



**BENICIA CITY COUNCIL  
REGULAR MEETING AGENDA**

**City Council Chambers  
April 03, 2012  
7:00 PM**

*Times set forth for the agenda items are estimates.  
Items may be heard before or after the times designated.*

**Please Note:  
Regardless of whether there is a Closed Session scheduled for 6:00 pm,  
the open session will begin at 7:00 pm.**

**I. CALL TO ORDER (6:00 PM):**

**II. CLOSED SESSION (6:05 PM):**

**A. CONFERENCE WITH LABOR NEGOTIATOR  
(Government Code Section 54957.6 (a))**

Agency negotiators: City Manager, Administrative Services Director

Employee organizations: City Manager, City Attorney, Senior Managers,  
Benicia Middle Management Group, Local 1, Benicia Public Service  
Employees' Association (BPSEA), Benicia Police Officers Association (BPOA),  
Benicia Firefighters Association (BFA), Benicia Dispatchers Association (BDA),  
Police Management, Unrepresented.

**III. CONVENE OPEN SESSION (7:00 PM):**

**A. ROLL CALL.**

**B. PLEDGE OF ALLEGIANCE.**

**C. REFERENCE TO THE FUNDAMENTAL RIGHTS OF THE PUBLIC.**

A plaque stating the fundamental rights of each member of the public is posted at the entrance to this meeting room per section 4.04.030 of the City of Benicia's Open Government Ordinance.

**IV. ANNOUNCEMENTS/APPOINTMENTS/PRESENTATIONS/PROCLAMATIONS:**

**A. ANNOUNCEMENTS.**

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

**2. Openings on Boards and Commissions:**

Building Board of Appeals

2 full terms

Open Until Filled

SolTrans Public Advisory Committee

1 full term

Open Until Filled

Benicia Community Sustainability Commission

1 unexpired term

Application Due Date: April 13, 2012

**3. 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 746-4200.

**4. Benicia Arsenal Update: Verbal Report**

**B. APPOINTMENTS.**

**1. Resolution Approving Mayor's Appointments to Council Committees - Appointment of Mayor Elizabeth Patterson to the Tri City and County Committee.**

**2. Appointment of Suzanne Foley Sprague to the Planning Commission for a four year term ending January 31, 2016.**

**3. Appointment of Daniel C. Smith to the Soltrans Public Advisory Committee for a three year term ending January 31, 2015.**

**C. PRESENTATIONS.**

1. **Arts and Culture Commission Annual Report**
2. **Poetry Out Loud - Ronna Leon**
3. **Tula Sister City Organization - Official Invitation to the Mayor, Council and Community to visit the City of Tula - Maria Bitagon**

**D. PROCLAMATIONS.**

1. **In Recognition of National Library Week, April 8-14, 2012**
2. **In Recognition of Janice Adams and Jane Abelee - Superintendent and Principal of the year (ACSA).**
3. **In Recognition of National Volunteer Week - April 15-21, 2012**
4. **In Recognition of April 2012 as Child Abuse Prevention Awareness Month**
5. **In Recognition of Girl Scouts of the USA - 100 Years – March 12, 2012**

**V. ADOPTION OF AGENDA:**

**VI. OPPORTUNITY FOR PUBLIC COMMENT:**

This portion of the meeting is reserved for persons wishing to address the Council on any matter not on the agenda that is within the subject matter jurisdiction of the City Council. State law prohibits the City Council from responding to or acting upon matters not listed on the agenda. Each speaker has a maximum of five minutes for public comment. If others have already expressed your position, you may simply indicate that you agree with a previous speaker. If appropriate, a spokesperson may present the views of your entire group. Speakers may not make personal attacks on council members, staff or members of the public, or make comments which are slanderous or which may invade an individual's personal privacy.

**A. WRITTEN COMMENT.**

**B. PUBLIC COMMENT.**

**VII. CONSENT CALENDAR (8:00 PM):**

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 the Special Meeting of March 6, 2012, the Regular Meeting of March 6, 2012 and the Special Meeting of March 13, 2012. (City Clerk).**

- B. REVIEW AND ACCEPTANCE OF THE INVESTMENT REPORT FOR THE QUARTER ENDED DECEMBER 31, 2011. (Interim Finance Director)**

The investment portfolio is in compliance with the City's Investment Policy and California Law. Additionally, the City has adequate investments to meet its expenditure needs for the next six months. The Finance Committee has reviewed and accepted this report.

**Recommendation: Accept, by motion, the Investment Report for the quarter ended December 31, 2011.**

- C. ACCEPTANCE OF THE 2011 STREET RESURFACING PROJECT. (Public Works and Community Development Director)**

This project patched and resurfaced Columbus Parkway from the I-780 westbound on/off-ramps to the western City limit at Benicia Road and the intersections of Southampton Road and West 7th Street at the I-780 ramps. The final construction contract cost of \$293,299 is fully funded from a Local Streets & Roads federal grant and Proposition 1B monies. Formal acceptance of the work by the City Council is required to file the Notice of Completion and allow final payment to be made to the contractor.

**Recommendation: Adopt a resolution accepting the 2011 Street Resurfacing Project as complete, authorizing the City Manager to sign the Notice of Completion, and authorizing the City Clerk to file same with the Solano County Recorder.**

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

**VIII. BUSINESS ITEMS (8:15 PM):**

**A. BENICIA STATE CAPITOL HISTORIC PARK MAINTENANCE AGREEMENT. (Acting Economic Development Manager)**

On September 6, 2011, due to the pending closure of Benicia's two State Parks, the City Council directed staff to begin negotiations with the State of California to draft operating/maintenance agreements for the Benicia State Historic Capitol and State Recreation Area. The State and City have reached agreement on terms for the City to maintain the grounds and restroom at the Benicia State Capitol Historic Park for a period of just over two years, from May 1, 2012 to June 30, 2014.

The City, State and Benicia State Parks Association continue to discuss terms for operating agreements for the State Capitol/Fisher Hanlon House and State Recreation Area.

**Recommendation: Approve, by motion, proposed Agreement for a grounds/restroom maintenance agreement for the Benicia State Capitol Historic Park by and between the City of Benicia and State of California.**

**B. CANCELLATION OF THE JULY 3, 2012 CITY COUNCIL MEETING. (City Manager)**

The July 3, 2012 City Council meeting conflicts with an annual event that requires Council participation and so it is recommended that the Council cancel this meeting.

**RECOMMENDATION: Cancel, by motion, the July 3, 2012 City Council meeting.**

**C. Council Member Request to Agendize. (Mayor Patterson)**

This is a request to discuss Citizen's requests for a comprehensive review of UN Agenda 21 and ICLEI -Local Governments for Sustainability.

**Recommendation: Consider Mayor Patterson's request to agendize this topic for a future City Council meeting.**

**D. Council Member Request to Agendize. (Mayor Patterson)**

This council action request is to give direction to staff to develop city policies for life cycle costing analysis for infrastructure and public works projects and at a future time application to other project analysis. Therefore, this item should be agendized in time to provide these policies for council considerations in Phase II of the budget review and future budget process.

**Consider Mayor Patterson's request to agendize this topic for a future City Council meeting.**

**IX. ADJOURNMENT (10:00 PM):**

**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-agendized matters under public comment, and on agendized 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 or Special Needs**

In compliance with the Americans with Disabilities Act (ADA) and to accommodate any special needs, if you need special assistance to participate in this meeting, please contact Anne Cardwell, 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 the 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.

<b>Public Records</b>
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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](http://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. A complete proceeding of each meeting is also recorded and available through the City Clerk's Office.



**RESOLUTION 12-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA CONFIRMING  
MAYOR'S APPOINTMENTS OF MEMBERS OF THE CITY COUNCIL TO STANDING,  
AD HOC AND OUTSIDE AGENCY COMMITTEES**

**COMMITTEES**

<u>OUTSIDE AGENCY COMMITTEES</u>	<u>COUNCIL APPOINTEES</u>	
ABAG	Elizabeth Patterson	Christina Strawbridge (Alternate)
LEAGUE OF CALIFORNIA CITIES	Elizabeth Patterson	Tom Campbell (Alternate)
SOLANO EDC BOARD OF DIRECTORS	Elizabeth Patterson	Christina Strawbridge (Alternate)
SOLANO TRANSPORTATION AUTHORITY	Elizabeth Patterson	Alan Schwartzman (Alternate)
SOLANO WATER AUTHORITY/SOLANO COUNTY WATER AGENCY	Elizabeth Patterson	Tom Campbell (Alternate)
<b>TRI-CITY &amp; COUNTY REGIONAL PARKS &amp; OPEN SPACE</b>	<b>Elizabeth Patterson</b>	
SOLTRANS JOINT POWERS AUTHORITY	Elizabeth Patterson Mark Hughes	Alan Schwartzman (Alternate)
<u>STANDING COMMITTEES</u>	<u>COUNCIL APPOINTEES</u>	
FINANCE COMMITTEE	Tom Campbell	Christina Strawbridge
SCHOOL DISTRICT LIAISON	Mark Hughes	Christina Strawbridge
TRAFFIC, PEDESTRIAN AND BICYCLE SAFETY COMMITTEE	Alan Schwartzman	Tom Campbell
YOUTH ACTION COALITION	Christina Strawbridge	Mark Hughes
<u>AD HOC COMMITTEES</u>	<u>COUNCIL APPOINTEES</u>	
ARSENAL INVESTIGATION & REMEDATION COMMITTEE	Elizabeth Patterson	Alan Schwartzman
SKY VALLEY AREA OPEN SPACE	Tom Campbell	Alan Schwartzman
VALERO CITIZENS ADVISORY COMMITTEE (CAP)	Mark Hughes	Elizabeth Patterson (Alternate)

**NOW, THEREFORE, BE IT RESOLVED THAT** the City Council of the City of Benicia hereby confirms the above Committee appointments and any resolutions inconsistent with this resolution are superseded.

\*\*\*\*\*

On motion of Council Member \_\_\_\_\_, seconded by Council Member \_\_\_\_\_, the above resolution was introduced and passed by the Council of the City of Benicia at a regular meeting of said Council on the 3<sup>rd</sup> day April 2012, and adopted by the following vote:

Ayes:

Noes:

Absent:

\_\_\_\_\_  
Elizabeth Patterson, Mayor

ATTEST:

\_\_\_\_\_  
Lisa Wolfe, City Clerk

**RESOLUTION NO. 12-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA CONFIRMING THE MAYOR'S APPOINTMENT OF SUZANNE FOLEY SPRAGUE TO THE PLANNING COMMISSION FOR A FOUR YEAR TERM ENDING JANUARY 31, 2016**

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Benicia that the appointment of Suzanne Foley Sprague to the Planning 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 3<sup>rd</sup> day of April 2012 and adopted by the following vote:

Ayes:

Noes:

Absent:

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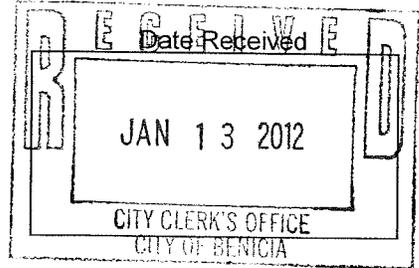
Elizabeth Patterson, Mayor

Attest:

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Lisa Wolfe, City Clerk

## **APPLICATION**



### City of Benicia Board/Commission/Committee 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.

Please check the board, commission, or committee you wish to apply for:

- Arts and Culture Commission
- Benicia Housing Authority Board of Commissioners
- Board of Library Trustees
- Civil Service Commission
- Economic Development Board
- Finance, Audit & Budget Committee
- Historic Preservation Review Commission
- Human Services & Arts Board
- Open Government Commission
- Parks, Recreation & Cemetery Commission
- Planning Commission
- Sustainability Commission
- Sky Valley Open Space Committee
- Uniform Code Board of Appeals

Name: Suzanne Foley Sprague

Address: \_\_\_\_\_

Phone: (Work) \_\_\_\_\_ (Home) 707-751-0299

(Cell) \_\_\_\_\_ Fax: \_\_\_\_\_

Email: suzanne@solanolawgroup.com Years as Benicia resident: 10

Occupation/Employer: Attorney/Gizzi & Reep, LLP

Please note your most recent community or civic volunteer experience: \_\_\_\_\_

Lawyer in the Library volunteer, Benicia Public Library

Please describe any applicable experience/training: \_\_\_\_\_

B.A. Political Science and Business Administration UCLA; J.D. USF School of Law; Practicing attorney for 10 years.

*All applications are considered public records and will be retained in an active file for at least one year from date of receipt.*

Signature: *Suzanne F. Sprague* Date: 1/13/2011



## Planning Commission Application

In addition to completing the City of Benicia Board/Commission/Committee Application form, please respond to the following questions:

1. What interests you about this Commission? Have you attended a Planning Commission meeting? If so, when?

I believe planning is important in order to manage wisely the unique combination of visual and historical character that gives Benicia its small-town atmosphere, while at the same time stimulate business and meet the needs of our community. I have not attended a Planning Commission meeting in person. However, I have watched the televised meetings on occasion since I moved to Benicia in 2001.

2. Participation on this Commission involves monthly meetings, periodically special meetings, and possibly attending community events related to planning. Do you feel you have the time and commitment to be a viable member of this Commission?

Yes.

3. Is there a particular segment of planning and development that interests you more than others?

As an attorney, I am interested in analyzing the duties, rights, and powers imposed by the various laws, ordinances, and resolutions regarding planning issues and working to ensure consistency in enforcing them.

4. Why do you think planning needs to play a lead role in fortifying the quality of life in Benicia? Do you see an area of planning that needs to be expanded at this point? How does zoning reinforces the goal of the General Plan?

I see the General Plan as the foundation of a well-developed community. It should ensure consistency, but also be responsive to change. Zoning upholds the General Plan. In terms of expansion, I believe it is possible to promote Benicia's unique character, and still maintain its small-town atmosphere through proper planning.

**RESOLUTION NO. 12-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA CONFIRMING THE MAYOR'S APPOINTMENT OF DANIEL C. SMITH TO THE SOLTRANS PUBLIC ADVISORY COMMITTEE FOR A THREE YEAR TERM ENDING JANUARY 31, 2015**

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Benicia that the appointment of Daniel C. Smith to the SolTrans Public Advisory Committee 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 3<sup>rd</sup> day of April 2012 and adopted by the following vote:

Ayes:

Noes:

Absent:

\_\_\_\_\_  
Elizabeth Patterson, Mayor

Attest:

\_\_\_\_\_  
Lisa Wolfe, City Clerk

## **APPLICATION**





**AGENDA ITEM  
CITY COUNCIL MEETING DATE - APRIL 3, 2012  
PRESENTATIONS**

**DATE** : April 3, 2012  
**TO** : City Manager  
**FROM** : Library Director  
**SUBJECT** : **ACCEPTANCE OF THE ANNUAL REPORT OF THE ARTS AND CULTURE COMMISSION**

**RECOMMENDATION:**

Accept the Annual Report of the Benicia Arts and Culture Commission.

**EXECUTIVE SUMMARY:**

In accordance with Benicia Municipal Code 2.104.080 (f), the Benicia Arts and Culture Commission is required to provide an annual report to the City Council.

**BUDGET INFORMATION:**

N/A

**GENERAL PLAN:**

- Goal 3.6: Support and promote the arts as a major element of Benicia's community identity

**STRATEGIC PLAN:**

- Strategic Plan Issue 5: Maintain and Enhance a High Quality of Life
  - 3) Promote arts and culture

**BACKGROUND:**

The 2011 officers for the Benicia Arts and Culture Commission were Lee Wilder Snider, Chair; Pat Ryll, Vice Chair; Commissioners Judith Donaldson, Elaine Eisner, Patty Gavin, Kenny Hall, Sandra Summerfield Kozak, and Bob Surratt.

(Commissioner Steve Waranietz resigned in June 2011 and was replaced in November by Karl Nielsen).

The commission has prepared the attached annual report for Council approval.

Attachment:

- City of Benicia Arts and Culture Commission. Annual Report 2011.



**CITY OF BENICIA**  
**ARTS AND CULTURE COMMISSION**

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**2011 ANNUAL REPORT**

**PRESENTED BY THE**  
**ARTS AND CULTURE COMMISSION**

<b>Lee Wilder Snider, Chair</b>	<b>Pat Ryll, Vice Chair</b>
<b>Judie Donaldson</b>	<b>Karl Neilson</b>
<b>Elaine Eisner</b>	<b>Sandra Summerfield Kozak</b>
<b>Patty Gavin</b>	<b>Bob Surratt</b>
<b>Kenny Hall</b>	

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# **ARTS AND CULTURE COMMISSION 2011 ANNUAL REPORT**

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# CITY OF BENICIA

## ARTS AND CULTURE COMMISSION

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### 2011 ANNUAL REPORT

#### PART I. EXECUTIVE SUMMARY

Art and culture. They're Benicia's signature, identity, and strength. Where would we be without them? They make a difference in the quality of life of, and attract people to, our community. They're important to our past and relevant to our future.

We are grateful that, on August 18, 2009, the city council created an Arts and Culture Commission to steward the city's arts and culture assets. In doing so, the council made a strategically smart decision to position Benicia alongside the many other communities in the Easy Bay that have established arts commissions.

The commission, which consists of a body of 9 commissioners and is supported by the library director and a senior staff member, was inaugurated in January, 2010. The diversity of the commissioners – artists, educators, a performer, a filmmaker, a photographer, a business professional – form a group well chosen to protect and advance arts and culture in a manner that benefits our community.

The commission's initial year was a formative one. The commissioners began their work, held a retreat, created a strategic plan, and designed a committee structure to carry out its mission. In 2011, its second year, the commissioners focused their sights and activities on strategies to address the commission's purpose as outlined in the City of Benicia Ordinance No. 09-15. Overall, the year reflects an emphasis on the following five foci: 1) a process to review and recommend arts and culture organizations in which the city might invest, 2) community building and collaboration between and among arts and culture nonprofits, 3) a policy guide and strategy to advance public art and the public art assets of Benicia, 4) a brochure that will serve as a guide to the city's arts and culture assets, and 5) a project to engage youth in the arts. Many of these activities are as yet a work in progress; their outcomes to be achieved in 2013.

The commissioners are keenly aware of the investment the city has made in creating and supporting the commission and understand that resources must be carefully utilized in today's economic environment. We believe that arts and culture, in fact, are particularly important factors in today —for they encourage creative thinking and in, the words of John Updike, “provide a certain breathing room for the spirit.”

Our goal is to make a difference in and for the city, contribute to tourism and our economic vitality, and produce a more-than-satisfactory return on investment. We welcome feedback and input in regard to our progress, plan and directions.

## **PART II. THE MISSION AND PURPOSES OF THE COMMISSION**

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The commission is governed by the following mission and purposes. In Part III, which follows and which outlines the commission's 2011 objectives, each objective is linked to one of the seven purposes.

### **Mission.**

The City of Benicia Arts and Culture Commission exists to ensure that arts and culture are integral to our community's quality of life, economic vitality and central identity.

**Purpose** (as outlined in the City of Benicia Ordinance No. 09-15).

- A. Advise the City Council and staff on culture and arts related issues.
  - B. Evaluate the needs and resources of local culture and arts organizations.
  - C. Facilitate, encourage, promote and stimulate arts and culture in our community.
  - D. Promote and increase public awareness, locally and beyond the city, of arts and cultural resources and activities.
  - E. Support and promote arts and culture as a major element in Benicia's community identity.
  - F. Ensure that cultural and artistic elements are integral to the city's quality of life and economic vitality.
  - G. Engage youth in culture and arts.
- 

## **PART III. A REVIEW OF THE COMMISSION'S SECOND YEAR**

In 2011, the commissioners developed a work ethic that is based on an active commitment on the part of all commissioners. Along with attending commission meetings, each commissioner serves on at least one committee and takes on additional work as required.

Following is an overview of the objectives and activities of the commission's 2011 body of work. It begins with comments on the activities of the commission as a whole and is followed by the work of the commission's three committees: the *Grants Ad-Hoc* Committee, Community Outreach Committee, and Public Art Committee. The committees are functioning essentially and effectively as the engines of the commission. They reflect the way in which the commission has developed as a collaborative and synergistic assembly of committed commissioners.

## A. The Commission

Overall, the commission sought to assume an active role in the community and to represent the city in the best possible manner.

1. Attended many city council and (other) commission meetings as well as community arts and culture events and activities.
2. Submitted an annual report to the city council to review the Commission's 2011 activities and objectives and make recommendations to the city. (Purpose A)

## B. Grants Ad Hoc Committee

**Committee Members:** Sandra Summerfield Kozak, Bob Surratt, Lee Wilder Snider. The committee consists of two members who have served on the Human Services Board (and, thus, who have had experience with the grant process) and a member who has had experience as a grantee.

**Mission:** Provide guidance to the commission in developing and adopting procedures for evaluating grant requests from the community and making recommendations to the city. Its work advances Ordinance Purpose A and B.

**Committee Structure:** The Grants Committee is an *ad hoc* committee that met a number of times to address the tasks entailed in: 1) conducting an efficient and effective grants solicitation, review and recommendation process, and 2) a grantee oversight process.

### Activities and Outcomes

The commission based its grant process on the principles of the Human Services Board. However, it both modified and developed processes to fit its own standards and uniqueness.

1. Employed a strategy to advertise the grant application process in a manner that would reach all potential grantees. (Purpose A, B)  
A value of transparency and a commitment to inclusion guided our process.
2. Educated commissioners to perform their duties in reviewing grant applications, evaluating nonprofits' strengths, and recommending potential grantees to city council. (Purpose A, B)  
A commissioner who had experience with the grant process provided training for the other commissioners.
3. Developed a comprehensive reporting form and system for grantees and held a meeting of grantees to introduce it. (Purpose A, B)  
The commissioners encouraged grantees to view the form as a pilot and invited them to participate in an iterative process to improve it. Feedback from grantees has already resulted in its improvement.

## C. Community Outreach Committee

**Committee Members:** Judie Donaldson, Chair, Elaine Eisner, Kenny Hall

**Mission:** Provide leadership to the commission in its goal to: 1) build collaborative and supportive relationships with arts, culture and other organizations, and 2) raise funds, if needed, to support the mission of the commission and its grantees. Toward this end, the committee directed its activities to focus on Ordinance Purposes B, C, E, F, G.

**Committee Structure:** The committee meets monthly. It consists of three commission members. In 2012, its goal is to add three members, one from an arts organization, one from a cultural organization, and an interested citizen.

### Activities and Outcomes

1. Host Nonprofit Roundtable to provide educational support and build relationships with and among arts and culture nonprofits. (Purpose B, C)

The Roundtable featured a presentation on fundraising strategies, which was beneficial to the arts and culture organizations. It was useful, as well, in helping the commission deepen its understanding of the city's arts and culture organizations' needs and capacities. In addition, the commission continues to implement a liaison system to enhance its learning. (Commissioners each serve as liaisons with one or more organizations.)

2. Advance collaboration between and among nonprofits. (Purpose C)

The Roundtable surfaced an interest in collaboration between and among arts and culture organizations. One collaboration is already benefiting two organizations, and the initiative is building the foundation for future collaborations that we anticipate will result in efficiencies and cost effective results.

3. Collaborate to host a film festival that includes a film produced by Benicia's youth. (Purpose G)

The Arts and Culture Commission, the Soroptimists, and Arts Benicia are working together to initiate an annual film festival in Benicia. The commission's contribution will be to engage youth in the arts by creating an opportunity for them to produce a film to be shown at the festival. High school teachers and students are enthusiastically joining the planning effort as well.

4. Advance art as integral to the city by using the arts to advance the goals of the Sustainability Commission. (Purpose E)

The Community Outreach and Public Arts Committees are working together to explore how the commission can assist the Sustainability Commission.

5. Submit a request to city council to include fundraising, if and as appropriate, as an optional function of the Commission. (Purpose C)

The commissioners are pleased that city council approved the commission's recommendation that it have the capacity to fundraise.

## D. Public Art Committee

**Committee Members:** Commissioners: Pat Ryll, Chair, Patty Gavin, Lee Wilder Snider. Community members: Nancy Cockerham, Yami Alfaro-Gunion, Karen Schulmpp.

**Mission:** Exists to support the inclusion of public art in the community to promote the cultural heritage, history, and artistic identity of our city, while adding warmth, beauty, and accessibility to public spaces. The activities of the committee focus on Ordinance Purpose C, D, E and F.

**Committee Structure:** The committee meets monthly. It consists of three commissioners and three community members.

### **Activities and Outcomes**

1. Advance a policy to guide public art installations in the city. (Purpose C, E)  
Committee members worked with staff to develop a comprehensive policy, the *City of Benicia Public Art Policy and Procedures*, designed to serve as a guide for the city's acquisition, display, placement, and retention of public art. The document serves to honor the city's standards and interests, while addressing the development of an enduring and varied collection of artwork that enhances, enlivens, and enriches Benicia.
2. Identify and commit to the installation of an art piece in the Community Center adjacent to the Parks and Community Services counter. (Purpose C, E, F)  
The project is proposed as a collaboration piece by glass and metal artists with a focus on using recycled materials. Parks and Community Services staff is supportive. The theme "Water, Wind and Land" has been adopted. Funding sources are being pursued.
3. Develop a brochure that features all aspects of arts and culture in Benicia, a brochure that can be used for the community and as a tourism vehicle. (Purpose D, F)  
The committee's research and analysis process produced an awareness that, although arts and culture components are mentioned in some of the city's promotional materials, a comprehensive arts and culture picture does not exist. Therefore, the committee is in the process of completing a brochure that includes: a listing of galleries and organizations and businesses that feature revolving art exhibits, a listing of public art sites, a directory of arts and culture organizations, a chronology of annual arts and culture events, and an overview of the Arsenal and our community of artists.

## **PART V. LOOKING AHEAD TO 2012**

The commission's activities are a work in progress. A portion of our 2011 work will bear fruit in the early part of 2012. In addition, the commissioners are in the process of assessing those aspects of our mission that we have not adequately addressed and, of course, we will be readily open to new and unanticipated opportunities as they are presented.

### **Work in Progress**

1. Print and disseminate an arts and culture brochure to serve as a tourism vehicle.
2. Host (collaboratively) a film festival and produce a film created by Benicia youth.
3. Finalize and obtain city council approval for the *City of Benicia Public Art Policy and Procedures*, and enhance the Community Center with a commissioned piece of public art.
4. Continue to sponsor the Arts and Culture Roundtable and support the collaboration project.

### **New Areas of Focus**

5. Explore opportunities to collaborate with the Economic Development Board in order to employ arts and culture more fully as a tourism and economic development strategy.
6. Analyze our Ordinance mission, purpose, and duties in order to identify any areas of deficiency and, if appropriate, develop strategies to address areas in need of attention.

### **Recommendations**

- Establish a public-art ordinance fee for public and commercial buildings (a CAP, or Capital Improvement Plan).
- Explore potential collaborations between the Arts and Culture Commission and entities such as the Sustainability Commission, Historic Preservation Review Commission, Planning Commission and Benicia Main Street.
- Include input of the Arts and Culture Commission in relation to community projects and initiatives such as the new Community Center.
- Explore the availability of potential Caltrans public-art funds (for a Second Street underpass mural or other option).

As we have said previously, Benicia is a jewel on the landscape of the greater Bay Area. Its arts and culture are at the core of its uniqueness. They bring life, color, distinctiveness and resources to our community, and the Commission looks forward to supporting and enhancing their presence and contribution in the future. As a middle-school student once said, “Art is an adventure that never seems to end.” And culture, as we all know, provides us with roots and a context for living.

**SUMMARY OF ARTS AND CULTURE COMMISSION'S 2011 YEAR'S OBJECTIVES  
AS RELATED TO THE COMMISSION'S PURPOSES**

(Some objectives are identified with more than one purpose.)

- 1. Advise the city council and staff on culture and arts related issues.** (Part III B1)
  - ◆ Employed a strategy to advertise the grant application process in a manner that would reach all potential grantees.
  - ◆ Educated Commissioners to perform their duties in reviewing grant applications and recommending potential grantees to city council. (Part III B2)
  - ◆ Developed a comprehensive reporting form for grantees and held a meeting of grantees to introduce and discuss it. (Part III B3)
  - ◆ Prepared a report to city council that included a review of the commission's activities and recommendations to the council. (Part III A2)
  
- 2. Evaluate the needs and resources of local culture and arts organizations.**
  - ◆ Educated commissioners to perform their duties in reviewing grant applications and recommending potential grantees to city council (Part III B2)
  - ◆ Host Nonprofit Roundtable to provide educational support and build relationships with and among arts and culture nonprofits. (Part III C1)
  
- 3. Facilitate, encourage, promote and stimulate arts and culture in our community.**
  - ◆ Host Nonprofit Roundtable to provide educational support and build relationships with and among arts and culture nonprofits. (Part III C1)
  - ◆ Advance collaboration between and among nonprofits. (Part III C2)
  - ◆ Submitted a request to city council to include fundraising, if and as appropriate, as an optional function of the commission. (Part III C5)
  - ◆ Advance a policy to guide public art installations in the city. (Part III D1)
  - ◆ Employ arts to advance the goals of the Sustainability Commission. (Part III C4)
  
- 4. Promote and increase public awareness, locally and beyond the city, of arts and cultural resources and activities.**
  - ◆ Develop a brochure that features all aspects of arts and culture in Benicia that can be used for residents and as a tourism vehicle. (Part III D3)
  
- 5. Support and promote arts and culture as a major element in Benicia's community identity.**
  - ◆ Advance a policy to guide public art installations in the city. (Part III D1)
  - ◆ Employ arts to advance the goals of the Sustainability Commission (Part III C4)

- 6. Ensure that cultural and artistic elements are integral to the city's quality of life and economic vitality.**
  - ◆ Develop a brochure that features all aspects of arts and culture in Benicia that can be used for residents and as a tourism vehicle. (Part III D3)
  
- 7. Engage youth in culture and arts.**
  - ◆ Collaborate to host a film festival that includes a film produced by Benicia's youth. (Part III C3)



# PROCLAMATION

## IN RECOGNITION OF

# NATIONAL LIBRARY WEEK

APRIL 8-14, 2012

**WHEREAS**, libraries provide free access to all – from books and online resources for families to library business centers that help support entrepreneurship and retraining; and

**WHEREAS**, libraries work to meet the changing needs of their users, including building collections, expanding outreach services and increasing programming; and

**WHEREAS**, our nation's libraries provide a forum for diverse ideas and points of view that help us better understand each other and ourselves; and

**WHEREAS**, librarians are trained professionals, helping people of all ages and backgrounds find and interpret the information they need to live, learn and work in a challenging economy; and

**WHEREAS**, librarians design and offer programs to meet their community's economic needs, providing residents with resume writing classes, online resources, and job finding skills; and

**WHEREAS**, libraries are part of the American dream, places for education, opportunity and lifelong learning; and

**WHEREAS**, libraries, librarians, library workers and supporters across America are celebrating National Library Week.

**NOW, THEREFORE, BE IT RESOLVED THAT I**, Elizabeth Patterson, Mayor of the City of Benicia, on behalf of the City Council, do hereby proclaim April 8-14, 2012, as National Library Week. I encourage all residents to visit the library and take advantage of the wonderful resources that are available @ your library. You belong @ your library.

---

Elizabeth Patterson, Mayor  
April 3, 2012







# PROCLAMATION

IN RECOGNITION OF

## Janice Adams

Association of California School Administrators (ACSA)  
Region 4 Superintendent of the Year 2012  
(Solano, Napa, Lake, Mendocino, Marin, Sonoma Counties)

**WHEREAS**, Leadership Matters for California's public education system and the more than 6 million students it serves; and

**WHEREAS**, School administrators are passionate, lifelong learners who believe in the value of quality public education and

**WHEREAS**, providing quality service for student success is paramount for the profession and

**WHEREAS**, School leaders depend on a network of support from school communities –fellow administrators, teachers, parents, students, businesses, community members, board trustees, colleges and universities, community and faith-based organizations, elected officials and district and county staff and resources – to promote ongoing student achievement and school success; and

**WHEREAS**, Research shows great schools and school districts are led by great Superintendents; and

**WHEREAS**, The future of California's public education system depends upon the quality of its leadership

**NOW, THEREFORE, BE IT RESOLVED THAT I**, Elizabeth Patterson, Mayor of the City of Benicia on behalf of the City Council, do hereby proclaim Janice Adams as Superintendent of the Year.



Elizabeth Patterson, Mayor  
April 3, 2012





# PROCLAMATION

IN RECOGNITION OF

**Jane Abelee**

Association of California School Administrators (ACSA)  
Solano County Alternative Principal of the Year 2012

**WHEREAS**, Leadership Matters for California's public education system and the more than 6 million students it serves; and

**WHEREAS**, School administrators are passionate, lifelong learners who believe in the value of quality public education and

**WHEREAS**, providing quality service for student success is paramount for the profession and

**WHEREAS**, School leaders depend on a network of support from school communities –fellow administrators, teachers, parents, students, businesses, community members, board trustees, colleges and universities, community and faith-based organizations, elected officials and district and county staff and resources – to promote ongoing student achievement and school success; and

**WHEREAS**, Research shows great schools are led by great principals; and

**WHEREAS**, The future of California's public education system depends upon the quality of its leadership

**NOW, THEREFORE, BE IT RESOLVED THAT I**, Elizabeth Patterson, Mayor of the City of Benicia on behalf of the City Council, do hereby proclaim Jane Abelee as Alternative Principal of the Year.

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Elizabeth Patterson, Mayor  
April 3, 2012







# PROCLAMATION

## IN RECOGNITION OF NATIONAL VOLUNTEER WEEK

APRIL 15-21, 2012

**WHEREAS**, the President of the United States has proclaimed the week of April 15-21, as National Volunteer Week in order to “Celebrate People in Action” and recognize and honor the hard work and dedication of community volunteers; and

**WHEREAS**, to that end, the Benicia Police Department wishes to honor their Volunteer Police Program, which was established in 1995, and continues to be a valuable asset to the Police Department and to the City of Benicia; and

**WHEREAS**, the Benicia Fire Department also wishes to honor their Volunteer Firefighter Program, which became the first Fire Department established in California in 1847, and BERT (Benicia Emergency Response Team) which continues to be a valuable asset to the City of Benicia; and

**WHEREAS**, the Benicia Public Library would also like to honor their Friends of the Library and Volunteer programs, which were both established in 1983, and continue to enhance and expand library services for the City of Benicia; and

**WHEREAS**, the Parks & Community Services Department would like to honor their Volunteer program which provides valuable recreation services; and

**WHEREAS**, the City Attorney’s Office would like to honor their Volunteer program, which was established in 2000, and provides valuable services; and

**WHEREAS**, the City of Benicia wishes to honor all volunteers working on Commissions, Committees, Boards and in other capacities for their commitment and hard work to make a real difference in their community; and

**WHEREAS**, volunteers are a valuable resource to the City of Benicia that annually devote thousands of hours of service to enhance our quality of life, promote community involvement, generate civic pride, and support our neighborhoods and families, thereby allowing our sworn police officers, firefighters and departmental staff to focus on professional duties; and

**WHEREAS**, in 2011, over 185 volunteers donated 20,739 hours, providing an approximate value of \$442,985 in services.

**NOW, THEREFORE, BE IT RESOLVED THAT I**, Elizabeth Patterson, Mayor of the City of Benicia, on behalf of the City Council, do hereby proclaim April 15-21 as National Volunteer Week. I urge my fellow citizens to join the volunteer effort in our community by volunteering and recognizing those who serve. Volunteering promotes fellowship and unity, as well as increases community awareness. Please join us in “Celebrating People in Action” and foster these positive initiatives.

\_\_\_\_\_  
Elizabeth Patterson, Mayor  
April 3, 2012







# PROCLAMATION

IN RECOGNITION OF

**Art Mayoff**

## **“RONNY RICE” Volunteer of the Year**

**WHEREAS**, Art Mayoff has been an outstanding patrol volunteer for the Police Department for the past nine years and is one of the most dedicated, reliable and enjoyable volunteers; and

**WHEREAS**, Art goes above and beyond the hours required and every year receives special recognition through the National Presidential Volunteer Service Award Program for his outstanding hours of service; and

**WHEREAS**, Art is on routine patrol duty every week, providing valuable assistance to our officers and citizens, and is always professional and courteous to the citizens of Benicia; and

**WHEREAS**, Art also devotes extra hours training our new patrol volunteers to ensure the new volunteers are well trained. He developed the system that tracks the volunteer hours; and

**WHEREAS**, Art has been a volunteer with the Fire Department's BERT program since it was started, as an expert ham radio operator and serves on the Benicia Citizen Corp Committee. Art is also a volunteer with the Solano County Office of Emergency Services providing radio and technical assistance; and

**WHEREAS**, Art is an active member of the Benicia Citizen Core Council (BCCC), the Benicia Amateur Radio Club (BARC), and the Benicia Medical Reserve Corp (MRC).

**NOW, THEREFORE, BE IT RESOLVED THAT I**, Elizabeth Patterson, Mayor of the City of Benicia, on behalf of the City Council, do hereby honor and recognize Art Mayoff who deserves this special City recognition because he has given many, many dedicated years and thousands of volunteer hours not only to the Police Department but Fire Department as well. He always gives 110% of his time and talents to the City. His volunteer service exemplifies “Excellent Service”.



---

Elizabeth Patterson, Mayor  
April 3, 2012





# PROCLAMATION

## IN RECOGNITION OF APRIL 2012 AS CHILD ABUSE PREVENTION AWARENESS MONTH AND SUPPORTING THE CHILD ABUSE PREVENTION COUNCIL'S BLUE RIBBON CAMPAIGN

**WHEREAS**, child abuse prevention is a community problem and finding solutions depends on involvement among people throughout the community; and

**WHEREAS**, child abuse is a national tragedy with an estimated 905,000 annual victims of substantiated abuse or neglect in the United States; and

**WHEREAS**, 45 percent of child abuse victims with substantiated allegations experienced neglect, 12 percent were physically abused, 4.7 percent were sexually abused, 8.6 percent were emotionally or psychologically maltreated and 14 percent had an absent or incapacitated parent; and

**WHEREAS**, the estimated annual cost of child abuse and neglect is \$103.8 billion, according to a 2007 study conducted by Prevent Child Abuse America; and

**WHEREAS**, scientific studies confirm a direct link between child abuse and a significantly greater risk later in life of alcoholism, depression, drug abuse, eating disorders, obesity, sexual promiscuity, smoking, suicide and certain chronic diseases; and

**WHEREAS**, the number of children with allegations of abuse or neglect between January 1, 2010 and December 31, 2010 in Benicia, California rose to 238; and

**WHEREAS**, effective child abuse prevention programs succeed because of collaborative partnerships created among the courts, social service agencies, schools, religious organizations, law enforcement agencies, community organizations, medical institutions, and the business community; and

**WHEREAS**, the Solano County Child Abuse Prevention Council and the Children's Network along with the Family Resource Center Network are sponsoring the Solano Blue Ribbon Campaign to heighten awareness of the need to support families; and

**WHEREAS**, all Solano County residents should become more aware of child abuse and its prevention within the community and become involved in supporting parents and other caregivers to raise their children in safe, nurturing environments.

**NOW, THEREFORE, BE IT RESOLVED**, that I, Elizabeth Patterson, Mayor of the City of Benicia, on behalf of the City Council, hereby recognizes April 2012 as Child Abuse Prevention Month and calls upon all residents to increase their participation in efforts to prevent child abuse, thereby strengthening our communities.

Elizabeth Patterson, Mayor  
April 3, 2012







# PROCLAMATION

IN RECOGNITION OF

**GIRL SCOUTS OF THE USA-100 YEARS**

**MARCH 12, 2012**

**WHEREAS**, the Benicia Historical Museum will be opening an exhibit on the 100th Anniversary of the Girl Scouts of the USA on April 15, 2012 at 1:00 p.m.; and

**WHEREAS**, the exhibit will educate the public on the purpose of scouting, the rewards of scouting and the work the Girl Scouts have done in the American community; and

**WHEREAS**, this special event will present the history of the Daisies, Brownies and Girl Scouts that began in 1912 in Savannah, Georgia; and

**WHEREAS**, in addition to the exhibit there will be a lecture by author Ginger Wadsworth on her book "First Girl Scout" about Juliette Gordon Low who started Girl Scouts in 1912; and

**WHEREAS**, the Benicia Historical Museum and the Girl Scouts of the USA encourage members of the local community to attend the FREE TO THE PUBLIC opening of the exhibit; and

**WHEREAS**, the young women of the community may join the Girl Scouts and learn skills to better prepare them for life.

**NOW, THEREFORE, BE IT RESOLVED THAT I**, Elizabeth Patterson, Mayor of the City of Benicia, on behalf of the City Council, recognizes the Girl Scouts of the USA – 100 year celebration on Sunday, April 15, at the Benicia Historical Museum.

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Elizabeth Patterson, Mayor  
April 3, 2012





MINUTES OF THE  
SPECIAL MEETING – CITY COUNCIL  
March 06, 2012

City Council Chambers, City Hall, 250 East L Street, complete proceedings of which are recorded on tape.

**I. CALL TO ORDER:**

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

**II. CONVENE OPEN SESSION:**

**A. ROLL CALL**

All Council Members were present.

**B. PLEDGE OF ALLEGIANCE**

**C. REFERENCE TO THE FUNDAMENTAL RIGHTS OF THE PUBLIC:**

**III. OPPORTUNITY FOR PUBLIC COMMENT:**

**A. WRITTEN COMMENT**

**B. PUBLIC COMMENT**

None

**IV. CLOSED SESSION:**

**A. CONFERENCE WITH REAL PROPERTY NEGOTIATOR**

Property: 3501 East 2nd Street (Pump Station #3)

Negotiating Parties: City Manager, Public Works and Community Development Director

Under Negotiation: Instruction to negotiators on price and terms of payment.

**B. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION**

Initiation of litigation pursuant to subdivision (c) of Section 54956.9

Number of potential cases: # 1

**C. CONFERENCE WITH LABOR NEGOTIATOR**  
(Government Code Section 54957.6 (a))

Agency negotiators: City Manager, Administrative Services Director

Employee organizations: Benicia Middle Management Group, Local 1, Benicia Public Service Employees' Association (BPSEA), Benicia Police Officers Association (BPOA), Benicia Firefighters Association (BFA), Benicia Dispatchers Association (BDA), Police Management, Unrepresented.

**V. ADJOURNMENT:**

Mayor Patterson adjourned the Closed Session meeting at 6:41 p.m.

MINUTES OF THE  
REGULAR MEETING – CITY COUNCIL  
March 06, 2012

City Council Chambers, City Hall, 250 East L Street, complete proceedings of which are recorded on tape.

**I. CALL TO ORDER:**

Mayor Patterson called the meeting to order at 7:00 p.m.

**II. CLOSED SESSION:**

**III. CONVENE OPEN SESSION:**

**A. ROLL CALL**

All Council Members were present.

**B. PLEDGE OF ALLEGIANCE**

Ray Iverson led the Pledge of Allegiance.

**C. REFERENCE TO THE FUNDAMENTAL RIGHTS OF THE PUBLIC.**

**IV. ANNOUNCEMENTS/APPOINTMENTS/PRESENTATIONS/PROCLAMATIONS:**

**A. ANNOUNCEMENTS**

Benicia Arsenal Update - Council Member Schwartzman reported that the subcommittee was trying to schedule a public meeting on March 26, 2012. Staff will post the confirmed meeting date and time on the City's website.

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

Ms. Kat Wellman, Contract Attorney, reported that Council took the following actions:

IV.A - Council gave direction to Staff.

IV.B - No reportable action taken.

IV.C - This item was removed from agenda and was not discussed.

**2. Openings on Boards and Commissions:**

Building Board of Appeals  
2 full terms  
Open Until Filled

Solano Transportation Authority Pedestrian Advisory Committee  
2 full terms  
Open Until Filled

**3. Mayor’s Office Hours:**

**B. APPOINTMENTS**

Mayor Patterson explained the appointment process. She encouraged citizens to apply to serve on the various boards and commissions.

Council Member Hughes explained the interview process. He explained how the Appointment Subcommittee interviewed and ranked each candidate. He was surprised that the subcommittee’s recommendations were not being appointed. He could not support the Planning Commission appointments for that reason.

Mayor Patterson discussed why she was appointing the various individuals.

Vice Mayor Campbell stated he would support the appointments, however he was surprised that the subcommittee's recommendations were not selected.

Council Member Schwartzman discussed the issue of diversity on the commissions. He would like to see a representative from the contractor field. He would like to see balance on the Planning Commission. He was surprised that the individuals that the subcommittee recommended strongly were not being appointed.

Public Comment:

None

**1. Reappointment of Elaine Eisner to the Arts and Culture Commission for a four-year term ending January 31, 2016.**

**RESOLUTION 12-16 - A RESOLUTION CONFIRMING THE MAYOR’S REAPPOINTMENT OF ELAINE EISNER TO THE ARTS AND CULTURE COMMISSION A FOUR YEAR TERM ENDING JANUARY 31, 2016**

On motion of Mayor Patterson Council adopted the Resolution, on roll call by the following vote:

Ayes: Patterson, Strawbridge, Schwartzman, Campbell, Hughes

Noes: (None)

2. **Appointment of Susan Garske to the Arts and Culture Commission for a four-year term ending January 31, 2016.**

**RESOLUTION 12-17 - A RESOLUTION CONFIRMING THE MAYOR'S APPOINTMENT OF SUSAN GARSKE TO THE ARTS AND CULTURE COMMISSION FOR A FOUR YEAR TERM ENDING JANUARY 31, 2016**

On motion of Mayor Patterson Council adopted the Resolution, on roll call by the following vote:

Ayes: Patterson, Strawbridge, Schwartzman, Campbell, Hughes

Noes: (None)

3. **Reappointment of Patrice Gavin to the Arts and Culture Commission for a four-year term ending January 31, 2016.**

**RESOLUTION 12-18 - A RESOLUTION CONFIRMING THE MAYOR'S REAPPOINTMENT OF PATRICE GAVIN TO THE ARTS AND CULTURE COMMISSION FOR A FOUR YEAR TERM ENDING JANUARY 31, 2016**

On motion of Mayor Patterson Council adopted the Resolution, on roll call by the following vote:

Ayes: Patterson, Strawbridge, Schwartzman, Campbell, Hughes

Noes: (None)

4. **Reappointment of Randy Ramos to the Benicia Housing Authority Board of Commissioners for a four-year term ending January 31, 2016.**

**RESOLUTION 12-19 - A RESOLUTION CONFIRMING THE MAYOR'S REAPPOINTMENT OF RANDY RAMOS TO THE BENICIA HOUSING AUTHORITY BOARD OF COMMISSIONERS FOR A FOUR YEAR TERM ENDING JANUARY 31, 2016**

On motion of Mayor Patterson Council adopted the Resolution, on roll call by the following vote:

Ayes: Patterson, Strawbridge, Schwartzman, Campbell, Hughes

Noes: (None)

5. **Reappointment of Ruth M. Workman for a three-year term ending January 31, 2015.**

**RESOLUTION 12-20 - A RESOLUTION CONFIRMING THE MAYOR'S REAPPOINTMENT OF RUTH WORKMAN TO THE BOARD OF LIBRARY TRUSTEES FOR A THREE YEAR TERM ENDING JANUARY 31, 2015**

On motion of Mayor Patterson Council adopted the Resolution, on roll call by the following vote:

Ayes: Patterson, Strawbridge, Schwartzman, Campbell, Hughes

Noes: (None)

6. **Reappointment of Carole Nail to the Board of Library Trustees for a three-year term ending January 31, 2015.**

**RESOLUTION 12-21 - A RESOLUTION CONFIRMING THE MAYOR'S REAPPOINTMENT OF CAROLE NAIL TO THE BOARD OF LIBRARY TRUSTEES FOR A THREE YEAR TERM ENDING JANUARY 31, 2015**

On motion of Mayor Patterson Council adopted the Resolution, on roll call by the following vote:

Ayes: Patterson, Strawbridge, Schwartzman, Campbell, Hughes

Noes: (None)

7. **Appointment of Ellen D. Kolowich to the Economic Development Board for an unexpired term ending January 31, 2014.**

**RESOLUTION 12-22 - A RESOLUTION CONFIRMING THE MAYOR'S APPOINTMENT OF ELLEN D. KOLOWICH TO THE ECONOMIC DEVELOPMENT BOARD FOR AN UNEXPIRED TERM ENDING JULY 31, 2014**

On motion of Mayor Patterson Council adopted the Resolution, on roll call by the following vote:

Ayes: Patterson, Strawbridge, Schwartzman, Campbell, Hughes

Noes: (None)

8. **Appointment of Luis Delgado to the Historic Preservation Review Commission for a four-year term ending January 31, 2016.**

**RESOLUTION 12-23 - A RESOLUTION CONFIRMING THE MAYOR'S APPOINTMENT OF LUIS DELGADO TO THE HISTORIC PRESERVATION REVIEW COMMISSION FOR A FOUR YEAR TERM ENDING JANUARY 31, 2016**

On motion of Mayor Patterson Council adopted the Resolution, on roll call by the following vote:

Ayes: Patterson, Strawbridge, Schwartzman, Campbell, Hughes

Noes: (None)

9. **Appointment of Margaret Trumbly to the Historic Preservation Review Commission for a four-year term ending January 31, 2016.**

**RESOLUTION 12-24 - A RESOLUTION CONFIRMING THE MAYOR'S APPOINTMENT OF MARGARET TRUMBLY TO THE HISTORIC PRESERVATION REVIEW COMMISSION FOR A FOUR YEAR TERM ENDING JANUARY 31, 2016**

On motion of Mayor Patterson Council adopted the Resolution, on roll call by the following vote:

Ayes: Patterson, Strawbridge, Schwartzman, Campbell, Hughes  
Noes: (None)

**10. Appointment of Susan Cohen Grossman to the Planning Commission for a four-year term ending January 31, 2016.**

**RESOLUTION 12-25 - A RESOLUTION CONFIRMING THE MAYOR'S APPOINTMENT OF SUSAN COHEN GROSSMAN TO THE PLANNING COMMISSION FOR A FOUR YEAR TERM ENDING JANUARY 31, 2016**

On motion of Mayor Patterson Council adopted the Resolution, on roll call by the following vote:

Ayes: Patterson, Strawbridge, Schwartzman, Campbell  
Noes: Hughes

**11. Appointment of Joan Shepard to the Planning Commission for a four-year term ending January 31, 2016.**

**RESOLUTION 12-26 - A RESOLUTION CONFIRMING THE MAYOR'S APPOINTMENT OF JOAN SHEPARD TO THE PLANNING COMMISSION FOR A FOUR YEAR TERM ENDING JANUARY 31, 2016**

On motion of Mayor Patterson Council adopted the Resolution, on roll call by the following vote:

Ayes: Patterson, Strawbridge, Campbell  
Noes: Schwartzman, Hughes

**12. Reappointment of Rod Sherry to the Planning Commission for a four year term ending January 31, 2016.**

**RESOLUTION 12-27 - A RESOLUTION CONFIRMING THE MAYOR'S REAPPOINTMENT OF ROD SHERRY TO THE PLANNING COMMISSION FOR A FOUR YEAR TERM ENDING JANUARY 31, 2016**

On motion of Mayor Patterson Council adopted the Resolution, on roll call by the following vote:

Ayes: Patterson, Strawbridge, Schwartzman, Campbell, Hughes  
Noes: (None)

**13. Reappointment of Kathy Kerridge to the Sustainability Commission for a four-year term ending January 31, 2016.**

**RESOLUTION 12-28 - A RESOLUTION CONFIRMING THE MAYOR'S REAPPOINTMENT OF KATHY KERRIDGE TO THE SUSTAINABILITY COMMISSION FOR A FOUR YEAR TERM ENDING JANUARY 31, 2016**

On motion of Mayor Patterson Council adopted the Resolution, on roll call by the following vote:

Ayes: Patterson, Strawbridge, Schwartzman, Campbell, Hughes  
Noes: (None)

14. **Appointment of Larry Lauber to the Sky Valley Open Space Committee for a four-year term ending January 31, 2016.**

**RESOLUTION 12-29 - A RESOLUTION CONFIRMING THE MAYOR'S APPOINTMENT OF LARRY LAUBER TO THE SKY VALLEY OPEN SPACE COMMITTEE FOR A FOUR YEAR TERM ENDING JANUARY 31, 2016**

On motion of Mayor Patterson Council adopted the Resolution, on roll call by the following vote:

Ayes: Patterson, Strawbridge, Schwartzman, Campbell, Hughes

Noes: (None)

15. **Appointment of Joseph L. Wilder to the Uniform Code of Building Appeals for a four-year term ending January 31, 2016.**

**RESOLUTION 12-30 - A RESOLUTION CONFIRMING THE MAYOR'S APPOINTMENT OF JOSEPH L. WILDER TO THE UNIFORM CODE BOARD OF APPEALS FOR A THREE YEAR TERM ENDING JANUARY 31, 2015**

On motion of Mayor Patterson Council adopted the Resolution, on roll call by the following vote:

Ayes: Patterson, Strawbridge, Schwartzman, Campbell, Hughes

Noes: (None)

16. **Appointment of James G. Cook to the Soltrans Public Advisory Committee for a three-year term ending January 31, 2015.**

**RESOLUTION 12-30 - A RESOLUTION CONFIRMING THE MAYOR'S APPOINTMENT OF JAMES G. COOK TO THE SOLTRANS PUBLIC ADVISORY COMMITTEE FOR A THREE YEAR TERM ENDING JANUARY 31, 2015**

On motion of Mayor Patterson Council adopted the Resolution, on roll call by the following vote:

Ayes: Patterson, Strawbridge, Schwartzman, Campbell, Hughes

Noes: (None)

**C. PRESENTATIONS**

**D. PROCLAMATIONS**

1. **In Recognition of 2012 Women in Construction Week - March 4 - 10, 2012**
2. **In Recognition of Sunshine Week - March 11-17, 2012**

**V. ADOPTION OF AGENDA:**

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

Ayes: Patterson, Strawbridge, Schwartzman, Campbell, Hughes

Noes: (None)

**VI. OPPORTUNITY FOR PUBLIC COMMENT:**

**A. WRITTEN COMMENT**

Mayor Patterson reviewed the 7 items received (copies on file).

**B. PUBLIC COMMENT**

1. Gretchen Burgess - Ms. Burgess discussed the need to include the allowance of bee keeping within the City's Animal Control Ordinance.  
  
Staff clarified that the process is to look at any immediate priorities. A Council Member would need to decide if they wanted to bring this issue forward for discussion.  
  
Council Member Schwartzman discussed support for a simple update, but not an in-depth review of the entire Animal Control Ordinance.  
  
Ms. Wellman clarified that this was not an agenda item, and recommended Council agenda discussion on the issue.
2. Claudia Humphrey - Ms. Humphrey discussed the issue of domestic violence. She announced upcoming events they would be hosting to raise awareness of domestic violence.
3. Constance Beutel - Dr. Beutel discussed the Community Sustainability Commission's past and upcoming symposiums.
4. Elizabeth d'Huart, Benicia Historical Museum - Ms. d'Huart announced upcoming events at the Benicia Historical Museum.
5. Mayor Patterson - Mayor Patterson acknowledged Doug Comeau's retirement from Valero Refinery. She discussed his efforts and contributions to Benicia.

**VII. CONSENT CALENDAR:**

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

Ayes: Patterson, Strawbridge, Schwartzman, Campbell, Hughes

Noes: (None)

**A. APPROVAL OF MINUTES OF THE SPECIAL MEETING OF JANUARY 13, 2012, THE SPECIAL MEETING OF FEBRUARY 11, 2012 AND THE SPECIAL AND REGULAR MEETINGS OF FEBRUARY 21, 2012**

On motion of Council Member Hughes, seconded by Council Member Strawbridge, Council approved the Minutes of the special meeting of January 13, 2012, the special meeting of February 11, 2012, and the special and regular meetings of February 21, 2012, on roll call by the following vote:

Ayes: Patterson, Strawbridge, Schwartzman, Campbell, Hughes

Noes: (None)

**B. DENIAL OF THE CLAIM AGAINST THE CITY BY KRISTIN KAISER AND REFERRAL TO INSURANCE CARRIER**

On motion of Council Member Hughes, seconded by Council Member Strawbridge, Council approved the denial of claim against the City by Kristin Kaiser and referred it to the insurance carrier, on roll call by the following vote:

Ayes: Patterson, Strawbridge, Schwartzman, Campbell, Hughes

Noes: (None)

**C. RESOLUTION AUTHORIZING AGREEMENT WITH WULFF HANSEN & CO. TO PROVIDE SERVICES AS INVESTMENT BANKER/UNDERWRITER RELATING TO TRANSACTIONS.**

**RESOLUTION AUTHORIZING AGREEMENT WITH WULFF HANSEN & CO. TO PROVIDE ANALYTICAL SERVICES UNRELATED TO A TRANSACTION AS FINANCIAL ADVISOR**

**RESOLUTION 12-32 - A RESOLUTION OF THE CITY COUNCIL APPOINTING WULFF HANSEN & CO. TO PROVIDE SERVICES AS INVESTMENT BANKER/UNDERWRITER TO THE CITY OF BENICIA**

**RESOLUTION 12-33 - A RESOLUTION OF THE CITY COUNCIL APPOINTING WULFF HANSEN & CO. TO PROVIDE SERVICES AS FINANCIAL ADVISOR TO THE CITY OF BENICIA**

On motion of Council Member Hughes, seconded by Council Member Strawbridge, Council adopted Resolution 12-32, on roll call by the following vote:

Ayes: Patterson, Strawbridge, Schwartzman, Campbell, Hughes

Noes: (None)

On motion of Council Member Hughes, seconded by Council Member Strawbridge, Council adopted Resolution 12-33, on roll call by the following vote:

Ayes: Patterson, Strawbridge, Schwartzman, Campbell, Hughes

Noes: (None)

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

**VIII. BUSINESS ITEMS:**

- A. **CONTRACT AMENDMENT FOR WATTZON, AND ALLOCATION OF AN ADDITIONAL \$20,880 OF VALERO/GOOD NEIGHBOR STEERING COMMITTEE SETTLEMENT AGREEMENT FUNDS**

**RESOLUTION 12-34 - A RESOLUTION APPROVING THE GRANT FUNDING REQUEST FROM WATTZON FOR A BENICIA COMMERCIAL BUILDING PILOT PROGRAM IN THE AMOUNT OF \$46,880 AND AUTHORIZING THE CITY MANAGER TO SIGN THE CONTRACT ON BEHALF OF THE CITY**

Gina Eleccion, Management Analyst, reviewed the staff report.

Council Member Hughes and Staff discussed the issue of the transfer from residential to commercial.

Council Member Schwartzman and Staff discussed the current residential program.

Martha Amram, WattzOn, discussed the issue of the hiatus of the residential program.

Vice Mayor Campbell and Ms. Amram discussed the involvement of the BHS Sage Team in the residential program.

Council Member Strawbridge discussed the momentum the residential program has had. She expressed concerns regarding taking a hiatus from the residential program. She supported their efforts in the Industrial Park.

Council Member Schwartzman and Staff discussed the issue of a final report on the residential program.

**Public Comment:**

1. Marilyn Bardet - Ms. Bardet discussed concern regarding the hiatus of the residential program. She supported doing the energy audits in the Industrial Park.
2. Janice Adams, Superintendent, BUSD - Ms. Adams expressed concern regarding the \$20,000 in residential funds being put on hiatus. The Echo Academy had planned to use some of the funds to train students/interns.
3. Gretchen Burgess - Ms. Burgess spoke in support of the residential program.

4. Kathy Kerridge - Ms. Kerridge spoke in support of the program. She hoped the \$20,000 would remain for the residential program.
5. Dana Dean - Ms. Dean spoke in support of the commercial/industrial pilot project. She hoped the residential program would not be cut/suspended.

Mayor Patterson and Staff discussed the \$20,000.

Ms. Amram confirmed WattzOn had the resources to do both the residential and commercial programs.

Council Member Hughes and Staff discussed the Good Neighbor Steering Committee settlement.

Council Member Schwartzman and Staff discussed the issue of the commercial program helping businesses saving money. Council Member Schwartzman would like to increase the commercial funding to \$100,000, so more businesses could take advantage of the program.

Council Member Hughes expressed concern regarding the \$20,000 that was being used as a 'pilot' program for the commercial/industrial program.

Ms. Amram discussed the pilot program for the commercial/industrial program.

Council Member Schwartzman and Ms. Amram discussed the issue of funding, and if more became available, more commercial/industrial audits could be done.

Vice Mayor Campbell and Ms. Amram discussed the pilot program for the business/industrial program, and how the data collected over the six weeks would be used.

Brenden Millstein, Carbon Lighthouse, discussed how the commercial/industrial audit data was used.

Council Member Hughes expressed concern regarding allocating additional dollars for the business/industrial program. He was willing to go with it if a dollar amount was not allocated. The direction to Staff would be to look at what it would take, and consider the benefit of doing it.

Council Member Hughes clarified that his motion was to include maintaining the money for residential, add \$20,000 for commercial, and Council would provide direction to Staff to look at what the benefits would be if Council added additional dollars for commercial (respecting the process of the Community Sustainability Commission).

Staff clarified that the total funding request for this program was \$46,880. Staff needed clarification on whether Council was approving the initial request of

\$28,880 with an additional \$20,000 in unallocated funds. Council Member Hughes and Mayor Patterson confirmed that was correct. Staff clarified the City would retain the original \$20,000 in the residential program, but have a separate allocation for the entire amount.

Council Member Schwartzman would like to give direction to the CSC to look at and go through the process of additional (he threw out an amount of \$50,000) to work with WattzOn and see how that might be used. He suggested his comments be considered as a friendly amendment to Council Member Hughes' motion.

Staff discussed efforts to create a more robust commercial/industrial program.

Mayor Patterson clarified there was Council concurrence on working with Staff on augmenting a program, and there were different ways to do that. She thought that was part of the record, and it was clear enough (not to require an amendment to the motion). Council Member Schwartzman stated he wanted to be sure that was part of the record.

On motion of Council Member Hughes, seconded by Vice Mayor Campbell, Council adopted the Resolution, as amended, on roll call by the following vote:  
Ayes: Patterson, Strawbridge, Schwartzman, Campbell, Hughes  
Noes: (None)

## **B. EXTENSION OF CONTRACT FOR VEGETATION MANAGEMENT CONTRACTOR**

### **RESOLUTION 12-35 - A RESOLUTION AWARDING A CONTRACT EXTENSION TO PROVIDE SERVICES FOR WEED ABATEMENT AND FIRE BREAKS OF CITY OWNED PROPERTIES AND OPEN SPACE AREAS FOR THE TERM OF THE CONTRACT EXTENSION TO APEX GRADING AND AUTHORIZING THE CITY MANAGER TO SIGN THE CONTRACT ON BEHALF OF THE CITY**

Chief Vecurevich and Ray Iverson, Fire Marshall, reviewed the staff report.

Council Member Schwartzman and Staff discussed any negative effects the goats have on the land/habitat.

Vice Mayor Campbell spoke in support of the goat program.

#### **Public Comment:**

1. Marilyn Bardet - Ms. Bardet discussed the effects the goats have on ecology. She suggested ensuring the goats were moved from any given spot before they eat the vegetation too low.

2. Gretchen Burgess - Ms. Burgess spoke in support of the goat program.

Mayor Patterson proposed asking the Sky Valley Open Space Committee to look into getting more information on the possibilities.

Vice Mayor Campbell and Staff discussed concerns regarding the cost of the program.

Council Member Strawbridge spoke in support of the program.

Council Member Schwartzman spoke in support of the program.

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

Ayes: Patterson, Strawbridge, Schwartzman, Hughes

Noes: Campbell

**C. INTRODUCTION AND FIRST READING OF AN ORDINANCE  
AMENDING CHAPTER 13.35 EMERGENCY WATER CONSERVATION  
PLAN, INCLUDING LIMITS ON LANDSCAPE WATERING AND CAR  
WASHING DURING WATER SHORTAGES AND CLARIFICATION OF  
VIOLATION AND ENFORCEMENT PROVISIONS**

**ORDINANCE 12- - AN ORDINANCE AMENDING CHAPTER 13.35  
(EMERGENCY WATER CONSERVATION PLAN) OF TITLE 13 (PUBLIC  
SERVICES) OF THE BENICIA MUNICIPAL CODE BY REPLACING IT IN ITS  
ENTIRETY**

Carrie Wenslawski, Management Analyst, reviewed the staff report.

Council Member Hughes and Staff discussed the 'voluntary' prohibitions, enforcement, and the issue of the protection of mature trees.

Vice Mayor Campbell and Staff discussed the issue of drought conditions, and the need for smoother language. They discussed the rates that could be assessed if there were violations during a drought conditions.

Public Hearing Opened.

Public Comment:

1. Kathy Kerridge - Ms. Kerridge requested the addition of other trees and vegetable gardens be added to the section that addresses mature trees.

Public Hearing Closed.

Council Member Schwartzman and Staff discussed the appeal process.

Mayor Patterson discussed the need to address the appeal process to make it more user friendly, and being more aggressive about getting gray water involved.

On motion of Council Member Hughes, seconded by Council Member Strawbridge, Council approved the Introduction and first reading of the above Ordinance, on roll call by the following vote:

Ayes: Patterson, Strawbridge, Schwartzman, Campbell, Hughes

Noes: (None)

**D. APPROVAL OF AMENDMENT NO. 2 TO FEE DEFERRAL PAYMENT AGREEMENT WITH SURAJ INVESTMENT GROUP LLC (HOLIDAY INN)**

Mario Giuliani, Acting Economic Development Manager, reviewed the staff report. He suggested the paragraph from VIII.B.46 be added into the resolution.

Council Member Schwartzman and Staff discussed the need to update the Fee Deferral Program.

Public Comment:

1. Hiten Suraj - Mr. Suraj spoke in support of the proposed amendment.
2. Bob Langston, City Treasurer - Mr. Langston spoke in opposition to the proposed amendment. He reviewed the emails he sent Council (copies on file) regarding the issue.

Ms. Wellman discussed the issue of a 'gift' from the City, as referred to by Mr. Langston.

Mr. Giuliani discussed the issue of a 'gift', penalties, and adding an EFT clause to the agreement.

Mayor Patterson asked if there was a motion to approve the Resolution, with an amendment adding the seven years (as an exception to the policy), and directing Staff to add the EFT clause to the contract.

Ms. Wellman clarified that the EFT clause would be added to the amendment to the actual agreement (Council's direction to Staff to amend the agreement, and the resolution supports the amendment, as amended).

Council Member Schwartzman discussed the issue of enforcement, gift of public funds, EFT, surety bond, and not forgiving the penalty (cut the penalty in half and make it due now).

Council Member Hughes discussed the need to be flexible with this, as the City

would lose money if the hotel were to close its doors. He would like to get Staff's thoughts on Council Member Schwartzman's idea of cutting the penalty in half.

Mayor Patterson summarized that there could be a motion adding the 'whereas' with the exception of the 7 year policy, add to the amended agreement to add the EFT, and direct Staff to enforce the original terms of the agreement (which would address the surety bond).

Council Member Strawbridge discussed the benefits of keeping the hotel open in Benicia.

Council Member Schwartzman and Mr. Suraj discussed the EFT (Mr. Suraj indicated it would not be a problem), the surety bond (not a problem) and splitting the penalty and paying that amount (50%) now (might be a bit of a challenge during these times). Mr. Suraj inquired about adding the penalty amount into the loan amount and amortizing it over the life of the loan.

Ms. Wellman suggested Council direct Staff to work with applicant to pay the half of penalty fees within a certain amount of time. That way they could work with the applicant to find a way that would suit his business. Council could put a cap on it and put it in the agreement.

Staff discussed the benefits of amortizing the penalties (applicant would be paying interest on the amount).

Council Member Hughes was inclined to go with \$6,500 and have it paid within one year of today.

Mayor Patterson summarized that Council had a suggestion of cutting the penalties in half or amortizing the amount over the term of the loan.

Council Member Hughes would like to see the \$6,500 within one year.

Council Member Schwartzman made a motion to approve the amendment, adding EFT, carrying the surety bond, and cutting penalty in half, allowing the opportunity for that to be paid of within one year (added to the agreement), and changing the whereas (addressing that the 7 years was outside of the regular policy). Council Member Hughes seconded the motion. Council Members Schwartzman and Hughes voted in favor, and Council Members Campbell, Strawbridge, and Patterson voted against.

Council Member Hughes clarified that the only issue at this time was the penalty. Staff and Mr. Suraj have agreed on everything else.

Vice Mayor Campbell discussed the effects the hotel's closure would have one year from now as opposed to two years from now. The City would benefit from

extending the time to pay the penalty over time.

Mayor Patterson clarified that there was Council consensus on everything except the issue of the penalty.

Council Member Strawbridge suggested revisiting the issue of the \$6,500 and have it paid out over two years.

Mayor Patterson clarified that the new motion would be the same as the initial motion, with the exception of the penalty payment, which would be paid over two years.

On motion of Council Member Strawbridge, seconded by Council Member Schwartzman, Council approved the amended amendment to the agreement, adding EFT, carrying the surety bond, cutting penalty in half (\$6,500), allowing the opportunity for the penalty to be paid within two years, and changing the whereas, on roll call by the following vote:

Ayes: Patterson, Strawbridge, Schwartzman, Hughes

Noes: Campbell

## **E. ADOPTION OF THE BUSINESS DEVELOPMENT ACTION PLAN**

Mario Giuliani, Acting Economic Development Manager, reviewed the staff report.

Council Member Hughes and Staff discussed the funding requirements for some of the strategies.

Council Member Strawbridge commended Staff for their efforts. She discussed the proposed plan, and her hope that the City's website would be improved.

Council Member Schwartzman commended Staff for their efforts.

Mayor Patterson discussed the zoning for the Industrial Park.

Council Member Schwartzman urged Staff to get the Chamber of Commerce involved with this.

### Public Comment:

1. Constance Beutel - Dr. Beutel stated the CSC looked forward to working with staff on this.
2. Duane Oliveria - Mr. Oliveria made some suggested amendments and clarifications to the plan.
3. Ron Myska - Mr. Myska spoke in support of the plan.
4. Marilyn Bardet - Ms. Bardet spoke in support of the plan.

Council Member Hughes requested that the motion included the suggested change that was made on VIII.E.3, after the Community Sustainability Commission was done, it would be sent back to the Economic Development Board, prior to it coming back to Council.

On motion of Council Member Strawbridge, seconded by Council Member Schwartzman, Council adopted the Business Development Action Plan, as amended, on roll call by the following vote:

Ayes: Patterson, Strawbridge, Schwartzman, Campbell, Hughes

Noes: (None)

**F. Council Member Request to Agendize**

**This is a request to discuss Citizen's requests for a comprehensive review of UN Agenda 21 and ICLEI -Local Governments for Sustainability.**

This item was continued to the first Council meeting in April 2012.

**G. Council Member Request to Agendize**

**This council action request is to give direction to staff to develop city policies for life cycle costing analysis for infrastructure and public works projects and at a future time application to other project analysis. Therefore, this item should be agendized in time to provide these policies for council considerations in Phase II of the budget review and future budget process.**

This item was continued to the first Council meeting in April 2012.

**IX. ADJOURNMENT:**

Mayor Patterson adjourned the meeting at 11:14 p.m.

MINUTES OF THE  
SPECIAL MEETING – CITY COUNCIL  
March 13, 2012

Commission Room, City Hall, 250 East L Street, complete proceedings of which are recorded on tape.

**I. CALL TO ORDER:**

Mayor Patterson called the meeting to order at 6:12 p.m.

**II. CONVENE OPEN SESSION:**

**A. ROLL CALL**

Council Member Hughes was absent.

**B. PLEDGE OF ALLEGIANCE**

**C. REFERENCE TO THE FUNDAMENTAL RIGHTS OF THE PUBLIC**

**III. OPPORTUNITY FOR PUBLIC COMMENT:**

**A. WRITTEN COMMENT**

**B. PUBLIC COMMENT**

None

**IV. BUSINESS ITEMS:**

**A. CANCELTION OF MARCH 20, 2012 CITY COUNCIL MEETING**

On motion of Council Member Schwartzman, seconded by Council Member Strawbridge, Council approved the cancelation of the March 20, 2012 City Council Meeting, on roll call by the following vote:

Ayes: Patterson, Strawbridge, Schwartzman, Campbell

Noes: (None)

Absent: Hughes

**V. CLOSED SESSION:**

**A. CONFERENCE WITH LABOR NEGOTIATOR**

(Government Code Section 54957.6 (a))

Agency negotiators: City Manager, Administrative Services Director

Employee organizations: Benicia Middle Management Group, Local 1, Benicia Public Service Employees' Association (BPSEA), Benicia Police Officers Association (BPOA), Benicia Firefighters Association (BFA), Benicia Dispatchers Association (BDA), Police Management, Unrepresented.

**VI. ADJOURNMENT:**

Mayor Patterson adjourned the meeting at 6:40 p.m.

**AGENDA ITEM  
CITY COUNCIL MEETING DATE - APRIL 3, 2012  
CONSENT CALENDAR**

**DATE** : February 29, 2012

**TO** : City Manager

**FROM** : Interim Finance Director

**SUBJECT** : **REVIEW AND ACCEPTANCE OF THE INVESTMENT REPORT FOR THE QUARTER ENDED DECEMBER 31, 2011**

**RECOMMENDATION:**

Accept, by motion, the Investment Report for the quarter ended December 31, 2011.

**EXECUTIVE SUMMARY:**

The investment portfolio is in compliance with the City's Investment Policy and California Law. Additionally, the City has adequate investments to meet its expenditure needs for the next six months. The Finance Committee has reviewed and accepted this report.

**BUDGET INFORMATION:**

This report has no impact on the City's budget.

**GENERAL PLAN:**

There is no effect on the City's General Plan.

**STRATEGIC PLAN:**

Relevant Strategic Plan Issues and Strategies:

- Strategic Issue #3: Strengthening Economic and Fiscal Conditions
  - Strategy #4: Manage City finances prudently

**BACKGROUND:**

The City's investment portfolio consists of cash balances in checking accounts (less outstanding checks), Local Agency Investment Fund, treasury bills, federal agency notes and trustee accounts which manage the installment payments and reserves for bonds issued by the City.

The City has adequate investments to meet its expenditure requirements for the next six months. In addition, the City's investment portfolio is in compliance with Government Code Sections 53600 et seq. and the City's Investment Policy. The Finance Committee reviewed and accepted the Investment Report at its

February 24, 2012 meeting. The attached schedules identify the City's investments by maturity date, investment type, custodian of investment and cost.

Attachment:

- Investment Report for the quarter ended December 31, 2011

**City of Benicia  
Investment Report  
As of December 31, 2011**

Type of Investment	Name of Issuer	Purchase Date	Maturity Date	Current Yield	Par Value	Cost of Investment	Current Market Value
<b>On Demand</b>							
L.A.I.F.	L.A.I.F.			0.380%	\$ 6,632,004.19	\$ 6,632,004.19	\$ 6,642,960.24
Checking	Bank of America			0.600%	3,621,295.76	3,621,295.76	3,621,295.76
Money Market	Union Bank			0.000%	47,431.14	47,431.14	47,431.14
Money Market	Union Bank			0.000%	111,390.37	111,390.37	111,390.37
Subtotal					10,412,121.46	10,412,121.46	10,423,077.51
<b>Up to 6 Months</b>							
US Obligation	FFCB	24-Nov-09	17-Jan-12	2.000%	750,000.00	765,547.50	750,547.50
US Obligation	FHLMC	17-Sep-07	5-Mar-12	4.710%	1,003,890.00	1,003,890.00	1,008,020.00
US Obligation	FNMA	29-May-09	20-Apr-12	1.870%	1,558,262.00	1,558,262.00	1,558,215.00
US Obligation	FNMA	4-Oct-07	18-May-12	4.790%	758,780.00	758,780.00	763,822.50
US Obligation	FHLB	11-Jun-09	20-Jun-12	1.860%	1,039,185.00	1,039,185.00	1,058,337.00
Subtotal					5,100,000.00	5,121,664.50	5,138,942.00
<b>6 Months to 1 Year</b>							
US Obligation	FFCB	25-Sep-07	1-Aug-12	5.100%	500,000.00	509,923.50	514,480.00
Subtotal					500,000.00	509,923.50	514,480.00
<b>1 Year to 2 Years</b>							
US Obligation	FNMA	15-Jan-10	22-Feb-13	1.720%	750,000.00	749,260.88	762,322.50
US Obligation	FHLB	22-Mar-11	20-Mar-13	1.600%	700,000.00	712,242.30	711,144.00
US Obligation	FHLMC	4-Mar-10	15-Apr-13	1.600%	1,000,000.00	998,600.00	1,016,800.00
US Obligation	FHLMC	22-Mar-11	15-Apr-13	1.600%	700,000.00	711,956.00	711,760.00
US Obligation	FHLMC	26-Apr-10	29-May-13	3.350%	1,200,000.00	1,260,252.00	1,253,376.00
US Obligation	FHLB	20-Jul-11	28-Aug-13	0.500%	850,000.00	848,988.50	851,547.00
US Obligation	FHLB	3-Aug-11	9-Sep-13	1.110%	750,000.00	758,985.00	759,172.50
Subtotal					5,950,000.00	6,040,284.68	6,066,122.00
<b>2 Years to 3 Years</b>							
US Obligation	FHLMC	24-Jan-11	25-Feb-14	1.350%	1,500,000.00	1,502,790.00	1,524,255.00
US Obligation	FFCB	16-Aug-11	5-Mar-14	2.050%	750,000.00	782,550.00	775,905.00
US Obligation	US Treasury	1-Apr-11	15-Mar-14	1.220%	875,000.00	874,965.82	893,523.75
US Obligation	US Treasury	26-Mar-10	30-Apr-14	1.810%	275,000.00	271,315.43	284,968.75
US Obligation	FHLB	10-Jun-11	28-May-14	1.350%	500,000.00	507,305.00	509,855.00
US Obligation	FHLMC	11-Jul-11	11-Jul-14	1.120%	500,000.00	500,000.00	501,460.00
US Obligation	US Treasury	25-Aug-11	15-Aug-14	0.500%	750,000.00	752,988.29	753,397.50
US Obligation	FHLMC	24-Aug-11	27-Aug-14	0.990%	750,000.00	758,490.00	757,297.50

# VII.B.4

## City of Benicia Investment Report As of December 31, 2011

Type of Investment	Name of Issuer	Purchase Date	Maturity Date	Current Yield	Par Value	Cost of Investment	Current Market Value
US Obligation	FNMA	28-Jan-11	16-Sep-14	2.810%	1,000,000.00	1,050,010.00	1,065,960.00
US Obligation	FHLMC	14-Sep-11	19-Sep-14	0.500%	1,100,000.00	1,086,642.58	1,096,557.00
US Obligation	FNMA	19-Sep-11	19-Sep-14	0.700%	500,000.00	489,705.00	499,020.00
US Obligation	FNMA	7-Nov-11	7-Nov-14	1.000%	1,000,000.00	1,000,000.00	1,002,400.00
US Obligation	FHLMC	29-Dec-11	19-Dec-14	1.000%	500,000.00	501,400.00	499,990.00
Subtotal					10,000,000.00	10,098,162.12	10,164,579.50
<b>3 Years to 5 Years</b>							
US Obligation	FHLMC	23-Sep-11	9-Feb-15	2.700%	750,000.00	803,557.50	799,845.00
US Obligation	FHLB	10-Jun-11	8-Jun-15	1.860%	500,000.00	502,418.00	502,710.00
US Obligation	FNMA	9-Sep-11	9-Sep-15	1.000%	500,000.00	500,000.00	499,345.00
US Obligation	FNMA	14-Sep-11	26-Oct-15	1.590%	1,050,000.00	1,079,578.47	1,076,050.50
US Obligation	US Treasury	18-Aug-11	31-Jul-16	1.450%	500,000.00	512,382.82	516,915.00
US Obligation	FHLMC	29-Dec-11	2-Nov-16	1.690%	500,000.00	502,000.00	502,375.00
US Obligation	FNMA	28-Dec-11	28-Dec-16	1.000%	1,000,000.00	999,250.00	1,000,750.00
Subtotal					4,800,000.00	4,899,186.79	4,897,990.50

Total (before fiscal agent accounts) \$ 36,762,121.46 \$ 37,081,343.05 \$ 37,205,191.51

Fiscal Agent Accounts 8,519,406.64 8,519,406.64

**TOTAL INVESTMENT PORTFOLIO** \$ 45,600,749.69 \$ 45,724,598.15

**INVESTMENTS WITH PFM INVESTMENTS WITH CUTWATER** \$ 14,447,252.82 \$ 14,560,966.14

**WEIGHTED AVERAGE MATURITY OF THE INVESTMENT PORTFOLIO** 2.23 Years

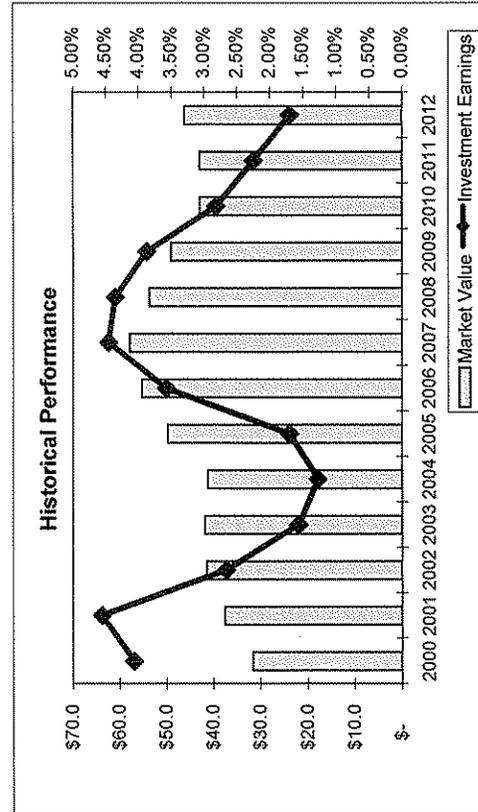
The City of Benicia complies with Government Code Sections 53600 et seq. and the City's Investment Policy. The source of market value is Union Bank of California. The City has the ability to meet expenditure requirements for the next six months. This report, to the best of my knowledge, is accurate representation of the City of Benicia's investments.

  
 Bill Zenoni, Interim Finance Director

**City of Benicia  
Historical Portfolio Comparison**

Market Value (Millions)					
Fiscal Year / Quarter	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Annual Average
2000	\$ 28.4	\$ 31.2	\$ 31.8	\$ 35.1	\$ 31.6
2001	33.0	36.7	37.7	42.8	37.5
2002	39.3	41.5	40.3	44.6	41.4
2003	39.7	43.4	39.5	44.8	41.8
2004	39.3	42.8	41.1	41.8	41.3
2005	36.7	53.8	50.0	56.6	49.8
2006	46.9	54.9	55.1	64.3	55.3
2007	57.4	59.3	54.4	60.1	57.8
2008	51.9	54.7	51.4	56.8	53.7
2009	48.1	52.1	47.3	48.7	49.1
2010	42.6	43.7	39.4	45.7	42.9
2011	37.6	46.2	35.7	52.6	43.0
2012	46.6	45.7			46.2

Investment Earnings					
Fiscal Year / Quarter	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Annual Average
2000	3.53%	4.17%	4.15%	4.41%	4.06%
2001	4.76%	4.82%	4.58%	4.07%	4.55%
2002	3.52%	2.72%	2.27%	2.01%	2.66%
2003	1.90%	1.61%	1.41%	1.34%	1.57%
2004	1.38%	1.28%	1.24%	1.20%	1.28%
2005	1.31%	1.43%	1.74%	2.33%	1.70%
2006	2.52%	3.76%	3.84%	4.16%	3.57%
2007	4.34%	4.44%	4.46%	4.57%	4.45%
2008	4.56%	4.48%	4.20%	4.15%	4.35%
2009	4.01%	4.07%	4.03%	3.36%	3.87%
2010	3.17%	2.83%	2.65%	2.60%	2.81%
2011	2.51%	2.38%	2.15%	1.95%	2.25%
2012	1.76%	1.64%			1.70%



Investment Earnings - Dollars						
Fiscal Year / Quarter	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Mark to Market *	Annual Average
2008	319,769	789,398	474,720	327,578	403,879	578,856
2009	275,114	580,504	577,776	469,565	267,309	542,565
2010	299,040	294,913	226,519	289,374	(196,842)	228,251
2011	267,030	235,311	165,343	162,677	(352,938)	119,356
2012	not available	not available				

\* Mark to market is the difference between current year minus prior year's mark to market gain or loss.



**AGENDA ITEM  
CITY COUNCIL MEETING DATE - APRIL 3, 2012  
CONSENT CALENDAR**

**DATE** : March 20, 2012  
**TO** : City Manager  
**FROM** : Public Works and Community Development Director  
**SUBJECT** : **ACCEPTANCE OF THE 2011 STREET RESURFACING PROJECT**

**RECOMMENDATION:**

Adopt a resolution accepting the 2011 Street Resurfacing Project as complete, authorizing the City Manager to sign the Notice of Completion, and authorizing the City Clerk to file same with the Solano County Recorder.

**EXECUTIVE SUMMARY:**

This project patched and resurfaced Columbus Parkway from the I-780 westbound on/off-ramps to the western City limit at Benicia Road and the intersections of Southampton Road and West 7th Street at the I-780 ramps. The final construction contract cost of \$293,299 is fully funded from a Local Streets & Roads federal grant and Proposition 1B monies. Formal acceptance of the work by the City Council is required to file the Notice of Completion and allow final payment to be made to the contractor.

**BUDGET INFORMATION:**

The final construction project funding and expenditures are outlined below:

**Final Project Funding**

FY 2011/12 Adopted Budget	
Local Streets & Roads Federal Grant (035 7635 9711) .....	\$279,085
Proposition 1B Funds (035 7735 9711).....	<u>\$45,516</u>
<b>Total Project Budget</b> .....	<b>\$324,601</b>

**Final Project Expenditures**

<b>MKC Construction Contract</b> .....	<b>\$293,299</b>
Material Testing .....	\$7,925
Construction Engineering.....	<u>\$23,377</u>
<b>Total Project Expenditures</b> .....	<b>\$324,601</b>

**GENERAL PLAN:**

Relevant Goal:

- Goal 2.28: Improve and maintain public facilities and services

**STRATEGIC PLAN:**

Relevant Issue and Strategy:

- Strategic Issue #4: Preserving and Enhancing Infrastructure
  - Strategy #4: Provide adequate funding for ongoing infrastructure needs

**ENVIRONMENTAL REVIEW:**

This project is Categorically Exempt per CEQA Guidelines Section 15301 (c) – maintenance of existing street.

**BACKGROUND:**

On September 20, 2011, the City Council awarded a construction contract to MKC Services, Inc., of Concord, California, for the 2011 Street Resurfacing Project. The project consisted of patching and overlaying Columbus Parkway from the I-780 westbound on/off-ramps to the western city limit of Benicia Road and intersections of Southampton Road and West 7th Street at the I-780 ramps. The asphalt overlay provides a new driving surface and strengthens the street.

The 2011 Street Resurfacing Project was completed at a final total project cost of \$324,601 and is fully funded using the Local Street & Roads federal grant and Proposition 1B monies. The project was completed to the satisfaction of the City Engineer and it is therefore recommended the City Council accept this project as complete.

Attachments:

- Proposed Resolution
- Notice of Completion
- Location Map
- Project Photographs

**RESOLUTION NO. 12-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA ACCEPTING THE 2011 STREET RESURFACING PROJECT AS COMPLETE, AUTHORIZING THE CITY MANAGER TO SIGN THE NOTICE OF COMPLETION, AND AUTHORIZING THE CITY CLERK TO FILE THE SAME WITH THE SOLANO COUNTY RECORDER**

**WHEREAS**, by Resolution No. 11-113, the City Council awarded the contract for the 2011 Street Resurfacing Project to MCK Services, Inc of Concord, California; and

**WHEREAS**, MCK Services, Inc patched and overlaid Columbus Parkway with asphalt concrete from the I-780 westbound on/off-ramps to the western city limit of Benicia Road and the intersections of Southampton and W 7th at the I-780 ramps, and

**WHEREAS**, MCK Services, Inc has completed the work in accordance with the plans and specifications and to the satisfaction of the City Engineer for a final construction cost of \$293,299, with no change orders, and

**WHEREAS**, the 2011 Street Resurfacing Project is fully funded with a Local Streets & Roads federal grant and Proposition 1B monies, and

**WHEREAS**, formal acceptance of the work by the City Council is now required to allow final payment to be made to the contractor.

**NOW, THEREFORE, BE IT RESOLVED THAT** the City Council of the City of Benicia hereby accepts to the 2011 Street Resurfacing Project as complete for a final construction cost of \$293,299.

**BE IT FURTHER RESOLVED**, that the City Manager is hereby authorized to sign the Notice of Completion and the City Clerk is authorized to file said Notice with the Solano County Recorder.

\*\*\*\*\*

On motion of \_\_\_\_\_, seconded by \_\_\_\_\_, 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 3<sup>rd</sup> day of April, 2012, and adopted by the following vote:

Ayes:

Noes:

Absent:

\_\_\_\_\_  
Elizabeth Patterson, Mayor

Attest:

\_\_\_\_\_  
Lisa Wolfe, City Clerk





Recorded at the request of:

CITY OF BENICIA

After recording return to:

CITY OF BENICIA  
ATTN: CITY ENGINEER  
250 EAST 'L' STREET  
BENICIA, CA 94510

**NOTICE OF COMPLETION**

NOTICE IS HEREBY GIVEN THAT:

1. The City of Benicia, 250 East "L" Street, Benicia, CA, 94510, is the owner of the property described as:

**Various public city streets**, located in the City of Benicia, County of Solano, State of California.

**Nature of title as stated owner: In Fee.**

2. A work of improvement known as the **2011 Street Resurfacing Project** within the property described was completed and accepted by the City Council of the City of Benicia on March 20, 2012.
3. The name of the contractor for such improvement was **MCK Services, Inc of Concord, CA.**

CITY OF BENICIA

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Brad Kilger, City Manager

Attest: \_\_\_\_\_  
Lisa Wolfe, City Clerk

The undersigned, being duly sworn, says: that she is the person signing the above document; that she has read the same and knows the contents thereof, and that the facts stated therein are true, under penalty of perjury.

\_\_\_\_\_  
Lisa Wolfe, City Clerk



**Intersection of Columbus Parkway &  
Rose Drive before resurfacing**



**Intersection of Columbus Parkway &  
Rose Drive after resurfacing**







**COLUMBUS PARKWAY**  
NTS

LIMIT OF WORK



**SOUTHAMPTON**  
NTS



# CITY OF BENICIA

PUBLIC WORKS &  
COMMUNITY DEVELOPMENT

## 2011 STREET RESURFACING PROJECT



PROJECT NUMBER

11-01

DATE

March 05, 2012

SHEET

APPENDIX A

**VII.C.11**



**AGENDA ITEM**  
**CITY COUNCIL MEETING DATE - APRIL 3, 2012**  
**BUSINESS ITEMS**

**DATE** : March 26, 2012

**TO** : City Manager

**FROM** : Acting Economic Development Manager

**SUBJECT** : **BENICIA STATE CAPITOL HISTORIC PARK MAINTENANCE AGREEMENT**

**RECOMMENDATION:**

Approve, by motion, proposed Agreement for a grounds/restroom maintenance agreement for the Benicia State Capitol Historic Park by and between the City of Benicia and State of California.

**EXECUTIVE SUMMARY:**

On September 6, 2011, due to the pending closure of Benicia's two State Parks, the City Council directed staff to begin negotiations with the State of California to draft operating/maintenance agreements for the Benicia State Historic Capitol and State Recreation Area. The State and City have reached agreement on terms for the City to maintain the grounds and restroom at the Benicia State Capitol Historic Park for a period of just over two years, from May 1, 2012 to June 30, 2014.

The City, State and Benicia State Parks Association continue to discuss terms for operating agreements for the State Capitol/Fisher Hanlon House and State Recreation Area.

**STRATEGIC PLAN:**

Relevant Strategic Plan Goals and Strategies:

- Strategic Issue 1: Protecting Community Health and Safety
  - Strategy 5: Promote community and personal health
  
- Strategic Issue 3: Strengthening Economic and Fiscal Conditions
  - Strategy 5: Increase economic viability of industrial park and other commercial areas, while preserving existing economic strengths and historic resources.

**BUDGET INFORMATION:**

Staff has estimated the annual cost to maintain the grounds and restroom to be

approximately \$25,500. For the remaining months of this fiscal year the State shall be responsible for supply costs. Beginning on July 1, 2012 the City will be responsible for supplies.

For the months of May and June 2012 staff is recommending the allocation of \$1,300 from Economic Development Contract Services Account No. 010-2606-8100 to cover labor costs.

For fiscal year 2012/2013 staff is recommending an allocation of \$15,700 from Economic Development Contract Services Account No. 010-2606-8100 to pay for the cost of supplies. Staff further recommends a one-time allocation of \$2,000 for the purchase of tools and equipment from Parks and Community Services, Small Tools and Equipment Account No. 010-9505-8779.

To cover the cost of labor to perform these services, estimated to be \$7,800, staff anticipated securing a donation from Alden Olmsted and the State Parks Foundation. These funds cannot be awarded until the agreement with the State is executed.

**BACKGROUND:**

Following City Council direction in September, staff has been working with State staff over the last seven months to develop agreements to keep open and accessible Benicia's two State Parks. As noted in the staff report of September 6, 2011, the City's approach was to finalize a Capitol Agreement first. Recognizing the prominence of the Benicia State Capitol in the center of our downtown and the need to have accessible restrooms centrally located on First Street, staff diligently moved to take responsibility of the Capitol grounds/restroom maintenance as soon as possible. The Agreement also serves as a life-line to the State of California, giving them twenty-six months to better manage their budget so they can meet all of their obligations.

Due to the unique nature of the circumstance, a relatively new agreement needed to be crafted to accommodate the needs of both the State and City. The proposed Agreement serves to keep the restrooms at the Capitol Park open and accessible seven days a week. Presently the restrooms are only open on the weekends. The Agreement also insures that the grounds will be well maintained, free from debris and blight. This Agreement does not address the actual operation of the Capitol Building or Fisher Hanlon House. Those tasks are being negotiated between the State and the Benicia State Parks Association, and it is anticipated that an agreement for those services will be in place by July 1, 2012.

The specifics of the City's responsibilities are found in Exhibit A, §42 of the Agreement, on page 23. That Section specifies that the City will be responsible

for maintaining approximately 2,500 square feet of turf area on the east and west side of the Capitol building. City staff will be responsible for clearing debris fertilizing, pruning vegetation (not trees) and weed abatement. Additionally the City will be responsible for serving the exterior restrooms daily.

Key elements of this Agreement were the respective indemnification clauses. It was essential to the City that it be protected from all actions or inactions not within control of the City. To this end the respective City and State staff developed indemnification language to meet this need. The City will be liable, responsible and held harmless the State of California for its actions. The State shall hold harmless the City for all actions save those that are from the sole negligence or willful misconduct of the City.

The proposed Agreement was reviewed by the Economic Development Board on March 28<sup>th</sup> and will be reviewed by the Parks, Recreation and Cemetery Commission on April 11<sup>th</sup>. Time is of the essence for this Agreement. In order for the City to take possession of the grounds by May 1<sup>st</sup>, the City Council must take action in the beginning of April. Should the Council approve the Agreement, then it will be executed by the State Director of Parks and Recreation, Ruth Coleman. It is anticipated the City would begin maintenance operations on May 1, 2012.

Attachment:

- State Park Closure Staff report – September 6, 2011
- Proposed Agreement



**AGENDA ITEM**  
**CITY COUNCIL MEETING DATE - SEPTEMBER 6, 2011**  
**BUSINESS ITEMS**

**DATE** : August 29, 2011

**TO** : City Manager

**FROM** : Acting Economic Development Manager

**SUBJECT** : **STATE PARK CLOSURES: DISCUSSION OF STAFF ASSESSMENT OF THE BENICIA STATE PARKS AND CONCEPTUAL BUSINESS TERMS FOR OPERATING AGREEMENT(S) WITH THE STATE OF CALIFORNIA**

**RECOMMENDATION:**

Provide direction to staff on recommended terms to negotiate with the State of California to keep the Benicia State Recreation Area and Benicia Capitol State Historic Park open and accessible to the public.

**EXECUTIVE SUMMARY:**

The State of California, in the adoption of the State budget, has reduced funding to the State Parks system, resulting in the pending closure of 70 State Parks, including both State Parks located in Benicia. City staff and community groups have been working for months to assess and develop a plan to keep the parks open. Due to the unique and sadly historic nature of developing a process to close State Parks, there is a great deal of uncertainty as to what closure will look like and how it will come to pass. To address some of that uncertainty, Staff recommends negotiating three separate agreements with the State of California; one agreement between the City and State for the City to keep accessible the State Recreation Area (SRA), a second agreement between the City and State for the City to maintain the Benicia State Capitol grounds and restroom, and a third agreement between the Benicia State Parks Association and the State to operate the Benicia State Capitol and the Fischer-Hanlon House.

**STRATEGIC PLAN:**

Relevant Strategic Plan Goals and Strategies:

- Strategic Issue 1: Protecting Community Health and Safety
  - Strategy 5: Promote community and personal health

- Strategic Issue 3: Strengthening Economic and Fiscal Conditions
  - Strategy 5: Increase economic viability of industrial park and other commercial areas, while preserving existing economic strengths and historic resources.

**BUDGET INFORMATION:**

Staff's recommended terms would require an additional appropriation of \$25,500 to maintain and supply the State Capitol Grounds and pay for utilities. Costs to keep accessible the SRA would be derived from a transfer of funds from the State to the City.

**BACKGROUND:**

Over the last three years the City of Benicia and community groups have been leaders and advocates in supporting efforts to maintain and save our State Parks. The City Council adopted Resolutions Nos. 08-10 and 09-57 supporting the Save Our State Parks Campaign and Benicia residents have invested countless hours advocating and rallying support in Sacramento to keep Benicia State Parks open.

Unfortunately, this year, the Governor proposed and Legislature approved an \$11 million reduction in State Department of Parks and Recreation's budget, to be followed by another \$11 million reduction in 2012, for a total ongoing annual budget reduction of \$22 million. As a result of these reductions, it is anticipated that 70 State Parks throughout the state will be forced to close.

Leading up to the adoption of the State budget there was uncertainty on the specifics of State Park closures. Even today there it is still unknown exactly when the State will vacate Benicia's two State Parks. City staff has been advised that it could occur as early as September 2011 or as late as June 2012. Regardless of the final vacating date, it is likely the State could phase out operations. Presently, the State only opens the Benicia State Historic Capitol and restrooms on the weekends and they have closed vehicle access to the SRA two days a week.

Recognizing this impending reality, City staff and community stakeholders have been meeting, strategizing and coordinating efforts to keep our Benicia State Parks open. The stakeholder group, lead by Benicia State Parks Association President Carol Berman and Gene Doherty, has diligently worked to bring various groups and interested parties together to build an alliance of organizations and volunteers to "step-in" the moment the State "steps-out". To assist with this transition building process, State Parks Superintendent, Mary Pass has attended multiple stakeholder meeting in Benicia, to answer questions and provide support.

For the City's part, staff have been discussing and meeting with staff from the State Department of Parks and Recreation to get information, primarily on the State's cost to maintain and operate the Parks. The effort to attain this information has been an arduous task. First, due to the back-and-forth of budget negotiations between the State Legislature and the Governor's Office, it was not clear, even by State Parks officials, which parks would close. To be sure, there were closure lists and assumptions, but nothing was definitive. When the budget was finally adopted, the process to identify specific operating costs was just that, a process. The State Parks system budgets are developed on a district wide level, therefore teasing out individual, line-item expenses per park was a staff intensive process.

Despite the tedious effort, State Parks Superintendents Mary Pass and Steve Bachman and their staffs have worked hard to supply City staff with this information. Both Superintendents have met with City staff numerous times to review the operational costs and discuss potential issues. Additionally, the respective staffs have walked the park sites to review and discuss issues, for which there are many.

The State of California has already identified over \$3.5 million in deferred maintenance projects for Benicia's two State Parks. Following the walk-thru with State staff, one cannot help but come away with the observation that \$3.5 million is a conservative estimate. The deferred maintenance needs at the parks are glaring. The following are some of the identified issues at the parks:

**Table 1**

STATE RECREATION AREA	BENICIA STATE HISTORIC CAPITOL / FISHER HANLON HOUSE
Asphalt road from main entrance is in need of repair.	Unknown roof leak in the State Capitol building. Leak is causing damage to the ceiling.
Both restrooms are on fragile septic tanks.	Wood floor maintenance has not been addressed in several years. Floor is bare wood.
The picnic area restroom septic system pipeline is terracotta and is decomposing. The line is flat and has to be commercially unclogged several times per year.	South side windows appear to be leaking, paint is peeling, causing damage to the wall.
Restroom at Dillon Point pipeline system has a hole in the line that has yet to be repaired. Septic tank can overflow because it lacks power, due to wire theft.	Outdoor restroom facility roof is leaking.

Boundary from Dillon Point to City of Vallejo with access points from Glen Cove neighborhoods (approximately 2 miles). Neighbors have concerns regarding access from their neighborhood (issues with parking and kids hanging out, and maintenance of area).	Fisher-Hanlon - major structural and foundation issues (second story hallway has surface cracks in the ceiling, deterioration of foundation, steel rods were installed to assist with structural stability)
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The above table is not an exhaustive list. Nonetheless, it is illustrative of the overarching issues at the State Parks. Moreover, there is still more to learn about the State Parks, both in terms of current issues and potential future issues. Simply put, there are a lot of needs that will require a lot of money to repair.

Upon review of the condition of both State Parks and taking into consideration the City's financial challenges, staff is recommending a short-term or stop gap approach. Our goal is to keep the parks accessible to the public. Neither the City of Benicia nor any of our non-profit groups can afford to absolve the State of their responsibility as the property owner. To this end, staff is recommending a narrowly focused, short-term approach. Paramount in all of these agreements is mutual assent that liability for the City of Benicia and related non-profit group's care and operation of the State Parks continue to rest solely with the State of California. Due to the magnitude of needed repairs it is essential that the State indemnify the signatories of any agreements (emphasis added).

To achieve our goal and keeping a narrow focus staff is recommending three separate agreements. The following are descriptions of key business terms and staff's cost estimates:

**Agreement Number 1: State Recreation Area:**

Staff recommends a two-year agreement for the City to perform the following tasks:

- The City shall keep accessible for seven days a week, from sunrise to dusk, the access road for pedestrian, bicycle and vehicle traffic beginning from the entry point from K Street to the access point at Glenn Cove (Dillon Point).
- Perform safety related pruning and maintenance along pedestrian and bike paths and access road.
- City staff will maintain the one restroom adjacent to the picnic area and the Forrest Deaner Native Plant Botanic Garden.

- City Staff will maintain and empty, on a daily basis, all trash receptacles located along the path.
- Minor facility and ground repairs.

In consideration to perform these duties, the City would request payment from the State of \$80,000. This represents less than half the cost the State expends to keep the park maintained.

Below is a table describing tasks and estimated costs:

**Table 2**

ITEM / TASKS	COST ESTIMATE
<b><u>Personnel - Four seasonal workers:</u></b> (1) Monday –Friday, 3 hours/day (1) Monday –Friday, 3 hours/day (1) Monday-Friday, 3 hours/day (1) Saturday, Sunday, 8 hours/day	\$50,000
<u>Supplies:</u> Cleaning supplies, Trash bags, Paper products, Gasoline	\$ 6,000
<u>Contracts:</u> Portable toilet, septic tank clean out	\$ 3,000
<u>Utilities:</u> PG&E, Water, Garbage	\$15,000
<u>One Time Expenditures:</u> Small tools: (weed eaters, blowers, hand tools)	\$ 3,000
<b>TOTAL:</b>	<b>\$77,000</b>

The City is not recommending maintenance of the restroom past the Forrest Deaner Garden. As noted above, the condition of second restroom is degraded to such an extent, the City does not have the identified resources to keep it operational. State officials have recognized that this restroom, while safe and operational today, is standing on borrowed time. It is only a matter of time before the infrastructure supporting this restroom begins to fail. As such, its City staffs recommendation that this restroom facility be abandoned and cordoned off. Additionally, staff recommends that all deferred maintenance and any future maintenance issues remain the responsibility of the State.

Looking ahead, City staff will continue to solicit support and assistance from other governmental agency. It is well recognized that the SRA is not just a "Benicia" park, rather it is a regional attraction for Solano County, especially for

Vallejo (Glenn Cove) residents and thus affects the City of Vallejo and the Greater Vallejo Recreation District (GVRD). Because of its regional prominence the SRA serves as an opportunity for Solano County to have a County park presence in southern Solano County. The effort to make this park a regional attraction should be treated as a golden opportunity for political leaders to work with their respective colleagues to develop a multi-jurisdictional partnership.

Should the City of Benicia assume a “lead” agency role in keeping the SRA accessible, staff is conceiving of ways to create a police volunteer “park ranger” program. Such a program would serve both as a vehicle for interested parties to help and provide an organized, coordinated “neighborhood watch” style program within the SRA.

Having additional “eyes and ears” traversing the SRA is where volunteers can be most effective in helping keep the SRA open and safe. It has been suggested that volunteers could be marshaled to help maintain the park in other facets, including general cleaning and maintenance. While these intentions are appreciated, it is staff’s assessment that relying on volunteers to perform this work is untenable. The work required to keep the SRA well maintained is difficult, hard, manual labor. While it may be that some volunteers could perform this work intermittently, to be effective this work must be performed routinely. Moreover, the work requires an understanding and in some cases certification in handling of chemicals and small equipment. To achieve this, paid maintenance workers are required.

### **Agreement Number 2: Benicia State Historic Capitol**

Staff recommends a two-year agreement for the City to perform the following tasks:

- The City shall maintain the Benicia State Historic Capitol grounds and keep open the public restrooms, to include the following:
  - Open and close restrooms daily
  - Clean restrooms daily
  - Empty trash receptacles and remove trash from grounds
  - Mow and edge turf once a week
  - Perform safety related pruning and minor maintenance
- The City shall pay for utility costs to operate the Benicia State Historic Capitol and Fisher Hanlon House

Below is a table describing tasks and estimated costs:

**Table 3**

ITEM / TASKS	COST ESTIMATE
<b><u>Personnel – One seasonal worker:</u></b> (1) seasonal park worker –10 hours a week <ul style="list-style-type: none"> <li>➤ 7 days @ 1hr. a day - (restrooms)</li> <li>➤ 1 day @ 3 hrs - (mow / edge / landscape maintenance)</li> </ul>	\$ 7,800
<u>Supplies:</u> Irrigation supplies, Fertilizer, Cleaning supplies, Trash bags, Paper products Gasoline	\$ 1,700
<u>Utilities:</u> Telephone, PG&E, Water, Garbage	\$14,000
<u>One Time Expenditures:</u> Small tools: (Weed eaters, Blowers, Hand tools)	\$ 2,000
<b>TOTAL:</b>	<b>\$25,500</b>

As in the proposed agreement for the SRA, staff is recommending that all deferred maintenance issues remain the responsibility of the State.

Due to the fact that the Benicia State Historic Capitol and its restrooms are only opened two days a week, thus limiting the experience and amenities of our downtown visitors, staff recommends that the Benicia State Historic Capitol be treated as a priority and that an agreement for this park not be contingent on any other agreement. This park is the logo of our City and located in the center of our downtown. The sooner one can expand the operations of the Capitol and restrooms the better it will be for our community. Therefore, due to the urgent circumstances and nature of this park and the recognition that seeking direct funding from the State, as proposed in Agreement No. 1, will be challenging, staff is recommending that the City of Benicia allocate from the General Fund the required budget to maintain the Capitol grounds. As we move forward in the process a specific account needs to be identified. As of right now, staff is only noting that that in the near future it is likely that an allocation of approximately \$25,500 will be necessary.

**Agreement Number 3: Agreement Between State of California and Benicia State Parks Association**

City staff recommends that the Benicia State Parks Association enter into an agreement with the State of California to open and operate the Benicia State Historic Capitol and Fischer-Hanlon House and garden. Volunteers from the Association would coordinate efforts with the State to ensure docents were

properly trained meeting State requirements to continue to house all the artifacts in the respective Benicia locations. All proceeds from tour entry fees would be deposited with the Association to enable them pay for docent and insurance costs.

Such an agreement would become legally possible following the adoption of Assembly Bill 42. This bill allows the State to enter into operating agreements with non-profit groups. In early July AB 42 was approved out of Committee. The California State Parks Foundation is strongly endorsing this bill and it is assumed that this bill will become law, effective January 1, 2012.

Following City Council direction staff will move forward to negotiate operating agreements with the State of California.

Operating Agreement

with

The City of Benicia

for

The Grounds and Restroom Facilities of the City Benicia State Capitol Historic  
Park

STATE OF CALIFORNIA – RESOURCES AGENCY  
DEPARTMENT OF PARKS AND RECREATION  
CONCESSIONS DIVISION  
1416 NINTH STREET, 14<sup>TH</sup> FLOOR  
SACRAMENTO, CA 95814



OPERATING AGREEMENT  
for  
Benicia State Capitol State Historic Park

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OPERATING AGREEMENT

with

The City of Benicia

for

Benicia State Capitol Historic Park Grounds and Restroom

THIS OPERATING AGREEMENT (Agreement), by and between STATE OF CALIFORNIA, acting through the Department of Parks and Recreation, hereinafter referred to as “State”, and the City of Benicia, hereinafter referred to as “City”.

WITNESSETH:

Whereas, pursuant to the provisions of Section 5080.30, et seq., of the California Public Resources Code, State may enter into an operating agreement with any city, county, district, public agency, or combination thereof of the State of California for the care, maintenance, administration, and control of lands under the jurisdiction of State for the purpose of the state park system; and

Whereas, State has acquired for park and recreational purposes certain real properties known as Benicia State Capitol State Historic Park located within Solano County; and

Whereas, State and City desire to enter into an Agreement to provide for the operation, control, and maintenance of Benicia State Capitol State Historic Park by City;

**NOW, THEREFORE**, in consideration of the mutual covenants hereinafter contained, the parties hereto agree as follows:

**1. PREMISES**

State authorizes City to maintain the grounds and restroom facilities of the City Park as shown in "Exhibit A", attached and hereby made a part hereof, hereafter “Premises”. City agrees to accept Premises, including facilities covered

by this Agreement, and take the same in their present condition "AS IS" with all faults, and agrees to maintain the same in a safe and tenable condition, and, at any termination of this Agreement, to promptly turn back the same to State in the same or better condition, reasonable wear and tear excepted. State shall not be obligated to make any alterations, additions, or betterments to the Premises except as otherwise provided for in this Agreement. This Agreement is not intended to and does not create any third party rights and in no event shall be relied on by any party other than City and State.

## **2. TERM**

The term of this Agreement shall be for a period of approximately twenty-six (26) months and shall commence on the first day following approval by both the State, and Department of General Services, no sooner than May 1, 2012, concluding on June 30, 2014. Should City hold-over after the expiration of the term of this contract with the express or implied consent of the State, such holding-over shall be deemed to be a tenancy from month-to-month subject otherwise to all the terms and conditions of this contract.

## **3. USE OF PREMISES**

City agrees to operate, control, and maintain the "turf area of the Benicia Capitol State Historic Park, (excluding the Fisher Hanlon Garden) and the existing restroom facility" "(Premises)", as a State Historic Park and/or for park-related use with related concessions and/or other facilities accessible and subject to the use and enjoyment of the general public. Operation of the Premises shall be conducted in accordance with all applicable State general planning principles, State Commission policies and all federal, state, and local government statutes, laws, and regulations.

Upon written permission of State, which shall not be unreasonably withheld, City may improve the Premises by operating the turf area and the restroom facility and their intended uses under general plan compliance

requirements. These facilities shall not adversely affect the use and enjoyment of the Premises by the public.

City may adopt rules and regulations for the use and enjoyment of the Premises by the public. Any such rules and regulations adopted by City shall conform to and be consistent with the rules and regulations adopted by State and generally applicable to the California State Park system. The Premises shall not be used for any purpose other than those permitted by this Agreement.

City shall not use or permit the Premises to be used in whole or in part during the term of this Agreement for any purpose other than as herein set forth without the prior written consent of the State.

#### **4. CONSIDERATION**

In consideration of the services to be performed by City pursuant to this Agreement, State hereby authorizes the use and access of the Premises by City. In the event that City fails to perform in good faith, the Premises shall revert back to the State, at State's option, and State shall have the right to pursue any other remedies available under this Agreement and/or otherwise available by law.

Any income to City derived from its control and operation of Premises for services, benefits, or accommodation to the general public, or otherwise, shall be used only for the maintenance, operation, administration, improvement, or development of lands and/or facilities located within Park Unit. Any such portion of income as may exceed costs and expenses described in this paragraph shall be remitted to State in accordance with Section 5080.32 (b)(2) of the California Public Resource Code.

#### **5. MAINTENANCE OBLIGATIONS OF THE CITY AND STATE**

A. CITY shall on a daily basis open, clean and supply the restroom facility at the Premises. STATE shall provide restroom supplies (toilet paper, towels, soap) until June 30<sup>th</sup>, 2012. For the remainder of the agreement, the City shall provide all supplies. If the contract continues on a month-to-month tenancy the City will provide restroom supplies.

B. CITY shall at least weekly perform ground maintenance, which may include but not limited to, turf irrigation, fertilization and mowing, removal of debris from grounds and trash receptacles. STATE shall provide adequate irrigation and utilities and pay all utility costs until June 30<sup>th</sup>, 2012. For the remainder of the agreement, the City will bear all utility costs. If the contract continues on a month-to-month tenancy the City will assume the responsibility for the irrigation system, utilities and pay all utility costs.

C. During the term of this Agreement and at City's own cost and expense, City shall maintain and operate the Premises including equipment, personal property, and alterations or improvements of any kind that may be erected, installed, or placed thereon in a clean, safe, wholesome, and sanitary condition free of trash, garbage, or obstructions of any kind. During the term of this Agreement it shall be the City's responsibility to insure that the Premises are maintained to the satisfaction of STATE. All operation and maintenance shall be in accordance with all laws, codes, regulations, ordinances, and generally accepted industry standards pertaining to such work.

D. Should City fail, neglect, or refuse to undertake and complete any required maintenance, State shall have the right to perform such maintenance or repairs for the City. State may be obligated to make some repairs to the Premises but not obligated to maintain any improvement on the Premises. City hereby expressly waives the right to make repairs at the expense of the State and the benefit of Sections 1941 and 1942 of the California Civil Code relating thereto, if there be any. State has made no representations respecting the condition of the Premises, except as specifically set forth in this Agreement.

E. State and City will meet and discuss financial responsibility for all repairs to the irrigation system, including irrigation clocks, electrical, valves, and backflow or mainline, and for all repairs to the restroom facility. This includes any damage caused by vandalism.

F. State reserves the right to enter the Premises for inspection and work related to its care and maintenance during the term hereof, provided that

State shall give City reasonable written notice of its intention to do any of the work herein mentioned before such work is undertaken.

## **6. CONCESSIONS**

Subject to prior written approval by State, City may grant concessions in or upon the Premises consistent with the requirements of State under Sections 5080.33 and 5080.34 of the California Public Resources Code. All concession contracts shall be subject to the requirements of the California Public Resources Code Section 5080.20 and shall be assumable and/or subject to termination by State, at State's sole discretion, in the event this Agreement is terminated by its terms. No concessions that exploit public lands for commercial purpose shall be granted by City. Further, all concession agreements shall be made subject to audit by State. State shall have the right, through its representative and at all reasonable times, to examine and copy all working papers supporting Concessionaire's annual financial statement. In addition, the State, acting through its representative, may conduct additional independent reviews of the concession operations upon written notification of such intent to City.

## **7. TAXES**

City, by signing this Agreement, acknowledges that occupancy interest and rights to do business on State property may create a possessory interest as that term is defined in Revenue and Taxation Code Section 107.6, which possessory interest may subject a concessionaire to liability for the payment of property taxes levied on such possessory interest. City and/or any concessionaire engaged by City shall pay all lawful taxes, assessments, or charges that may be levied by the State, County, City, or any tax or assessment levying body at any time upon any interest in or created by this Agreement, or any possessory right that City and/or any concessionaire may have in or to the Premises covered hereby or the improvements thereon, by reason of City and/or any concessionaire's use or occupancy thereof or otherwise, as well as all taxes, assessments, and charges on goods, merchandise, fixtures, appliances,

equipment, and property owned by City and/or any concessionaire in or about the Premises.

## **8. RECORDS AND ACCOUNTS**

A. At all times during the term of this Agreement, City shall keep separate, true, and complete books, records, and accounts of all income and fees received and all expenditures made by City in relation to concessions, events, special services, and all other matters incident to the development, control, and operation of the Premises. City shall report said income and expenditures to State in accordance with "**Exhibit B**" Operating Agreement Annual Report, or in a similar format acceptable to State one month prior to the ending date of this agreement.

B. The books, records, and accounts applying to the operation of the Premises and kept by City shall be open for audit or inspection by State at all reasonable times. All records shall be kept by City for a period of at least four (4) years. City shall be subject to State's audit requirements and remedies as set forth herein.

## **9. UTILITIES AND SERVICES**

State shall be responsible for all expenses resulting from utilities supplied to the Premises until June 30<sup>th</sup>, 2012. Thereafter, the City shall be solely responsible. State shall be responsible for distribution systems and all related expenses within the Premises.

## **10. INSURANCE**

A. Liability Insurance: At its sole expense, City agrees to maintain in force during the term of this Agreement comprehensive general liability insurance, insuring against claims for injuries to persons or property occurring in, upon, or about Premises. The insurance shall have limits of not less ONE MILLION DOLLARS (\$1,000,000) for injuries to person or persons; not less than ONE MILLION DOLLARS (\$1,000,000) for property damage; and said limits shall

be per occurrence and shall be adjusted annually to reflect changes in the prior year's Consumer Price Index (CPI).

B. State agrees that City, at City's option, may self-insure the coverages required by this Section.

C. Each policy of liability insurance shall contain additional named insured endorsements in the name of the State of California, through its Department of Parks and Recreation, as to all insurable interests of the State including, but not limited to, the Premises and all contents as follows:

1) State of California, its officers, employees, and servants are included as additional insured but only insofar as operations and facilities under this Agreement are concerned;

2) The insurer will not cancel or reduce the insured's coverage without thirty (30) days prior written notice to State.

D. No cancellation provision in any insurance policy shall diminish the responsibility of the City to furnish continuous insurance throughout the term of the Agreement. Each policy shall be underwritten to the satisfaction of the State. A signed Certificate of Insurance, with each endorsement required, including but not limited to State's additional insured endorsement, shall be submitted to State at the time this Agreement is executed, showing that the required insurance has been obtained. Further, at least thirty (30) days prior to the expiration of any such policy, City shall submit to State a signed and completed Certificate of Insurance, with all endorsements required by this Section, showing, to the satisfaction of State, that such insurance coverage has been renewed or extended. Within fifteen (15) days of State's request, City shall furnish State with a signed and complete copy of the required policy and/or evidence of self-insurance.

E. City agrees to impose the foregoing insurance requirements on any and all concessionaires and shall require that State be named as an additional insured on all policies. Failure to provide any of the required insurance and/or endorsements shall constitute a material breach of this Agreement.

**11. HOLD HARMLESS AGREEMENT**

A. INDEMNIFICATION OF DPR: City shall be responsible for, and DPR shall not be answerable or accountable in any manner for any loss or expense by reason of any damage or injury to person or property, or both, arising out of or related to activities carried out by City, its agents, officers, and/or employees, under this Agreement. City shall protect, hold harmless, indemnify and defend DPR, its agents, officers, and/or employees against any and all actions, claims, damages to persons or property, penalties, obligations or liabilities that may be asserted or claimed by any person, firm, association, entity, corporation, political subdivision, or other organization or person arising out of or in connection with City's activities hereunder, whether or not there is concurrent passive negligence on the part of DPR, its agents, officers, and/or employees, but excluding such actions, claims, damages to persons or property, penalties, obligations or liabilities arising from the sole negligence or willful misconduct of DPR, and in connection therewith:

i. ACTIONS FILED: City shall defend, with any attorney of its choosing, any action or actions filed in connection with any of said claims, damages, penalties, obligations or liabilities, and will pay all costs and expenses, including attorneys' fees incurred in connection therewith;

ii. JUDGMENTS RENDERED: City shall promptly pay, in accordance with the laws and regulations governing City's payment of judgments and/or claims, any judgment rendered against City or DPR covering such claims, damages, penalties, obligations and liabilities arising out of or in connection with such use of and operations on the property referred to herein and agrees to save and hold DPR harmless therefrom; and

iii. COSTS AND EXPENSES; ATTORNEY'S FEES: In the event DPR is made a party to any action or proceeding filed in connection with said claims, damages, penalties, obligations or liabilities or prosecuted against [Local

Government] for such damages or other claims arising out of or related to activities carried out by City under this Agreement, City agrees to pay DPR any and all costs and expenses incurred by them in such action or proceeding together with reasonable attorneys' fees.

The provisions of this section shall survive the termination or expiration of this Agreement.

B. INDEMNIFICATION OF City. DPR shall be responsible for, and City shall not be answerable or accountable in any manner for any loss or expense by reason of any damage or injury to person or property, or both, arising out of or related to activities carried out by DPR, its agents, officers, and/or employees, under this Agreement. DPR shall protect, hold harmless, indemnify and defend City of Benicia, its agents, officers, and/or employees against any and all actions, claims, damages to persons or property, penalties, obligations or liabilities that may be asserted or claimed by any person, firm, association, entity, corporation, political subdivision, or other organization or person arising out of or in connection with DPR's activities hereunder, whether or not there is concurrent passive negligence on the part of City its agents, officers, and/or employees, but excluding such actions, claims, damages to persons or property, penalties, obligations or liabilities arising from the sole negligence or willful misconduct of City , and in connection therewith:

i. ACTIONS FILED: DPR shall defend, with any attorney of its choosing, any action or actions filed in connection with any of said claims, damages, penalties, obligations or liabilities, and will pay all costs and expenses, including attorneys' fees incurred in connection therewith;

ii. JUDGMENTS RENDERED: DPR shall promptly pay, in accordance with the laws and regulations governing DPR's payment of judgments and/or claims, any judgment rendered against DPR or City covering

such claims, damages, penalties, obligations and liabilities arising out of or in connection with such use of and operations on the property referred to herein and agrees to save and hold City harmless therefrom; and

iii. COSTS AND EXPENSES; ATTORNEY'S FEES: In the event City is made a party to any action or proceeding filed in connection with said claims, damages, penalties, obligations or liabilities or prosecuted against DPR for such damages or other claims arising out of or related to activities carried out by DPR under this Agreement, DPR agrees to pay [Local Government] any and all costs and expenses incurred by them in such action or proceeding together with reasonable attorneys' fees.

The provisions of this section shall survive the termination or expiration of this Agreement.

**12. EMINENT DOMAIN PROCEEDINGS**

If the Premises or any portion thereof is taken by proceedings in eminent domain, State shall receive the entire award for such taking.

**13. PROHIBITIONS AGAINST ASSIGNING, SUBLETTING**

This Agreement and/or any interest therein or thereunder shall not be assigned, delegated, mortgaged, hypothecated, or transferred by City without obtaining the prior written consent of State.

**14. NOTICES**

Any notice and/or report required to be given or that may be given by either party to the other shall be deemed to have been fully given when made in writing and deposited in the United States Postal Service, postage prepaid, and addressed as follows:

State:

California Department of Parks & Recreation  
Attention: District Superintendent  
845 Casa Grande Road  
Petaluma, CA 94954  
Telephone: 707.769.5652

City:

City of Benicia  
Brad Kilger  
City Manager  
250 East L Street  
Benicia, California 94510  
Brad.kilger@ci.benicia.ca.us  
Telephone: 707.746.4200

Copy to:

Department of Parks and Recreation  
Concession and Reservations Division  
P.O. Box 942896  
Sacramento, California 94296-0001

**15. DEFAULTS AND REMEDIES**

Any failure by a party to this Agreement to observe or perform a provision of this Agreement, where such failure continues for thirty (30) days after written notice of such failure, shall constitute a default and breach of this Agreement. However, if the nature of the default is such that it cannot be reasonably cured within the thirty (30) day period, the offending party shall not be deemed to be in default if an effective cure is commenced within the thirty (30) day period and thereafter diligently prosecuted to completion. Upon an event of default by State, City shall have the right to terminate this Agreement by providing written notice to State.

Upon an event of default by City, State shall have the right to terminate this Agreement and obtain immediate possession of the Premises at any time by written notice to City. In such event, State shall be entitled to all rights and remedies at law and/or in equity, including but not limited to, costs and expenses incurred by State in recovering possession of and/or restoring the Premises, and compensation for all detriment proximately caused by City's failure to perform its obligations under this Agreement.

**16. TERMINATION**

A. Notwithstanding the provisions of Section 16, DEFAULTS AND REMEDIES, either party may terminate this Agreement for any reason. The party who wishes to terminate the Agreement shall give written notice of its intention no later than thirty (30) days before the scheduled termination date. Such notice shall be given in writing and shall be effective on the date given in the notice as the scheduled date for the termination of the Agreement. If the contract continues on a month-to-month tenancy the party who wishes to terminate the contract will provide written notice of its intention to terminate the contract no later than 30 days.

**17. SURRENDER OF THE PREMISES; HOLDING OVER**

A. Surrender: On expiration or within thirty (30) days after earlier termination of this Agreement, City shall surrender the Premises to State with all fixtures, improvements, and Alterations in good condition, except for fixtures, improvements, and Alterations that City is obligated to remove. City shall remove all of its personal property. If City fails to surrender the Premises to State on the expiration, assignment, or within thirty (30) days after earlier termination of the term as required by this Section, City shall hold State harmless for all damages resulting from City's failure to surrender the Premises.

B. Holding Over: After the expiration or earlier termination of the term and if City remains in possession of the Premises with State's express consent, such possession by City shall be deemed to be a temporary tenancy terminable

on thirty (30) days written notice given at any time by either party. All provisions of this agreement except those pertaining to the term shall apply to the temporary tenancy.

**18. REAL PROPERTY ACQUISITION**

It is understood and agreed to by the parties that all applications for real property rights, appurtenant to the Premises, shall be made in the name of and on behalf of State, and shall be subject to the prior written approval of State.

**19. COMPLIANCE WITH LAWS, RULES, REGULATIONS, AND POLICIES**

City and its officers, agents and employees shall comply with all applicable laws, rules, regulations, and orders existing during the term of this Agreement, including obtaining and maintaining all necessary permits and licenses. City acknowledges and warrants that it is, or will make itself, through its responsible managers, knowledgeable of all pertinent laws, rules, ordinances, regulations, or other requirements having the force of law affecting the operation of the Premises, including but not limited to laws affecting health and safety, hazardous materials, pest control activities, historical preservation, environmental impacts, and building standards.

**20. NONDISCRIMINATION**

Pursuant to Public Resources Code Section 5080.34, this Agreement and every contract on lands that are subject to this Agreement shall expressly prohibit discrimination against any person because of sex, sexual orientation, race, color, religious creed, marital status, ancestry, national origin, medical condition, age (40 and above), and disability (mental and physical) including HIV and AIDS.

City shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code, §12900 et seq.) and the applicable regulations promulgated thereunder (Cal. Code Regs, tit. 2, §7285.0 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code, §12990 (a)-(f), are incorporated into this agreement by reference and

made a part hereof as if set forth in full (Cal. Code Regs, tit. 2, §7285.0 et seq.). City shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. City shall include the non-discrimination and compliance provisions of this clause in all contracts to perform work under and/or in connection with this agreement.

In the event of violation of this Section, State will have the right to terminate this agreement, and any loss of revenue sustained by the State by reason thereof shall be borne and paid for by City.

**21. DISABILITY ACCESS LAWS**

With regard to all operations and activities that are the responsibility of City under this Agreement, and without limiting City's responsibility under this Agreement for compliance with all laws, City shall be solely responsible for complying with the requirements of the Americans with Disabilities Act of 1990 (ADA) (Public Law 101-336, commencing at Section 12101 of Title 42, United States Code, including Titles I, II, and III of that law), the Rehabilitation Act of 1973, and all related regulations, guidelines, and amendments to both laws.

With regard to facilities for which City is responsible for operation, maintenance, under this Agreement, City also shall be responsible for compliance with Government Code Section 4450, et seq., Access to Public Buildings by Physically Handicapped Persons, and Government Code Section 7250, et seq., Facilities for Handicapped Persons, and any other applicable laws, regulations, guidelines and successor statutes. Such compliance shall be at State's sole cost and expense. Written approval from State is required prior to implementation of any plans to comply with accessibility requirements.

**22. NATIONAL LABOR RELATIONS BOARD CERTIFICATION**

By signing this Agreement, City does hereby swear, under penalty of perjury, that no more than one final, un-appealable finding of contempt of court by a federal court has been issued against City within the two-year period immediately preceding the date of this Agreement because of City's failure to

comply with a federal court order that City shall comply with an order of the National Labor Relations Board.

**23. ENVIRONMENTAL AWARENESS AND RESOURCE PROTECTION**

City shall comply with State's resource management and preservation mandates in the conduct of all activities that impact cultural, natural, or scenic resources. These mandates include the California Public Resources Code Sections 5024 and 5097 et seq., State's Resource Management Directives, and the United States Secretary of the Interior's Guidelines for Historic Preservation.

**24. HAZARDOUS SUBSTANCES**

A. On the Premises City shall not:

- 1) keep, store, or sell any goods, merchandise, or materials that are in any way explosive or hazardous;
- 2) carry on any offensive or dangerous trade, business, or occupation;
- 3) use or operate any machinery or apparatus that shall injure the Premises or adjacent buildings in any way; or
- 4) do anything other than is provided for in this Agreement.

B. Nothing in this Section shall preclude City from bringing, keeping, or using on or about said Premises such materials, supplies, equipment, and machinery as is appropriate or customary in the care, maintenance, administration, and control of parklands. Gasoline, oils, and all other materials considered under law or otherwise to be hazardous to health and safety shall be stored, handled, and dispensed as required by present or future regulations and laws.

C. City shall comply with all laws, federal, state, or local, existing during the term of this Agreement pertaining to the use, storage, transportation, and disposal of any hazardous substance, as that term is defined in such applicable law. In the event the State or any of its affiliates, successors,

principals, employees, or agents should incur any liability, cost, or expense, including attorney's fees and costs, as a result of the City's illegal use, storage, transportation, or disposal of any hazardous substance, including any petroleum derivative, City shall protect, indemnify, defend, and hold harmless any of these individuals against such liability. Where City is found to be in breach of this provision due to the issuance of a government order directing City to cease and desist any illegal action in connection with a hazardous substance, or to remediate a contaminated condition directly caused by City or any person acting under City's direct control or authority, City shall be responsible for all costs and expenses of complying with such order including any and all expenses imposed on or incurred by the State in connection with or in response to such government order.

D. Notwithstanding the foregoing, in the event a government order is issued naming City, or City incurs any liability during or after the term of the Agreement in connection with contamination that preexisted the City's obligations and occupancy under this Agreement, or prior agreements or that were not directly caused by City, the State shall be solely responsible as between AgencyNickName and State for all expenses and efforts in connection therewith, and State shall reimburse City for all reasonable expenses actually incurred by City therewith.

E. All pest control activities, chemical and non-chemical, shall be approved by State prior to action by the City. City or the pest control business acting on behalf of City shall submit a DPR 191, Pest Control Recommendation, or equivalent to State for approval. State has fourteen (14) days to approve or deny the request. State review and approval shall be solely for compliance with State's policies and in no way shall relieve City or its contractors, employees, agents, or representatives from compliance with all laws and regulations concerning such activities, nor from carrying out the work in a workmanlike manner.

City or the pest control business acting on behalf of City shall submit a report of completed work for each pest management action to the State

no later than seven (7) days after performance of the work. The report may be submitted on a DPR 191, Pest Control Recommendation, or equivalent.

**25. SIGNS AND ADVERTISING**

No signs, logos, names, placards, or advertising matter shall be inscribed, painted, or affixed upon Premises, or circulated or published without prior written approval of the State. Approval will be granted only when said signs or advertising is consistent with the purposes of this Agreement.

**26. INTELLECTUAL PROPERTY RIGHTS**

Any names, logos, trademarks, and/or copyrights developed during and/or pursuant to this Agreement that in any way associate, identify, or implicate an affiliation with California State Parks shall be approved by State for use, shall belong to State upon creation, and shall continue in State's exclusive ownership upon termination of this Agreement.

Any works developed by City pursuant to this Agreement, including all related copyrights and other proprietary rights therein, shall belong to State upon creation, and shall continue in State's exclusive ownership upon termination of this Agreement. These works shall include, but are not limited to, all drawings, designs, reports, specifications, notes, and other work developed in the performance of this Agreement. Upon request, City shall deliver to State the disk or tape that contains the design files of any work that is performed with the assistance of Computer Aided Design and Drafting Technology, and shall specify the supplier of the software and hardware necessary to use said design files. City intends and agrees to assign to State all rights, title, and interest in and to such materials as well as all related copyrights and other proprietary rights therein, unless otherwise agreed to in writing.

City warrants that it is the sole exclusive owner and has the full right, power, and authority over all tangible and intangible property deliverable to State in connection with this Agreement, and that title to such materials conveyed to

State shall be delivered free and clear of all claims, liens, charges, judgments, settlements, encumbrances, or security interests.

City agrees not to incorporate into or make any deliverables dependent upon any original works of authorship or Intellectual Property Rights of third parties without (1) obtaining State's prior written permission, and (2) granting to or obtaining for State a nonexclusive, royalty-free, paid-up, irrevocable, perpetual, world-wide license to use, reproduce, sell, modify, publicly and privately perform, publicly and privately display, and distribute, for any purpose whatsoever, any such prior works.

City further warrants that all deliverables do not infringe or violate any patent, copyright, trademark, trade secret, or any other intellectual property rights of any person, entity, or organization. City agrees to execute any documents reasonably requested by State in connection with securing State's registration of patent and/or copyrights or any other statutory protection in such work product including an assignment of copyright in all deliverables. City further agrees to incorporate these provisions into all of its contracts with architects, engineers, and other consultants or contractors.

City, at its sole expense, shall hold harmless, protect, defend, and indemnify State against any infringement action and/or dispute brought by a third party in connection with any deliverable hereunder. City shall pay all costs, expenses, losses, damages, judgments, and claims including reasonable attorney's fees, expert witness fees, and other costs.

**27. PARTICIPATION IN STATE PARK MARKETING PROGRAMS**

City acknowledges that State has an established advertising and marketing program designed to promote additional revenue for the State and to deliver a consistent and positive image to the public. City agrees to cooperate in this program in the manner described below without compensation from the State for such cooperation.

A. City agrees to honor all statewide graphic standards, licensing, and merchandising agreements entered into with corporate sponsors of the Department of Parks and Recreation.

B. City agrees to place on the Premises any advertising that the State approves under this program. Any advertising approved by the State under this program will be placed at State's expense.

**28. CHILD SUPPORT COMPLIANCE ACT**

A. City recognizes the importance of child and family support relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as obligations and shall fully comply with all applicable state and federal laws provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code.

B. To the best of its knowledge, City is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

**29. DISPUTES**

City shall continue with any and all responsibilities under this Agreement during any dispute.

**30. LIMITATION**

This Agreement is subject to all valid and existing contracts, leases, licenses, encumbrances, and claims of title that may affect Premises.

**31. SECTION TITLES**

The Section titles in this Agreement are inserted only as a matter of convenience and reference and in no way define, limit, or describe the scope or intent of this Agreement or in any way affect this Agreement.

**32. AGREEMENT IN COUNTERPARTS**

This Agreement may be executed in counterparts, each of which shall be deemed an original.

**33. INSPECTION**

State or its authorized representative shall have the right at all reasonable times to inspect the Premises to determine compliance with the provisions of this Agreement.

**34. SUCCESSORS IN INTEREST**

Unless otherwise provided in this Agreement, the terms, covenants, and conditions contained herein shall apply to and bind the heirs, successors, executors, administrators, and assigns of all the parties hereto, all of who shall be jointly and severally liable hereunder.

**35. PARTIAL INVALIDITY**

If any term, covenant, condition, or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby.

**36. TIME OF ESSENCE**

Time shall be of the essence in the performance of this Agreement.

**37. DURATION OF PUBLIC FACILITIES**

By entering into this Agreement, State makes no stipulation as to the type, size, location, or duration of public facilities to be maintained at this unit, or the continuation of State ownership thereof, nor does the State guarantee the accuracy of any financial or other factual representation that may be made regarding the Premises.

**38. WAIVER OF RIGHTS, CLAIMS, AND AGREEMENT TERMS**

Unless otherwise provided by this Agreement, no waiver by either party at any time of any of the terms, conditions, or covenants of this Agreement shall be deemed as a waiver at any time thereafter of the same or of any other term, condition, or covenant herein contained, nor of the strict and prompt performance thereof. No delay, failure, or omission of the State to re-enter the Premises or to exercise any right, power, or privilege, or option arising from any breach, nor any subsequent acceptance of rent then or thereafter accrued shall impair any such right, power, privilege, or option, or be construed as a waiver of such breach or relinquishment of any right or acquiescence therein. No notice to the City shall be required to restore or revive time as of the essence after the waiver by the State of any breach. No option, right, power, remedy, or privilege of the State shall be construed as being exhausted by the exercise thereof in one or more instances. The rights, powers, options, and remedies given to the State by this Agreement shall be deemed cumulative.

**39. INTERPRETATION OF AGREEMENT**

This Agreement is made under and is subject to the laws of the State of California in all respects as to interpretation, operation, effect, and performance.

**40. INDEPENDENT CONTRACTOR**

In the performance of this Agreement, City and the agents and employees of City shall act in an independent capacity and not as officers or employees or agents of the State.

**41. MODIFICATIONS AND APPROVAL OF AGREEMENT**

This Agreement contains and embraces the entire Agreement between the parties hereto and neither it nor any part of it may be changed, altered, modified, limited, or extended orally or by any Agreement between the parties

unless such Agreement be expressed in writing, signed, and acknowledged by the State and City or their successors in interest.

Notwithstanding any of the provisions of this Agreement, the parties may hereafter, by mutual consent expressed in writing, agree to modifications thereof, additions thereto, or terminations thereof, which are not forbidden by law. This Agreement, amendments, modifications, or termination thereof shall not be effective until approved by State and State's relevant control agencies as applicable.

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

**City**

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**STATE OF CALIFORNIA  
CALIFORNIA PARKS AND RECREATION**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



**42. EXHIBIT A TURF & RESTROOM MAINTENANCE AREAS**

The City will maintain the turf area (approximately 2,500 square feet) on the east and west side of the Capitol Building. This will consist of mowing, edging, and removing debris in the area once a week. Turf maintenance will also consist of fertilizing the turf once every six months.

Pruning of the vegetation and weed removal within the landscape beds on the east, west, and north side of the Capitol Building will be done once every six months. This does not include pruning of the trees.

**RESTROOM MAINTENANCE**

The City will maintain the exterior restrooms located on the west side of the Capitol building. The restrooms will be serviced daily and will consist of sanitizing the sinks, toilets, urinals, floors, and removing trash. The City will also restock, as needed, the paper and soap products located in the restrooms. The State will be responsible for purchasing and storing the supplies. (Under Section 5A MAINTENANCE OBLIGATIONS OF THE CITY AND STATE the State commits to providing these supplies).

## TURF AREAS

East Side of Capitol Building



West Side of Capitol Building



## LANDSCAPED AREAS

East Side of Capitol Building



North East Corner of Capitol Building



Southwest Corner of Capitol Building



West Side of Capitol Building



North West Corner of Capitol Building



North Side of Capitol Building



Restroom



**43. EXHIBIT B OPERATING AGREEMENT ANNUAL REPORT**

State of California - Natural Resources Agency  
DEPARTMENT OF PARKS AND RECREATION

**OPERATING AGREEMENT ANNUAL REPORT**

Report Year: \_\_\_\_\_

Entities operating all or part of a park unit must submit a DPR 9730A, Operating Agreement Annual Report. Complete Parts I through V. Submit completed reports and attachments to the Operating Agreement Liaison (OAL). The OAL may attach explanatory comments if desired. The OAL will forward the entire report to the Concessions, Reservations, and Fees Division, Special Projects Program Manager, **no later than May 31st of each year.**

**PART I. ORGANIZATION INFORMATION**

ORGANIZATION NAME			
ADDRESS (Street or P.O. Box)			CITY/STATE/ZIP CODE
Organization BUSINESS PHONE NO. ( )	Organization BUSINESS FAX NO. ( )	Organization BUSINESS E-MAIL ADDRESS	Organization WEBSITE ADDRESS
NUMBER OF BOARD MEMBERS	NUMBER OF MEMBERS/DONORS	NUMBER ON MAILING LIST	
Organization CONTACT PERSON		TITLE	
Organization CONTACT PHONE NO. ( )	Organization CONTACT FAX NO. ( )	Organization CONTACT E-MAIL ADDRESS	
OAL'S NAME	OAL'S PHONE NO. ( )	OAL'S FAX NO. ( )	OAL'S E-MAIL ADDRESS

**PART II. PROGRAM SERVICES SUMMARY**

*Note: Please provide a more complete explanation of items checked below on a separate attached sheet. Enter the item number and provide a brief description of the types of funding, support or revenue generation.*

**This past year the Organization provided services to operate closed parks open such as:** (Check all that apply)

<input type="checkbox"/> 1. Campground Operation <input type="checkbox"/> 2. Day Use Area Operation <input type="checkbox"/> 3. Historic Building Restoration or Maintenance <input type="checkbox"/> 4. Facility/exhibits/equipment maintenance updating, etc.) <input type="checkbox"/> 5. Facility construction and capital development (e.g., visitor center or restroom development)	<input type="checkbox"/> 6. Special interpretive events/tours/programs (e.g., workshops, seminars, living history, environmental living, etc.) <input type="checkbox"/> 7. Natural resource management (e.g., restoration, exotic plant removal, litter cleanup, trail work, etc.) <input type="checkbox"/> 8. Public Safety (e.g., supplies, registration fees, tools, etc.) <input type="checkbox"/> 9. Other: _____
---	---

**This past year the Organization generated revenue to operated closed parks by:** (Check all that apply)

- 10. Collecting camping, day use or special event fees
- 11. Applying for or securing grants
- 12. Soliciting corporate donations for projects and programs
- 13. Conducting fundraising events and programs
- 14. Planning and conducting general membership or other specific campaigns
- 15. Providing materials/services for sale
- 16. Collecting fees and operating \_\_\_\_\_ park unit(s)
- 17. Other: \_\_\_\_\_

**PART III: ATTACHMENTS TO REPORT**

**Board of Directors Roster:** Attach a list of names of current board members and those that will begin serving on the board in the coming months.

**Certificate of Insurance:** Have the insurance carrier complete an ACORD form and attach to this report. For details, visit: [http://www.parks.ca.gov/default.asp?page\\_id=22337](http://www.parks.ca.gov/default.asp?page_id=22337) and click on the link under "Exhibit D."

**Bylaws and Articles of Incorporation:** If there were changes to either the association bylaws or articles of incorporation, attach a copy of the revised document.

Operating Agreement PREPARER SIGNATURE	PRINTED NAME	PHONE NUMBER ( )	DATE PREPARED
OAL REVIEW SIGNATURE	DISTRICT	PHONE NUMBER ( )	DATE REVIEWED

**EXHIBIT C OPERATING AGREEMENT ANNUAL REPORT**

PAGE 2

<b>LESS EXPENSES</b>		
14	Salaries & Wages	14
15	State Park Grants and Donations	15
16	Other State Park Support	16
17	Capital Improvements	17
18	Maintenance/Repairs/Housekeeping	18
19	Natural Resource Management	19
20	Cultural Resource Management	20
21	Public Safety & Security	21
22	Interpretation and Education	22
23	Park Operations	23
24	Insurance	24
25	Materials & Supplies	25
26	Utilities (including telephone)	26
27	Advertising/Marketing	27
28	Taxes & Licenses (other than income & sales)	28
29	Legal & Accounting	29
30	Travel & Transportation	30
31	Depreciation	31
32	Administrative Overhead	32
33 a	Other:	33
b	Other:	
	Explain in item 44 if not obvious	
34	<b>Total Expenses</b>	(38) #REF!
35	<b>Excess (or deficit) for the year</b>	(39) #REF!
<b>Assets/Liabilities/Fund Balances</b>		
36	Total assets	(36) _____
37	Total liabilities	(37) _____
38	Unrestricted net assets/fund balances	(38) _____
39	Temporarily restricted net assets/fund balances	(39) \$0
40	Permanently restricted net assets/fund balances	(40) \$0
41	<b>Total Net Assets or Fund Balances</b>	(41) \$0
42	<b>Total Liabilities (line 37) + Net Assets/Fund Balances (line 41)</b>	(42) \$0
<b>Financial Statement Notes</b>		
43	The organization has established or is establishing an endowment program.	Yes No
44	Explain below any unusual financial occurrence and other income and/or expenses. Reference the Item No. in your explanation. If more space is needed, attach additional sheets.	

<b>PART IV. PARK UNIT FINANCIAL STATEMENT</b>			
Round numbers to the nearest dollar See additional instructions on Page 4.			
NONPROFIT NAME	REPORT YEAR		
	<b>#REF!</b>		
PARK UNIT NAME			
<b>Income</b>			
1. Contributions, gifts, grants, cash donations	(1) _____		
2. In-kind (non-cash) donations <i>(Describe Item 44)</i>	(2) _____		
3. Total contributions and donations		(3) _____	\$0
4. Membership dues		(4) _____	
5. Interest/investment income		(5) _____	
6. Fee Revenue			
a Camping	a _____		
b Day Use (parking, tour or entry fees)	b _____		
c Boat Use	c _____		
d Passes	d _____		
e Pay Showers	e _____		
f Other <i>(specify in item 44)</i>	f _____		
<b>g Total Fee Revenue</b>		g _____	\$0
7 Special Event - Venue rental and fees			
a Weddings	a _____		
b Conferences	b _____		
c Races	c _____		
d Commercial Photography	d _____		
e Other <i>(Describe in Item 44)</i>	e _____		
<b>f Total Special Event income</b>		f _____	\$0
8 Concession			
a Concession A	a _____		
b Concession B	b _____		
<b>c Total Concession Income</b>		c _____	\$0
9 Retail Sales			
a Total gross sales (excluding fundraising)	a _____		
b Total cost of goods/services + returns/refunds	b(_____)		
<b>c Net profits (or losses) - sales</b>		c _____	\$0
10 Fundraising Events			
a Fundraising event income	a _____		
b Fundraising event costs	b(_____)		
<b>c Net profit (or loss) - fundraising</b>		c _____	\$0
11 Other income <i>(Describe in Item 44)</i>		(11) _____	
12 <b>Adjusted Gross Income or Net Revenue</b>			(12) _____ \$0
13 <b>Total Gross Income</b>			(13) _____ \$0

**Financial Statement Instructions DRAFT and In Progress**

**Part IV. Unit Financial Statement is designed to be completed electronically and has self populating lines. Round numbers to the nearest dollar (For example: \$201.26 becomes \$201, but \$201.56 becomes \$202).**

LINE NO.	INSTRUCTIONS
1.	Total income from contributions, gifts, grants and monetary donations.
2.	Total value of "in-kind" (non-monetary) donations and describe in line 30.
3.	Self-populates
4.	Total income from membership dues.
5.	Total income from interest and investment income.
6.	Total Revenue from Fees
	a-e - Record revenue by type of fee charged. Put "0" if the fee is not applicable.
	f - Describe fee charged and indicate dollar amount
	g. Self-populates
7.	Total income from Special Events for venue rental or other fees charged
	a-d - Record income by type of event fee charged. If e - Other, describe in line 50 and insert amount on line "e"
8.	Total Income from Concessions (Indicate name or type of enterprise in item 44)
9.	a. All income from sales of inventory or services.
9.b.	b. Wholesale costs (including shipping) that were sold from line 9 plus returns/refunds -- All costs to provide goods/services that were sold.
	c. Self-populates
10.	a. Total income from fundraising activities such as dinners, raffles and any other events that request a donation or require a ticket purchase for entry or participation. Fundraising activities primarily maximize profits and generate income.
	b. Costs incurred in presenting the fundraising activities and events.
	c. Self-populates
11.	Total of other income from all sources not covered previously. Briefly describe the type of income, if any.
12.	Self-populates (Add lines 3 + 4 + 5 + 6g + 7f + 8c + 9c + 10c + 11 )
13.	Self-populates (Add lines 3 + 4 + 5 + 6g + 7f + 8c + 9a + 10a + 11 )
14.	Money spent to pay employees/contractors of the organization.
15.	Monetary donations and grants to State Parks via contingent fund or reimbursable accounts.
16.	Other monetary expenses associated with supporting State Parks. This includes program support, payments to outside contractors, special event and seminar costs, training for volunteers and staff, and publications.
17.	Money spent for capital improvements to buildings and grounds.
18.	Money spent for keeping facilities clean and in good repair.
19.	Natural resource management expenses, such as habitat restoration, erosion control, exotic species removal, etc.
20.	Cultural and historical resource management expenses, such as restoration, artifact care, etc.
21.	Money spent for public safety, law enforcement response, etc.
22.	Money spent to provide or enable interpretive and educational services and programs.
23.	Money spent to provide public services in parks such as entrance station operations that are not previously recorded.
24.	Cost of purchasing insurance.
25.	Cost of administrative materials/supplies, not included in the above lines.
26.	Money spent for utilities such as electricity gas, water, sewer, etc.
27.	Money spent for advertising and marketing.
28.	Money spent for taxes and licenses. Note sales tax is included as a liability and not recorded here.
29.	Professional fees for legal and accounting services.
30.	Reimbursements or direct payments for employee travel and training.
31.	Depreciation claimed on any tools, equipment or other assets.
32.	Total expenses for management and general expenses, not include above and associated with managing the organization and soliciting direct public support in line 1. Include postage, and other general fundraising expenses. (Note: Expenses from fundraising events, raffles, etc., are recorded in line 10b.)
33.	Include any expenses not included above and briefly describe.
34.	Self-populating
35.	Excess (or deficit) for the year
36.	Total assets at end of year.
37.	Total liabilities at the end of the year. Include any "sales tax owed."
38.	Net funds and assets that may be liquidated without restriction.
39.	Net funds and assets that may have time or purpose restrictions, but may eventually be liquidated.
40.	Net funds and assets that must be preserved, or may not be sold, or are permanently restricted for a specific purpose such as endowments, etc.
41.	Add lines 24 + 25 + 26.
42.	Add Total Liabilities (line 23) + Net Assets/Fund Balances (line 27). Sum should equal Total Assets (line 22).
43.	Check the appropriate box to indicate if the association is establishing or has established an endowment.
44.	Describe any unusual financial occurrences and/or items needing further explanation.

<b>Attendance Instructions</b>	
Paid Day Use Vehicle	Record number of vehicles that paid for day use parking
Paid Day Use Non-Vehicle	Record number of persons paying per-person entry fees
Paid Day Use Group	Record the number of people who were registered to use group picnic or day use facilities.
Vehicle Conversion Factor	Record the average number of people in vehicles.
Conversion Factor Totals	Multiply Total Vehicles X Conversion Factor
Free Day Use Vehicle	Record number of vehicles that had free day use parking
Free Day Use Non-Vehicle	Record number of persons entering the park not using a vehicle.
Free Day Use Group	Record the number of people who used group picnic or day use facilities without a fee.
Vehicle Conversion Factor	Record the average number of people in vehicles.
Conversion Factor Totals	Multiply Total Vehicles X Conversion Factor
Overnight Camping Sites	Record number of sites that were purchased for overnight camping
Overnight Camping Other	Record number of persons using alternative camping facilities such as wilderness camping, cabins, yurts, etc.
Overnight Camping Group	Record the number of people who were registered to use group overnight camping facilities.
Camping Conversion Factor	Record the average number of people in campsites
Conversion Factor Totals	Multiply Total Campsites X Conversion Factor



**AGENDA ITEM  
CITY COUNCIL MEETING DATE - APRIL 3, 2012  
BUSINESS ITEMS**

**DATE** : March 21, 2012  
**TO** : City Council  
**FROM** : City Manager  
**SUBJECT** : **CANCELLATION OF THE JULY 3, 2012 CITY COUNCIL MEETING**

**RECOMMENDATION:**

Cancel, by motion, the July 3, 2012 City Council meeting.

**EXECUTIVE SUMMARY:**

The July 3, 2012 City Council meeting conflicts with an annual event that requires Council participation and so it is recommended that the Council cancel this meeting.

**STRATEGIC PLAN:**

Relevant Strategic Plan Goals and Strategies:

- Goal 8.00: Build Organizational Quality and Capacity

**BACKGROUND:**

Per the City's Open Government Ordinance, the proposed schedule of regular meetings of the City Council for 2012 was reviewed and approved at the January 3, 2012 meeting. Since that time, it has been determined that the July 3, 2012 meeting will create a conflict with the council's schedule due to the annual 3<sup>rd</sup> of July Parade in which the Mayor and Council all participate.



## APPENDIX A: COUNCIL MEMBER REQUESTED AGENDA ITEM

Requested by:

Mayor Patterson

Agendize for March 6, 2012

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Desired Initial Council Meeting Date:

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Desired Date for Second Step or Policy Calendar Review: \_\_\_\_\_

Deadline for Action, if any:

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Problem/Issue/Idea Name:

Citizen request for comprehensive review of UN Agenda 21 and ICLEI -Local Governments for Sustainability

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Description of Problem/Issue/Idea:

At recent city council meetings, a few citizens have testified that they believe there is a threat to property rights and the sovereignty of the United States because of UN Agenda 21 and its "agent" ICLEI.

This request is honoring the citizen's request that the council consider these issues. There may be a council majority that wishes this issue to be placed on our policy issues list for the future – depending on other priorities.

Agenda 21 is a comprehensive plan of action to be taken globally, nationally and locally by organizations of the United Nations System, Governments, and Major Groups in every area in which human impacts on the environment.

Agenda 21, the Rio Declaration on Environment and Development, and the Statement of principles for the Sustainable Management of Forests were adopted by more than 178 Governments at the United Nations Conference on Environment and Development (UNCED) held in Rio de Janeiro, Brazil, 3 to 14 June 1992.

The Commission on Sustainable Development (CSD) was created in December 1992 to ensure effective follow-up of UNCED, to monitor and report on implementation of the agreements at the local, national, regional and international levels. It was agreed that a five year review of Earth Summit progress would be made in 1997 by the United Nations General Assembly meeting in special session.

The full implementation of Agenda 21, the Programme for Further Implementation of Agenda 21 and the Commitments to the Rio principles, were strongly reaffirmed at the World Summit on Sustainable Development (WSSD) held in Johannesburg, South Africa from 26 August to 4 September 2002.

\*\*\*\*\*

COUNCIL DIRECTION

- \_ No Further Action
- \_ Schedule for Second Step on \_\_\_\_\_
- \_ Schedule for Policy Calendar Review on \_\_\_\_\_
- \_ Refer to: Staff \_\_\_\_\_
- Commission \_\_\_\_\_
- Board \_\_\_\_\_
- Committee \_\_\_\_\_
- Date Due: \_\_\_\_\_

**Agenda21**

## APPENDIX A: COUNCIL MEMBER REQUESTED AGENDA ITEM

Requested by:

Mayor Patterson

---

Desired Initial Council Meeting Date:

March 6, 2012

---

Desired Date for Second Step or Policy Calendar Review:

See below:

---

### Deadline for Action, if any:

This council action request is to give direction to staff to develop city policies for life cycle costing analysis for infrastructure and public works projects and at a future time application to other project analysis. Therefore, this item should be agendized in time to provide these policies for council considerations in Phase II of the budget review and future budget process.

---

### Problem/Issue/Idea Name:

Life cycle costing basis for decision making for effective and efficient use of limited city resources

---

### Description of Problem/Issue/Idea:

Life cycle costing is a concept that has been in common use for more than 25 years. The federal executive order 13123 describes the purpose:

Life-Cycle Cost Analysis. Federal agencies need to consider the full cost of their investments, including energy, operation, and maintenance costs, not simply the purchase cost of projects or products. By taking all costs into account, agencies can save money and reduce energy use. To that end, the order requires agencies to consider life-cycle costs-that is, investment, capital, installation, energy, operating, maintenance, and disposal costs-over the life of the project or product. . Agencies, such as the Federal Highway Administration, Department of Energy and Army Corps of Engineers all have LCCA manuals for reference. The California Department of Transportation (CalTrans)

has a highly regarded manual and other state agencies are incorporating these basic analytical approaches into their operations.

Attached are two short articles that are more useful for the street surface paving and reconstruction program, as well as future infrastructure and public works projects.

While the term *life cycle* refers to the notion of a fair, or holistic assessment of a project from “cradle to grave”, it is more commonly used for a comprehensive economic assessment of total costs including maintenance, replacement and impacts to businesses and mobility. Life cycle costing analysis is an excellent tool for determining "sustainability" and could be considered by the CSC in the future development of criteria.

Therefore, this is a request for council direction to staff for a criteria-based analytical tool that provides for a consistent assessment evaluation of projects from street paving, drainage improvements to alternative energy projects and other future capitol projects.

This criteria will be useful for future public discussion regarding efficient and effective budgeting for city services and operations.

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COUNCIL DIRECTION

- No Further Action
- Schedule for Second Step on \_\_\_\_\_
- Schedule for Policy Calendar Review on \_\_\_\_\_
- Refer to: Staff \_\_\_\_\_
- Commission \_\_\_\_\_
- Board \_\_\_\_\_
- Committee \_\_\_\_\_
- Date Due: \_\_\_\_\_

# **Guidance on Life-Cycle Cost Analysis**

## **Required by Executive Order 13123**

**April 2005**

prepared for

Department of Energy  
Federal Energy Management Program  
Washington, DC 20585

by

Sieglinde K. Fuller, Economist  
Office of Applied Economics  
Building and Fire Research Laboratory  
National Institute of Standards and Technology  
Gaithersburg, MD 20878

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## **Executive Summary**

Section 401 of Executive Order 13123 requires that “Agencies shall use life-cycle cost analysis in making decisions about investments in products, services, construction, and other projects to lower the Federal Government’s costs and to reduce energy and water consumption...”

The purpose of this guidance is to “clarify how agencies determine the life-cycle cost for investments required by the Order, including how to compare different energy and fuel options and assess the current tools” (Section 502(d)); and “assist agencies in ensuring that all project cost estimates, bids, and agency budget requests for design, construction and renovation of facilities are based on life-cycle costs.” (Section 505(a))

### *Definition of Life-Cycle Costs*

Section 707 of Executive Order 13123 defines life-cycle costs as “...the sum of present values of investment costs, capital costs, installation costs, energy costs, operating costs, maintenance costs, and disposal costs over the life-time of the project, product, or measure.”

Life-cycle cost analysis (LCCA) is an economic method of project evaluation in which all costs arising from owning, operating, maintaining, and disposing of a project are considered important to the decision. LCCA is well suited to the economic evaluation of design alternatives that satisfy a required performance level but may have differing investment, operating, maintenance, or repair costs, and possibly different life spans. It is particularly relevant to the evaluation of investments where high initial costs are traded for reduced future cost obligations.

### *Scope of Guidance*

This guidance summarizes the life-cycle cost (LCC) requirements of Executive Order 13123. Decision-makers should be aware that the use of LCCA is required by law and Executive Order and that relevant LCC procedures and tools are well developed and have been supported by the Department of Energy’s Federal Energy Management Program (FEMP) and other agencies for over 20 years. This guidance provides a discussion of LCCA that combines generic present-value analysis with the LCCA regulatory criteria (10 CFR 436A) promulgated by FEMP. These

criteria apply specifically to energy and water conservation and renewable energy projects in federal buildings.

*Products, Services, and Other Projects Covered by Executive Order 13123*

The projects, products, services, construction, and other projects mentioned in Executive Order 13123 that are to be evaluated using LCCA, include but are not limited to the following (all are subject to LCC criteria in 10 CFR 436A):

- Energy and water conservation, and renewable energy projects in Federal buildings, industrial facilities, and laboratories;
- Energy savings performance contracts and utility contracts and other alternative financing contracting mechanisms;
- Bundling of energy efficiency products with renewable energy products and retirement of inefficient equipment on an accelerated basis;
- ENERGY STAR and other energy-efficient products, strategies, and tools; including sustainable building design, model lease provisions, industrial facility efficiency improvements, and off-grid generation.
- Electricity use; and,
- Mobile equipment.

*Evaluation of Energy Savings Performance Contracts and Utility Energy Services Contracts*

The general principles of LCCA also apply to the evaluation of projects considered for alternative financing through an Energy Savings Performance Contract (ESPC) or a Utility Energy Services Contract (UESC). LCCA can be used to compare the costs of the existing equipment over a given time period with the costs over the same time period of an energy conservation measure (ECM) proposed by an energy service company. The costs of performing a feasibility study, setting up and administering the contract, and financing the project through the energy service company (ESCO) or utility can all be included in the LCCA. LCCA allows the analyst to compare the life-cycle costs of financed ECMs with those of agency-funded ECMs, the latter implemented either immediately or in a future year. Assumptions and requirements

regarding financing-related input data, study periods, and inflation treatment need to be considered.

#### *Bundling of Energy Efficiency Projects*

Section 401 of Executive Order 13123 states that “Where appropriate, agencies shall consider the life-cycle costs of combinations of projects, particularly to encourage bundling of energy efficiency projects with renewable energy projects. Agencies shall also retire inefficient equipment on an accelerated basis where replacement results in lower life-cycle costs.”

Although bundling strictly cost-effective projects with projects that do not maximize net savings is not in accordance with economic theory, Executive Order 13123 recommends that energy conservation measures (ECMs) be bundled in order to optimize energy-saving and/or environmental benefits of a project. Renewable energy measures and other measures that save large amounts of energy, improve energy-related infrastructure, reduce air pollution, or reduce greenhouse gas emissions may be bundled with other ECMs as long as the overall project is life-cycle cost effective. All items in the bundle must be complementary, i.e., an integral part of the project, and no single ECM should be significantly cost-ineffective. Furthermore, energy managers should take an integrated systems approach when defining the scope of a building retrofit or other energy-related project. In many cases, a decision about one ECM will directly affect the scope or type of other ECMs; due to interdependence some ECMs might become cost-ineffective if bundled .

#### *Life-Cycle Cost for Energy-Using Products*

When purchasing energy-using products, agencies should perform an LCCA to assure that they are making a cost-effective selection. Pursuant to FAR Section 23.704, agencies can purchase cost-effective energy-efficient products even if the first cost is higher than that of a less efficient product.

#### *Basis for LCCA Guidance*

This guidance does not supersede agency practices that are prescribed by or pursuant to law, Executive Order, or other relevant documents. It is meant to assist agencies in conducting life-

cycle cost analyses of investments in products, services, construction, and other projects. The methodology is explained in the context of energy and water conservation and renewable energy projects in federal buildings according to 10 CFR 436A, but it is applicable to any products, services, and other projects where future operational savings are traded off against higher initial investment costs.

The LCC methodology and procedures of 10 CFR 436A are consistent with American Society for Testing and Materials (ASTM) Standards on Building Economics, in particular ASTM Standard Practices E 917, E 964, E 1057, E 1074, and E1121, and Standard Guides E 1185 and E 1369. The supporting NIST LCC computer software (BLCC) can generally be used to analyze any type of project where costs can be categorized as:

- initial investment costs,
- operation and maintenance costs,
- energy costs and water costs,
- capital replacement costs,
- residual values, and
- financing costs.

#### *Reference Materials*

The FEMP LCC rules in 10 CFR 436A are explained in NIST Handbook 135 *Life-Cycle Costing Manual for the Federal Energy Management Program* and its annual supplement, *Energy Price Indices and Discount Factors for Life-Cycle Cost Analysis: Annual Supplement to NIST Handbook 135* (ASHB 135).

Appendix A of this guidance refers the reader to additional Government documents that provide guidance on meeting the LCCA requirements of Executive Order 13123:

- *Facilities Standards for the Public Buildings Service*. This GSA document provides general guidance on LCCA for buildings and building systems.

- *Whole Building Design Guide*. This web site provides information on integrated ‘whole-building,’ techniques and technologies on sustainable building design.
- *Criteria/Standards for Economic Analysis/Life-Cycle Costing for MILCON Design*. This DOD Tri-Services Memorandum of Agreement provides guidance on LCCA for military construction design.

*Authority*

This LCC guidance is issued under the authority of Executive Order 13123, June 3, 1999. The use of life-cycle costing to evaluate energy and water conservation, and renewable energy projects in the Federal Government arises from the requirements of the National Energy Conservation Policy Act (NECPA) of 1978 (PL 95-619), as amended; the Energy Policy Act of 1992 (PL 102-486); and subsequent legislation and Executive Orders. The LCC rules and regulations, codified in 10 CFR 436, Subpart A, *Life-Cycle Cost Methodology and Procedures*, were published by DOE in 45 FR 5820 on January 23, 1980, and amended in 1990 and 1996 (FR, Vol. 55, No. 224, November 20, 1990; FR, Vol. 61, No. 123, June 25, 1996).

## List of Acronyms

<b>AIRR</b>	Adjusted Internal Rate of Return
<b>ASHB 135</b>	Annual Supplement to Handbook 135
<b>ASTM</b>	American Society for Testing and Materials International
<b>BOMA</b>	Building Owners & Managers Association International
<b>CCB</b>	Construction Criteria Base
<b>DoD</b>	Department of Defense
<b>DOE</b>	Department of Energy
<b>DPB</b>	Discounted Payback
<b>ECM</b>	Energy Conservation Measure
<b>EERE</b>	Energy Efficiency and Renewable Energy
<b>EPA</b>	Environmental Protection Agency
<b>ESCO</b>	Energy Services Company
<b>ESPC</b>	Energy Savings Performance Contract
<b>FEMP</b>	Federal Energy Management Programs
<b>GSA</b>	General Services Administration
<b>HVAC</b>	Heating, Ventilation and Air Conditioning
<b>LCC</b>	Life-Cycle Costs or Life-Cycle Costing
<b>LCCA</b>	Life-Cycle Cost Analysis
<b>LEED</b>	Leadership in Energy and Environmental Design
<b>MOA</b>	Memorandum of Agreement
<b>NAVFAC</b>	Naval Facilities Engineering Command
<b>NIBS</b>	National Institute of Building Sciences
<b>NIST</b>	

	National Institute of Standards and Technology
<b>NS</b>	Net Savings
<b>OM&amp;R</b>	Operation, Maintenance, and (Routine) Repairs
<b>OMB</b>	Office of Management and Budget
<b>PB</b>	Payback
<b>P/C/I</b>	Planning/Construction or Installation Period
<b>SBIC</b>	Sustainable Buildings Industry Council
<b>SIR</b>	Savings-to-Investment Ratio
<b>SPB</b>	Simple Payback
<b>SPV</b>	Single Present Value (Factor)
<b>TPES</b>	Tri-Services Parametric Estimating System
<b>UC</b>	Utility Contract
<b>UESC</b>	Utility Energy Services Contract
<b>UPV</b>	Uniform Present Value (Factor)
<b>UPV*</b>	Modified Uniform Present Value (Factor)

## 1. General Principles of Life-Cycle Cost Method

### (a) Definition

*Life-cycle cost analysis (LCCA)* is a method for evaluating all relevant costs over time of a project, product, or measure. The LCC method takes into account first costs, including capital investment costs, purchase, and installation costs; future costs, including energy costs, operating costs, maintenance costs, capital replacement costs, financing costs; and any resale, salvage, or disposal cost, over the life-time of the project, product, or measure.

### (b) Time adjustments

Adjustments to place all dollar values expended or received over time on a comparable basis are necessary for the valid assessment of a project's life-cycle costs and benefits. Time adjustment is necessary because a dollar today does not have equivalent value to a dollar in the future. There are two reasons for this disparity in value. First, money has real earning potential over time among alternative investment opportunities, and future revenues or savings always carry some risk. Thus an investor will require a premium or extra return for postponing to the future the spending of that dollar. Second, in an inflationary economy, purchasing power of money erodes over time. Thus a person would demand more than a dollar at some future time to obtain equivalent purchasing power to a dollar held today.

The process of converting streams of benefits and costs over time in the future back to an equivalent "present value" is called discounting. A discount rate is used in special formulas to convert future values. When future values are expressed in current (nominal) dollars, where inflation is included in the future values, a market (nominal) discount rate is used. It takes into account both inflation and the earning potential of money over time. When future values are expressed in constant (real) dollars, where general price inflation has been stripped out, a real discount rate is used. It takes into account only the earning potential of money over time. Both approaches yield identical results as long as you use real discount rates in discounting constant-dollar future amounts and market discount rates in discounting current-dollar future amounts.

Choices among energy-savings projects can be made by estimating for each alternative project a stream of life-cycle costs, calculating their present values and choosing the alternative (including "do nothing") that yields the minimum present-value life-cycle cost (PVLCC or Lowest LCC). Another measure of evaluation is Net Savings (NS) arrived at by computing net present value (NPV) savings achieved by an alternative relative to a "base case," and selecting the alternative with the maximum Net Savings. When performed correctly, both methods will lead to the same project selection.

**(c) Life-Cycle Cost formula**

To find the total LCC of a project, sum the present values of each kind of cost and subtract the present values of any positive cash flows such as a resale value. Thus, the following formula applies:

$$\text{Life-cycle cost} = \text{first cost} + \text{maintenance and repair} + \text{energy} + \text{water} \\ + \text{replacement} - \text{salvage value,}$$

where all dollar amounts are converted to present values by discounting.

**(d) Applications of Life-Cycle Cost Analysis**

Projects may be compared by computing the LCC for each project, using the formula above and seeing which is lower. The alternative with the lowest LCC is the one chosen for implementation, other things being equal.

The LCC method can be applied to many different kinds of decisions when the focus is on determining the least-cost alternative for achieving a given level of performance. For example, it can be used to compare the long-run costs of two building designs; to determine the expected savings of retrofitting a building for energy or water conservation, whether financed or agency-funded; to determine the least expensive way of reaching a targeted energy use for a building; or to determine the optimal size of a building system.

In addition to the LCC formula shown above, there are other methods for combining present values to measure a project's economic performance over time, such as Net Savings, Savings-to-Investment Ratio, Adjusted Internal Rate of Return or Discounted Payback.

**(e) Note on Discounted Payback and Simple Payback**

Discounted Payback (DPB) and Simple Payback (SPB) measure the time required to recover initial investment costs. The payback period of a project is expressed as the number of years just sufficient for initial investment costs to be offset by cumulative annual savings.

DPB is the preferred method of computing the payback period for a project because it requires that cash flows occurring each year be discounted to present value to adjust for the effect of inflation and the opportunity cost of money. The SPB does not use discounted cash flows and therefore ignores the time value of money, making it a less accurate measure than the DPB.

In practice, the DPB or SPB is used to measure the time period required for accumulated savings to offset *initial* investment costs. Any costs or savings incurred during the remainder of the project life cycle are ignored. The DPB and the SPB are therefore not appropriate measures of life cycle cost effectiveness and should be used only as screening tools for qualifying projects for further economic evaluation.

**(f) Uncertainty assessment**

Estimates of costs are typically uncertain because of imprecision in the underlying data and modeling assumptions. If there is substantial uncertainty it is useful to analyze and report its effects. There are numerous methods for analyzing uncertainty and risk. The technique to be used depends on the degree of uncertainty and the size of the project (see ASTM Standard Guide E 1369). Deterministic analysis, such as *sensitivity analysis* and *breakeven analysis* can be performed within the LCCA method without requiring additional computational aids. *Probability distributions* of economic measures may require more or less complex simulation techniques but may be warranted by the magnitude of some projects. If additional analysis casts considerable doubt on the LCCA, an agency should consider obtaining more reliable data or eliminating the alternative.

**(g) Considering emissions reductions from energy-conserving alternative**

The BLCC computer program, which supports LCCA for energy and water conservation in federal buildings, has the capability of estimating annual and life-cycle CO<sub>2</sub>, SO<sub>2</sub>, and NO<sub>x</sub> emissions coincident with the energy use of the building or building system being evaluated. Emissions are calculated for electricity, fuel oil, natural gas, LPG, and coal; they are *not* calculated for central steam, chilled water, and “other” energy types that can be included in the BLCC5 input file. The economic cost of these emissions is not estimated, but quantitative estimates of emissions reductions attributable to an energy-saving alternative are included in the LCC report of the program. The emissions factors used in the BLCC5 analysis are based on national average data. They can be modified to reflect local emissions data for electricity and fossil fuels.

## **2. Federal LCC Criteria**

The most critical assumptions of the LCC rules in 10 CFR 426A and OMB Circular A-94 concern the

- Discount rate
- DOE energy price escalation rates
- Use of constant or current dollars
- Study period
- Presumption of cost-effectiveness

**(a) Discount rate**

**DOE/FEMP discount rates for energy and water conservation projects:** The Department of Energy determines each year the discount rate to be used in the LCCA of energy conservation, water conservation, and renewable energy projects in federal facilities. According to 10 CFR 436A,

*“Subject to a ceiling of 10 percent and a floor of three percent the real discount rate shall be a 12 month average of the composite yields of all outstanding U.S. Treasury bonds neither due nor callable in less than ten years, as most recently reported by the Federal Reserve Board, adjusted to exclude estimated increases in the general level of prices consistent with projections of inflation in the most recent Economic Report of the President’s Council of Economic Advisors.”*

The *nominal* discount rate is derived identically but is unadjusted for increases in the general level of prices.

The real discount rate and corresponding discount factors are updated annually on April 1 and published in NISTIR 85-3273-XX, *Energy Price Indices and Discount Factors for Life-Cycle Cost Analysis*, the Annual Supplement to NIST Handbook 135.

**OMB discount rates for non-energy and non-water conservation projects:** OMB has specified two basic types of discount rates: (1) a discount rate for cost-effectiveness, lease-purchase, and related analyses; and (2) a discount rate for public investment and regulatory analyses. Only discount rates for the first type of analyses are relevant to this Guidance, since its primary purpose is to support cost-effectiveness studies related to the design and operation of federal facilities.

OMB discount rates for cost-effectiveness and lease-purchase studies are based on interest rates on Treasury Notes and Bonds with maturities ranging from 3 to 30 years. Five maturities (3-, 5-, 7-, 10-, and 30-year) have been specifically identified by OMB, and their *real* interest rates (i.e., adjusted for general price inflation) are used as the discount rates for studies subject to OMB Circular A-94. OMB suggests that the actual discount rate for an economic analysis be interpolated from these maturities and rates, based on the length of the study period used in the analysis.

The *nominal* discount rate is derived identically but is unadjusted for increases in the general level of prices. The nominal discount rate is used for current-dollar analyses, whereas the real discount rate is used for constant-dollar analyses (see definition of constant-dollar and current-dollar analysis in subsection (c) below).

**(b) DOE energy price escalation rates**

Energy prices change at rates different from the rate of general price inflation. The DOE Energy Information Administration annually projects real energy price escalation rates (excluding inflation) for the next 35 years, by census region, rate type, and fuel type. These real escalation rates and the real DOE discount rate are used to calculate the “modified uniform present value (UPV\*) factors” for energy costs in FEMP LCC analyses. The UPV\* factors are updated and published annually on April 1 as a set of tables in *Energy Price Indices and Discount Factors for Life-Cycle Cost Analysis*, NISTIR 85-3273-XX, the Annual Supplement to Handbook 135. They are also incorporated into the BLCC5 and associated computer programs.

**(c) Use of constant dollars**

It is recommended that in general all future dollar amounts be estimated in *constant* dollars, with the purchasing power of the dollar fixed as of the base date. This convention eliminates the need to estimate the rate of general price inflation over the study period. If future amounts are estimated in constant dollars, only the annual costs as of the base-date are needed as data inputs into the LCCA. The constant-dollar amounts are then discounted from their date of occurrence to the base date using a *real* discount rate (i.e., a rate that also excludes general price inflation).

The FEMP rule allows the option of estimating LCC in *current* dollars, that is, in dollars that include the rate of general price inflation. The LCCA needs to be performed in current dollars when, for example, tax calculations, budget allocations, or fixed contract payments have to be included in the analysis, that is, whenever there are amounts that have to be evaluated or paid or budgeted as amounts that include the inflation rate. It is also more intuitive to use current-dollar analysis when the analysis includes amounts that change at the rate of inflation as well as amounts that are fixed, such as an annual or monthly contract payment. Thus, an evaluation of ESPCs or UESCs would require current-dollar analysis including the rate of inflation in the dollar amounts, discount rate, escalation rates, and loan interest rate.

**(d) Study period**

The maximum study period for federal energy and water conservation and renewable energy projects according to 10 CFR 436A is 25 years from the date of occupancy of a building or the date a system is taken into service. Any lead-time for planning, design, construction, or implementation may be added to the 25-year maximum service period. The length of the study period then includes the planning/construction/implementation period and the service period.

Operational and energy costs are calculated beginning with the service date, the date at which the building is occupied and the equipment is taken into service. These annual costs are evaluated over the service period but discounted to the base date, i.e., the beginning of the study period. If there is no planning/construction/implementation period, the base date and service date coincide.

All project alternatives have to be evaluated over the same service period.

For projects that do not primarily conserve energy or water and which are subject to the criteria of OMB Circular A-94 , there is no prescribed limitation of the length of the study period.

**(e) Presumption of cost effectiveness according to 10 CFR 436A**

1. A project is *presumed cost-effective* if it saves energy or water and if the costs of implementing the energy or water conservation measure are insignificant, and
2. A project is *presumed not cost-effective* if the building is:
  - occupied under a one-year lease without renewal option or with a renewal option that is not likely to be exercised;

- occupied under a lease that includes the cost of utilities in the rent, with no pass-through to the government of energy or water savings; or
- scheduled for demolition or retirement within one year.

### **3. Evaluation of Energy Savings Performance Contracts and Utility Energy Services Contracts**

The general principles of LCCA, as described in this document, also apply to the evaluation of projects that are considered for alternative financing through an Energy Savings Performance Contract (ESPC) or a Utility Energy Services Contract (UESC). LCCA can be used to compare the costs of the existing equipment over a given time period with the costs over the same time period of a project proposed by an Energy Service Company (ESCO) or utility. The costs of performing a feasibility study, setting up and administering the contract, and financing the project through the ESCO or utility can all be included in the LCCA. The BLCC program, in addition to the detailed LCC report showing lowest LCC, also prints out a listing of undiscounted year-to-year cash flows, which allow the analyst to determine whether the total cost savings or energy-related savings of the project are sufficient to cover the proposed contract payments.

LCCA also allows the analyst to compare the life-cycle costs of financed Energy Conservation Measures (ECMs) with those of agency-funded ECMs, the latter implemented either immediately or in a future year.

When evaluating ESPCs or UCs, using the BLCC program, some additional input data and assumptions are needed.

#### **(a) Financing-related input data**

- *Investment amounts to be financed:* When an agency has appropriated funds available to “pay down” the acquisition loan, only a percentage of the initial cost of an ESPC or UESC project has to be borrowed and repaid as part of the contract payments.
- *Contract payments:* Typical contract-related costs for ESPCs and UESCs may include debt service, fees for management and administration, measurement and verification, and OM&R costs.
- *Contract term:* The contract term coincides with the performance period of the ESCO and the length of time contract payments are made by the agency.

#### **(b) Assumptions**

- *Base date and service date:* For the purpose of performing an LCCA, the base date is the point in time to which all project-related costs are discounted. The base date is the first day of the study period for the project, usually considered synonymous with the date at which the study is performed. The service date is the date on which the building is occupied or a system is taken into service; operating

and maintenance costs (including energy- and water-related costs) are generally incurred after this date, not before.

In the case of a retrofit to an existing building, the base date and service date coincide because the existing equipment continues to consume energy and require maintenance while the energy conservation measures are installed. Energy and non-fuel costs have to be adjusted to account for the changes during the installation period. This case usually applies to projects proposed under ESPCs or UESCs.

- *Current-dollar analysis*: The rate of inflation has to be included when ESPCs or UESCs are evaluated, because (1) the contract payments proposed by the ESCO are determined using a market interest rate, which includes inflation, and (2) during the contract term, fixed contract payments are compared from year to year with undiscounted, current-dollar savings. If the analysis is performed in current dollars, the discount rate and all escalation rates also need to include inflation. The NIST Building Life-Cycle Cost (BLCC) Program, BLCC5, contains a module, “Federal Analysis, Financed Projects,” which is dedicated to ESPC and UESC analyses and uses current-dollar analysis as a default.
- *Cost of feasibility studies/"Sunk Costs"*: If, in the case of ESPCs or UESCs, the costs of feasibility studies were incurred or committed before the base date of the LCCA, they are “sunk costs” and can be omitted from the LCC computation. By definition, sunk costs cannot be changed by the selection of any project alternative and thus cannot affect its LCC or the LCC of competing alternatives.

#### **4. Bundling of Energy Efficiency Projects**

Although bundling less cost-effective projects with projects that are cost-effective does not maximize overall net savings as required by the economic principles of life-cycle costing, bundling of energy efficiency projects is allowed according to ESPC and UESC guidelines. Individual energy conservation measures may be bundled together to optimize energy-saving and/or environmental benefits of a project. In addition, Executive Order 13123 encourages bundling as follows:

*“... Where appropriate, agencies shall consider the life cycle costs of combinations of projects, particularly to encourage bundling of energy efficiency projects with renewable energy projects. Agencies shall also retire inefficient equipment on an accelerated basis where replacement results in lower life-cycle costs...”* (Section 401, Executive Order 13123)

The Executive Order cites two examples -- renewable energy projects and retirement of obsolete equipment -- when less cost-effective ECMs may be combined in a project with ECMs with larger net savings and implemented as a single, bundled ESPC or UESC project. Similarly, load management efforts and other measures that save great amounts of energy, reduce energy costs, improve energy-related infrastructure, reduce air pollution, or reduce greenhouse gas emissions may also be bundled with other ECMs as long as the overall project is life-cycle cost effective. Individual energy conservation measures must be reasonably related to the overall project as a whole, i.e., must be an integral part of the project; no single ECM should be significantly cost-ineffective.

Energy managers should take an integrated systems approach when defining the scope of a building retrofit or other energy-related project. In many cases, a decision about one ECM will directly affect the scope or type and thus the cost-effectiveness of other ECMs.

## **5. Life-Cycle Cost for Energy-Using Products**

When purchasing energy-using products, agencies should perform an LCCA to assure that they are making a cost-effective selection. Pursuant to FAR Section 23.704, agencies can purchase cost-effective energy-efficient products even if the first cost is higher than a less efficient product.

To assist agencies in calculating the LCC of energy-efficient products, FEMP has developed cost-effectiveness examples for over 50 product types, ranging from household dishwashers to water-cooled electric chillers. The cost-effectiveness examples are presented as part of FEMP's popular one-sheet *Energy Efficiency Recommendations* (an example is included as Appendix C). Each one uses the NIST-prescribed LCC methodology for discounting future costs and savings, which incorporates future energy price trends (as predicted by DOE's Energy Information Administration). FEMP uses standard industry assumptions for key variables such as annual hours of operation, as well as federal average energy prices, and then calculates the energy cost savings that would accrue from purchasing a "recommended" and "best available" model, compared with one that just meets a legal minimum efficiency (as prescribed by the National Appliance Energy Conservation Act for most residential appliances and equipment, and by ASHRAE Standard 90.1 for many types of commercial equipment). For example, the lifetime energy cost savings (over an estimated 19-year life) for a FEMP-recommended 21 cubic foot refrigerator compared to one that just meets the NAECA standard is \$100 (in present value). For the most efficient alternative on the market, the energy savings would be \$180. The recommended levels are those prescribed by FEMP for meeting Executive Order 13123's call for agencies to purchase, where cost-effective, Energy Star labeled products, or products in the top 25 % of energy efficiency of their type and size.

This "lifetime energy cost savings" figure gives users a dollar figure to compare with the product's price premium; if the additional purchase cost of the more efficient item is less than the lifetime savings from energy, the efficient product is economically justified. Additionally, the *Energy Efficiency Recommendations* provide the proper linear

adjustments so users can adjust the examples for their own utility rates, hours of operation, or product capacities (FEMP tries to choose common or average capacities, such as 10,000 Btu/hour for room air conditioners, or 500 tons for centrifugal chillers).

FEMP has also developed interactive web-based “cost calculators” so that agency users can easily tailor their own product cost-effectiveness estimates. FEMP provides reasonable default values for cases where, for instance, the user may not have an estimate for the operating hours of his or her facility’s air conditioner. However, almost all the relevant variables are modifiable. The calculators are available for several products covered in the *Energy Efficiency Recommendation* series, by first going to the “Energy Efficient Products” web site, at [www.eere.energy.gov/femp/technologies/eeproducts.cfm](http://www.eere.energy.gov/femp/technologies/eeproducts.cfm), and then proceeding to the “Energy Cost Calculators.” Presently, calculators are available for commercial and residential HVAC equipment and appliances, lighting technologies, water saving technologies, and others. More are being added continuously.

## 6. Assessment of Building Life-Cycle Cost Computer Programs

### (a) NIST Building Life-Cycle Cost (BLCC) Computer Program

BLCC5, developed by the National Institute of Standards and Technology, provides comprehensive economic analysis of proposed capital investments expected to reduce long-term operating costs of buildings or building systems. The multi-platform program calculates lowest life-cycle costs, net savings, savings-to-investment ratio, internal rate of return and payback for any alternative relative to a base case. It complies with American Society for Testing and Materials (ASTM) standards related to building economics and is consistent with *NIST Handbook 135, Life-Cycle Costing Manual for the Federal Energy Management Program*.

The program provides economic analysis for the following project environments:

- **FEMP Analysis, Energy Project:** Energy and water conservation and renewable energy projects falling under Federal Energy Management Program (FEMP) guidelines (10CFR436).
- **Federal Analysis, Financed Project:** Federal projects financed through Energy Savings Performance Contracts (ESPC) or Utility Energy Services Contracts (UESC).
- **OMB Analysis, Non-Energy Project:** Cost-effectiveness, lease-purchase, internal government investments, and asset sales analyses subject to OMB Circular A-94.
- **MILCON Analysis, Energy Project:** Energy and water conservation and renewable energy projects in military construction.
- **MILCON Analysis, ECIP Project:** Energy and water conservation projects under the Department of Defense Energy Conservation Investment Program (ECIP).
- **MILCON Analysis, Non-Energy Project:** for military construction designs that are not primarily intended for energy or water conservation.

**(b) BLCC-associated programs (DOS-based)**

**EERC: Energy Escalation Rate Calculator:** The EERC allows the user to calculate an average annual rate of energy price escalation to be applied to contract payments in alternative financing projects when these payments are based on projected energy cost savings. The EERC computes the average, over the contract term (performance period), of the energy price escalation rates projected annually by the DOE Energy Information Administration, by location, industry sector, length of contract period, and proportion of energy savings from each fuel used in the project.

**BLCC4:** As the predecessor of BLCC5 this program also provides analyses of private-sector projects including financing and tax analyses. The private-sector modules will be transferred to BLCC5 in the future.

**EMISS:** *A Program for Estimating Local Air Pollution Emission Factors Related to Energy Use in Buildings*, NISTIR 5704, National Institute of Standards and Technology. EMISS is a stand-alone program that generates a file of local air-pollution emission coefficients (CO<sub>2</sub>, NO<sub>x</sub>, and SO<sub>x</sub>) for use with the BLCC program. Emission factors for electricity can be generated by state or geographical region from the EMISS database. Emission factors for fossil fuels used at the site can be generated from estimates of heating value, sulfur content, and end use. BLCC uses this file of emission factors to estimate reductions in emissions associated with energy conservation projects on both an annual and life-cycle basis.

**DISCOUNT:** *A Program for Discounting Computations in Life-Cycle Cost Analyses*, NISTIR 4513, National Institute of Standards and Technology. The DISCOUNT program computes discount factors and related present values, future values, and periodic payment values of cash flows occurring at specific points. DISCOUNT is especially useful for solving LCC problems that do not require the comprehensive summation and reporting capabilities provided by the BLCC program. DISCOUNT is updated each year on April 1 to incorporate the most recent DOE/EIA energy price escalation rates.

**ERATES:** *Program for Computing Time-of-Use, Block, and Demand Charges for Electricity Usage*, NISTIR 5186, National Institute of Standards and Technology. ERATES is a computer program for calculating monthly and annual electricity costs under a variety of electric utility rate schedules. Both kWh usage and kW demand can be included in these costs. Most typically these calculations will be used to support engineering-economics studies that assess the cost effectiveness of ECMs or measures to shift electricity use from on-peak to off-peak time periods.

(c) **Other computer programs for life-cycle cost analysis**

Agencies are free to use other LCCA computer programs as long as they are consistent with the life-cycle cost procedures and methodology of 10 CFR 436A and/or OMB Circular A-94.

## 7. Other Life-Cycle Costing Resources

(a) **NIST Handbook 135: *Life-Cycle Costing Manual for the Federal Energy***

*Management Program, 1995 edition*, National Institute of Standards and Technology. *Handbook 135* is a guide to understanding the LCC methodology and criteria established by the Federal Energy Management Program (FEMP) in 10 CFR 436A for the economic evaluation of energy and water conservation projects and renewable energy projects in all federal buildings. The purpose of *Handbook 135* is to facilitate the implementation of the FEMP rules by explaining the LCC method, defining the measures of economic performance used, describing the assumptions and procedures to follow in performing evaluations, giving examples, and noting NIST computer software available for computation and reporting purposes.

(b) **Annual Supplement to NIST Handbook 135: *Energy Indices and Discount Factors for Life-Cycle Cost Analysis, Annual Supplement to NIST Handbook 135 (ASHB 135)***,

NISTIR 85-3273-XX: The ASHB 135, published by NIST and updated annually on April 1, provides energy price indices and discount factor multipliers needed to estimate the present value of energy and other future costs. The data are based on energy price projections developed by the DOE Energy Information Administration. Users of *Handbook 135* will need the most recent version of the ASHB 135 to perform LCC analyses for federal projects. The discount factors listed in the report are incorporated into the BLCC and associated computer programs.

(c) **FEMP/NIST LCC Workshops**

1. **Basic LCC Workshop:** The two-day workshop provides a standardized framework for evaluating and comparing the economic performance of energy and water conservation, and renewable energy projects in buildings. It includes class-room instruction, exercises, and computer use of LCC support software.
2. **Project-Oriented LCC Workshop:** The two-day workshop focuses on practical LCC solutions for energy and water conservation, and renewable energy projects. The workshop is complementary to the Basic LCC workshop taught by NIST and FEMP-Qualified Instructors. Students attending this workshop should have an elementary understanding of the principles of discounted cash flows and LCC analysis.
3. **DOE/FEMP LCC Telecourse:** The two-hour DOE/FEMP telecourse uses state-of-the-art distance learning technology to demonstrate how to meet federal requirements for life-cycle cost analysis of energy and water conservation, and renewable energy projects. It is an introduction to LCC analysis and is broadcast annually.

4. **Workshop Registration:** For information about course availability and schedules go to the FEMP web site at [http://www.eere.energy.gov/femp/services/training\\_schedule.cfm](http://www.eere.energy.gov/femp/services/training_schedule.cfm). To register for the Basic LCC Workshop or Project-Oriented Workshop, when scheduled, contact Cecilia Mendoza, Ph. 509-375-2518, Fax 509-372-4990, [cecilia.mendoza@pnl.gov](mailto:cecilia.mendoza@pnl.gov), or register on-line at <http://www.pnl.gov/femp> To receive more information on the LCC Telecourse, contact Heather Schoonmaker, Ph. 865-777-9869, [trainingsolutions@tds.net](mailto:trainingsolutions@tds.net).

**Note:** Locally sponsored sessions of the Basic FEMP LCC Workshop are also available from FEMP-Qualified Instructors. For further information call the FEMP Help Desk at 1-877-EERE-INF (1-877-337-3463).

**(d) NIST training videos**

An introduction to the FEMP LCC method is provided in the following three video training films. The videos and workbooks are available through the Office of Applied Economics at NIST by calling 301-975-6132.

1. “An Introduction to Life-Cycle Cost Analysis”
2. “Choosing Economic Evaluation Methods”
3. “Uncertainty and Risk”

**(e) ASTM Standards on Building Economics**

The ASTM compilation on Building Economics provides a comprehensive resource document for evaluating the economic performance of investments in buildings, building systems and other constructed facilities. The ASTM Standards on Building Economics include the following standard practices:

- E 917-02 – Measuring Life-Cycle Costs of Buildings and Building Systems
- E 964-02 – Measuring Benefit-to-Cost and Savings-to-Investment Ratios for Buildings and Building Systems
- E 1057-99 – Measuring Internal Rate of Return and Adjusted Internal Rate of Return for Investments in Buildings and Building Systems
- E 1074-93 (1998) – Measuring Net Savings for Investments in Buildings and Building Systems
- E 1121-02 – Measuring Payback for Investments in Buildings and Building Systems
- E 1699-00 – Performing Value Analysis (VA) for Buildings and Building Systems
- E 1765-02 – Applying the Analytical Hierarchy Process (AHP) to Multiattribute Decision Analysis of Investments Related to Buildings and Building Systems
- E 1804-02 – Performing and Reporting Cost Analysis During the Design Phase of the Project
- E 1946-02 – Measuring Cost Risk of Buildings and Building Systems

## (f) Web sites and other contacts

### *General:*

1. FEMP: BLCC5 and associated programs, Handbook 135, Annual Supplement ASHB 135, and Software User Guides, <http://www.eere.energy.gov/femp/program/lifecycle.cfm>  
Hard copies of Handbook 135, ASHB 135, and BLCC5 CDs are available from the FEMP HELP Desk at 1-877-EERE-INF (1-877-337-3463).

Web site for energy-using products

[www.eere.energy.gov/femp/technologies/eeproducts.cfm](http://www.eere.energy.gov/femp/technologies/eeproducts.cfm).

2. NIST Office of Applied Economics: support for LCC methodology and BLCC5, sieglinde.fuller@nist.gov, Ph: 301-975-6134, <http://www.bfrl.nist.gov/oae/oae.html>
3. *Whole Building Design Guide*: guidance on sustainable building design, including guidance on life-cycle cost analysis, <http://www.wbdg.org/>.

### *Codes and Standards:*

1. 10 CFR 436 Subpart A—*Federal Energy Management Program, Methodology and Procedures for Life-Cycle Cost Analyses*, [http://www.access.gpo.gov/nara/cfr/waisidx\\_00/10cfr436\\_00.html](http://www.access.gpo.gov/nara/cfr/waisidx_00/10cfr436_00.html)
2. Circular No. A-94—*Guidelines and Discount Rates for Benefit-Cost Analysis of Federal Programs*, <http://www.whitehouse.gov/OMB/circulars/a094/a094.html>
3. Executive Order 13123—*Greening the Government through Efficient Energy Management*, <http://www.eere.energy.gov/femp/pdfs/eo13123.pdf>
4. *DOE Guidance on Life-Cycle Cost Analysis Required by Executive Order 13123*, [http://www.eere.energy.gov/femp/pdfs/lcc\\_guide\\_rev2.pdf](http://www.eere.energy.gov/femp/pdfs/lcc_guide_rev2.pdf)
5. *Sustainable Building Technical Manual* (DOE/EPA), <http://www.wbdg.org/media/pdf/sbtm.pdf>
6. *Facilities Standard for the Public Buildings Service, P100* (GSA) – Chapter 1.7 – Life Cycle Costing, <http://www.wbdg.org/media/pdf/p100.pdf>
7. *P-442 Economic Analysis Handbook* (NAVFAC), <http://www.wbdg.org/ccbref/ccbdoc.php?category=nav&docid=63&ref=1>
8. *ASTM Standards on Building Economics*, 5th ed., <http://www.astm.org/cgi-bin/SoftCart.exe/BOOKSTORE/COMPS/111.htm?L+mystore+kvml2554>.  
ASTM, 2004. ASTM Stock #: BLDGEC99, ISBN# 0-8031-2714-6.
9. Tri-Services Memorandum of Agreement (MOA), *Criteria/Standards for Economic Analyses/Life-Cycle Costing for MILCON Design* (1991), <http://www.wbdg.org/media/pdf/moa.pdf>

### *Analysis Tools*

1. Energy-10: Cost estimating program available from the Sustainable Buildings Industry Council (SBIC), <http://www.sbicouncil.org/store/index.php#ENERGY-10>
2. Building Life-Cycle Cost (BLCC5) Program, version 5.2-04: Economic analysis tool

developed by the National Institute of Standards and Technology for the U.S. Department of Energy Federal Energy Management Program (FEMP),  
[http://www.eere.energy.gov/femp/information/download\\_blcc.cfm](http://www.eere.energy.gov/femp/information/download_blcc.cfm) - blcc5

3. Life-Cycle Cost in Design WinLCCID Program: Developed for MILCON analyses by the Construction Engineering Research Laboratory of the U.S. Army Corps of Engineers, <http://www.bso.uiuc.edu/WinLCCID>. For password contact [lawrie@dilbert.me.uiuc.edu](mailto:lawrie@dilbert.me.uiuc.edu).
4. ECONPACK for Windows: An economic analysis tool developed by the U.S. Army Corps of Engineers in support of DOD funding requests, <http://www.hnd.usace.army.mil/paxspt/econ.html>.

#### *Additional Resources*

1. *Building Economics: Theory and Practice* by Rosalie T. Ruegg and Harold E. Marshall. New York: Van Nostrand Reinhold, 1990.
2. *Engineering Economy* by G. J. Thuesen and W. J. Fabrycky. Prentice Hall, 1993. ISBN 0-13-277491-7.
3. *GSA LEED® Cost Study*, [http://www.wbdg.org/media/pdf/gsa\\_lcs\\_report.pdf](http://www.wbdg.org/media/pdf/gsa_lcs_report.pdf)
4. *Simplified Energy Design Economics* by Harold E. Marshall and Rosalie T. Ruegg. NBS SP 544. Washington, DC: National Bureau of Standards, January 1980.
5. ASTM International: Publishes standards that support LCCA, <http://www.astm.org>
6. R. S. Means Company: Offers construction cost databases, <http://www.rsmeans.com>
7. Sustainable Buildings Industry Council (SBIC): Offers workshops on Designing Low Energy Buildings that include instruction in using Energy-10 software, <http://www.sbicouncil.org/>
8. DOE/FEMP: Conducts workshops and teleconferences, <http://www.eere.energy.gov/femp/services/training.cfm> on life-cycle costing which include instruction in using BLCC5.

## APPENDIX A

### Additional Government Documents Providing Guidance on Life-Cycle Cost Analysis

(Internet links provided in previous section)

**a) Office of Management and Budget**

For projects that are not primarily concerned with energy or water conservation, Office of Management and Budget (OMB) Circular A-94, *Guidelines and Discount Rates for Benefit-Cost Analysis of Federal Programs*, provides the necessary guidance. The underlying methodologies for the FEMP and OMB rules are identical, except that OMB has different discount rates depending on the type of analysis and the length of the study period and does not limit the length of the study period to 25 years.

**b) Department of Defense**

A Tri-Services Memorandum of Agreement (MOA) “*Criteria/Standards for Economic Analysis/Life-Cycle Costing for MILCON Design*,” which is updated periodically, provides guidance on LCCA for military construction design. The LCCA rules in this MOA are consistent with 10 CFR 436A and OMB Circular A-94. However, at present the MOA recommends (but does not require) the use of mid-year discounting for all annually recurring costs. It also recommends the lumping together of all initial investment costs at the midpoint of construction for projects that have a beneficial occupancy/service date later than the date of study.

**c) General Services Administration**

The General Services Administration (GSA) provides general guidance on LCCA for buildings and building systems in their documents *Facilities Standards for the Public Buildings Service*. The documents refers the reader to 10 CFR 436A for further information and instructions on LCCA.

## APPENDIX B

### Example of LCC Analysis

#### Feasibility of Financing Solar Water Heating System for a U.S. Coast Guard Base

##### (a) Project Description

The U.S. Coast Guard (USCG) in Honolulu seeks to evaluate the feasibility of utility financing to replace an existing electric resistance water heating system with a solar water heating systems in 280 residences. As part of its regular maintenance schedule, USCG installs new heater tanks at the rate of 28 tanks per year, with the first set of tank renewals being completed one year from the base date. As an alternative, the USCG could replace the existing system with a more energy-efficient solar system that would be installed and financed through an energy services contract with the local utility company. It would be ready for operation in one year. USCG would make a down payment of 25 % of the total initial capital investment of \$1,000,000 at the base date and finance the remaining 75 % over a contract term of 10 years. USCG performs a life-cycle cost analysis to determine if the utility proposal is cost effective.

Location:	Honolulu, HI
Base date:	June 2004
Implementation period:	1 year
Length of study period:	21 years
Government discount rate:	4.8 percent (nominal, including inflation)
Discounting convention:	Amounts discounted from end of each year to base date
Analysis type:	Current-dollar analysis (including inflation)
Inflation rate:	1.75 %
Electricity price:	\$0.05/kWh, industrial rate

##### Base Case: Maintain and Repair Existing System

<i>Annual electricity use:</i>	2,975,000 kWh
<i>Initial capital investment:</i>	None
<i>Capital replacement costs:</i>	
Years 6, 11, and 16:	\$23,750 for anode replacement

*Annually recurring OM&R costs:* \$32,220 for tank renewals, beginning one year from base date; no residual values assumed for tanks replaced during the last 9 years of the study period.

**Alternative: Replace Existing System with Solar Water Heating System  
financed through a Utility Energy Services Contract**

***Contract-related data:***

Amount financed: \$750,000 (=75 % of \$1,000,000, at 8.5 % interest)  
Annual contract payment: \$114,306  
Contract term: 10 years  
Implementation period: 1 year  
Administrative costs: \$1,000 per year during contract term  
Oversight costs: \$3,500 to be paid one year from base date; fixed amount

***Annual energy usage:*** Electricity before implementation: 2,975,000 kWh  
Electricity after implementation: 560,000 kWh

***Component costs:***

*Initial cost paid by agency:* \$250,000 (=25 % of \$1,000,000 as down payment)

***Capital Replacement costs:***

Years 11: \$30,000 for anode replacements  
Year 11: \$230,400 for tank replacements  
Year 16: \$18,580 for valve replacements; 67 % residual value

*Annually recurring OM&R costs:* \$10,000 for routine maintenance beginning one year from base date

***Non-annually recurring OM&R costs:***

Years 11: \$35,000 for repairing controls and insulation

**(b)Analysis Results**

The LCC analysis shows that financing a solar water system is a cost-effective alternative to keeping the existing system. The *Summary LCC* and *Comparative Analysis* reports below show that the solar water system generates present-value Net Savings of \$700,00 over the length of the study period.

The analysis was performed using BLCC5.2-04 for Federal Analysis, Financed Projects. For analysis results, see reports below. Only the *Summary LCC* report and the *Comparative Analysis* report are reproduced here. BLCC5 also outputs *Input Data Listing*, *Detailed LCC*, *Cash Flow*, and *Lowest LCC* reports.

## Example of LCC Analysis: BLCC5 Analysis Reports

### NIST BLCC 5.2-04: Summary LCC

*Consistent with Federal Life Cycle Cost Methodology and Procedures, 10 CFR, Part 436, Subpart A*

#### General Information

<b>File Name:</b>	C:\Program Files\BLCC5\projects\USCG-04.xml
<b>Date of Study:</b>	Tue Nov 02 10:08:24 EST 2004
<b>Analysis Type:</b>	Federal Analysis, Financed Project
<b>Project Name:</b>	USCG
<b>Project Location:</b>	Hawaii
<b>Analyst:</b>	CDE
<b>Comment:</b>	Evaluate feasibility of replacing electric resistance water heating system with solar system financed through a 10-year Utility Energy Services Contract
<b>Base Date:</b>	June 1, 2004
<b>Study Period:</b>	21 years 0 months (June 1, 2004 through May 31, 2025)
<b>Discount Rate:</b>	4.8%
<b>Discounting Convention:</b>	End-of-Year

**Discount and Escalation Rates are NOMINAL (inclusive of general inflation)**

#### Alternative: Existing System - Electric Resistance LCC Summary

	Present Value	Annual Value
Initial Cost Paid By Agency	\$0	\$0
Annually Recurring Contract Costs	\$0	\$0
Non-Annually Recurring Contract Costs	\$0	\$0
Energy Consumption Costs	\$2,190,191	\$167,885
Energy Demand Costs	\$0	\$0
Energy Utility Rebates	\$0	\$0
Water Usage Costs	\$0	\$0
Water Disposal Costs	\$0	\$0
Annually Recurring OM&R Costs	\$465,444	\$35,678
Non-Annually Recurring OM&R Costs	\$0	\$0
Replacement Costs	\$51,850	\$3,974

<b>Less Remaining Value</b>	-\$2,554	-\$196
	-----	-----
<b>Total Life-Cycle Cost</b>	\$2,704,931	\$207,342

**Alternative: Solar Water Heating System  
LCC Summary**

	<b>Present Value</b>	<b>Annual Value</b>
<b>Initial Cost Paid By Agency</b>	\$250,000	\$19,163
<b>Annually Recurring Contract Costs</b>	\$858,626	\$65,816
<b>Non-Annually Recurring Contract Costs</b>	\$3,340	\$256
<b>Energy Consumption Costs</b>	\$530,205	\$40,642
<b>Energy Demand Costs</b>	\$0	\$0
<b>Energy Utility Rebates</b>	\$0	\$0
<b>Water Usage Costs</b>	\$0	\$0
<b>Water Disposal Costs</b>	\$0	\$0
<b>Annually Recurring OM&amp;R Costs</b>	\$144,458	\$11,073
<b>Non-Annually Recurring OM&amp;R Costs</b>	\$25,286	\$1,938
<b>Replacement Costs</b>	\$199,708	\$15,308
<b>Less Remaining Value</b>	-\$6,692	-\$513
	-----	-----
<b>Total Life-Cycle Cost</b>	\$2,004,931	\$153,684

## NIST BLCC 5.2-04: Comparative Analysis

*Consistent with Federal Life Cycle Cost Methodology and Procedures, 10 CFR, Part 436, Subpart A*

### Base Case: Existing System - Electric Resistance

### Alternative: Solar Water Heating System

#### General Information

**File Name:** C:\Program Files\BLCC5\projects\USCG-04.xml  
**Date of Study:** Tue Nov 02 10:15:45 EST 2004  
**Project Name:** USCG  
**Project Location:** Hawaii  
**Analysis Type:** Federal Analysis, Financed Project  
**Analyst:** CDE  
**Comment:** Evaluate feasibility of replacing electric resistance water heating system with solar system financed through a 10-year Utility Energy Services Contract  
**Base Date:** June 1, 2004  
**Study Period:** 21 years 0 months(June 1, 2004 through May 31, 2025)  
**Discount Rate:** 4.8%  
**Discounting Convention:** End-of-Year

#### Comparison of Present-Value Costs

##### PV Life-Cycle Cost

	Base Case	Alternative	Savings from Alternative
<b>Initial Investment Costs Paid By Agency:</b>			
Capital Requirements as of Base Date	\$0	\$250,000	-\$250,000
<b>Future Costs:</b>			
Recurring and Non-Recurring Contract Costs	\$0	\$861,966	-\$861,966
Energy Consumption Costs	\$2,190,191	\$530,205	\$1,659,986
Energy Demand Charges	\$0	\$0	\$0
Energy Utility Rebates	\$0	\$0	\$0
Water Costs	\$0	\$0	\$0
Recurring and Non-Recurring OM&R Costs	\$465,444	\$169,744	\$295,700
Capital Replacements	\$51,850	\$199,708	-\$147,859
Residual Value at End of Study Period	-\$2,554	-\$6,692	\$4,139
	-----	-----	-----
Subtotal (for Future Cost Items)	\$2,704,931	\$1,754,931	\$950,000

	-----	-----	-----
<b>Total PV Life-Cycle Cost</b>	\$2,704,931	\$2,004,931	\$700,000

**Net Savings from Alternative Compared with Base Case**

<b>PV of Operational Savings</b>	\$1,955,686
<b>- PV of Differential Costs</b>	\$1,255,686

	-----
<b>Net Savings</b>	\$700,000

**NOTE: Meaningful SIR, AIRR and Payback can not be computed for Financed Projects.**

**Comparison of Contract Payments and Savings from Alternative (undiscounted)**

<b>Year Beginning</b>	<b>Savings in Contract Costs</b>	<b>Savings in Energy Costs</b>	<b>Savings in Total Operational Costs</b>	<b>Savings in Total Costs</b>
<b>Jun 2004</b>	\$0	\$0	\$0	-\$250,000
<b>Jun 2005</b>	-\$118,823	\$125,856	\$148,859	\$30,035
<b>Jun 2006</b>	-\$115,341	\$128,469	\$151,874	\$36,533
<b>Jun 2007</b>	-\$115,359	\$131,779	\$155,595	\$40,235
<b>Jun 2008</b>	-\$115,378	\$135,474	\$159,706	\$44,328
<b>Jun 2009</b>	-\$115,397	\$136,550	\$161,206	\$45,809
<b>Jun 2010</b>	-\$115,416	\$137,222	\$162,309	\$73,248
<b>Jun 2011</b>	-\$115,435	\$135,914	\$161,440	\$46,005
<b>Jun 2012</b>	-\$115,455	\$132,142	\$158,116	\$42,661
<b>Jun 2013</b>	-\$115,475	\$132,794	\$159,222	\$43,747
<b>Jun 2014</b>	-\$115,495	\$134,702	\$161,592	\$46,097
<b>Jun 2015</b>	\$0	\$136,691	\$121,695	-\$164,703
<b>Jun 2016</b>	\$0	\$138,016	\$165,855	\$165,855
<b>Jun 2017</b>	\$0	\$140,448	\$168,775	\$168,775
<b>Jun 2018</b>	\$0	\$141,622	\$170,444	\$170,444
<b>Jun 2019</b>	\$0	\$143,417	\$172,744	\$172,744
<b>Jun 2020</b>	\$0	\$145,823	\$175,663	\$182,487
<b>Jun 2021</b>	\$0	\$148,081	\$178,443	\$178,443
<b>Jun 2022</b>	\$0	\$149,663	\$180,557	\$180,557
<b>Jun 2023</b>	\$0	\$152,505	\$183,940	\$183,940
<b>Jun 2024</b>	\$0	\$154,926	\$186,909	\$197,991

## Energy Savings Summary

### Energy Savings Summary (in stated units)

Energy Type	-----Average Base Case	Annual Alternative	Consumption----- Savings	Life-Cycle Savings
Electricity	2,975,000.0 kWh	674,940.0 kWh	2,300,060.0 kWh	48,293,388.1 kWh

### Energy Savings Summary (in MBtu)

Energy Type	-----Average Base Case	Annual Alternative	Consumption----- Savings	Life-Cycle Savings
Electricity	10,151.1 MBtu	2,303.0 MBtu	7,848.1 MBtu	164,783.8 MBtu

## Emissions Reduction Summary

Energy Type	-----Average Base Case	Annual Alternative	Emissions----- Reduction	Life-Cycle Reduction
<b>Electricity</b>				
CO2	2,535,309.52 kg	575,238.30 kg	1,960,071.23 kg	41,154,787.80 kg
SO2	6,800.53 kg	1,535.48 kg	5,265.05 kg	110,547.95 kg
NOx	7,626.76 kg	1,730.44 kg	5,896.32 kg	123,802.56 kg
<b>Total:</b>				
CO2	2,535,309.52 kg	575,238.30 kg	1,960,071.23 kg	41,154,787.80 kg
SO2	6,800.53 kg	1,535.48 kg	5,265.05 kg	110,547.95 kg
NOx	7,626.76 kg	1,730.44 kg	5,896.32 kg	123,802.56 kg

**APPENDIX C**  
**Example of a FEMP Product Energy Efficiency Recommendation**

<b>Commercial Unitary Air Conditioner Recommendation</b>		
<b>Product Type<sup>[a]</sup> and Size</b>	<b>Recommended</b>	<b>Best Available</b>
<b>&lt; 65 MBtu/h (3 phase)</b>	<b>12.0 SEER or more<sup>[b]</sup></b>	<b>14.5 SEER</b>
<b>65 - 135 MBtu/h</b>	<b>11.0 EER or more 11.4 IPLV or more</b>	<b>11.8 EER 13.0 IPLV</b>
<b>&gt; 135 - 240 MBtu/h</b>	<b>10.8 EER or more 11.2 IPLV or more</b>	<b>11.5 EER 13.3 IPLV</b>

*[a] Only air-cooled single package and split system units used in commercial buildings are covered. Water source units are not covered by ENERGY STAR®, but look for efficiency ratings that meet or exceed these levels for air source units.*

*[b] Where operating conditions are often close to rated conditions or in regions where there are high demand costs, look for units with the highest EER ratings that also meet or exceed this SEER.*

***EER, or Energy Efficiency Ratio**, is the cooling capacity (in Btu/hour) of the unit divided by its electrical input (in watts) at the Air Conditioning and Refrigeration Institute's (ARI) standard peak rating condition of 95°F.*

***SEER (Seasonal Energy Efficiency Ratio) and IPLV (Integrated Part-Load Value)** are similar to EER but weigh performance at different (peak and off-peak) conditions during the cooling season.*



# LIFECYCLE COST ANALYSIS

## GOAL

Determine the lifecycle cost for the roadway project to aid in decision-making.

## REQUIREMENTS

Perform a life cycle cost analysis (LCCA) of the roadway project. LCCA must contain at least agency costs (listed below) and workzone user costs.

LCCA can be performed with manual calculations or by using recommended software (noted below for pavements and bridges). Initial values for calculations should be consistent with existing owner agency policies and **software should report probabilistic rather than deterministic results**. Where no owner agency policy exists for LCCA, do one or more of the following to determine input values for software:

- Justify the use of any default inputs
- Use historical data as representative values where available
- Use engineering estimates
- Use values recommended for select software where noted below

### For projects with pavements:

Perform a LCCA of the project's pavement structure (comparison of multiple design alternatives is encouraged but not required) in accordance with the method described in the FHWA's Interim Technical bulletin, *Life-Cycle Cost Analysis in Pavement Design* (1998, currently being revised). This may be completed manually or by using the FHWA's RealCost software available for free at:

<http://www.fhwa.dot.gov/infrastructure/asstmgmt/lccasoft.cfm>

Use parameters for the LCCA that are consistent with existing owner agency policies. If no owner agency policy exists, use recommended values shown in Table PR-2.1 for the FHWA's *RealCost* software.

### For projects with bridges:

Perform a LCCA of the project's bridges (comparison of multiple design alternatives is encouraged but not required) according to the guidance in the National Cooperative Highway Research Program (NCHRP) Report 483 (Hawk, 2003) and the software (called *BLCCA*) developed for this study. The report provides standard input values for a wide range of potential bridge projects and referenced sources for other input data. Other lifecycle cost analysis software may also be used at the discretion of the project manager, including *RealCost*, with some minor adjustments to the spreadsheet. A *BLCCA* may also be completed by hand. Table PR-2.1 may provide some useful inputs for user costs and traffic data.

- Use agency and user cost parameters that are consistent with agency policy, if one exists (though according to the body of research such policies for bridges are rare.)
- Use the same number of years for service life that is used for design of structural members subject to long term loading effects.



## REQUIRED

### RELATED CREDITS

- ✓ PR-3 Lifecycle Inventory
- ✓ EW-4 Stormwater Cost Analysis
- ✓ MR-1 Lifecycle Assessment

### SUSTAINABILITY COMPONENTS

- ✓ Economy
- ✓ Extent
- ✓ Expectations

### BENEFITS

- ✓ Reduces Lifecycle Cost
- ✓ Improves Accountability

**For projects with additional features:**

Perform a LCCA of the project's major features (comparison of multiple design alternatives is encouraged but not required) in accordance with generally accepted engineering economics practices. Major features may include tunnels, retaining walls and other items.

**Details**

Typical LCCAs and BLCCAs include agency and user costs, defined below. Occasionally, third-party costs (such as monetized environmental damages or hazards) are included, but are not required for this Project Requirement. A cost-benefit analysis (CBA) that includes the minimum components below is acceptable. Assumptions used for agency and user costs should be consistent in each analysis for projects with multiple major features.

**Agency Costs.** Costs from the planning, construction and operation of the roadway and structures.

- **Preliminary Engineering.** Planning and design costs.
- **Contract Administration.** Bidding and contract oversight.
- **Initial construction.** Costs incurred during the initial construction.
- **Construction Supervision.** Construction management, inspections, and
- **Maintenance.** Pothole patching, crack sealing, restriping, etc.
- **Rehabilitation.** Costs to maintain and rehabilitate or retrofit an asset throughout its service life.
- **Administrative Costs.** Cost of pavement management and other administrative costs.
- **Salvage value.** Expected value of materials and equipment at end of service life.

**User Costs.** Those who use the facility incur costs during normal operation and during construction periods (e.g., time, safety, fuel and other vehicle operating costs).

- **Normal Operation.** Often ignored in LCCA, as they may be the same between alternatives.
- **Work Zone.** Costs incurred by the user from work zone delays.

The Federal government mandated LCCA in the National Highway System Designation Act of 1995 but then changed it to a voluntary standard in TEA-21. Section 1305(c) states that LCCA is not required but tasks the "...Secretary shall develop recommendations for the States to conduct life-cycle cost analyses." Most recently, the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) set a funding threshold that mandates the use of LCCA or other value engineering tools for bridge projects US\$20 million or more. Another mandate threshold is set at US\$25 million for any federal aid project (Federal Highway Administration, n.d).

Many roadway projects have both pavements and structures included in the scope of work. For such projects, the life cycle cost analysis prepared for this credit must reflect each substantial project feature for its entire service life. It may also be desirable to perform a LCCA on the entire roadway project (e.g., include all earthwork, traffic hardware, structures, etc.) but currently no straightforward means of doing this exists.

Many state departments of transportations (DOTs) already incorporate LCCA into a formal pavement type selection process or project alternative selection process, and thus already have a formal LCCA process in place for pavements. However, a formalized alternative selection process using BLCCA does not appear to be in widespread use for bridge or other structural projects (Özbay et al. 2004; Thompson, 2004).

**DOCUMENTATION**

- A copy of the LCCA and/or BLCCA calculations (if done by hand) or the report produced by the analysis software, including a summary of inputs and outputs.
- A link to or copy of agency policy on LCCA and/or BLCCA if one exists.
- A short 1-paragraph narrative describing which alternative was selected and the principal reasons for selection.

**Table PR-2.1: Recommended LCCA Input Values for RealCost if No Standard Agency Policy Exists**

<b>Analysis Options</b>	<b>Probability Distribution</b>	<b>Value</b>
Analysis period	NA	≥ 40 years
Discount Rate†	Triangular	min = 1.7%, most likely = 2.7%, max = 3.7%
Include agency cost residual value	NA	Yes
Include user costs in analysis	NA	Yes
User cost comparison method	NA	Calculated
Traffic direction	NA	Both or Inbound or Outbound
Include user cost residual value	NA	Yes
<b>Traffic Data</b>		
AADT	NA	Best estimate
Single unit trucks as % of AADT	NA	Best estimate
Combo unit trucks as % of AADT	NA	Best estimate
Annual growth rate of traffic	Normal	Best estimate
Speed limit under normal conditions	NA	Predominate speed limit in project
Lanes open in each direction under normal operation	NA	Best estimate
Free flow capacity	NA	Calculated by software
Queue dissipation capacity	Normal	average = 1818 vphpl, st. dev. = 144 vphpl
Maximum AADT both directions	NA	Best estimate
Maximum queue length	NA	Best estimate
Rural/Urban	NA	Best estimate
<b>Value of User Time††</b>		
Value of time for passenger cars	Triangular	min = \$10, most likely = \$11.50, max = \$13
Value of time for single unit trucks	Triangular	min = \$17, most likely = \$18.50, max = \$20
Value of time for combination trucks	Triangular	min = \$21, most likely = \$22.50, max = \$24
<b>Hourly Traffic Distribution</b>		
Use default values if no region or project specific information available.		
<b>Added Vehicle Time and Cost</b>		
Use default values if no region or project specific information available.		
<b>Alternatives</b>		
Alternative description	NA	Fill in
Activity description	NA	Fill in
Agency construction cost	Normal	average = best estimate of cost st. dev. = 10% of the average
Activity service life	Triangular	Best estimate
Maintenance frequency	Triangular	Best estimate
Work zone length	NA	Best estimate
Work zone capacity	NA	Best estimate, if no data consider using Figure 3.4 in Walls and Smith (1998)
Work zone duration	NA	Best estimate
Work zone speed limit	NA	Posted value
Number of lanes open in each direction during work zone	NA	Best estimate
Work zone hours	NA	Planned hours

†Discount rate should be determined from most recent OMB Circular A-94. Appendix C contains real interest rates for treasury notes and bonds of various lengths. Treasury note maturity that most closely matches the project analysis period should be used. Use minimum and maximum values of ±1%.

††Dollar values in this table are taken directly from Walls and Smith (1998) and are given in August 1996 dollars. These values MUST be inflated to dollar values in the year that construction is scheduled to start using the U.S. Bureau of Labor Statistics (BLS) Consumer Price Index (CPI) U.S. city average for all urban consumers (not seasonally adjusted). The value for this index in 1996 was 156.9. The BLS CPI Inflation Calculator ([http://www.bls.gov/data/inflation\\_calculator.htm](http://www.bls.gov/data/inflation_calculator.htm)) can be used to do this conversion quickly.

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## APPROACHES & STRATEGIES

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- Complete the LCCA early enough in the project so that its results can be considered in selecting between project alternatives. This generally means it should happen during the planning stage and not the design or construction stage.
- Note that *RealCost* and *BLCCA* software are not required for this credit; however any other method used must conform to the FHWA's Interim Technical bulletin for pavements, *Life-Cycle Cost Analysis in Pavement Design* (Walls & Smith, 1998) and NCHRP 483 for bridges.
- Include LCCA considerations in the technical score of bidders for pavement projects in order for it to be considered in selecting a design alternative for Design-Build contract delivery methods. This is because the actual pavement design is often used as part of a design-build team's technical score in determining contract award, a LCCA of alternative designs cannot be performed by the agency until after the bid competition is complete. While this can be done, LCCA results should be properly weighted so that they influence contract award in a manner consistent with owner wishes. Unfortunately, Gransberg and Molenaar (2004) showed that design-build award algorithms often do not weight LCCA concerns heavily enough for them to be a significant factor in contract award.
- Incorporate results of other Related Credits, such as Project Development: Economy and Cost Benefit Analysis, into the LCCA for consistency across the whole project.

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### Example: Case Studies of LCCA

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Rangaraju et al. (2008) report on LCCA efforts of the South Carolina DOT and list several case studies in Appendix E (page 117) that deal with the influence of discount rate and analysis period on LCCA outcomes.

The entire report, *Life Cycle Cost Analysis for Pavement* (Rangaraju et al. 2008) can be downloaded at: <http://www.clemson.edu/t3s/scdot/pdf/projects/SPR656Final.pdf>.

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### Example: Washington State Department of Transportation (WSDOT) LCCA Protocol

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WSDOT follows a standard LCCA protocol when selecting pavement type for new facilities. This protocol is based on the FHWA's *Life-Cycle Cost Analysis in Pavement Design* (Walls and Smith, 1998) and uses *RealCost* software for calculations. It includes specified inputs for WSDOT analysis and how to consider results. Of note, cost difference between competing alternatives that are less than 15 percent are considered equal based on the uncertainty of input values.

The WSDOT *Pavement Type Selection Protocol* (2005) is available for download here: [http://www.wsdot.wa.gov/biz/mats/Pavement/Technotes/PTSP\\_Jan2005.pdf](http://www.wsdot.wa.gov/biz/mats/Pavement/Technotes/PTSP_Jan2005.pdf).

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### Example: Caltrans LCCA Procedures Manual

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Caltrans has developed a manual (Caltrans 2007) that describes LCCA procedures for use in Caltrans. The manual is based on *RealCost* software and provides standard input values for a wide range of potential projects. Caltrans has adopted an aggressive policy towards using LCCA mandating that it be used "...for all projects with include pavement work on the State Highway System regardless of funding source..." (Land 2007)

The manual can be downloaded at: <http://www.dot.ca.gov/hq/esc/Translab/ope/LCCA.html>.

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## POTENTIAL ISSUES

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1. While LCCA is a fairly standard economic analysis tool, the potential exists to input incorrect or irrelevant numbers and misuse its results. Users should be familiar with the FHWA's *Life-Cycle Cost Analysis in Pavement Design* Interim Technical Bulletin (Walls and Smith 1998, currently being revised) before conducting an LCCA with *RealCost* or *BLCCA*.
2. A LCCA assumes that the benefits associated with project alternatives are equal. Thus, it only analyzes costs. Projects with different benefits between alternatives may desire a more comprehensive cost-benefit analysis.

3. The meaningfulness of LCCA outputs relies heavily on good estimates of future pavement life, rehabilitation costs and the interval between future rehabilitation efforts. These all rely on good engineering judgment and past history rather than economic theory or principals.
4. LCCA is based on estimated of total cost and can be easily manipulated by changing assumptions and input values. For this reason the results should not be weighted too heavily in the choice of design alternatives.
5. This credit does not contain a requirement to use or implement the lowest life-cycle cost project alternative. Therefore, it should be viewed as a credit that creates information that is useful in decision-making rather than a decision-making tool. It does not guarantee a lowest life-cycle cost decision.
6. This credit does not require the LCCA to be done during the planning stage where it would be most likely to influence project decisions. Therefore, it could be done late in design, or even during construction, meaning it would be undertaken for no other reason than to meet this credit, which misses the point.
7. Some rehabilitation efforts and even other efforts that take a systematic approach to choosing the proper project features (e.g., a pavement management system), there may not be a choice between two or more alternatives. This may be because such a system already incorporates a form of LCCA, or it may be because no other alternative is reasonably feasible.
8. Other prototype software programs for bridge life cycle cost analyses have been developed but do not appear to be in widespread use, such as the National Institute of Standards and Technology's *BridgeLCC* software which was last updated in 2003 (available at <http://www.bfrl.nist.gov/bridgelcc/welcome.html>). For purposes of this credit, any software can be used so long as the inputs and results are justifiable, reasonable, and validated by the professionals working on the project.

## RESEARCH

Lifecycle cost analysis (LCCA) is a process for evaluating the total cost of a project, facility or product over its useful lifetime. For roadway projects, this means accounting for initial construction costs, maintenance and rehabilitation costs, roadway user costs and third-party costs. LCCA can contribute to the sustainability of a roadway project by allowing project personnel to account for total life cycle costs when making key project decisions.

An important distinction must be made between LCCA and life cycle assessment (LCA) as these terms use confusingly similar acronyms. Both have similar utility in the decision-making process, but the underlying purpose, scope and mathematical model for each are different. For this reason, LCA is discussed in detail in other credits in the *Greenroads Manual* (see PR-3 Lifecycle Inventory and MR-1 Lifecycle Assessment) while LCCA is discussed here.

### Lifecycle Cost Analysis Method

LCCA is simply a mathematical accounting tool that can be used to compare the value of money at different times. Underlying the LCCA process are basic principles of business finance, which uses compound interest formulas (and tables) and reasonable assumptions about the future to translate different economic values to an equal reference point in time. LCCA may be quite familiar to many transportation professionals in the form of cost-benefit analysis (CBA) or commonly just “engineering economics.” The how-to of business finance and engineering economics can be found in a plethora of textbooks and will not be discussed in depth here.

LCCA is a useful process in roadway design because the results quantify the total long-term value of project alternatives. This process allows for straightforward comparisons, usually in terms of a total lifetime cost or a total lifetime benefits. The key role of the decision-maker in LCCA is determining appropriate assumptions and scope for the comparison, as well as interpreting and acting on the quantified results.

For a basic example, consider a roadway project with two design alternatives; one is a thin pavement section and the other has thicker section. The initial construction cost of the first alternative is lower than the second, but the first alternative requires additional, more frequent expenditures for maintenance throughout its lifetime. The project manager completes an LCCA on each alternative. The results show that while first alternative is less expensive for initial construction, the second alternative actually has a much lower long-term cost. The second alternative has a higher upfront cost for initial construction, but saves the project owner more money over time.

Because this comparison is not limited to upfront costs alone, a project manager can better understand how their design and construction choices contribute to the overall economic impact of the project.

### Lifecycle Costing, Roadways and Sustainability

There is substantial writing to suggest that LCCA contributes to sustainability. Most efforts are centered on buildings; however, the FHWA does contribute some useful information. Considering buildings, the Federal Facilities Council recognized the relationship between life-cycle costing and sustainable development by stating:

*“Guidance related to life-cycle costing and value engineering was recognized as being supportive of sustainable development, in particular when used in the conceptual planning and design phases of acquisition, where decisions are made that substantially affect the ultimate performance of a building over its life cycle (Federal Facilities Council, 2001).”*

In essence, they were concerned that features that enhanced sustainability would be excluded to save on initial costs without considering life-cycle costs that could show such features to be warranted. The FHWA believes LCCA should be used because “...transportation investment decisions should consider all of the costs incurred during the period over which alternatives are compared (FHWA, 2002).” This means considering the total cost to the owner, users and externalities rather than just the first, or construction, cost.

- **Initial construction.** Costs incurred during the initial design and construction.
- **Preservation.** Costs to maintain and rehabilitate an asset.
- **Users.** Those who use the facility incur costs during normal operation and during construction periods (e.g., time, safety, fuel and other vehicle operating costs).
- **Externalities.** Costs that indirectly impact the users or the environment due to, for example, air emissions or a natural hazard.

### Prevalence of LCCA and BLCCA

According to the comprehensive state-of-the-practice review of the applications of lifecycle costing in practice by Özbay et al. (2004), LCCA has been in use to some extent for almost 40 years for pavement selection. The authors completed a three year study that surveyed the division at 39 state departments of transportation (DOTs) which used LCCA the most. The majority of respondents in the survey indicated that LCCA is applied by:

- Research and design division (68%)
- Materials and pavements division (37.5%)
- Bridge offices (12.5%)

Additionally, the authors found that all agencies surveyed use LCCA on some form of pavement projects. In fact, 60% of the responding agencies have adopted formal guidelines for pavement LCCA. However, only 25% of those surveyed by Ozbay et al. (2004) indicated that BLCCA might be used on bridge projects at their state agencies while 100% indicated that it might be used on pavement projects.

### State of the Practice - Pavements

A more recent study for the South Carolina Department of Transportation (Rangaraju et al., 2008) found that most states (i.e. state departments of transportation) conduct LCCA but to varying degrees. Their survey, completed in 2005, had responses from 33 states and 2 Canadian Provinces and found:

- 94% (33 of 35) of the agencies use LCCA as part of their decision-making process. This appears to be an increase in percentage over an earlier limited 2001 survey that found 8 of 16 responding states used LCCA.
- 69% (24 of 35) of respondents include or are planning to include user costs in LCCA. Typically this is done by quantifying user delay costs during construction only.
- Few (only 2 out of 32) used a fully probabilistic approach to calculating life cycle costs while others did conduct sensitivity analyses to determine how changes in assumed parameters affected analysis outcome.

### State of the Practice - Bridges

Ehlen (1997) provides a strong, practical argument for the utility of systematic application of BLCCA and Thompson (2004) also provides a good summary of the state of BLCCA in bridge practice. He notes that streamlined tools will expand application opportunities for BLCCA, especially in terms of network level bridge management systems, but much more refinement may be necessary for uncertainties and assumptions to be unified from project to project. Much of the lifecycle literature for bridges appears to be relevant to optimization of the project and network level bridge management systems. These references are discussed in more detail in PR-9 Pavement Management System.

However, to date, the most comprehensive work on BLCCA was completed as part of the National Cooperative Highway Research Program *Report 483: Bridge Life-cycle Cost Analysis* (Hawk, 2003). This report contains details on specific methodologies that may be relevant to bridge designers, as well as limitations, assumptions, examples, and a software tool called *BLCCA*.

Some of the most recent work that is relevant to sustainability includes early BLCCA work by Ehlen (1999), who attempts to account for third-party costs (which he defines as costs of environmental damages) due to the lifecycle of bridge projects. However, values of zero were used for these costs in his model. Lately, BLCCA literature has focused more on reliability studies for catastrophic and long-term environmental stressors including work by Lee, Cho, and Cha (2006), Hosser et al. (2008) and Padgett, Dennemann, and Ghosh (2010). The latter authors applied LCCA principles using a risk-based analysis of several bridge retrofit options subject to seismic hazards. The study may be particularly relevant to practitioners trying to model their bridge to determine an appropriate retrofit solution and maintenance schedule.

### Impact of LCCA

Given that most states use LCCA in some form already this credit may have the largest effect in three areas:

1. **Local agencies or other owners who do not typically conduct LCCAs.** *RealCost* and *BLCCA* are fairly straightforward free software tools that should be able to provide answers with reasonable effort.
2. **State or federal projects considered too small for LCCA.** Some projects (e.g., overlays or other preservation efforts) are generally deemed too small for LCCA and have historically omitted this process in decision-making.
3. **Non-pavement projects.** This credit may encourage the wider adoption of lifecycle costing on non-pavement projects such as bridges and other major structures, intelligent transportation systems, or other types of assets where LCCA applications are not common practice.

## GLOSSARY

<b>Agency cost</b>	A cost incurred by the agency of a roadway such as maintenance, repair, rehabilitation, improvement, and replacement (Thompson, 2004)
<b>BLCCA</b>	Bridge Life Cycle Cost Analysis
<b>Externality</b>	An indirect cost incurred by any party due to the project, such as damage to the environment, which is hard to quantify using traditional accounting.
<b>LCCA</b>	Life Cycle Cost Analysis
<b>Salvage value</b>	The estimated monetary value of an asset at the end of its useful life.
<b>Third-party cost</b>	See <i>Externality</i> .
<b>User cost</b>	A cost incurred by the users of a roadway such as collision risk, detours, and time delay (Thompson, 2004)

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