

March 4, 2008 Regular City Council Meeting

**BENICIA CITY COUNCIL
REGULAR MEETING AGENDA
City Council Chambers
March 4, 2008**

7:00 P.M.

I. CALL TO ORDER:

II. CLOSED SESSION:

TO BE HELD AT 6:30 PM, DIRECTLY PRECEDING THE REGULAR MEETING

III. CONVENE OPEN SESSION:

A. ROLL CALL

B. PLEDGE OF ALLEGIANCE

C. REFERENCE TO THE FUNDAMENTAL RIGHTS OF PUBLIC

IV. ANNOUNCEMENTS/APPOINTMENTS/ PRESENTATIONS/PROCLAMATIONS:

A. ANNOUNCEMENTS:

1. Announcement of action taken at Closed Session, if any.

2. Openings on Boards and Commissions:

Historic Preservation Review Commission:

-Two full terms to February 28, 2012

-One unexpired term to February 28, 2009

Sky Valley Open Space Committee:

-One unexpired term to September 30, 2010

Human Services and Arts Board:

-One unexpired term to June 30, 2009

3. City's Commission Appointment Process – Ad Hoc Subcommittee

-Mayor Patterson and Council Member Schwartzman

4. Mayor's Office Hours:

Mayor Patterson will maintain an open office every Monday (except holidays) in the Mayor's Office of City Hall from 6:00 p.m. to 7:00 p.m. No appointment is necessary. Other meeting times may be scheduled through the City Hall office at 746-4210 or by email acardwell@ci.benicia.ca.us.

B. APPOINTMENTS:

Historic Preservation Review Commission:

1. David Crompton – One full term to February 28, 2012

2. Leann Taagepera – One full term to February 28, 2012

3. Steve McKee – One unexpired term to February 28, 2009

C. PRESENTATIONS:

D. PROCLAMATIONS:

V. ADOPTION OF AGENDA:

VI. OPPORTUNITY FOR PUBLIC COMMENT:

A. WRITTEN

B. PUBLIC COMMENT

VII. CONSENT CALENDAR:

Items listed on the Consent Calendar are considered routine and will be enacted, approved or adopted by one motion unless a request for removal or explanation is received from a Council Member, staff or member of the public. Items removed from the Consent Calendar shall be considered immediately following the adoption of the Consent Calendar.

A. Approval of Minutes of [January 29, 2008](#), [February 15, 2008](#) and [February 19, 2008](#). (City Clerk)

[B. Adoption of a resolution amending the Rules of Procedure. \(City Attorney & Assistant to the City Manager\)](#)

The amendment to the Council's rules of procedure will bring the rules into conformance with the Open Government Ordinance regarding the length of time allowed per speaker for Public Comment. The revisions also address a number of amendments requested by Council at the Special Meeting on January 29, 2008. There is no budget impact.

Recommendation: Adopt the resolution amending the Rules of Procedure.

C. Approval to waive the reading of all ordinances introduced and adopted pursuant to this agenda.

VIII. PUBLIC HEARINGS:

NONE

IX. ACTION ITEMS:

[A. Introduction and first reading of an ordinance for establishing permitting and regulatory requirements for massage therapists. \(Police Chief\) – Continued from February 19, 2008 City Council Meeting](#)

Currently, the Benicia Municipal Code only requires massage therapy businesses to obtain a business license. There are no professional guidelines for regulating and licensing massage therapy technicians working in these businesses. Absent a process to approve massage therapists, it is difficult to prevent business owners from operating with uncertified therapists or to discourage unlawful prostitution operations associated with an unlawful massage businesses. Unlawful massage operations can conduct business in commercial properties throughout the community and create quality of life issues related to a non-regulated massage business and prostitution. In response to these issues, the Police Department has reviewed alternatives that would improve the regulation of massage therapy businesses with the support of Benicia licensed massage therapists. Staff has developed an ordinance to specifically address permitting and regulating conditions that will differentiate a legitimate massage therapy business from a house of prostitution that uses a massage business as a front for unlawful activity.

Recommendation: Introduce the ordinance establishing massage regulations.

[B. Presentation of the Comprehensive Annual Financial Report for the Fiscal Year Ending June 30, 2007 and recognition of Certificate of Achievement for Excellence in Financial Reporting for the June 30, 2006 Report. \(Finance Director\) – Continued from February 19, 2008 City Council Meeting](#)

The City of Benicia receives an annual independent audit of its financial records and, upon completion, produces a Comprehensive Annual Financial Report (CAFR). This year's audit was conducted under the direction of Catherine Yuen, Shareholder at Maze and Associates, and presented to the Audit and Finance Committee (AFC) for consideration on February 8, 2008. The Audit and Finance Committee has reviewed the CAFR and recommends approval. The previous year's CAFR received an Award of Excellence from the Government Finance Officer's Association of the United States and Canada. A comparison of the audited results with the amended budget is also presented in the staff report.

Recommendation: Accept the Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ending June 30, 2007 and authorize staff to distribute the document to recipient agencies.

X. INFORMATIONAL ITEMS:

A. Review of Mid-Year Budget Update for Fiscal Years 2007-09. (Finance Director)

The attached reports summarize the mid-year status of the General Fund and budget adjustments that have been previously approved or will be required to meet program and capital project needs. The budget adjustments include changes in the General Fund, as well as changes required in other City Funds. As presented, the Amended Budget will result in a General Fund Undesignated Fund Balance at the end of FY 2007-08 of \$6,338,460 or 20.0% and FY 2008-09 of \$6,587,880 or 20.0%. While the General Fund is on course and weathering the economic slowdown, the City Manager has requested that additional time be allowed to determine how to distribute pending budget reductions of \$155,000 in FY 2007-08 and \$146,035 in FY 2008-09. It is expected these budget adjustments will be presented, along with those summarized in this report, to the City Council in April.

Recommendation: Review the reports summarizing the mid-year status of the General Fund and proposed budget adjustments. No action is necessary at this time.

B. Review of the updated top priorities and policy issues for 2007-09 - Informational. (City Manager)

At the February 26, 2008 Special City Council meeting, the City Council reviewed the list of current priority projects and policy issues, and evaluated them based on ratings of importance they assigned prior to the meeting, along with public input provided at the meeting. Council requested that an updated list of the priority projects be agendaized for a regular meeting in order to confirm the final list, along with a list of policy issues reflecting direction at the meeting.

Recommendation: Review the updated list of top priority projects and the proposed policy issues to be confirmed for the remainder of the current two-year budget period.

C. Reports from City Manager.

XI. COMMENTS FROM COUNCIL MEMBERS:

XII. ADJOURNMENT:

Public Participation

The Benicia City Council welcomes public participation.

Pursuant to the Brown Act, each public agency must provide the public with an opportunity to speak on any matter within the subject matter jurisdiction of the agency and which is not on the agency's agenda for that meeting. The City Council allows speakers to speak on non-agendaized matters under public comment, and on agendaized items at the time the agenda

item is addressed at the meeting. Comments are limited to no more than five minutes per speaker. By law, no action may be taken on any item raised during the public comment period although informational answers to questions may be given and matters may be referred to staff for placement on a future agenda of the City Council.

Should you have material you wish to enter into the record, please submit it to the City Manager.

Disabled Access

In compliance with the Americans with Disabilities Act (ADA), if you need special assistance to participate in this meeting, please contact Dan Pincetich, the ADA Coordinator, at (707) 746-4211. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

Meeting Procedures

All items listed on this agenda are for Council discussion and/or action. In accordance with the Brown Act, each item is listed and includes, where appropriate, further description of the item and/or a recommended action. The posting of a recommended action does not limit, or necessarily indicate, what action may be taken by the City Council.

Pursuant to Government Code Section 65009, 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 public hearing described in this notice, or in written correspondence delivered to the City Council at, or prior to, the public hearing. You may also be limited by the ninety (90) day statute of limitations in which to challenge in court certain administrative decisions and orders (Code of Civil Procedure 1094.6) to file and serve a petition for administrative writ of mandate challenging any final City decisions regarding planning or zoning.

The decision of the City Council is final as of the date of its decision unless judicial review is initiated pursuant to California Code of Civil Procedures Section 1094.5. Any such petition for judicial review is subject to the provisions of California Code of Civil Procedure Section 1094.6.

Public Records

The agenda packet for this meeting is available at the City Manager's Office and the Benicia Public Library during regular working hours. To the extent feasible, the packet is also available on the City's web page at www.ci.benicia.ca.us under the heading "Agendas and Minutes." Public records related to an open session agenda item that are distributed after the agenda packet is prepared are available before the meeting at the City Manager's Office located at 250 East L Street, Benicia, or at the meeting held in the Council Chambers. If you wish to submit written information on an agenda item, please submit to the City Clerk as soon as possible so that it may be distributed to the City Council.

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 [appointment leann 030408.pdf](#)

 [appointment mckee 030408.pdf](#)

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 [appointment crompton 030408.pdf](#)

RESOLUTION NO. 08-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA
CONFIRMING THE MAYOR'S APPOINTMENT OF LEANN TAAGEPERA TO THE
HISTORIC PRESERVATION REVIEW COMMISSION TO A FULL TERM ENDING
FEBRUARY 28, 2012**

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Benicia that the appointment of Leann Taagepera to the Historic Preservation Review Commission by Mayor Patterson is hereby confirmed.

The above Resolution was approved by roll call by the City Council of the City of Benicia at a regular meeting of said Council held on the 4th day of March, 2008 and adopted by the following vote:

Ayes:

Noes:

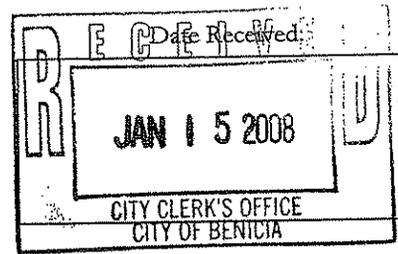
Absent:

Elizabeth Patterson, Mayor

Attest:

Lisa Wolfe, City Clerk

APPLICATION



BOARD, COMMITTEE AND COMMISSION APPLICATION

It is the intent of the City Council to have Boards, Commissions or Committees composed of people from all geographical, social, environmental and economic sectors of the community and to avoid potential conflicts of interest. (Resolution No. 04-9, Exhibit A, Section IV.A)

Board, Committee or Commission: Historic Preservation Review Commission

Name: Leann Taagepera

Address: [REDACTED]

Telephone: Home: [REDACTED] Work: same

E-mail: leanntaagepera@sbcglobal.net FAX: none

Job Title: Principal, Leann Taagepera Environmental Planning and Mother

Employer: Self-Employed, work out of home office under Benicia Business License and Home Occupation Permit

Employer Address 270 West L Street, [REDACTED]

Do you reside in Benicia? Yes No If so, how long? Over 6 1/2 years

Please indicate any particular times/days that you are unavailable for meetings:
My schedule varies, however, it should accommodate all meetings. It may be difficult for me to schedule meetings during the weekday, however.

Please submit a statement on a separate sheet that includes the following:

- Your education (please include name of institution(s) and discipline(s) studied) and prior governmental and nongovernmental experience.
- Include any city/county/state committees or commissions you have served on. Please describe its function, where, when and for how long did you serve.
- Include any community groups or organizations you are or were affiliated with, as well as any office you hold or previously held.
- Why you desire to serve-- your own goals and objectives for your term of office.

Applicant Signature: Leann Taagepera Date: 1-15-08

Please return completed applications to the City Clerk's Office at 250 East L Street, Benicia
Applications may also be faxed to 707-747-8120



Leann Taagepera Environmental Planning CEQA/NEPA Documentation

Leann Taagepera, Principal

Benicia, CA 94510

LeannTaagepera@sbcglobal.net

SPECIAL SKILLS AND EXPERTISE

Project management and coordination; California Environmental Quality Act (CEQA), National Environmental Quality Act (NEPA) documentation preparation for residential, school district, urban rail, roadway improvement, and other projects; third-party review of environmental documents; review of Section 106 of the National Historic Preservation Act (NHPA) documentation; in-house environmental planning staff for public agencies; environmental impact assessment.

EDUCATION

- M.U.R.P. Master of Urban and Regional Planning, University of California, Irvine, 1994.
- B.A. Environmental Studies, emphasis in Planning, University of California, Santa Barbara, 1989.

FIRM'S EXPERIENCE

EIR Sections for Christopher A. Joseph & Associates/Lake County, current project. Aesthetics, Land Use, and Public Services sections of an EIR are under preparation for a residential and resort development project proposed in Lake County.

Initial Study/Mitigated Negative Declaration for the City of El Cerrito/Richard Grasseti Environmental Consulting. An Administrative Draft Initial Study/Mitigated Negative Declaration (IS/MND) was completed and is currently undergoing review by the City for streetscape improvements to San Pablo Avenue.

Initial Study/Mitigated Negative Declaration for City of Richmond. An Initial Study/Mitigated Negative Declaration (IS/MND) has been completed for a two-story 57,825 square foot warehouse/office building in the City of Richmond. Four subconsultants are under contract for the issues of traffic, biology, air quality, hazards and hazardous materials, and geology. The Draft and Final IS/MND and mitigation monitoring plan were prepared, and all notices were prepared.

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EIR Sections for Christopher A. Joseph & Associates/City of Healdsburg. Cultural and Historic Resources, and Hydrology sections were prepared for an EIR for the City's General Plan update.

Initial Study/ Notice of Preparation and focused EIR for Richard Grasseti Environmental Consulting/Alameda County, project is currently on hold. An Initial Study/Notice of Preparation is currently under preparation for a 10-unit duet residential project in the Hayward area of unincorporated Alameda County. A focused EIR will be prepared for the project, primarily analyzing the issues of aesthetics and historical resources.

Revised EIR Sections for CirclePoint/City of Concord, 6/2006-7/2006. Prepared updated EIR sections for Traffic, Biology and Cultural Resource Sections, based on revised project description for the John Muir Medical Center construction project in the City of Concord.

Land Use Section for Environmental Impact Statement for CirclePoint/Federal Railroad Administration, 7/2006-9/2006. Prepared the Land Use Section for an Environmental Impact Statement being prepared for the DesertXpress project, a 200-mile-long high speed passenger rail service to connect Victorville, California to Las Vegas, Nevada. The purpose of the section was to describe the existing land uses in the area of the project, current development trends and developable land, the General Plan goals and policies applicable to the project, and General Plan land use and Zoning Code designations in the project area. The proposed project would be constructed through unincorporated San Bernardino County, California, the Cities of Victorville and Barstow, California, the City of Las Vegas, Nevada, and unincorporated Clark County, Nevada. While the alignment would be located primarily in or alongside the I-15 corridor, there are certain locations where the route would utilize portions of existing railroad right of way, portions of what is now private property, and portions of what is now undeveloped BLM land.

Traffic, Hydrology, and Biology Sections of Initial Study for CirclePoint/City of Mill Valley, 1/2006-2/2006. Initial Study sections completed, two of which were based on traffic and biology technical reports for an 18-unit condominium project in the City of Mill Valley.

CEQA Documentation for CirclePoint/Public Affairs Management/City of Oakland, 1/2005-5/2005. Initial Study and EIR Chapters completed for a residential project located in an industrial zone in Oakland. Prepared the Executive Summary, Project Description, Land Use, and Noise Chapters of the EIR.

EIR Chapter Preparation for Doug Herring and Associates, 10/2004. Prepared the historical resources chapter of an EIR, using a technical report prepared by an architectural historian for a surface mining project, near Livermore.

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Initial Study/Mitigated Negative Declaration for Public Affairs Management (now CirclePoint), City of Richmond, 6/2003 – 9/2003. Prepared an Initial Study/Negative Declaration for an aggregate off-loading operation in the City of Richmond.

Planning Department Staff Report for Public Affairs Management (now CirclePoint), City of Richmond, 8/2003. Prepared two planning commission staff reports for subdivision projects in the City of Richmond.

Technical Report Preparation for Public Affairs Management/Caltrans/FHWA/Solano Transportation Authority, 11/2003 – 6/2004. Completed a Community Impact Assessment for a Caltrans/FHWA project for the Solano Transportation Authority. This technical report analyzed the effects of a new roadway planned parallel to I-80 in the City of Fairfield and County of Solano. It analyzed land use, general plan policy, displacement, public facilities and utilities, economic, environmental justice, and agricultural impacts associated with the project. Prepared the Land Use and Farmland section of the Environmental Assessment/Environmental Impact Report for the same Caltrans/FHWA roadway project.

EMPLOYMENT EXPERIENCE

Jones & Stokes (Irvine office). Project Manager; Environmental Scientist, 3/2000 - 5/2001. Project Coordination and Management. Managed environmental studies, including environmental impact reports (EIRs), initial studies, and negative declarations. Served as project manager and analyst in preparation of environmental documentation and proposals for a variety of projects. Provided third-party review of CEQA/NEPA, NEPA and Section 106 of the NHPA documents for the Federal Transit Administration for the Orange County Transportation Authority CenterLine light rail project, the Phoenix light rail project, and for an extension of the Bay Area Rapid Transit light rail system to the Oakland International Airport. Assisted with an audit of environmental procedures for the Riverside County Transportation Department, including the interviewing of federal and state permitting agencies. Managed EIRs for new school sites for the Los Angeles Unified School District. Specialized in preparing environmental documents for proposed facilities under both state and federal environmental impact regulations, such as CEQA and NEPA documents, NHPA Section 106 documents, DOT Act Section 4(f) evaluations.

Hogle-Ireland Inc. Planner/Independent Contractor, 1/2000 - 3/2000. Assisted in third-party management of environmental consultant, including review of Screencheck Environmental Impact Report (EIR); assisted in management and preparation of an Initial Study/Addendum for changes to a large residential project; provided review of EIR for a Specific Plan residential project in the Coastal Zone and recommendation regarding further environmental documentation required for proposed changes to the project.

City of Santa Ana, Planning Department/Hogle-Ireland Inc. Acting Environmental Coordinator/Independent Contractor, 6/1999 - 1/2000. Through planning firm, acted as

in-house staff processing CEQA Negative Declarations (NDs) and Categorical Exemptions and NEPA Categorical Exclusions for roadway, commercial, and office building projects. Consulted with the state Office of Historic Preservation for effects on historic buildings; managed consultants' preparation of Negative Declarations, reviewed consultant's CEQA/NEPA document for a roadway improvement project. Advised City staff regarding CEQA/NEPA compliance, hired and negotiated scope and budget of consultant for the preparation of an EIR. Provided and coordinated City's comments on the Orange County CenterLine light rail EIR/EIS.

Los Angeles County Metropolitan Transportation Authority. Environmental Specialist I to II, 11/1995 - 6/1999. Project Manager and assistant to Manager of Environmental Compliance on complex CEQA/NEPA, Section 4(f) of the DOT Act, Section 106 of the National Historic Preservation Act, and mitigation measure compliance projects for light rail and subway projects. Environmental Specialist in charge of the Universal City Station (while under construction) of the Red Line subway and the Pasadena Blue Line light rail follow-on CEQA documentation. Reviewed two draft Subsequent EIR/EISs and assisted in managing of consultant for the Mid-City extension of the Red Line. Reviewed EIR/EA for the improvement of a large boulevard. Worked with construction contractors to ensure compliance with contract specifications regarding noise, dust, and archaeological/ paleontological resources. Oversaw archaeological field monitors. Manager of quarterly Mitigation Measure Status Report to the Federal Transit Administration. Supervised consultants, both in and out of house.

Woodward-Clyde Consultants. Senior Staff Planner to Assistant Project Planner, 9/1992 - 11/1995. Project Manager of three Initial Studies/Negative Declarations for CSU Long Beach. Assistant Project Manager on EIRs for industrial and roadway projects, Assistant Project Manager on EA for a gaming facility on Native American land; liaison between client, agency, public, and firm. Author of Public Services and Utilities, Cultural Resources, CEQA-required sections of environmental documents, and editing and writing of EIR technical sections. Provided land use mapping and field reconnaissance for noise impact analyses. Provided coordination/consultation with permitting agencies, such as the U.S. Army Corps of Engineers, California Department of Fish and Game, the Regional Water Quality Control Board, South Coast Air Quality Management District, and State Office of Historic Preservation. Acted as in-house Environmental Specialist for the Los Angeles County Metropolitan Transportation Authority.

Parsons, Brinckerhoff, Quade, and Douglas, Inc. Environmental Planner, 1/1992 - 9/1992. Assistant Project Manager on EIR/EIS transportation projects. Conducted land use compatibility, public policy consistency, safety and security, and socioeconomic analyses. Provided traffic impact sections. Principal author of project descriptions within environmental documents. Technical writer/editor.

Dames and Moore. Environmental Planner, 9/1990 - 9/1991. Assistant Project Manager on EIR projects, liaison between agencies and firm. Conducted land use compatibility, public policy consistency and visual impact analyses. Provided permitting assistance for client, with local agency for permits such as Conditional Use Permits, Grading Permits,

and Coastal Development Permits, prepared Mitigation monitoring plans, analysis of alternative project sites and sizes for EIRs. Technical writer/editor.

County of Santa Barbara, Resource Management Department. Planner I, 9/1989 - 9/1990. Project Manager of discretionary and ministerial development and land use permits. Author of staff reports presented at public hearings which provided recommendations to the Planning Commission as to the approvability of projects, conditions of approval, comprehensive plan and zoning regulation consistency, and mitigation monitoring. Researched property histories and coordinated with other agencies, and divisions within County government. Informally presented projects to the County Architectural Review Board, Subdivision Committee, community citizen planning groups, and potential applicants regarding projects.

GRADUATE SCHOOL INDEPENDENT STUDY PROJECT:

City of Long Beach Planning and Building Department. Assistant to Neighborhood and Historic Preservation Officer, Spring 1994.

Conducted research and documentation for the potential creation of a new Historic District within the City of Long Beach - The Rose Park Neighborhood. Duties included providing photo-documentation of residential structures, determining architectural style and potential contribution to the District; research using tax records to determine the age of structures; discussing the project with neighborhood residents informally while in the residential area; researching the neighborhood and city planning policies through historic newspaper files and other sources in the City Library and interview with City Planning Director; explaining the project to residents of the neighborhood at a Rose Park Neighborhood Association meeting; preparing a report documenting the findings of the research; and presenting the report to the Long Beach Cultural Heritage Commission.

SPECIAL TRAINING

Association of Environmental Professionals, "California Environmental Quality Act Advanced Topics Workshop," 1993-1998, 2000, 2003, 2004, 2005, 2006, 2007

California Preservation Foundation. "Historic Preservation Laws for Local Commissioners" 2003.

UCLA Extension . "The California Environmental Quality Act. An Advanced Seminar," February, 2001

National Preservation Institute. "Section 106 of the National Historic Preservation Act: An Advanced Seminar," April, 1998

California Preservation Foundation. "CEQA and Historic Resources," February, 1998

Federal Transit Administration/Rutgers University. "Transit Noise Impact Assessment," February, 1998

UCLA Extension. "National Environmental Policy Act," November, 1997

UCLA Extension. "Mitigation Measure Development and Compliance," February, 1997

California Preservation Foundation. "Economic Revitalization and Historic Preservation Old Pasadena and other examples," 1997

Advisory Council on Historic Preservation/University of Reno. "Introduction to Section 106 of the National Historic Preservation Act," March 1996

Federal Transit Administration. "Environmental Impact Assessment," November 1995

State of California, Department of Transportation, "Cultural Resources Compliance Two-Day Workshop," 1994

University of California, Santa Barbara Extension, "The California Environmental Quality Act: An Overview," 1990; "The California Environmental Quality Act: An Advanced Seminar," 1991

HONORS AND AWARDS

Certificate of Appreciation from Board of the Orange County Chapter of the Association of Environmental Professionals for continued support to the chapter and newsletter, 1997

Certificate of Appreciation from State Board of the Association of Environmental Professionals for contributions at the local level, 1995

PROFESSIONAL MEMBERSHIPS

Friends of Old Town Benicia (founding member 2003)

Benicia Main Street, Design Committee (2003, 2004, 2005)

Benicia Historical Society (Representative to the City Committee recommending Consultant for new historic building survey, summer 2004; Representative to the City Committee recommending Consultant for evaluation of building for National Register of Historic Places Nomination, review of consultant's nomination report, January 2005-present)

League of Women Voters

Association of Environmental Professionals (AEP), President, 2006, 2007, Membership Coordinator, 2004, 2005, San Francisco Bay Area Chapter; President, Orange County Chapter, 1996 and 1995; Secretary, Orange County Chapter, 1994, Graduate Student Representative, Orange County Chapter, 1993

AEP CEQA Workshop Coordinator (Oakland location) 2003, Co-coordinator 2004,

Coordinator 2005, 2006, 2007

AEP CEQA Workshop Coordinator (Orange County location) 1997, 1996

American Planning Association (APA); Awards Event Committee (Orange County) 2000, 1995, APA and Irish Planning Institute International Exchange Program participant to Dublin, Ireland, 1995

California Preservation Foundation

Graduate Student Representative to Campus Planning and Environment Committee, UC Irvine, 1992- 1994 school years

PRESENTATIONS

Association of Environmental Professionals, CEQA Basics Workshop, Moderator and Panelist, October 2006.

“A Case Study of Benicia, CEQA, and Historic Resources” presentation as a panelist at California Preservation Foundation workshop “Making CEQA Work”, Sacramento, October 2004.

“CEQA and Historic Resources” presentation to the Association of Environmental Professionals, Bay Area Chapter, Oakland, September 2004

“Benicia’s Von Pfister Adobe: Evaluation of National Register of Historic Places Eligibility” Benicia Historical Society, March 2004

“Benicia’s Von Pfister Adobe: Evaluation of National Register of Historic Places Eligibility” presentation to the Proseminar class of the Cultural Resources Management graduate program at Sonoma State University, December 2003

“Careers in the Environmental and Transportation Field” speaker at Math and Science Interchange conference for girls, Loyola Marymount University, April, 1998

“Planning Career Night” speaker to UC Irvine graduate and undergraduate students interested in the Master of Urban and Regional Planning program, 1995, 1996

“Metro Rail in Los Angeles” presenter to the Jubilee Line Extension Project (subway and above-ground rail extension), in London, England, July 1996.

“Environmental and Planning Problems and Solutions in a Post-Soviet Country - Estonia,” co-presenter at the Association of Environmental Professionals Annual Statewide Conference, April, 1994.

“Adaptive Reuse Project: Irvine Ranch Agricultural Complex,” co-presenter to the American Planning Association, Orange County Section, May, 1994.

January 15, 2008

Dear Mayor Patterson, Vice Mayor Campbell, and Council members,

Thank you for considering my application for the Historic Preservation Review Commission of the City of Benicia. Attached please find my completed application form and my resume which lists most of the pertinent information about my background. In addition, I am a historic home owner, since my husband and I bought our dream house in March of last year. The following is the information requested on the application form and some further details about my activities in the historic resource field:

- I earned a B.A. in Environmental Studies, emphasis in Planning from the University of California, Santa Barbara in 1989, and a Master of Urban and Regional Planning from the University of California, Irvine in 1994.
- My professional experience includes planning and environmental planning in both the private and public sectors, with much exposure to the historic resource field. Please see my resume for a detailed list.
- I have not served on any commissions in the past; however, I am involved with many community groups, and a professional organization. Please see my resume for details. When I lived in Orange County before moving to Benicia over six and a half years ago, I was appointed by the Orange County, California, Grand Jurors Association to serve on the Measure M Advisory Committee (a transportation tax committee of the Orange County Transportation Authority). However, I, unfortunately, was not able to accept the appointment due to an appearance of a conflict of interest, as I was under contract to perform environmental review work at the time, through a consulting firm, to a federal grantor to the local agency. I just finished two years as President of my chapter of the Association of Environmental Professionals, and one year as their Membership Director.
- Please see my resume for a list of community organizations to which I have belonged and currently belong and associated positions. Currently, in Benicia, I belong to the League of Women Voters (former Vice-President, Voter Services), the Benicia Historical Society (Representative to the City Committee recommending Consultant for new historic building survey, summer 2004; Representative to the City Committee recommending Consultant for evaluation of building for National Register of Historic Places Nomination, review of consultant's nomination report, January 2005-present and I presented a program to the Historical Society members entitled "Benicia's Von Pfister Adobe: Evaluation of National Register of Historic Places Eligibility" in March of 2004), Friends of Old Town Benicia, and have been a member of the Benicia Main Street Design Committee. In addition to those, I am also a member of the Benicia Mom's Club and the St. Dominic's M.O.M.S Club, and for the latter was the Co-

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Park Day Coordinator for a year. The main activity I have participated in with the Benicia Mom's Club has been as part of a group of volunteers who prepare dinners for women who are on bed-rest, or who have recently given birth. I have also done this for the St. Dominic's M.O.M.S. club, as well. In addition, I was the Benicia Mom's Club representative to the City regarding parks and playgrounds issues.

- Since September, 2007, I have been serving as a representative of the Benicia Historical Society on an Ad Hoc Committee to the HPRC, reviewing the draft historic survey prepared for the downtown Historic District.
- I desire to serve on the City's Historic Preservation Review Commission because I have a long-standing interest in historic resources. In addition, I believe that I have education and experience which would allow me to serve my community well in that capacity. I would work to educate myself on the Secretary of the Interior Standards to make sure that I always have a justifiable reason for decisions regarding historic resources. I have been involved with local historic resource and California Environmental Quality Act issues and have attended both Design Review Commission and Historic Preservation Commission meetings. In addition, I have had many years of training in planning, environmental planning and historic resource law. I have attended many training classes regarding historic resources, including a full day of the California Preservation Foundation's (CPF) state conference in Santa Barbara in 2003. At that conference, I attended classes on historic preservation plans, CEQA and historic resources, and design review of alterations to historic buildings. In the Spring of 2003, I attended a CPF workshop entitled "Historic Preservation Laws for Local Commissioners," not because I was a Commissioner, but because I have a personal interest in the topic. I also attended a one day class also sponsored by CPF about economic revitalization and historic preservation in old town Pasadena in 1997. A portion of that class was spent learning about how the City of Pasadena reviews alterations to historic buildings and its façade restoration program.
- In September of 2004, I spoke to the local Chapter of the Association of Environmental Professionals (AEP) in a presentation called "CEQA and Historic Resources." I was asked by the Executive Director of CPF to be a panelist at CPF's workshop in October of 2004, held in Sacramento, called "Making CEQA Work." While at the workshop, I attended all of the speaker's presentations.
- While living in Orange, California, I was a member of the Old Town Preservation Association, and since moving to Benicia over six and a half years ago, have joined the Benicia Historical Society and Friends of Old Town Benicia. I was the historical society's representative to the City committee which chose the consultant who is currently updating our historic building survey. I was one of two representatives of the historical society on the City committee which chose the consultant which prepared a draft National Register historical evaluation for the Von Pfister Adobe. In the Fall of 2003, I completed a graduate level course at

Sonoma State University about research and writing, in its Cultural Resources Management program. For this class, I prepared a research paper about the Von Pfister Adobe, in which I evaluated whether I believed there is sufficient data available to allow the structure to be determined to be eligible for listing on the National Register of Historic Places. I presented this paper to faculty and students at the university in December of 2003 and again to the Benicia Historical Society members in early 2004.

- As described on my resume, while a graduate student at UC Irvine, I performed an independent study project with the City of Long Beach, for which I researched, surveyed and documented residential structures for the City's 13th historic district. I presented my findings to the City's Cultural Heritage Commission. For that project, I prepared a paper entitled "Planning Policy and the Changing Urban Residential Landscape: A Case Study of the Rose Park Neighborhood, Long Beach, California." In addition, while at UCI, I took a course in architectural history and one in art history about historical landscapes illustrated in art.
- I care deeply about our city and its welfare and would work toward ensuring that quality projects were approved benefiting both the project applicants and the public. I am not an expert in all issues of design review of neither historic nor non-historic buildings, but I have a willingness to be educated in those areas which would help in the role of the commissioner.

Thank you for this opportunity to apply to the Historic Preservation Review Commission. I feel that my activities and education qualify me for the commission, as they show that I have a demonstrated special interest, competence, and knowledge of historic preservation. In addition, I am personally committed to historic preservation and can speak as a historic home owner, as my husband and I have been working to restore and maintain our historic house, which is currently proposed to be elevated to Landmark status. It certainly is a privilege for me to be a steward of this piece of Benicia's history.

Sincerely,



Leann S. Taagepera

RESOLUTION NO. 08-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA
CONFIRMING THE MAYOR'S APPOINTMENT OF STEVE MCKEE TO THE
HISTORIC PRESERVATION REVIEW COMMISSION TO AN UNEXPIRED TERM
ENDING FEBRUARY 28, 2009**

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Benicia that the appointment of Steve McKee to the Historic Preservation Review Commission by Mayor Patterson is hereby confirmed.

The above Resolution was approved by roll call by the City Council of the City of Benicia at a regular meeting of said Council held on the 4th day of March, 2008 and adopted by the following vote:

Ayes:

Noes:

Absent:

Elizabeth Patterson, Mayor

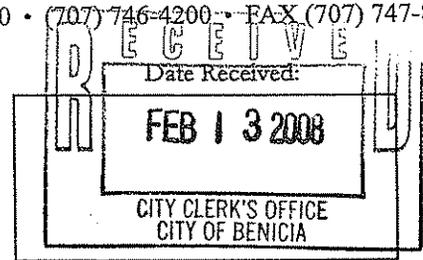
Attest:

Lisa Wolfe, City Clerk

APPLICATION



CITY HALL • 250 EAST L STREET • BENICIA, CA 94510 • (707) 746-4200 • FAX (707) 747-8120



BOARD, COMMITTEE AND COMMISSION APPLICATION

It is the intent of the City Council to have Boards, Commissions or Committees composed of people from all geographical, social, environmental and economic sectors of the community and to avoid potential conflicts of interest. (Resolution No. 04-9, Exhibit A, Section IV.A)

Board, Committee or Commission: HPRC
Name: Steve McKee
Address: [REDACTED]
Home Ph: [REDACTED] Work Ph: 746-6788
E-mail: steve@smckee.com FAX: 746-6767
Job Title: Architect Employer: self
Employer Address same as above

Do you reside in Benicia? Yes No If so, how long? 19 years

Please indicate any particular times/days that you are unavailable for meetings:

Please submit a statement on a separate sheet that includes the following:

- Your education (please include name of institution(s) and discipline(s) studied) and prior governmental and nongovernmental experience.
- Include any city/county/state committees or commissions you have served on. Please describe its function, where, when and for how long did you serve.
- Include any community groups or organizations you are or were affiliated with, as well as any office you hold or previously held.
- Why you desire to serve— your own goals and objectives for your term of office.

Applicant Signature: Steve McKee Date: 2/12/08

Please return completed applications to the City Clerk's Office at 250 East L Street, Benicia
- Applications may also be faxed to 707-747-8120 -

Please note that your completed application is a public document that may be included in a City Council Meeting Agenda Packet.

It will also be available to members of the public upon request.

Steve McKee
Application to serve on the
Historic Preservation Review Commission

My education and background:

1980 Bachelor Degree Economics UCLA
1983 Masters Degree Architecture UCLA

1986 Architect's license C-17890
1990 General Contractor's license B7549-11 (license is currently inactive)

1983 Dean's Award for Community Service - UCLA Graduate School of
Architecture and Urban Planning

1984 First Place Design Award - Design Competition for the Orinda Theater
1997 Preservation Award - City of Vallejo

Owner of "Steven McKee Architect" since 1988. Approximately three hundred
projects released for construction since that date.

Government positions or commissions served upon:

No government position ever held, other than a brief one year stint on the "Alamo
Parks Committee" in 1984 which studied the best way to have parks or trails
added to the unincorporated (and park impoverished) town of Alamo, California.

My goals as an HPRC commissioner:

If selected to join the Historic Preservation Review Commission, I would have no
grand goal for my term of office, other than to make the design for each project as
good as it can be, one at a time.

The idea of "design by committee" is especially distasteful to me. I've been on the
receiving end of design review comments and know what it's like as a designer to
stand with the project owner on the sidewalk outside city hall after a design review
session and reiterate to each other the various different directives received from
committee members and then realize that if I am to respond to each idea that an
unfortunate pastiche would result.

It's important to realize that Benicia, despite its small town ways, is large enough
to absorb different visions and has done so quite well over many decades. This is

arguably one of Benicia's strongest aspects: that our city, little though it may be, has much variety in its architecture and that this variety can strengthen the vitality of the city.

If someone showed up proposing something unique such as an art-deco revival building or maybe a gothic revival design, I could see supporting that kind of boldness and welcoming it into the big tent that is Benicia's architectural heritage. Let's just make sure it's a *good* historic revival building, and not a half hearted effort.

I see the role of the commission to be (at the very least) a line of defense against blatantly bad design, in which case strong directives should be given to the bumbling applicant. If the design is good, I see less need to impose upon the expression of the designer and the owner. Design by a group can at times be successful and employ wonderful aspects of "brain storming," a very potent thing, but just as true is the way that sparks of the best creativity are usually a very individual thing. It's critical that a governing group of people don't dumb things down to a lower common denominator.

As an architect I've always been more interested in looking beyond immediate appearances to instead see the many subtle ways that buildings and spaces truly effect the lives of the users, not so much whether or not it is achieving some "hot" new look. For example: is this front porch design going to truly live as a porch, with sufficient space for repose as well as gathering, and have true consideration of the effect of sun and shade? Will it provide easy-to-achieve but valuable touches like steps wide enough to act as impromptu seating? Or was the porch merely "tacked on" to the design so the front elevation drawing would look a bit more dolled up?

This kind of more sociological or humanist approach to achieving good design is at the heart of my work and the way I see the design world.

I wish such considerations that are so naturally sought by me and my clients in the design of personal residences were also made of our more public spaces, including the way our commercial and civic buildings either provide or fail to provide for our lives together as a community. For example, the space for sidewalk tables at the Olson building (I'm thinking of the Starbucks there) almost works, but is about 18" too narrow to truly prosper, or could have at least used a different railing design to provide for the real life that takes place there. Did anyone along the way truly consider the effect those decisions would have? Did a developer trying to max out the leasable square footage compromise this? It's not like livable sidewalk dining is some unattainable goal: simply take a look at the well proportioned and highly livable outdoor eating spaces Walnut Creek has achieved

on its Main and Locust Streets. This sort of ergonomic design is very doable, it's just that someone needs to actively seek it and know specifically what is needed.

I believe the "form based" code that Benicia has recently adopted is a highly positive change for our town. It reminds me of the "new urbanism" that began to take shape in the early eighties when "Seaside" in Florida heralded a new way of thinking of town centers. As a student at that time pondering my future career, I wanted to help rethink the failed the suburban models that had become the norm, so I did my masters thesis on a related subject.

I suppose I could go on and on about these sorts of things. Perhaps by now you have a sense of what I value about this design process so I will give it a rest. Thanks for the considering me as a HPRC member. I welcome the chance to make a contribution to one of the most unique little cities in the world.

AGENDA ITEM
CITY COUNCIL MEETING: MARCH 4, 2008
ACTION ITEMS

DATE : February 8, 2007

TO : City Manager

FROM : Finance Director

SUBJECT : **PRESENTATION OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDING JUNE 30, 2007 AND RECOGNITION OF CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING FOR THE JUNE 30, 2006 REPORT**

RECOMMENDATION:

Accept the Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ending June 30, 2007 and authorize staff to distribute the document to recipient agencies.

EXECUTIVE SUMMARY:

The City of Benicia receives an annual independent audit of its financial records and, upon completion, produces a CAFR. This year's audit was conducted under the direction of Catherine Yuen, Shareholder at Maze and Associates, and presented to the Audit and Finance Committee (AFC) for consideration on February 8, 2008. The Audit and Finance Committee has reviewed the CAFR and recommends approval. The previous year's CAFR received an Award of Excellence from the Government Finance Officer's Association of the United States and Canada. A comparison of the audited results with the amended budget is also presented in the staff report.

BUDGET INFORMATION:

There is no fiscal impact at this time. However, the CAFR is utilized by rating agencies and lending institutions in determining the credit worthiness of the City and can influence lending rates and debt service capacity when the City borrows money.

BACKGROUND:

Once again, the City has received the highest marks available from an independent auditor, often referred to as a "clean audit." In the auditor's opinion ...

...The basic financial statements referred to above present fairly in all material respects the financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Benicia as of June 30, 2007 and the changes in financial position and cash flows where applicable, thereof and the respective

budgetary comparisons listed as part of the basic financial statements for the years then ended, in conformity with generally accepted accounting principles in the United States of America.

Excerpts from the CAFR are attached to this report for your reference. The Management Discussion and Analysis Report provides a thorough discussion of the changes experienced and reported during the fiscal period. Special thanks go out to Abby Urrutia, Assistant Finance Director, and Alyson Kauzer, Accounting Manager, for their special efforts in organizing this year's award-winning report.

Upon approval, the CAFR will be submitted to the Government Finance Officers Association of the United States and Canada for evaluation of reporting criteria and award potential. The previous year's submission received the *Certificate of Achievement for Excellence in Financial Reporting* and continues the City's success in receiving the award for the past 19 years.

General Fund Budget-to-Actual Comparison

The attached *Exhibit I* summarizes the audited results in the General Fund for FY 2006-07. The year ended with budgeted operational revenues exceeding expectations by \$480,065 and operational expenditures under budget by \$868,390. The major revenue improvements were from Fire reimbursements from responding to Southern California Fires, Public Works Engineering receipts and Community Services recreational programs. These are explained more fully in the notes attached to *Exhibit I*.

There were several reasons for the positive expenditure results that yielded a 1.3% savings. The majority of the savings were from salary and benefit savings totaling \$721,590, most of which were in the Community Development and Fire Departments. Another \$164,720 can be attributed to Materials and Supplies savings. There was a large expenditure reported in Misc. Non-Departmental related to the Valero Property Tax Reimbursement that led to the category being over budget by \$589,655. Most of this will be returned in FY 2007-08, as the agreement was recently approved by Council.

The audited results yielded an ending Undesignated Fund Balance of \$6.966 million, representing 23.9% of operational expenditures for the year. This was approximately 1.4% higher than expected and allowed the General Fund to post a surplus above the 20% reserve requirement of \$1.1 million for FY 2006-07.

Exhibit II was requested by the Audit and Finance Committee to show the link between the CAFR and the City's Budget Document. The revenues and expenditures are reconciled, as well as the Ending Fund Balances.

Exhibit III displays the Amended Budgets for FY 2007-08 and FY 2008-09. The adjustments listed in the report were previously collected and recognized in December 2007 in conjunction with the Classification and Compensation study. The report indicates that current budgets are balanced at the 20% Fund Balance Reserve minimum. Staff will return on March 4, 2008 with recommendations for adjusting revenues and expenditures, based upon mid-year financial information.

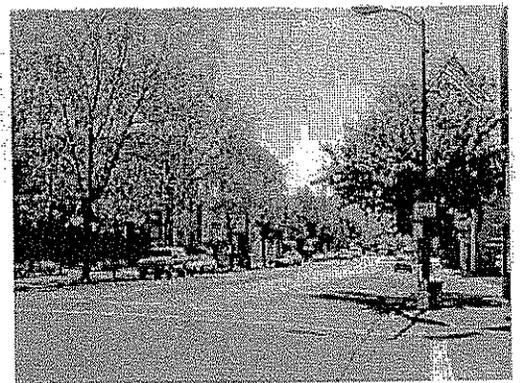
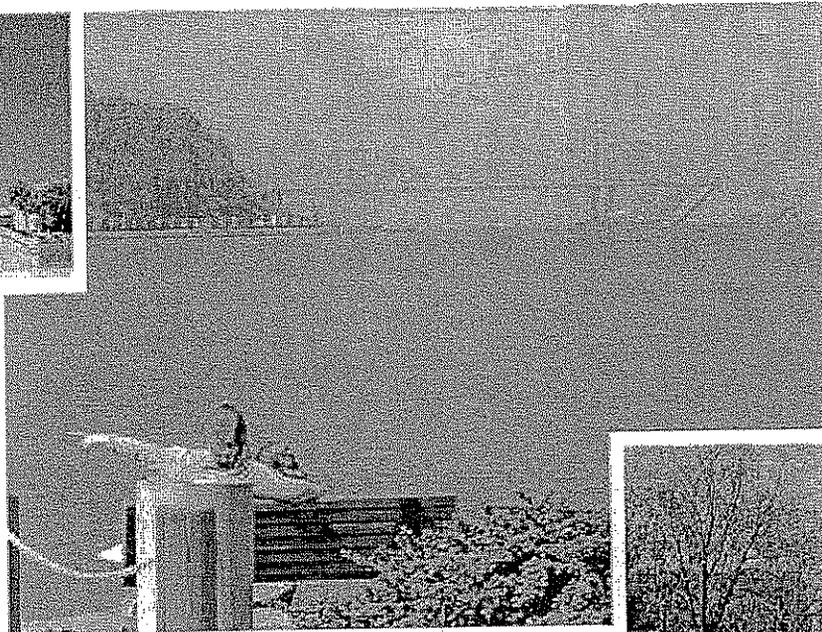
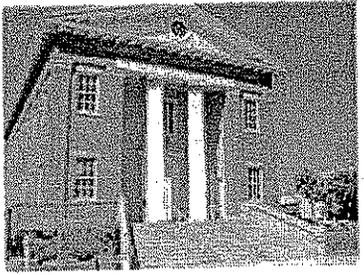
A complete copy of the CAFR is available at the City Clerks Office, the Finance Department, and online at the City of Benicia website: www.ci.benicia.ca.us and click on City Departments-Finance.

Attachments:

- Excerpts from FY 2006-07 Comprehensive Annual Financial Report
- General Fund Budget to Actual Comparison

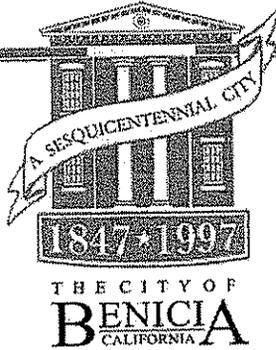
**Excerpts from FY 2006-07
Comprehensive Annual Financial Report**

THE CITY OF **BENICIA** CALIFORNIA



Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2007

IX-B-5



December 5, 2007

**To the Honorable Mayor, Members of the City Council,
and Citizens of the City of Benicia, California:**

I am pleased to present to you the Comprehensive Annual Financial Report (CAFR) of the City of Benicia (the City) for the fiscal year ended June 30, 2007. This CAFR has been prepared by the Finance Department in conformance with the principles and standards for financial reporting set forth by the Governmental Accounting Standards Board (GASB).

Responsibility for both the accuracy of the data and fairness of the presentation, including all disclosures, rests with the City. To the best of my knowledge, the enclosed information is accurate in all material respects and is reported in a manner designed to present fairly the financial position and changes in financial position of the City, as measured by the financial activity of its governmental activities, business-type activities, each major fund, and the aggregate remaining fund information. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City's basic financial statements have been audited by Maze & Associates CPA, a public accounting firm fully licensed and qualified to perform audits of State and local governments within the State of California. The goal of the independent audit is to provide reasonable assurance that the basic financial statements of the City for the fiscal year ended June 30, 2007, are free of material misstatement. The independent auditor's report is presented at the front of the financial section of this report.

Management's Discussion & Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A is designed to complement this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

Benicia, California is located in southern Solano County adjacent to the Carquinez Strait, which is part of the San Francisco Bay. It is a waterfront city, known for its small town charm, history and high quality of life. Benicia has moderate Mediterranean weather with dry warm summers and moderate winters. It currently occupies 14 square miles and serves a population of 27,916.

The City was incorporated in April 24, 1851, under the laws of the State of California. The City is a general law city administered by a council-manager form of government and provides a wide range of

ELIZABETH PATTERSON, *Mayor*
Members of the City Council
TOM CAMPBELL, *Vice Mayor* • MIKE IOAKIMEDES • MARK C. HUGHES • ALAN M. SCHWARTZMAN

JIM ERICKSON, *City Manager*
TEDDIE BIDOU, *City Treasurer*
LISA WOLFE, *City Clerk*

municipal services to its citizens including public safety (fire and police), library, parks and recreation, public works, planning and zoning, water and wastewater utilities, economic development, transit, and general administrative services.

The financial reporting entity includes all funds and activities of the City of Benicia. Other governmental agencies that provide services within the City include Solano County, the Benicia Unified School District and the Benicia Housing Authority. Financial information for these agencies is not included in the accompanying financial statements because each is a legally separate entity with operations separate from the City, and the City has no financial interest in their activities.

Management Summary

Benicia benefits from the stability of its leadership and experience. Elizabeth Patterson, newly elected mayor in November 2007, has been a Council Member since 2003, replacing Steve Messina, who served two 4-year terms as Mayor. Jim Erickson, former City Manager for the City of Millbrae for more than 20 years, was chosen to become the new City Manager after an extensive recruitment process in February 2003. Mr. Erickson leads the executive management team, which includes nine Directors that bring substantial technical expertise and managerial experience to the City of Benicia. With this level of expertise, the City continues its reputation of progressive and business-like management. The City Council and the Executive Management Team stress long-term planning and the ability to turn fiscal challenges into opportunities.

In 2004, the city developed a ten-year General Fund model. This model has become a guide and educational tool for the City's management staff, Council Members and citizens. The City's Audit and Finance Committee also takes a very active role in monitoring the ten-year model and has recommended several enhancements to ensure the viability of the model in forecasting future operational outcomes.

In addition to the model, the City has also developed a strategic plan that will direct the City's vision for success, which is updated every budget cycle. This plan identifies strategies and priorities that will best address issues raised by the City's stakeholders, and will serve as a framework for the City to provide the community with integrity, excellence, service and inclusiveness of all.

By combining the business-like attitude with the ten-year model, taking into account the strategic issues that have been identified, the City now enjoys a \$3,606,392 undesignated General Fund reserve, together with \$1,477,569 for Economic Uncertainty, \$1,477,569 for Exposures Reserve and \$2,955,138 for Emergency Reserve.

ECONOMIC OUTLOOK AND CONDITION

Benicia's strategic setting on the Carquinez Strait has made it an attractive location as both a place to live and a place for industrial growth. While largely built out, families continue to be attracted to the City of Benicia's quiet tree-lined neighborhoods, good schools, low crime rate and small-town, historic charm.

The table below illustrates the City's General Fund property, sales and utility tax collections for fiscal years 2002 through 2007:

Year	Property	Sales	Utility
2001-02	\$ 8,962,542	\$ 3,698,722	\$ 2,644,033
2002-03	10,133,259	3,802,518	2,739,530
2003-04	10,502,276	4,237,439	2,747,951
2004-05	10,774,630	4,567,137	2,826,370
2005-06	11,919,854	5,373,118	3,001,316
2006-07	12,881,657	6,285,439	5,056,904

As the table indicates, property taxes increased \$961,803 (8.07%) in fiscal year 2006-07. This increase reflects \$485,596,050 in added assessed value due to new residential and commercial construction and the existing housing market in Benicia. There is a housing market slowdown anticipated for the coming year, as is experienced throughout the County. Sales tax increased \$912,321 (16.98%) in fiscal year 2006-07. This increase reflects strong performance by many of Benicia's industrial and retail businesses. The long-term economic outlook for the City continues to be strong given the diversity of the City's economic base and the low vacancy rate in the City's Industrial Park. Utility user tax collections increased \$2,055,588 (68.49%). The new Utility User Tax agreement with Valero has generated a one-time revenue stream in the amount of \$1,234,706 to City coffers.

The City's Industrial Park is a model for other California cities on how to transform an abandoned military base into a viable industrial park and local economic catalyst. The Benicia Industrial Park provides a strong sales tax base for the City, generating over 60% of the City's sales tax revenue. Because of Benicia's excellent deep-water harbor facilities along the Carquinez Strait, Valero's Northern California Petroleum Refinery is a major activity in the Park. Amports owns the port facility and maintains a large distribution facility in Benicia, which processes over 150,000 passenger cars and light trucks annually. Other industrial sectors represented in the park include steel and metal fabrication, construction, wine warehousing and distribution and nutraceutical product research, development and manufacturing.

Over the last decade, the total square footage of the Benicia Industrial Park has expanded to over 6,000,000 square feet, over 400 companies, and approximately 7,500 jobs. The types of companies locating in the Industrial Park continue to diversify Benicia's economic base and reflect Benicia's prominence as an industrial center located midway between the Bay Area and Sacramento markets. Access to major Northern California freeways and railways contribute to the success and viability of the Benicia Industrial Park.

Discovery Builders, a major Northern California developer, owns approximately 500 acres adjacent to the Benicia Industrial Park. When approved and developed, the new Benicia Business Park will significantly increase property, sales and utility tax revenue for the City. Consistent with the City's General Plan, the new business park will contain over 4 million square feet of light industrial uses and over 800,000 square feet of commercial space. The environmental review is underway and is expected to be completed in 2008.

The following is a list of the top 15 employers in the Industrial Park:

Employer	Employees	Type of Business
Valero Refining Co	531	Petroleum Refining
Dunlop Manufacturing Inc.	200	Manufacture/Distribute Musical Accessories
Radiator Express Warehouse Inc.	199	Distribute Radiators
Bio-Rad Laboratories Inc.	193	Manufacture Hematology Products
APS West Coast, Inc.	150	Operate Port of Benicia
Coca-Cola Bottling Co.	145	Soft Drink Delivery
Cytosport	145	Dietary Sport & Nutrition Products
The Pepsi Bottling Group	121	Soft Drink Manufacturing
Henry Wine Group	117	Import/Distribute Wine Spirits
Benicia Fabrication & Machine	112	Metal Products Manufacturing
Veolia Industrial Services	102	Industrial Services
PSC Industrial Outsourcing Inc.	95	Industrial Waste Cleaning/Disposal
Philip Services Corp	86	Local Trucking Service
Universal Environmental	84	Industrial Services & Transportation
Rix Industries	80	Manufacture Air Gas Compressors

FINANCIAL GOALS AND STRATEGIES

The City's financial goals and strategies center on development of large and stable revenue sources to provide high level services to a growing community in an efficient cost-effective manner. These goals and strategies are:

1. Maintain balanced budgets that incorporate basic services and infrastructure expansion to meet community growth envisioned by the City Council and the City's General Plan.
2. Promote development of job and sales tax creating businesses to reduce the standing of the City as a bedroom community by balancing housing with jobs.
3. Promote a balance of affordable housing opportunities.
4. Promote the preservation of open space, the development of cultural amenities, the encouragement of Historical Preservation and Historical Tourism, and adequate transportation.
5. Ensure growth pays its own way.
6. Promote intergovernmental cooperation to reduce costs and better serve City residents.
7. Increase citizen involvement and City service responsiveness to residents.

There is also a strong focus on sound management of the City's financial resources to allow for the stable delivery of public services and to preserve the City's reputation in financial markets.

Balanced Budget

While the City has recovered from the \$1 million annual property tax revenue reduction imposed by the State in fiscal 1994, costly litigations concerning storm drain improvements, and the recent reduction in property valuation for Valero, one of the City's major property taxpayers, it continues to face the challenge of a slowing economy and increased employee benefit costs. Additionally, due to the past and current State of California's budget crises, the City cautiously anticipates the potential loss of additional revenue—whether it is in the form of reduced motor vehicle fees, sales tax, property tax, or on-going grant and allocation programs. In so doing, the City's General Fund reserve has remained in a secure position to weather the fiscal challenges that are anticipated in the next five years.

Benicia Market Analysis

The Benicia industrial market is diverse, strong and reflects the petro-chemical, steel fabrication and machining, construction, environmental engineering and warehouse/distribution sectors. For the last decade, the Benicia Industrial Park has been an attractive alternative to the Contra Costa market due to more affordable rents, access to affordable housing and a skilled and semi-skilled labor pool. The Benicia Industrial Park currently includes approximately 6 million square feet of space and only a few vacant parcels remain. To the west of the Industrial Park, approximately 500 acres owned by Discovery Builders will be available for future industrial development. While other communities are experiencing significant reductions in sales tax revenue, the Benicia Industrial Park remains a stable economic engine for the City. The diversity of Benicia's economic base will continue to enable the City to tolerate fluctuations in the state and national economy. In summary, 2007 was a strong year, as unemployment remained low in Benicia relative to County and State averages.

Housing Opportunities

The City of Benicia completed its Housing Element Report in May 2003. As part of the process, the Association of Bay Area Governments (ABAG) provided each community with a Fair Share Allocation that must be met within an established planning time period, in compliance with state law. The City's Housing Element Fair Share Allocation was established at 413 units and compliance is required by 2007. The City embarked upon an Affordable Housing Strategy wherein the City has facilitated and provided financial incentives to complete the construction of 124 housing units affordable to low and very low-income households since June 30, 2002. These completed units include two Habitat for Humanity sponsored units, two units at Clos du Val, fifty units at Bayridge, twelve units at Hearthstone Village and fifty six units at Burgess Point.

In addition to the affordable housing units, a large, market-rate single-family housing project (Tourtelot) is currently under construction in the Southampton area. Based on projects completed to date and currently under construction, the City of Benicia expects to meet its 1999-2007 ABAG Fair Share Allocation for all income segments within the community.

Parks, Open Space, Library, Historical Preservation and Tourism, and Transportation

The City is extremely proud of its award winning, 50-acre community park and 570-acre open space area in the northern part of the City. The City is continuing with the renovation and tenant improvements to Mills Elementary School, which will be utilized as a community center. It is currently in the design phase. The 20,000 square foot Skate Park was completed and opened in October 2007. The City is also nearing completion of the renovation of the Benicia High School lower athletic fields.

The City's \$6 million public library facility, opened in 1993, provides patrons with the utmost in modern technology available, including electronic access to the collection of other county and community college libraries. Users are able to borrow audiotapes of books, videotapes of movie classics and music compact discs in addition to having access to 113,000-volume collection of books. The library offers a number of special programs for children, teens and seniors. To further expand library services, the remodeling of the library basement is currently in progress with the design phase being completed.

The City of Benicia has a rich historical background as one of the nation's foremost military compounds, multi-faceted seaports and site of the California State Capital in 1854. There are many wonderful buildings from these bygone eras that are full of cherished artifacts and architectural splendor. The City of Benicia has recognized the importance of maintaining these significant historical assets and has empowered both citizen committees and staff to protect these valuable treasures for residents, visitors and future generations.

The City's transit system "Benicia Breeze" has evolved into a more efficient transit operation providing improved local flex route service within the City on three routes, regional service between Vallejo and Central Contra Costa County on two routes, supplemental service to Benicia schools on two routes, a local taxi scrip program for seniors and persons with disabilities and a paratransit service for persons who are unable to use fixed route transit due to their disability. Benicia Breeze uses a fleet of seven transit buses and seven cutaway buses, all of which are accessible to bicycles and mobility devices. Benicia Breeze averages about 610 passengers per weekday and carries approximately 13,500 passengers per month.

Growth Pays Its Own Way

Benicia's fees and taxes on new development are designed to ensure that growth pays its own way, while simultaneously ensuring that the City is not priced out of the development market. The total amount of fees paid for a "typical" new 2,758 square-foot single-family residence is approximately \$35,000. The fees vary based on square footage and pay for needed public facilities, such as streets, water and wastewater facilities, parks, library books and public safety needs.

Intergovernmental Cooperation

The City of Benicia works closely with the Benicia Unified School District (BUSD) in numerous ways, including:

- Providing two school resource officers at no cost to the school district
- Funding the school district's crossing guard program
- Funding for various counseling services for at-risk students and student reading programs
- High school baseball use of Fitzgerald Field
- Library assistance to schools ordinarily provided by credentialed school librarians
- Safety improvements consisting of the installation of a flashing crosswalk for Benicia High School
- Maintenance of playing fields and turf areas at three school sites

Benicia and its neighboring city, Vallejo, continue to work together to protect open space adjacent to the Benicia Community Park, which borders both cities. Benicia and Vallejo also cooperate in other matters of mutual interest. For example, the two cities, along with Fairfield, cooperated in the acquisition and maintenance in perpetuity of large tracts of open space located between each of the cities. The cities also cooperate in the management, storage and purchase of water.

Citizen Involvement

The City completed the revision of its General Plan in 1999. Part of this process involved the efforts of the General Plan Oversight Committee. This committee, composed of 17 citizens, played a key role in the formation of the new Plan. During the preparation and approval process, the City conducted an extensive public outreach program in which all segments of the community were invited to participate.

In summary, the City manages its ongoing operations and capital improvement programs in an efficient, business-like manner, with a focus on an entrepreneurial approach to problem solving and citizen involvement. Involving our citizens in shaping Benicia's future, preserving Benicia's charm and planning for its orderly progress into the twenty-first century, is of paramount importance.

FINANCIAL INFORMATION

City management is responsible for establishing and maintaining an internal control structure designed to ensure government assets are protected from loss, theft or misuse and ensure adequate accounting data are compiled for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgeting Controls

The City maintains budgetary controls. The objective of these budget controls is to ensure compliance with the City Council approved, annual appropriated budget. Activities of the General Fund and Special Revenue Funds, if required, are included in the annual appropriated budget. Project-length financial plans are adopted for the Capital Improvement Projects Funds. Budgetary control is maintained at the department level for administrative and operating expenditures and at the project budget total for capital improvements. For administrative and operating budgets, the line-item budget authority is delegated to department managers. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

Governmental and Business-Type Activities and Net Assets

For detailed information and analysis of the governmental and business-type activities and net assets, please see Management's Discussion and Analysis.

General Fund Reserves

The City has adopted a fund balance reserve policy establishing a minimum fund balance equal to 20% of the fund's annual operating expenditures budget for the purpose of stabilizing the delivery of City services during periods of operational budget deficits. At a minimum, the reserves include the following: Economic Uncertainty of 5%, Liability Exposures Reserve of 5%, Emergency Reserves of 10%. At the end of this fiscal year, the General Fund has maintained the 20% minimum and in addition has an undesignated fund balance of 11%, with 7.4% earmarked for approved projects.

Gann Limit vs. Appropriations Subject to Limit

Proposition 4, the "Gann Initiative," was passed by California voters in 1978 and is intended to limit government appropriations. The appropriations limit is calculated each year based upon fiscal year 1978-79 appropriations, which are modified by the composite consumer price index and population changes that have occurred in subsequent years. The City's appropriations limit and the estimated appropriations subject to the limit for the fiscal year 2006-07 amounted to \$61,992,633 and \$25,664,260, respectively. City appropriations subject to the limit have consistently remained far below the appropriation limits and are not expected to deviate from this trend in the foreseeable future.

Cash Management

The City's cash and investments are managed on a pooled basis. The average investment portfolio was \$57,727,463. The average yield on investment in 2006-07 was 4.45%, average maturity at year-end was approximately a year and three quarters, and total interest earned was \$3,002,244. Investments consisted primarily of money market funds, U.S. government securities and Local Agency Investment Fund (LAIF) deposits managed by the Treasurer of the State of California. These investments are allowed under an investment policy adopted by the City Council that defines eligible investments and maturities of the City's investment portfolio and requires securities be held by the City or by a qualified safekeeping institution and be registered in the City's name.

Debt Administration

The City has utilized bond financing for many public improvement projects in the past. The City's reputation and creditworthiness has been enhanced by its reliance on the same bond counsel and underwriter for nearly all bond issues brought to market over the past seventeen years. These consultants are intimately familiar with City activities and policies and are an invaluable asset in marketing the City to investors.

Additional information on the City's long-term debt can be found in Note 7 to the Basic Financial Statements.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Benicia for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2007. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. The Finance Department Staff believes this report conforms to the Certificate of Achievement Program requirements and will submit the report to the GFOA to determine its eligibility. The City of Benicia has received this award for the past 15 years and it is our goal to be awarded this Certificate once again. The award demonstrates the City's conformance to the highest level of financial reporting standards, which will likely have a positive influence on the City's financial rating. This will ensure cost savings in the future when the City of Benicia seeks financing for public improvements.

Acknowledgements

The preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. I would like to express my special appreciation to Assistant Finance Director Abigail M. Urrutia and Accounting Systems Supervisor Alyson Kauzer. I would also like to thank the Mayor, City Council Members and the City Manager for their support in planning and conducting City financial affairs in a responsible and efficient manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "RSousa". The signature is written in a cursive style with a large initial "R" and a long, sweeping underline.

Robert Sousa
Finance Director

MUNICIPAL OFFICERS

As of June 30, 2007

CITY COUNCIL (Elected)

Steve Messina, Mayor	November 2007
Alan Schwartzman, Vice Mayor	November 2009
Mark Hughes, Councilmember	November 2009
Elizabeth Patterson, Councilmember	November 2007
Bill Whitney, Councilmember	November 2007

OTHER (Elected)

Lisa Wolfe, City Clerk	November 2007
Virginia Souza, City Treasurer	November 2007

PLANNING COMMISSION (Appointed)

Scott Strawbridge	October 2008
Mike Ioakimedes	October 2007
Kyle Daley	October 2007
Daniel Healy	September 2010
Richard Bortolazzo	September 2010
Fred Railsback	October 2008
Bonnie Silveria	October 2007

PARKS, RECREATION AND CEMETARY COMMISSION (Appointed)

Sandy Moriaty	March 2009
John McGuire	June 2010
Rufus Bunch	January 2011
Annie Lloyd	September 2009
Nancy Cockerham	September 2010
Dan Moitoza	March 2010
Ernie Gutierrez	November 2010
Ellen Quigley	September 2007

APPOINTED OFFICIALS

Jim Erickson	City Manager
Heather McLaughlin	City Attorney

DEPARTMENT HEADS

Robert Sousa	Finance
Dan Schiada	Public Works
Sandra Spagnoli	Police
Ken Hanley	Fire
Michael Alvarez	Parks and Community Services
Anne Cardwell	Interim Human Resources
Diane Smikahl	Library
Charles Knox	Community Development

CITY OF BENICIA

MISSION STATEMENT

To serve and enhance our community with care, commitment and pride.

VISION STATEMENT

Building a great community together by preserving and strengthening:

- Our small town character
- A vibrant economy
- Our history
- A safe and healthy environment

GUIDING PRINCIPLES

- Integrity: doing the right thing, not the easy thing
- Excellence: giving our best always; continuously improving
- Service to the community: being accessible, caring and responsive
- Inclusiveness: seeking involvement of all stakeholders

STRATEGIC ISSUES

- Maintain a Strong Economy
- Strengthen Downtown
- Take Care of Infrastructure
- Protect Community Health and Safety
- Enhance Community Appearance
- Provide More Activities for Our Youth
- Build Community Collaboration
- Promote Continuous Improvement
- Promote Arts, Culture and Continuous Learning

CITY OF BENICIA
ORGANIZATIONAL CHART

JUNE 30, 2007

CITIZENS OF BENICIA

CITY COUNCIL

Steve Messina, Mayor

CITY CLERK

Lisa Wolfe

Alan Schwartzman, Vice Mayor

Mark Hughes

Elizabeth Patterson

Bill Whitney

CITY TREASURER

Virginia Souza

CITY MANAGER

Jim Erickson

CITY ATTORNEY

Heather McLaughlin

POLICE
CHIEF

Sandra
Spagnoli

FIRE
CHIEF

Ken
Hanley

FINANCE
DIRECTOR

Robert
Sousa

PARKS &
COMMUNITY
SERVICES
DIRECTOR

Mike
Alvarez

PUBLIC
WORKS
DIRECTOR

Dan
Schiada

INTERIM
HUMAN
RESOURCES
MANAGER

Anne
Cardwell

LIBRARY
DIRECTOR

Diane
Smikahl

COMMUNITY
DEVELOPMENT
DIRECTOR

Charles
Knox

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Benicia California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

ACCOUNTANCY CORPORATION
3478 Buskirk Ave. - Suite 215
Pleasant Hill, California 94523
(925) 930-0902 • FAX (925) 930-0135
maze@mazeassociates.com
www.mazeassociates.com

INDEPENDENT AUDITOR'S REPORT ON
BASIC FINANCIAL STATEMENTS

To the City Council
City of Benicia, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Benicia, California as of and for the year ended June 30, 2007, which collectively comprise the City's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Benicia, California as of June 30, 2007 and the respective changes in the financial position and cash flows, where applicable, thereof and the respective budgetary comparisons listed as part of the basic financial statements for the year then ended in conformity with generally accepted accounting principles in the United States of America.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit this information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplemental information listed in the Table of Contents is presented for purposes of additional analysis and is not a required as part of the basic financial statements of the City of Benicia, California. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section and statistical section listed in the Table of Contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly we express no opinion on them.

November 9, 2007

Maze & Associates

CITY OF BENICIA
Management's Discussion and Analysis

This management's discussion and analysis provides readers an overview and analysis of financial activities of the City of Benicia (City) for the fiscal year ended June 30, 2007. Please read this discussion and analysis in conjunction with the accompanying Transmittal Letter, the Basic Financial Statements and the accompanying notes to the financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$222.7 million. Of this amount, \$48.9 million may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$4.4 million due to increases in property and sales taxes, investment earnings and a one-time infusion of additional utility users tax.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$19.3 million, a decrease of \$5.0 million in comparison with the prior year. Approximately 51% of this total, \$9.8 million, is available for spending at the City's discretion.
- At the end of the current fiscal year, unreserved, undesignated fund balance for the General Fund was \$3.6 million, with \$2.5 million earmarked for approved projects. Additional designations of \$1.5 million for Economic Uncertainty, \$1.5 million for Exposures Reserve and \$3.0 million for Emergency Reserve have been set-aside to comply with the City's 20% reserve policy.
- The City's total debt decreased by \$2.3 million as a net result of debt maturities during the year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which consists of three parts: (1) Government-wide Financial Statements, (2) Fund Financial Statements, and (3) Notes to the Basic Financial Statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The Government-wide Financial Statements provide readers with a broad view of the City's finances, in a manner similar to a private-sector business, using the economic resources measurement focus and accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, while expenses are recognized in the period in which liability is incurred.

The Statement of Net Assets reports information about the City as a whole. This statement includes all assets (including infrastructure) as well as all liabilities (including long-term debt) of the City. Net assets are the difference between assets and liabilities, which is one way to measure the City's financial health. Over time, increases or decreases in the City's net assets are one indicator of whether its financial health is improving or deteriorating.

In these statements City activities are reported into two categories:

- **Governmental Activities** - Most of the City's basic services are reported in this category, including administration, community development, police, fire, parks and community services,

CITY OF BENICIA
Management's Discussion and Analysis

public works, library services, and economic development. Property, sales and utility taxes, user fees, interest income, franchise fees, and state and federal grants are among the revenues that finance these activities.

- **Business-Type Activities** - The City charges a fee to customers to pay for the cost of certain services provided. The City's wastewater, water, marina, and transit operations are reported in this category.

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State law or by bond covenants. However, the City establishes many other funds to help control and manage money for a particular purpose or to show that the City is meeting legal responsibilities for using certain taxes, grants, or other funds restricted in its use. Fund Financial Statements provide detailed information about the most significant funds, not the City as a whole.

All of the funds of the City can be divided into three categories:

- **Governmental Funds** - Most of the City's basic services are reported in governmental funds, using the current financial resources measurement focus and modified accrual accounting method, where revenues are recognized when measurable and available. Governmental funds are used to account for essentially the same functions reported as "governmental activities" in the Government-wide Financial Statements. However, unlike the Government-wide Financial Statements, Governmental Funds Financial Statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in determining the City's ability to finance its programs in the near future.

To better understand the City's long-term and short-term requirements, it is useful to compare the City's Governmental Fund Statements with the governmental activities in the Government-wide Financial Statements. A reconciliation is provided for both the governmental fund balance sheet and the statement of revenues, expenditures and changes in fund balances to facilitate this comparison.

- **Proprietary Funds** - When the City charges customers for services, either to outside customers or to other City departments, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way in which all activities are reported in the Government-wide Financial Statements, using the accrual basis of accounting. The City's enterprise funds are the same as the "business-type activities" reported in the government-wide financial statements, but provide more detail and additional information, such as cash flows for each enterprise fund. The City uses internal service funds to report activities that provide supplies and services to the City's other programs and activities, such as insurance, general services, building and equipment management and the retirement stability funds. Internal service funds are reported with "governmental activities" in the Government-wide Financial Statements since services provided predominantly benefit governmental rather than business-type functions.
- **Fiduciary Funds** - The City is the trustee, or fiduciary, for certain funds held on behalf of third parties. The City's fiduciary activities are reported in a separate Statements of Fiduciary Net

CITY OF BENICIA Management's Discussion and Analysis

Assets. These activities are excluded from the City's Government-wide Financial Statements because the City cannot use these assets to finance its operations. However, the City is responsible for ensuring that assets reported in these funds are used for their specified purposes.

Notes to the Financial Statements

The notes provide additional information essential to a full understanding of the data provided in both the Government-wide Financial Statements and Fund Financial Statements. The notes to the financial statements can be found on pages 33-61 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain Required Supplementary Information concerning the City's progress in funding its obligation to provide pension benefits to its employees.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City's combined Net Assets for the year ended June 30, 2007 are summarized below.

Summary of Net Assets
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Current and other assets	\$ 43.4	\$ 45.1	\$ 36.9	\$ 40.4	\$ 80.3	\$ 85.5
Capital assets	119.7	115.2	110.2	105.5	229.9	220.7
Total Assets	163.1	160.3	147.1	145.9	310.2	306.2
Long-term liabilities outstanding	23.9	24.3	50.7	52.7	74.6	77.0
Other liabilities	6.9	5.4	6.0	5.5	12.9	10.9
Total Liabilities	30.8	29.7	56.7	58.2	87.5	87.9
Net Assets:						
Invested in capital assets, net of related debt	109.1	106.2	56.8	50.4	165.9	156.6
Restricted	7.8	14.2	-	0.7	7.8	14.9
Unrestricted	15.4	10.1	33.6	36.7	49.0	46.8
Total Net Assets	\$ 132.3	\$ 130.5	\$ 90.4	\$ 87.8	\$ 222.7	\$ 218.3

The largest portion of the City's net assets (74.5%) reflects its investments in capital assets, less any related debt used to acquire those assets still outstanding. The City uses these capital assets to provide services to citizens and are not available for future spending.

CITY OF BENICIA
Management's Discussion and Analysis

Restricted net assets represent 3.5% of the total net assets and are subject to external restrictions. The decrease of \$7.1 million in restricted net assets is due to completion of capital projects. These monies will be available for future spending but only for specific projects around the City and for debt payments. The balance of unrestricted net assets, which represents 22.0% of the total assets, may be used to meet the City's ongoing obligations to citizens and creditors.

A Statement of Activities and Changes in Net Assets, as of June 30, 2007, is presented below.

Statement of Activities and Changes in Net Assets
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Revenues:						
Program Revenues:						
Charges for services	\$ 4.7	\$ 5.6	\$ 15.3	\$ 17.0	\$ 20.0	\$ 22.6
Operating grants and contributions	1.8	1.4	1.4	1.1	3.2	2.5
Capital grants and contributions	-	0.2	0.4	0.3	0.4	0.5
General Revenues:						
Property taxes	13.9	13.1	-	-	13.9	13.1
Sales taxes	7.0	6.0	-	-	7.0	6.0
Utility users' tax	5.1	3.0	-	-	5.1	3.0
Other taxes	2.1	2.1	-	-	2.1	2.1
Motor vehicle license fees	2.0	2.0	-	-	2.0	2.0
Investment earnings	3.4	0.7	1.6	0.8	5.0	1.5
Total Revenues	40.0	34.1	18.7	19.2	58.7	53.3
Expenses:						
Administration	3.3	3.6	-	-	3.3	3.6
Community Development	2.1	1.4	-	-	2.1	1.4
Public Safety - Police	10.4	7.1	-	-	10.4	7.1
Public Safety - Fire	6.3	6.1	-	-	6.3	6.1
Parks and Community Services	6.0	5.4	-	-	6.0	5.4
Public Works	5.6	4.5	-	-	5.6	4.5
Library	2.1	1.9	-	-	2.1	1.9
Economic Development	0.4	0.7	-	-	0.4	0.7
General Government	2.9	2.6	-	-	2.9	2.6
Interest on long-term debt	0.5	0.4	-	-	0.5	0.4
Wastewater	-	-	6.9	6.2	6.9	6.2
Water	-	-	6.6	5.9	6.6	5.9
Benicia Marina	-	-	0.6	0.6	0.6	0.6
Transit	-	-	1.8	1.5	1.8	1.5
Total Expenses	39.6	33.7	15.9	14.2	55.5	47.9
Increase in net assets before transfers	0.4	0.4	2.8	5.0	3.2	5.4
Transfers	0.1	0.1	(0.1)	(0.1)	-	-
Increase in net assets	0.5	0.5	2.7	4.9	3.2	5.4
Net assets - 7/1/06	130.5	130.0	87.7	82.8	218.2	212.8
GASB 34 Implementation Adjustment	1.3	-	-	-	1.3	-
Net assets - 6/30/07	\$ 132.3	\$ 130.5	\$ 90.4	\$ 87.7	\$ 222.7	\$ 218.2

CITY OF BENICIA
Management's Discussion and Analysis

Governmental Activities

Total resources available during the year to finance governmental operations were \$170.5 million consisting of Net Assets at July 1, 2006, of \$130.5 million, program revenues of \$6.5 million and general revenues of \$33.5 million.

The cost of all governmental activities this year was \$39.6 million. The largest governmental programs include Public Safety - both Police and Fire, and Parks and Community Services. The amount that was paid by those who directly benefited from governmental programs was \$4.7 million, while operating and capital grants and contributions paid for \$1.8 million of total costs. The City paid for the remaining "public benefit" portion of governmental activities with taxes and investment earnings.

The following table shows the Net Cost of Governmental Activities, which totaled \$33.1 million.

Net Cost of Governmental Activities

	Expenses	Program Revenues	Net Revenue (Expense) of Activities
Administration	\$ 3,300,970	\$ 32,950	\$ (3,268,020)
Community Development	2,095,746	1,314,800	(780,946)
Public Safety - Police	10,439,354	745,445	(9,693,909)
Public Safety - Fire	6,335,969	294,441	(6,041,528)
Parks and Community Services	5,966,185	1,769,044	(4,197,141)
Public Works	5,605,290	1,093,435	(4,511,855)
Library	2,153,638	379,848	(1,773,790)
Economic Development	385,726	-	(385,726)
General Government	2,864,213	927,067	(1,937,146)
Interest on long-term debt	503,819	-	(503,819)
Total	\$ 39,650,910	\$ 6,557,030	\$ (33,093,880)

Business-type Activities

Total resources available during the year to finance Business-Type Activities were \$106.4 million consisting of Net Assets at July 1, 2006, of \$87.7 million, program revenues of \$17.1 million and general revenues of \$1.6 million.

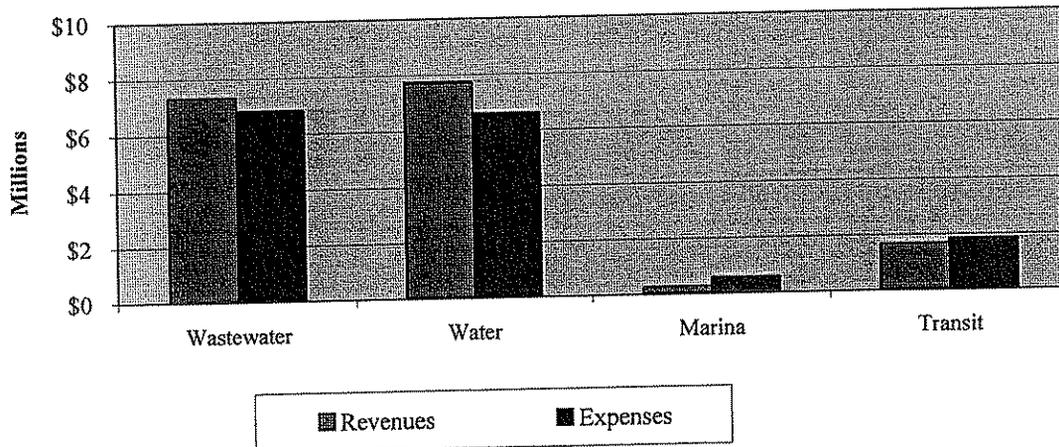
The cost of all Business-Type activities this year was \$15.9 million. As shown in the Statement of Activities and Changes in Net Assets, the amounts paid by users of the systems were \$15.3 million, while operating and capital grants and contributions were \$1.8 million.

CITY OF BENICIA
Management's Discussion and Analysis

Net Cost of Business-Type Activities

	Expenses	Program Revenues	Net Revenue (Expense) of Activities
Wastewater	\$ 6,853,399	\$ 7,335,148	\$ 481,749
Water	6,614,679	7,749,171	1,134,492
Benicia Marina	579,184	284,187	(294,997)
Transit	1,847,674	1,674,070	(173,604)
Total	\$ 15,894,936	\$ 17,042,576	\$ 1,147,640

The following chart illustrates the comparison of operating revenues and expenses by business-type activity:



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

In addition to the accrual-basis government-wide statements described above, the City maintains financial records at the fund level for compliance with finance-related legal requirements and for budgetary control. The Fund Financial Statements focus on individual funds of the City, reporting operations in more detail than the Government-wide Financial Statements.

Governmental Funds

The City's governmental funds provide information on near-term inflows, outflows and balances of spendable resources. The City's governmental funds reported a combined fund balance at June 30, 2007, of \$19.3 million, a decrease of \$5.0 million in comparison with the prior year.

CITY OF BENICIA
Management's Discussion and Analysis

General Fund - The General Fund is the chief operating fund of the City. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved and total fund balance to total funding requirements. At the end of the fiscal year, total fund balance of the General Fund was \$10.3 million, of which the unreserved, undesignated portion was \$3.6 million. In compliance with the City's reserve policy, a total of 20% of the annual operating budget has been set-aside for the following: \$1.5 million for Economic Uncertainty, \$1.5 million for Exposures Reserve and \$3.0 million for Emergency Reserve. Total fund balance represents 33% of total general fund expenditures, while unreserved, undesignated together with the 20% reserve set-aside represents 31% of that same amount.

The General Fund realized general tax and other revenues of \$32.3 million during the year to pay for \$29.5 million operating expenditures, realizing a \$2.8 million excess of revenues over expenditures. Stronger than anticipated sales tax and increases in utility users tax, which included a one-time catch-up, provided a boost in revenues. This resulted in a favorable variance from budgeted amounts. Total operating expenditures realized a favorable variance from budgeted amounts due to salary savings and delays in capital expenditures.

Transfers in to the General Fund were significantly higher than budget due to reimbursements from capital lease proceeds for the Police Building renovation and Storm Drain project. Transfers out to other funds were considerably lower than budget due to delays in construction projects. The General Fund continues to have healthy reserves for future emergencies.

McAllister Area Capital Project Fund - Revenue for the year came from investment earnings of \$.07 million and developer contributions of \$.3 million. Capital expenditures for the year, totaling \$3.3 million were significantly higher than previous year's expenditures. This is attributable to developer improvements above and beyond the maximum amount agreed upon during the formation of the district, which is nearing project completion. There is a balance of \$.8 million in the Construction Fund that will be paid to the developers upon completion and acceptance of the infrastructure.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the Government-wide Financial Statements, but in more detail.

Wastewater Fund - The City's wastewater utility fund collected \$7.2 million in user fees to maintain the system. The fund has \$69.3 million in capital assets, net of accumulated depreciation, financed with \$27.6 million of long-term debt. The fund made debt service payments of \$2.3 million during the year.

Water Fund - The City's water utility fund collected \$7.5 million in user fees to sustain the system. The system has \$36.5 million in capital assets, net of accumulated depreciation, financed with \$19.1 million of long-term debt. The Water Treatment Plant Improvement Project was completed this fiscal year with funding from a State loan in the amount of \$11.7 million. The Water Distribution Improvement Project is currently in progress with funding from reserves. The fund made \$1.4 million in debt service payments for the year.

Benicia Marina - The City's Marina collected \$.3 million in user fees to support its operating and debt service costs. The Marina has \$3.8 million in capital assets, net of accumulated depreciation, financed with \$4.0 million of long-term debt. Debt service payments for the year were \$.3 million. The fund continues to operate at a loss of \$.3 million. The City continues to evaluate options for a long-term operating solution.

CITY OF BENICIA
Management's Discussion and Analysis

Transit – The City's Transit system operates bus, para-transit, taxi service for the citizens of Benicia. The City collected user fees of \$.3 million, which was supplemented by an additional \$1.4 million in federal, state and local grants to support operations. The fund has \$0.6 million in capital assets, net of accumulated depreciation, financed by intergovernmental revenues.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the City Council may revise the City budget on more than one occasion. The Approved Budget is adopted by the City Council prior to the July 1 start of the fiscal year ("Original Budget"). The City Council may add appropriations or change revenue estimates during the course of the fiscal year, primarily at midyear budget review. Finally, the revenue and expenditure estimates for the current fiscal year are revised as part of the Approved Budget ("Final Budget").

Fiscal year 2006-07 was the second year of a two-year budget. The original budget for 2006-07 was developed in early 2005. The original budget for the General Fund revenues was \$28.1 million, while expenditures were at \$27.5 million. The final budget estimates for revenues was \$32.2 million, an increase of \$4.1 million, and \$30.2 million for expenditures, an increase of \$2.7 million. The main components of the increases are as follows:

- \$1.3 million additional revenues for sales tax in anticipation of a stronger local economy
- \$2.2 million additional revenues for utility users tax in anticipation of a tax agreement that will infuse a one-time catch-up and increases in utility usage
- \$.2 million additional revenues for use of money and property in anticipation of higher market return in investments
- \$.3 million additional revenues for state reimbursements of prior years state cutbacks and takeaways
- \$.9 million additional appropriations for capital outlays such as the patrol laptops for Police, streets and other capital projects
- \$.6 million additional appropriations for salary adjustments for all departments for compliance with negotiated labor agreements
- \$.4 million additional appropriations to the Community Development department for contracted services for the downtown and arsenal area environmental impact review

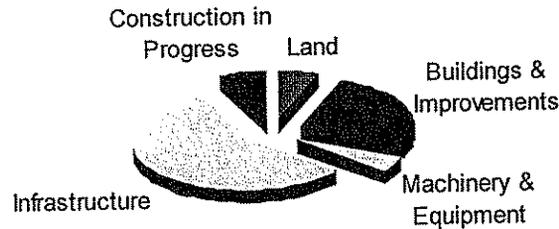
CAPITAL ASSETS

The capital assets of the City are those assets, which are used in the performance of the City's functions including infrastructure assets. This investment in capital assets includes land and easements, infrastructure, buildings and improvements, equipment and construction in progress. The City has fully accounted for its infrastructure, in compliance with GASB 34, increasing its capital assets by \$1.3 million. At June 30, 2007, net capital assets of the governmental activities totaled \$119.7 million and the net capital assets of the business-type activities totaled \$110.2 million. Depreciation on capital assets is recognized in the Government-wide Financial Statements.

CITY OF BENICIA
Management's Discussion and Analysis

The following table provides a breakdown of the City's capital assets at June 30, 2007:

	Capital Assets (in millions)					
	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Land	\$ 18.0	\$ 18.0	\$ 2.6	\$ 1.5	\$ 20.6	\$ 19.5
Buildings & Improvements	16.5	15.0	85.3	72.3	101.8	87.3
Machinery & Equipment	7.2	7.1	8.6	8.4	15.8	15.5
Infrastructure	124.4	121.8	69.4	69.1	193.8	190.9
Construction in Progress	9.8	7.9	7.7	14.0	17.5	21.9
Total Capital Assets	175.9	169.8	173.6	165.3	349.5	335.1
Accumulated Depreciation	(56.2)	(54.6)	(63.4)	(59.8)	(119.6)	(114.4)
Net Assets	\$ 119.7	\$ 115.2	\$ 110.2	\$ 105.5	\$ 229.9	\$ 220.7



■ Land	■ Buildings & Improvements	■ Machinery & Equipment
■ Infrastructure	■ Construction in Progress	

This year's major capital asset additions were:

- Vehicles – Fire rescue vehicle and a Transit bus.
- Construction in progress: McAllister Project Area, Water Distribution Improvement Project, Skate Park, along with other projects currently under construction.

Additional information on the City's capital assets can be found in Note 6 on pages 46-49 of this report.

DEBT ADMINISTRATION

The City uses a variety of indebtedness to finance various capital acquisitions. At June 30, 2007, the City's long-term debt outstanding was \$78.0 million. Of this total, \$24.3 million was in governmental activities and \$53.7 was in business-type activities.

CITY OF BENICIA Management's Discussion and Analysis

The City's governmental activities decreased by \$.8 million, and business-type activities decreased by \$1.6 million as a net result of debt maturities.

The percentage of net bonded debt to taxable property valuation, and the amount of bonded debt per capita are useful indicators of the City's debt position. Per capita debt outstanding decreased by \$147 per capita from \$2,946 to \$2,799 from the previous fiscal year.

The following is a summary of the City's long-term debt obligations at June 30, 2007:

Long-term Debt
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
General Obligation Bonds	\$ 7.0	\$ 7.5			\$ 7.0	\$ 7.5
Pension Obligation Bonds	13.9	14.0			13.9	14.0
Capital Lease	3.4	3.6			3.4	3.6
Utility Revenue Bonds			12.6	13.7	12.6	13.7
Loans Payable			41.1	41.6	41.1	41.6
Total Indebtedness	\$ 24.3	\$ 25.1	\$ 53.7	\$ 55.3	\$ 78.0	\$ 80.4

Additional information on the City's long-term debt can be found in Note 7 on pages 50-54 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City prepares biennial budget, which focuses on long-term financial viability and allows decision-makers to better understand the on-going impact of current policy decisions. Through the budget, the Council sets the direction of the City, allocates its resources and establishes its priorities. Positive economic indicators such as low unemployment, increase in sales tax and increase in property valuations continue to indicate a healthy economy for Benicia. However, with economic uncertainties caused by the State budget deficit and projected increases in personnel and benefits caution was exercised in developing the budget for fiscal year 2006-07.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Finance Department at 250 East "L" Street, Benicia, CA 94510, phone (707) 746-4225.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**STATEMENT OF NET ASSETS
AND STATEMENT OF ACTIVITIES**

CITY OF BENICIA
STATEMENT OF NET ASSETS
JUNE 30, 2007

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments available for City operations (Note 3)	\$25,039,940	\$31,538,066	\$56,578,006
Accounts receivable	1,385,605	2,119,519	3,505,124
Interest receivable	159,898	173,889	333,787
Materials, parts and supplies (Note 1H)	9,565	161,171	170,736
Prepaid items	102,656	100,000	202,656
Internal balances	245,997	(245,997)	
Restricted cash and investments held by fiscal agents (Note 3)	311,603	360	311,963
Deferred charges		609,143	609,143
Lease receivable		489,533	489,533
Loans receivable (Note 5)	2,835,868	1,906,406	4,742,274
Prepaid PERS contribution (Note 10)	13,283,659		13,283,659
Capital assets (Note 6):			
Non-depreciable	27,775,824	10,284,366	38,060,190
Depreciable, net of accumulated depreciation	91,935,074	99,948,924	191,883,998
Total Assets	163,085,689	147,085,380	310,171,069
LIABILITIES			
Accounts payable	3,026,192	1,419,693	4,445,885
Accrued payroll	139,366		139,366
Customer and performance deposits	1,005,581	127,004	1,132,585
Interest payable	195,605	462,949	658,554
Unearned revenue		750,620	750,620
General liability claims (Note 11):			
Due within one year	96,034		96,034
Workers compensation claims (Note 11):			
Due within one year	262,959		262,959
Due in more than one year	427,154		427,154
Accrued compensated absences (Note 1G):			
Due within one year	988,305	240,251	1,228,556
Due in more than one year	293,698		293,698
Long-term debt (Note 7):			
Due within one year	1,168,064	2,982,543	4,150,607
Due in more than one year	23,190,330	50,719,443	73,909,773
Total Liabilities	30,793,288	56,702,503	87,495,791
NET ASSETS (Note 8)			
Invested in capital assets, net of related debt	109,082,400	56,818,976	165,901,376
Restricted for:			
Capital projects	4,915,911		4,915,911
Debt service	1,409,547	360	1,409,907
Special revenue projects	1,522,715		1,522,715
Total Restricted Net Assets	7,848,173	360	7,848,533
Unrestricted	15,361,828	33,563,541	48,925,369
Total Net Assets	\$132,292,401	\$90,382,877	\$222,675,278

See accompanying notes to financial statements

CITY OF BENICIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2007

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
Governmental Activities:						
Administration	\$3,300,970	\$32,950			(\$3,268,020)	(\$3,268,020)
Community development	2,095,746	1,284,313	\$30,487		(780,946)	(780,946)
Public safety - police	10,439,354	199,039	546,406		(9,693,909)	(9,693,909)
Public safety - fire	6,335,969	196,361	98,080		(6,041,528)	(6,041,528)
Parks and community services	5,966,185	1,768,794	250		(4,197,141)	(4,197,141)
Public works	5,605,290	444,159	649,276		(4,511,855)	(4,511,855)
Library	2,153,638	246,302	133,546		(1,773,790)	(1,773,790)
Economic development	385,726				(385,726)	(385,726)
General government	2,864,213	557,754	369,313		(1,937,146)	(1,937,146)
Interest on long-term debt	503,819				(503,819)	(503,819)
Total Governmental Activities	39,650,910	4,729,672	1,827,358		(33,093,880)	(33,093,880)
Business-type Activities:						
Wastewater	6,853,399	7,223,062		\$112,086		\$481,749
Water	6,614,679	7,465,686		283,485		1,134,492
Benicia Marina	579,184	284,187				(294,997)
Transit	1,847,674	290,474	1,383,596			(173,604)
Total Business-type Activities	15,894,936	15,263,409	1,383,596	395,571		1,147,640
Total	\$55,545,846	\$19,993,081	\$3,210,954	\$395,571	(33,093,880)	1,147,640
General revenues:						
Taxes:						
Property taxes					13,942,074	13,942,074
Sales taxes					6,986,922	6,986,922
Utility users' tax					5,056,904	5,056,904
Other taxes					2,131,710	2,131,710
Motor vehicle in-lieu, unrestricted					2,015,234	2,015,234
Investment earnings					3,390,122	1,559,891
Gain from disposal of capital assets					2,000	4,761
Transfers, net					77,993	(77,993)
Total general revenues and transfers					33,602,959	1,486,659
Change in Net Assets					509,079	2,634,299
Net Assets-Beginning					130,526,567	87,748,578
GASB Statement No. 34 Implementation Adjustment (Note 6)					1,256,755	
Net Assets-Ending					\$132,292,401	\$90,382,877

See accompanying notes to financial statements

FUND FINANCIAL STATEMENTS

The funds described below were determined to be Major Funds by the City in fiscal 2007. Individual non-major funds may be found in the Supplemental section.

GENERAL FUND

The General Fund is used for all of the general revenues of the City not specifically levied or collected for other City funds and the related expenditures.

McALLISTER ASSESSMENT DISTRICT

The McAllister Assessment District Capital Projects Fund accounts for the construction of public improvements benefiting the property within the bounds of the Assessment District, which is located north of Rose Drive and to the west of East Second Street. Source revenues include investment earnings and proceeds from bonds.

CITY OF BENICIA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2007

	General	McAllister Assessment District	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments available for City operations (Note 3)	\$9,987,429	\$849,675	\$10,967,041	\$21,804,145
Accounts receivable	687,354		698,251	1,385,605
Interest receivable	85,908	424	55,200	141,532
Due from other funds (Note 4B)	675,597			675,597
Prepaid items	74,122			74,122
Restricted cash and investments (Note 3)			280,970	280,970
Loans receivable (Note 5)	966,646		2,061,736	3,028,382
Total Assets	\$12,477,056	\$850,099	\$14,063,198	\$27,390,353
LIABILITIES				
Accounts payable	\$987,201	\$829,500	\$1,102,028	\$2,918,729
Accrued payroll	139,366			139,366
Customer deposits	711		1,004,870	1,005,581
Due to other funds (Note 4B)			428,107	428,107
Deferred revenue	966,646		2,573,456	3,540,102
General liability claims (Note 11)	96,034			96,034
Total Liabilities	2,189,958	829,500	5,108,461	8,127,919
FUND BALANCES				
Fund balance (Note 8)				
Reserved for:				
Debt service			1,409,547	1,409,547
Prepaid items	74,122			74,122
Encumbrances	285,239		1,237,089	1,522,328
Open space			110,000	110,000
Unreserved:				
Designated for:				
Future projects	306,448			306,448
Cable grant	104,622			104,622
Economic uncertainty	1,477,569			1,477,569
Exposures reserve	1,477,569			1,477,569
Emergency reserve	2,955,138			2,955,138
Undesignated, reported in:				
General Fund	3,606,391			3,606,391
Special Revenue Funds			2,532,927	2,532,927
Capital Projects Funds		20,599	3,665,174	3,685,773
Total Fund Balances	10,287,098	20,599	8,954,737	19,262,434
Total Liabilities and Fund Balances	\$12,477,056	\$850,099	\$14,063,198	\$27,390,353

See accompanying notes to financial statements

CITY OF BENICIA
 Reconciliation of the
 GOVERNMENTAL FUNDS -- BALANCE SHEET
 with the
 STATEMENT OF NET ASSETS
 JUNE 30, 2007

Total fund balances reported on the Governmental Funds Balance Sheet \$19,262,434

Amounts reported for Governmental Activities in the Statement of Net Assets are different from those reported in the Governmental Funds above because of the following:

CAPITAL ASSETS

Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds. 110,961,066

ALLOCATION OF INTERNAL SERVICE FUND NET ASSETS

Internal Service Funds are not Governmental Funds. However, they are used by management to charge the costs of certain activities, such as insurance, central services and maintenance to individual Governmental Funds. The net current assets of the Internal Service Funds are therefore included in Governmental Activities in the following line item in the Statement of Net Assets.

Cash and investments	3,235,795
Restricted cash and investments	30,633
Interest receivable	18,366
Prepaid items	28,534
Materials, parts and supplies	9,565
Prepaid PERS contributions	13,283,659
Capital assets, net of accumulated depreciation	8,749,832
Accounts payable	(107,463)
Internal balances	(1,493)
Workers' compensation claims	(690,113)
Interest payable	(34,174)
Long-term debt	(13,891,327)

ACCRUAL OF NON-CURRENT REVENUES AND EXPENSES

Revenues which are deferred on the Fund Balance Sheets, because they are not available currently, are taken into revenue in the Statement of Activities. 3,540,102

LONG-TERM ASSETS AND LIABILITIES

The assets and liabilities below are not due and payable in the current period and therefore are not reported in the Funds:

Long-term debt	(10,467,067)
Interest payable	(161,431)
Loans receivable	(192,514)
Non-current portion of compensated absences	(1,282,003)

NET ASSETS OF GOVERNMENTAL ACTIVITIES

\$132,292,401

See accompanying notes to financial statements

CITY OF BENICIA
 GOVERNMENTAL FUNDS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2007

	General	McAllister Assessment District	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$12,881,657		\$751,966	\$13,633,623
Sales taxes	6,285,439		701,483	6,986,922
Utility users' taxes	5,056,904			5,056,904
Other taxes	1,032,343			1,032,343
Assessments			442,634	442,634
Licenses and permits	1,829,485			1,829,485
Fines and forfeitures	109,744			109,744
Use of money and property	1,135,249	\$74,406	558,434	1,768,089
Revenue from other agencies	2,105,163		1,172,891	3,278,054
Current service charges	1,576,731		1,279,638	2,856,369
Community donations		342,620	102,605	445,225
Other	304,018		257	304,275
Total Revenues	32,316,733	417,026	5,009,908	37,743,667
EXPENDITURES				
Current:				
Administration	3,256,967			3,256,967
Community development	1,227,026		538,219	1,765,245
Public safety - police	7,206,040		325,719	7,531,759
Public safety - fire	6,110,150			6,110,150
Parks and community services	4,589,329		697,072	5,286,401
Public works	1,694,070		56,045	1,750,115
Library	1,144,591		928,637	2,073,228
Economic development	333,337			333,337
General	2,554,884			2,554,884
Capital outlay	1,354,565	3,311,378	6,457,271	11,123,214
Debt service:				
Principal			617,933	617,933
Interest and fiscal charges			511,846	511,846
Total Expenditures	29,470,959	3,311,378	10,132,742	42,915,079
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,845,774	(2,894,352)	(5,122,834)	(5,171,412)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	2,000			2,000
Transfers in (Note 4A)	942,388		3,440,063	4,382,451
Transfers (out) (Note 4A)	(1,479,991)		(2,788,322)	(4,268,313)
Total Other Financing Sources (Uses)	(535,603)		651,741	116,138
NET CHANGE IN FUND BALANCES	2,310,171	(2,894,352)	(4,471,093)	(5,055,274)
BEGINNING FUND BALANCES	7,976,927	2,914,951	13,425,830	24,317,708
ENDING FUND BALANCES	\$10,287,098	\$20,599	\$8,954,737	\$19,262,434

See accompanying notes to financial statements

CITY OF BENICIA
 Reconciliation of the
 NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS
 with the
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2007

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Assets of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS (\$5,055,274)

Amounts reported for governmental activities in the Statement of Activities are different because of the following:

CAPITAL ASSETS TRANSACTIONS

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.

The capital outlay expenditures are therefore added back to fund balance	7,984,985
Retirements are deducted from fund balance	(2,501,603)
Depreciation expense is deducted from the fund balance	
(Depreciation expense is net of internal service fund depreciation	
of \$465,796 which has already been allocated to serviced funds)	(1,960,015)
Proceeds from sale of capital assets	(2,000)

LONG-TERM DEBT PROCEEDS AND PAYMENTS

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of bond principal is an expenditure in the governmental funds, but in the Statement of Net Assets the repayment reduces long-term liabilities.

Repayment of debt principal is added back to fund balance	617,933
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ACCRUAL OF NON-CURRENT ITEMS

The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds (net change):

Deferred revenue	2,186,936
Loans receivable	(192,514)
Interest payable	8,027
Compensated absences	(219,635)

ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY

Internal Service Funds are used by management to charge the costs of certain activities, such as equipment acquisition, maintenance, and insurance to individual funds. The portion of the net revenue (expense) of these Internal Service Funds arising out of their transactions with governmental funds is reported with governmental activities because they service those activities.

Change in Net Assets - Internal Service Fund	(357,761)
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CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$509,079
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See accompanying notes to financial statements

CITY OF BENICIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
REVENUES:				
Taxes:				
Property	\$12,993,210	\$12,911,560	\$12,881,657	(\$29,903)
Sales	4,977,780	6,251,145	6,285,439	34,294
Utility users'	3,020,550	5,210,315	5,056,904	(153,411)
Other	861,045	952,240	1,032,343	80,103
Licenses and permits	1,896,140	1,912,020	1,829,485	(82,535)
Fines and forfeitures	138,000	141,000	109,744	(31,256)
Use of money and property	612,650	857,670	1,135,249	277,579
Revenue from other agencies	1,959,190	2,302,550	2,105,163	(197,387)
Current service charges	1,498,080	1,489,830	1,576,731	86,901
Other	184,090	186,090	304,018	117,928
	<u>28,140,735</u>	<u>32,214,420</u>	<u>32,316,733</u>	<u>102,313</u>
EXPENDITURES:				
Current:				
Administration	2,467,560	2,653,370	3,256,967	(603,597)
Community development	1,384,140	1,753,970	1,227,026	526,944
Public safety - police	6,978,325	7,222,935	7,206,040	16,895
Public safety - fire	5,948,985	6,483,995	6,110,150	373,845
Parks and community services	4,050,065	4,225,370	4,589,329	(363,959)
Public works	1,751,370	1,797,855	1,694,070	103,785
Library	1,085,435	1,128,795	1,144,591	(15,796)
Economic development	276,110	377,360	333,337	44,023
General	2,722,690	2,757,250	2,554,884	202,366
Capital outlay	826,785	1,763,595	1,354,565	409,030
	<u>27,491,465</u>	<u>30,164,495</u>	<u>29,470,959</u>	<u>693,536</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>649,270</u>	<u>2,049,925</u>	<u>2,845,774</u>	<u>795,849</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	11,030	11,030	2,000	(9,030)
Transfers in (Note 4A)	168,230	654,530	942,388	287,858
Transfers (out) (Note 4A)	(766,850)	(4,322,725)	(1,479,991)	2,842,734
	<u>(587,590)</u>	<u>(3,657,165)</u>	<u>(535,603)</u>	<u>3,121,562</u>
NET CHANGE IN FUND BALANCE	<u>\$61,680</u>	<u>(\$1,607,240)</u>	<u>2,310,171</u>	<u>\$3,917,411</u>
Beginning fund balance			<u>7,976,927</u>	
Ending fund balance			<u>\$10,287,098</u>	

See accompanying notes to financial statements

CITY OF BENICIA
MCALLISTER ASSESSMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES:			
Use of money and property		\$74,406	\$74,406
Community donations		<u>342,620</u>	<u>342,620</u>
Total Revenues		<u>417,026</u>	<u>417,026</u>
EXPENDITURES:			
Capital outlay	<u>\$2,788,885</u>	<u>3,311,378</u>	<u>(522,493)</u>
Total Expenditures	<u>2,788,885</u>	<u>3,311,378</u>	<u>(522,493)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,788,885)</u>	<u>(2,894,352)</u>	<u>(105,467)</u>
NET CHANGE IN FUND BALANCES	<u><u>(\$2,788,885)</u></u>	<u>(2,894,352)</u>	<u><u>(\$105,467)</u></u>
Beginning fund balance		<u>2,914,951</u>	
Ending fund balance		<u><u>\$20,599</u></u>	

See accompanying notes to financial statements

MAJOR PROPRIETARY FUNDS

Proprietary funds account for City operations financed and operated in a manner similar to a private business enterprise. The intent of the City is that the cost of providing goods and services be financed primarily through user charges.

The City reported all of its the Enterprise Funds as major funds in fiscal 2007.

WASTEWATER

Accounts for the transport, treatment and disposal of wastewater for residents and businesses located within the City.

WATER

Accounts for the purchase, treatment and distribution of water to residents and businesses located within the City.

BENICIA MARINA

Accounts for the operation and management of the City Marina.

TRANSIT

Accounts for the operation and management of the City transit operations.

CITY OF BENICIA
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 JUNE 30, 2007

	Business-type Activities-Enterprise Funds					Governmental Activities- Internal Service Fund
	Wastewater	Water	Benicia Marina	Transit	Totals	
ASSETS						
Current Assets:						
Cash and investments (Note 3):						
Available for City operations	\$12,249,010	\$19,195,720	\$93,336		\$31,538,066	\$3,235,795
Held by fiscal agents	92	268			360	30,633
Accounts receivable	742,462	823,326	18,136	\$535,595	2,119,519	
Interest receivable	68,069	105,354	466		173,889	18,366
Materials, parts and supplies	32,234	128,937			161,171	9,565
Prepaid items			100,000		100,000	28,534
Total Current Assets	13,091,867	20,253,605	211,938	535,595	34,093,005	3,322,893
Non-Current Assets:						
Long-Term Assets:						
Prepaid PERS contribution	232,812	376,331			609,143	
Deferred charges	1,003,019	903,387			1,906,406	
Loans receivable (Note 5)			489,533		489,533	
Lease receivable						13,283,659
Total Long-Term Assets	1,235,831	1,279,718	489,533		3,005,082	13,283,659
Property, Plant and Equipment (Note 6):						
Land	669,710	1,850,388	63,983		2,584,081	
Buildings and improvements	51,036,559	26,314,210	7,933,206	5,000	85,288,975	11,906,899
Machinery and equipment	5,381,557	1,968,558		1,329,282	8,679,397	3,108,727
Treatment plant, sewer and water pipe	41,038,750	28,382,522			69,421,272	
Construction in progress	1,086,388	6,613,897			7,700,285	
Less: accumulated depreciation	(29,932,036)	(28,580,246)	(4,147,918)	(780,520)	(63,440,720)	(6,265,794)
Net Property, Plant and Equipment	69,280,928	36,549,329	3,849,271	553,762	110,233,290	8,749,832
Total Non-Current Assets	70,516,759	37,829,047	4,338,804	553,762	113,238,372	22,033,491
Total Assets	83,608,626	58,082,652	4,550,742	1,089,357	147,331,377	25,356,384
LIABILITIES						
Current Liabilities:						
Accounts payable	200,433	949,217		270,043	1,419,693	107,463
Customer and performance deposits		26,276	100,000	728	127,004	
Interest payable	236,002	56,298	170,649		462,949	34,174
Due to other funds (Note 4B)				245,997	245,997	1,493
Deferred revenue	391,834	36,665	220,000	102,121	750,620	
Workers' compensation claims (Note 11)						262,959
Compensated absences (Note 1G)	129,208	111,043			240,251	
Current portion long-term liabilities (Note 7)	1,647,582	1,197,179	137,782		2,982,543	470,000
Total Current Liabilities	2,605,059	2,376,678	628,431	618,889	6,229,057	876,089
Long-Term Liabilities (Note 7)						
Workers' compensation claims (Note 11)						427,154
Utility revenue bonds (Note 7)	3,712,473	7,696,119			11,408,592	
Loans payable (Note 7)	23,862,122	11,449,568	3,999,161		39,310,851	
Pension obligation bonds (Note 7)						13,421,327
Total Long-Term Liabilities	27,574,595	19,145,687	3,999,161		50,719,443	13,848,481
Total Liabilities	30,179,654	21,522,365	4,627,592	618,889	56,948,500	14,724,570
NET ASSETS (Note 8)						
Invested in capital assets, net of related debt	40,058,751	16,206,463		553,762	56,818,976	8,749,832
Restricted for:						
Debt service	92	268			360	30,633
Unrestricted	13,370,129	20,353,556	(76,850)	(83,294)	33,563,541	1,851,349
Total Net Assets	\$53,428,972	\$36,560,287	(\$76,850)	\$470,468	\$90,382,877	\$10,631,814

See accompanying notes to financial statements

CITY OF BENICIA
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN FUND NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2007

	Business-type Activities-Enterprise Funds					Governmental Activities- Internal Service Fund
	Wastewater	Water	Benicia Marina	Transit	Totals	
OPERATING REVENUES						
Charges for services	\$6,733,625	\$6,956,334		\$278,377	\$13,968,336	\$3,312,789
Connection fees	486,674	502,478			989,152	
Rentals			\$283,861		283,861	
Refunds and rebates	2,763	6,874	326	12,097	22,060	457
Total Operating Revenues	<u>7,223,062</u>	<u>7,465,686</u>	<u>284,187</u>	<u>290,474</u>	<u>15,263,409</u>	<u>3,313,246</u>
OPERATING EXPENSES						
Wages and benefits	2,088,709	2,331,281		14,658	4,434,648	668,597
Materials and supplies	612,020	906,795			1,518,815	771,632
Operations and maintenance	1,284,767	1,127,213	202,915	1,703,940	4,318,835	238,669
Purchased water		423,308			423,308	
Insurance premium						218,624
Claims						294,218
Depreciation	2,140,592	1,158,545	189,612	129,076	3,617,825	465,796
Total Cost of Sales and Operating Expense:	<u>6,126,088</u>	<u>5,947,142</u>	<u>392,527</u>	<u>1,847,674</u>	<u>14,313,431</u>	<u>2,657,536</u>
Operating Income (Loss)	<u>1,096,974</u>	<u>1,518,544</u>	<u>(108,340)</u>	<u>(1,557,200)</u>	<u>949,978</u>	<u>655,710</u>
NONOPERATING REVENUES (EXPENSES)						
Interest income	550,647	982,105	26,824	315	1,559,891	151,393
Interest (expense)	(703,770)	(593,170)	(186,657)		(1,483,597)	(794,182)
Amortization of issuance cost of debt	(23,541)	(74,367)			(97,908)	
Intergovernmental revenue				1,383,596	1,383,596	
Pension obligation amortization				3,976	4,761	(340,607)
Gain from sale of capital assets	785					6,070
Total Nonoperating Revenues (Expenses)	<u>(175,879)</u>	<u>314,568</u>	<u>(159,833)</u>	<u>1,387,887</u>	<u>1,366,743</u>	<u>(977,326)</u>
Income (Loss) Before Transfers	<u>921,095</u>	<u>1,833,112</u>	<u>(268,173)</u>	<u>(169,313)</u>	<u>2,316,721</u>	<u>(321,616)</u>
Contributions	112,086	283,485			395,571	
Transfers in (Note 4A)				40,237	40,237	147,855
Transfers (out) (Note 4A)	(53,555)	(64,675)			(118,230)	(184,000)
Net Transfers	<u>58,531</u>	<u>218,810</u>		<u>40,237</u>	<u>317,578</u>	<u>(36,145)</u>
Change in Net Assets	<u>979,626</u>	<u>2,051,922</u>	<u>(268,173)</u>	<u>(129,076)</u>	<u>2,634,299</u>	<u>(357,761)</u>
BEGINNING NET ASSETS	<u>52,449,346</u>	<u>34,508,365</u>	<u>191,323</u>	<u>599,544</u>	<u>87,748,578</u>	<u>10,989,575</u>
ENDING NET ASSETS	<u>\$53,428,972</u>	<u>\$36,560,287</u>	<u>(\$76,850)</u>	<u>\$470,468</u>	<u>\$90,382,877</u>	<u>\$10,631,814</u>

See accompanying notes to financial statements

CITY OF BENICIA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2007

	Business-type Activities-Enterprise Funds					Governmental Activities- Internal Service Fund
	Wastewater	Water	Benicia Marina	Transit	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$7,077,257	\$10,087,262	\$310,097	\$319,240	\$17,793,856	\$3,313,246
Payments to suppliers	(2,090,457)	(2,355,186)	(205,848)	(1,530,289)	(6,181,780)	(975,721)
Payments to employees	(2,059,001)	(2,307,821)		(14,658)	(4,381,480)	(887,221)
Claims paid						(214,347)
Cash Flows from Operating Activities	<u>2,927,799</u>	<u>5,424,255</u>	<u>104,249</u>	<u>(1,225,707)</u>	<u>7,230,596</u>	<u>1,235,957</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
PERS Obligation contribution				190,499	190,499	1,493
Interfund receipts				1,052,877	1,052,877	
Operating grant and contribution				40,237	40,237	147,855
Transfers in						(184,000)
Transfers (out)	(53,555)	(64,675)			(118,230)	
Cash Flows from Noncapital Financing Activities	<u>(53,555)</u>	<u>(64,675)</u>		<u>1,283,613</u>	<u>1,165,383</u>	<u>(34,652)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition of capital assets	(305,858)	(7,609,913)		(62,519)	(7,978,290)	(189,447)
Proceeds from sale of capital assets	785			3,976	4,761	6,070
Proceeds of long-term debt, net of discount	44,244	960,621			1,004,865	
Principal payments on long-term debt	(1,638,715)	(968,721)	(131,849)		(2,739,285)	
Interest paid	(716,174)	(600,357)	(192,096)		(1,508,627)	
Cash Flows from Capital and Related Financing Activities	<u>(2,615,718)</u>	<u>(8,218,370)</u>	<u>(323,945)</u>	<u>(58,543)</u>	<u>(11,216,576)</u>	<u>(183,377)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Principal paid in non-capital debt						(440,000)
Interest paid on non-capital debt						(401,277)
Interest received	574,024	965,959	27,521	637	1,568,141	144,169
Cash Flows from Investing Activities	<u>574,024</u>	<u>965,959</u>	<u>27,521</u>	<u>637</u>	<u>1,568,141</u>	<u>(697,108)</u>
Net Cash Flows	<u>832,550</u>	<u>(1,892,831)</u>	<u>(192,175)</u>		<u>(1,252,456)</u>	<u>320,820</u>
Cash and investments at beginning of period	11,416,552	21,088,819	285,511		32,790,882	2,945,608
Cash and investments at end of period	<u>\$12,249,102</u>	<u>\$19,195,988</u>	<u>\$93,336</u>		<u>\$31,538,426</u>	<u>\$3,266,428</u>
Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities:						
Operating income (loss)	\$1,096,974	\$1,518,544	(\$108,340)	(\$1,557,200)	\$949,978	\$655,710
Adjustments to reconcile operating income to cash flows from operating activities:						
Depreciation	2,140,592	1,158,545	189,612	129,076	3,617,825	465,796
Change in assets and liabilities:						
Receivables, net	(217,077)	2,583,791	25,910		2,392,624	
Materials, parts and supplies	(3,647)	(14,588)			(18,235)	1,158
Other assets	18,877	68,721			87,598	4,119
Accounts payable and other accrued expenses	(208,900)	47,997	(2,933)	173,915	10,079	29,303
Accrued compensated absences	29,708	23,460			53,168	
Refundable deposits		1,120		(264)	856	
Deferred revenue	71,272	36,665		28,766	136,703	
Workers' compensation claims						79,871
Cash Flows from Operating Activities	<u>\$2,927,799</u>	<u>\$5,424,255</u>	<u>\$104,249</u>	<u>(\$1,225,707)</u>	<u>\$7,230,596</u>	<u>\$1,235,957</u>
NONCASH TRANSACTIONS:						
Interest accretion on non-capital debt						(358,731)
Contributions and transfers of capital assets	\$112,086	\$283,485			\$395,571	

See accompanying notes to financial statements

General Fund Budget to Actual Comparison

Exhibit I (a)

General Fund Budget-to-Actual

	Amended Budget 2006-07	Actual 2006-07	Surplus/ (Deficit)	Salary & Benefit Savings	Materials Supplies Services	Accounting Liability Misc. Rev.	Note
Revenues							
City Council	0	0	0			0	
City Clerk	0	50	50			50	
City Treasurer	36,500	52,570	16,070			16,070	
City Manager	0	190	190			190	
City Attorney	0	130	130			130	
Economic Development	0	0	0			0	
Human Resources	0	505	505			505	
Finance	0	30	30			30	
Library	78,270	74,195	(4,075)			(4,075)	
Community Development	528,000	510,100	(17,900)			(17,900)	
Police	495,140	483,210	(11,930)			(11,930)	
Fire	159,250	286,275	127,025			127,025	(1)
Public Works	28,500	198,000	169,500			169,500	(2)
Parks & Community Services	818,000	961,310	143,310			143,310	(3)
Insurances	0	0	0			0	
Non-Departmental	28,315,855	28,373,015	57,160			57,160	
Interfund Transfer-In	168,230	168,230	0			0	
Revenue Total	\$ 30,627,745	31,107,810	480,065	0	0	480,065	
Expenditures							
City Council	90,455	82,420	8,035	2,800	5,235		
City Clerk	71,995	69,175	2,820		2,820		
City Treasurer	49,955	52,570	(2,615)	(120)	(2,495)		
City Manager	423,435	418,230	5,205	6,500	(1,295)		
City Attorney	572,740	571,485	1,255	106,375	(105,120)		
Human Resources	423,715	450,820	(27,105)	(4,375)	(22,730)		
Finance	983,155	999,675	(16,520)	9,585	(26,105)		
Community Grants & Programs	439,430	388,225	51,205		51,205		
Economic Development	427,560	383,335	44,225	2,255	41,970		
Library	1,128,795	1,144,595	(15,800)	(15,075)	(725)		
Community Development	1,408,415	1,227,030	181,385	152,650	28,735		(4)
Police	7,301,345	7,293,635	7,710	58,550	(50,840)		
Fire	6,571,350	6,203,785	367,565	342,555	25,010		(5)
Public Works	1,873,260	1,774,765	98,495	39,430	59,065		
Parks & Community Services	4,227,955	4,366,800	(138,845)	(31,140)	(107,705)		(6)
Insurances	876,280	725,110	151,170		59,500	91,670	
Non-Departmental & Debt Service	1,868,460	2,408,615	(540,155)	51,600	(2,100)	(589,655)	(7)
Interfund Transfer-Out	843,080	632,785	210,295		210,295		(8)
Expenditure Total	\$ 29,581,380	29,193,055	388,325	721,590	164,720	(497,985)	
Expenditure Savings			1.3%	2.4%	0.6%	-1.7%	
Operational Surplus/(Deficit)	1,046,365	1,914,755	868,390	721,590	164,720	(17,920)	
Capital Projects & Non-Recurring							
Non-Recurring Revenues	3,176,175	2,140,390	(1,035,785)				(9)
Non-Recurring Expenditures	4,905,840	1,754,520	3,151,320				(10)
Non-Recurring Surplus/(Deficit)	(1,729,665)	385,870	2,115,535				
Combined Surplus/(Deficit)	(683,300)	2,300,625	2,983,925				
Transfers to B.S. & Misc Adj	(399,880)	(287,160)					
Transfers to Project Reserves	0	2,550,535					(11)
Fund Balance	\$ 6,645,465	6,966,135					
	22.5%	23.9%					
Over/(Short) of Reserve	729,190	1,127,525					

Exhibit I (b)

General Fund Notes

Item Description

1	California experienced an increase in fire disasters during FY06-07. Through mutual aid, the Fire Department has sent strike teams all over the state to help combat fires, which accounted for several reimbursements from the Office of Emergency Services.
2	The Public Works Department received a large number of inspection and plan processing fees for the year.
3	The Parks & Community Services Department increased the number of specialty classes and recreation programs. The popularity of the programs led to revenues well above budgeted amounts.
4	The Community Development Department experienced a high number of staff turnover during the year, which left authorized positions vacant for months.
5	The Fire Department also experienced a high number of vacancies for the fiscal year which resulted in salary savings for the year.
6	The Parks & Community Services Department's increased specialty classes and recreation programs resulted in additional costs for the City; however, the revenues derived from additional classes gave the department an overall budget savings of \$4,465.
7	The City had been working on an agreement with Valero for a 10-year repayment schedule for the property tax settlement. On the contrary, the County had implemented a shorter repayment schedule that increased the City's tax repayment by as much as \$590,000. Vacation accruals came in under for the year by as much as \$52,000, which resulted in an overall budget shortage of \$540,000 for Non-Departmental.
8	Interfund Transfers-Out were under budget due to lower expenditures for the BUSD field maintenance.
9	The Non-Recurring Revenues section of the General Fund Budget did not receive building permits at the Tourtelot Project area as anticipated, due to a slower pace in development.
10	The Non-Recurring Expenditures section had several capital projects roll into FY07-08 which caused a number of Interfund Transfers and Outstanding Encumbrances to be lower. Of the \$3.1 million in budget savings, \$1.7 million is for the Commandant's, \$.4 million is for the Skate Park, \$.5 million is for Transit and the Storm Drain projects.
11	The City Council had approved projects this fiscal year that requires reservation of funds. These projects include: \$290,000 for Storm Drain, \$210,000 for Transit, \$407,990 for the Skate Park, and \$1,642,545 for the Commandant's residence.

Exhibit II

General Fund Reconciliation - Budget to CAFR

	<u>General Fund Budget Report Actual</u>	<u>Cable Fund Budget Report Actual</u>	<u>Combined Budget Report Total</u>	<u>Audited CAFR Report Actual</u>
Revenues:				
Operating	\$ 31,107,810	\$ 12,921	\$ 31,120,731	\$ 32,316,733
Non-Recurring	2,140,390		2,140,390	
Other Financing Sources			-	944,388
Revenue Total	<u>\$ 33,248,200</u>	<u>\$ 12,921</u>	<u>\$ 33,261,121</u>	<u>\$ 33,261,121</u>
Expenditures:				
Operating	\$ 29,193,055	\$ 3,375	\$ 29,196,430	\$ 29,470,959
Non-Recurring	1,754,520		1,754,520	
Other Financing Uses			-	1,479,991
Expenditure Total	<u>\$ 30,947,575</u>	<u>\$ 3,375</u>	<u>\$ 30,950,950</u>	<u>\$ 30,950,950</u>
Surplus/Deficit	<u>\$ 2,300,625</u>	<u>\$ 9,546</u>	<u>\$ 2,310,171</u>	<u>\$ 2,310,171</u>

Reconciliation of Fund Balances

Available Fund Balance Reported in Budget	\$ 6,966,135
Adjustments to reconcile to CAFR Fund Balance:	
Reserved for Prepaid items	74,122
Reserved for Encumbrances	285,239
Unreserved - future projects	306,448
Unreserved - cable grant	104,622
Transfers to project reserves	<u>2,550,535</u>
Total Fund Balance Reported in CAFR	<u>\$ 10,287,101</u>

Exhibit III

General Fund Summary - By Department

	Actual 2005-06	Actual 2006-07	Adopted Budget 2007-08	Mid Year Adjustment	Amended 2007-08	Adopted Budget 2008-09	Mid Year Adjustment	Amended 2008-09
Revenues								
City Council	0	0	0	0	0	0	0	0
City Clerk	0	50	0	0	0	0	0	0
City Treasurer	21,390	52,570	54,670	0	54,670	55,285	0	55,285
City Manager	2,560	190	0	0	0	0	0	0
City Attorney	1,605	130	0	0	0	0	0	0
Economic Development	40	0	0	0	0	0	0	0
Human Resources	260	505	0	0	0	0	0	0
Finance	210	30	0	0	0	0	0	0
Library	73,085	74,195	72,770	0	72,770	72,770	0	72,770
Community Development	710,070	510,100	583,450	0	583,450	583,450	0	583,450
Police	493,095	483,210	505,400	0	505,400	523,000	0	523,000
Fire	147,545	286,275	124,750	0	124,750	124,750	0	124,750
Public Works	78,455	198,000	52,000	0	52,000	52,000	0	52,000
Parks & Community Services	978,605	961,310	961,000	0	961,000	996,000	0	996,000
Insurances	10	0	0	0	0	0	0	0
Non-Departmental	25,971,055	28,373,010	29,568,330	83,365	29,651,695	30,359,835	221,560	30,581,395
Interfund Transfer-In	115,910	168,230	78,165	0	78,165	80,415	0	80,415
Revenue Total	\$ 28,593,895	31,107,805	32,000,535	83,365	32,083,900	32,847,505	221,560	33,069,065
Expenditures								
City Council	94,930	82,420	96,005	0	96,005	101,575	0	101,575
City Clerk	81,300	69,175	74,695	960	75,655	76,410	3,795	80,205
City Treasurer	34,145	52,570	54,670	5,410	60,080	55,285	6,095	61,380
City Manager	399,275	418,230	425,675	18,215	443,890	441,940	19,125	461,065
City Attorney	481,645	571,485	574,380	(5,695)	568,685	584,070	(4,440)	579,630
Human Resources	368,250	450,820	419,255	(15,610)	403,645	414,525	(3,285)	411,240
Finance	936,990	999,675	1,067,715	41,765	1,109,480	1,127,060	67,680	1,194,740
Community Grants & Programs	346,100	388,225	483,255	2,500	485,755	526,525	7,500	534,025
Economic Development	265,150	383,335	462,835	10,455	473,290	483,220	3,215	486,435
Library	1,013,665	1,144,595	1,192,505	15,095	1,207,600	1,241,465	47,635	1,289,100
Community Development	1,166,155	1,227,030	1,427,830	33,670	1,461,500	1,476,170	25,440	1,501,610
Police	6,611,815	7,293,635	8,011,210	6,130	8,017,340	8,214,255	52,350	8,266,605
Fire	5,772,525	6,203,785	6,830,340	185,835	7,016,175	7,048,230	195,005	7,243,235
Public Works	1,661,840	1,774,765	1,979,990	24,580	2,004,570	2,059,420	26,405	2,085,825
Parks & Community Services	3,977,935	4,366,800	5,188,185	145,630	5,333,815	5,495,790	210,105	5,705,895
Insurances	799,805	725,110	647,930	0	647,930	673,305	0	673,305
Non-Departmental & Debt Service	1,649,490	2,408,615	2,170,430	(666,120)	1,504,310	2,078,625	(591,025)	1,487,600
Interfund Transfer-Out	241,335	632,785	641,300	0	641,300	674,990	0	674,990
Expenditure Total	\$ 25,902,350	29,193,055	31,748,205	(197,180)	31,551,025	32,772,860	65,600	32,838,460
Operational Surplus/(Deficit)	2,691,545	1,914,750	252,330		532,875	74,645		230,605
			0.8%		1.7%	0.2%		
Capital Projects & Non-Recurring								
Non-Recurring Revenues	825,250	2,140,390	110,000	80,000	190,000	110,000	0	110,000
Non-Recurring Expenditures	2,502,165	1,754,520	1,311,280	91,720	1,403,000	145,630	0	145,630
Combined Surplus/(Deficit)	1,014,630	2,300,620	(948,950)		(680,125)	39,015	0	194,975
Transfers to B.S. Loans Receivable	(201,960)	(190,115)	(25,400)	0	(25,400)	(66,440)	0	(66,440)
Transfers to Internal Service Funds	0		0			0		
Transfers to Designated Reserves	921,865		0			0		
Transfers to Project Reserves	0	2,550,535						
Misc Adj to Fund Balance		(97,050)		(490,480)			(490,480)	
Fund Balance	\$ 6,928,885	6,966,135	6,533,065		6,311,410	6,638,520		6,572,825
	26.8%	23.9%	20.6%		20.0%	20.3%		20.0%
Over/(Short) of Reserve			183,424		1,205	83,948		5,133

**AGENDA ITEM
CITY COUNCIL MEETING: MARCH 4, 2008
ACTION ITEMS**

DATE : January 18, 2008
TO : City Manager
FROM : Chief of Police
SUBJECT : **INTRODUCTION AND FIRST READING OF AN ORDINANCE
ESTABLISHING PERMITTING AND REGULATORY
REQUIREMENTS FOR MASSAGE THERAPISTS**

RECOMMENDATION:

Introduce the ordinance establishing massage regulations.

EXECUTIVE SUMMARY:

Currently, the Benicia Municipal Code only requires massage therapy businesses to obtain a business license. There are no professional guidelines for regulating and licensing massage therapy technicians working in these businesses. Absent a process to approve massage therapists, it is difficult to prevent business owners from operating with uncertified therapists or to discourage unlawful prostitution operations associated with an unlawful massage businesses. Unlawful massage operations can conduct business in commercial properties throughout the community and create quality of life issues related to a non-regulated massage business and prostitution.

In response to these issues, the Police Department has reviewed alternatives that would improve the regulation of massage therapy businesses with the support of Benicia licensed massage therapists. Staff has developed an ordinance to specifically address permitting and regulating conditions that will differentiate a legitimate massage therapy business from a house of prostitution that uses a massage business as a front for unlawful activity.

BUDGET IMPACT:

A fee schedule will be established to cover the cost of permitting.

BACKGROUND:

On June 15, 2007, a Benicia massage establishment was closed as a result of an undercover prostitution investigation conducted by the Benicia Police Department. This establishment was

opened under the existing business license ordinance, which has no requirement to conduct a background investigation and confirm certificates presented by the owners.

Once unlawful massage establishments are open for business, they can be difficult to close down, even with an arrest for prostitution, because there are no guidelines for massage therapists. For example, if during an investigation one of the massage therapists is arrested for prostitution, the owner of the business can claim ignorance of the criminal activities and continue to conduct business. There is currently no provision in the Benicia Municipal Code that holds owners responsible for the illegal actions of their employees should such illegal activity occur at the business site.

In an effort to address the problems associated with unlawful massage establishments, staff researched surrounding cities massage ordinances and found that the industry standard in many cities is to establish guidelines and regulations for massage therapists. Cities that have established a massage ordinance have found that once massage therapists were regulated by ordinance, there is a direct connection to reducing illegal massage businesses that offer prostitution. The recommended regulations for Benicia were modeled from several contemporary ordinances which cities have found effective to reduce and discourage massage businesses which offer prostitution.

By enacting this ordinance setting forth conditions and criteria for massage therapists, illegal massage operations can be discovered at the permitting stage. This is the most cost efficient method in dealing with potential illegal operations and thus commits our investigative resources to other areas. The proposed ordinance is not overly prohibitive so as to dissuade legitimate massage practitioners from applying and obtaining a permit under this section.

The new ordinance will provide staff with the necessary tools to differentiate legitimate from unlawful businesses. Illegitimate business owners will be easily discouraged when faced with the requirement of a written examination and a more thorough background examination.

PROPOSED ORDINANCE:

State law allows the city to adopt reasonable operating standards for massage businesses. Standards include educational requirements, passing tests to show competency in massage therapy and sanitary conditions of the place of business. The new ordinance incorporates standard industry terms and definitions, and is designed to prevent and dissuade unlawful operations from competing with legitimate business operations. Examples of the more significant new provisions are set forth below:

1. Educational/Certification Requirements: All massage establishment permittees and massage therapy technicians need to possess:
 - a. A diploma that shows satisfactory completion of at least two hundred (200) hours from a professional school or institution, AND,

- b. Be certified by a State or National Certified Board for Therapeutic Massage and Body Work Professional Association devoted to the massage therapy specialty and therapeutic enhancement approach, OR
 - c. Successfully complete and pass a written and practical examination through the City.
2. Permit Issuance or Denial: Sets grounds for denying a permit such as insufficient proof of required education or certification.
3. Grounds for Suspension or Revocation of Permit: This provision now sets forth specific grounds upon which a permittee may have their permit suspended or revoked.
4. Out-call massage therapy permit: This provision will allow a massage establishment or massage therapy technician to obtain a special endorsement to their respective permit which would allow them to provide out-call massage therapy services.
5. Permit Duration and Renewal: A permit is valid for two (2) years and must be renewed. In order to renew the permit, the section also sets forth the conditions.
6. Inspections: The Police Department shall make inspections at each massage establishment to determine whether there is compliance.

PUBLIC DISCUSSION:

On October 10, 2007, Police Department staff met with approximately 20 local licensed massage technicians and massage business owners to review the draft ordinance. Staff made further revisions to the draft ordinance based on input from the massage therapists who work in Benicia. Many of them affirmed the need for regulations to discourage unprofessional massage businesses, and certifying legitimate therapist as professionals. The practitioners concurred with the City in its proactive and collaborative approach at enhancing their industry standards by enacting an ordinance regulating massage.

Attachment:

- Draft Ordinance
- Summary of Massage Ordinances established in other cities

DRAFT ORDINANCE

CITY OF BENICIA

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BENICIA ADDING A NEW CHAPTER 5.52 (MASSAGE) TO TITLE 5 (BUSINESS TAXES, LICENSES AND REGULATIONS) OF THE BENICIA MUNICIPAL CODE

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BENICIA DOES ORDAN as follows:

Section 1.

Title 5 (Business Taxes, Licenses and Regulations) of the Benicia Municipal Code is amended by adding a new Chapter 5.52 (Massage) to read as follows:

Chapter 5.52

MASSAGE

Sections:

- 5.52.010 Purpose.
- 5.52.020 Definitions.
- 5.52.030 Permit required—Massage establishment—Outcall massage service—Massage technician.
- 5.52.040 Business registration tax requirement.
- 5.52.050 Permit not required.
- 5.52.060 Massage establishment, outcall massage service permit application.
- 5.52.070 Massage establishment facilities regulations.
- 5.52.080 Permits nonassignable.
- 5.52.090 Change of location or name.
- 5.52.100 Massage technician—Permit required.
- 5.52.110 Massage technician permit application.
- 5.52.120 Renewal of permits—Massage establishment, outcall massage service, massage technician.
- 5.52.130 Suspension or revocation hearing.
- 5.52.140 Appeal procedures.
- 5.52.150 Burden of proof.
- 5.52.160 Public nuisance.

5.52.010 Purpose. It is the purpose and intent of the City Council that the operation of massage establishments, outcall massage services, and persons offering massage and bodywork be regulated in the interests of public health, safety and welfare by providing minimum building sanitation and health standards and to insure that persons offering massage shall possess the minimum qualifications necessary to operate such businesses and to perform

such services offered. Further, it is the intent of this chapter to insure that such businesses and persons operate in a manner that prevents criminal behavior such as the solicitation of prostitution.

5.52.020 Definitions. Unless the particular provision or the context otherwise requires, the definitions and provisions contained in this section shall govern the construction, meaning, and application of words and phrases used in this chapter:

“Applicant” means the permit applicant and each of the following persons: the managing responsible officer/employee, a general partner, a limited partner who owns or controls twenty percent or more of the business, a shareholder of a corporation who owns or controls twenty percent or more of the shares of the corporation which owns the business.

“Bodywork” means the skillful application of touch to enhance health and well-being. “Bodywork” includes a variety of philosophical approaches, theoretical frameworks, and techniques such as massage, movement and education. The term “bodywork” shall be deemed a form of massage and be subject to requirements of this chapter.

“Employee” means any and all persons, other than a massage technician, employed by the massage establishment who may render any service to the permittee, and who receives compensation from the establishment and who has no physical contact with the customers or clients. The term “employee” shall include independent contractors who are regularly employed by the establishment and who work at the massage establishment.

“Massage” means any method of treating the external parts of the body for remedial, health, or hygienic purposes for any form of consideration (whether for the massage, as part of a membership, as part of other services or a product, or otherwise) by means of pressure on or friction against, or stroking, kneading, rubbing, tapping, pounding, vibrating, or stimulating the external parts of the body, with or without the aid of any mechanical or electrical apparatus or appliances; or with or without supplementary aids, such as rubbing alcohol, liniments, antiseptics, oils, powders, creams, lotions, ointments, or other similar preparations commonly used in this practice; or by baths, including but not limited to Turkish, Russian, Swedish, Japanese, vapor, shower, electric tub, sponge, mineral, fomentation, or any other type of bath.

“Massage establishment” means any establishment having a fixed place of business where any person, firm, associations, partnership, or corporation engages in, conducts, or carries on, or permits to be engaged in, conducted or carried on, any massage.

“Massage technician,” “massage trainee,” “masseur,” “masseuse,” “massage/bodywork professional” and “massage therapist” mean a nonmedical health care professional who offers services to the public using a massage or bodywork specialty and health enhancement approach in caring for clients for any form of consideration (whether for the massage, as part of other services or a product, or otherwise) and has obtained a permit as required by this chapter.

“Outcall massage service” means any business where a function of such business is to engage in or carry on massage, not at a fixed location but at a location designated by the customer, massage technician, or other person.

“Recognized school of massage” means any school or institution of learning which teaches the theory, ethics, practice, profession, or work of massage and/or bodywork, which has been approved pursuant to the California Education Code. Schools offering a correspondence course not requiring attendance shall not be deemed a recognized school. The City shall have the right to confirm that the applicant has actually attended class in a recognized school.

5.52.030 Permit required—Massage establishment—Outcall service—Massage technician. It is unlawful for any person, association, partnership or corporation to engage in, conduct or carry on, or permit to be engaged in, conducted or carried on in or upon any premises within the City, the operation of a massage establishment or outcall massage service or the function of a massage technician without first having obtained a permit issued by the City pursuant to the provisions set forth in this chapter. A permit shall be valid for twenty-four months from the date of issuance unless revoked or suspended.

5.52.040 Business registration tax requirement. A massage establishment and outcall massage service shall pay any required business registration tax for such business and occupation including the business license tax.

5.52.050 Permit not required. The provisions of this chapter shall not apply to the following classes of individuals or businesses while engaged in the performance of their duties provided sufficient documentation verifying exempt status is furnished to the chief of police.

A. Physicians, surgeons, chiropractors, osteopaths, nurses or any physical therapists who are duly licensed to practice their respective professions in the State of California.

B. Barbers, beauticians and aestheticians who are duly licensed under the laws of the State of California while engaging in practices within the scope of their licenses, except that this provision shall apply solely to the massaging of the neck, face and/or scalp of the customers.

C. Hospitals, nursing homes, sanatoriums or any other health facilities duly licensed by the State of California.

D. Accredited high schools, junior colleges, and colleges or universities whose coaches and trainers are acting within the scope of their employment.

E. Trainers of amateur, semiprofessional or professional athletes or athletic teams while engaging in their training responsibilities for and with athletes.

5.52.060 Massage establishment, outcall massage service permit application.

A. Any person, corporation, or partnership desiring to obtain a permit to operate a massage establishment or outcall massage service shall make application to the chief of police or authorized representative. Prior to submitting such application, a nonrefundable fee set forth in the City fee schedule, shall be paid. A copy of the receipt shall accompany the application.

B. The application and fee required under this section shall be in addition to any license, permit, fee or tax required under any other chapter of this Code.

C. The application for permit does not authorize a massage establishment or outcall service to operate until such permit has been granted.

D. Each applicant for a permit shall submit the following information under penalty of perjury:

1. The full true name under which the business will be conducted.
2. The present or proposed address where the business is to be conducted.
3. The applicant's full, true name, and other names used, date of birth, California driver's license number or California identification number, social security number, present residence address and telephone number. The sex, height, weight, color of hair, and color of eyes. Such other identification and information shall be provided as required by the chief of police or his/her representative, necessary to discover the truth of the matters specified and required in the application.
4. The applicant's residences inclusive of dates at each address, for the last five years.
5. The applicant's business, occupation, and employment history for five years preceding the date of application, and the inclusive dates of same.
6. The permit history of the applicant, whether such person has ever had any permit or license issued by any agency, board, city, county, territory, or state; the date of issuance of such a permit or license, whether the permit or license was revoked or suspended; or if a vocational or professional license or permit was issued, revoked, or suspended and the reason therefor.
7. All convictions for any crime involving conduct which requires registration under California Penal Code Section 290, or convictions of California Penal Code Sections 314, 315, 316, 318, 647(b), (as now written or as amended), or convictions of crimes designated in Government Code Section 51032(b), or any crime involving dishonesty, fraud, deceit, violence or moral turpitude. Convictions under the laws of other states or countries which proscribe the same conduct or similar conduct as the afore-designated California crimes shall be provided. Convictions that have been expunged must be reported.
8. A complete definition of all services to be provided.

9. The name, address, and date of birth of each massage technician or employee who is or will be employed in the massage establishment or outcall service.

10. The name and address of any massage business or other like establishment owned or operated by any person whose name is required to be given pursuant to this section.

11. Acceptable written proof that the applicant is at least eighteen years of age.

12. If the applicant is a corporation, the name of the corporation shall be set forth exactly as shown in its articles of incorporation or charter together with the state and date of incorporation and the names and residence addresses of each of its current officers and directors, and of each stockholder holding more than five percent of the stock of that corporation.

13. If the applicant is a partnership, the application shall set forth the names and residence address of each of the partners, including limited partners. If the applicant is a limited partnership, it shall furnish a copy of its certificate of limited partnership as filed with the county clerk. If one or more of the partners is a corporation, the provisions of this subsection pertaining to corporate applicants shall apply to the corporate partner.

14. The applicant, corporation or partnership shall designate one of its officers or general partners to act as its responsible managing officer/employee. Such person shall complete and sign all application forms required of an individual applicant under this chapter. The corporation's or partnership's responsible managing officer must, at all times, meet all of the requirements set for permittees by this chapter or the corporation or partnership permit shall be suspended until a responsible managing officer who meets such requirements is designated. If no such person is found within ninety days, the corporation or partnership permit is deemed cancelled and a new application for permit must be filed.

15. The chief of police or his/her authorized representative may require the applicant to furnish fingerprints when needed for the purpose of establishing identification. Fingerprinting will be taken at a place designated by the chief of police. Any required fingerprinting fee will be the responsibility of the applicant.

16. Two photographs of the applicant and managing responsible officer are to be taken by the police department.

17. A description of any other business to be operated on the same premises, or on adjoining premises, owned or controlled by the applicant.

18. The name and address of the owner and lessor of the real property upon or in which the business is to be conducted. In the event the applicant is not the legal owner of the property, the application must be accompanied by a copy of the lease and a notarized acknowledgement from the owner of the property that a massage establishment will be located on his/her property.

19. Authorization for the City, its agents and employees, to seek information and conduct an investigation into the truth of the statements set forth

in the application and into the background of the applicant and the responsible managing officer.

20. Proof of massage malpractice or professional liability insurance in the sum of not less than five hundred thousand dollars per massage technician licensed, or to be licensed, at the massage establishment, up to a maximum of one million dollars.

21. The applicant shall submit any change of address or fact which may occur during the procedure of applying for a massage establishment permit.

22. A certificate of compliance from both the City code enforcement official and the police department which certifies that the premises of the massage establishment meets all applicable codes and regulations must be submitted prior to application approval. Any required inspection fees shall be the responsibility of the applicant.

E. The chief of police or authorized representative shall have up to sixty days, after submission of all required information, including the required certificates of compliance, to investigate the application and the background of the applicant. Upon the completion of the investigation, the chief of police, or authorized representative, shall grant the permit, with or without conditions, if the chief finds in the exercise of discretion all of the following:

1. The required fee has been paid.
2. The application conforms in all respects to the provisions of this chapter.
3. The applicant has not made a material misrepresentation in the application.
4. The applicant, if an individual, or any of the stockholders of the corporation, or any officers or director, if the applicant is a corporation; or a partner if the applicant is a partnership, or the managing responsible officer has not been convicted within five years preceding application in a court of competent jurisdiction of an offense involving conduct which requires registration under California Penal Code Section 290, or of conduct which is a violation of the provisions of California Penal Code Sections 314, 315, 316, 318, 647(b) (as now written or as amended), or of crimes that are designated in Government Code Section 51032(b), or any other crime involving dishonesty, fraud, deceit, violence or moral turpitude. Convictions under the laws of other states or countries which proscribe the same or similar conduct as the afore-designated California crimes shall be considered.
5. Within five years preceding application, the applicant or managing responsible officer/employee has not had a massage establishment, outcall service massage technician, or other similar permit or license revoked, or suspended by the City, or any other State or local agency prior to the date of approval or engaged in conduct that would be a grounds for revocation of a permit under this chapter.
6. The applicant is at least eighteen years of age.

7. The massage establishment as proposed by the applicant would comply with all applicable laws, including, but not limited to, health, zoning, fire and safety requirements and standards.

F. If the chief of police or authorized representative, following investigation of the applicant, in the exercise of discretion, fails to make the findings stated in subsection E of this section, the chief shall deny said application by written notice to the applicant.

G. A massage establishment comprised entirely of persons exempt under 5.52.050 (Permit not required) shall not be required to obtain a massage permit. However, proper documentation shall be furnished to the chief of police to verify the exempt status.

H. All persons currently holding a valid massage establishment permit or massage therapy technician permit, shall have six months following the enactment of this ordinance in which to comply with the requirements of this ordinance. If a permittee does not attain compliance with this ordinance within the proscribed time limits, the chief of police shall immediately suspend or revoke the permittee's permit.

I. In the event an applicant has a valid permit for massage with another city, then when able to do so, the chief of police may use the background investigation from that city to determine the extent necessary for the background investigation for the City.

5.52.070 Massage establishment and outcall operating requirements. No person shall engage in, conduct, carry on, or permit to be engaged in, conducted, or carried on, any massage establishment or outcall service, unless each and all of the following requirements are met:

A. Each person employed or acting as a massage technician shall have a valid permit issued by the chief of police which shall be clearly visible on the massage technician's person during working hours. It is unlawful for any owner, manager, operator, responsible managing officer/ employee, or permittee to employ or permit a person to act as a massage technician who is not in possession of a valid, unrevoked massage technician permit issued pursuant to this chapter.

B. The possession of a valid massage establishment permit does not authorize the possessor or any other person to perform work for which a massage technician permit is required.

C. Massage shall be provided or given only between the hours of seven a.m. and ten p.m. No massage establishment shall be open and no customer shall be in the establishment between ten p.m. and seven a.m. No outcall massage shall be provided or given before seven a.m. or after ten p.m.

D. A list of services available and the cost of such services shall be posted in an open public place within the premises, and shall be described in readily understandable language. No owner, manager, operator, responsible managing employee, or permittee shall permit, and no massage technician shall offer or perform any service other than those posted.

E. The massage establishment permit shall be displayed in an open and conspicuous place on the premises. The massage technician working will also have their permit displayed in an open place on the premises.

F. Every massage establishment and outcall massage service shall keep a written record of the date and hour of each service provided; the name and address of each patron and the service received; and the name of the massage technician administering the service. Such records shall be open to inspection only by officials, including the police department and the city attorney, charged with enforcement of this chapter and for no other purpose, including a prohibition of use of the file by owners and employees of the establishment. Such records shall be retained on the premises of the massage establishment and at the outcall business office for a period of two years.

G. Massage establishments shall at all times be equipped with an adequate supply of clean sanitary towels, coverings and linens. Clean towels, coverings and linens shall be stored in enclosed cabinets. Towels and linens shall not be used on more than one patron, unless they have first been laundered and disinfected. Disposable towels and coverings shall not be used on more than one patron. Soiled linens and paper towels shall be deposited in separate, approved receptacles.

H. If male and female patrons are to be treated simultaneously at the same massage establishment, a separate massage room or rooms and separate dressing facilities shall be provided for male and female patrons. A single toilet facility will be provided with a locking door. Nothing herein shall be construed to authorize the treatment of only one sex if that is in violation of any civil rights or other laws requiring service to both genders.

I. Wet and dry heat rooms, steam or vapor rooms or cabinets, toilet rooms, shower and bath rooms, tanning booths, whirlpool baths and pools shall be thoroughly cleaned and disinfected as needed, and at least once each day the premises are open, with a disinfectant approved by the county health department. Bathtubs shall be thoroughly cleaned with a disinfectant approved by the health department after each use. All walls, ceilings, floors, and other physical facilities for the establishment must be in good repair, and maintained in a clean and sanitary condition.

J. Instruments utilized in performing massage shall not be used on more than one patron unless they have been sterilized using approved sterilization methods.

K. All employees, including massage technicians, shall wear clean, professional attire. Said garments shall not expose their genitals, pubic areas, buttocks, or chest.

L. No person shall enter, be or remain in any part of a massage establishment while in possession of an open container of alcohol, or consuming or using any alcoholic beverage or drugs except pursuant to a prescription for such drugs. The owner, operator, responsible managing employee, manager, or permittee shall not permit any such person to enter or remain upon such premises.

M. No massage establishment or outcall massage service shall operate as a school of massage, or use the same facilities as that of a school of massage.

N. No massage establishment or outcall massage service granted a permit under the provisions of this chapter shall place, publish or distribute, or cause to be placed, published or distributed, any advertising matter that depicts any portion of the human body that would reasonably suggest to prospective customers that any service is available other than those services described in 5.52.050 (Definitions "Massage") of this chapter, nor shall any massage establishment or outcall massage service employ language in the text of such advertising that would reasonably suggest to a prospective patron that any service is available other than those services as described in this chapter.

O. No massage may be carried on within any cubicle, room, booth or any area within a massage establishment which is fitted with a door capable of being locked. All doors to dressing rooms and treatment rooms shall open inward. Draw drapes, curtain enclosures, or accordion-pleated closures are acceptable on all inner dressing and treatment rooms in lieu of doors.

P. A massage shall not be given unless the patron's genitals are fully covered and, in addition, a female patron's breasts are fully covered.

Q. No massage establishment shall be open for business without at least one massage technician on the premises unless there is a retail clerk selling merchandise or a receptionist taking appointments.

S. An industry standard massage table will be used meeting required health standards.

5.52.070 Massage establishment facilities regulations. Every massage establishment shall maintain facilities meeting the following requirements:

A. Any signs shall be in conformance with the current ordinances of the City.

B. At least one artificial light of not less than sixty watts shall be provided in each room or enclosure where massage services are performed on patrons.

C. Minimum ventilation shall be provided in accordance with the Uniform Building Code.

D. Adequate equipment for disinfecting and sterilizing instruments used in performing the acts of massage shall be provided.

E. Hot and cold running water shall be provided at all times.

F. Closed cabinets shall be provided for storage of clean linens.

G. Adequate dressing area and toilet facility shall be provided for patrons.

H. A minimum of one separate wash basin for employees shall be provided at all times. The basin shall be located within or as close as practicable to the area devoted to performing of massage services. Sanitary towels shall also be provided at each basin.

I. Pads used on massage tables shall be covered with a durable washable material acceptable to the county health department.

J. Proof of compliance with all applicable provisions of the City Municipal Code shall be provided prior to the issuance of any permit.

K. **Outcall Massage Service.** Any massage technician who provides massage at any hotel or motel, shall first notify the owner, manager, or person in charge thereof that such permittee intends to provide massage to a person or persons registered at the hotel or motel and give such owner, manager, or person in charge the name of his/her massage technician permit.

Inspection by officials. The investigating and enforcing officials of the City, including the county health officials, or their designees, shall have the right to enter the premises from time to time during regular business hours for the purpose of making reasonable inspections to observe and enforce compliance with building, fire, electrical, plumbing or health regulations, and to enforce compliance with applicable regulations, laws, and provisions of this chapter.

5.52.080 Permits nonassignable. No massage establishment or outcall massage service permit may be sold, transferred or assigned by the permittee, or by operation of law, to any other person or persons; any such sale, transfer or assignment, or attempted sale, transfer or assignment, shall be deemed to constitute a voluntary surrender of such permit and such permit shall thereafter be deemed terminated and void; provided and excepting, however, that if the permittee is a partnership and one or more of the partners should die, one or more of the surviving partners may acquire, by purchase or otherwise, the interest of the deceased partner or partners without affecting a surrender or termination of such permit and in each case the permittee shall thereafter be deemed to be the surviving partner(s). If the permit is issued to a corporation, stock may be sold, transferred, issued, or assigned to stockholders who have been named on the application. If any stock is sold, transferred, issued, or assigned to a person not listed on the application as a stockholder, the permit shall be deemed terminated and void unless the new stockholders are identified within ten days of transfer and they meet all requirements under this chapter for stockholders.

5.52.090 Change of location or name.

A. A change of location of a massage establishment may be approved by the chief of police, the community development director, building official, finance director and the fire chief or their designated representatives, provided all ordinances and regulations of the City are complied with.

B. No permittee shall operate under any name or conduct any massage establishment or outcall service under any designation not specified in the approved permit.

C. Any application for an expansion of a building or other place of business or a massage establishment shall require compliance with this chapter; no expansion of a nonconforming location shall be permitted.

5.52.100 Massage technician—Permit required. No person shall engage in the business of massage or act as a massage technician unless such

person holds a valid massage technician's permit issued by the City. Each massage technician permit holder shall be issued a photo identification badge which will also serve as a massage technician permit. The permit holder shall display the massage technician permit during business hours.

5.52.110 Massage technician permit application.

A. Each applicant for a massage technician permit shall make application to the chief of police or his/her designee. Prior to submitting an application, a nonrefundable fee in the sum set forth in the City fee schedule shall be paid to help defray the costs of the investigation required by this chapter. A copy of the cashier's receipt shall accompany the application.

B. Permit fees required under this section shall be in addition to any license, permit, fee or tax requirements under any other section or ordinance of this code.

C. The application for permit does not authorize the applicant to provide massage until such permit has been granted.

D. Each applicant for a massage technician permit shall submit the following information under penalty of perjury:

1. All information required by 5.52.060 (Massage establishment and outcall operating requirements) (D)(3) through (8), (11), (16), (21) and (22) of this chapter.

2. The applicant must furnish a diploma or certificate of graduation from a two-hundred-hour resident course of instruction from either:

- a. A recognized school as defined in 5.52.050 (Definitions "Recognized school of massage") of this chapter; or
- b. An existing school or institution of learning outside the State of California together with a certified transcript of the applicant's school records showing date of enrollment, hours of instruction and graduation from a course having at least a minimum requirement prescribed by Title 5, Division 21, of the California Administrative Code; wherein the theory, method, profession and work of massage is taught, and a copy of the school's approval by its State Board of Education.

3. The massage establishment's full name, address and telephone number if the massage technician will be employed at a fixed place of business. In the event the applicant seeks to conduct outcall massage services, an additional application and fee must be submitted.

4. Such other identification and information as the police department may require in order to fully investigate the matters as required to be set forth in the application.

5. Two photographs of the applicant to be taken by the City police department designee. Nothing contained herein shall be construed to deny the right of the chief of police or his designee to confirm the height and weight of the applicant, or to take additional photographs.

6. The chief of police or authorized representative may require the applicant to furnish fingerprints when needed for the purpose of establishing

identification. Any required fingerprinting fees will be the responsibility of the applicant. Fingerprinting shall be taken at a place designated by the chief.

7. A certificate from a medical doctor licensed to practice in the State of California stating that the applicant has, within thirty days immediately preceding the date of application, been examined and found to be free of any contagious or communicable disease. Pursuant to Health and Safety Code Section 199.20, and unless otherwise required by State or federal law, nothing in this chapter shall require testing or disclosure as to whether an applicant is infected with the human immunodeficiency virus (HIV).

8. Authorization for the City, its agents and employees, to seek information and to investigate the truth of the statements set forth in the application and to investigate the background of the applicant.

9. Each applicant shall successfully complete both a written test and practical performance examination administered through the City wherein the applicant has been required to demonstrate a basic knowledge of anatomy, physiology, hygiene, and massage, unless applicant can provide proof of certification by the National Certification Board for Therapeutic Massage and Bodywork.

E. The chief of police or authorized representative shall have up to sixty days after the submission of all required information to complete his/her investigation. Upon completion of the investigation, the chief, or authorized representative, shall grant the permit, with or without conditions, if in the exercise of discretion he finds those matters designated in 5.52.060 (Massage establishment and outcall operating requirements) (D)(3) through (8), (11), (16), (21) and (22) of this chapter have been provided and are true and correct and in the exercise of discretion further finds:

1. The applicant has furnished an acceptable diploma or certificate of graduation from a recognized school;
2. The applicant has furnished written proof from a recognized school that the minimum number of hours of instruction have been completed;
3. The applicant has passed the test required herein.

F. If the chief of police or authorized representative, following investigation of the applicant, in the exercise of discretion, fails to make the findings in subsection E of this section, the chief, or authorized representative, shall deny said application by dated, written notice.

New massage technicians—Notification. The holder of the massage establishment or outcall service permit shall notify the chief of police, in writing, of the name and address of each person employed as a massage technician at such establishment within five days of this person's being employed. The requirements of this section are in addition to the other provisions of this chapter; and nothing contained herein shall relieve the permittee of the responsibility of ascertaining, prior to employment, that said person has a current unrevoked massage technician's permit.

5.52.120 Renewal of permits—Massage establishment, outcall massage service, massage technician. Permittees shall have thirty days from

date of expiration to renew their permit. If, upon the thirty-first day an application of renewal has not been received, the permit shall be deemed suspended until such time as the renewal application has been received. If a renewal application and all required information for the renewal is not received within sixty days after expiration, the license shall be deemed expired and no privilege to provide massage shall exist.

Renewals shall be processed and investigated as though they were initial applications, except that the applicant is required to submit only that information which has changed from the last application or renewal. A fingerprint check will be completed upon each renewal.

Application of regulations to existing massage establishments, outcall services, and massage technicians. The provisions of this chapter shall be applicable to all persons and businesses whether the business was established before or after the effective date of the ordinance codified in this chapter, except that massage establishments or outcall services legally in business prior to the effective date shall have ninety days to file for a massage establishment or outcall service permit and to comply with the provisions of this chapter. Massage technicians who have valid massage technician permits shall have until the expiration of their current business permit to apply for a massage technician permit under the terms of this chapter but shall otherwise comply with the regulations set forth herein within ninety days.

Prohibited conduct. It is unlawful and a misdemeanor for any person to violate any of the mandatory requirements of this chapter.

5.52.130 Suspension or revocation hearing. The chief of police or authorized representative may revoke or suspend a massage establishment permit or massage technician permit if it is found that the permittee does not possess the qualifications for the permit as required by this chapter, has been convicted of any violation of the provisions of this chapter or any lesser included offense, has made a material misrepresentation on the permit application or renewal or has violated any mandatory provisions of this chapter, any conditions of the permit, or any of the laws which would have been grounds for denial of the permit. For purposes of this section, permittee shall include the managing responsible officer or employee. Further, the permittee shall be responsible for those acts of its employees which are done in the course and scope of their employment by the permittee.

A hearing shall be scheduled upon not less than ten calendar days' notice to the permittee stating the grounds for proposed revocation or suspension. Notice shall be given by personal service or certified mail to the address shown on the last application or renewal. If reasonable attempts to otherwise serve are not successful, service may be provided by first class mail.

Notice of the decision shall be given in the same manner as for the hearing. The decision of the chief of police or his authorized representative may be appealed by the permittee to the city manager within fifteen calendar days of service by filing written notice of appeal with the city manager's office stating the

basis for the appeal and the errors claimed to have occurred. If the permit is suspended or revoked, the permit shall be surrendered.

Service shall be deemed complete when personal service is made, when the certified letter is delivered, or when the decision is mailed by first class mail.

5.52.140. Appeal procedures. Any interested person may appeal the decision to revoke, suspend, deny or approve a massage establishment or massage technician permit by filing a written notice of appeal, stating the grounds thereof, in accordance with Chapter 1.44 of the Benicia Municipal Code.

5.52.150. Burden of proof. Unless otherwise specifically prohibited by law, the burden of proof is on the permittee/applicant in any hearing or other matter under this chapter.

5.52.160. Public nuisance. Any massage establishment operated, conducted, or maintained contrary to the provisions of this chapter is unlawful and a public nuisance, and the city attorney may in the exercise of discretion, in addition to or in lieu of prosecuting a criminal action hereunder, commence an action or actions, proceeding or proceedings, for the abatement, removal and enjoinder thereof, in a manner provided by law.

Section 2.

Severability. If any section, subsection, phrase or clause of this ordinance is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this ordinance.

The city council hereby declares that it would have passed this and each section, subsection, phrase or clause thereof irrespective of the fact that any one or more sections, subsections, phrase or clauses be declared unconstitutional on their face or as applied.

On motion of Council Member _____, seconded by Council Member _____, the foregoing ordinance was introduced at a regular meeting of the City Council on the _____, 2008, and adopted at a regular meeting of the Council held on _____, by the following vote:

Ayes:

Noes:

Absent:

Elizabeth Patterson, Mayor

ATTEST:

Lisa Wolfe, City Clerk

SUMMARY OF ORDINANCES

CITIES	HOURS OF OPERATION	FINGERPRINT REQUIREMENTS	CERTIFICATE OF INSTRUCTION HOURS	BACKGROUND CHECK AND FEE CHARGED	COMMUNICABLE DISEASE CHECK AND EXAM	PRACTICAL EXAM	WRITTEN EXM	LIABILITY INSURANCE	COMPLIANCE TIME FRAME/ CURRENT BUS
Antioch	Not Specified	Yes	250 + Certificate	Yes	No	No	Yes	No	6 Months
Belmont	Not Specified	Yes	Certificate from approved school	Yes	Yes	No	Yes	No	Not Stated
Benicia	7 am-10 pm	Yes	200	Yes	Yes	Yes	Yes	\$500,000	6 Months
Concord	7 am-10 pm	Yes	Completion of recognized course + diploma	Yes	Yes / Tuberculosis	No	Yes	\$500,000	6 Months
Danville	Not Specified	Yes	70	Yes	Yes	No	No	No	Not Stated
Fairfield	Not Specified	No	500 + Certificate	Yes	Yes	No	No	No	Not Stated
Hercules	7 am-10 pm	Yes	Certificate from approved school	Yes	Yes	No	No	No	Not Stated
Lafayette	Not Specified	Yes	70	Yes	Yes	No	No	No	Not Stated
Oakland	7 am-10 pm	Yes	300	Yes	No	Certification from Therapeutic Message Board	No	\$1,000,000	1 Year
Oakley	Not Specified	No	70	Yes	Yes	No	No	No	Not Stated
Pineole	Not Specified	No	500	Yes	No / Must state under oath free of disease	No	No	No	Not Stated
Pittsburg	8 am-8 pm	Yes	500	Yes	No	No	No	No	90 Days
Pleasant Hill	7 am-10 pm	Yes	250	Yes	Not Stated	Not Stated	Yes	\$500,000	Not Stated
Redwood City	Not Specified	Yes	Certificate from approved school	Yes	Yes	No	No	No	30 Days
Richmond	Not Specified	Yes	100 + Certificate from approved school	Yes	No	No	No	No	30 Days
San Carlos	7 am-10 pm	Yes	200	Yes	Yes	Yes	Yes	\$1,000,000	90 Days
San Mateo	7:30-10:30 pm	Yes	Certificate from approved school	Yes	Yes	Yes	Yes	\$100,000 per/employee	30 Days
San Pablo	7 am-10 pm	Yes	550	Yes	Yes	Certification from Therapeutic Message Board	No	Not specified	90 Days
San Ramon	7 am-10 pm	Yes	Certification from Therapeutic Message Board	Yes	No	Certification from Therapeutic Message Board	No	\$1,000,000	2 Years
Union City	9 am-9 pm	No	200	Yes	Yes	Yes	Yes	No	Not Stated
Proposed Legislation	Not Specified	Yes	250 + Certificate from approved school	Yes	No	Not Stated	Not Specified	City Decision	City Decision

AGENDA ITEM
CITY COUNCIL MEETING: MARCH 4, 2008
INFORMATIONAL ITEMS

DATE : February 25, 2008
TO : City Manager
FROM : Finance Director
SUBJECT : **REVIEW OF MID-YEAR BUDGET UPDATE FOR FISCAL YEARS 2007-2009**

RECOMMENDATION:

Review the reports summarizing the mid-year status of the General Fund and proposed budget adjustments. No action is necessary at this time.

EXECUTIVE SUMMARY:

The attached reports summarize the mid-year status of the General Fund and budget adjustments that have been previously approved or will be required to meet program and capital project needs. The budget adjustments include changes in the General Fund, as well as changes required in other City Funds. As presented, the Amended Budget will result in a General Fund Undesignated Fund Balance at the end of FY 2007-08 of \$6,338,460 or 20.0% and FY 2008-09 of \$6,587,880 or 20.0%. While the General Fund is on course and weathering the economic slowdown, the City Manager has requested that additional time be allowed to determine how to distribute pending budget reductions of \$155,000 in FY 2007-08 and \$146,035 in FY 2008-09. It is expected these budget adjustments will be presented, along with those summarized in this report, to the City Council in April.

BUDGET INFORMATION:

The combined budgetary impacts are listed below.

FY 2007-08				
Fund	Revenue Adjustments	Expenditure Adjustments	Balance Sheet Adjustments	Net Impact on Fund Balance
General Fund	\$524,695	(\$474,050)	\$0	\$50,645
Other Funds	\$4,140,270	(\$4,517,599)	\$0	(\$377,329)

FY 2008-09				
Fund	Revenue Adjustments	Expenditure Adjustments	Balance Sheet Adjustments	Net Impact on Fund Balance
General Fund	\$77,185	\$77,610	\$0	(\$425)
Other Funds	(\$44,885)	(\$84,455)	\$0	\$39,570

BACKGROUND:

The biennial Municipal Budgets for Fiscal Years 2007-09 were approved by the City Council on June 19, 2007. During the course of the two-year budget, staff is directed to return from time-to-time with recommendations for adjustments to the municipal budgets that reflect known changes in forecasted budget amounts, as well as, additional revenue and expenditure appropriations recommended by the City Manager. The budget adjustment recommendations are often presented with "Year-to-Date" Financial Reports, as is the case with this report.

Current Health of the General Fund. The budget adjustments being presented in this report represent changes we have identified in the City of Benicia budget, as well as revenue and expenditure changes due to the faltering economy and the State budget crisis. At the present time, we have examined General Fund revenues most susceptible to the economy and State budget reductions and recommend "staying the course" for the next two months, until more information is available regarding each. The greatest revenue exposure is in sales tax and property taxes. We have already made adjustments to each of these in December 2007 and are updating those estimates due to the extended real estate foreclosure crisis. Fortunately, sales tax has continued to show good results due to business turnovers in the Benicia Industrial Park and is expected to meet our budget estimates.

Prior Approvals and Non-Discretionary Adjustments. The City Council has previously approved budget adjustments requested by the City Manager, including the Mills Community Center Design and the Employee Classification and Compensation Study. The amounts may also affect "Other Funds" as the budget amounts are often Inter-Fund Transfers from the General Fund to Capital Project and Internal Service Funds. These adjustments are shown in *Attachment B*.

Non-Discretionary Adjustments include several adjustments that have been identified by staff as necessary and appurtenant to accomplish their operational directives during the year. The largest of these includes a one-time recognition of Nationwide Auction Systems Vehicle License Fee collections of \$137,815 in FY 2007-08 and \$77,185 in FY 2008-09. The amounts represent prior year revenues that have been left out of the current budget due to ongoing negotiations with the company. The final negotiated settlement has not been completed but the amounts due the City have been determined.

Future Budget Adjustments. The General Fund has been revised to reflect the changes in operations due to non-discretionary costs required to operate City programs and capital projects. The City Manager recognizes that additional budget adjustments are required in order to balance the current budget to meet the requirements of the Fund Balance Reserve Policy. These adjustments of \$155,000 in FY 2007-08 and \$146,035 in FY 2008-09 will be presented to the City Council in April. It is expected these budget adjustments will primarily focus on reductions in capital projects or minor reductions in program expenditures.

Mid-Year Financial Report. The Year-to-Date Actuals as of December 31, 2007 are included in the General Fund Summary at the end of the staff report in the far right column. The operational revenues at the mid-year point are \$14,499,060 or 45%, which is typical for this time of the year.

The operational expenditures are at \$15,785,885 or 50%, again, normal for the mid-point of the year.

Based on the first six months of this budget period, it is expected that we will have a Fund Balance at the 20.0% reserve requirement at year end, although notwithstanding the specific adjustments amounting to \$155,000 to be presented in April. Any deviation from the expected results will be reported to the City Council as quickly as possible.

Attachments:

- Attachments A-H
- General Fund Summary

ATTACHMENTS
“A” TO “H”

**ATTACHMENT -A-
Prior Encumbrances and CIP Carryovers - General Fund
Requested Budget Adjustments**

Acct. #	Description	Amended Budget 2007-08	Proposed Adjustments 03/04/08	Amended Budget 2007-08	Amended Budget 2008-09	Proposed Adjustments 03/04/08	Amended Budget 2008-09
REVENUE ADJUSTMENTS							
		0		0	0		0
Subtotal Operational Revenues		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserves	1 Transfer Designated CIP Reserves	0	386,880	386,880	0		0
Subtotal One-Time Revenues		\$ -	\$ 386,880	\$ 386,880	\$ -	\$ -	\$ -
Combined Revenues		\$ -	\$ 386,880	\$ 386,880	\$ -	\$ -	\$ -
EXPENDITURE ADJUSTMENTS							
Operational Expenditures							
		0		0	0		0
Subtotal Operational Expenditures		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Recurring Expenditures							
011-9205-9177	1 Bld Maint Camel Barn Repairs	0	16,450	16,450	0		0
011-9205-9521	1 Bld Maint Clocktower Improvements	0	70,000	70,000	0		0
011-9205-9620	1 Bld Maint Youth Activity Center Remodel	0	440	440	0		0
011-9305-9184	1 Comm Svcs Online Class Registration	0	15,000	15,000	0		0
011-9505-9612	1 Parks BCP Split Rail Fence	0	1,395	1,395	0		0
011-4105-9182	1 CDD Arsenal Master Plan EIR	0	112,010	112,010	0		0
011-4105-9183	1 CDD Historic Plan Update	0	12,175	12,175	0		0
011-4105-9199	1 CDD Form Based Zoning Codes	0	23,175	23,175	0		0
011-8705-9729	1 Park Rd Bike Route Improvements	0	5,650	5,650	0		0
011-8705-9733	1 East 2nd St Overlay	0	1,400	1,400	0		0
011-8705-9735	1 East 5th St Overlay	0	1,530	1,530	0		0
011-8705-9736	1 East H St Overlay	0	2,565	2,565	0		0
011-8705-9739	1 Mills Elementary Area Improvements	0	2,515	2,515	0		0
011-8705-9746	1 Parking Improvements	0	32,575	32,575	0		0
011-8705-9757	1 Park Road Walkway	0	80,000	80,000	0		0
011-8705-9758	1 East 5th Smart Growth	0	10,000	10,000	0		0
Subtotal One-Time Expenditures		\$ -	\$ 386,880	\$ 386,880	\$ -	\$ -	\$ -
Combined Expenditures		\$ -	\$ 386,880	\$ 386,880	\$ -	\$ -	\$ -
Net Budget Adjustments			\$ -			\$ -	

1 At the end of each fiscal year, departments review outstanding Capital Improvement Projects under construction and determine how much will be spent in the following year. The money is set-aside in a special Capital Project Reserves account and transferred to Capital Projects. This year's total Carryover amount for the General Fund is \$386,880.

ATTACHMENT -B-
Prior Approvals and Non-Discretionary Adjustments - General Fund
Requested Budget Adjustments

Acct. #	Description	Amended Budget 2007-08	Proposed Adjustments 03/04/08	Amended Budget 2007-08	Amended Budget 2008-09	Proposed Adjustments 03/04/08	Amended Budget 2008-09
REVENUE ADJUSTMENTS							
		0		0	0		0
Subtotal Operational Revenues		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
011-2405-7220	5 Nationwide Settlement	0	137,815	137,815	0	77,185	77,185
Subtotal One-Time Revenues		\$ -	\$ 137,815	\$ 137,815	\$ -	\$ 77,185	\$ 77,185
Combined Revenues		\$ -	\$ 137,815	\$ 137,815	\$ -	\$ 77,185	\$ 77,185
EXPENDITURE ADJUSTMENTS							
Operational Expenditures							
010-9050-8150	1 Mills Community Center Utilities	27,000	(10,380)	16,620	0		0
010-9205-8134	2 Building Maintenance	75,000	(1,340)	73,660	0		0
Misc.	3 Salary & Benefits Adjustment	464,750	57,550	522,300	572,161	82,610	654,771
		0		0	0		0
Subtotal Operational Expenditures		\$ 464,750	\$ 45,830	\$ 612,580	\$ 572,161	\$ 82,610	\$ 654,771
Non-Recurring Expenditures							
011-9205-9999	2 Transfer to Facility Maintenance	0	1,340	1,340	0		0
Subtotal One-Time Expenditures		\$ -	\$ 1,340	\$ 1,340	\$ -	\$ -	\$ -
Combined Expenditures		\$ 464,750	\$ 47,170	\$ 613,920	\$ 572,161	\$ 82,610	\$ 654,771
Net Budget Adjustments			\$ 90,645			\$ (5,425)	

ATTACHMENT -C-
Prior Approvals and Non-Discretionary Adjustments - General Fund
Requested Budget Adjustments

Item Description

1	Reso 07-117 & Reso 07-118 awarded a contract to Noll & Tam for the design of Mills Community Center in the amount \$128,305 with \$80,000 funding from GF Reserves. Memo dated December 10, 2007 requested a PO Change Order increase for Noll & Tam for \$10,380 for the redesign of Mills main entrance. Mills Community Center line item budgets were realigned to fund this increase from the Operations Utility line item. The \$80,000 funding from the General Fund reserves will be funded by the Capital Licence Tax.
2	Reduction in Building Maintenance operations to fund 2 pool pumps in Facility Maintenance
3	Adjustment to Salary & Benefit estimate provided to Council on December 4, 2007.

**ATTACHMENT -D-
Discretionary Budget Adjustments - General Fund
Requested Budget Adjustments**

Acct. #	Description	Amended Budget 2007-08	Proposed Adjustments 03/04/08	Amended Budget 2007-08	Amended Budget 2008-09	Proposed Adjustments 03/04/08	Amended Budget 2008-09
REVENUE ADJUSTMENTS							
		0		0	0		0
	Subtotal Operational Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		0		0	0		0
	Subtotal One-Time Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Combined Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURE ADJUSTMENTS							
Operational Expenditures							
Misc. 1	Misc Reductions in Operational Expenditures	(170,000)	40,000	(130,000)	(140,000)	(5,000)	(145,000)
	Subtotal Operational Expenditures	\$ -	\$ 40,000	\$ (130,000)	\$ -	\$ (5,000)	\$ (145,000)
Non-Recurring Expenditures							
	Subtotal One-Time Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Combined Expenditures	\$ -	\$ 40,000	\$ (130,000)	\$ -	\$ (5,000)	\$ (145,000)
	Net Budget Adjustments		\$ (40,000)			\$ 5,000	

1 Balance Budget Adjustment: Adjust reduction in miscellaneous operation expenditures by \$40,000 in FY 07-08. Increase
Increase reduction in miscellaneous operational expenditures by \$5,000 in FY 08-09. To be reviewed at a later time.

ATTACHMENT -E-
Prior Encumbrances and CIP Carryovers - Other Funds
Requested Budget Adjustments

Acct. #	Description	Amended Budget 2007-08	Proposed Adjustments 03/04/08	Amended Budget 2007-08	Amended Budget 2008-09	Proposed Adjustments 03/04/08	Amended Budget 2008-09
REVENUE ADJUSTMENTS							
014 Reserves	1 Wastewater Ops CIP Carryovers	0	511,300	511,300	0		0
017 Reserves	1 Gas Tax CIP Carryovers	0	13,035	13,035	0		0
018 Reserves	1 Tourtelot Mitigation Carryovers	0	87,005	87,005	0		0
019 Reserves	1 Transit Carryovers	0	220,475	220,475	0		0
032 Reserves	1 Community Services Carryovers	0	18,885	18,885	0		0
034 Reserves	1 Traffic Mitigation Carryovers	0	134,560	134,560	0		0
035 Reserves	1 Grant Funded CIP Carryovers	0	195,280	195,280	0		0
036 Reserves	1 Grant Funded CIP Carryovers	0	0	0	0		0
038 Reserves	1 SP Depot	0	12,775	12,775	0		0
042 Reserves	1 Police Seismic Carryovers	0	52,180	52,180	0		0
044 Reserves	1 Wastewater CIP Carryovers	0	238,350	238,350	0		0
045 Reserves	1 Water Project CIP Carryovers	0	349,850	349,850	0		0
046 Reserves	1 Capital License CIP Carryovers	0	473,670	473,670	0		0
047 Reserves	1 Park Dedication CIP Carryovers	0	401,260	401,260	0		0
049 Reserves	1 Community Center Carryovers	0	(227,750)	(227,750)	0		0
L&L Reserves	1 L&L CIP Carryovers	0	35,510	35,510	0		0
076 Reserves	1 Water Dist Sys Improvement Prj	0	332,380	332,380	0		0
080 Reserves	1 Storm Drain CIP Carryovers	0	41,990	41,990	0		0
081 Reserves	1 Recycling Grant Carryovers	0	(390)	(390)	0		0
084 Reserves	1 CATV CIP Carryovers	0	50,370	50,370	0		0
085 Reserves	1 CAN Donation Carryovers	0	13,175	13,175	0		0
087 Reserves	1 Library Donations Carryovers	0	4,000	4,000	0		0
088 Reserves	1 Interlibrary Loan Carryovers	0	55,000	55,000	0		0
089 Reserves	1 Literacy State Funded Carryovers	0	255	255	0		0
090 Reserves	1 Water Operations CIP Carryovers	0	557,015	557,015	0		0
113-Misc.	1 Building Maintenance Carryovers	0	73,045	73,045	0		0
114-Misc.	1 Vehicle Replacement Carryovers	0	145,655	145,655	0		0
115-Misc.	1 Equipment Replacement Carryovers	0	49,100	49,100	0		0
		0	0	0	0		0
Revenue Adjustments		\$ -	\$ 3,837,980	\$ 3,837,980	\$ -	\$ -	\$ -
EXPENDITURE ADJUSTMENTS							
014-Misc.	1 Wastewater Ops CIP Carryovers	0	511,300	511,300	0		0
017-8705-Misc.	1 Gas Tax CIP Carryovers	0	13,035	13,035	0		0
018-8118-Misc.	1 Traffic Calming Program	0	87,005	87,005	0		0
019-3119-9302	1 Transit Equipment	0	220,475	220,475	0		0
032-9532-9250	1 Cemetery Improvements	0	18,885	18,885	0		0
034-8705-Misc.	1 Traffic Mitigation CIP Carryovers	0	134,560	134,560	0		0
035-Misc.	1 Grant Funded CIP Carryovers	0	195,280	195,280	0		0
036-Misc.	1 Grant Funded CIP Carryovers	0	0	0	0		0
038-6838-9940	1 SP Depot	0	12,775	12,775	0		0
042-5244-9130	1 PD & Fire Comm Upgrade Carryovers	0	52,180	52,180	0		0
044-8044-9896	1 Wastewater CIP Carryovers	0	238,350	238,350	0		0
045-8045-Misc.	1 Water Project CIP Carryovers	0	349,850	349,850	0		0
046-2446-Misc.	1 Capital License CIP Carryovers	0	473,670	473,670	0		0
047-9047-Misc.	1 Park Dedication CIP Carryovers	0	401,260	401,260	0		0
049-Misc.	1 Community Center Carryovers	0	(227,750)	(227,750)	0		0
L&L Misc.	1 L&L CIP Carryovers	0	35,510	35,510	0		0
076-8076-Misc.	1 Water Dist Sys Improvement Prj	0	332,380	332,380	0		0
080-8080-Misc.	1 Storm Drain CIP Carryovers	0	41,990	41,990	0		0
081-Misc.	1 Recycling Grant Carryovers	0	(390)	(390)	0		0
084-2484-Misc.	1 CATV CIP Carryovers	0	50,370	50,370	0		0
085-6105-Misc.	1 CAN Donation Carryovers	0	13,175	13,175	0		0
087-3489-9115	1 Friends of the Library Carryovers	0	4,000	4,000	0		0
088-3488-9115	1 ILL. Furnishing & Fixtures Carryovers	0	55,000	55,000	0		0
089-7089-9117	1 Literacy State Funded Carryovers	0	255	255	0		0
090-Misc.	1 Water Operations CIP Carryovers	0	557,015	557,015	0		0
113-Misc.	1 Building Maintenance Carryovers	0	73,045	73,045	0		0
114-Misc.	1 Vehicle Replacement Carryovers	0	145,655	145,655	0		0
115-Misc.	1 Equipment Replacement Carryovers	0	49,100	49,100	0		0
Expenditure Adjustments		\$ -	\$ 3,837,980	\$ 3,837,980	\$ -	\$ -	\$ -
Net Budget Adjustments			\$ -			\$ -	

1 CIP Carryovers are held in a special Designated Reserves account and used to fund the projects in the following year.

ATTACHMENT -F-
Prior Approvals and Non-Discretionary Adjustments - Other Funds
Requested Budget Adjustments

Acct. #	Description	Amended Budget 2007-08	Proposed Adjustments 03/04/08	Amended Budget 2007-08	Amended Budget 2008-09	Proposed Adjustments 03/04/08	Amended Budget 2008-09
REVENUE ADJUSTMENTS							
039-7439-7549	1 Solnet	30,000	60,000	90,000	0		0
059-3143-7915	2 Fire Engine Capital Lease	281,635	26,720	308,355	0		0
114-6105-7997	2 Trsfr In Vehicle Replacement From Debt	281,635	26,720	308,355	0		0
114-6105-7999	2 Trsfr In Vehicle Replacement from WC	300,150	43,310	343,460	0		0
049-9049-7999	3 Trsfr In Mills Construction from Cap Lic Tax	0	90,380	90,380	0		0
113-9205-7999	4 Trsfr In Facility Maintenance from GF	0	1,340	1,340	0		0
036-7481-7549	5 COIT Grant	0	10,945	10,945	0		0
080-8080-7999	12 Street Sweeping Services	0	49,035	49,035	0		0
087-3486-7549	7 State Library Grant ELF	0	9,745	9,745	0		0
087-3486-7549	8 State Library Grant California of the Past	0	7,500	7,500	0		0
113-9205-7999	11 Trnsfr in balance from Comm Svcs Grants	0	4,830	4,830	0		0
Misc.	14 Lighting & Landscaping Interest Adjustment	0	5,400	5,400	0		0
Misc.	16 Salary & Benefits Adjustment	0	(26,435)	(26,435)	0	(74,085)	(74,085)
038-9205-7455	17 Benicia Main Street Lease	21,600	(7,200)	14,400	21,600	(10,800)	10,800
215-2605-xxxx	18 Climate Plan (BAAQMD) Grant	0	0	0	0	40,000	40,000
Revenue Adjustments		\$ 915,020	\$ 302,290	\$ 1,217,310	\$ 21,600	\$ (44,885)	\$ (23,285)
EXPENDITURE ADJUSTMENTS							
039-7439-8000	1 Solnet	30,000	60,000	90,000	0		0
059-3143-9999	2 Trsfr Out Fire Engine Capital Lease	281,635	26,720	308,355	0		0
110-2401-9999	2 Trsfr Out Fire Engine	300,150	43,310	343,460	0		0
114-6105-9125	2 Vehicle Replacement Fire Engines	800,000	81,515	881,515	0		0
049-9051-9520	3 Mills Construction Design	0	138,685	138,685	0		0
113-9205-9640	4 Facility Maintenance	23,440	1,340	24,780	0		0
036-7481-8008	5 COIT Grant	0	10,945	10,945	0		0
039-7539-8118	6 FRC Matrix Grant	0	8,400	8,400	0		0
087-3486-8679	7 State Library Grant ELF	0	9,744	9,744	0		0
087-3486-xxxx	8 State Library Grant California of the Past	0	7,500	7,500	0		0
087-3486-8122	9 Library Foundation Expenses	0	500	500	0		0
090-8125-8812	10 Completion of water main repairs	0	109,000	109,000	0		0
032-xxxx-9999	11 Trnsfr out fund balance to Facility Maint	0	4,830	4,830	0		0
113-9205-9620	11 Facility Maintenance YAC Improvements	25,000	4,830	29,830	0		0
080-8080-8100	12 Street Sweeping Services	100,000	49,035	149,035	0		0
019-xxxx-9302	13 Transit CARB add'l expense	250,000	18,000	268,000	0		0
072-9072-8150	15 East 2nd St L&L District Utilities	2,730	10,270	13,000	2,870	10,230	13,100
Misc.	16 Salary & Benefits Adjustment	0	(3,585)	(3,585)	0	(126,485)	(126,485)
215-2605-xxxx	18 Climate Plan (BAAQMD) Grant	0	8,200	8,200	0	31,800	31,800
Expenditure Adjustments		\$ 1,812,955	\$ 589,239	\$ 2,402,194	\$ 2,870	\$ (84,455)	\$ (81,585)
Net Budget Adjustments			\$ (286,949)			\$ 39,570	

**ATTACHMENT -G-
Discretionary Adjustments - Other Funds
Requested Budget Adjustments**

Acct. #	Description	Amended Budget 2007-08	Proposed Adjustments 03/04/08	Amended Budget 2007-08	Amended Budget 2008-09	Proposed Adjustments 03/04/08	Amended Budget 2008-09
<u>REVENUE ADJUSTMENTS</u>							
		0		0	0		0
		0		0	0		0
	Subtotal Operational Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		0		0	0		0
		0		0	0		0
	Subtotal One-Time Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Combined Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>EXPENDITURE ADJUSTMENTS</u>							
<u>Operational Expenditures</u>							
		0		0	0		0
		0		0	0		0
	Subtotal Operational Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>Non-Recurring Expenditures</u>						
046-2446-9999	3 Transfer to Mills Construction	0	90,380	90,380	0		0
		0		0	0		0
	Subtotal One-Time Expenditures	\$ -	\$ 90,380	\$ 90,380	\$ -	\$ -	\$ -
	Combined Expenditures	\$ -	\$ 90,380	\$ 90,380	\$ -	\$ -	\$ -
	Net Budget Adjustments		\$ (90,380)			\$ -	

**ATTACHMENT -H-
FY 2007-09 All Other Funds Budget Update
Requested Budget Adjustments**

Item Description

1	Solnet agreement increased to \$90,000 per year.
2	Reso 07-85 Increase in purchase of Fire Engines, add'l \$70,815. Memo from Fire Chief dated 8/29/07 requesting add'l \$10,700 for side air bag system & seat tensioner for both engines.
3	Reso 07-117 & Reso 07-118 awarded a contract to Noll & Tam for the design of Mills Community Center in the amount of \$128,305 with \$80,000 funding from GF Reserves. Memo dated December 10, 2007 requested a PO Change Order increase for Noll & Tam for \$10,380 for the design og Mills main entrance. Mills Community Center line item budgets were realigned to fund this increase from the Operations Utility line item. The \$80,000 funding from the General Fund reserves will be funded by the Capital License Tax.
4	Reduction in Building Maintenance operations to fund 2 pool pumps in Facility Maintenance.
5	Click it or Ticket is a traffic safety grant from the University of California Berkeley Traffic Safety Center.
6	The Matrix Grant is a reimbursement for the participation of Family Resource Center in a CSU Monterey survey. The grant funds were received in 06/07. The FRC would like to budget the funds for additional program expenses.
7	State Library Grant for Early Literacy (ELF)
8	State Library Grant for California of the Past oral history project.
9	Budget adjustment for \$500 received FY 06/07 from the Library Foundation.
10	Reso 07-127 accepting the completion of the emergency work to repair the water main and street pavement section on Viewmont St. south of Casa Grande St., and authorizing an appropriation of \$109,000 from the Water Enterprise Fund Reserves.
11	Transfer of fund balance in closed grant accounts to ISF Facility Maintenance for Youth Activity Center improvements.
12	Invoice for street sweeping services from January 2007 thru June 2007 did not get paid. Increase budget for FY 07/08 to cover \$49,035 invoice.
13	Add'l expense for Transit CARB settlement Reso 07-150. \$12,000 fixed route, \$6,000 paratransit.
14	Increase L&L Interest Earnings based on current earnings growth.
15	Adjustment to utilities budget for East 2nd St L&L District for FY 07/08 and 08/09.
16	Adjustment to Salary & Benefit estimate provided to Council on December 4, 2007.
17	February 19,2008 Council meeting approved amendment to the lease agreement with Benicia Main Street. Forgive base rent payments through December 2008 for a total of \$18,000 in forgone revenue.
18	Emissions Inventory/Climate Planning Grant from BAAQMD.

GENERAL FUND SUMMARY

**General Fund Summary
FY 2007-2008**

	MID YEAR					Amended FY 2007/08 03/04/08	Actual YTD 12/31/07 %	
	Amended FY 2007/08 12/04/07	Encumbrance/ Carryovers Adjustments	Prior Approve/ Non-Discretion Adjustments	Discretionary Adjustments	Total Budget Adjustments			
Revenues								
Use of Designated Reserves	0				0	0		
City Clerk	0				0	0		
City Treasurer	54,670				0	54,670	23,220	42%
City Manager	0				0	0	280	
City Attorney	0				0	0		
Community Grants & Promotions	0				0	0		
Economic Development	0				0	0		
Human Resources	0				0	0	80	
Finance	0				0	0		
Library	72,770				0	72,770	25,010	34%
Community Development	583,450				0	583,450	295,040	51%
Police	505,400				0	505,400	191,725	38%
Fire	124,750				0	124,750	61,890	50%
Public Works	52,000				0	52,000	20,765	40%
Parks & Community Services	961,000				0	961,000	472,905	49%
Insurances	0				0	0		
Non-Departmental	29,651,635				0	29,651,635	13,408,145	45%
Interfund Transfer-In	78,165				0	78,165		0%
Revenue Total	32,083,840		0	0	0	32,083,840	14,499,060	45%
Expenditures								
City Council	96,005				0	96,005	51,365	54%
City Clerk	74,695				0	74,695	38,690	52%
City Treasurer	54,670				0	54,670	23,220	42%
City Manager	425,675				0	425,675	201,465	47%
City Attorney	574,380				0	574,380	332,355	58%
Human Resources	419,255				0	419,255	241,915	58%
Finance	1,067,715		3,000		3,000	1,070,715	518,190	48%
Community Grants & Promotions	485,755				0	485,755	248,575	51%
Economic Development	462,835				0	462,835	216,770	47%
Library	1,192,505				0	1,192,505	594,790	50%
Community Development	1,427,830				0	1,427,830	686,175	48%
Police	8,011,210				0	8,011,210	4,039,640	50%
Fire	6,830,340				0	6,830,340	3,425,545	50%
Public Works	1,979,990				0	1,979,990	911,440	46%
Parks & Community Services	5,188,185		(11,720)		(11,720)	5,176,465	2,588,210	50%
Insurances	647,930				0	647,930	522,015	81%
Non-Departmental	2,006,005		54,550	40,000	94,550	2,100,555	917,935	44%
Interfund Transfer-Out	641,300				0	641,300	227,590	35%
Expenditure Total	31,586,280		45,830	40,000	85,830	31,672,110	15,785,885	50%
Operational Surplus/(Deficit)	497,560	0	(45,830)	(40,000)	(85,830)	411,730	(1,286,825)	
Capital Projects & Non-Recurring								
Non-Recurring Revenues	110,000	386,880	137,815		524,695	634,695	3,795	1%
Non-Recurring Expenditures	1,311,280	386,880	1,340		388,220	1,699,500	37,045	2%
Non-Recurring Surplus/(Deficit)	(1,201,280)	0	136,475	0	136,475	(1,064,805)	(33,250)	
Combined Surplus/(Deficit)	(703,720)	0	90,645	(40,000)	50,645	(653,075)	(1,320,075)	
Transfers to Balance Sheet	(25,400)				0	(25,400)		
Fund Balance	6,287,815	0	90,645	(40,000)	50,645	6,338,460	5,646,060	
	19.9%					20.0%	17.9%	

**General Fund Summary
FY 2008-2009**

MID YEAR

	Amended FY 2008/09 12/04/07	Encumbrance/ Carryovers Adjustments	Prior Approve/ Non-Discretion Adjustments	Discretionary Adjustments	Total Budget Adjustments	Amended FY 2008/09 03/04/08
Revenues						
Use of Designated Reserves	0				0	0
City Clerk	0				0	0
City Treasurer	55,285				0	55,285
City Manager	0				0	0
City Attorney	0				0	0
Community Grants & Promotions	0				0	0
Economic Development	0				0	0
Human Resources	0				0	0
Finance	0				0	0
Library	72,770				0	72,770
Community Development	583,450				0	583,450
Police	523,000				0	523,000
Fire	124,750				0	124,750
Public Works	52,000				0	52,000
Parks & Community Services	996,000				0	996,000
Insurances	0				0	0
Non-Departmental	30,581,395				0	30,581,395
Interfund Transfer-In	80,415				0	80,415
Revenue Total	33,069,065		0	0	0	33,069,065
Expenditures						
City Council	101,575				0	101,575
City Clerk	76,410				0	76,410
City Treasurer	55,285				0	55,285
City Manager	441,940				0	441,940
City Attorney	584,070				0	584,070
Human Resources	414,525				0	414,525
Finance	1,127,060		4,200		4,200	1,131,260
Community Grants & Promotions	534,025				0	534,025
Economic Development	483,220				0	483,220
Library	1,241,465				0	1,241,465
Community Development	1,476,170				0	1,476,170
Police	8,214,255				0	8,214,255
Fire	7,048,230				0	7,048,230
Public Works	2,059,420				0	2,059,420
Parks & Community Services	5,495,790				0	5,495,790
Insurances	673,305				0	673,305
Non-Departmental	2,148,295		78,410	(5,000)	73,410	2,221,705
Interfund Transfer-Out	674,990				0	674,990
Expenditure Total	32,850,030		82,610	(5,000)	77,610	32,927,640
Operational Surplus/(Deficit)	219,035	0	(82,610)	5,000	(77,610)	141,425
Capital Projects & Non-Recurring						
Non-Recurring Revenues	110,000		77,185		77,185	187,185
Non-Recurring Expenditures	145,630				0	145,630
Non-Recurring Surplus/(Deficit)	(35,630)	0	77,185	0	77,185	41,555
Combined Surplus/(Deficit)	183,405	0	(5,425)	5,000	(425)	182,980
Transfers to Balance Sheet	(66,440)				0	(66,440)
Fund Balance	6,588,305	0	(5,425)	5,000	(425)	6,587,880
	20.1%					20.0%

MINUTES OF THE
SPECIAL MEETING – CITY COUNCIL
JANUARY 29, 2008

The special meeting of the City Council of the City of Benicia was called to order by Mayor Elizabeth Patterson at 6:00 p.m. on Tuesday, January 29, 2008, in the Commission Room, Benicia City Hall, 250 East L Street, complete proceedings of which are recorded on tape.

ROLL CALL:

Present: Council Members Campbell, Hughes, Ioakimedes, Schwartzman, and Mayor Patterson

Absent: None

PLEDGE OF ALLEGIANCE:

Mayor Patterson led the pledge to the flag.

FUNDAMENTAL RIGHTS:

A plaque stating the Fundamental Rights of each member of the public is posted at the entrance to the Commission Room per Section 4.04.030 of City of Benicia Ordinance No. 05-6 (Open Government Ordinance).

PUBLIC COMMENT:

None

INFORMATIONAL ITEMS:

2007-09 Priorities, Board & Commissions and Council Agenda Review:

Mayor Patterson introduced the topics and schedule for the meeting. She noted that Council could not get into too much detail on budgets, etc

Jim Erickson, City Manager, noted that today's discussion would include boards and commissions, as well as agenda format.

Mr. Erickson provided a summary of the strategic planning process and provided a background on the Top Ten Priorities.

Council and Staff emphasized there was an attempt to have the process be strategic and thoughtful and include the public. The General Plan was major element/criteria in the process, and there were a number of other criteria along with the General Plan Goals.

Staff went through the first list on the left – Strategic Goals/Issues. The thirteen priorities came from this process. Staff noted the completed priorities: Downtown Master Plan and X-Park construction. Staff briefly discussed the projects and gave timelines. Staff noted additional projects as possible priorities that were not necessarily new, but had been recently discussed and provided a brief summary of those items.

Council and Staff discussed looking for feedback, level of importance, and the priority of those additional projects.

- Downtown Skate Park:
Staff noted that if Council directs Staff to do so, it could come back in six months with status update.
- Policy Issues:
Staff explained the policy issues, the need for them to be updated, Council voted on policy issues in 2006 – to be studied, Staff commended on some of the new issues which the Council may want to integrate in to the calendar - to be scheduled.

Staff will bring this list to a follow-up meeting to prioritize and then calendar based on rankings.

Council and Staff discussed understanding the Strategic Plan, how it could assess that it is getting to where we want to go, performance measures, and having an assessment of how Council is doing.

Council and Staff discussed the Fire Rescue Boat, how long this issue item has been being discussed, if it should really be a priority, the need for further definition of a Fire Rescue Boat, the need for a written proposal on how it would really work, a cost/budget analysis or business case, as well as what the public safety issues were, and whether there was really a need for such a boat.

Council and Staff discussed moving other projects up to take the place of those completed, adding the State Park as a priority, long-term strategy for the State Park, and the costs associated with the State Park.

Council also discussed the relationship between prioritizing and the budget, specifically the difficulty of making decisions regarding priorities without current budget information.

Mayor Patterson suggested using the fourth Tuesday in February for a review of the budget. Staff provided a brief update on the City's financial status. The City Manager noted that any significant expenditure would likely drop the City below the 20% reserve, so this will impact how we move forward with priorities.

Public Comment:

1. Ms. Moore – Ms. Moore asked what the next topic of discussion would be.
2. Norm Hattich, Benicia Industrial Park Association – Mr. Hattich discussed improvements to the Industrial Park.

Council discussed BIPA, where the Business License Tax (BLT) funds were supposed to go, and the need for further discussion on the BLT and the Industrial Park.

Public Comment:

1. Marilyn Bardet – Ms. Bardet commented on the lack of DSL in the Industrial Park. This should be a priority.
2. George Delacruz – Mr. Delacruz discussed the Amports agreement and roadway improvements.

Council and Staff discussed using a phased approach, the need for a more in-depth discussion on the actual priorities, specifically the Fire Boat and the Ferry, discussing the priorities list as a whole, quarterly reviews of priorities, police building, green building, wind energy (not currently on the policy list), possible incentives for businesses and residences.

Council and Staff discussed the purpose of the meeting, and then proceeded to go through the priority list one-by-one to determine if each should remain on the list.

Priorities:

- Historic Arsenal Plan – Yes
- Prepare and Improve Tourism – Yes
- Mills Community Center – Yes - although Council does not know full cost, Council discussed phased approach, options, future skate park downtown, and the possibility of putting the skate park at Mills. Staff will come back to Council with that as part of the plan for the Mills Community Center plan.

Public Comment:

1. Marilyn Bardet – Ms. Bardet discussed her concerns regarding the process. The Mills area needs to be planned better, perhaps jointly with BUSD. She was concerned about the neighborhood's reaction to the skate park.
 2. Mr. Moore – Mr. Moore discussed his interest in the property across from the Mills site. He would like to purchase it for (Scout site), which would be money for the City.
 3. Dan Smith – Mr. Smith discussed the Mills Community Center and the surrounding neighborhood.
- Library – Yes
 - Police Building -Improvements – Yes - Council and Staff discussed the need for clarification of the project.
 - State Park Road Bridge – Yes – Council and Staff discussed the cost of the project, and meetings with the Solano Transportation Authority (STA).
 - Fire Rescue Boat – Council agreed this item needed to be discussed further. At least two Council Members were okay with taking this off of the list of priorities.
 - Ferry – Need to discuss further, get more control, and the need for the City to be more independent.
 - Benicia Business Park –Yes – Scheduled for the February 19, 2008 Council meeting.
 - Reduce Energy Consumption, etc. – Yes – however more clarification is needed.

Public Comment:

1. Marilyn Bardet – Ms. Bardet requested a report from the Economic Development Manager. Ms. Lorentz noted that a larger report would be going to Council in March.
- Commandants Residence – Yes – Council and Staff discussed sound structure vs. occupancy, seismic retrofitting, stabilization, bids coming in next month, the need to come back to Council on the use, extent of work to be done, and the importance of thinking about the connections between projects, and synergistic relationships between projects. Mayor Patterson noted that much of that is already done, however, Council and Staff need to access resources it has and discuss them further. Council and Staff also discussed historic sustainability, a reuse study, and how the project fits in the community.

Mayor Patterson noted that she thought that the Historic Sustainability Reuse Study should be part of the first phase- as the City did not have the expertise – Mayor Patterson would like to discuss this further.

Staff stated that rather than impact the progress of the project and viability of grant funding – it needed to go forward on with the work right now (seismic retrofit and stabilization).

Public Comment:

1. Jon Van Landschoot – Mr. Van Landschoot discussed the scope of the project.

Council and Staff discussed getting caught up in a vicious circle, connecting the dots between projects, current resources available.

2. Christina Strawbridge – Ms. Strawbridge discussed tourism, the need for improvements to the Downtown area, the need for the City to invest in the Downtown area.

Council and Staff discussed how this fits into the big picture, the need to see the big picture for this discussion, and the Downtown Master Plan.

- BHS Traffic Signal – Yes.

Public Comment:

1. Mary Frances Kelly Poh – Ms. Kelly Poh requested an update on the housing element.
2. Mr. Moore – Mr. Moore referenced a lawsuit related to this issue.

Council and Staff discussed the housing element, challenges associated with doing more housing.

Mayor Patterson requested an update on housing in the context of the East E Street lot and the Scout House.

Policy Issues:

- Green Building Program and Residential Wind Energy System – Yes, but as part of the bigger energy discussion.

Public Comment:

1. Citizen – The citizen discussed not having fee reductions associated with a green building program, but instead having a rebate program.
- Proposed Council Member web pages - Council and Staff discussed the issue of associated expense, convenience, if this is a good idea, if it would be okay for Council Members to have their own websites, priority level of this issue, the need for criteria and upkeep, ability to post messages from Mayor and Council, and the upgrading the City's website, Staff time and resources associated with this, having a link on the City's website to Council Member's personal websites, and what other cities were doing regarding this issue. Various Council Members noted that they would be willing to take a look at a list that Mayor Patterson had available, but were not necessarily interested in bringing it back for discussion.

Public Comment:

1. George Delacruz – Mr. Delacruz spoke in support of Council having their own web pages on the City's website. He did not feel a link to Council's personal websites would work.
 2. Bonnie Weidel – Ms. Weidel spoke in support of Council having their own web pages on the City's website.
- Council Compensation – Council asked for a survey of compensation practices utilized by other cities.

Public Comment:

1. Bob Craft – Mr. Craft discussed having a citizen's committee look at the Council compensation issue.

Boards and Commissions:

Council and Staff discussed getting more information out on openings and due dates, possibly reviewing the qualification issue, inconsistent terms and term limits, target date for sunset, institutionalizing recommendations, orientation packets for commissioners, training for commissioners, making it clear that the process is open to everyone, and professional references (if applicable).

Public Comment:

1. Mary Frances Kelly Poh – Ms. Kelly Poh suggested that acknowledgement and interview of applicants would be a good idea.

2. Bonnie Silveria – Ms. Silveria noted the past Mayoral practice of interviewing all candidates.
3. George Delacruz – Mr. Delacruz discussed the applications currently on the City's website. You can't just fill it in rather than printing it out and completing it.

Staff will come back with changes and note those with options vs. those that are straight forward, and the next steps that need to be taken.

- Sky Valley Open Space Committee - Council decided to briefly touch on each body and discussed any necessary changes.
- Audit and Finance Committee - Council and Staff discussed the need for more participation and more committee members, enhanced responsibilities, current responsibilities, more frequent budget reviews and perhaps involving the public more, possibly renaming the committee 'Audit, Finance, and Budget Committee,' adding budget role, and having the City Treasurer more involved with the committee.

The Audit and Finance Committee will look at the enabling resolutions and the suggestions voiced and will report back to Council.

- Benicia Citizens Corps Council - Council and Staff discussed the committee's meeting schedule, possible need for a Memorandum of Understanding (MOU) with the group.
- Building Board of Appeals - Council and Staff discussed inconsistent wording and the absence issue.
- Civil Service Commission - Council and Staff discussed the three-year term limit.
- Housing Authority Board - Council and Staff discussed requesting a memo on this so it could better understand the board, and perhaps update the resolution.
- Human Services and Arts Fund Board - Council discussed whether there is a need for term limits with the boards and commissions that don't have terms.
- Park, Recreation and Cemetery Commission - Council discussed whether there is a need for term limits with the boards and commissions that don't have terms.
- Traffic, Pedestrian and Bicycle Safety Committee - Council and Staff discussed the need for more frequent meetings and the need for the Police Chief to have an alternate representative on the committee.
- Sky Valley Open Space Commission - Council discussed the need to better understand the purpose and scope of the committee.

- Youth Action Task Force - Council discussed the upcoming strategic planning process to be implemented with the Youth Action Task Force, as well as perhaps the Parks, Recreation and Cemetery Commission.
- Revised Cultural Commission - Council and Staff discussed overlap issues, what would be required of Staff, General Plan, tourism branding program and its nexus with culture, and the cultural committee needing a voice. The Mayor commented that there would not be overlap with the Human Services Arts Board, as the Cultural Commission would not focus on grant funding. She suggested reviewing and evaluating a recommendation regarding such a commission in 1984.

Public Comment:

1. Citizen – The citizen discussed how a cultural commission would fit in with the City’s General Plan.
2. Bonnie Weidel – Ms. Weidel discussed other cities that have cultural commissions.
3. Dan Clark – Mr. Clark discussed the need for a cultural commission, this aspect is not a good fit with the Human Services Board, and the need for the cultural commission to do the funding for the arts.
4. Susan Street – Ms. Street discussed tourism branding and how it could be dovetailed with the cultural commission.
5. Sandra Shannonhouse – Ms. Shannonhouse discussed the need for the City to have a cultural commission.
6. Citizen – The citizen discussed coordinating the cultural commission with tourism branding.
7. Marilyn Bardet – Ms. Bardet discussed the arts community looking for a place to exist.
8. John Van Landschoot – Mr. Van Landschoot discussed opportunities for the cultural commission.

Council discussed the need for more information on staff time needed, possible alternatives to a commission, and requested to see sample alternatives.

Agenda:

Council and Staff discussed moving the Appointments so they follow Public Comment, moving Council Member Comments up, reconsidering the two-step process, coming up with a better name for Council Member Comments, and the initial Public Comment period being for non-agendized items. Council agreed not to pursue revising the two-step process or moving Council Member Comments, but did agree to move Appointments behind Public Comments and to re-name Council Member Comments.

Public Comment:

1. Marilyn Bardet – Ms. Bardet discussed the possibility of a sustainability taskforce, the need for sustainable criteria, and discussions the EDB had on

forming a sustainable task force. She gave Staff and Council a book on this topic.

Given lack of time this evening, Mr. Erickson will meet with the Mayor to discuss the issue of a sustainable task force.

ADJOURNMENT:

Mayor Patterson adjourned the meeting at 10:10 p.m.

MINUTES OF THE
REGULAR MEETING – CITY COUNCIL
FEBRUARY 19, 2008

The regular meeting of the City Council of the City of Benicia was called to order by Mayor Elizabeth Patterson at 7:03 p.m. on Tuesday, February 19, 2008, in the City Council Chambers, City Hall, 250 East L Street, complete proceedings of which are recorded on tape.

ROLL CALL:

Present: Council Members Campbell, Hughes, Ioakimedes, Schwartzman, and Mayor Patterson

Absent: None

PLEDGE OF ALLEGIANCE:

Mayor Patterson led the pledge to the flag.

FUNDAMENTAL RIGHTS:

A plaque stating the Fundamental Rights of each member of the public is posted at the entrance to the Council Chambers per Section 4.04.030 of City of Benicia Ordinance No. 05-6 (Open Government Ordinance).

ANNOUNCEMENTS/APPOINTMENTS/PRESENTATIONS/PROCLAMATIONS:

ANNOUNCEMENTS:

Mayor Patterson announced that Staff would be opening the Commission Room so that the citizens could view the Council meeting on the television, as Council Chambers was very crowded.

Openings on Boards and Commissions:

- Sky Valley Open Space Committee:
Two unexpired terms to September 30, 2010
- Historic Preservation Review Commission:
Two full terms to February 28, 2011

Mayor's Office Hours:

Mayor Patterson will maintain an open office every Monday (except holidays) in the Mayor's Office of City Hall from 6:00 p.m. to 7:00 p.m. No appointment is necessary. Other meeting times may be scheduled through the City Hall office at 746-4210 or by email acardwell@ci.benicia.ca.us.

APPOINTMENTS:

RESOLUTION 08-11 - A RESOLUTION CONFIRMING THE MAYOR'S
APPOINTMENT OF JOHN FURTADO TO THE SKY VALLEY OPEN SPACE
COMMITTEE TO AN UNEXPIRED TERM ENDING SEPTEMBER 30, 2010

The above Resolution was adopted, on roll call by the following vote:

Ayes: Council Members Campbell, Hughes, Ioakimedes, Schwartzman, and Mayor
Patterson

Noes: None

PRESENTATIONS:

None

PROCLAMATIONS:

None

ADOPTION OF AGENDA:

On motion of Council Member Schwartzman, seconded by Council Member Hughes, the Agenda was adopted as presented, on roll call by the following vote:

Ayes: Council Members Campbell, Hughes, Ioakimedes, Schwartzman, and Mayor
Patterson

Noes: None

OPPORTUNITY FOR PUBLIC COMMENT:

WRITTEN:

PUBLIC COMMENT:

1. Lisa Reynolds – Ms. Reynolds discussed difficulties with communications between the park users and the City regarding the dog park. She discussed concerns regarding a drinking fountain for humans and the lack of a paved entrance.

Mr. Erickson confirmed that he would facilitate a discussion between Staff and the dog park users regarding their concerns.

2. Carl Uebel - Mr. Uebel discussed the Grand Jury, its functions, duties, who could serve as a Grand Juror, and he encouraged citizens to apply to serve on the Grand Jury.
3. Don Basso – Mr. Basso encouraged citizens to apply to serve on the Grand Jury.
4. Jane Brady – Ms. Brady discussed the following concerns with the dog park: muddy access, lack of a paved access, lack of lighting, and water for the dogs.
5. Karen Burns – Ms. Burns asked what the actual distance was from the ramp to the dog park. The current access is prohibitive to handicapped persons. She wants to see handicap access, and lack of water. She asked the City to keep its promises.
6. Tom Hebson – Mr. Hebson discussed concerns regarding lack of access to the dog park.
7. Cynthia Bognar – Ms. Bognar discussed concerns regarding lack of access to the dog park and possibly having a notice regarding gate closure on the City's website.

Council and Staff discussed the issue of access to the dog park. The issue of paving or graveling the road to the dog park would be on the March 4, 2008 Council agenda.

8. David Lockwood – Mr. Lockwood discussed the zoning for the proposed Benicia Business Park, land patents, and rezoning the property back to its current state.

9. Bill Royal – Mr. Royal discussed his feelings toward Staff, how his Constitutional rights were violated, the problems he encountered with the City while working on his project, justice, and the City’s failure to communicate.
10. Megan Lewis – Ms. Lewis announced that the BHS SAGE Team would be hosting a design workshop on the traffic signal by the BHS campus on February 26, 2008
11. Jane Malone – Ms. Malone discussed concerns regarding the lack of water for the dogs at the dog park and the lack of handicap access to the dog park.
12. Gretchen Burgess – Ms. Burgess asked Council to continue item IX-B to a future meeting, as it is scheduled to follow the Seeno Item and would not be heard until very late in the evening. She thanked Staff and Council for agreeing to set up a meeting between the dog park users and Staff to discuss their concerns, and her concerns regarding lack of access to the dog park.

Mayor Patterson asked Ms. McLaughlin if Council could continue item IX-B to a future meeting. Ms. McLaughlin confirmed it could be done. After Mayor Patterson asked for a show of hands from the audience regarding support for continuing the item, Council unanimously agreed to continue the item to the next Council agenda.

13. Jackie Hebson– Ms. Hebson discussed concerns regarding the lack of handicap access to the dog park, and the poor attitude from Staff at the dog park.
14. John Furtado – Mr. Furtado discussed concerns regarding the A-frame signs along First Street. He suggested such signs be included in the discussion regarding the newspaper rack ordinance.

CONSENT CALENDAR:

On motion of Council Member Schwartzman, seconded by Council Member Hughes, the Consent Calendar was adopted as presented, on roll call by the following vote:

Ayes: Council Members Campbell, Hughes, Ioakimedes, Schwartzman, and Mayor Patterson

Noes: None

The minutes of February 5, 2008 were approved.

Council approved the denial of the claim against the City by Karen Edwards and referral to insurance carrier.

Council approved the denial of the claim against the City by Benicia Marina Homeowners Association and referral to insurance carrier.

Council approved the denial of the claim against the City by Christine Shannon and referral to insurance carrier.

RESOLUTION 08-12 - A RESOLUTION ACCEPTING THE WATER DISTRIBUTION SYSTEM IMPROVEMENT PROJECT AS COMPLETE, INCLUDING CONTRACT CHANGE ORDERS 1 THROUGH 5, AUTHORIZING THE CITY MANAGER TO SIGN THE NOTICE OF COMPLETION, AND

AUTHORIZING THE CITY CLERK TO FILE SAME WITH THE SOLANO COUNTY RECORDER

Council approved the amendment to the lease between the City of Benicia and Benicia Main Street:

ORDINANCE 08-01 - AN ORDINANCE AMENDING SECTION 5.32.120 (DRIVER'S PERMIT – REQUIRED) OF TITLE 5 (TAXICABS) OF THE BENICIA MUNICIPAL CODE

Approval to waive the reading of all ordinances introduced and adopted pursuant to this agenda.

(END OF CONSENT CALENDAR)

PUBLIC HEARINGS:

Review of the Benicia Business Park Environmental Impact Report (EIR):

Jim Erickson, City Manager, introduced the item. He confirmed that it was Staff's opinion that option #1 would be the best course of action at this time.

Charlie Knox, Community Development Director, reviewed the staff report. He reviewed the differences between the four options presented by Staff.

Council and Staff discussed the issue of bifurcating an EIR from a project, and current time constraints relating to the EIR.

Applicant:

No comment.

Opponent:

Mr. Steve Goetz, Benicia First, reviewed a PowerPoint presentation (hard copy on file).

Mr. Knox informed Council that a representative of the applicant notified him (moments before) that the applicant prefers to defer its time for an opportunity of the preparers of the EIR (LSA) to answer questions that may come up. The representatives of LSA and the traffic consultants were on hand to answer any questions that Council might have.

Sal Evola, Discovery Builders – Mayor Patterson informed Mr. Evola that he missed his 15 minutes and asked if he now wished to take them. Mr. Evola indicated that no, he only wanted to clarify what Mr. Knox said. Discovery Builders only paid for the EIR; it was not their document. He was present to answer any questions. Tonight was only for the EIR presentation. He expected LSA to be the group to make a presentation.

Public Hearing Opened

Public Comment:

1. Elaine Estrada, Robert Semple PTG – Ms. Estrada spoke in opposition to the certification of the EIR.
2. Don Dean – Mr. Dean spoke in opposition to the certification of the EIR.
3. Marilyn Bardet – Ms. Bardet spoke in opposition to the certification of the EIR.
4. Michael Steinmann – Mr. Steinmann reviewed a PowerPoint presentation (hard copy on file) on sustainable development and how it could be incorporated into the project.
5. Jerome Page – Mr. Page spoke in opposition to the certification of the EIR.
6. David Lockwood – Mr. Lockwood spoke in opposition to the certification of the EIR. He did not think it was right for the applicant to be allowed to wait and speak after public comment. He recommended Council approve option #2.
7. Sue Johnson – Ms. Johnson spoke in opposition to the certification of the EIR.
8. Bob Craft – Mr. Craft spoke in opposition to the certification of the EIR. He recommended Council approve option #2.
9. Frank Saitz – Mr. Saitz spoke in favor of the certification of the EIR.
10. Rod Cameron – Mr. Cameron spoke in favor of the certification of the EIR. He urged Council to approve option #1.
11. Dana Dean – Ms. Dean reviewed a letter she submitted to Council on behalf of Citizens Considering the Consequences (hard copy on file). She spoke in opposition to the certification of the EIR.

Council discussed whether the information submitted by Ms. Dean could be considered ‘substantial new information.’ Council decided the information was not substantial new information and it could proceed with the discussion on this agenda item.

12. Brian Tulloch – Mr. Tulloch discussed the need for the City to make a decision on this item so everyone could move on.
13. Joe Kearns – Mr. Kearns spoke in opposition to the certification of the EIR.

Mayor Patterson called for a 5-minute break at 9:34 p.m.
The meeting resumed at 9:40 p.m.

14. Jeanine Seeds – Ms. Seeds spoke in opposition to the certification of the EIR.

All Council Members confirmed that they did not have contact during the break with members of the public regarding this issue.

Mayor Patterson disclosed that she had ex parte communications with various individuals on this issue.

15. Jim Bird – Mr. Bird spoke in favor of the certification of the EIR.
16. Bob Berman – Mr. Berman suggested Council approve option #2.
17. JB Davis – Mr. Davis spoke in opposition to the certification of the EIR.
18. David Dias – Mr. Dias spoke in favor of the certification of the EIR.

19. Keith Dias – Mr. Dias spoke in favor of certification of the EIR.
20. Ramon Castellblanc – Mr. Castellblanc spoke in opposition of certification of the EIR.
21. Yessenia Martinez – Ms. Martinez spoke in opposition to the certification of the EIR.
22. Sam Kershan – Mr. Kershan discussed how unions operate. He spoke in opposition to the certification of the EIR.
23. Jon Van Landschoot – Mr. Van Landschoot spoke in opposition to the certification of the EIR.
24. Jim Wallace – Mr. Wallace spoke in opposition to the certification of the EIR.
25. Susan Street – Ms. Street spoke in opposition to the certification of the EIR.
26. Jim Gilley – Mr. Gilley spoke in favor of the certification of the EIR.

Mayor Patterson notified Mr. Evola that she had clocked him approximately two hours ago. He could not approach the podium again. Mr. Evola stated that he spoke earlier to clarify why the applicant did not get up to speak initially. He was just looking to exercise his five minutes of public comment time. The applicant tonight was LSA. Ms. McLaughlin confirmed that it would be okay to give Mr. Evola his five minutes, however, LSA was not the applicant, the developer (Discovery Builders) was the applicant. Mayor Patterson notified Mr. Evola that he could have five minutes, however the situation did not reflect well on the applicant.

27. Sal Evola, Discovery Builders – Mr. Evola stated that City Staff requested the bifurcation of the EIR. If the EIR were approved, Discovery Builders would submit a project within the framework of LSA's EIR. It would be the start that could send Discovery Builders back to the drawing board and make modifications to fit within the framework of the EIR, and then bring it back for approval with 100% complete discretion of the Planning Commission and Council. He confirmed that the project, as proposed,

Council and Mr. Evola discussed whom the planning director was who directed them to bifurcate the EIR, and the chain of events that took place when the decision to bifurcate the EIR was made. Mr. Evola confirmed that the current project as proposed was not approvable, however, if the EIR was certified, Discovery Builders would take those mitigation measures and modify the project to fit within the framework to bring before the Planning Commission and Council. With regards to the Hillside Upland alternative, Discovery Builders could look at that preferred alternative first; however, it could not tie its hands.

Council Members Schwartzman and Campbell disclosed ex-parte communications with various individuals regarding this issue.

Council and Mr. Evola discussed the process for certifying an EIR, how Councils change, how the project evolved over the years, the City's General Plan, the project's failure to meet requirements with the General Plan, grading, modifying the project to fit the City's needs, traffic impacts on East Second Street, and the Hillside Upland alternative.

David Clore, LSA, discussed the adequacy of the document, LSA was unbiased in the process, the EIR was an objective document, that the process was consistent, and the possibility of adding additional traffic studies on East Second Street.

Bill Burton, Korve Engineering, discussed his belief that the EIR fully disclosed the traffic impacts the project would have on East Second Street, the actual traffic impacts that were documented in the EIR, safety and access to Robert Semple Elementary, how future volumes for I-680 were developed, the East Second Street and Military intersection, and the I-680 improvements were forecasted in the EIR.

Adam Weinstein, LSA, discussed the air quality surrounding Robert Semple Elementary, and how the impact conclusion was reached in the EIR.

Mayor Patterson discussed air quality standards.

Public Hearing Closed

Council discussed Seeno's reputation in the community, the need for Discovery Builders to earn Council and the community's trust, Staff and LSA's indication that the EIR is adequate, the need to move forward, Seeno's tactic of divide and conquer, bifurcation of the EIR and project, Mr. Evola's stipulation that the current proposed project would not be approved, getting to a project that would be approvable, adding that the Hillside Upland be the preferred alternative, Council's obligation to have certainty in the process, concerns regarding air pollution, saying no to Seeno by certifying the EIR and asking for a new project, saying no to Seeno by sending the EIR back to the Planning Commission, urban decay, consistency with AB 32, effects the project would have on the Downtown, and the need to have an EIR that has all the tools that future Councils need, as it is a 20-year project.

Council and Staff discussed adding language to the resolution in the proposed option 1: having the Hillside Upland alternative further evaluated, having it be lead certifiable, adding in AB 32 consistency, and adding an alternative to the widening of I-780. Council and Staff also discussed the review process the new project would go through, expanding on what the mitigation monitoring program would address – the sustainability issues would be addressed or mitigated by leads and traffic impacts could be addressed by a different mitigation besides the widening of I-780, stating in the resolution that an initial study would need to be done on the new project, the City would not be 'stuck' if the EIR was approved, doing an initial study on the new project, coming up with new mitigation measures for the new project that the applicant would agree to, and how the bifurcation of the project and EIR came about.

On motion of Vice Mayor Campbell, seconded by Mayor Patterson, Council did not approve the Resolution as proposed in Option #2, on roll call by the following vote:

Aye: Vice Mayor Campbell and Mayor Patterson

Noes: Council Members Hughes, Ioakimedes, and Schwartzman

Council Member Schwartzman made a motion to add the following amendments to the Resolution proposed as Option #1: directing the applicant and Staff to move forward on an initial study for the Hillside Upland Preservation alternative, directing the applicant and Staff to incorporate leads in AB 32 into the review of the Hillside Upland Preservation alternative, the need for a new mitigation measure for the I-780 impacts, and lastly adding language regarding urban decay and sustainability.

RESOLUTION 08-13 - A RESOLUTION CERTIFYING THE BENICIA BUSINESS PARK ENVIRONMENTAL IMPACT REPORT (CONSISTING OF THE DECEMBER 2007 FINAL ENVIRONMENTAL IMPACT REPORT, JULY 2007 RESPONSE TO COMMENTS, AND NOVEMBER 2007 SUPPLEMENTAL RESPONSE TO COMMENTS), AND FURTHER RESOLVING THAT THE PROPOSED PROJECT CONSIDERED BY THE ENVIRONMENTAL IMPACT REPORT CANNOT BE APPROVED WITHOUT SIGNIFICANT MODIFICATION DUE TO NUMEROUS CONFLICTS WITH GENERAL PLAN POLICIES

On motion of Council Member Schwartzman, seconded by Council Member Hughes, the above Resolution was adopted as amended, on roll call by the following vote:

Ayes: Council Members Hughes, Ioakimedes, Schwartzman, and Mayor Patterson

Noes: Vice Mayor Campbell

ACTION ITEMS:

Presentation of the Comprehensive Annual Financial Report for the Fiscal Year Ending June 30, 2007 and recognition of Certificate of Achievement for Excellence in Financial Reporting for the June 30, 2006 Report:

Continued

Introduction and first reading of an ordinance for establishing permitting and regulatory requirements for massage therapists:

Continued

INFORMATIONAL ITEMS:

Reports from the City Manager:

Council Member Committee Reports:

1. Mayor's Committee Meeting (Mayor Patterson) - Next Meeting Date: February 20, 2008
2. Association of Bay Area Governments (ABAG) (Mayor Patterson & Vice Mayor Campbell) - Next Meeting Date: April 24, 2008 – Spring General Assembly
3. Audit & Finance Committee (Vice Mayor Campbell & Council Member Schwartzman) - Next Meeting Date: March 7, 2008
4. League of California Cities (Mayor Patterson & Council Member Schwartzman) - Next Meeting Date: April 16-17, 2008 – Legislative Action Days
5. School Liaison Committee (Council Members Ioakimedes & Hughes) - Next Meeting Date: March 13, 2008

6. Sky Valley Open Space Committee (Vice Mayor Campbell & Council Member Ioakimedes) - Next Meeting Date: March 5, 2008
7. Solano EDC Board of Directors (Mayor Patterson & Council Member Ioakimedes) - Next Meeting Date: March 27, 2009
8. Solano Transportation Authority (STA) (Mayor Patterson & Council Member Schwartzman) - Next Meeting Date: March 12, 2008
9. Solano Water Authority/Solano County Water Agency (Mayor Patterson & Vice Mayor Campbell) - Next Meeting Date: March 13, 2008
10. Traffic, Pedestrian and Bicycle Safety Committee (Vice Mayor Campbell & Council Member Hughes) - Next Meeting Date: April 17, 2008
11. Tri-City and County Regional Parks and Open Space (Vice Mayor Campbell & Council Member Hughes) - Next Meeting Date: February 20, 2008 – Citizen’s Advisory Committee
12. Valero Community Advisory Panel (CAP) (Council Member Hughes) - Next Meeting Date: April 24, 2008
13. Youth Action Task Force (Council Members Ioakimedes & Schwartzman) - Next Meeting Date: February 27, 2008
14. ABAG/CAL FED Task Force/Bay Area Water Forum (Mayor Patterson) - Next Meeting Date: March 10, 2008

COMMENTS FROM COUNCIL MEMBERS:

None

ADJOURNMENT:

Mayor Patterson adjourned the meeting at 11:48 p.m.

AGENDA ITEM
CITY COUNCIL MEETING: MARCH 4, 2008
INFORMATIONAL ITEMS

DATE : February 26, 2008
TO : Mayor & City Council
FROM : City Manager
SUBJECT : **REVIEW OF THE UPDATED TOP PRIORITIES AND
POLICY ISSUES FOR 2007-09 - INFORMATIONAL**

RECOMMENDATION:

Review the updated list of top priority projects and the proposed policy issues to be confirmed for the remainder of the current two-year budget period.

EXECUTIVE SUMMARY:

At the February 26, 2008 Special City Council meeting, the City Council reviewed the list of current priority projects and policy issues, and evaluated them based on ratings of importance they assigned prior to the meeting, along with public input provided at the meeting. Council requested that an updated list of the priority projects be agendized for a regular meeting in order to confirm the final list, along with a list of policy issues reflecting direction at the meeting.

BUDGET INFORMATION:

Changes to the existing list of priorities and related appropriations may have budget implications that will be considered when individual projects and policies are considered for action.

BACKGROUND:

The current Top Ten Priority Projects were established in April 2007, following nine months of public, commission, staff and Council strategic planning. At the January 29, 2008 Special City Council meeting, the Council reviewed the current Top Priorities and Policy Issues. The Council expressed a desire to retain the current priorities, with the possible exception of the Fire Rescue Boat, and the likely additions of the BHS Traffic Signal and the First Street Pedestrian Improvement Project. Before confirming the list of Top Ten Priorities, the Council requested additional information on a few of the current priorities and potential new policy issues.

At the February 26th meeting, the Council was provided with additional information on each of the current and proposed priorities and policy issues, and was asked to rate the importance of the City's Top Ten Priorities and Policy Issues for 2007-09. Following is a summary of the results of that process.

Top Ten Priorities:

The following projects were identified as the “Top Ten Priorities,” although the actual number of projects exceeds ten, with a total of 12 priority projects.

- ❑ Community Center
- ❑ Benicia Business Park Development
- ❑ Tourism Plan
- ❑ Benicia High School Traffic Signal
- ❑ Library Basement Completion Project
- ❑ Police Building Remodeling
- ❑ First Street Pedestrian Friendly Improvements
- ❑ Arsenal Specific Plan
- ❑ Commandant’s Residence – Restore for Public Use
- ❑ Energy Conservation/Air Quality/Reducing Our Carbon Footprint
- ❑ Ferry Service
- ❑ State Park Road Bike/Pedestrian Bridge Project

The changes included the removal of the Fire/Rescue Boat from the priorities list, and the addition of the Benicia High School Traffic Signal and the First Street Pedestrian Friendly Improvements.

The Council also identified six of the 12 priorities that they consider to be in need of the most attention, and these were:

- ❑ Community Center
- ❑ Benicia Business Park Development
- ❑ Police Building Remodeling
- ❑ First Street Pedestrian Friendly Improvements
- ❑ Commandant’s Residence – Restore for Public Use
- ❑ State Park Road Bike/Pedestrian Bridge Project

Top Ten Policy Issues:

Following discussion of the various policy issues left over from the current policy calendar, as well as consideration of some potential new issues, we believe Council desired to address the following issues within the next 90 days:

- ❑ Residential Design Review Authority Inside Historic District: To be scheduled for action at a regular Council meeting within 30 days.
- ❑ Newsracks: A summary report to be provided by the City Attorney, with a proposed ordinance to follow, if the Council so directs.
- ❑ Tree Ordinance: Review recommended tree ordinance from the Parks and Recreation Commission

Given our understanding of the direction on the above-noted items (i.e., that they should be scheduled for a Council meeting within 90 days), they have been removed from the policy issue list. The remaining topics are summarized below, including next steps, as we understand them, based on the discussion at the February 26th meeting.

Policy Issues - Removed: Based on Council’s discussion, the following issues have been removed from the list and will be scheduled for upcoming regular meetings as part of routine business:

- ❑ L&L Districts – Balancing Costs & Assessments
- ❑ YATF – Mission, Programs and Operation
- ❑ Adult Entertainment Ordinance Revision

Timing on each of the above items is dependent on a variety of factors, as touched upon at the February 26th meeting, but these items will be agendized as soon as they are ready to come before the Council.

Other policy issues that will be removed from the list, due to overlap with priority projects are:

- ❑ General Plan Implementation – Arsenal Plan
- ❑ Commandant’s Public/Private Use Study
- ❑ Ferry Service

Each of these topics is also on the priority project list, and thus any needed, related policy issue discussions will be addressed as part of that priority project.

Policy Issues to be Scheduled: The following issues are the 7 policy issues that remain to be prioritized and scheduled accordingly.

Policy Issues	Preliminary Rating
Police Facility Modernization & Space Needs	4.8
Intermodal Transportation Station	3.6
Cultural Arts Commission	3.2
Sky Valley Open Space Committee – Purpose & Scope	3.2
Ahwahnee Principles	3.0
Sustainability Task Force	3.0
Boards & Commissions – Term Lengths & Limits, Unexcused Absences	2.4

The four policy issues in the chart below were added to the list of policy issues for consideration on February 26th by individual Council members.

Policy Issues – Added	Preliminary Rating
Voluntary Campaign Expense Limits	3.2
Campaign Contribution Ordinance	2.6
Big Box Ordinance	2.0
Formula Business Regulations	2.0

- All four of these issues have already been considered by Council within the past year. Typically such requests would be agendaized under Council Member Comments as the first step in the two step process to have an item reconsidered. In this instance, it is staff's view that the request to place the policy issue on the list to be prioritized could be considered the first step in that process. Should a majority of the Council wish to schedule these items, then they could be scheduled according to their priority rating.

The Council is requested to review the list of policy issues and confirm that these are indeed the top policy issues for consideration during the remainder of this fiscal period. If needed, a form is attached for relatively quick prioritization of the remaining policy items.

Following confirmation of the list of policy issues, a policy calendar will be prepared identifying the proposed dates for Council review of each policy. The idea is to calendar policy issues based on the priorities of the City Council.

Attachments:

- Updated List of "Top Ten Priorities"
- List of Policy Issues – First Five and Next Five rating form

UPDATED LIST OF “TOP TEN PRIORITIES”



Top Ten Council Priority Projects – FY 2007-09
March 4, 2008 City Council Meeting

- ❑ Community Center
- ❑ Benicia Business Park Development
- ❑ Tourism Plan
- ❑ Benicia High School Traffic Signal
- ❑ Library Basement Completion Project
- ❑ Police Building Remodeling
- ❑ First Street Pedestrian Friendly Improvements
- ❑ Arsenal Specific Plan
- ❑ Commandant's Residence – Restore for Public Use
- ❑ Energy Conservation/Air Quality/Reducing Our Carbon Footprint
- ❑ Ferry Service
- ❑ State Park Road Bike/Pedestrian Bridge Project

POLICY ISSUES – FORM

Top Ten Council Policy Issues – FY 2007-09
March 4, 2008 City Council Meeting

Instructions: Please use the space provided below to indicate those five policy issues that you perceive to be the most important, followed by the next five most important, out of the total of 11 listed. When you have completed the chart, there should only be a total of ten check marks, five in each column. Note, please only assign one check mark per policy issue.

Policy Issue	First Five (√)	Next Five (√)
Police Facility Modernization & Space Needs		
Ahwahnee Principles		
Boards and Commissions – Term Lengths & Limits, Unexcused Absences		
Cultural Arts Commission		
Intermodal Transportation Station		
Sky Valley Open Space Committee – Purpose and Scope		
Sustainability Task Force		
*Campaign Contribution Ordinance		
*Voluntary Campaign Expense Limits		
*Big Box Ordinance		
*Formula Business Regulations		
TOTAL	5	5

* All four of these issues have already been considered by Council within the past year. Typically such requests would be agendized under Council Member Comments as the first step in the two-step process to have an item reconsidered. In this instance, it is staff's view that the request to place the policy issue on the list to be prioritized could be considered the first step in that process. Should a majority of the Council wish to schedule these items, then they could be scheduled according to their priority rating.

**AGENDA ITEM
CITY COUNCIL MEETING: MARCH 4, 2008
CONSENT CALENDAR**

DATE : February 25, 2008

TO : Mayor & City Council

FROM : City Attorney
Assistant to the City Manager

SUBJECT : **ADOPTION OF A RESOLUTION AMENDING THE RULES OF PROCEDURE**

RECOMMENDATION:

Adopt the resolution amending the Rules of Procedure.

EXECUTIVE SUMMARY:

The amendment to the Council's rules of procedure will bring the rules into conformance with the Open Government Ordinance regarding the length of time allowed per speaker for Public Comment. The revisions also address a number of amendments requested by Council at the Special Meeting on January 29, 2008.

BUDGET INFORMATION:

There is no budget impact.

BACKGROUND:

At the January 29, 2008 Special City Council meeting, it was noted that the current Rules of Procedure appear to incorrectly state that the public comment period allowed for non-agendized items under Opportunity for Public Comment is three (3) minutes. This is inconsistent with the Open Government Ordinance, which allows five (5) minutes per speaker. Additionally, in practice the Opportunity for Public Comment section is used for non-agendized items, while public comment on agendized items is received at the time the agenda item is addressed during the meeting. The proposed amendments update the Rules to reflect that practice.

Other amendments suggested at the January 29, 2008 meeting included moving Appointments after Public Comment to allow members of the public opportunity to make a comment on appointments before they are confirmed. The Brown Act requires that the public be allowed to speak before the appointments are made. Past city practice has been in conformance with this. Indeed, since the Rules of Procedure already indicate that comments on agendized items should

be made at the time the agenda item is addressed during the meeting, the proposed change to the order of the agenda has not been made, instead language clarifying when public comment can be made regarding agenda items has been added to the Rules of Procedure (see Section II-B).

Additionally, it was suggested at the January 29th meeting that the name for the section currently entitled Council Member Comments be changed to something more descriptive of that section. The proposed title is Council Member Reports.

Finally, minor revisions cleaning up various sections of the Rules of Procedure have been made, as indicated in the attached redlined version of the Rules.

Attachments:

- Resolution adopting the Rules of Procedure
- Redlined version of the Rules of Procedure

RESOLUTION

RESOLUTION NO. 08-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA ADOPTING THE RULES OF PROCEDURE FOR THE CONDUCT OF CITY COUNCIL MEETINGS

WHEREAS, the City Council of the City of Benicia desires to have all citizens fully participate in the proceedings of the City Council; and

WHEREAS, the City Council must consider many public matters which vitally affect the interest of the citizens of Benicia and it is both necessary and desirable that these meetings be regulated in order to permit the Council to give consideration and public discussion to the more important public issues; and

WHEREAS, it is the purpose of this resolution to provide for the orderly and expeditious conduct of Council meetings in a manner which will give adequate consideration and public discussion to all matters affecting the City; and

WHEREAS, Government Code Sections 36813 and 54954.3 give the City Council discretion to adopt reasonable regulations concerning the proceedings and order of business of City Council meetings.

NOW, THEREFORE, BE IT RESOLVED BY the City Council of the City of Benicia as follows:

Section 1. The City Council of the City of Benicia approves and adopts the Rules of Procedure attached hereto as Exhibit "A" and by this reference incorporated herein.

Section 2. This resolution shall supersede any and all Rules of Procedure previously adopted by the City Council.

On motion of Council Member , seconded by Council Member , the above resolution was introduced and passed by the City Council of the City of Benicia at a regular meeting of said Council held on the 4th day of March, 2008, and adopted by the following vote:

Ayes:

Noes:

Absent:

Elizabeth Patterson, Mayor

Attest:

Lisa Wolfe, City Clerk

EXHIBIT A

CITY COUNCIL OF THE CITY OF BENICIA
RULES OF PROCEDURE

I. AGENDA

A. SECTIONS

The agenda shall consist of the following sections in order:

1. CALL TO ORDER
Announcement of Closed Session (If Any)
2. CLOSED SESSION (If Any)
3. CONVENE OPEN SESSION
Roll Call
Pledge of Allegiance
4. ANNOUNCEMENTS, APPOINTMENTS, PRESENTATIONS /
PROCLAMATIONS

This section includes announcements by the Mayor, appointments to City boards and commissions, and scheduled presentations. Presentations are limited to a maximum of ten minutes to allow the Council to have adequate time to address the agendized items of business.

5. ADOPTION OF AGENDA

The Council, by majority vote, shall adopt the agenda as final. Following such adoption, agenda items may not be added, removed or their order changed unless by the unanimous consent of the Council Members present at the time the agenda was adopted as final. All matters shall be considered by the Council in the order listed on the agenda adopted as final, to the extent of time available. Only matters on the agenda as adopted final or modified under this section may be considered. Agenda items not considered or completed at a meeting for lack of time become agenda items at the following meeting in accordance with Section 5.

6. OPPORTUNITY FOR PUBLIC COMMENT:

- (a) Written: All written communications suitable for the agenda, received since the preparation of the

subject agenda, addressed to or intended for the City Council and not otherwise included in the agenda in a preceding section, shall be listed in this section in the order received.

(b) Public Comment: This section of the agenda is for members of the public to make comments to the City Council regarding non-agendized matters of general interest to the citizens of Benicia, provided, however, that:

(1) any item raised by a member of the public which is not agendized, but may require Council action, shall be automatically referred to the City Staff for investigation and disposition, unless the item requires action to be taken by the Council at the meeting during which it was raised and constitutes an emergency or the need to take such action arose after the posting of the agenda within the meaning of Government Code §54954.2(b). In either event the Council is entitled to discuss the matter before making the determination required under said Government Code provision, and if either finding is made, may take action thereon.

(2) in order to allow the Council to have adequate time to address the agendized items of business, public comment under Opportunity for Public Comment will be limited to five (5) minutes per speaker on non-agendized items.

(3) the Presiding Officer may allow up to 10 minutes for a speaker to speak on multiple agenda items under Opportunity for Public Comment.

(4) all public comments are also subject to the provisions of Section II below.

7. CONSENT CALENDAR

Items listed under the Consent Calendar are considered routine and will be enacted, approved or adopted by one (1) motion unless a request for removal for discussion or explanation is received from a Council Member, staff, or a member of the public. Items removed from the Consent Calendar shall be considered immediately following the adoption of the Consent Calendar.

8. PUBLIC HEARINGS

This section of the agenda is for the City Council to conduct Public Hearings and to hear properly noticed appeals.

9. ACTION ITEMS

Items listed in this section are those which are likely to require discussion prior to Council action. Routine agenda items that are under \$50,000 and/or are already included in the budget may still be listed under the Consent Calendar.

10. INFORMATIONAL ITEMS

Items in this section may include status reports on a variety of topics. For example, City Manager Reports are to be placed under this heading. Items listed in this section are typically for information only and may not require action.

11. COUNCIL MEMBER REPORTS

This section contains reports from Council Members. It also provides an opportunity on the agenda for Council Members to make requests for future agenda items.

12. ADJOURNMENT

B. PREPARATION

1. The Mayor and the City Manager shall prepare an agenda for each meeting of the Council. Items to be included on the agenda must be submitted to the City Manager in writing by noon on the 7th working day preceding the regular meeting. Any Council Member may request that a new item be placed on the agenda. Items shall be placed on the agenda in their appropriate section with the item title specified by the requesting Council Member.

To place a review of a matter decided in the last year on a future agenda requires three affirmative votes. See 1.B.2 below.

2. Council Members may request the full City Council review a matter that has been decided in the last year by following the procedures set forth in 1.B.1 above. A brief write-up of the matter and date of last action must be included on the Request for Policy

Consideration Form (Appendix A). The request for a review will be placed on the agenda in Section 11 as appropriate.

3. The City Manager will inform the Council and public of the tentative, upcoming issues on the next Council agenda on the afternoon of the 5th working day preceding the regular meeting.
4. The City Manager shall prepare and provide each Council Member and the City Attorney, an agenda packet not later than the Wednesday preceding each regular meeting. The City Manager shall mail a copy of the agenda or a copy of all the documents constituting the agenda packet to every person who has requested the same in writing during the preceding year, has provided stamped self-addressed envelopes and has paid the applicable fee. The agenda packet will be available for those persons so requesting at the time the agenda is posted or upon distribution to all, or a majority of, the Council Members upon payment of the applicable fee.
5. Staff support for requests from individual council members shall be limited to 15 minutes of staff time. Research, report writing, compilation of materials, etc. in excess of 15 minutes shall not be undertaken unless approved by a majority of the City Council.

II. PUBLIC PARTICIPATION

A. RECOGNITION

No person may address the Council without the permission of the Presiding Officer, or a majority of the quorum, or as otherwise required by law. Except as required by law, the Presiding Officer is obligated to recognize members of the Council and staff prior to opening up items for public discussion.

B. ADDRESSING THE COUNCIL

Those persons desiring to speak on an agenda item, on a Public Hearing agenda item, or under Opportunity for Public Comment are requested to, but not required to, complete a Speaker's Card and present it to the City Clerk at the beginning of the meeting or upon their arrival in the Council Chambers. The Presiding Officer shall recognize speakers on an agenda item when that item is before the City Council for consideration. (This includes any comments pertaining to the Announcements/Appointments/Presentations/Proclamations section of the agenda.) The Presiding Officer shall recognize speakers on Public

Hearing items at the Public Hearing. The Presiding Officer shall recognize speakers on matters not on the agenda under the Opportunity for Public Comment portion of the agenda. Persons addressing the Council shall do so only at the speakers' rostrum and should begin, but are not required to do so, by stating their name and address for the records. All remarks shall be addressed to the Council as a body and not to any member thereof, or to staff, or to the public. No person other than a member of the Council, the City Manager, or the City Attorney and the person having the floor, shall be permitted to enter into any discussion without the permission of the Presiding Officer.

C. LIMITS

Each speaker shall speak only once on an agenda item and limit his/her remarks to five (5) minutes when speaking at the time of the agendized item or when speaking on non-agendized items under Opportunity for Public Comment, except as otherwise specifically provided for in these Rules or the Open Government Ordinance, or except as time is extended by the Presiding Officer with the consent of a majority of the Council. Each speaker shall avoid repetition of the remarks of prior speakers and speak only to the specific agenda item under consideration.

In accordance with the Open Government Ordinance, the Presiding Officer may request spokespersons be designated to represent similar views. The time limits and order for speaking shall be in accordance with the provisions for Spokespersons in III. C. below.

D. QUESTIONS

Following each speaker's remarks, each Council Member shall be given the opportunity to comment further and to address questions to the speaker. The speaker may not be permitted or required to answer such questions if a majority of Council Members present other than the questioner object.

III. HEARING PROCEDURES

A. A Public Hearing should not exceed one hour in length.

B. The procedures for Public Hearings are as follows:

1. Presentation by Staff.
2. Presentation by Proponents.
3. Presentation by Opponents.
4. Rebuttal by the Proponents.

5. The Presiding Officer shall recognize supplemental speakers as required by law or deemed appropriate to gather information relevant to the matter before the City Council. Supplemental speakers shall limit their remarks to presenting new information not already covered by other speakers, and must limit their presentation to five (5) minutes.
 6. Following the public portion of the hearing, the Presiding Officer shall declare the public portion of the hearing closed and the matter is then before the City Council for the Council portion of the hearing. Each Council Member shall be given an opportunity to speak to the subject. When the Council discussion has been concluded, the Council shall make its decision.
- C. Spokespersons for the Proponent and Opponent shall each have fifteen (15) minutes to present their case. The spokesperson for the Proponent shall have five (5) minutes to present any rebuttal.

IV. CREATION OF COMMITTEES, BOARDS AND COMMISSIONS

A. CITIZEN COMMITTEES, BOARDS AND COMMISSIONS

The Council may create committees, boards, and commissions to assist in the conduct of the operation of the City Government with such duties as the Council may specify, not inconsistent with the City Code. Any committee, board, or commission so created shall cease to exist upon the accomplishment of the special purpose for which it was created, or when abolished by a majority vote of the Council. No committee so appointed shall have powers other than advisory to the Council or to the City Manager, except as otherwise specified by the City Code.

B. MEMBERSHIP AND SELECTIONS

1. Membership and selection of members shall be as provided by the Council if not specified by the City Code. The names of the proposed appointees shall be posted five (5) working days prior to the appointment being made.
2. For appointments to a board or commission where state law provides for appointment by the Council as a whole, any Council member may nominate a person for appointment. The Council shall then vote on the nominee at the following Council meeting.

C. REMOVAL OF MEMBERS OF COMMITTEES, BOARDS & COMMISSIONS

The Council may remove any member of any committee, board or commission which it has created by an affirmative vote of at least four (4) members of the Council, if removal is not specified in the City Code.

V. RULES OF ORDER

A. QUORUM

Three Council Members shall constitute a quorum for the transaction of business, except that less than a quorum may adjourn meetings of the Board. If a quorum is not present within one hour after the time noticed for commencement of the meeting and thereafter any Council Member who was present at the end of such hour leaves and does not return, no meeting shall be held on that date notwithstanding the later presence of three (3) or more Council Members.

B. RIGHT TO THE FLOOR

A Council Member shall not have the right to the floor without being recognized by the Presiding Officer, except upon a point of order.

C. ORDINANCES, RESOLUTIONS, AND MOTIONS --- PRECEDENTS

When any ordinance, resolution, or motion is properly brought before the Council and seconded by another Council Member, no other action shall be considered except a point of order, or a motion to adjourn, to table, to table to a time certain, to close debate, to refer or to amend. Such items shall have precedence in the order stated in the preceding sentence. Points of order shall be ruled upon by the Presiding Officer, provided that such ruling may be overridden by a majority of the Council. All of such motions, except motions to amend, shall be put to a vote without debate and decided by a majority. Any of the foregoing motions shall be in order at anytime the speaker is duly recognized, except when repeated without intervening business or discussion, or if made when the motion to close debate has been adopted or while a vote is being taken.

1. MOTION TO TABLE

If a motion to table without time certain passes, consideration of the matter may be resumed only upon the motion of a member voting with the majority on the motion to table.

2. MOTION TO CLOSE DEBATE

When a motion to close debate is duly made and seconded, there shall be no further debate. If the question carries, the Presiding

Officer shall put pending amendments to a vote, without debate, in the inverse order of their introduction before putting the main question. If the question is decided negatively, the main question and its amendments remain before the Council.

3. RECONSIDERATION

Providing that no intervening rights shall be prejudiced, any Council Member who voted with the majority on a question may move the reconsideration of that question at the same meeting in which the original decision was made or at the next following meeting. After a motion for reconsideration has been acted upon, no other similar motion shall be made without unanimous consent.

4. VOTING

Unless otherwise required by applicable law, three affirmative votes are required to enact an ordinance, to adopt a resolution, or to adopt a motion granting a franchise or authorizing the payment or expenditure of money or incurring of a debt. The majority of a quorum is required to adopt other motions, unless otherwise required by applicable law. A "majority" refers to a majority of the quorum present. All ordinances, resolutions and appointments shall be adopted by a roll call vote. All other matters may be referred to a voice vote unless a roll call is requested by any Council Member. On all matters for which a voice vote is authorized, the Presiding Officer may ask for, "objections to the question". If no objection is expressed, the Presiding Officer shall, "so order" and the minutes shall record a unanimous vote in favor. If any Council Member objects to the procedure, a roll call vote shall be called in the normal manner.

D. ADJOURNMENT

It is the desire of the City Council to adjourn their meetings by 11 p.m. Therefore, no new business will be taken up by the Council after 11 p.m. unless the City Council adopts a motion to continue. The remaining items will be placed on the next regularly scheduled Council meeting in the appropriate section of the agenda, unless the City Council calls for a special meeting to consider one or more of the continued items.

E. DIVISION OF THE QUESTION

If a matter properly put before the Council contains two or more separable propositions, the Presiding Officer shall, with the consent of one other

Council Member, divide the question into its separable parts for consideration in order.

APPENDIX A

REQUEST FOR POLICY CONSIDERATION

Requested by: _____

Council Meeting Date: _____

Problem/Issue/Idea Name: _____

Description of Problem/Issue/Idea _____

COUNCIL DIRECTION

No Further Action

Refer to: Staff _____
Commission _____
Board _____
Committee _____

Date Due: _____

**RULES OF PROCEDURE
REDLINE VERSION**

EXHIBIT A

CITY COUNCIL OF THE CITY OF BENICIA
RULES OF PROCEDURE

I. AGENDA

A. SECTIONS

The agenda shall consist of the following sections in order:

1. CALL TO ORDER
Announcement of Closed Session (If Any)
2. CLOSED SESSION (If Any)
3. CONVENE OPEN SESSION
Roll Call
Pledge of Allegiance
4. ANNOUNCEMENTS, APPOINTMENTS, PRESENTATIONS /
PROCLAMATIONS

This section includes announcements by the Mayor, appointments to City boards and commissions, and scheduled presentations. Presentations are limited to a maximum of ten minutes to allow the Council to have adequate time to address the agenda items of business.

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C. LIMITS

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V. RULES OF ORDER

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APPENDIX A

REQUEST FOR POLICY CONSIDERATION

Requested by: _____

Council Meeting Date: _____

Problem/Issue/Idea Name: _____

Description of Problem/Issue/Idea _____

COUNCIL DIRECTION

No Further Action

Refer to: Staff _____
 Commission _____
 Board _____
 Committee _____

Date Due: _____

MINUTES OF THE
SPECIAL MEETING – CITY COUNCIL
FEBRUARY 15, 2008

The special meeting of the City Council of the City of Benicia was called to order by Mayor Elizabeth Patterson at 9:00 a.m. on Friday, February 15, 2008, in the City Council Chambers, City Hall, 250 East L Street, complete proceedings of which are recorded on tape.

ROLL CALL:

Present: Council Members Campbell, Hughes, Ioakimedes, Schwartzman, and Mayor Patterson

Absent: None

PLEDGE OF ALLEGIANCE:

Vice Mayor Campbell led the pledge to the flag.

FUNDAMENTAL RIGHTS:

A plaque stating the Fundamental Rights of each member of the public is posted at the entrance to the Council Chambers per Section 4.04.030 of City of Benicia Ordinance No. 05-6 (Open Government Ordinance).

OPPORTUNITY FOR PUBLIC COMMENT:

1. Kristina Lawson, Attorney for Discovery Builders – Ms. Lawson asked why Council was having a second closed session and referred to a letter she sent on February 14, 2008 (copy on file).

ANNOUNCEMENT OF CLOSED SESSION:

Mayor Patterson read the announcement of Closed Session.

CLOSED SESSION:

- A. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**
Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9
Number of Potential cases: 1 – Discovery Builders

RECONVENE OPEN SESSION:

Council returned to open session at 10:35 a.m.

Ms. McLaughlin reported that in Closed Session, Council received information and provided direction to Staff.

ADJOURNMENT:

Mayor Patterson adjourned the meeting at 10:37 a.m.

RESOLUTION NO. 08-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA
CONFIRMING THE MAYOR'S APPOINTMENT OF DAVID CROMPTON TO THE
HISTORIC PRESERVATION REVIEW COMMISSION TO A FULL TERM ENDING
FEBRUARY 28, 2012**

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Benicia that the appointment of David Crompton to the Historic Preservation Review Commission by Mayor Patterson is hereby confirmed.

The above Resolution was approved by roll call by the City Council of the City of Benicia at a regular meeting of said Council held on the 4th day of March, 2008 and adopted by the following vote:

Ayes:

Noes:

Absent:

Elizabeth Patterson, Mayor

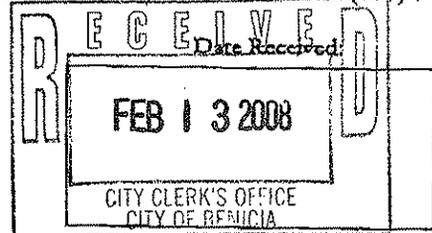
Attest:

Lisa Wolfe, City Clerk

APPLICATION



CITY HALL • 250 EAST L STREET • BENICIA, CA 94510 • (707) 746-4200 • FAX (707) 747-8120



BOARD, COMMITTEE AND COMMISSION APPLICATION

It is the intent of the City Council to have Boards, Commissions or Committees composed of people from all geographical, social, environmental and economic sectors of the community and to avoid potential conflicts of interest. (Resolution No. 04-9, Exhibit A, Section IV.A)

Board, Committee or Commission: Heritage Resource Commission
Name: David T. Crompton
Address: [REDACTED]
Home Ph: [REDACTED] Work Ph: 925 314-3349
E-mail: dcrompton@ci.danville.ca.us FAX: 925 838-0360
Job Title: Principal Planner Employer: Town of Danville
Employer Address: 510 La Borda Way, Danville, CA 94526

Do you reside in Benicia? Yes No If so, how long? 6.5 years

Please indicate any particular times/days that you are unavailable for meetings:
Tuesday Evenings

Please submit a statement on a separate sheet that includes the following:

- Your education (please include name of institution(s) and discipline(s) studied) and prior governmental and nongovernmental experience.
- Include any city/county/state committees or commissions you have served on. Please describe its function, where, when and for how long did you serve.
- Include any community groups or organizations you are or were affiliated with, as well as any office you hold or previously held.
- Why you desire to serve— your own goals and objectives for your term of office.

Applicant Signature: [Signature] Date: 2/12/08

Please return completed applications to the City Clerk's Office at 250 East L Street, Benicia
- Applications may also be faxed to 707-747-8120 -
Please note that your completed application is a public document that may be included in a
City Council Meeting Agenda Packet.
It will also be available to members of the public upon request.



CITY OF BENICIA**SUPPLEMENTAL QUESTIONNAIRE****HISTORIC PRESERVATION REVIEW COMMISSION APPLICATION**

1. Education and Experience: I have a BS degree in City and Regional Planning from California Polytechnic University in San Luis Obispo, CA. I have almost 19 years of experience as a local government municipal planner. Since 1996 I have been the Senior Planner, and since 2000, the Principal Planner, for the Town of Danville. For most of this time, my direct supervisor's title has been Chief of Planning and Chief Building Official. As such, since 1996, my job description has been Planning Division Head. My duties have included the supervision of the other Planners, as well as the Planning Administrative Assistant, and Code Enforcement Officer. I serve as project planner on many of the Town's most significant/controversial planning projects, and I supervise and advise the other planners in their review of planning applications. I serve as staff liaison to the Town's Planning Commission, including setting agendas, overseeing staff recommendations, reviewing staff reports, and staffing all Planning Commission meetings. I also attend and make presentation at many Town Council and Design Review Board meetings.

In addition, I supervise the Planner who currently serves as liaison to the Town's Heritage Resource Commission, handle many development applications involving Town-identified Heritage Resources, and attend many Heritage Resource Commission and Heritage Design Review Committee meetings. I was involved with the creation of the Town's current Heritage Resource Ordinance.

2. Previous Service on Commissions Etc.: I have no experience as a member of a Commission or Board. I have extensive experience working with and managing Commissions as described above.
3. Community Groups/Organizations: As a staff member of the Town of Danville, I have worked with community organizations such as the Danville Area Chamber of Commerce, and the Discover Danville organization. My involvement has been in working with these groups to discuss and, at the Danville Town Council's direction, implement policies developed and recommended by these organizations. This involves helping to develop re-development and economic development strategies. Recently, I drafted, and took through the public hearing process, revisions to the Town's Downtown Business District Ordinance to encourage and strengthen the establishment of retail uses within ground floor tenant spaces in the core downtown area.

I am a graduate of the Leadership San Ramon Valley program. This program teaches members the relationships and importance of the different agencies, groups, districts, and organizations which generally guide the direction of a

community. The program encourages/fosters leadership qualities and volunteerism which can make a positive difference in a community.

I am a graduate of Continued Education for Public Officials (CEPO) <http://www.cepoweb.com/> . This is a three year, three week program which has a mission to "create leaders for local government that have the Courage to Lead!"

4. Desire to Serve, Goals and Objects: As a public planner, I have taken a great amount of interest in the development of Benicia. I see Benicia as a jewel, and much care must be taken to allow for reasonable economic expansion and redevelopment, without taking away from the historic small-town character which has drawn many people to live in Benicia. I feel that my experience in Danville, a Town with many of the same characteristics as Benicia, puts me in a unique position to help recommend policies and developments which further these goals. This defines my desire to serve on the Benicia Historic Preservation Review Commission.

Again, goals and objectives for my term in office would be to help to make sound recommendations regarding both policies and actual development proposals which will allow for economic expansion and redevelopment within the City without losing any of the cities irreplaceable historic resources or changing the cities existing small town character.