 2012

To: El Cerrito City Council

From: Garth Schultz, Environmental Analyst

Subject: Ordinance amending Chapter 8.12 of the El Cerrito Municipal Code

ACTION REQUESTED

Introduce by title, waive any further reading and approve an ordinance amending El Cerrito Municipal Code (ECMC) Chapter 8.12 – Collection and disposal of waste stream to include provisions for salvage and regulation of certain activities at the El Cerrito Recycling and Environmental Resource Center.

BACKGROUND & ANALYSIS

El Cerrito's Recycling + Environmental Center—both past and present—has been successful since its inception. The vast majority of patrons have enjoyed, actively participated in, and used the facilities with enthusiasm and respect. Over the past several years, however, staff members at the Center have received numerous complaints from Center patrons – and other staff members – regarding the activities of some users of the facility. The main types of activities that receive the majority of complaints are:

- Users of the book exchange taking too many books and being aggressive
- People taking materials from recycling collection bins
- People getting on, or into, recycling bins or entering restricted staff areas
- People parking or staying in the facility for many hours or all day
- Groups of people loitering and taking recyclable materials from other patrons

In 2010, in advance of designing the new Center, Environmental Services Division staff held several community meetings regarding these activities and the complaints they generate. Using input from community stakeholders, staff developed draft Rules of Conduct for the facility that relied primarily on common sense, decency and self-policing as means of correcting problematic behaviors. These rules were posted in the Exchange Zone and other areas of the facility upon opening the new facility in April 2012, with the intention of revisiting the issue as needed.

Since reopening the new Center, staff has continued to receive complaints about the types of activities mentioned, with the majority of problems occurring on weekends when on-site staffing is at its minimum. Given the new profile and attention paid to the new Center, and the lack of success implementing common sense rules of conduct, staff believes that it is necessary to develop and post enforceable Rules of Conduct throughout the Recycling Center facility.

Permitted Salvage

During the community meetings, it was determined that El Cerrito residents (and Center patrons in general) are very supportive of materials salvage from the Center for local reuse, and viewed salvage activities as an important contributor to the Center's value as a community resource. Many community members expressed their hopes that the ability to salvage for reuse would not be eliminated since there are many items dropped off for recycling that can be used again. Other patrons expressed concern about the intents of those engaged in salvage activities as well as the impact of those activities. Some of those who held this latter viewpoint were concerned that allowing any salvage activity meant reducing the Center's revenues that support operations. Still others were concerned about identity theft and other security or safety concerns.

Staff shares both viewpoints; local and/or regional reuse of materials is of greater environmental and social benefit than strict recycling and remanufacturing, and is an important tool in achieving community sustainability. However, allowing Center patrons to salvage materials without restriction would result in significant loss of revenue to the City and lack of accountability for the end use of salvaged materials. More importantly, per ECMC 8.12.140, it is currently "unlawful for any person, other than the authorized employees of the city…to remove recyclable material from the city recycling center". The proposed inclusion of Section 8.12.150 (Salvage and application for salvage permit) is intended to allow for certain salvage activities at the Center, establish limits and accountability, while mitigating the City's risk of lost revenues. Permits would be issued on an annual basis for legitimate reuse (<u>not resale</u>) of certain items including, but not limited to, art projects, school projects, landscaping projects, building projects, etc.

It should be noted that permits will *not* be required to use the Book Exchange and the Exchange Zone. The items in these areas will be monitored separately. However, if staff determines that there are patrons that are abusing the privilege of the use of the Exchange Zone, this code amendment would allow staff to regulate activities there, including issuance of permits if necessary.

Authority to Establish Rules of Conduct

Staff is proposing that the City Council amend the El Cerrito Municipal Code Chapter 8.12 – Collection and Disposal of Waste Stream to enable the City Manager or a designee to[1]:

- Control activities at the Center that are hazardous, dangerous, or are not in the best interest of El Cerrito citizens
- Set a maximum number of daily hours a patron may spend at the Center
- Set a maximum time limit for parking at the Center
- Control and limit salvaging of materials at the Center

The draft ordinance amending Chapter 8.12 is included as Attachment 1. Upon adoption of the draft ordinance, Environmental Services Division staff will, at the direction of the City Manager, seek to establish final Rules of Conduct (draft included as Attachment 2) and post them in visible locations throughout the Center. Environmental Services management will also work directly with the Police Department to develop an enforcement strategy and train all Recycling Center staff to consistently and fairly enforce the Rules. Staff will issue written notices to Center patrons announcing the new Rules and will host a public meeting at the Center explaining the Rules and enforcement. After the Rules have been posted and the community informed, staff will begin enforcement of the Rules, which will involve calling the Police as necessary.

FINANCIAL CONSIDERATIONS

There is no direct financial impact of amending the El Cerrito Municipal Code as proposed. If the City Council amends the code and the City Manager directs staff to finalize the Rules and post signs, the costs of producing the signs will be incurred within the Integrated Waste Management Fund budget.

LEGAL CONSIDERATIONS

The City Attorney has reviewed this code amendment and found that legal considerations have been addressed.

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[1] The proposed Code changes are modeled after other existing provisions in the Municipal Code. Changes to Section 8.12.140 (Illegal collection of material) to allow for and control salvaging are modeled after Section 8.12.060 (Collection – Subscription required), wherein El Cerrito solid waste subscribers may seek exemption to the solid waste services subscription requirement. The proposed inclusion of Sections 8.12.150 (Activities- Control) and 8.12.160 (Activities- Unlawful participation) are modeled after the provisions of Sections 13.32.010 and 13.32.020 which grant the City Manager with the authority to restrict the use of any portion of a playground or owned or controlled by the city, directs the City manager to post notices setting forth the controlled activities, and deems those activities unlawful.

Reviewed by:

Scott Hanin, City Manager

Attachments:
1. Draft Ordinance
2. Draft Rules of Conduct for City Manager approval
3. Draft Salvage Permit application

Agenda Item No. 7(C)
Attachment 1

ORDINANCE NO. 2012–XX

AN ORDINANCE OF THE CITY OF EL CERRITO AMENDING EL CERRITO MUNICIPAL CODE CHAPTER 8.12 – COLLECTION AND DISPOSAL OF WASTE STREAM

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

SECTION I. Chapter 8.12 is hereby amended with the following additions and deletions to read as follows (additions in underline; deletions in ~~strikethrough~~):

8.12.020 – Definitions.

As used in this chapter:

A. "Compost" means the product resulting from the managed and controlled biological decomposition of organic material, which is separated for this purpose from the solid waste stream.

B. "Compostable material" means those organic materials of the solid waste stream, which can, through controlled biological decomposition, produce a useable compost product. Compostable materials include but are not limited to food and food scraps, food scrap soiled paper, green waste plant debris, untreated wood, and other items as determined by the city. Compostable materials do not include human or animal waste or fluids or any items that have been in contact with human or animal waste or fluids.

C. "Contractors" means such persons, firms or corporations holding a contract with the city for the collection and disposal of garbage, recyclable materials or green waste.

D. "Garbage" means those elements of the solid waste stream other than hazardous waste, universal waste, or those materials which have been separated, set aside, handled, packaged or offered for collection separately from other discards for the purpose of recycling, reuse or composting.

E. "Hazardous waste" means discarded material or solid waste which exhibits one or more of the following characteristics: (1) ignitability, (2) corrosivity, (3) reactivity, or (4) toxicity, and because of its quantity, concentration, physical, chemical or infectious property may cause a substantial present or potential hazard to human health or the environment. Hazardous waste and low-level radioactive waste are regulated under Chapter 7.5 (commencing with Section 25800) of Division 20 of the State Health and Safety Code and Title 22, Chapter 11 of the State Code of Regulations.

F. "Health officer," unless otherwise described, means the city manager or his or her designee.

G. "Recyclable materials" means those discarded materials which, when separated from other discarded materials and properly processed, can be turned into useful products through reprocessing or remanufacturing. Recyclable materials include, but are not limited to, glass, metals, plastic and paper, and other items as determined by the city.

H. "Recycle-recycling" means the process of collecting, sorting, cleansing, treating and reconstituting materials that would otherwise be discarded as garbage, and returning them as raw material for new, reused or reconstituted products which meet the quality standards necessary for use in the marketplace.

I. "Reuse" occurs when an item of the solid waste stream is reused in its manufactured form without reprocessing. Reusable materials include but are not limited to clothing, indoor and outdoor furnishings, clean fill dirt, architectural detailing, art and art supplies, books and antiques.

J "Restricted drop-off items" means those items collected at the El Cerrito Recycling and Environmental Resource Center that, for reasons of safety, health, security, and/or cost-efficiency, are locked, secured, or otherwise made inaccessible to the public without the assistance of city staff. The proper procedure for dropping off restricted items at the Center shall be posted at each restricted drop-off area, and shall instruct patrons how to get staff assistance with those items.

K. "Salvage" means the act of accessing and taking those materials from the El Cerrito Recycling and Environmental Resource Center that can be reused or repurposed by individuals while providing equal or greater community and environmental benefits than would be realized if those items were recycled by the city. Salvage also means to access and take such materials.

L. "Salvage permit" means a granted exemption to Section 8.12.140B of this code. Salvage permits are subject to the provisions in Section 8.12.140C.

~~J.~~M. "Special waste" means materials, whether classified as hazardous or nonhazardous, identified in the solid waste stream, that present a hazard to human health or the environment if not properly handled, or waste that requires unique handling or disposal methods because of its physical characteristics. Special wastes include, but are not limited to, tires, asbestos, grease trap pumpings, incinerator ash, medical waste, sewage sludge, street sweepings, catch basin debris and tires. Medical waste is regulated pursuant to the Medical Waste Management Act, Chapter 6.1 (commencing with Section 25015) of Division 20 of the State Health and Safety Code.

~~K.~~N. "Sharps" means any potential biohazard device having acute rigid corners, edges, or protuberances capable of cutting or piercing, such as hypodermic needles, hypodermic needles with syringes, lancets, blades, needles with attached tubing, syringes contaminated with biohazardous waste, acupuncture needles, root canal files, broken glass items such as Pasteur pipettes and blood vials contaminated with biohazardous waste, and any item capable of cutting or piercing that is contaminated with biohazardous waste, and any item capable of cutting or piercing that is contaminated with trauma scene waste. "Sharps" does not mean household disposable razors, box cutting knives, craft tools, or household glass.

~~L.~~O. "Pharmaceuticals and personal care products (PPCPs)" means chemical substances, including prescription and over-the-counter therapeutic drugs, fragrances, cosmetics, sunscreen agents, diagnostic agents, nutraceuticals, and biopharmaceuticals.

~~M.~~P. "Universal wastes" are hazardous wastes, including but are not limited to electronic devices, fluorescent lamps, cathode ray tubes, instruments that contain mercury, batteries, and many other items, as determined by the California Department of Toxic Substance Control pursuant to the California Code of Regulations (Title 22 Universal Waste Rule).

8.12.040 – Unlawful disposal.

A. It is unlawful for any person to throw, place, or bury any solid waste or other discarded materials anywhere in the city other than in an authorized container or public receptacle.

B. It is illegal to place sharps in solid waste collection containers including recycling, garbage and green waste containers. All sharps must be taken to an appropriate medical waste disposal facility, the El Cerrito Recycling and Environmental Resource Center, or the household hazardous waste facility, if they are accepted there.

C. PPCPs shall not be placed in solid waste containers and must be taken to a household hazardous waste facility or the El Cerrito Recycling and Environmental Resource Center for appropriate disposal. A list of such products shall be available from the household hazardous waste facility for residents.

D. The state of California has deemed it illegal to dispose of universal wastes in landfills. Universal wastes must be properly disposed or recycled pursuant to state law. Most Universal wastes are accepted daily at the El Cerrito Recycling and Environmental Resource Center.

E. Special wastes must be handled and disposed of or recycled in a manner that protects human health and the environment and in accordance with all applicable regulations.

F. It is unlawful for any person to place or dispose of items at the El Cerrito Recycling and Environmental Resource Center that are not accepted at that facility. Unlawful disposal includes, but is not limited to: placing garbage, compostable material, certain Hazardous wastes, Special wastes, and other items not listed as accepted anywhere in the facility; placing any acceptable items in the incorrect containers; and placing Restricted drop-off items anywhere in the facility without gaining appropriate access for Restricted items.

8.12.140 – Illegal collection of material.

A. It is unlawful for any person other than the contractors selected pursuant to Section 8.12.110 to ~~scavenge~~ take materials left on city curbs for collection.

B. Except for materials designated by the El Cerrito Recycling and Environmental Resource Center staff as being available for salvage, it is unlawful for any person, other than authorized employees of the city (on city business) or the contractors selected pursuant to Section 8.12.110, to remove recyclable material from ~~the city recycling center~~ any container, patron, contractor, employee, vehicle or area at El Cerrito Recycling and Environmental Resource Center or from public bins designated for the collection of such.

C. Any violation of this section is a nuisance per se punishable by fine or imprisonment as specified in Chapter 1.08 of this code.

8.12.150 – Salvage and application for salvage permit.

A. The city manager or his or her designee may grant an exemption to Section 8.12.140B to individuals removing certain items collected at the El Cerrito Recycling and Environmental Resource Center for legitimate salvage. Certain categories of items, as designated and specially marked by city staff, may be designated for ongoing salvage and/or reuse available to all patrons.

Salvage of all other categories of materials that are not designated by city staff for ongoing salvage and/or reuse shall require an exemption via a salvage permit application by the individual seeking permission to salvage the materials. Such salvage permit application is subject to the following qualifications:

1. Applicant must demonstrate that the salvaged materials will be legitimately reused or repurposed through, for example: use as-is; repair and use; use in an art, school, or other project; use as parts; use in collections (e.g. stamps); or other personal uses.

2. Applicant must sign a statement, under penalty of perjury, that no materials taken for salvage will be sold as recyclable materials.

3. Applicant will be subject to any limits on the quantity of salvaged material that may be taken, as determined by the city manager or his or her designee. The city manager or his or her designee may require that applicants salvaging materials above certain limits purchase those materials at fair market value from the city. Applicant must sign a statement, under penalty of perjury, that the applicant will abide by all salvage limits.

4. Applicant must demonstrate that any salvage proposed by applicant does not constitute a nuisance as specified in Chapter 8.34 of the El Cerrito Municipal Code and is not in violation of any other El Cerrito Municipal Code provisions.

5. The mere payment of fees that fund curbside recycling collection, the El Cerrito Recycling and Environmental Resource Center and El Cerrito environmental programs shall not constitute grounds for the granting of an salvage permit.

B. The salvage permit application procedure is as follows:

a. Applicant must supply all required proof of qualifications in writing together with the application submittal. Applicants may be required to provide information in forms provided by the city. Salvage activities are subject inspection prior to approval of a permit.

b. Applicant shall pay an application fee as provided in the city's master fee schedule, if one is established.

c. Applicant may be required to meet with city staff or attend an application hearing as the city manager or his or her designee deems necessary to provide all required information and proof.

d. Upon the determination of the city manager or his or her designee, a written notification of the approval or denial of permit shall be issued to the applicant.

e. A salvage permit may be granted only to an individual.

f. If the application is denied or permit revoked, the applicant may re-apply following the above process.

g. The city manager or his or her designee may revoke a salvage permit at any time if a nuisance as defined in Chapter 8.34 of the El Cerrito Municipal Code is found to be a result of the salvage and/or if the City determines that any permitted salvage results in volumes that materially impact the City Recycling and Environmental Resource Center operations.

C. Permittees shall provide their written approved salvage permit to city staff when engaging in permitted Salvage activities or when the city manager or his or her designee requests verification.

~~C.~~D. Any violation of this section is a nuisance per se punishable by fine or imprisonment as specified in Chapter 1.08 of this code.

8.12.160 – Activities-Control.

Whenever the city manager shall find that the welfare of any person will be best served by restricting the use of any portion of the El Cerrito Recycling and Environmental Resource Center, he or she shall control activities which are deemed to be of a hazardous nature, or of a nature which would endanger property, or which are not in the best interest of the citizens of the city. These activities may include, but are not limited to, restricting the total length of all daily visits to the El Cerrito Recycling and Environmental Resource Center by an individual and limiting the duration of parking at the El Cerrito Recycling and Environmental Resource Center. The city manager shall cause signs or notices to be posted setting forth the controlled activities.

8.12.170 – Activities-Unlawful participation.

Any person entering, being or remaining in the El Cerrito Recycling and Environmental Resource Center shall comply with the provisions of this chapter, all other related provisions of this code, and any rules posted by the city manager or his or her designee as provided by Section 8.12.160.

SECTION II. This Ordinance shall take effect and be enforced thirty (30) days after the date of its adoption, and prior to the expiration of fifteen (15) 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 at a regular meeting of the City Council on ___________, and passed by the following vote:

AYES:
NOES:
ABSENT:

Adopted and ordered published at a regular meeting of the City Council held on the ______________, and passed by the following vote:

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

APPROVED:

____
William C. Jones III, Mayor

ATTEST:

____
Cheryl Morse, City Clerk

IN WITNESS of this action, I sign this document and affix the corporate seal of the City of El Cerrito on __________, 2012.

____
Cheryl Morse, City Clerk

1991836.2

El Cerrito Recycling and Environmental Resource Center

Rules of Conduct - DRAFT

SUPERVISE your children and leave pets at home

NOTIFY STAFF of any issues and call 911 in an emergency

NO LOITERING – Limit daily visitation to 2 hours total, **maximum**

NO DUMPING – Place accepted items in designated areas only

DO NOT park over 30 minutes at a time within this facility

DO NOT get in or move any equipment or enter staff areas

DO NOT take items from drop-off areas, patrons, or vehicles without City permission or as designated

* Exchange Zone, Packaging, Bicycle, and Planter Pot areas <u>exempt from this provision</u>

* See staff for more details regarding permitted salvage activities

DO NOT take more than one file box of items <u>per day</u> from the Exchange Zone

Failure to comply with these rules may result in action per ECMC 8.12.040, 8.12.140, 10.60.010, and CPC 602(l).

TRESSPASSING & LOITERING PROHIBITED BY LAW
AREA UNDER 24 HOUR VIDEO SURVEILLANCE

Agenda Item No. 7(C)
Attachment 3

City of El Cerrito
Recycling and Environmental Resource Center

Salvage Permit Application Form

The City of El Cerrito recognizes the environmental and community benefit realized by salvage and reuse of appropriate materials that would otherwise be strictly recycled. To that end, the City permits salvaging by individuals who wish to salvage certain materials in limited quantities from the Recycling and Environmental Resource Center. Permitted salvage must be for legitimate reuse (not resale) including, but not limited to, art projects, school projects, landscaping projects, building projects, etc. Full details are listed in ECMC 8.12.150.

After receiving a completed application, City of El Cerrito staff will review the application and determine whether the proposed salvage activities meet the definition of salvage per the ECMC. Upon conclusion, staff will notify the applicant whether the permit application has been granted or denied. Salvage Permits may be revoked at any time, and expire one year from date of issuance. Applicants to whom Salvage Permits are granted will be provided with a copy of this form that will need to be presented upon request. Permitted salvagers who take less than (10) pounds of salvage materials per day may collect salvage materials at no cost. The City may sell salvage materials to permitted salvagers who take more than ten (10) pounds per day of salvage materials.

Use of the Recycling Center is at your own risk. All items taken are "as-is." The City is not responsible for any damage or injury caused by items taken for reuse, and persons using the Center agree, as a condition of taking the items, to indemnify the City and hold it harmless from any and all claims of damage related to the items.

Applicant Information (please fill out completely and legibly)

Date: Full Name:

Phone Number: Email Address:

Home / Business Address:

Drivers License Number: Vehicle Make/Model/Color/Plate Number:

Description of Salvage Activity:
What are you looking to salvage? Why are you looking to salvage those items? Please attach additional information as necessary to fully explain your intent.

Staff Use Only *Reviewed by:*

Application Granted: Y / N Issuance Date: ___________ (Attach copy of Drivers License)

If no, state the reason for denying to application:_______________________________________

Agenda Item No. 7(C)
Attachment 3

City of El Cerrito
Recycling and Environmental Resource Center

El Cerrito Municipal Code 8.12.150 – Salvage and application for salvage permit.

A. The city manager or his or her designee may grant an exemption to Section 8.12.140B to individuals removing certain items collected at the El Cerrito Recycling and Environmental Resource Center for legitimate salvage. Certain categories of items, as designated and specially marked by city staff, may be designated for ongoing salvage and/or reuse available to all patrons. Salvage of all other categories of materials that are not designated by city staff for ongoing salvage and/or reuse shall require an exemption via a salvage permit application by the individual seeking permission to salvage the materials. Such salvage permit application is subject to the following qualifications:

1. Applicant must demonstrate that the salvaged materials will be legitimately reused or repurposed through, for example: use as is; repair and use; use in an art, school, or other project; use as parts; use in collections (e.g. stamps); or other personal uses.

2. Applicant must sign a statement, under penalty of perjury, that no materials taken for salvage will be sold as recyclable materials.

3. Applicant will be subject to any limits on the quantity of salvaged material that may be taken, as determined by the city manager or his or her designee. The city manager or his or her designee may require that applicants salvaging materials above certain limits purchase those materials at fair market value from the city. Applicant must sign a statement, under penalty of perjury, that the applicant will abide by all salvage limits.

4. Applicant must demonstrate that any salvage proposed by applicant does not constitute a nuisance as specified in Chapter 8.34 of the El Cerrito Municipal Code and is not in violation of any other El Cerrito Municipal Code provisions.

5. The mere payment of fees that fund curbside recycling collection, the El Cerrito Recycling and Environmental Resource Center and El Cerrito environmental programs shall not constitute grounds for the granting of an salvage permit.

B. The salvage permit application procedure is as follows:

a. Applicant must supply all required proof of qualifications in writing together with the application submittal. Applicants may be required to provide information in forms provided by the city. Salvage activities are subject inspection prior to approval of a permit.
b. Applicant shall pay an application fee as provided in the city's master fee schedule, if one is established.
c. Applicant may be required to meet with city staff or attend an application hearing as the city manager or his or her designee deems necessary to provide all required information and proof.
d. Upon the determination of the city manager or his or her designee, a written notification of the approval or denial of permit shall be issued to the applicant.
e. A salvage permit may be granted only to an individual.
f. If the application is denied or permit revoked, the applicant may re-apply following the above process.
g. The city manager or his or her designee may revoke a salvage permit at any time if a nuisance as defined in Chapter 8.34 of the El Cerrito Municipal Code is found to be a result of the salvage and/or if the City determines that any permitted salvage results in volumes that materially impact the City Recycling and Environmental Resource Center operations.

C. Permittees shall provide their written approved salvage permit to city staff when engaging in permitted Salvage activities or when the city manager or his or her designee requests verification.

D. Any violation of this section is a nuisance per se punishable by fine or imprisonment as specified in Chapter 1.08 of this code.

AGENDA BILL

Agenda Item No. 7(D)

Date: November 20, 2012

To: El Cerrito City Council

From: Jerry Bradshaw, Public Works Director / City Engineer

Subject: Central Avenue & Liberty Street Streetscape Improvements Project, City Project No. C-3063, Federal Project No. CML-5239 (020)

ACTION REQUESTED

Adopt a resolution for the following:

1) Approve plans for the Central Avenue & Liberty Street Streetscape Improvements Project;
2) Reject the bid from California Constructores, Inc. as non-responsive and accept all other bids;
3) Amend the Capital Improvement Program to transfer an amount not to exceed $160,000 of Measure A Street Improvement Funds from the Annual Street Improvement Program to the Central Avenue & Liberty Street Streetscape Improvements Project; and
4) Authorize the City Manager to award a contract, contingent on successful negotiations with Redgwick Construction Company (the lowest responsible bidder for the project) for a deductive change order after undergoing a value engineering process which is not inconsistent with the revised budget for the Central Avenue & Liberty Street Streetscape Improvements Project, City Project No. C-3063.

BACKGROUND

Project Description

The Central Avenue and Liberty Street Streetscape Improvements Project is intended to improve walking and biking routes to transit, support high-density infill development, and enhance the sense of place and quality of life in the El Cerrito Plaza BART Station Area. This project arose out of various efforts in the City of El Cerrito. Through its General Plan policies, Circulation Plan, and Draft San Pablo Specific Plan, the City has identified the El Cerrito Plaza area as a high-activity node and has identified the need for streetscape improvements to enhance pedestrian and bicycle facilities to businesses and transit. Central Avenue and Fairmount Avenue play key roles in the Plaza Area as the primary east-west corridors for travel. Liberty Street, bordering the main BART parking lot, connects these corridors and leads directly into the Plaza shopping center.

The project is located on four blocks of Central Avenue from San Pablo Avenue to the Ohlone Greenway and one block of Liberty Street from Central Avenue to Fairmount Avenue. The project is within El Cerrito's San Pablo Avenue Priority Development Area approved by the Association of Bay Area Governments (ABAG). The scope of the project includes sidewalk replacement, decorative concrete on median noses, pedestrian-level lighting, curb bulb-outs, curb ramps, high-visibility crosswalk signing and striping, bike route signing and striping, a speed table, street trees, and street furniture. The estimated cost for planning, design and construction of the Central Avenue and Liberty Street Streetscape Improvements Project is $1,020,000.

Grant Funding

The project is funded by two separate Transportation for Livable Communities Programs. The first is a Congestion Mitigation and Air Quality, federal grant in the amount of $816,000 from the Contra Costa County Portion of the Metropolitan Transportation Commission's (MTC's) Transportation for Livable Communities (TLC) Program. The second is a Measure J, countywide half-cent sales tax grant in the amount of $204,000. Public Works staff applied for the two competitive grants in early 2010, and the City was fortunate in being awarded both of them in the summer of 2010. In October 2010, the City Council approved Resolution 2010-64 authorizing the City Manager to execute a Cooperative Agreement between the Contra Costa Transportation Authority (CCTA) for the use of Measure J funds on this project. In April 2011, the City also received authorization to proceed with the use of the federal grant on the design phase of the project.

Coordination with BART

City staff has closely coordinated the scope of sidewalk and tree work around the El Cerrito Plaza BART Station with BART, due to a pending transfer of sidewalk ownership from BART to the City. The tree roots located within the sidewalk areas around the El Cerrito Plaza BART Station have displaced the sidewalk, curb, gutter and street surface in numerous locations and many trees are close to the end of their safe and useful life expectancy. BART and the City were both able to secure different funding sources for various pedestrian, bicycle, accessibility, landscaping and lighting improvements around the BART Station. Sidewalk and tree replacement on Richmond Street, Willow Street and Central Avenue, between Richmond Street and the Ohlone Greenway, is part of BART's Sidewalk and Wayfinding Improvements Project, which is currently under construction and anticipated to be completed by the end of this year. The work on Liberty Street and the remaining section of Central Avenue will be part of the City's project.

The project was advertised for bid in the West County Times on August 16 and 22, 2012. Notices were mailed directly to all contractors on our bidders list and several plan rooms.

ANALYSIS

Five bids were received on September 25, 2012 with the following results:

Name	Location	Bid
California Constructores	*San Pablo*	*$ 853,596.00*
Redgwick Construction Company	*Newark*	*$ 997,635.00*
McGuire & Hester	*Oakland*	*$ 1,176,242.00*
J.A. Gonsalves & Sons Construction	*Napa*	*$ 1,314,464.00*
W.R. Forde Associates	*Richmond*	*$ 1,352,564.50*
Engineer's Estimate		*$ 789,388.38*

Numerous irregularities were present in the low bid submitted by California Constructores, including: (1) several illegible unit prices, (2) alterations, interlineations and erasures in bid schedule made without the required initialed acknowledgement, (3) mathematical errors, (4) amount of bid bond provided was less than required, (5) incomplete forms, and (6) unendorsed forms. As such, Staff recommends rejection of California Constructores' bid as non-responsive. The next low bidder is Redgwick Construction Company (contractor's license # 140057, Class A). Their bid is $997,635.00 for the Base Bid and Additive Alternate One.

The original construction cost estimate was $839,000 including contingencies. As the project was put out to bid, the Engineer's Estimate was $789,400 plus 10% contingencies. Because of the increase in estimated costs, staff developed the bid document to include a bid alternate to enable scaling down of the project after bidding. However, the extent to which costs have increased was not anticipated. In comparing the lowest responsive bid to the Engineer's Estimate the cost of construction of the project has risen by approximately 26%. This is a trend being experienced by other Local Agencies in the Bay Area as well.

This is the second project in recent months that has come in significantly over budget (reference the Potrero Safety Project at the 10/16/12 Council meeting) – an indication of a trend that shows no sign in abating. As with the previous project award, staff has considered three options:

1. Reject all bids, redesign the project, and go out to bid again. With prices rising, staff does not recommend this option as it would take longer and expose the City to even higher prices.

2. Award the project and rely on the value engineering process to reduce the total project costs through deductive change orders. Staff has worked with the designers on several value engineering options to lower the project costs without jeopardizing any of the major elements of the project or the intent of the original

federal grant. However, we do not anticipate achieving enough savings to make the existing budget work.

3. Secure additional funding. Staff contacted the Contra Costa Transportation Authority (CCTA), this county's congestion management agency through which federal transportation grants are passed, and found that the upcoming One Bay Area Grant (OBAG) funding might be eligible for this project. In the draft OBAG process, each municipality in the county will be allocated an amount of funding for street paving. For El Cerrito, this amount is set at $630,060. CCTA staff indicated that if we desired to use this money for other federal-eligible projects, we could apply to redirect it accordingly. City staff began the application process, but pulled back as we learned that the timing would not match the timing of this project. Based on this, staff is recommending that El Cerrito Measure A Street Improvement funds be used instead to make up any shortfall. Since both our local Measure A money and the OBAG funding would ultimately be used for street paving, either source would have the same net effect with one exception: by preserving OBAG funding for street paving, that money can only be used on arterial and collector streets whereas Measure A funds may be used on local streets as well. However, that does not pose a disadvantage since arterials and collectors are being planned for paving work in the coming few years.

As with the Potrero project last month, staff is recommending a combination approach of value engineering and additional funding. Because we are still in the competitive bidding process, the City cannot negotiate with any bidder. Therefore, we cannot know the actual value of a deductive change. Staff has conservatively estimated that approximately $200,000 can be deducted from the project budget through a reduction in project scope. This would be done primarily by omitting the sidewalk replacement on the west side of Liberty Street, omitting the permanent irrigation system for the new landscaping, and omitting a rain garden, which was one of the additive alternates. To accommodate the elimination of the permanent irrigation system, the planting plan will also need to be modified to consist of drought-tolerant tree species that will be irrigated for a two-year period using portable watering systems, such as slow-release water bags. Based on these proposed deductions and modifications, based on that, approximately $110,000 of Measure A funds would be needed to cover the remaining shortfall. Staff is requesting authorization for up to $160,000 of additional funding to allow for the uncertainty of the negotiation process that lies ahead.

FINANCIAL CONSIDERATIONS

This project is originally funded through the TLC grant with matching funds from the Measure J TLC program for a total project budget of $1,020,000. With the additional $160,000 from Measure A, the amended project budget would be $1,180,000. If staff is successful in deducting more from the project through the value engineering process, a corresponding lower amount of Measure A funds would be transferred. Below is a summary of the original and estimated revised budgets. This also includes revisions to the estimated costs for design administration and construction phase soft costs.

	Original Budget	*Estimated Revised Budget*
Design	*110,000*	*150,000*
Construction	*725,000*	*783,000*
Construction Contingency	*114,000*	*78,300*
Const Mgt/Admin	*71,000*	*117,400*
Total	*1,020,000*	*1,128,700*
Surplus (Shortfall)		*(108,700)*

Reviewed by:

Scott Hanin, City Manager

Attachments:
1. Accompanying Resolution

Agenda Item No. 7(D)
Attachment 1

RESOLUTION 2012 – XX

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL CERRITO AMENDING THE CAPITAL IMPROVEMENT PROGRAM TO TRANSFER AN AMOUNT NOT TO EXCEED $160,000 OF MEASURE A STREET IMPROVEMENT FUNDS FROM THE ANNUAL STREET IMPROVEMENT PROGRAM TO THE CENTRAL AVENUE AND LIBERTY STREET STREETSCAPE IMPROVEMENTS PROJECT AND AUTHORIZING THE CITY MANAGER TO AWARD A CONTRACT TO REDGWICK CONSTRUCTION COMPANY IN AN AMOUNT TO BE DETERMINED AFTER UNDERGOING A VALUE ENGINEERING PROCESS FOR THE CENTRAL AVENUE AND LIBERTY STREET STREETSCAPE IMPROVEMENTS PROJECT, CONTRACT NO. C-3063

WHEREAS, City Council previously authorized bids for this project as part of the Capital Improvement Program; and

WHEREAS, the project was advertised for bids on August 16 and 22, 2012 and five bids were received on September 25, 2012; and

WHEREAS, the lowest apparent bid received by California Constructores is determined to be non-responsive; and

WHEREAS, the lowest responsive, responsible bidder was Redgwick Construction Company whose total bid, in the amount of $997,635, was 26 percent above the Engineer's Estimate; and

WHEREAS, staff intends to pursue value engineering options to reduce project costs without jeopardizing any of the critical elements of the project or the intent of the original federal grant application; and

WHEREAS, the current funding for this project is provided through the Contra Costa County Portion of the Metropolitan Transportation Commission's (MTC's) Transportation for Livable Communities (TLC) Program and the Measure J – TLC Program; and

WHEREAS, Measure A Street Improvement funds are eligible for roadway projects such as this; and

WHEREAS, the City has the authority to authorize the City Manager to award the contract for this project pursuant to the established common-law doctrine articulated in the case of *Graydon v. Pasadena Redevelopment Agency* (1980) 104 Cal.App. 3d 631.

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of El Cerrito hereby approves the following:

1) Approves plans the Central Avenue & Liberty Street Streetscape Improvement Project;
2) Rejects the bid from California Constructores as non-responsive and accepts all other bids;
3) Amends the Capital Improvement Program to transfer an amount not to exceed $160,000 of Measure A Street Improvement Funds from the Annual Street Improvement Program to the Central Avenue & Liberty Street Streetscape Improvements Project; and

4) Authorizes the City Manager to award a contract, contingent on successful negotiations with Redgwick Construction Company (the lowest responsible bidder for the project) for a deductive change order after undergoing a value engineering process which is not inconsistent with the revised budget for the Central Avenue & Liberty Street Streetscape Improvements Project, City Project No. C-3063.

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

I CERTIFY that at a regular meeting on November 20, 2012 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 XX, 2012.

____
Cheryl Morse, City Clerk

APPROVED:

____
William C. Jones III, Mayor

THE CITY OF EL CERRITO

AGENDA BILL

Agenda Item No. 7(E)

Date: November 20, 2012

To: El Cerrito City Council

From: Rebecca Benassini, Council Member

Subject: Grant to Writer Coach Connection

ACTION REQUESTED

Consider a $2,500 grant in support of the Writer Coach Connection (WCC) funding request in fiscal year 2012-13.

BACKGROUND

The Writer's Coach Connection recruits, trains, and organizes volunteers to serve as tutors for students at El Cerrito High and Portola Middle School. While the program relies heavily on the donated time of volunteers, it does include a staff member who trains the coaches and coordinates with teachers to provide tutoring targeted to particular assignments.

Costs for the staff member and other program administration have been partially supported by School District grants. Funding has declined in the last few years, just as the WCC expanded from El Cerrito High School to Portola Middle School.

The WCC requested City support for the program with a $2,500 grant. The WCC has other sources of local support demonstrated by their successful volunteer program and testimonials from teachers and school administrators. Also, a parent group at Portola has raised several thousand dollars for the program. The WCC notes that the grant will assist in covering operating costs and will also demonstrate governmental support for the program. WCC may include this information on grant applications, potentially improving the entity's competitiveness for awards.

ANALYSIS AND ACTION

Administrative Policy/Procedure on City Co-Sponsorship and Grants

The City adopted a policy and procedure in 2005 (attached) related to city co-sponsorship and grants. Under the policy/procedure, local groups may apply for use of City facilities at a reduced rate and may also request grant funding. Research into the recent use of this policy/procedure indicates that grants have rarely been requested. Staff found grants awarded in the past for the Martin Luther King celebration and the Ed Fund. Funding for the MLK event is now part of the HRC budget and funding for the Ed Fund is provided through ticket purchases to their annual fundraising event.

Requested Action for WCC and Future Grants

If a majority of the Council agrees, I propose that the City allocate grant funding to the Writers Coach Connection in the amount of $2,500. While the 2005 policy/procedure suggests that potential grant recipients make grant requests during the budget cycle, the deadline for grant requests was not well known and the WCC is in need of additional financial support for the program to complete tutoring for the 2012/13 academic year. Based on this, the Council may make an exception and include a grant for WCC in the 2012/13 budget. If there is interest on the part of a majority of the Council, I also suggest that the Council revive the formalized process envisioned in 2005 and consider grant requests in future fiscal years.

FINANCIAL CONSIDERATIONS

Because the requested amount is relatively small relative to the overall General Fund budget, staff does not believe an additional budget appropriation is necessary, should the Council choose to award the grant.