



**BENICIA CITY COUNCIL
REGULAR MEETING AGENDA**

**City Council Chambers
May 21, 2013
6:00 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, the open session will begin
at 7:00 PM**

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

II. CLOSED SESSION (6:00 PM):

A. CONFERENCE WITH REAL PROPERTY NEGOTIATOR

Property: 4850 Park Road, 3300 Park Road & 3190 Bayshore Road

**Negotiating Parties: City Attorney, City Manager & Economic
Development Manager**

**Under Negotiation: Instruction to negotiator on both payment and lease
terms**

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

A. ROLL CALL.

B. PLEDGE OF ALLEGIANCE.

C. REFERENCE TO THE FUNDAMENTAL RIGHTS OF 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/PROCLAMATIONS/ APPOINTMENTS/PRESENTATIONS:

A. ANNOUNCEMENTS.

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

2. Openings on Boards and Commissions:

Arts and Culture Commission

1 unexpired term

2 full terms

Open Until Filled

Benicia Housing Authority Board of Commissioners

1 full term

Application due date: June 14, 2013

Human Services Board

2 full terms

Application due date: June 14, 2013

Open Government Commission

1 full term

Application due date: June 14, 2013

Historic Preservation Review Commission

2 full terms

1 unexpired term

Application due date: June 14, 2013

Library Board of Trustees

2 full terms

Application due date: June 14, 2013

Parks, Recreation and Cemetery Commission

2 full terms

Application due date: June 14, 2013

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 update from City Attorney

B. PROCLAMATIONS.

- 1. In Recognition of National Public Works Week - May 19-25, 2013**

C. APPOINTMENTS.

D. PRESENTATIONS.

- 1. National Public Works Week**
- 2. Benicia Historical Museum Annual Report**

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 (7:30 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 THE MINUTES OF THE MAY 7, 2013 CITY COUNCIL MEETING. (City Clerk).

B. AWARD OF CONTRACTS FOR THE WATER TREATMENT PLANT SECURITY SURVEILLANCE PROJECT. (Public Works Director)

This project, located at the Water Treatment Plant and pump stations, is a continuation of a security improvement project. This phase includes the installation of video cameras, monitors, digital video recording equipment, electronic card readers for the magnetic door locks, hatch alarms, motion detectors, security system commissioning, and ancillary electrical improvements for power. Sufficient funds are available in the Water Enterprise Funds to cover the cost of the project.

Recommendation: Adopt a resolution:

**Accepting bids for the Water Treatment Plant Security Surveillance Improvement Project and awarding the construction contract to WEST Corporation in the amount of \$238,402;
Approving a construction management contract with California Technical Concepts in the amount of \$27,590;
Approving an engineering support services contract with Stantec Consulting Services in the amount of \$11,635;
Authorizing the purchase of the Control Room Console from Winsted Control Room Consoles in the amount of \$46,726; and
Authorizing the City Manager to execute the contracts on behalf of the City.**

C. 2013 ASPHALT OVERLAY PROJECT -- CONTRACT AWARD. (Public Works Director)

The 2013 Asphalt Overlay Project will repair and resurface Park Road from Industrial Way to Stone Road, East K Street from East 4th Street to East 7th Street, and Southampton Road from the Bay View Villas entrance to the southern I-780 on/off ramps. The work also includes traffic striping for the Rose Drive Traffic Calming Project and consists of new bike lanes from Panorama Drive to Dempsey Drive and sharrows from Dempsey Drive to Cambridge Drive.

Recommendation: Adopt a resolution accepting bids for the 2013 Asphalt Overlay Project including traffic striping for the Rose Drive Traffic Calming Project, approving a Gas Tax Fund budget amendment to fully fund the construction contract, awarding the construction contract to Argonaut Constructors in the amount of \$764,341.50, and authorizing the City Manager to execute the contract on behalf of the City.

D. REVIEW AND ACCEPTANCE OF THE INVESTMENT REPORTS FOR THE QUARTERS ENDED DECEMBER 31, 2012 AND MARCH 31, 2013. (Acting Assistant City Manager)

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 these reports.

Recommendation: Accept, by motion, the Investment Reports for the quarters ended December 31, 2012 and March 31, 2013.

E. APPROVAL OF CITY OF BENICIA INVESTMENT POLICY. (Acting Assistant City Manager)

The City Council periodically reviews and updates the City's Investment Policy to ensure compliance with the provisions of the California Government Code. The Investment Policy was last amended on May 15, 2012. Staff is proposing several minor modifications to the Investment Policy. The proposed revisions to the Investment Policy were approved by the Finance Committee on April 26, 2013.

Recommendation: Adopt the resolution approving the City of Benicia Investment Policy.

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

VIII. BUSINESS ITEMS (8:00 PM):

A public hearing should not exceed one hour in length. To maximize public participation, the council requests that speakers be concise and avoid repetition of the remarks of prior speakers. Instead, please simply state whether you agree with prior speakers.

A. ACCEPTANCE OF DOWNTOWN INTERMODAL FACILITIES PROJECT. (Public Works Director)

The Downtown Intermodal Facilities Project improved pedestrian, bicycle, automobile, and transit facilities in the vicinity of First Street and Military West and beautified the area. This project and the Western Gateway Intermodal, which will be constructed later this season, are fully funded through a \$3 million Regional Measure 2 grant from the Metropolitan Transportation Commission. Acceptance of the project is necessary to make final payment to the contractor.

Recommendation: Adopt a resolution accepting the Downtown Intermodal Facilities Project as complete, including Contract Change Order Nos. 1 - 30, approving Contract Change Order Nos. 19 - 30 for \$63,118, authorizing the City Manager to sign the Notice of Completion, and authorizing the City Clerk to file same with the Solano County Recorder.

**B. COUNCIL MEMBER STRAWBRIDGE REQUEST TO AGENDIZE AN ITEM REGARDING THE TERMINATED BENICIA BUSINESS PARK PROJECT.
(City Manager)**

This is a request to discuss the Benicia Business Park Project, which was formally withdrawn by the applicant on June 29, 2010. Council Member Strawbridge believes this would be an opportune time to bring the full Council up-to-date with the prior project agreement and discuss what steps, if any, should be taken moving forward.

Recommendation: Consider Council Member Strawbridge's request to agendize this topic for a future City Council Meeting.

**C. Council Member Committee Reports:
(Council Member serve on various internal and external committees on behalf of the City. Current agendas, minutes and meeting schedules, as available, from these various committees are included in the agenda packet. Oral reports by the Council Members are made only by exception.)**

- 1. Mayor's Committee Meeting.
(Mayor Patterson)
Next Meeting Date: June 19, 2013**
- 2. Association of Bay Area Governments (ABAG)
<http://www.abag.ca.gov/>.
(Mayor Patterson and Council Member Strawbridge)
Next Meeting Date: TBD**
- 3. Finance Committee.
(Vice Mayor Campbell and Council Member Strawbridge)
Next Meeting Date: May 24, 2013**
- 4. League of California Cities.
(Mayor Patterson and Vice Mayor Campbell)
Next Meeting Date: July 31, 2013**

5. **School Liaison Committee.**
(Council Members Strawbridge and Council Member Hughes)
Next Meeting Date: June 13, 2013
6. **Sky Valley Open Space Committee.**
(Vice Mayor Campbell and Council Member Schwartzman)
Next Meeting Date: August 7, 2013
7. **Solano EDC Board of Directors.**
(Mayor Patterson and Council Member Strawbridge)
Next Meeting Date: July 11, 2013
8. **Solano Transportation Authority (STA).**
<http://www.sta.ca.gov/>
(Mayor Patterson and Council Member Schwartzman)
Next Meeting Date: June 12, 2013
9. **Solano Water Authority-Solano County Water Agency and Delta Committee.**
<http://www.scwa2.com/>
(Mayor Patterson)
Next Meeting Date: June 13, 2013
10. **Traffic, Pedestrian and Bicycle Safety Committee.**
(Vice Mayor Campbell and Council Member Schwartzman)
Next Meeting Date: July 18, 2013
11. **Tri-City and County Cooperative Planning Group.**
(Council Member Hughes)
Next Meeting Date: June 10, 2013
12. **Valero Community Advisory Panel (CAP).**
(Mayor Patterson and Council Member Hughes)
Next Meeting Date: TBD
13. **Youth Action Coalition.**
(Mayor Patterson, Council Member Strawbridge and Council Member Hughes)
Next Meeting Date: May 22, 2013
14. **ABAG-CAL FED Task Force-Bay Area Water Forum.**
<http://www.baywaterforum.org/>
(Mayor Patterson)
Next Meeting Date: TBD

**15. SOLTRANS Joint Powers Authority
(Mayor Patterson, Council Member Hughes and Council Member
Schwartzman)
Next Meeting Date: June 27, 2013**

IX. ADJOURNMENT (8:30 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.

Public Records

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



PROCLAMATION

IN RECOGNITION OF

NATIONAL PUBLIC WORKS WEEK

MAY 19 - 25, 2013

WHEREAS, this year's theme "because of public works" highlights critical services provided in our community which are an integral part of our citizens' everyday lives; and

WHEREAS, "because of public works" the City of Benicia has a safe, clean, and abundant supply of drinking water delivered to our homes and businesses; and

WHEREAS, "because of public works" the community's sewage is collected and treated to protect public health and the environment; and

WHEREAS, "because of public works" streets and storm drains are maintained to insure safe travel of vehicles, pedestrians and bicyclists; and

WHEREAS, "because of public works" needed emergency response services are available to the community in a disaster; and

WHEREAS, it is beneficial for citizens and civic leaders to learn about and maintain a progressive interest in the public works needs and programs of their communities.

NOW, THEREFORE, BE IT RESOLVED THAT I, Elizabeth Patterson, Mayor of the City of Benicia on behalf of the City Council, hereby proclaim May 19 - 25, 2013 as "NATIONAL PUBLIC WORKS WEEK," and urge all citizens and civic organizations to acquaint themselves with the effort and complexity involved in providing and maintaining the City's public works and to recognize the contributions, which the professional public works staff make every day to uphold our health, safety, and comfort.

Elizabeth Patterson, Mayor
May 21, 2013



MINUTES OF THE
REGULAR MEETING – CITY COUNCIL
May 07, 2013

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 Closed Session to order at 6:00 p.m. All Council Members were present.

II. CLOSED SESSION:

**A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
(Subdivision (b) of Government Code Section 54957)
Title: City Attorney**

**B. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
(Subdivision (b) of Government Code Section 54957)
Title: City Manager**

III. CONVENE OPEN SESSION:

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

A. ROLL CALL

All Council Members were present.

B. PLEDGE OF ALLEGIANCE

Helaine Bowles led the Pledge of Allegiance.

C. REFERENCE TO THE FUNDAMENTAL RIGHTS OF THE PUBLIC.

IV. ANNOUNCEMENTS/PROCLAMATIONS/APPOINTMENTS/PRESENTATIONS:

A. ANNOUNCEMENTS

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

Ms. McLaughlin reported that Council did not take action during Closed Session.

2. Openings on Boards and Commissions:

Arts and Culture Commission
1 unexpired term
2 full terms
Open Until Filled

Benicia Housing Authority Board of Commissioners
1 full term
Application due date: June 14, 2013

Human Services Board
2 full terms
Application due date: June 14, 2013

Open Government Commission
1 full term
Application due date: June 14, 2013

Historic Preservation Review Commission
2 full terms
1 unexpired term
Application due date: June 14, 2013

Library Board of Trustees
2 full terms
Application due date: June 14, 2013

Parks, Recreation and Cemetery Commission
2 full terms
Application due date: June 14, 2013

3. Mayor's Office Hours:

4. Benicia Arsenal Update:

B. PROCLAMATIONS

- 1. In Recognition of Emergency Medical Services Week - May 19-25, 2013**
- 2. In Recognition of National Preservation Month - May 2013**
- 3. In Recognition of Drowning Prevention Month - May 2013**

C. APPOINTMENTS

D. PRESENTATIONS

1. Arts and Culture Commission Annual Report

V. ADOPTION OF AGENDA:

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

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

VI. OPPORTUNITY FOR PUBLIC COMMENT:

A. WRITTEN COMMENT

Two items received (copies on file).

B. PUBLIC COMMENT

None

VII. CONSENT CALENDAR:

Item VII.D was pulled for discussion.

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

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

A. APPROVAL OF THE MINUTES OF THE APRIL 16, 2013 CITY COUNCIL MEETING. (City Clerk)

B. ACCEPTANCE OF THE ANNUAL REPORT OF THE OPEN GOVERNMENT COMMISSION

C. AGREEMENT TO PROVIDE SCHOOL RESOURCE OFFICERS TO BENICIA UNIFIED SCHOOL DISTRICT

RESOLUTION 13-27 - A RESOLUTION APPROVING AN AGREEMENT BETWEEN THE CITY OF BENICIA AND THE BENICIA UNIFIED SCHOOL DISTRICT TO CONTINUE THE ESTABLISHED SCHOOL RESOURCE OFFICER PROGRAM, AND AUTHORIZING THE CITY MANAGER TO

EXECUTE THE AGREEMENT ON BEHALF OF THE CITY

D. GENERAL PLAN ANNUAL PROGRESS REPORT TO THE STATE OF CALIFORNIA

Mayor Patterson requested this item be continued. She discussed the need to amend the General Plan, as items (SolTrans) have gotten stale. The plans that have been adopted (such as Bicycle and Pedestrian Plan - STA) need to be referenced in the General Plan. She has other comments regarding transit and transportation, which she will forward to Staff.

Public Comment:

1. Dana Dean, Amports - Ms. Dean spoke in support of continuing this item. She discussed the goals and policies relating to the port in the Industrial Park that needed to be updated.

Vice Mayor Campbell and Staff discussed how often the General Plan could be amended per calendar year, and whether the proposed changes should be considered as amendments.

Mayor Patterson clarified that the language in the report needs to be clear on the points being made (at a future date the General Plan would be amended. Ms. McLaughlin clarified that the General Plan had been amended less than five times since 1999. Mayor Patterson discussed how other jurisdictions update their plans. The General Plan has held up very well. If there are significant changes (such as Ms. Dean's suggestions), the Plan should go back to the Planning Commission for review.

The item was continued.

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

VIII. BUSINESS ITEMS:

- A. SECOND READING AND ADOPTION OF AN ORDINANCE AMENDING THE CONTRACT BETWEEN THE CITY OF BENICIA AND PUBLIC EMPLOYEES' RETIREMENT SYSTEM FOR LOCAL SAFETY EMPLOYEES TO PROVIDE SECTION 20516 (5.41% EMPLOYEES SHARING COST OF ADDITIONAL BENEFITS) FOR LOCAL FIRE MEMBERS IN BENICIA FIREFIGHTER'S ASSOCIATION (BFA)**

ORDINANCE 13-05 - AN ORDINANCE AUTHORIZING AN AMENDMENT TO THE CONTRACT BETWEEN THE CITY COUNCIL AND THE BOARD OF ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEES'

RETIREMENT SYSTEM

Anne Cardwell, Acting Assistant City Manager, reviewed the staff report.

Public Comment:

None

On motion of Council Member Schwartzman, seconded by Council Member Strawbridge, Council adopted Ordinance 13-05, on roll call by the following vote:

Ayes: Patterson, Schwartzman, Campbell, Hughes, Strawbridge

Noes: (None)

B. APPROVE THE EXTENSIONS TO THE JULY 1, 2010 TO JUNE 30, 2013 AGREEMENTS BETWEEN THE CITY OF BENICIA AND CITY BARGAINING UNITS

RESOLUTION 13-28 - A RESOLUTION APPROVING CONTRACT EXTENSION AGREEMENTS TO THE JULY 1, 2010 TO JUNE 30, 2013 AGREEMENTS WITH SENIOR MANAGERS, MID-MANAGERS, POLICE MID-MANAGERS, LOCAL #1, BENICIA DISPATCHERS ASSOCIATION, BENICIA POLICE OFFICERS ASSOCIATION, BENICIA PUBLIC SERVICE EMPLOYEES ASSOCIATION AND UNREPRESENTED EMPLOYEES

Anne Cardwell, Acting Assistant City Manager, reviewed the staff report.

Public Comment:

None

On motion of Council Member Schwartzman, seconded by Council Member Hughes, Council adopted Resolution 13-28, on roll call by the following vote:

Ayes: Patterson, Schwartzman, Campbell, Hughes, Strawbridge

Noes: (None)

C. INTRODUCTION OF AN ORDINANCE TO INCORPORATE ZONING REGULATIONS PERTAINING TO COTTAGE FOOD OPERATIONS

ORDINANCE 13- - AN ORDINANCE AMENDING SECTION 17.12.030 (DEFINITIONS) OF CHAPTER 17.12 (DEFINITIONS), SECTION 17.24.020 (RS, RM AND RH DISTRICTS - LAND USE REGULATIONS) OF CHAPTER 17.24 (RESIDENTIAL DISTRICTS), AND SECTION 17.70.070 (HOME OCCUPATIONS IN R DISTRICTS) OF CHAPTER 17.70 (SITE REGULATIONS), AND ADDING SECTION 17.70.370 (COTTAGE FOOD

OPERATIONS) OF CHAPTER 17.70 (SITE REGULATIONS), ALL OF TITLE 17 (ZONING) OF THE BENICIA MUNICIPAL CODE TO UPDATE REGULATIONS PERTAINING TO COTTAGE FOOD OPERATIONS PER SECTION 113758 OF THE CALIFORNIA HEALTH AND SAFETY CODE

Amy Million, Principal Planner, reviewed the staff report.

Council Member Hughes and Staff discussed the issue of why permitted use was not used. The conditions in the ordinance were derived from a combination of State law, the City's home occupation permits, and what other jurisdictions had done. They discussed the issue of permit fees.

Mayor Patterson and Staff discussed the issue of odor involved with cottage food operations, and how conditions regarding the issue could be tied into the ordinance. That change could be incorporated into the ordinance.

Council Member Schwartzman discussed support for the ordinance, but was concerned about imposing conditions relating to baking odors, and how it could be regulated so that it would not be over burdensome. Ms. McLaughlin clarified that it would have to be some durational time limits (lingering odors).

Council Member Hughes and Staff clarified that the proposed ordinance was consistent with what other cities were doing. They discussed the issue of enforcement. It would be enforced through complaints, and through the Solano County Health Department.

Council Member Strawbridge and Staff discussed the number of cottage food businesses there are in Benicia (1). The City has received three applications to date. They discussed the cost of the business licenses. Council Member Strawbridge and Staff discussed how the City would track the businesses so that the information could be used for economic development. (Some of these businesses grow into major businesses, which would be good for the City's economic development.

Mayor Patterson and Staff discussed wine making businesses, and concerns with coffee roasting businesses (fire hazard). Wine is currently not on the County's list of approved cottage food operations.

Public Comment:

1. Krizzi Osada - Ms. Osada spoke in support of the proposed ordinance. She is the City and County's first cottage food operation (Whipped Baked Goods). She thanked Staff for their help and support.
2. Christine Mead - Ms. Mead spoke in support of entrepreneurship. She discussed concerns regarding limit on volume a cottage industry could produce, limits on what could be produced (such as hemp oil), regulations on

the number of allowed employees, and public safety.

Mayor Patterson discussed the need to ensure that a cottage food operation does not negatively affect the quality of life in a neighborhood.

Council Member Hughes clarified that when problems arise, the City will have to deal with them on a case-by-case basis. The reason the State began recognizing this type of business was to stimulate the economy.

Mayor Patterson and Staff reviewed the permit process, and what would happen if someone had a false permit or lack of a permit (felony or misdemeanor).

Ms. McLaughlin read the suggested amendment regarding odor: 'A cottage food operation shall not create persistent odors beyond the property line that are offensive to the reasonable person.'

On motion of Council Member Hughes, seconded by Council Member Strawbridge, Council approved the Introduction and First Reading of the above Ordinance, as amended, on roll call by the following vote:

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

D. ADOPTION OF 2013-15 STRATEGIC PLAN

Anne Cardwell, Acting Assistant City Manager, reviewed the staff report.

Council Member Schwartzman and Staff discussed when the next full comprehensive Strategic Plan update would be (Fall 2014).

Council Member Strawbridge noted that Wi-Fi Broadband in the Benicia Industrial Park was not on the current list. Staff clarified it was an error (It was on the worksheet, but not added to the list.). Broadband would be inserted to the list under 1(f) or 2 (b), or 3.

Mayor Patterson gave direction to staff to include broadband (Wi-Fi), to cover all bases.

Public Comment:

None

On motion of Council Member Hughes, seconded by Council Member Schwartzman, Council adopted the 2013-2015 Strategic Plan, as amended, on roll call by the following vote:

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

IX. ADJOURNMENT:

Mayor Patterson adjourned the meeting at 8:26 p.m.

AGENDA ITEM
CITY COUNCIL MEETING DATE - MAY 21, 2013
CONSENT CALENDAR

DATE : May 10, 2013

TO : City Manager

FROM : Public Works Director

SUBJECT : **AWARD OF CONTRACTS FOR THE WATER TREATMENT PLANT SECURITY SURVEILLANCE PROJECT**

RECOMMENDATION:

Adopt a resolution:

- 1) Accepting bids for the Water Treatment Plant Security Surveillance Improvement Project and awarding the construction contract to WEST Corporation in the amount of \$238,402;
- 2) Approving a construction management contract with California Technical Concepts in the amount of \$27,590;
- 3) Approving an engineering support services contract with Stantec Consulting Services in the amount of \$11,635;
- 4) Authorizing the purchase of the Control Room Console from Winsted Control Room Consoles in the amount of \$46,726; and
- 5) Authorizing the City Manager to execute the contracts on behalf of the City.

EXECUTIVE SUMMARY:

This project, located at the Water Treatment Plant and pump stations, is a continuation of a security improvement project. This phase includes the installation of video cameras, monitors, digital video recording equipment, electronic card readers for the magnetic door locks, hatch alarms, motion detectors, security system commissioning, and ancillary electrical improvements for power. Sufficient funds are available in the Water Enterprise Funds to cover the cost of the project.

BUDGET INFORMATION:

The total cost of the Water Treatment Plant Security Surveillance Improvement Project is \$336,273, which includes the following:

- Construction: \$238,402
- Construction Contingency (5%): \$11,920
- Construction Management: \$27,590
- Engineering Support Services: \$11,635
- Control Room Console: \$46,726

Sufficient funds are available within the Water Enterprise Funds to cover the cost of this budgeted project. Funding will be distributed among the following accounts:

- 045-8045-9896: \$154,000 (Water Connection/Capacity Fund)
- 596-8259-9960: \$ 77,000 (Water Major Capital Projects)
- 090-8205-9198: \$ 94,800 (Water Operations)
- 090-8205-8106: \$ 10,473 (Water Operations)

GENERAL PLAN:

Relevant General Plan Goal:

- Goal 2.28: Improve and maintain public facilities and services

STRATEGIC PLAN:

Relevant Strategic Plan Issue and Strategies include:

- Strategic Issue #1: Protecting Community Health and Safety
- Strategic Issue #4: Preserving and Enhancing Infrastructure

BACKGROUND:

Following the events of September 11, 2001, EPA required municipal water treatment plants to conduct vulnerability assessments. The City hired a consultant to review the vulnerabilities of the water system and treatment plant. Based on the assessment, it was determined that the security of the water treatment plant (WTP) must be hardened and surveillance improved. During the first phase of the security project in 2005, the WTP doors were upgraded, and select doors installed with magnetic locks. This second phase completes the project with the installation of video cameras, monitors, digital video recording equipment, electronic card readers for the magnetic door locks, hatch alarms, motion detectors, security system commissioning, and ancillary electrical improvements for power.

With the relatively recent installment of solar photovoltaic sites at the three water pump stations, additional cameras were added to the scope of work for this security project to provide continual video surveillance of this high-value

equipment.

A Notice to Contractors Inviting Bids was published in the Benicia Herald on March 21 and 22, advertised in the Reed Business Development Planroom and through Benicia's BluePrint Express Planroom. Additionally, seven security contractors were mailed the Notice Inviting Bids. It was also posted on the City's bidder notification webpage. On April 25, 2013, four bids were received and opened for this project, as summarized below:

RANK	BIDDER'S NAME AND CITY	TOTAL BASE BID
1	WEST Corporation Cayucas, CA	\$238,402.00
2	Opening Technologies Concord, CA	\$322,726.41
3	Stanley Security Solutions West Sacramento, CA	\$395,873.00
4	Access Systems, Inc. El Dorado Hills, CA	\$425,932.52

The low bid submitted by WEST Corporation was reviewed and determined to be responsive. WEST Corporation has successfully completed similar work for other public agencies in the Bay Area and is considered a responsible bidder. In accordance with the contract specifications, the construction contract should be awarded to the bidder submitting the lowest responsive responsible total base bid. Staff recommends that the construction contract be awarded to WEST Corporation in the amount of \$238,402.

Construction management and engineering support services are needed for this project. Typically, the City selects one engineering firm to handle both construction management and engineering support during construction projects. However, staff recommends using a separate firm to provide each aspect and offer independent and accountable management over the contractor.

Staff received a proposal from California Technical Concepts, who will provide construction management and commissioning of the security system. California Technical Concepts comes highly recommended by the original security design firm, 3QC (formerly Security Concepts and Planning), that the City has worked with since 2004 that is no longer in business due to the owner taking a job with another company. California Technical Concepts has expertise in the construction administration and management of security projects. Staff recommends approval of a contract for construction management with

California Technical Concepts in the amount of \$27,590.

In June 2010, staff issued a Request For Proposal for on-call engineering services for water and wastewater projects and subsequently conducted interviews. Stantec Consulting of Rocklin, CA, was the selected engineering firm. Staff received a proposal from Stantec Consulting Services, who was the electrical design engineer for this project, and thus should be in charge of electrical engineering support in order to ensure a successful project. Electrical engineering support includes submittal review of the electrical equipment and interpretation of the design drawings. Staff recommends approval of a contract for engineering support services with Stantec Consulting Services in the amount of \$11,635.

This project requires the purchase of a control room console for the Water Treatment Plant. The control console is necessary to mount the new security camera monitors, magnetic door card readers, and system controls for raw water and backwash valve operation. Staff located two vendors that build control consoles - ImageVision in Texas and Winsted in Minnesota. Winsted provides design and mapping services to facilitate construction, which would otherwise have required outside design and drafting services at considerable cost. This also minimizes risk for claims and change orders as a result of omissions in the design. Winsted offers a larger line of consoles to choose from and staff determined their Sight-Line™ was a better choice for the plant and allowed for greater flexibility in the future should plant processes change to accommodate regulatory requirements. Staff recommends authorizing the purchase of the control room console from Winsted in the amount of \$46,726 for the purchase, delivery, and installation of the main control console.

Construction is anticipated to begin in June 2013 and end in September 2013.

Attachments:

- ❑ Proposed Resolution
- ❑ Construction Management Agreement
- ❑ Engineering Support Services Agreement

RESOLUTION NO. 13-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA ACCEPTING THE BIDS FOR THE WATER TREATMENT PLANT SECURITY SURVEILLANCE IMPROVEMENT PROJECT AND AWARDING THE CONSTRUCTION CONTRACT TO WEST CORPORATION IN THE AMOUNT OF \$238,402; APPROVING A CONSTRUCTION MANAGEMENT CONTRACT WITH CALIFORNIA TECHNICAL CONCEPTS IN THE AMOUNT OF \$27,590; APPROVING AN ENGINEERING SUPPORT SERVICES CONTRACT WITH STANTEC CONSULTING SERVICES IN THE AMOUNT OF \$11,635; AUTHORIZING THE PURCHASE OF THE CONTROL ROOM CONSOLE FROM WINSTED CONTROL ROOM CONSOLES IN THE AMOUNT OF \$46,726; AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE CONTRACTS ON BEHALF OF THE CITY

WHEREAS, the City of Benicia's Water Treatment Plant Security Surveillance Improvement Project was advertised for construction bids and four sealed bids were properly received and opened on April 25, 2013; and

WHEREAS, WEST Corporation of Cayucas, CA was the lowest, responsive, responsible bidder; and

WHEREAS, construction management and engineering support services during construction of the Security Surveillance Improvement Project are essential to control cost, schedule, and communication; and

WHEREAS, California Technical Concepts comes highly recommended by the original security design firm that the City has worked with since 2004 that is no longer in business; and

WHEREAS, California Technical Concepts is highly capable to perform the construction management for the Security Surveillance Improvement Project due to expertise in construction administration and management of security projects; and

WHEREAS, in June 2010, staff issued a Request For Proposal for on-call engineering services for water and wastewater projects, subsequently conducted interviews, and Stantec Consulting of Rocklin, CA, was the selected engineering firm; and

WHEREAS, Stantec Consulting Services is highly capable to perform the engineering support services for the Security Surveillance Improvement Project since Stantec was the electrical design engineer for this project; and

WHEREAS, a control room console is necessary to mount the new security equipment and Winsted Control Room Consoles offers the most desirable console to meet plant operation needs; and

WHEREAS, this project is categorically exempt under CEQA pursuant to Section 15301(a) (existing facilities – interior or exterior) of the CEQA guidelines.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Benicia hereby accepts the bids and awards the construction contract in the amount of \$238,402 to WEST Corporation of Cayucas, CA for the Water Treatment Plant Security Surveillance Project.

BE IT FURTHER RESOLVED THAT the City Council approves a consultant agreement for construction management for the Security Surveillance Project to California Technical Concepts in the amount of \$27,590.

BE IT FURTHER RESOLVED THAT the City Council approves a consultant agreement for engineering support services for the Security Surveillance Project to Stantec Consulting Services in the amount of \$11,635.

BE IT FURTHER RESOLVED THAT the City Council authorizes the purchase of a control room console for the Security Surveillance Project from Winsted Control Room Consoles in the amount of \$46,726.

BE IT FURTHER RESOLVED THAT the City Manager is hereby authorized to sign the contracts on behalf of the City, subject to approval by the City Attorney, which will be funded by the following Water Enterprise Fund accounts at the amounts shown

- **045-8045-9896: \$154,000 (Water Connection/Capacity Fund)**
- **596-8259-9960: \$ 77,000 (Water Major Capital Projects)**
- **090-8205-9198: \$ 94,800 (Water Operations)**
- **090-8205-8106: \$ 10,473 (Water Operations)**

On motion of Council Member _____ and seconded by Council Member _____, the above Resolution was introduced and passed by the City Council of the City of Benicia at a regular meeting of said Council held on the 21st day of May, 2013, and adopted by the following vote.

Ayes:

Noes:

Absent:

Elizabeth Patterson, Mayor

Attest:

Lisa Wolfe, City Clerk

CONSULTANT AGREEMENT

This agreement ("Agreement") entered into May 1, 2013, is between the City of Benicia, a municipal corporation (hereinafter "CITY"), and California Technical Concepts, with its primary office located at 11 Fawn Ct., Oakley, CA 94561 (hereinafter "CONSULTANT") (collectively, "the Parties").

RECITALS

WHEREAS, CITY has determined it is necessary and desirable to secure certain professional construction management and commissioning services for the **Water Treatment Plant Security Surveillance Project**. The "Scope of Services" for said work (hereinafter "Project") is attached hereto as Exhibit A. The "Proposed Cost Summary" is attached hereto as Exhibit B. Both Exhibits are hereby incorporated by reference; and

WHEREAS, CONSULTANT is specially trained, experienced and competent to perform the services required by this agreement; and

WHEREAS, CONSULTANT represents it is qualified and willing to provide such services pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, IT IS AGREED by and between CITY and CONSULTANT as follows:

AGREEMENT

1. INCORPORATION OF RECITALS. The recitals set forth above, and all defined terms set forth in such recitals and in the introductory paragraph preceding the recitals, are hereby incorporated into this Agreement as if set forth herein in full.

2. SCOPE OF SERVICE.

(a) Services to be Furnished. Subject to such policy direction and approvals as CITY through its staff may determine from time to time, CONSULTANT shall perform the services set forth in the Scope of Work labeled Exhibit A, which is attached hereto and incorporated herein by reference.

(b) Schedule for Performance. CONSULTANT shall perform the services identified in Exhibit A as expeditiously as is consistent with generally accepted standards of professional skill and care, and the orderly progress of work.

(i) CONSULTANT shall not be responsible for performance delays caused by others, or delays beyond CONSULTANT'S control, and such delays shall extend the times for performance of the work by CONSULTANT.

(c) Standard of Quality. All work performed by CONSULTANT under this Agreement shall be in accordance with all applicable legal requirements and shall meet the standard of quality ordinarily to be expected of competent professionals in CONSULTANT'S field of expertise. CONSULTANT shall function as a technical advisor to CITY, and all of CONSULTANT'S activities under this Agreement shall be performed to the full satisfaction and approval of the City's project manager.

(d) Compliance With Laws. CONSULTANT shall comply with all applicable federal, state, and local laws, codes, ordinances, regulations, orders, and decrees. CONSULTANT represents and warrants to CITY that CONSULTANT shall, at its own cost and expense, keep in effect or obtain at all times during the term of this Agreement any licenses, permits, insurance and approvals which are legally required for CONSULTANT to practice its profession or are necessary and incident to the due and lawful prosecution of the services it performs under this Agreement. CONSULTANT shall maintain a City of Benicia business license. CONSULTANT shall at all times during the term of this Agreement, and for one year thereafter, provide written proof of such licenses, permits, insurance, and approvals upon request by CITY. CITY is not responsible or liable for CONSULTANT'S failure to comply with any or all of the requirements contained in this paragraph.

3. COMPENSATION.

(a) Schedule of Payment. The compensation to be paid by CITY to CONSULTANT for the services rendered hereunder shall be based upon the estimated fee summary in Exhibit B. Exhibit B itemizes those standard and expected expenses for which CONSULTANT shall receive compensation. If CONSULTANT obtains CITY'S prior written approval from Director of Public Works, CONSULTANT may be reimbursed for extraordinary costs incurred on the Project.

(b) Additional Services. CITY shall make no payment to CONSULTANT for any additional services unless such services and payment have been mutually agreed to and this Agreement has been formally amended in accordance with Section 7.

(i) Only the Public Works Director can act on behalf of CITY to authorize CONSULTANT to perform additional services.

(ii) CONSULTANT shall not commence any work or services exceeding the Scope of Services in Section 2 without prior written authorization from CITY in accordance with Section 7. CONSULTANT'S failure to obtain a formal amendment

to this Agreement authorizing additional services shall constitute a waiver of any and all right to compensation for such work or services.

(iii) If CONSULTANT believes that any work CITY has directed CONSULTANT to perform is beyond the scope of this Agreement and constitutes additional services, CONSULTANT shall promptly notify CITY of this fact before commencing the work. CITY shall make a determination as to whether such work is beyond the scope of this Agreement and constitutes additional services. If CITY finds that such work does constitute additional services, CITY and CONSULTANT shall execute a formal amendment to this Agreement, in accordance with Section 7, authorizing the additional services and stating the amount of any additional compensation to be paid.

(c) Invoicing and Payment. CONSULTANT shall submit monthly invoices for the services performed under this Agreement during the preceding period. Invoices or billings must be submitted and must indicate the hours actually worked by each classification and employee name, as well as all other directly related costs by line item in accordance with Exhibit A. CITY shall approve or disapprove said invoice or billing within thirty (30) days following receipt thereof and shall pay all approved invoices and billings within thirty (30) days. Interest at the rate of one and one-half (1.5) percent per month will be charged on all past due amounts starting thirty (30) days after the invoice date, unless not permitted by law, in which case interest will be charged at the highest amount permitted by law. Payments will be credited first to interest, and then to principal.

4. PRODUCT REVIEW AND COMMENT. CONSULTANT shall provide CITY with at least two (2) copies of each product described in Exhibit A. Upon the completion of each product, CONSULTANT shall be available to meet with CITY. If additional review and/or revision is required by CITY, CITY shall conduct reviews in a timely manner.

5. TERM OF AGREEMENT. This Agreement shall be effective immediately upon the signatures of both Parties and shall remain in effect until completed, amended pursuant to Section 7, or terminated pursuant to Section 6.

6. TERMINATION:

(a) CITY shall have the right to terminate this Agreement for any reason whatsoever at any time by serving upon CONSULTANT written notice of termination. The Agreement shall terminate three (3) business days after notice of termination is given. The notice shall be deemed given on the date it is deposited in the U.S. mail, certified, postage prepaid, addressed to CONSULTANT at the address indicated in Section 11.

(b) If CITY issues a notice of termination,

(i) CONSULTANT shall immediately cease rendering services pursuant to this Agreement;

(ii) CONSULTANT shall deliver to CITY copies of all writings, whether or not completed, which were prepared by CONSULTANT, its employees, or its subcontractors, if any, pursuant to this Agreement. For purposes of this Agreement, the term "writings" shall include, but not be limited to, handwriting, typewriting, computer files and records, drawings, blueprints, printing, photostating, photographs, and every other means of recording upon any tangible thing, any form of communication or representation, including letters, words, pictures, sounds, symbols, or combinations thereof;

(iii) CITY shall pay CONSULTANT for work actually performed up to the effective date of the notice of termination, subject to the limitations prescribed by Section 3 of this Agreement, less any compensation to CITY for damages suffered as a result of CONSULTANT'S failure to comply with the terms of this Agreement. Such payment shall be in accordance with Exhibit B. However, if this Agreement is terminated for fault of CONSULTANT, CITY shall be obligated to compensate CONSULTANT only for that portion of CONSULTANT'S services, which are of benefit to CITY.

7. AMENDMENTS. Modifications or amendments to the terms of this Agreement shall be in writing and executed by both Parties.

8. NONDISCLOSURE OF CONFIDENTIAL INFORMATION. CONSULTANT shall not, either during or after the term of this Agreement, disclose to any third party any confidential information relative to the work of CITY without the prior written consent of CITY. The use and disclosure of the confidential information shall not apply to information which (a) was known to the CONSULTANT before receipt hereof the CITY; or (b) becomes publicly known other than through the CONSULTANT; or (c) is disclosed pursuant to the requirements of a governmental authority or judicial order.

9. INSPECTION. CITY representatives shall, with reasonable notice, have access to the work and work records, including time records, for purposes of inspecting same and determining that the work is being performed in accordance with the terms of this Agreement. Inspections by CITY do not in any way relieve or minimize the responsibility of CONSULTANT to comply with this Agreement and all applicable laws.

10. INDEPENDENT CONTRACTOR. In the performance of the services in this Agreement, CONSULTANT is an independent contractor and is not an agent or employee of CITY. CONSULTANT, its officers, employees, agents, and subcontractors, if any, shall have no

13. EMPLOYEES; ASSIGNMENT; SUBCONTRACTING.

(a) Employees. CONSULTANT shall provide properly skilled professional and technical personnel to perform all services required by this Agreement. CONSULTANT shall not engage the services of any person(s) now employed by CITY without CITY's prior express written consent.

(b) Assignment. CONSULTANT shall not assign, delegate, or transfer its duties, responsibilities, or interests in this Agreement without the prior express written consent of CITY. Any attempted assignment without such approval shall be void and, at CITY's option, shall terminate this Agreement and any license or privilege granted herein.

(c) Subcontracting. CONSULTANT shall not subcontract any portion of the work to be performed under this Agreement without the prior express written consent of CITY. If CITY consents to CONSULTANT'S hiring of subcontractors, CONSULTANT shall provide to CITY copies of each and every subcontract prior to its execution. All subcontractors are deemed to be employees of CONSULTANT, and CONSULTANT agrees to be responsible for their performance. CONSULTANT shall give its personal attention to the fulfillment of the provisions of this Agreement by all of its employees and subcontractors, if any, and shall keep the work under its control.

14. BINDING AGREEMENT. This Agreement shall bind the successors in interest, legal representatives, and permitted assigns of CITY and CONSULTANT in the same manner as if they were expressly named herein.

15. WAIVER.

(a) Effect of Waiver. Waiver by either party of any default, breach, or condition precedent shall not be construed as a waiver of any other default, breach, or condition precedent or any other right under this Agreement.

(b) No Implied Waivers. The failure of either party at any time to require performance by the other party of any provision hereof shall not affect in any way the right to require such performance at a later time.

16. NONDISCRIMINATION.

(a) Consultant shall not discriminate in the conduct of the work under this Agreement against any employee, applicant for employment, or volunteer on the basis of race, religious creed, color, national origin, ancestry, physical or mental disability, marital status, pregnancy, sex, age, sexual orientation or other prohibited basis will not be tolerated.

(b) Consistent with City’s policy that harassment and discrimination are unacceptable employer/employee conduct, CONSULTANT agrees that harassment or discrimination directed toward a job applicant, a City employee, or a citizen by CONSULTANT or CONSULTANT’S employee or subcontractor on the basis of race, religious creed, color, national origin, ancestry, physical or mental disability, marital status, pregnancy, sex, age, sexual orientation or other prohibited basis will not be tolerated. CONSULTANT agrees that any and all violation of this provision shall constitute a material breach of the Agreement.

17. INDEMNITY. CONSULTANT shall, to the fullest extent permitted by law, hold harmless, defend (with counsel approved by the City) and indemnify City and its officers, officials, employees and volunteers from and against all claims (including all litigation, demands, damages, liabilities, costs, and expenses, and including court costs and reasonable attorney’s fees) arising out of, pertaining to, or relating to the negligence, recklessness, or willful misconduct of the Consultant and its employees, agents and subconsultants, except where caused by the sole negligence or willful misconduct of the City. The provisions of this section survive completion of the services or the termination of this Agreement. The provisions of this section are limited by the provisions of Section 18 relating to insurance.

18. INSURANCE.

(a) Required Coverage. CONSULTANT, at its sole cost and expense, shall obtain and maintain in full force and effect throughout the entire term of this Agreement the following described insurance coverage. This coverage shall insure not only CONSULTANT, but also, with the exception of workers’ compensation and employer’s liability insurance, shall name as additional insureds CITY, its officers, agents, employees, and volunteers, and each of them:

<u>Policy</u>	<u>Minimum Limits of Coverage</u>
(i) Workers’ Compensation	Statutory
(ii) Comprehensive Automobile Insurance Services Office, form #CA 0001 (Ed 1/87 covering auto liability code 1 (any auto))	Bodily Injury/Property Damage \$300,000/\$100,000 each occurrence
(iii) General Liability Insurance Services Office Commercial General Liability coverage on an occurrence basis (occurrence form CG 0001)	\$1,000,000 per occurrence. If Commercial General Liability Insurance or other form with a general aggregate limit shall apply separately to this Project/location, the general aggregate limit shall be twice the required occurrence limit

(iv) Errors and Omissions/ Professional's Liability, errors and omissions liability insurance appropriate to the CONSULTANT's profession. Generally \$1,000,000 per claim

(b) Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by CITY.

(c) Required Provisions. The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

(i) For any claims related to this Project, the CONSULTANT'S insurance coverage shall be primary insurance as respects CITY, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by CITY, its officers, officials, employees, or volunteers shall be in excess of the CONSULTANT'S insurance and shall not contribute with it;

(ii) Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to CITY, its officers, officials, employees, or volunteers;

(iii) The CONSULTANT'S insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability;

(iv) Each insurance policy required by this Section shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after giving CITY 30 days' prior written notice by certified mail, return receipt requested.

(d) Acceptability of Insurers. CONSULTANT shall place insurance with insurers with a current A.M. Best's rating of no less than [A:VII] unless CONSULTANT requests and obtains CITY'S express written consent to the contrary.

(e) Verification of Coverage. CONSULTANT must provide complete, certified copies of all required insurance policies, including original endorsements affecting the coverage required by these specifications. The endorsements are to be signed by a person authorized by CONSULTANT'S insurer to bind coverage on its behalf. All endorsements are to be received and approved by CITY before work commences.

19. WORKERS' COMPENSATION.

(a) Covenant to Provide. CONSULTANT warrants that it is aware of the provisions of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code. CONSULTANT further agrees that it will comply with such provisions before commencing the performance of the work under this Agreement.

(b) Waiver of Subrogation. CONSULTANT and CONSULTANT'S insurance company agree to waive all rights of subrogation against CITY, its elected or appointed officials, agents, and employees for losses paid under CONSULTANT'S workers' compensation insurance policy which arise from the work performed by CONSULTANT for CITY.

20. FINANCIAL RECORDS. CONSULTANT shall retain all financial records, including but not limited to documents, reports, books, and accounting records which pertain to any work or transaction performed pursuant to this Agreement for four (4) years after the expiration of this Agreement. CITY or any of its duly authorized representatives shall, with reasonable notice, have access to and the right to examine, audit, and copy such records.

21. CONFLICT OF INTEREST. CONSULTANT shall exercise reasonable care and diligence to prevent any actions or conditions, which could result in a conflict with CITY'S interest. During the term of this Agreement, CONSULTANT shall not accept any employment or engage in any consulting work, which creates a conflict of interest with CITY, or in any way compromises the services to be performed under this Agreement. CONSULTANT shall immediately notify CITY of any and all violations of this Section upon becoming aware of such violation.

22. TIME OF THE ESSENCE. CONSULTANT understands and agrees that time is of the essence in the completion of the work and services described in Section 2 and in accordance with the schedule in Exhibit A.

23. SEVERABILITY. If any court of competent jurisdiction or subsequent preemptive legislation holds or renders any of the provisions of this Agreement unenforceable or invalid, the validity and enforceability of the remaining provisions, or portions thereof, shall not be affected.

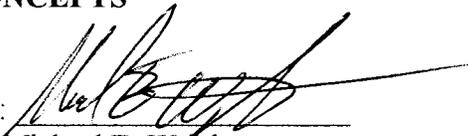
24. GOVERNING LAW AND CHOICE OF FORUM. This Agreement shall be administered and interpreted under California law as if written by both parties. Any litigation arising from this Agreement shall be brought in the Superior Court of Solano County.

25. COSTS AND ATTORNEYS' FEES. If either party commences any legal action against the other party arising out of this Agreement or the performance thereof, the prevailing party in such action may recover its reasonable litigation expenses, including court costs, expert witness fees, discovery expenses, and attorneys' fees. In any action seeking recovery of monetary damages, the plaintiff shall not be considered to be the prevailing party unless it recovers at least 66% of the dollar amount requested in the complaint's prayer for relief.

representations, or agreements, both written and oral. This Agreement may not be modified or altered except in accordance with Section 7.

Executed by CITY and CONSULTANT on the date shown below their respective signatures. The effective date of this Agreement shall be the date of execution by the CITY.

**CALIFORNIA TECHNICAL
CONCEPTS**

BY: 

Michael E. Wright
President/CEO

DATED: May 1, 2013

CITY OF BENICIA

BY: _____
Brad Kilger
City Manager

DATED: _____

APPROVED AS TO CONTENT

Melissa Morton
Director of Public Works

APPROVED AS TO FORM

Heather McLaughlin
City Attorney

EXHIBIT A

PROJECT UNDERSTANDING: The CITY is continuing into the second phase of its Security Improvements at the Water Treatment Plant (WTP). This second phase includes the installation of security cameras and monitors, door card readers, hatch alarms, and associated video system components at the WTP and its remote pumping stations. The CONSULTANT shall provide construction management services during the installation of the security equipment and commissioning services prior to project acceptance. The CONSULTANT shall serve as CITY's agent during construction, handling all communications, scheduling, and oversight during the course of the project.

SCOPE OF SERVICES: The CONSULTANT shall perform the following tasks –

1. Serve as the CITY's Construction Manager for this project, to include review of the progress reports, payment submittals, and prevailing wage confirmation.
2. Moderate the progress meetings with the contractor.
3. Review, correct, and approve security-related equipment submittals.
4. Respond to Request for Information (RFI) within 7 days of receipt for security-related matters.
5. Conduct site inspections as necessary (minimum of 10), recording progress using digital photography and progress notes.
6. Advise the CITY on installation, quality control, and workmanship issues during the term of the project.
7. Develop a plan and schedule for the contractor that will illustrate the testing and commissioning of the new security equipment, including test results and final acceptance criteria.
8. Review the commissioning plan from the contractor and witness the testing of the security system.
9. Commission the system by reviewing a checklist of each equipment operational status and ensure that the system is fully functional and ready for CITY's staff training.
10. Attend the training and provide consultation to the CITY staff.
11. Prepare a project close-out and final acceptance, to include all equipment submittals, O&M manuals, drawings, and contract documentation.
12. Conduct a 30-day inspection of the system to review operation and performance of the security system.
13. Witness the 1-year warranty inspection with the contractor and note any deficiencies in equipment status or system operation.

EXHIBIT B

TASKS AND FEES:

The CONSULTANT will provide the fees for the requested consulting services as outlined in Exhibit A in the table listed below:

Task	Fee
Owner's representative services (Tasks #1 - 6)	\$17,978.00
Testing and commissioning plan (Tasks #7 & 8)	\$Included with item 9 below
Commissioning the system (Task #9)	\$4,628.00
Witnessing the testing and training (Tasks #10)	\$ Included with item 11 below
Project close-out (Task #11)	\$3,560.00
Preliminary warranty inspection (Task #12)	\$712.00
Annual Warranty inspection (Task #13)	\$1,424.00
Total Cost	\$27,590.00

CONSULTANT AGREEMENT

This agreement ("Agreement") entered into _____, 201__, is between the City of Benicia, a municipal corporation (hereinafter "CITY"), and Stantec Consulting Services Inc., a New York Corporation with its primary office located at 3875 Atherton Road, Rocklin, CA 95765 (hereinafter "CONSULTANT") (collectively, "the Parties").

RECITALS

WHEREAS, CITY has determined it is necessary and desirable to secure certain professional engineering services for the **Water Treatment Plant Surveillance/Security Project**. The "Scope of Services" for said work (hereinafter "Project") is attached hereto as Exhibit A. The "Estimate Fee Summary" is attached hereto as Exhibit B. Both Exhibits are hereby incorporated by reference; and

WHEREAS, CONSULTANT is specially trained, experienced and competent to perform the services required by this agreement; and

WHEREAS, CONSULTANT represents it is qualified and willing to provide such services pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, IT IS AGREED by and between CITY and CONSULTANT as follows:

AGREEMENT

1. INCORPORATION OF RECITALS. The recitals set forth above, and all defined terms set forth in such recitals and in the introductory paragraph preceding the recitals, are hereby incorporated into this Agreement as if set forth herein in full.
2. SCOPE OF SERVICE.
 - (a) Services to be Furnished. Subject to such policy direction and approvals as CITY through its staff may determine from time to time, CONSULTANT shall perform the services set forth in the Scope of Work labeled Exhibit A, which is attached hereto and incorporated herein by reference.
 - (b) Schedule for Performance. CONSULTANT shall perform the services identified in Exhibit A as expeditiously as is consistent with generally accepted standards of professional skill and care, and the orderly progress of work.

(i) CONSULTANT shall not be responsible for performance delays caused by others, or delays beyond CONSULTANT'S control, and such delays shall extend the times for performance of the work by CONSULTANT.

(c) Standard of Quality. All work performed by CONSULTANT under this Agreement shall be in accordance with all applicable legal requirements and shall meet the standard of quality ordinarily to be expected of competent professionals in CONSULTANT'S field of expertise. CONSULTANT shall function as a technical advisor to CITY, and all of CONSULTANT'S activities under this Agreement shall be performed to the full satisfaction and approval of the City's project manager.

(d) Compliance With Laws. CONSULTANT shall comply with all applicable federal, state, and local laws, codes, ordinances, regulations, orders, and decrees. CONSULTANT represents and warrants to CITY that CONSULTANT shall, at its own cost and expense, keep in effect or obtain at all times during the term of this Agreement any licenses, permits, insurance and approvals which are legally required for CONSULTANT to practice its profession or are necessary and incident to the due and lawful prosecution of the services it performs under this Agreement. CONSULTANT shall maintain a City of Benicia business license. CONSULTANT shall at all times during the term of this Agreement, and for one year thereafter, provide written proof of such licenses, permits, insurance, and approvals upon request by CITY. CITY is not responsible or liable for CONSULTANT'S failure to comply with any or all of the requirements contained in this paragraph.

3. COMPENSATION.

(a) Schedule of Payment. The compensation to be paid by CITY to CONSULTANT for the services rendered hereunder shall be on a time and materials basis based upon the rate schedule in Exhibit A. The rate schedule in Exhibit A itemizes those standard and expected expenses for which CONSULTANT shall receive compensation. If CONSULTANT obtains CITY'S prior written approval from Director of Public Works, CONSULTANT may be reimbursed for extraordinary costs incurred on the Project.

(b) Additional Services. CITY shall make no payment to CONSULTANT for any additional services unless such services and payment have been mutually agreed to and this Agreement has been formally amended in accordance with Section 7.

(i) Only the Public Works Director can act on behalf of CITY to authorize CONSULTANT to perform additional services.

(ii) CONSULTANT shall not commence any work or services exceeding the Scope of Services in Section 2 without prior written authorization from CITY in accordance with Section 7. CONSULTANT'S failure to obtain a formal amendment to this Agreement authorizing additional services shall constitute a waiver of any and all right to compensation for such work or services.

(iii) If CONSULTANT believes that any work CITY has directed CONSULTANT to perform is beyond the scope of this Agreement and constitutes additional services, CONSULTANT shall promptly notify CITY of this fact before commencing the work. CITY shall make a determination as to whether such work is beyond the scope of this Agreement and constitutes additional services. If CITY finds that such work does constitute additional services, CITY and CONSULTANT shall execute a formal amendment to this Agreement, in accordance with Section 7, authorizing the additional services and stating the amount of any additional compensation to be paid.

(c) Invoicing and Payment. CONSULTANT shall submit monthly invoices for the services performed under this Agreement during the preceding period. Invoices or billings must be submitted and must indicate the hours actually worked by each classification and employee name, as well as all other directly related costs by line item in accordance with Exhibit A. CITY shall approve or disapprove said invoice or billing within thirty (30) days following receipt thereof and shall pay all approved invoices and billings within thirty (30) days. Interest at the rate of one and one-half (1.5) percent per month will be charged on all past due amounts starting thirty (30) days after the invoice date, unless not permitted by law, in which case interest will be charged at the highest amount permitted by law. Payments will be credited first to interest, and then to principal.

4. PRODUCT REVIEW AND COMMENT. CONSULTANT shall provide CITY with at least two (2) copies of each product described in Exhibit A. Upon the completion of each product, CONSULTANT shall be available to meet with CITY. If additional review and/or revision is required by CITY, CITY shall conduct reviews in a timely manner.

5. TERM OF AGREEMENT. This Agreement shall be effective immediately upon the signatures of both Parties and shall remain in effect until completed, amended pursuant to Section 7, or terminated pursuant to Section 6.

6. TERMINATION:

(a) CITY shall have the right to terminate this Agreement for any reason whatsoever at any time by serving upon CONSULTANT written notice of termination. The Agreement shall terminate thirty (30) days after notice of termination is given. The notice shall be deemed given on the date it is deposited in the U.S. mail, certified, postage prepaid, addressed to CONSULTANT at the address indicated in Section 11.

(b) If CITY issues a notice of termination,

(i) CONSULTANT shall immediately cease rendering services pursuant to this Agreement;

(ii) CONSULTANT shall deliver to CITY copies of all writings, whether or not completed, which were prepared by CONSULTANT, its employees, or its subcontractors, if any, pursuant to this Agreement. For purposes of this Agreement, the term "writings" shall include, but not be limited to, handwriting, typewriting, computer files and records, drawings, blueprints, printing, photostating, photographs, and every other means of recording upon any tangible thing, any form of communication or representation, including letters, words, pictures, sounds, symbols, or combinations thereof;

(iii) CITY shall pay CONSULTANT for work actually performed up to the effective date of the notice of termination, subject to the limitations prescribed by Section 3 of this Agreement, less any compensation to CITY for damages suffered as a result of CONSULTANT'S failure to comply with the terms of this Agreement. Such payment shall be in accordance with Exhibit B. However, if this Agreement is terminated for fault of CONSULTANT, CITY shall be obligated to compensate CONSULTANT only for that portion of CONSULTANT'S services, which are of benefit to CITY.

(c) CONSULTANT shall have the right to terminate this Agreement in the event of a breach of Contract by the CITY. The Agreement shall terminate thirty (30) days after notice of termination is given. The notice shall be deemed given on the date it is deposited in the U.S. mail, certified, postage prepaid, addressed to CITY at the address indicated in Section 11.

7. AMENDMENTS. Modifications or amendments to the terms of this Agreement shall be in writing and executed by both Parties.

8. NONDISCLOSURE OF CONFIDENTIAL INFORMATION. CONSULTANT shall not, either during or after the term of this Agreement, disclose to any third party any confidential information relative to the work of CITY without the prior written consent of CITY. The use and disclosure of the confidential information shall not apply to information which (a) was known to the CONSULTANT before receipt hereof the CITY; or (b) becomes publicly known other than through the CONSULTANT; or (c) is disclosed pursuant to the requirements of a governmental authority or judicial order."

9. INSPECTION. CITY representatives shall, with reasonable notice, have access to the work and work records, including time records, for purposes of inspecting same and determining that the work is being performed in accordance with the terms of this Agreement. Inspections by CITY do not in any way relieve or minimize the responsibility of CONSULTANT to comply with this Agreement and all applicable laws.

10. INDEPENDENT CONTRACTOR. In the performance of the services in this Agreement, CONSULTANT is an independent contractor and is not an agent or employee of CITY. CONSULTANT, its officers, employees, agents, and subcontractors, if any, shall have no power to bind or commit CITY to any decision or course of action, and shall not represent to any person

not engage the services of any person(s) now employed by CITY without CITY's prior express written consent.

(b) Assignment. CONSULTANT shall not assign, delegate, or transfer its duties, responsibilities, or interests in this Agreement without the prior express written consent of CITY. Any attempted assignment without such approval shall be void and, at CITY's option, shall terminate this Agreement and any license or privilege granted herein.

(c) Subcontracting. CONSULTANT shall not subcontract any portion of the work to be performed under this Agreement without the prior express written consent of CITY. If CITY consents to CONSULTANT'S hiring of subcontractors, CONSULTANT shall provide to CITY copies of each and every subcontract prior to its execution. All subcontractors are deemed to be employees of CONSULTANT, and CONSULTANT agrees to be responsible for their performance. CONSULTANT shall give its personal attention to the fulfillment of the provisions of this Agreement by all of its employees and subcontractors, if any, and shall keep the work under its control.

14. BINDING AGREEMENT. This Agreement shall bind the successors in interest, legal representatives, and permitted assigns of CITY and CONSULTANT in the same manner as if they were expressly named herein.

15. WAIVER.

(a) Effect of Waiver. Waiver by either party of any default, breach, or condition precedent shall not be construed as a waiver of any other default, breach, or condition precedent or any other right under this Agreement.

(b) No Implied Waivers. The failure of either party at any time to require performance by the other party of any provision hereof shall not affect in any way the right to require such performance at a later time.

16. NONDISCRIMINATION.

(a) Consultant shall not discriminate in the conduct of the work under this Agreement against any employee, applicant for employment, or volunteer on the basis of race, religious creed, color, national origin, ancestry, physical or mental disability, marital status, pregnancy, sex, age, sexual orientation or other prohibited basis will not be tolerated.

(b) Consistent with City's policy that harassment and discrimination are unacceptable employer/employee conduct, CONSULTANT agrees that harassment or discrimination directed toward a job applicant, a City employee, or a citizen by CONSULTANT or CONSULTANT'S employee or subcontractor on the basis of race, religious creed, color, national origin, ancestry, physical or mental disability, marital status, pregnancy, sex, age, sexual orientation or other

prohibited basis will not be tolerated. CONSULTANT agrees that any and all violation of this provision shall constitute a material breach of the Agreement.

17. INDEMNITY. CONSULTANT shall, to the fullest extent permitted by law, hold harmless, defend (with counsel approved by the City) and indemnify City and its officers, officials, employees and volunteers from and against all claims (including all litigation, demands, damages, liabilities, costs, and expenses, and including court costs and reasonable attorney's fees) arising out of, pertaining to, or relating to the negligence, recklessness, or willful misconduct of the Consultant and its employees, agents and subconsultants, except where caused by the sole negligence or willful misconduct of the City. The provisions of this section survive completion of the services or the termination of this Agreement. The provisions of this section are limited by the provisions of Section 18 relating to insurance.

18. INSURANCE.

(a) Required Coverage. CONSULTANT, at its sole cost and expense, shall obtain and maintain in full force and effect throughout the entire term of this Agreement the following described insurance coverage. This coverage shall insure not only CONSULTANT, but also, with the exception of workers' compensation and employer's liability insurance, shall name as additional insureds CITY, its officers, agents, employees, and volunteers, and each of them:

<u>Policy</u>	<u>Minimum Limits of Coverage</u>
(i) Workers' Compensation	Statutory
(ii) Comprehensive Automobile Insurance Services Office, form #CA 0001 (Ed 1/87 covering auto liability code 1 (any auto))	Bodily Injury/Property Damage \$1,000,000 each accident
(iii) General Liability Insurance Services Office Commercial General Liability coverage on an occurrence basis (occurrence form CG 0001)	\$1,000,000 per occurrence. If Commercial General Liability Insurance or other form with a general aggregate limit shall apply separately to this Project/ location, the general aggregate limit shall be twice the required occurrence limit
(iv) Errors and Omissions/ Professional's Liability, errors and omissions liability insurance appropriate to the CONSULTANT's profession.	Generally \$1,000,000 per claim

(b) Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by CITY.

(c) Required Provisions. The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

(i) For any claims related to this Project, the CONSULTANT'S insurance coverage shall be primary insurance as respects CITY, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by CITY, its officers, officials, employees, or volunteers shall be in excess of the CONSULTANT'S insurance and shall not contribute with it;

(ii) Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to CITY, its officers, officials, employees, or volunteers;

(iii) The CONSULTANT'S insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability;

(iv) Each insurance policy required by this Section shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after giving CITY 30 days' prior written notice by certified mail, return receipt requested.

(d) Acceptability of Insurers. CONSULTANT shall place insurance with insurers with a current A.M. Best's rating of no less than [A:VII] unless CONSULTANT requests and obtains CITY'S express written consent to the contrary.

(e) Verification of Coverage. CONSULTANT must provide complete, certified copies of all required insurance policies, including original endorsements affecting the coverage required by these specifications. The endorsements are to be signed by a person authorized by CONSULTANT'S insurer to bind coverage on its behalf. All endorsements are to be received and approved by CITY before work commences.

19. WORKERS' COMPENSATION.

(a) Covenant to Provide. CONSULTANT warrants that it is aware of the provisions of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code. CONSULTANT further agrees that it will comply with such provisions before commencing the performance of the work under this Agreement.

(b) Waiver of Subrogation. CONSULTANT and CONSULTANT'S insurance company agree to waive all rights of subrogation against CITY, its elected or appointed officials, agents, and employees for losses paid under CONSULTANT'S workers' compensation insurance policy which arise from the work performed by CONSULTANT for CITY.

20. FINANCIAL RECORDS. CONSULTANT shall retain all financial records, including but not limited to documents, reports, books, and accounting records which pertain to any work or transaction performed pursuant to this Agreement for four (4) years after the expiration of this Agreement. CITY or any of its duly authorized representatives shall, with reasonable notice, have access to and the right to examine, audit, and copy such records.

21. CONFLICT OF INTEREST. CONSULTANT shall exercise reasonable care and diligence to prevent any actions or conditions, which could result in a conflict with CITY'S interest. During the term of this Agreement, CONSULTANT shall not accept any employment or engage in any consulting work, which creates a conflict of interest with CITY, or in any way compromises the services to be performed under this Agreement. CONSULTANT shall immediately notify CITY of any and all violations of this Section upon becoming aware of such violation.

22. TIME OF THE ESSENCE. CONSULTANT understands and agrees that time is of the essence in the completion of the work and services described in Section 2 and in accordance with the schedule in Exhibit A.

23. SEVERABILITY. If any court of competent jurisdiction or subsequent preemptive legislation holds or renders any of the provisions of this Agreement unenforceable or invalid, the validity and enforceability of the remaining provisions, or portions thereof, shall not be affected.

24. GOVERNING LAW AND CHOICE OF FORUM. This Agreement shall be administered and interpreted under California law as if written by both parties. Any litigation arising from this Agreement shall be brought in the Superior Court of Solano County.

25. COSTS AND ATTORNEYS' FEES. If either party commences any legal action against the other party arising out of this Agreement or the performance thereof, the prevailing party in such action may recover its reasonable litigation expenses, including court costs, expert witness fees, discovery expenses, and attorneys' fees. In any action seeking recovery of monetary damages, the plaintiff shall not be considered to be the prevailing party unless it recovers at least 66% of the dollar amount requested in the complaint's prayer for relief.

26. INTEGRATION. This Agreement represents the entire understanding of CITY and CONSULTANT as to those matters contained herein and supersedes all prior negotiations, representations, or agreements, both written and oral. This Agreement may not be modified or altered except in accordance with Section 7.

Executed by CITY and CONSULTANT on the date shown next to their respective signatures.
The effective date of this Agreement shall be the date of execution by the CITY as shown below.

**STANTEC CONSULTING
SERVICES INC.**

CITY OF BENICIA

BY: 
Steven L. Beck, P.E.
Principal

BY: _____
Brad Kilger
City Manager

DATED: 5/9/13

DATED: _____

APPROVED AS TO CONTENT

Melissa Morton
Director of Public Works

APPROVED AS TO FORM

Heather McLaughlin
City Attorney

Exhibit A – Scope of Services

Client:	City of Benicia
Project Title:	City of Benicia Water Treatment Plant – Water Treatment Plant Security Upgrade Project
Project Description:	Engineering Services during Construction.

DESCRIPTION OF PROJECT

The Water Treatment Plant (WTP) Security Upgrade Project consists of installing video surveillance and door/hatch security devices and monitoring systems to the City of Benicia's WTP and three remote reservoir/pump station sites. These devices will be integrated into the City's SCADA system by a third party integrator. The Engineering Services during Construction consists of providing engineering support to the City through the Construction process.

DETAILED SCOPE OF SERVICES

TASK 1: FINALIZE CONSTRUCTION PLANS AND DOCUMENTS

This task includes the final integration of the Security Consultant's (3QC) design and the electrical design done by Stantec through preparation of bid documents and Addenda during bidding.

TASK 2: SUBMITTAL REVIEW

This task includes reviewing Contractor submittals for electrical work supporting the Security and Surveillance devices. This shall include lighting panels, transformers, conduit, wire, and other ancillary devices included in the Stantec design. Stantec anticipates four (4) submittals under this task.

TASK 3: RFI RESPONSE

This task includes time and resources anticipated to respond to Contractor Requests for Information (RFIs) and prepare design clarifications during construction. Stantec anticipates four (4) Contractor RFIs as part of this task.

TASK 4: RECORD DRAWINGS

This task includes time and resources needed to prepare final Record Drawings of the Work performed by the Contractor to be turned over to the City in electronic format.

TASK 5: PROJECT MANAGEMENT

This task includes time and resources needed to meet with City, Contractor, support staff, and other consultants to manage the work of the project and properly document, file, and deliver records to the City.

ITEMS NOT INCLUDED IN THIS SCOPE OF WORK

This Scope of Work is limited to the tasks described above and the following tasks and services are not included:

- Site observation or inspection of the Work (electrical, surveillance/security devices or modular furniture or any ancillary components)
- Review of Contractor submittals for security/surveillance components
- Integration of the signal wires and/or radio signals into the City's SCADA system
- Construction Management or documentation of the security/surveillance or modular console components of the Project

The fee for the tasks described in this Scope of Services shall not exceed \$11,635 without written authorization from the City of Benicia, as agreed upon by both the City and Stantec Consulting Services, Inc.

Exhibit B
 City of Benicia
WTP Security Upgrade Project - Engineering Services during Construction

Estimated Fee Summary

Task Description	Hourly Rate	Estimated Staff Hours						Task Total, Hours	Task Total, Fees
		Project Manager	Senior Review Engineer	Electrical Engineer	CAD Technician	Admin./Word Processor	Task Total, Fees		
Task 1		\$ 167	\$ 177	\$ 177	\$ 133	\$ 104			
Finalize Construction Plans and Documents		11	3	8	8		22	\$ 3,432	
Task 2									
Submittal Reivew		1	8			2	11	\$ 1,791	
Task 3									
RFI Response		4	2	4				\$ 1,730	
Task 4									
Record Drawings		2	2	6	12			\$ 3,346	
Task 5									
Project Management		8						\$ 1,336	
Total Hours		26	4	21	20	2	33		
Total Fees		\$ 4,342	\$ 668	\$ 3,507	\$ 3,340	\$ 334		\$ 11,635	

**AGENDA ITEM
CITY COUNCIL MEETING DATE - MAY 21, 2013
CONSENT CALENDAR**

DATE : April 23, 2013
TO : City Manager
FROM : Public Works Director
SUBJECT : **AWARD OF CONSTRUCTION CONTRACT FOR THE 2013 ASPHALT OVERLAY PROJECT AND ROSE DRIVE TRAFFIC CALMING PROJECT**

RECOMMENDATION:

Adopt a resolution accepting bids for the 2013 Asphalt Overlay Project including traffic striping for the Rose Drive Traffic Calming Project, approving a Gas Tax Fund budget amendment to fully fund the construction contract, awarding the construction contract to Argonaut Constructors in the amount of \$764,341.50, and authorizing the City Manager to execute the contract on behalf of the City.

EXECUTIVE SUMMARY:

The 2013 Asphalt Overlay Project will repair and resurface Park Road from Industrial Way to Stone Road, East K Street from East 4th Street to East 7th Street, and Southampton Road from the Bay View Villas entrance to the southern I-780 on/off ramps. The work also includes traffic striping for the Rose Drive Traffic Calming Project and consists of new bike lanes from Panorama Drive to Dempsey Drive and sharrows from Dempsey Drive to Cambridge Drive.

BUDGET INFORMATION:

The proposed project budget is outlined below:

Proposed Project Budget

Street Resurfacing (Acct. #017-8705-9711)	\$669,761
Allied Waste Fee (Acct. #035-7740-9711)	\$145,000
Rose Drive Traffic Calming (Acct. #034-8705-9751)	<u>\$26,015</u>
Total Project Budget	\$840,776

A summary of the anticipated construction expenditures is outlined below:

Project Expenditures

Construction Contract	\$764,342
Construction Contingency (10%)	<u>\$76,434</u>

Total Project Expenditures\$840,776

Awarding the annual street resurfacing project at this time capitalizes on the favorable bidding climate early in the construction season and allows the work to be performed during summer school break. However, a Gas Tax Fund budget amendment is needed so that the construction contract can be fully funded this fiscal year even though the majority of the work will be completed in July and early August (i.e. next fiscal year). The proposed amendment, which is shown as Exhibit A, funds all of the projected gas tax activities through the end of this fiscal year while maintaining a fund balance reserve of over 20%.

GENERAL PLAN:

Relevant General Plan Goals and policies include:

- Goal 2.28: Improve and maintain public facilities and services

STRATEGIC PLAN:

Relevant Strategic Plan Issue and Strategies include:

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

- Strategic Issue #1: Provide safe, functional and complete streets
 - Strategy #1: Fund street maintenance at a level that will improve pavement management index rating.

ENVIRONMENTAL REVIEW:

This project is Categorical Exempt per CEQA Section 15302 (c), which applies to repair and maintenance of existing roadways.

BACKGROUND:

On April 30, 2013, three bids were received and opened for the 2013 Asphalt Overlay Project as summarized below:

RANK	BIDDER'S NAME AND CITY	BASE BID	ALTERNATE BID	TOTAL
1	Argonaut Constructors, Santa Rosa	\$598,546.50	\$165,795.00	\$764,341.50
2	MCK Services, Inc., Concord	\$629,434.60	\$210,663.00	\$840,097.60
3	JA Gonsalves & Son Construction, Inc., Napa	\$746,706.00	\$231,490.00	\$978,196.00
--	<i>Engineer's Estimate</i>	<i>\$730,000</i>	<i>\$200,000</i>	<i>\$930,000</i>

The low base bid of \$598,546.50, submitted by Argonaut Constructors of Santa Rosa, was reviewed and determined to be responsive. Argonaut Constructors has successfully completed asphalt overlay work for other public agencies in the Bay Area and is considered a responsible bidder.

The base bid includes asphalt overlaying Southampton Road from the entrance to Bay View Villas to the southern I-780 on/off ramps and overlaying Park Road from Industrial Way to Stone Road. Also included is the striping for the Rose Drive Traffic Calming Project, which consists of new bike lanes from Panorama Drive to Dempsey Drive and sharrows plus 4-inch white shoulder stripes from Dempsey Drive to Cambridge Drive. The shoulder stripe separates the travelled lane from the parking strip, creating a visible narrowing that slows cars down and prevents them from cutting corners on curves.

The Rose Drive Traffic Calming project also includes bulb-outs and a high visibility crosswalk at the intersection of Snapdragon Way, along the high use separated pathway connecting Jack London Park to Matthew Turner School. This phase of the project is currently under design and is scheduled to be constructed in the fall.

Due to uncertainty in the bidding climate and the reduction in the Gas Tax Fund balance over the last few years, the asphalt overlaying of East K from East 4th to East 7th was bid as an alternate. Argonaut Constructors also submitted the lowest alternate bid, in the amount of \$165,795.

East K Street, along with Southampton Road and Park Road, was approved for construction in 2013 by Council at the February 21, 2012 meeting. The staff report detailing the selection criteria is attached for your information.

Since there is adequate Gas Tax funding to cover the cost of the base bid and alternate bid, staff is recommending a construction contract in the amount \$764,341.50 to Argonaut Constructors from Santa Rosa.

Construction is scheduled to begin in late June and be completed mid-August.

Attachments:

- ❑ Proposed Resolution
- ❑ Exhibit A: Gas Tax Fund Streets Fund
- ❑ February 21, 2012 Council Staff Report
- ❑ Rose Drive Traffic Calming Plan
- ❑ Location Map

RESOLUTION NO. 13-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA ACCEPTING BIDS FOR THE 2013 ASPHALT OVERLAY PROJECT INCLUDING TRAFFIC STRIPING FOR THE ROSE DRIVE TRAFFIC CALMING PROJECT, APPROVING A GAS TAX FUND BUDGET AMENDMENT TO FULLY FUND THE CONSTRUCTION CONTRACT, AWARDING THE CONSTRUCTION CONTRACT TO ARGONAUT CONSTRUCTORS IN THE AMOUNT OF \$764,341.50, AND AUTHORIZING THE CITY MANAGER TO SIGN THE CONTRACT ON BEHALF OF THE CITY.

WHEREAS, on April 11, 2013 the Public Works Department made available the construction plans and specifications for the 2013 Street Resurfacing Project for public bidding; and

WHEREAS, on April 30, 2013, three bids were received and opened; and

WHEREAS, Argonaut Constructors, of Santa Rosa, California was determined to be the bidder submitting the lowest responsive, responsible base bid in the amount of \$598,546.50 to overlay Southampton Road from the entrance to Bay View Villas to the south I-780 on/off ramps and to overlay Park Road from Bayshore Road to Industrial Way; and

WHEREAS, with the proposed Gas Tax Fund budget amendment, shown on the attached Exhibit A, there is sufficient funding to cover the cost of the bid alternate in the amount of \$165,795 to overlay East K Street from East 4th to East 7th Streets; and

WHEREAS, said proposed amendment fully funds all projected Gas Tax Fund expenditures through the end of the year while maintaining over a 20% fund reserve; and

WHEREAS, this project is categorically exempt pursuant to Section 15301(c) of the CEQA guidelines; and

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Benicia hereby approves the plans and specifications for the resurfacing and traffic calming project, accepts the bids for the 2013 Asphalt Overlay Project, and awards the construction contract in the amount of \$764,341.50 to Argonaut Constructors.

BE IT FURTHER RESOLVED THAT the City Council of the City of Benicia hereby approves the Gas Tax Fund budget amendment as shown on Attachment "A".

BE IT FURTHER RESOLVED THAT the City Manager is hereby authorized to sign the contract on behalf of the City, subject to approval by the City Attorney.

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 21st day of May, 2013, and adopted by the following vote:

Ayes:
Noes:
Absent:

Elizabeth Patterson, Mayor

Attest:

Lisa Wolfe, City Clerk

Exhibit A -- Gas Tax Street Projects Fund

	Adopted Budget FY 12/13 + Carryover	Amendment +/(-)	Amended FY 12/13
Revenues:			
Investment Earnings	4,000	0	4,000
2103 State Gas Tx	311,000	0	311,000
2105 State Gas Tx	150,000	0	150,000
2106 State Gas Tx	103,000	0	103,000
2107 State Gas Tx	200,000	0	200,000
2107.5 State Gas Tx	6,000	0	6,000
Total Revenue	774,000	0	774,000
Expenditures:			
Regular Full Time Staff	25,385	(4,700)	20,685
Leave Allowance	585	0	585
Health and Welfare	5,075	0	5,075
Deferred Comp	0	415	415
PERS Retirement	5,735	1,350	7,085
FICA/Medicare	370	(60)	310
Sub-total	37,150	(2,995)	34,155
Contract Svcs	155,000	(13,415)	141,585
Utilities	60,000	65,000	125,000
Street Maintenance	104,000	(42,000)	62,000
Bridge Maintenance	115,000	(90,000)	25,000
Workers Comp ISF	250	(40)	210
Sub-total	434,250	(80,455)	353,795
Capital Outlay			
Curb Ramp Install	20,000	(10,000)	10,000
Alley Improv. Pgrm	57,225	(42,225)	15,000
Cong. Mgmt. Auth.	16,500	6,230	22,730
Citywide Street Resurf. Prg	622,360	287,640	910,000
Sidewalk Replac. Program	22,990	(7,990)	15,000
Industrial Way Flood Control	50,000	(50,000)	0
Misc. Public Improv.	13,345	(3,345)	10,000
Sub-total	802,420	180,310	982,730
Expenditure Total	1,273,820	96,860	1,370,680
Net Contribution/(Use)	(499,820)	(96,860)	(596,680)
Fund Balance	263,095		166,235

**AGENDA ITEM
CITY COUNCIL MEETING DATE - FEBRUARY 21, 2012
BUSINESS ITEMS**

DATE : January 30, 2012
TO : City Manager
FROM : Public Works and Community Development Director
SUBJECT : **2012 AND 2013 ROAD RESURFACING PROJECTS**

RECOMMENDATION:

Confirm the recommended streets for the 2012 Street Resurfacing Project and review the proposed streets for the 2013 project.

EXECUTIVE SUMMARY:

This year's proposed street resurfacing project includes patching/overlaying Stone Road and the flood-damaged section of Industrial Way (both locations are in the Industrial Park), patching/overlaying Rose Drive south of Columbus Parkway, and slurry sealing streets in residential neighborhoods. Streets proposed for the 2013 project have been included in this report for preliminary review and comments.

BUDGET INFORMATION:

The revenue for the Street Resurfacing Projects is as follows:

YEAR 2012

Allied Waste Fee	\$145,000
Proposition 1B ¹	\$460,000
Gas Tax	<u>\$315,000</u>
Total	\$920,000

YEAR 2013

Allied Waste Fee	\$145,000
Gas Tax ²	<u>\$755,000</u>
Total	\$900,000

Notes:

1. \$449,000 of the Prop. 1B funding is cost savings from the Rose Drive Overcrossing Project and must be expended by June 30, 2012.
2. The \$1,070,000 total in gas tax expenditures for this 2-year budget cycle will utilize the remaining surplus in the fund balance plus revenue. \$300,000 in the gas tax fund will be available annually in future years for street repair.

The estimated expenditures for the proposed Street Resurfacing Projects are as follows:

YEAR 2012

<u>Priority</u>	<u>Project Description¹</u>	<u>Estimated Cost</u>
1	Overlay Stone Rd – E. 2 nd to Park Rd	\$625,000
2	Overlay Industrial Way – W. Channel Rd. north to culvert	\$ 65,000
3	Overlay & Patch Rose Drive – Overlay from Columbus Pkwy to I-780 overcrossing, patch south of overcrossing	\$150,000
4	Slurry Seal – E. 2 nd (H to J) & Residential Streets*	\$ 80,000
	Total	\$920,000

* Slurry sealing will occur primarily in the Southampton area with an emphasis on cul-de-sacs.

YEAR 2013

<u>Priority</u>	<u>Project Description¹</u>	<u>Estimated Cost</u>
1	Overlay Park Rd – Industrial Way to Stone Rd	\$320,000
2	Overlay Southampton Rd – I-780 Ramp to Bay View Villas	\$360,000
3	Overlay East K – East 4 th to East 7 th	\$220,000
	Total	\$900,000

Alt. 1 Overlay E. 2nd – Rose Drive to Industrial Way \$900,000

Alt. 2 Overlay Industrial Way from north of Teal to
Lake Herman Rd \$900,000

Notes:

1. See attached map of 2012 and 2013 streets.

ENVIRONMENTAL REVIEW:

Street resurfacing is Categorically Exempt per California Environmental Quality Act Guidelines Section 15301 (c), which applies to repair and maintenance of existing roadways.

GENERAL PLAN:

Resurfacing supports the following General Plan goal:

- Goal 2.28: Improve and maintain public facilities and services.

STRATEGIC PLAN:

Resurfacing supports the following Strategic Plan goal:

- Strategic Issue 4: Preserving and Enhancing Infrastructure.

BACKGROUND:

SELECTION CRITERIA

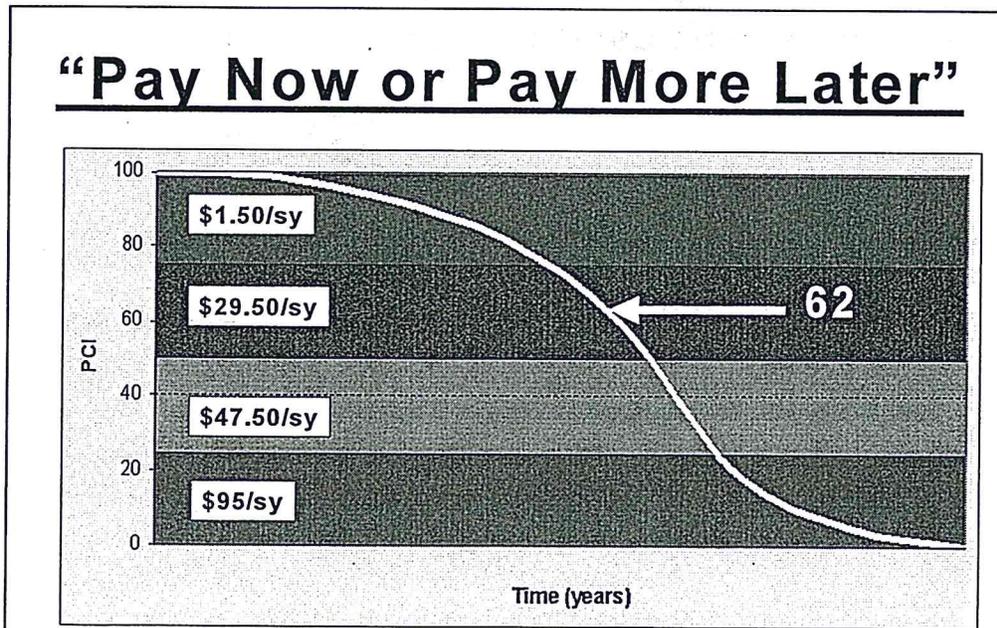
The streets proposed for 2012 and 2013 have been selected based primarily upon the following criteria: pavement condition index, pavement life cycle cost, street functional classification, traffic loading, economic development potential, and equitable distribution of repairs throughout the community. Following is a description of each of these criterions.

Pavement Condition Index

The pavement condition index (PCI) and pavement life cycle costs criteria are closely linked and were the initial criteria considered. The PCI is a rating system that assigns a street a number on a scale from 0 to 100 and an associated descriptor based upon its condition (i.e. 100-90 "Excellent," 90-70 "Good," 70-50 "At Risk," 50-25 "Poor," 25-0 "Very Poor/Failed.") Benicia's streets are rated every two years as part of the biennial update of the City's Pavement Management Program. Per the last update in January 2011, the average PCI for streets in Benicia is 62, which is in the "At Risk" range.

Pavement Life Cycle Cost

The cost to repair asphalt concrete surfacing increases exponentially over its life cycle. For example, a street with a PCI of 70 can be slurry sealed for \$1.50/sq yd; a street with a PCI of 60 can be overlaid with a thin section of asphalt for \$29/sq yd; a street with a PCI below 50 should be patched and then overlaid with a thick section of asphalt concrete at a cost of \$47.50/sq yd or may need to be completely reconstructed for \$95/sq yd (See graphic below.)



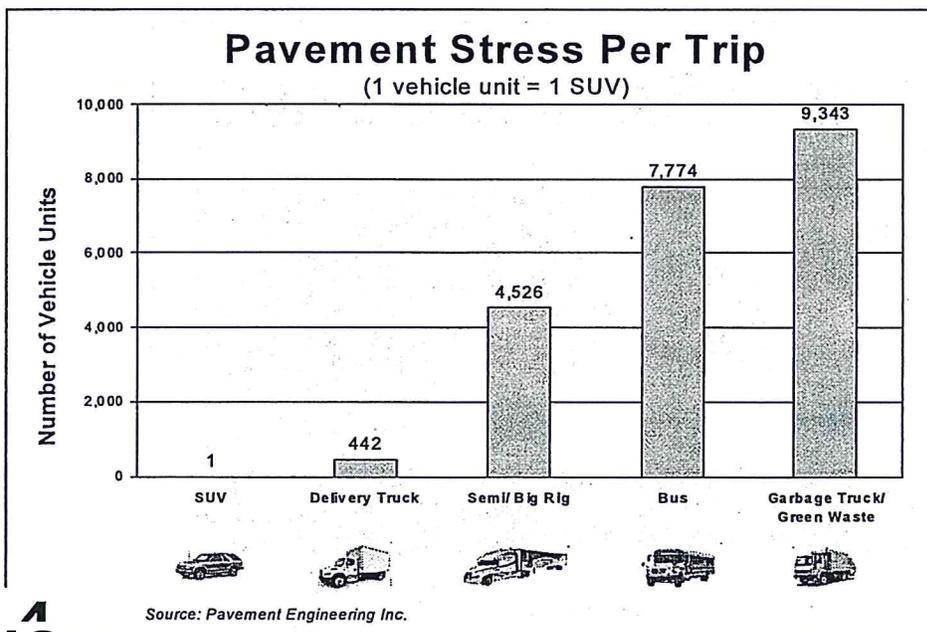
Ideally, all the streets would be slurry sealed before their PCIs dropped below 70. However, many streets have been damaged because they do not have the structural strength needed to carry the current traffic loading (slurry sealing provides a new wearing surface but does not strengthen the road). Streets have also deteriorated because there was insufficient funding to perform all the needed repairs in the street network. According to the 2011 Pavement Management Program, Benicia has a current backlog of \$32.5 million in street repairs.

Street Functional Classification

Benicia's street network includes residential, collector, and arterial streets. Arterial streets link residential, commercial, and industrial districts with the highway system. Examples include E. 2nd, Military, and Southampton Road. Arterials are considered the most critical to maintain in serviceable condition because they carry higher traffic volumes, have higher speed limits, link to essential core common destinations, and need to be traveled at high speeds by emergency responders. Collectors connect residential streets to arterials and carry less traffic, so they are second in priority. Examples include East H Street, Solano Drive, and West 5th Street. Residential streets provide direct access to the adjacent properties and carry the least amount of traffic. While they are third in priority, most residential streets in Benicia can be slurry sealed at a fraction of the cost to patch and overlay collectors and arterials.

Traffic Loading

Large vehicles (i.e. delivery trucks, big rigs, buses, garbage trucks) stress pavement from 400 to 9,000 times more than sports utility vehicles and are the leading cause of pavement failure. Damaged streets that carry a higher percentage of trucks will deteriorate much faster than other streets in a similar condition. (See graphic below.)



Economic Development Potential

Obtaining sufficient funding is the primary challenge facing Benicia for maintaining streets and serving the public in general. Repairing streets in the Industrial Park and commercial districts to a Good condition can help retain and attract businesses that generate revenue for the City.

Equitable Distribution

Historically the resurfacing program has repaired streets throughout all sectors of the City to ensure geographic fairness and equity.

SUMMARY:

The following streets are proposed for 2012 and 2013 and were selected using sound engineering judgment combined with the criteria identified above:

Year 2012

Overlay Stone Rd (E. 2nd to Park Rd) – Stone Road is essential for internal circulation in the Industrial Park, is in the Fair/Poor range, and carries a high percentage of trucks. Patching and overlaying at this time will prevent the need for a costlier full depth reconstruction in the near future. Good streets in the Industrial Park are an important component of the City's economic development strategy and will help retain and attract businesses.

Overlay Industrial Way (W. Channel Rd. north to culvert) – This section of Industrial Way is rated Poor due to flood damage (which users have been subject to), is on an arterial, and carries a high volume of truck traffic. It can be patched and overlaid at this time, and if maintenance is deferred a full reconstruction may be needed in the future.

Overlay & Patch Rose Drive (south of Columbus) – This work consists of patching and overlaying Rose from south of Columbus Parkway to the bridge over I-780 and patching south of the bridge to the entrance of the Benicia State Recreation Area. This section of Rose is on a high volume arterial that connects the Southampton area to I-780 and is on a commercial corridor. These repairs would complement the recently completed Columbus Parkway overlay.

Slurry Seal (E. 2nd from H to J & Residential Streets) – Residential streets are periodically slurry sealed (the most desirable and cost effective treatment) as a preventative maintenance measure. This work will ensure neighborhoods receive their fair share of street repairs. Most of the 2012 slurry sealing work will be in the Southampton area with an emphasis on cul-de-sacs.

Year 2013

Overlay Park Rd (Industrial Way to Stone Rd) – Park Road is an arterial in the Industrial Park that is in the Poor range and carries a high percentage of trucks.

Patching and overlaying at this time will prevent the need for a costlier full depth reconstruction in the near future. Good streets in the Industrial Park are an important component of the City's economic development strategy and will help retain and attract businesses.

Overlay Southampton Rd (1780 Ramp to Bay View Villas) – This section of Southampton is in Poor condition, on an arterial, serves a large residential area, is on the primary route to the middle school, and fronts on a major commercial development. Repairing this section of Southampton will benefit many users and businesses.

Overlay East K (East 4th to East 7th) – East K is one of the few residential streets with a Failed rating. Repairing this street will provide residents with much-needed relief and ensure a residential area is repaired in the 2013 program.

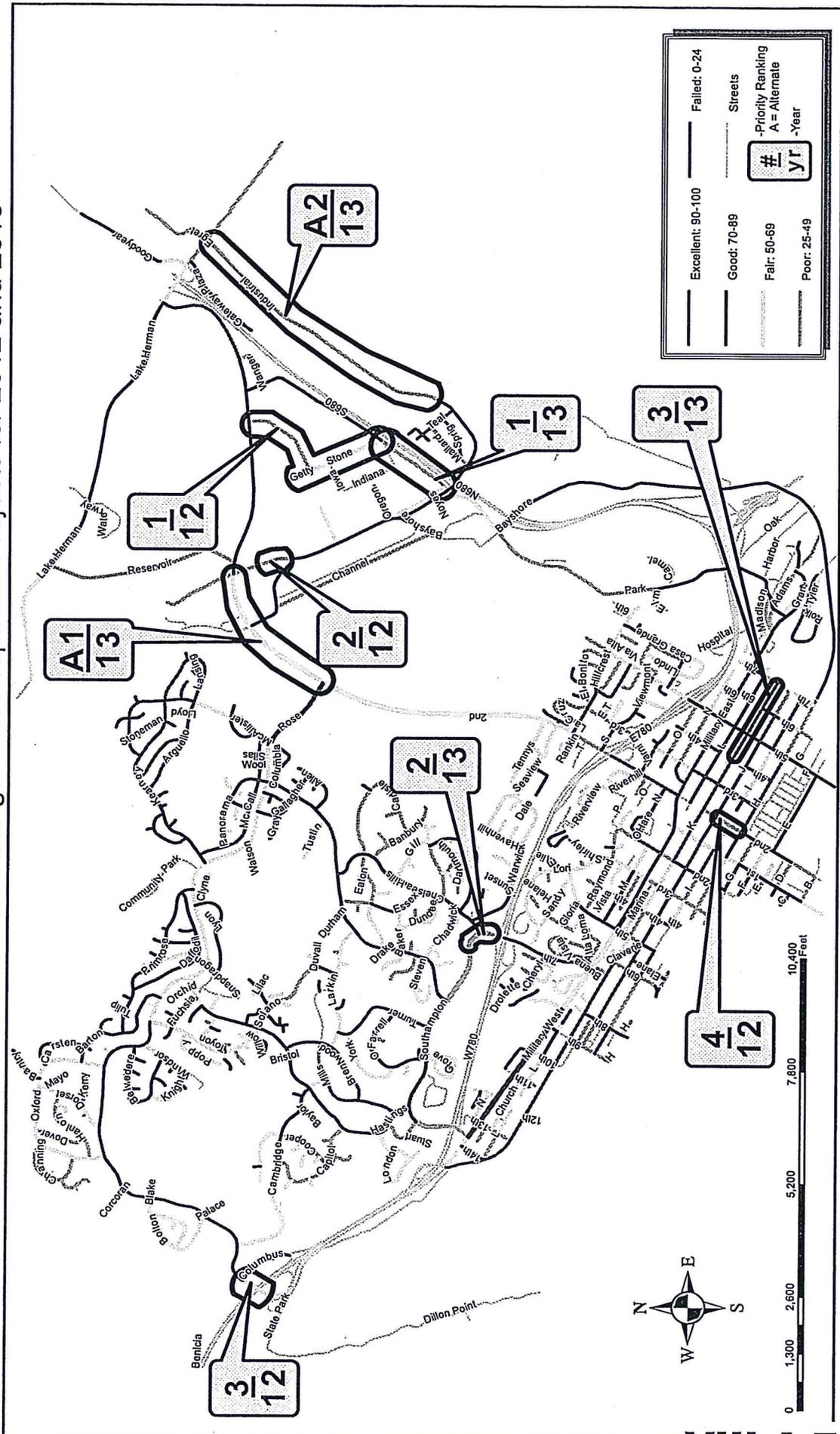
Alternative 1: Overlay E. 2nd (Rose Drive to Industrial Way) – This section of Rose is a high volume arterial that is in Fair condition. Due to its width, the repairs will cost approximately \$900,000, which is the total amount allocated for the 2013 budget.

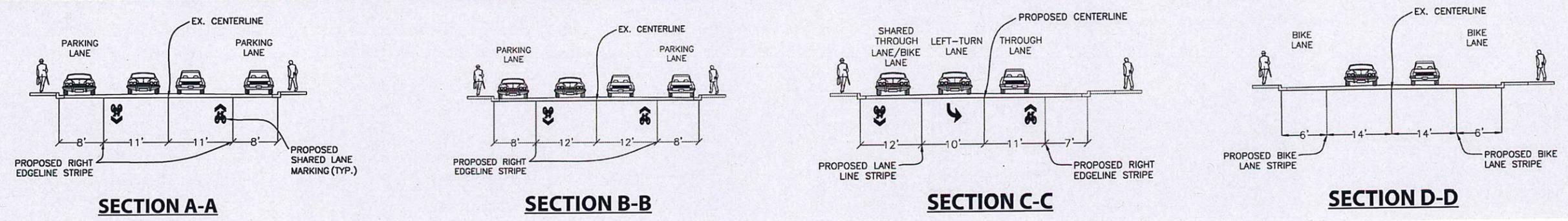
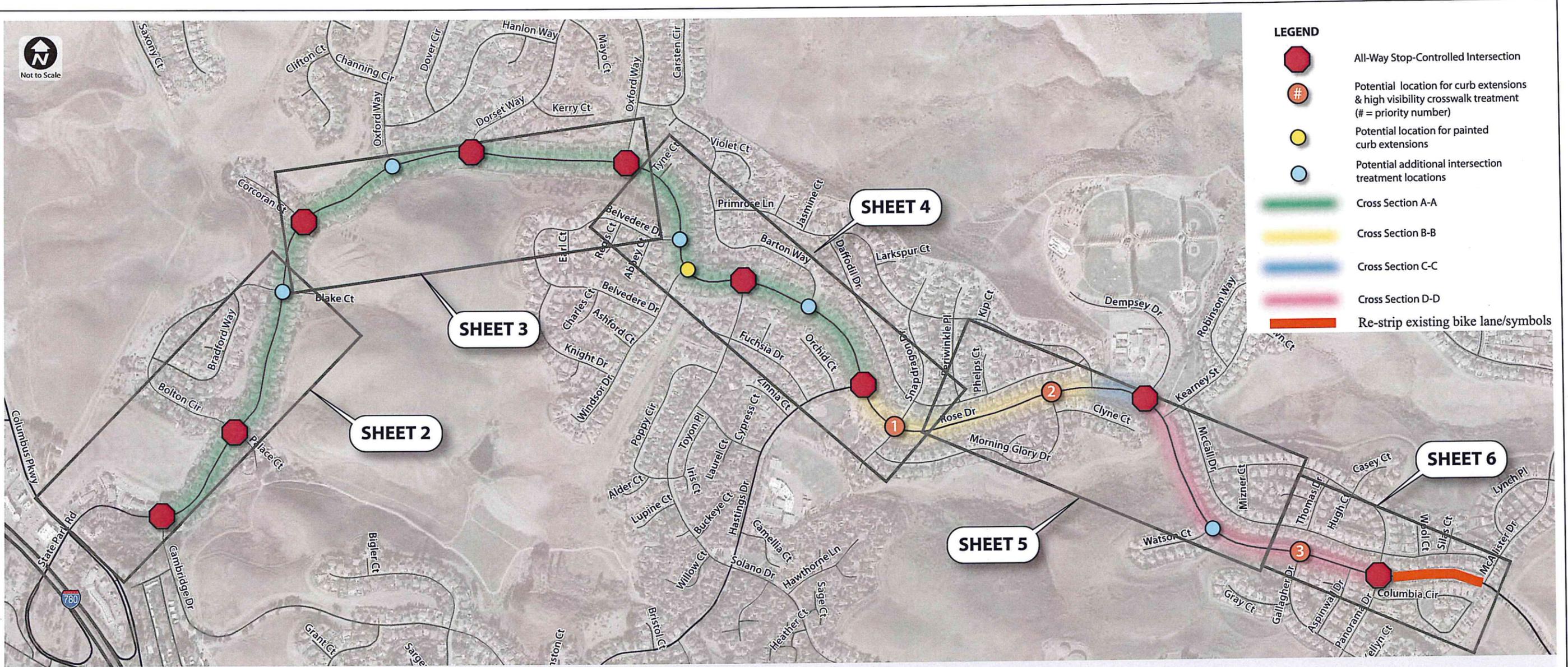
Alternative 2: Overlay Industrial Way (from north of Teal to Lake Herman Rd) – This section of Industrial Way is an arterial, in Poor condition, carries a high volume of trucks, and is located in the Industrial Park. Repairing it will cost at least \$900,000, which is the total amount allocated for the 2013 budget.

Attachment:

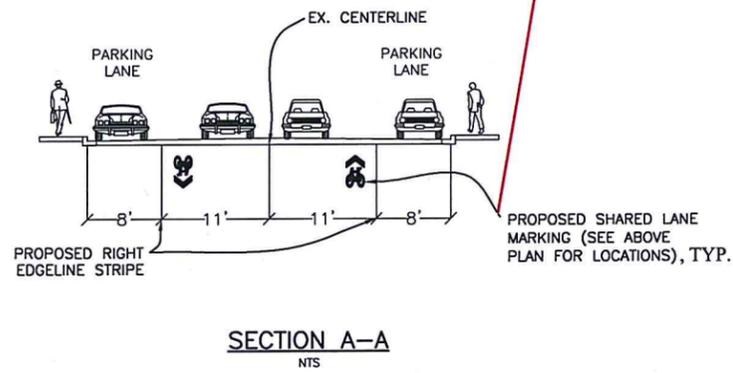
- Map of Proposed 2012 and 2013 Street Resurfacing Projects

Benicia Street Network PCI Ratings With Proposed Projects for 2012 and 2013



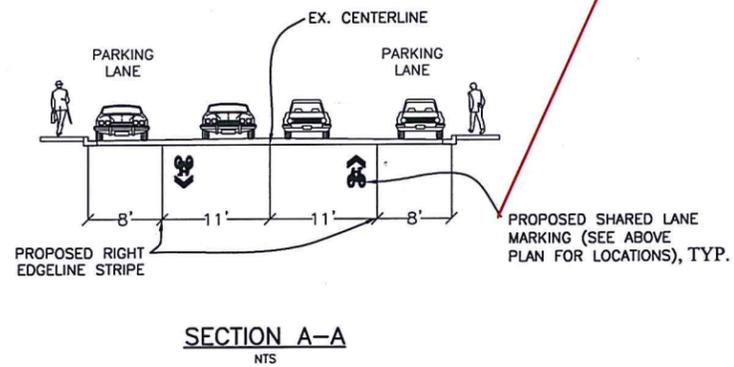


VI.C.17



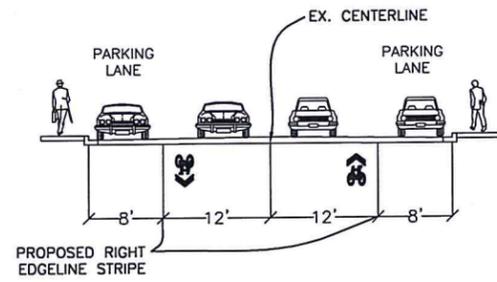
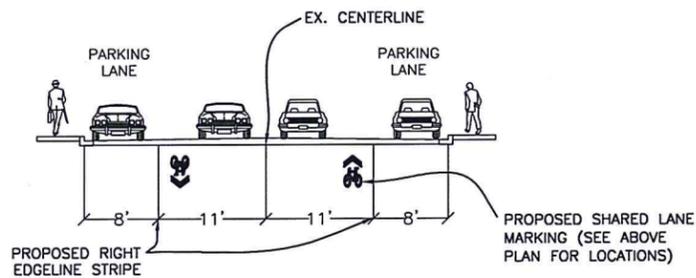
NOTE: STOP BARS AND CROSSWALKS ARE NOT PART THE WORK

ROSE DRIVE TRAFFIC CALMING
BENICIA, CALIFORNIA
SHEET 2 OF 7



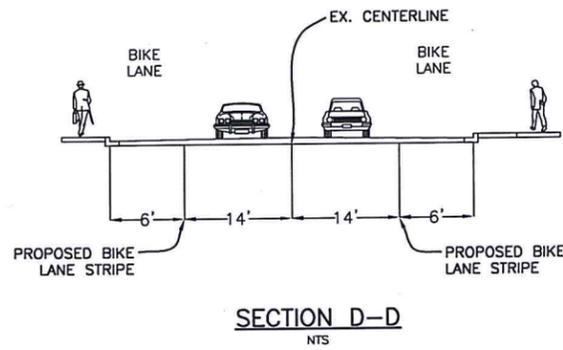
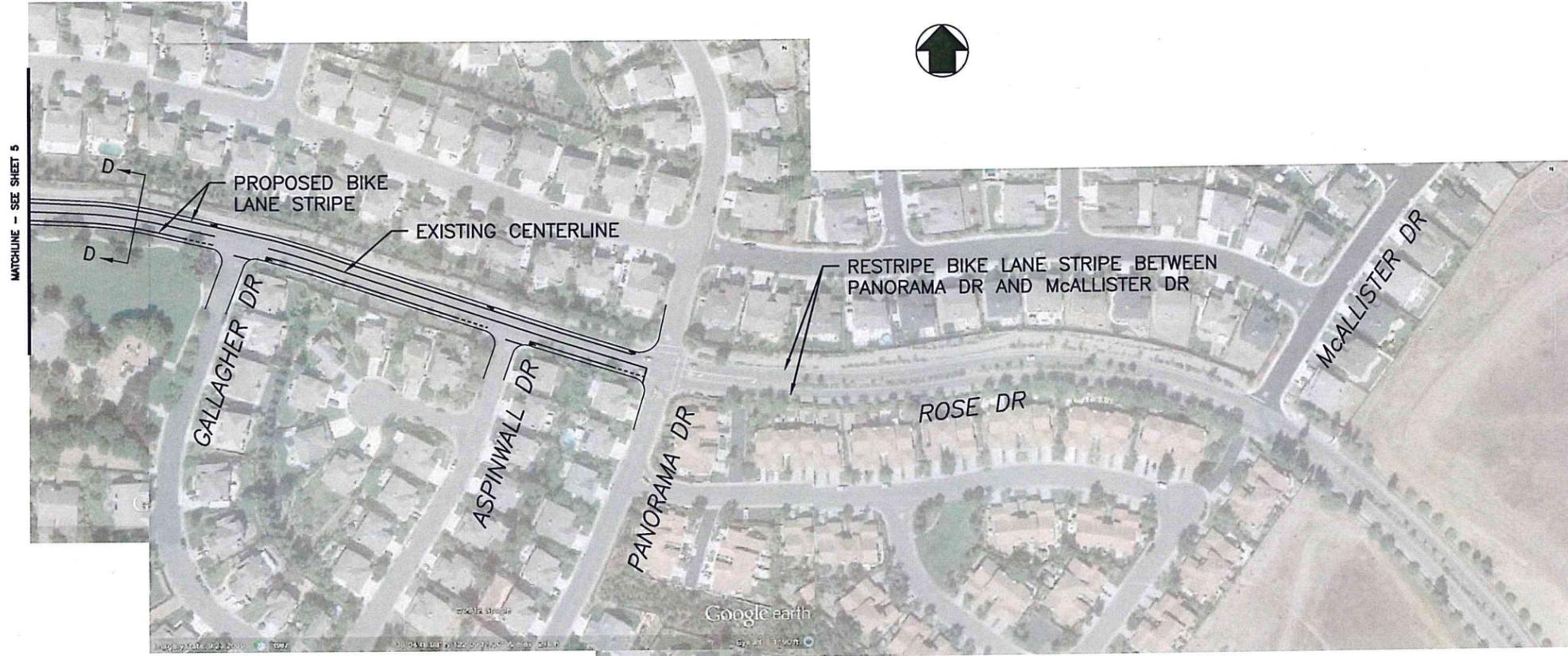
NOTE: STOP BARS AND CROSSWALKS ARE NOT PART THE WORK

ROSE DRIVE TRAFFIC CALMING
BENICIA, CALIFORNIA
SHEET 3 OF 7



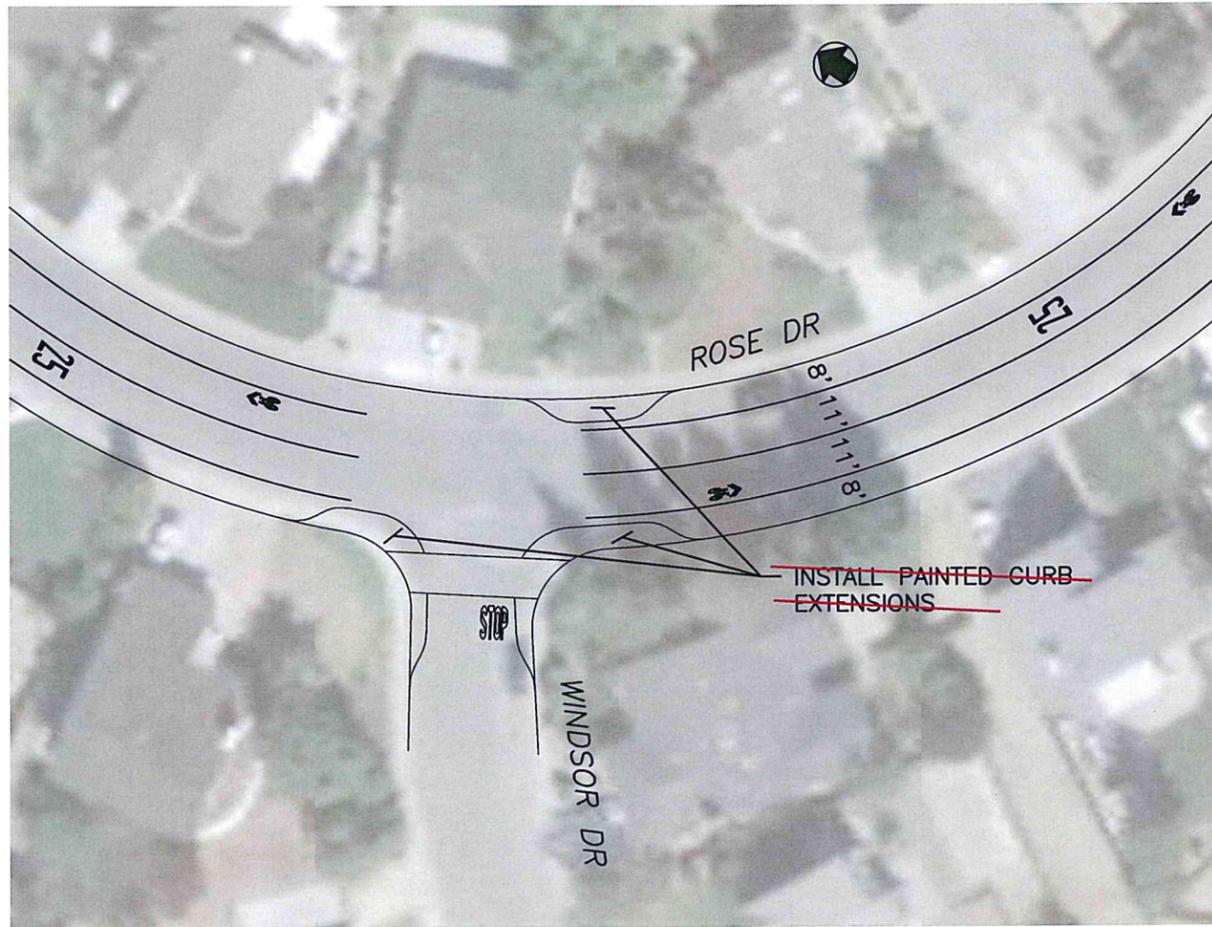
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ROSE DRIVE TRAFFIC CALMING
 BENICIA, CALIFORNIA
 SHEET 4 OF 7

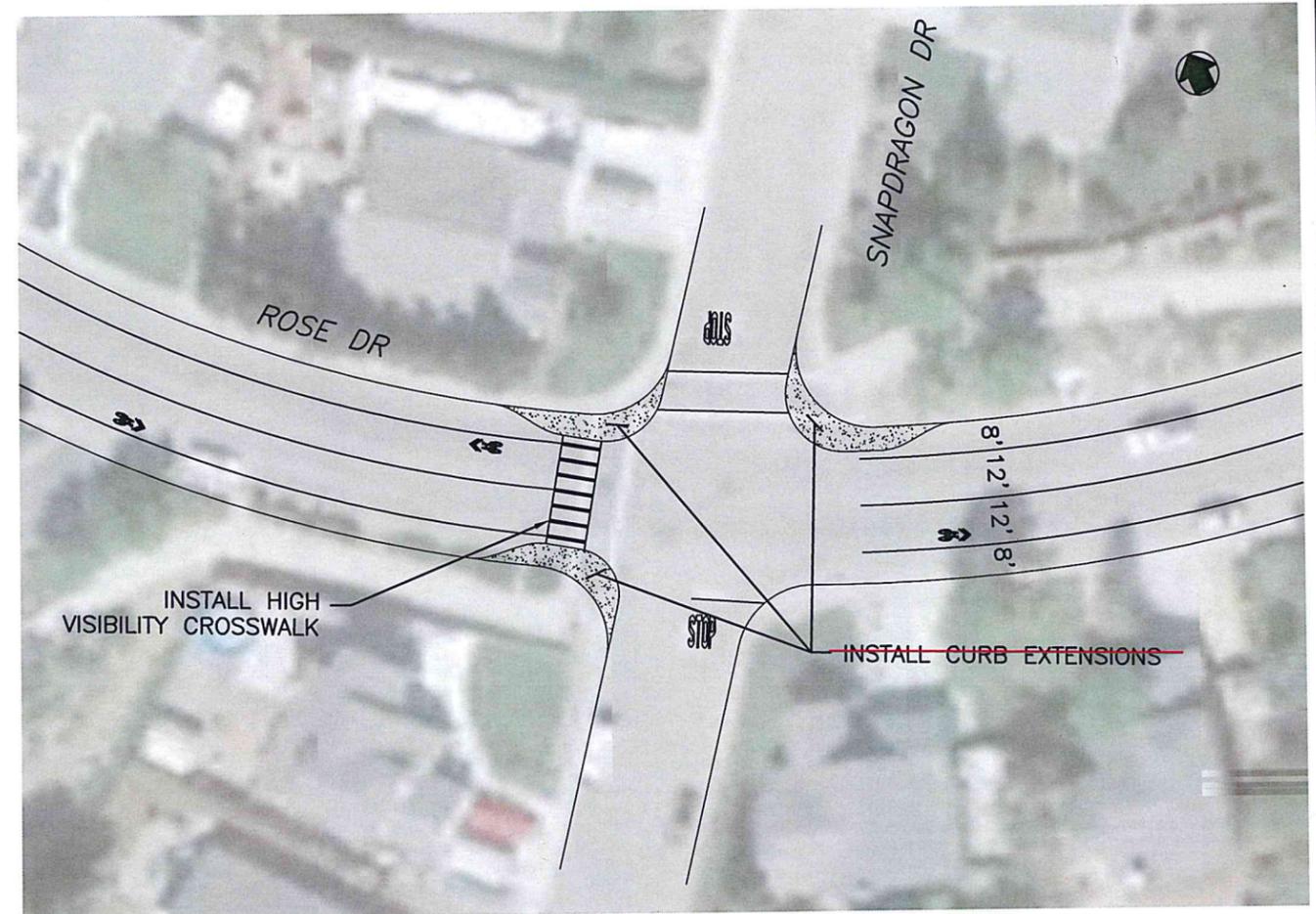


NOTE: STOP BARS AND CROSSWALKS ARE NOT PART THE WORK

ROSE DRIVE TRAFFIC CALMING
 BENICIA, CALIFORNIA
 SHEET 6 OF 7



~~PAINTED CURB EXTENSION AT ROSE DR / WINDSOR DR~~
 1"=20'
 (CONCEPTUAL DESIGN - NOT FOR CONSTRUCTION)



~~CURB EXTENSION AT ROSE DR / SNAPDRAGON DR~~
 1"=20'
 (CONCEPTUAL DESIGN - NOT FOR CONSTRUCTION)

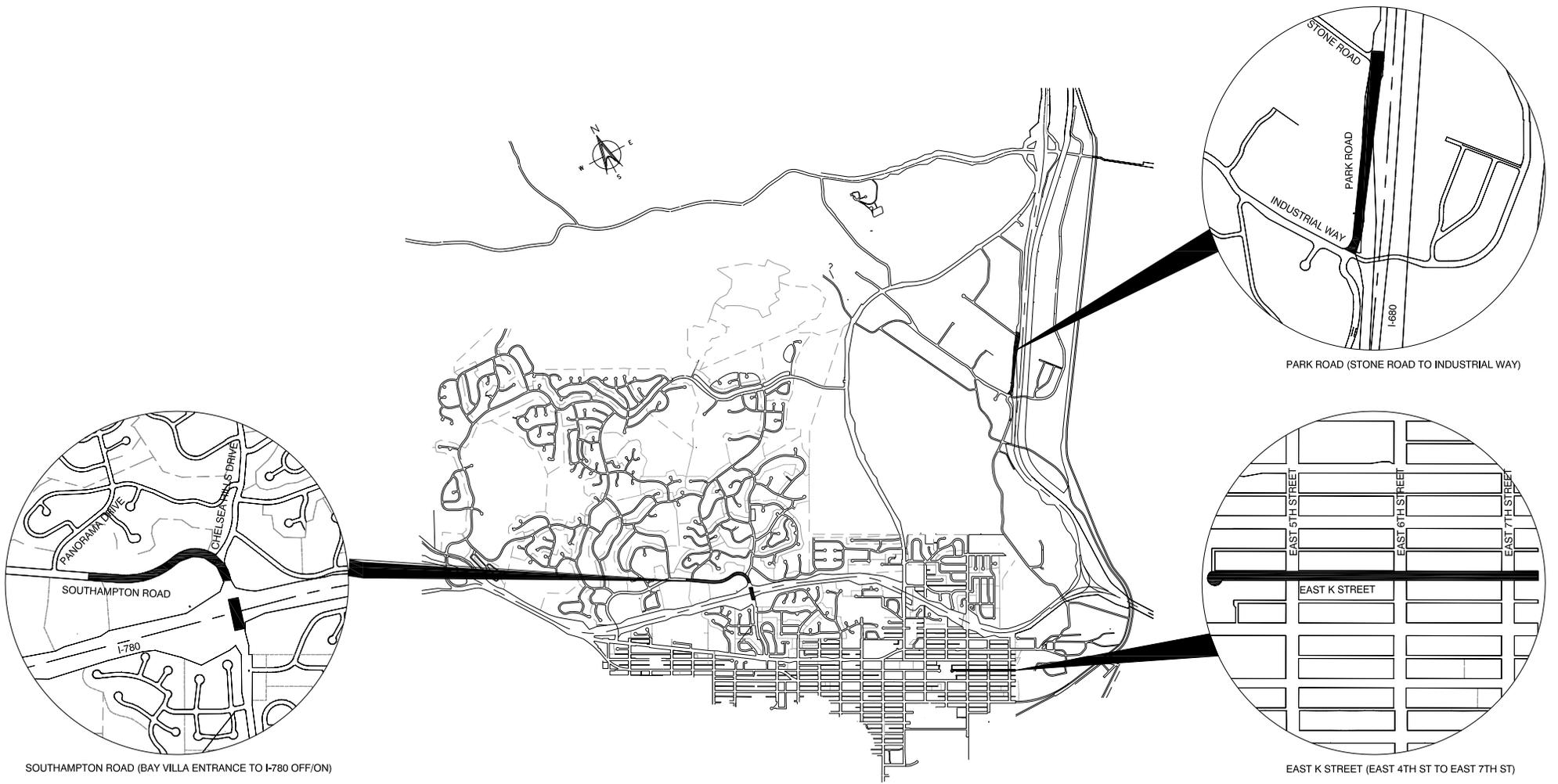
NOTE: STOP BARS AND CROSSWALKS ARE NOT PART THE WORK

ROSE DRIVE TRAFFIC CALMING
 BENICIA, CALIFORNIA
 SHEET 7 OF 7

VII.C.23

FEHR PEERS

Jun 19, 2012 CADD FILE: \\PROJECTS\WG12\WG12-2920_Benicia_Rose_Drive_Traffic_Calming\CAD\REVISED CONCEPTUAL\9920-exhibit.dwg



SOUTHAMPTON ROAD (BAY VILLA ENTRANCE TO I-780 OFF/ON)

PARK ROAD (STONE ROAD TO INDUSTRIAL WAY)

EAST K STREET (EAST 4TH ST TO EAST 7TH ST)



2013 ASPHALT OVERLAY PROJECT

LOCATION MAP



AGENDA ITEM
CITY COUNCIL MEETING DATE - MAY 21, 2013
CONSENT CALENDAR

DATE : May 1, 2013

TO : City Manager

FROM : Acting Assistant City Manager

SUBJECT : **REVIEW AND ACCEPTANCE OF THE INVESTMENT REPORTS FOR THE QUARTERS ENDED DECEMBER 31, 2012 AND MARCH 31, 2013**

RECOMMENDATION:

Accept, by motion, the Investment Reports for the quarters ended December 31, 2012 and March 31, 2013.

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 these reports.

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. This

report was prepared by the City's investment portfolio manager, PFM Asset Management LLC and to the best of my knowledge, is an accurate representation of the City's investment portfolio. The Finance Committee reviewed and accepted the Investment Reports at its April 26, 2013 meeting. The attached report summarizes the City's investments by maturity date, investment type, custodian of investment and cost.

Attachments:

- Investment Reports for the quarters ended December 31, 2012 and March 31, 2013



City of Benicia

Investment Performance Review

Fourth Quarter 2012

PFM Asset Management LLC
Carlos Oblites, Senior Managing Consultant
50 California Street, Suite 2300
San Francisco, CA 94111
415-982-5544



**Summary**

- In the fourth quarter, the markets were impacted by U.S. politics and policies—particularly the presidential election, the Federal Reserve's (Fed's) new round of quantitative easing (QE), and "fiscal cliff" negotiations.
- The U.S. housing market continued to show signs of improvement, and the unemployment rate was unchanged for the quarter at 7.8%.
- The domestic economy has seen modest growth over the past year, and while the resolution of the "fiscal cliff" talks has relieved investors, the federal debt ceiling must now be addressed.

Economic Snapshot

- New-home sales in the U.S. rose to their highest level in two-and-a-half years in November, jumping 15.3% higher from where they were a year ago.
- The Consumer Price Index rose 1.8% year over year in November before seasonal adjustment. Wage increases have been subdued as evidenced by the change in hourly earnings, which has averaged less than 2% in recent months.
- Fourth-quarter U.S. gross domestic product (GDP) growth is expected to be in a range of 1% to 2%, which is slower than GDP growth experienced in the third quarter.
- Hurricane Sandy, which blew through the East Coast in October, caused large amounts of damage, closed the markets for two days and depressed economic activity in about a third of the nation.
- European stock markets took an upward turn for the quarter, as the MSCI Europe Index rose 7.02% for the quarter in U.S. dollar terms.

Interest Rates

- Interest rates rose slightly for the quarter across most maturities, while yield spreads on Agencies, corporates, and mortgage-backed securities (MBS) remained narrow.
- Treasury yields fell in the first half of November, but then rose as investors turned away from fixed income to the rallying stock market.
- The Fed announced that it will keep short-term rates at extremely low levels until the unemployment rate falls below 6.5%, and the prospect remains for long-run inflation to stay below 2.5%. The Fed also initiated further QE with an open-ended program to buy \$45 billion in Treasuries each month in addition to its monthly purchases of \$40 billion in Agency mortgage-backed securities.

Sector Performance

- Returns of high-quality corporate bonds (especially Financials) performed well for the quarter, as these issuers continued to be bolstered by global central bank support for financial markets. Security selection has been especially important when purchasing corporates.
- The Fed's QE3 purchase program initially caused Agency MBS to appreciate sharply on value, but that quickly reversed and Agency MBS underperformed other fixed-income sectors for the quarter.
- Municipal bonds struggled in the fourth quarter, as investors were uncertain whether their tax-exempt status would be changed as part of a "fiscal cliff" deal.
- Supply reductions kept Agency spreads at historically tight levels, and Agencies became relatively less attractive over the quarter.

The views expressed within this material constitute the perspective and judgment of PFM Asset Management LLC (PFMAM) at the time of distribution and are subject to change. Information is obtained from sources generally believed to be reliable and available to the public; however, PFMAM cannot guarantee its accuracy, completeness or suitability. This material is for general information purposes only and is not intended to provide specific advice or recommendation. The information contained in this report is not an offer to purchase or sell any securities.

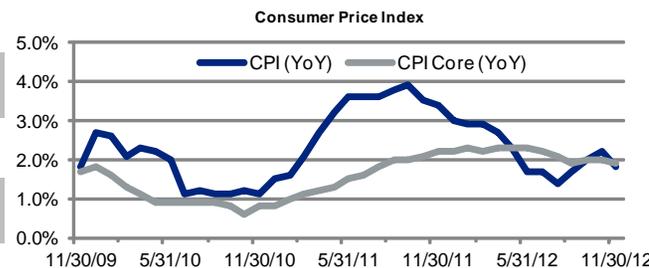
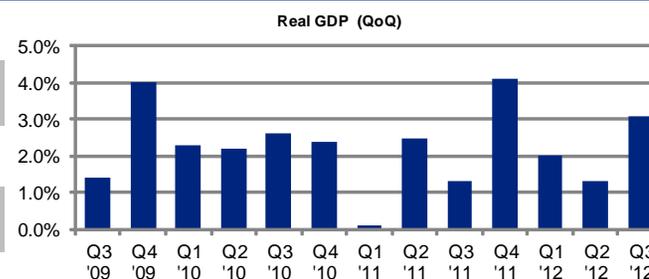
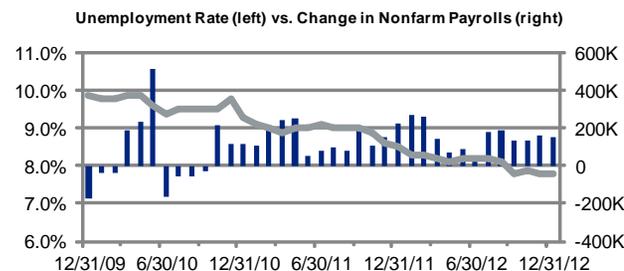


Economic Snapshot

Labor Market		Latest	Sep 2012	Dec 2011
Unemployment Rate	Dec	7.8%	7.8%	8.5%
Change In Non-Farm Payrolls	Dec	155,000	132,000	223,000
Average Hourly Earnings (YoY)	Dec	2.1%	1.9%	2.1%
Personal Income (YoY)	Nov	4.1%	3.5%	3.6%
Initial Jobless Claims	Dec 28	372,000	369,000	383,000

Growth		Latest	Sep 2012	Dec 2011
Real GDP (QoQ SAAR)	Q3	3.1%	1.3% ¹	4.1% ²
GDP Personal Consumption (QoQ SAAR)	Q3	1.6%	1.5% ¹	2.0% ²
Retail Sales (YoY)	Nov	3.7%	5.4%	6.8%
ISM Manufacturing Survey	Dec	50.7	51.5	53.1
Existing Home Sales (millions)	Nov	5.04	4.69	4.38

Inflation / Prices		Latest	Sep 2012	Dec 2011
Personal Consumption Expenditures (YoY)	Nov	1.4%	1.6%	2.4%
Consumer Price Index (YoY)	Nov	1.8%	2.0%	3.0%
Consumer Price Index Core (YoY)	Nov	1.5%	2.1%	4.7%
Crude Oil Futures (WTI, per barrel)	Dec 31	\$91.82	\$92.19	\$98.83
Gold Futures (oz)	Dec 31	\$1,676	\$1,771	\$1,567



1. Data as of Second Quarter 2012 2. Data as of Fourth Quarter 2011

Note: YoY = year over year, QoQ = quarter over quarter, SAAR = seasonally adjusted annual rate, WTI = West Texas Intermediate crude oil

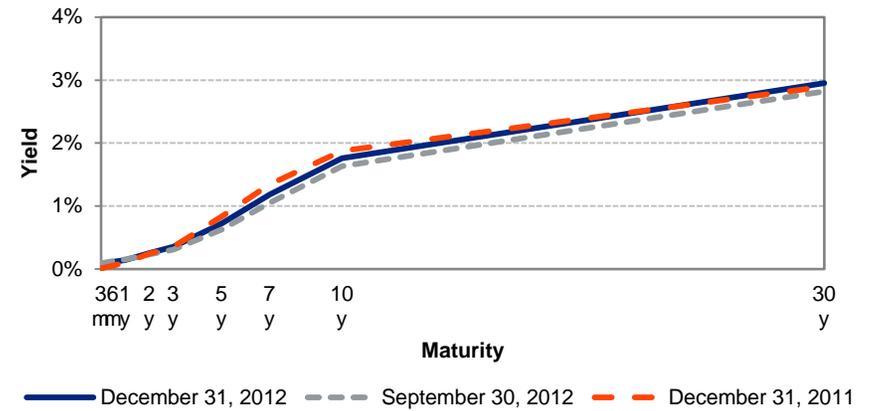
Source: Bloomberg

Interest Rate Overview

U.S. Treasury Note Yields

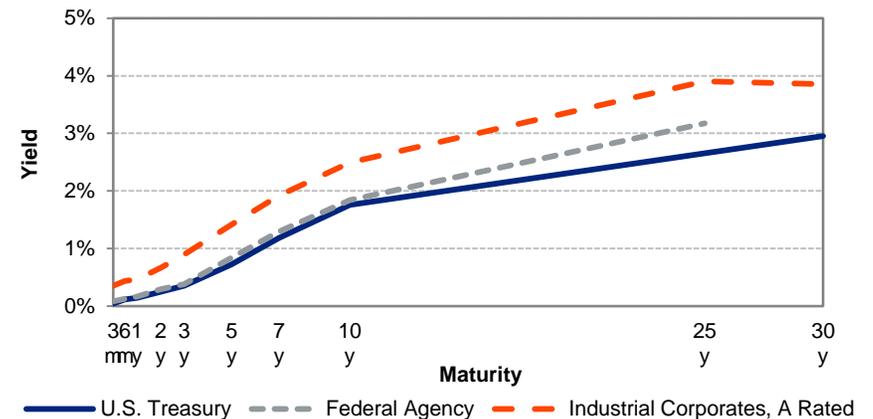


U.S. Treasury Note Yield Curve



Maturity	12/31/12	9/30/12	Change over Quarter	12/31/11	Change over Year
3-month	0.09%	0.12%	(0.03%)	0.02%	0.07%
1-year	0.14%	0.16%	(0.02%)	0.13%	0.01%
2-year	0.27%	0.25%	0.03%	0.28%	(0.00%)
5-year	0.74%	0.63%	0.11%	0.85%	(0.11%)
10-year	1.81%	1.70%	0.12%	1.96%	(0.14%)
30-year	2.94%	2.82%	0.12%	2.91%	0.03%

Yield Curves as of 12/31/12



Source: Bloomberg



B of A Merrill Lynch Index Returns

	As of 12/31/2012		Periods Ended 12/31/2012		
	Duration	Yield	3 Month	1 Year	3 Years
1-3 Year Indices					
U.S. Treasury	1.87	0.26%	0.07%	0.43%	1.44%
Federal Agency	1.70	0.31%	0.12%	0.85%	1.56%
U.S. Corporates, A-AAA Rated	1.94	0.95%	0.44%	4.02%	3.31%
Agency MBS (0 to 3 years)	1.85	1.37%	(0.31%)	1.60%	3.42%
Municipals	1.81	0.61%	0.02%	1.03%	1.56%
1-5 Year Indices					
U.S. Treasury	2.72	0.38%	0.04%	0.91%	2.62%
Federal Agency	2.36	0.44%	0.16%	1.38%	2.28%
U.S. Corporates, A-AAA Rated	2.80	1.22%	0.55%	5.85%	4.70%
Agency MBS (0 to 5 years)	2.11	1.45%	(0.26%)	2.50%	4.45%
Municipals	2.53	0.84%	(0.10%)	1.63%	2.37%
Master Indices					
U.S. Treasury	5.99	0.96%	(0.10%)	2.16%	5.89%
Federal Agency	3.84	0.85%	0.22%	2.44%	4.10%
U.S. Corporates, A-AAA Rated	6.80	2.32%	0.79%	9.19%	8.32%
Agency MBS	2.14	1.47%	(0.27%)	2.59%	4.78%
Municipals	7.47	2.59%	0.51%	7.26%	6.83%

Returns for periods greater than one year are annualized

Source: Bloomberg

Portfolio Summary

<u>Total Portfolio Value</u>	<u>December 31, 2012</u>	<u>September 30, 2012</u>
Market Value	\$33,504,877.29	\$32,960,666.91
Amortized Cost	\$33,352,923.22	\$32,757,008.22

PORTFOLIO RECAP

- The portfolio complies with the California Government Code and the City’s investment policy. The portfolio is well diversified among U.S. Treasury, and Federal Agency issuers.
- Five year Treasury yields swung in a 24-basis point range. Yields were driven lower in late October by economic disruption from Hurricane Sandy, a higher projection for Greek debt, Obama’s re-election and assured continuity of an accommodative Fed, an expansion of the Fed’s bond purchase program, and fears the U.S. would go over the “fiscal cliff.” Bond yields were pushed higher in December by stronger than expected job reports for September and November, a Greek debt buyback program, the prospect of President Romney appointing a replacement for Bernanke at the Fed, a global rally in stocks, and confidence that the “fiscal cliff” would be avoided.
- After all the ups and downs, Treasury yields finished the quarter modestly higher. Political turmoil may cause a transient flight to quality as has already been seen this quarter. Yet, the larger, lasting effect is likely to come from the budding trend of equity fund inflows at the expense of bond fund outflows. The so-called “Great Rotation,” as it is popularly called, is the reversal of fund flows from the past four years.
- Facing high political and policy risks, which do not lend themselves well to fundamental economic analysis, we extended the portfolio’s duration and increased the weighting in U.S. Treasuries to move the portfolio closer to the portfolio’s benchmark in terms of both duration and sector allocations. In particular, Agency bonds at historically tight spreads, and consequently little remaining value, were shifted into Treasuries continuing the re-allocation of the past several quarters.
- 2012 was a year of record corporate bond issuance, and new issuances offered attractive yields compared to bonds available in the secondary market. PFM exploited this opportunity by increasing the portfolio’s allocation to corporate securities.

Portfolio Summary - continued

PORTFOLIO STRATEGY

- Difficult to predict political wranglings cloud our market view, central bank liquidity favors spread products. We will continue our bottom-up analysis (vs. our more usual macro-economic approach) when selecting securities. The economy continues to heal slowly from the over-leveraged Financial Crisis of 2008. Four years later, these aftereffects are expected to persist just a little while longer.
- The threat of at least a partial government shutdown and the possible delay of tax refunds due to limits on the debt ceiling sometime around late February/early March throws a wrench into the outlook for the first quarter. Uncertainties concerning fiscal policy are likely to push positive economic developments to the background.
- Fiscal drag caused by tax hikes on the wealthy and resumption of full payroll taxes, and concern over a possible government shutdown may be supportive of a counter-trend rally in the bond market. While our longer term view is that yields will eventually drift gradually higher, we intend to keep durations close to neutral to protect the City's portfolio against the regularly recurring flights into Treasuries.
- We will continue to focus on safety of principal and appropriate liquidity while seeking opportunities to add value through active management. Our strategy will remain flexible and may change in response to changes in interest rates, economic data, market outlook or specific opportunities that arise.

Total Funds Summary

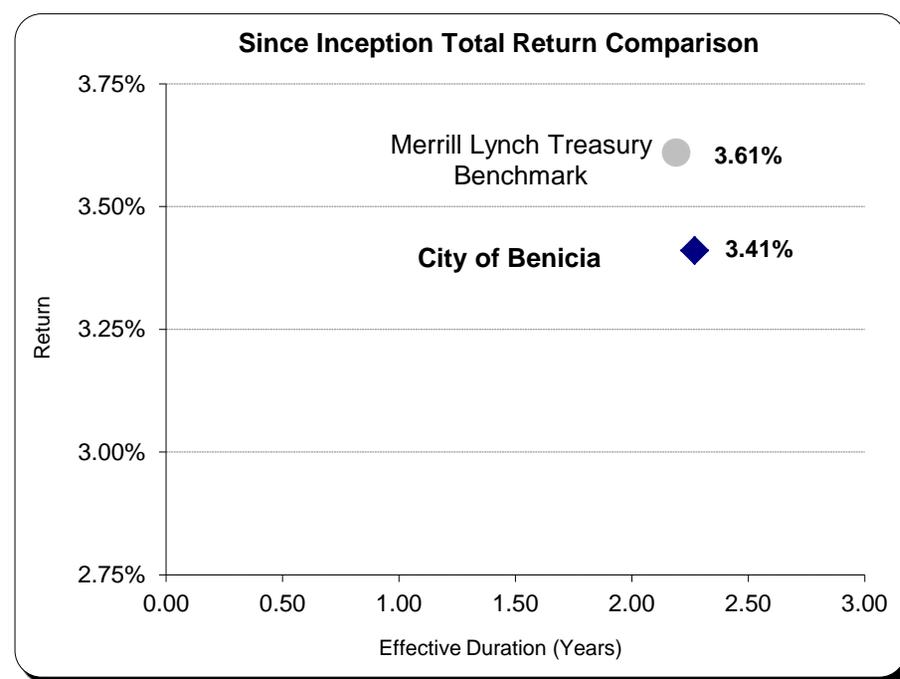
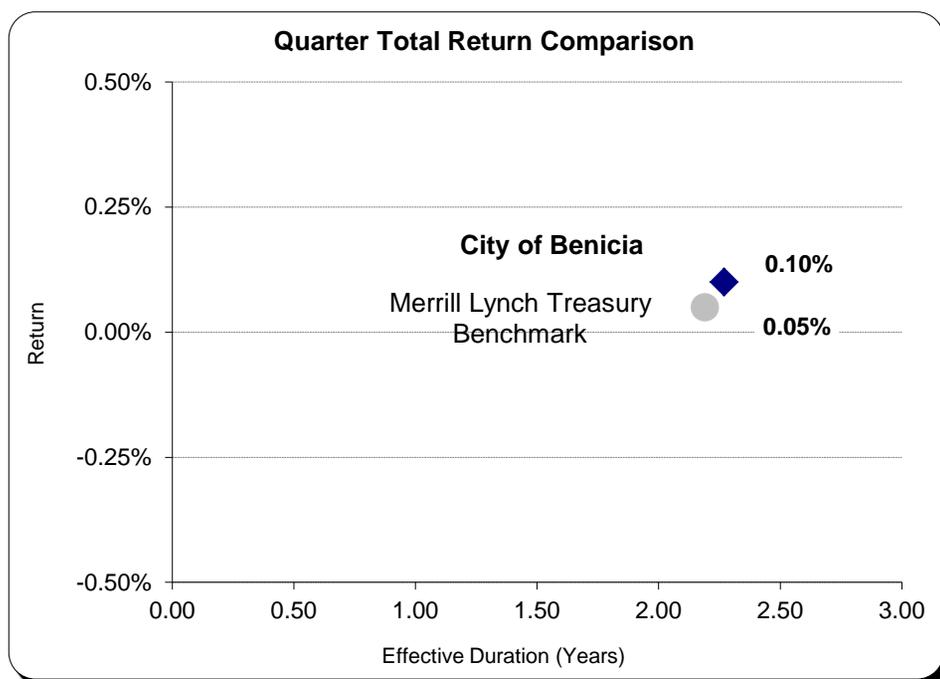
Fund ¹	Market Value 12/31/2012
<u>Investments</u>	
Investment Portfolio (Managed by PFM)	27,296,164.17
Cash Sweep	44,369.15
LAIF	6,164,343.97
Total Investments	\$33,504,877.29
<u>Cash</u>	
Cash in Checking Account	5,949,655.75
Total Cash	\$5,949,655.75
<u>Restricted/Other Funds</u>	
2002 Water Refunding Bonds	-
2005 Wastewater Refunding Bonds	-
2006 Pension Obligation Bonds	1,226,251.77
2011 COP - Energy Conservation Projects	784,855.06
Total Restricted/Other Funds	\$2,011,106.83
Total	\$41,465,639.87

¹ PFM portfolio includes accrued interest

Portfolio Performance

Total Return ^{1,2,3,4}	Quarter Ended December 31, 2012	Past 12 Months	Past 3 Years	Past 5 Years	Since Inception
City of Benicia	0.10%	1.06%	1.71%	2.66%	3.41%
City of Benicia (Net of fees)	0.08%	0.94%	1.59%	2.54%	3.30%
Merrill Lynch Treasury Benchmark	0.05%	0.75%	2.15%	2.77%	3.61%

Effective Duration	December 31, 2012	September 30, 2012	Yields	December 31, 2012	September 30, 2012
City of Benicia	2.27	2.13	Yield at Market	0.47%	0.55%
Merrill Lynch Treasury Benchmark	2.19	2.18	Yield on Cost	0.84%	0.96%

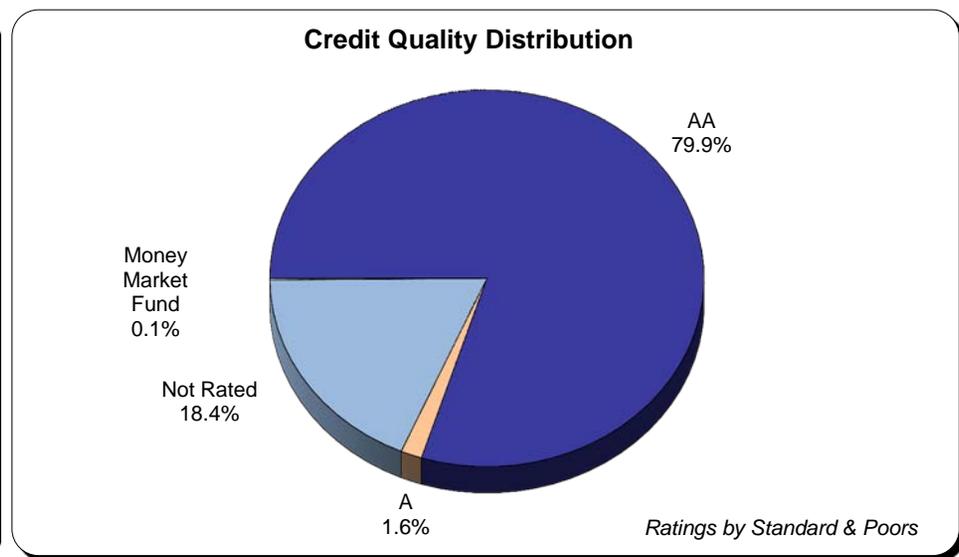
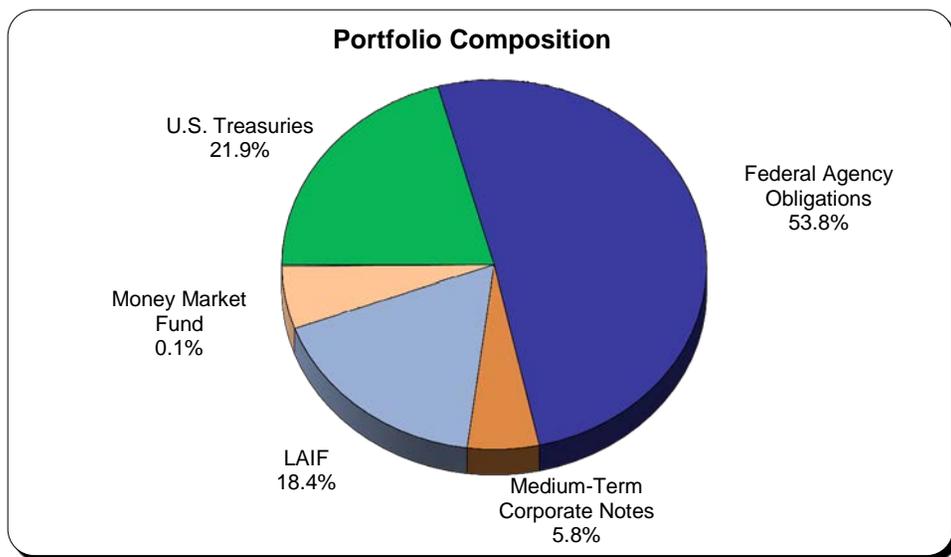


Notes:

1. Performance on trade date basis, gross (i.e., before fees), in accordance with the CFA Institute's Global Investment Performance Standards (GIPS).
2. Merrill Lynch Indices provided by Bloomberg Financial Markets. Custom Benchmark consists of the Merrill Lynch 1-3 Year U.S. Treasury Index through 6/30/2006 and the Merrill Lynch 0-5 Year U.S. Treasury Index thereafter.
3. Returns for periods less than a year are presented on an unannualized basis. Performance numbers for periods greater than 1 year are presented on an annualized basis.
4. Inception date is December 31, 2005.

Portfolio Composition and Credit Quality Characteristics

<u>Security Type</u> ^{1,2,3}	<u>December 31, 2012</u>	<u>% of Portfolio</u>	<u>September 30, 2012</u>	<u>% of Portfolio</u>	<u>Permitted by Policy</u>
U.S. Treasuries	\$7,342,830.49	21.9%	\$6,425,050.26	19.5%	100%
Federal Agencies	\$18,024,329.90	53.8%	\$20,811,662.52	63.1%	100%
LAIF	\$6,164,343.97	18.4%	\$5,649,346.34	17.1%	100%
Medium-Term Corporate Notes	\$1,929,003.78	5.8%	\$0.00	0.0%	10%
Money Market Fund	\$44,369.15	0.1%	\$74,607.79	0.2%	15%
Totals	\$33,504,877.29	100.0%	\$32,960,666.91	100.0%	

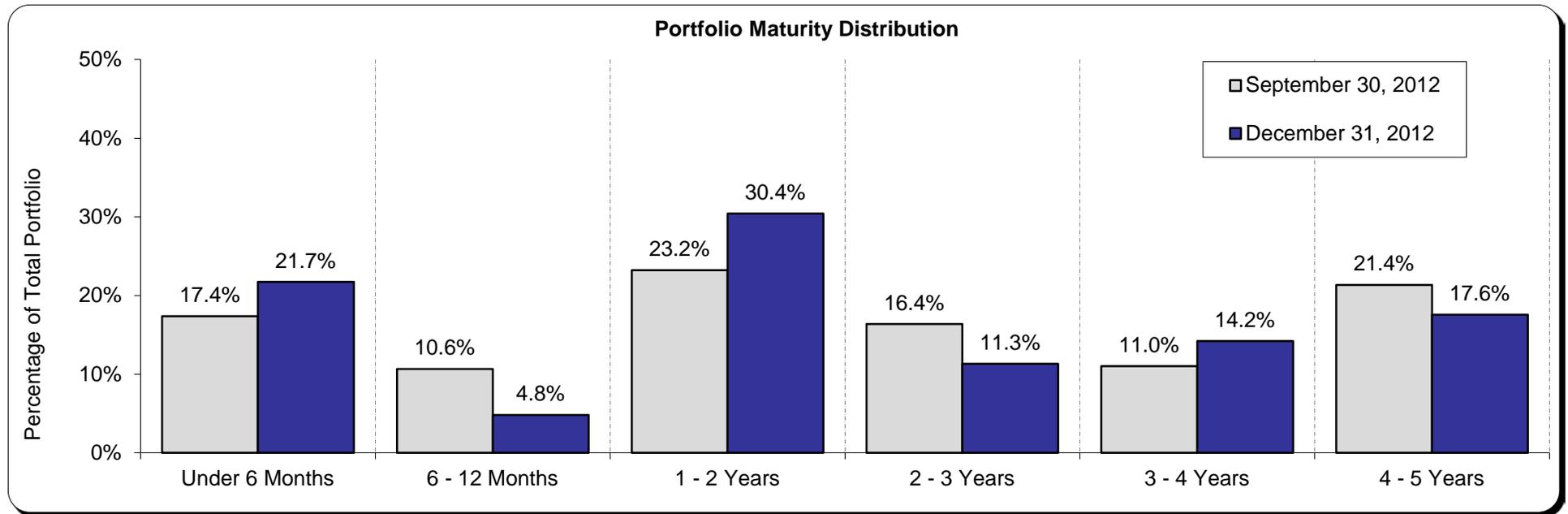


Notes:

1. End of quarter trade-date market values of portfolio holdings, including accrued interest.
2. Numbers may not add to 100% due to rounding.
3. Bank of New York Mellon is rated Aa3 by Moody's Investor Services

Portfolio Maturity Distribution

<u>Maturity Distribution¹</u>	<u>December 31, 2012</u>	<u>September 30, 2012</u>
Under 6 Months	\$7,276,549.59	\$5,723,954.13
6 - 12 Months	\$1,610,719.93	\$3,510,039.73
1 - 2 Years	\$10,192,391.73	\$7,655,872.46
2 - 3 Years	\$3,788,781.25	\$5,398,239.59
3 - 4 Years	\$4,755,745.28	\$3,634,144.93
4 - 5 Years	\$5,880,689.51	\$7,038,416.07
5 Years and Over	\$0.00	\$0.00
Totals	\$33,504,877.29	\$32,960,666.91



able securities, if any, in portfolio are included in the maturity distribution analysis to their stated maturity date, although they may be called prior to maturity.

Managed Account Detail of Securities Held

For the Month Ending **December 31, 2012**

CITY OF BENICIA RESERVES

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 03/15/2011 1.250% 03/15/2014	912828PZ7	875,000.00	AA+	Aaa	03/31/11	04/01/11	874,965.82	1.25	3,263.12	874,986.53	885,869.14
US TREASURY NOTES DTD 04/30/2009 1.875% 04/30/2014	912828KN9	275,000.00	AA+	Aaa	03/25/10	03/26/10	271,315.43	2.22	883.11	273,769.56	281,026.35
US TREASURY NOTES DTD 08/15/2011 0.500% 08/15/2014	912828RB8	750,000.00	AA+	Aaa	08/25/11	08/25/11	752,988.28	0.37	1,416.44	751,634.69	753,281.25
US TREASURY NOTES DTD 11/02/2009 2.375% 10/31/2014	912828LS7	975,000.00	AA+	Aaa	12/28/12	12/28/12	1,012,819.34	0.26	3,965.99	1,012,592.69	1,012,553.10
US TREASURY NOTES DTD 12/15/2011 0.250% 12/15/2014	912828RV4	750,000.00	AA+	Aaa	01/11/12	01/11/12	747,802.73	0.35	87.57	748,530.89	750,000.00
US TREASURY NOTES DTD 03/01/2010 2.375% 02/28/2015	912828MR8	100,000.00	AA+	Aaa	02/28/12	02/29/12	105,769.53	0.44	806.98	104,161.87	104,500.00
US TREASURY NOTES DTD 03/01/2010 2.375% 02/28/2015	912828MR8	660,000.00	AA+	Aaa	02/28/12	02/29/12	698,182.03	0.43	5,326.04	687,542.16	689,700.00
US TREASURY NOTES DTD 08/02/2010 1.750% 07/31/2015	912828NP1	225,000.00	AA+	Aaa	03/13/12	03/15/12	233,789.06	0.58	1,647.76	231,730.16	233,226.45
US TREASURY N/B DTD 12/31/2010 2.125% 12/31/2015	912828PM6	575,000.00	AA+	Aaa	11/29/12	12/05/12	605,928.71	0.36	33.75	605,193.88	605,052.95
US TREASURY N/B DTD 01/31/2012 0.875% 01/31/2017	912828SC5	600,000.00	AA+	Aaa	02/22/12	02/27/12	599,882.81	0.88	2,197.01	599,903.15	607,968.60
US TREASURY N/B DTD 07/31/2012 0.500% 07/31/2017	912828TG5	750,000.00	AA+	Aaa	08/14/12	08/15/12	741,357.42	0.74	1,569.29	742,005.03	745,488.00
US TREASURY N/B DTD 10/31/2012 0.750% 10/31/2017	912828TW0	650,000.00	AA+	Aaa	11/01/12	11/05/12	650,380.86	0.74	834.94	650,369.06	652,132.65
Security Type Sub-Total		7,185,000.00					7,295,182.02	0.66	22,032.00	7,282,419.67	7,320,798.49
Federal Agency Bond / Note											
FHLMC GLOBAL REFERENCE NOTES DTD 03/14/2008 3.500% 05/29/2013	3137EABJ7	1,050,000.00	AA+	Aaa	04/26/10	04/26/10	1,102,720.50	1.82	3,266.67	1,057,177.96	1,064,569.80



Managed Account Detail of Securities Held

For the Month Ending **December 31, 2012**

CITY OF BENICIA RESERVES

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency Bond / Note											
FHLB GLOBAL NOTES DTD 07/21/2011 0.500% 08/28/2013	313374Y61	850,000.00	AA+	Aaa	07/20/11	07/21/11	848,988.50	0.56	1,452.08	849,699.89	851,785.85
FHLB NOTES DTD 03/09/2011 1.125% 09/09/2013	313372XG4	750,000.00	AA+	Aaa	08/03/11	08/03/11	758,985.00	0.55	2,625.00	752,958.51	754,857.00
FHLMC NOTES DTD 01/06/2011 1.375% 02/25/2014	3137EACR8	1,500,000.00	AA+	Aaa	01/24/11	01/24/11	1,502,790.00	1.31	7,218.75	1,501,051.17	1,520,161.50
FFCB BONDS DTD 03/05/2010 2.125% 03/05/2014	31331JGC1	750,000.00	AA+	Aaa	08/16/11	08/16/11	782,550.00	0.41	5,135.42	765,059.19	766,537.50
FEDERAL HOME LOAN BANK GLOBAL NOTES DTD 04/15/2011 1.375% 05/28/2014	313373JR4	500,000.00	AA+	Aaa	06/10/11	06/10/11	507,305.00	0.88	630.21	503,491.24	508,549.50
FHLMC NOTES DTD 07/05/2011 1.000% 08/27/2014	3137EACV9	750,000.00	AA+	Aaa	08/24/11	08/26/11	758,490.00	0.62	2,583.33	754,699.89	759,703.50
FNMA NOTES DTD 08/14/2009 3.000% 09/16/2014	31398AYY2	1,000,000.00	AA+	Aaa	01/27/11	01/28/11	1,050,010.00	1.58	8,750.00	1,023,868.71	1,047,458.00
FHLMC NOTES DTD 08/12/2011 0.500% 09/19/2014	3134G2YJ5	1,100,000.00	AA+	Aaa	09/14/11	09/15/11	1,096,642.58	0.60	1,558.33	1,098,078.62	1,104,291.10
FREDDIE MAC GLOBAL NOTES DTD 10/06/2011 0.750% 11/25/2014	3137EACY3	760,000.00	AA+	Aaa	05/31/12	06/01/12	764,628.40	0.50	570.00	763,546.27	766,898.52
FNMA NOTES (CALLABLE) DTD 09/09/2011 1.000% 09/09/2015	3136FRX73	500,000.00	AA+	Aaa	09/09/11	09/09/11	500,000.00	1.00	1,555.56	500,000.00	502,087.50
FNMA NOTES DTD 09/27/2010 1.625% 10/26/2015	31398A4M1	1,050,000.00	AA+	Aaa	09/14/11	09/15/11	1,079,578.50	0.93	3,080.73	1,070,392.90	1,086,236.55
FANNIE MAE GLOBAL NOTES DTD 11/16/2012 0.375% 12/21/2015	3135G0SB0	675,000.00	AA+	Aaa	11/14/12	11/16/12	673,427.25	0.45	70.31	673,490.10	674,163.00
FHLMC NOTES (CALLABLE) DTD 02/24/2012 1.000% 02/24/2016	3134G3MK3	700,000.00	AA+	Aaa	02/24/12	02/24/12	702,898.00	0.89	2,469.44	701,667.62	704,844.00
NOTES (CALLABLE) /21/2012 1.000% 03/21/2016	3134G3SE1	500,000.00	AA+	Aaa	03/21/12	03/21/12	500,515.00	0.97	1,388.89	500,315.81	503,798.00

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Managed Account Detail of Securities Held

For the Month Ending **December 31, 2012**

CITY OF BENICIA RESERVES

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency Bond / Note											
FNMA NOTES DTD 03/04/2011 2.375% 04/11/2016	3135G0BA0	750,000.00	AA+	Aaa	07/27/12	07/30/12	798,960.00	0.59	3,958.33	793,459.19	797,109.00
FNMA NOTES DTD 08/19/2011 1.250% 09/28/2016	3135G0CM3	900,000.00	AA+	Aaa	10/04/12	10/05/12	924,264.00	0.56	2,906.25	922,822.26	923,350.50
FNMA NOTES DTD 03/01/2012 1.125% 04/27/2017	3135G0JA2	750,000.00	AA+	Aaa	07/27/12	07/30/12	760,080.00	0.84	1,500.00	759,205.82	763,715.25
FNMA NOTES (CALLABLE) DTD 05/03/2012 1.750% 05/03/2017	3135G0KP7	900,000.00	AA+	Aaa	05/29/12	05/29/12	910,098.00	1.51	2,537.50	903,693.20	899,789.40
FHLMC NOTES (CALLABLE) DTD 06/06/2012 1.200% 06/06/2017	3134G3WV8	500,000.00	AA+	Aaa	06/07/12	06/08/12	501,925.00	1.12	416.67	501,384.56	505,228.50
FREDDIE MAC GLOBAL NOTES DTD 06/25/2012 1.000% 07/28/2017	3137EADJ5	750,000.00	AA+	Aaa	07/30/12	07/31/12	755,017.50	0.86	3,875.00	754,608.65	757,535.25
FANNIE MAE GLOBAL NOTES DTD 07/20/2012 0.875% 08/28/2017	3135G0MZ3	700,000.00	AA+	Aaa	09/06/12	09/10/12	701,736.00	0.82	2,092.71	701,630.45	702,019.50
Security Type Sub-Total		17,685,000.00					17,981,609.23	0.92	59,641.18	17,852,302.01	17,964,688.72
Corporate Note											
COLGATE-PALMOLIVE CO DTD 11/03/2010 1.375% 11/01/2015	19416ODO0	475,000.00	AA-	Aa3	12/19/12	12/24/12	484,758.40	0.65	1,088.54	484,692.47	485,291.83
BANK OF NEW YORK MELLON DTD 12/09/2010 2.500% 01/15/2016	06406HBS7	500,000.00	A+	Aa3	12/17/12	12/20/12	525,250.00	0.83	5,763.89	525,002.42	523,946.00
IBM CORP (EX-CALLABLE) DTD 07/22/2011 1.950% 07/22/2016	459200GX3	650,000.00	AA-	Aa3	12/20/12	12/26/12	675,129.00	0.85	5,598.13	675,033.05	675,526.15
CHEVRON CORP (CALLABLE) GLOBAL NOTES DTD 12/05/2012 1.104% 12/05/2017	166764AA8	85,000.00	AA	Aa1	11/29/12	12/05/12	85,459.85	0.99	67.77	85,453.36	85,593.47
CHEVRON CORP (CALLABLE) GLOBAL NOTES DTD 12/05/2012 1.104% 12/05/2017	166764AA8	145,000.00	AA	Aa1	11/28/12	12/05/12	145,000.00	1.10	115.61	145,000.00	146,012.39
Security Type Sub-Total		1,855,000.00					1,915,597.25	0.82	12,633.94	1,915,181.30	1,916,369.84



Managed Account Detail of Securities Held

For the Month Ending **December 31, 2012**

CITY OF BENICIA RESERVES

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Managed Account Sub-Total		26,725,000.00					27,192,388.50	0.84	94,307.12	27,049,902.98	27,201,857.05
Money Market Fund											
PFM Funds - Prime, Institutional Class		44,369.15	AAAm	NR			44,369.15		0.00	44,369.15	44,369.15
Money Market Sub-Total		44,369.15					44,369.15		0.00	44,369.15	44,369.15
Securities Sub-Total		\$26,769,369.15					\$27,236,757.65	0.84%	\$94,307.12	\$27,094,272.13	\$27,246,226.20
Accrued Interest											\$94,307.12
Total Investments											\$27,340,533.32



*Benicia
California*

City of Benicia

Investment Performance Review

First Quarter 2013

PFM Asset Management LLC
Carlos Oblites, Senior Managing Consultant
50 California Street, Suite 2300
San Francisco, CA 94111
415-982-5544



**Summary**

- In the first quarter of 2013, investors flocked to relatively riskier assets (such as corporate bonds and equities) as loose global monetary policy fueled a search for additional yield.
- The U.S. housing market continued to strengthen, and the unemployment rate fell to 7.6%.
- The domestic economy has continued to experience moderate growth, but some economists believe that the federal budget cuts that went into effect March 1 (also known as the sequestration) may lead to slower growth for the second half of the year.

Economic Snapshot

- Housing starts have averaged more than 900,000 a year in the first quarter, up more than 25% over 2012 but still much lower than in the boom years. Home sales and housing prices are also significantly above recession levels.
- According to the U.S. Commerce Department, consumer spending rose 0.7% in February—a fourth straight increase that was due in part to higher gas prices. Meanwhile, personal income grew by 1.1% in February after a big downturn in the prior month. Both numbers were slightly above expectations.
- U.S. gross domestic product (GDP) grew by 0.4% in the fourth quarter of 2012, while forecasts for first-quarter growth are in the 2%-3% range.
- Euro-zone economies struggled with recession and political uncertainty. The banking crisis in Cyprus, Italy's difficulties creating a new government, and weakness in many European economies pushed the euro lower against the U.S. dollar and supported U.S. Treasury prices. Once again, heightened concerns about the euro zone caused a flight to quality late in the quarter.

Interest Rates

- Interest rates rose modestly during the quarter across longer-term maturities, while the flight to quality stemming from euro-zone fears counteracted the move higher.
- The markets shrugged off the start of the federal budget sequestration as they did the “fiscal cliff” in December, but if the economy feels growing stress from budget cuts in the coming months, interest rates may be pushed toward recent lows.
- The Federal Reserve (Fed) remained committed to keeping short-term rates at record-low levels, pegging short-term rates near zero. The Fed also continued to buy \$45 billion in Treasuries each month in addition to its monthly purchases of \$40 billion in Agency mortgage-backed securities (MBS).

Sector Performance

- High-quality corporate bonds continued to perform well for the quarter, as spreads narrowed to post-credit-crisis lows. Security selection has been important, as certain corporate sectors (such as Financials) performed particularly well.
- After incurring losses in the fourth quarter of 2012 due to concerns that their tax-exempt status might be curtailed, municipal bonds roared back to life in the first quarter of 2013. These securities, along with corporate bonds, were the top performers for the quarter.
- Supply scarcity and historically tight spreads resulted in Agencies contributing little or no additional performance when compared with similar-maturity Treasuries.
- MBS recovered somewhat after their fourth-quarter underperformance, bolstered by the upturn in housing values and expectations that the Fed's buying program would continue for the foreseeable future.

The views expressed within this material constitute the perspective and judgment of PFM Asset Management LLC (PFMAM) at the time of distribution and are subject to change. Information is obtained from sources generally believed to be reliable and available to the public; however, PFMAM cannot guarantee its accuracy, completeness, or suitability. This material is for general information purposes only and is not intended to provide specific advice or recommendation. The information contained in this report is not an offer to purchase or sell any securities.

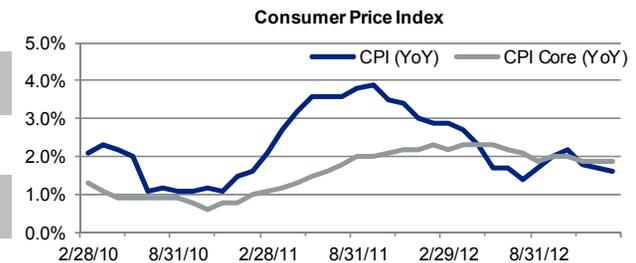
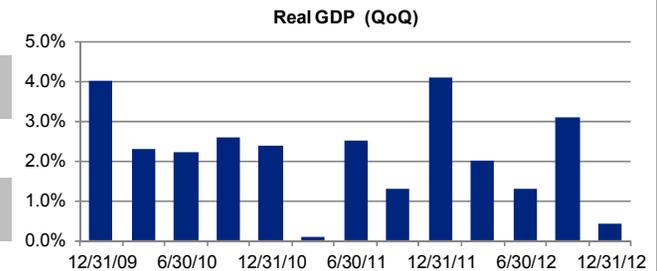
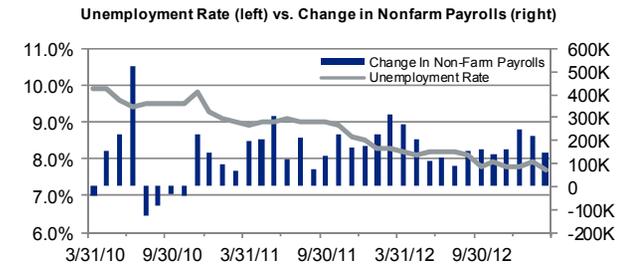


Economic Snapshot

Labor Market		Latest	Dec 2012	Mar 2012
Unemployment Rate	Mar'13	7.6%	7.8%	8.2%
Change In Non-Farm Payrolls	Mar'13	88,000	219,000	205,000
Average Hourly Earnings (YoY)	Mar'13	1.8%	2.1%	2.1%
Personal Income (YoY)	Feb'13	2.6%	7.1%	3.2%
Initial Jobless Claims (week)	Mar 29	385,000	372,000	368,000

Growth				
Real GDP (QoQ SAAR)	2012Q4	0.4%	3.1% ¹	2.0% ²
GDP Personal Consumption (QoQ SAAR)	2012Q4	1.8%	1.6% ¹	2.4% ²
Retail Sales (YoY)	Feb'13	4.6%	4.8%	6.3%
ISM Manufacturing Survey (month)	Mar'13	51.3	50.2	53.3
Existing Home Sales (month)	Feb'13	4.98 mil.	4.90 mil.	4.46 mil.

Inflation / Prices				
Personal Consumption Expenditures (YoY)	Feb'13	1.3%	1.5%	2.2%
Consumer Price Index (YoY)	Feb'13	2.0%	1.7%	2.7%
Consumer Price Index Core (YoY)	Feb'13	1.7%	1.3%	2.8%
Crude Oil Futures (WTI, per barrel)	Mar 31	\$97.23	\$91.82	\$103.02
Gold Futures (oz)	Mar 31	\$1,595	\$1,676	\$1,669



1. Data as of Third Quarter 2012

2. Data as of First Quarter 2012

Note: YoY = year over year, QoQ = quarter over quarter, SAAR = seasonally adjusted annual rate, WTI = West Texas Intermediate crude oil

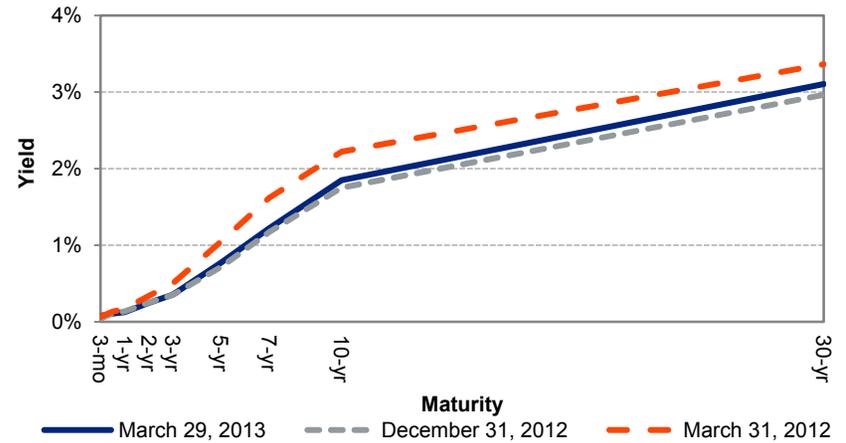
Source: Bloomberg

Interest Rate Overview

U.S. Treasury Note Yields



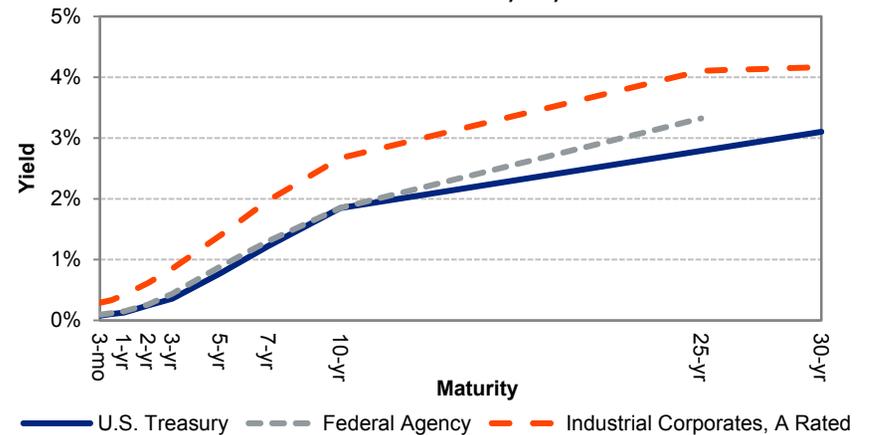
U.S. Treasury Note Yield Curve



U.S. Treasury Yields

Maturity	3/31/13	12/31/12	Change over Quarter	3/31/12	Change over Year
3-month	0.07%	0.09%	(0.02%)	0.11%	(0.04%)
1-year	0.13%	0.14%	(0.01%)	0.22%	(0.09%)
2-year	0.28%	0.27%	0.00%	0.35%	(0.07%)
5-year	0.79%	0.74%	0.05%	1.07%	(0.28%)
10-year	1.93%	1.81%	0.12%	2.28%	(0.35%)
30-year	3.10%	2.94%	0.16%	3.33%	(0.23%)

Yield Curves as of 3/31/2013



Source: Bloomberg



B of A Merrill Lynch Index Returns

	As of 3/31/2013		Returns for Periods ended 3/31/2013		
	Duration	Yield	3 Month	1 Year	3 Years
1-3 Year Indices					
U.S. Treasury	1.87	0.25%	0.12%	0.64%	1.24%
Federal Agency	1.71	0.32%	0.11%	0.67%	1.37%
U.S. Corporates, A-AAA rated	1.99	0.90%	0.44%	2.75%	2.93%
Agency MBS (0 to 3 years)	1.81	1.29%	0.01%	1.19%	2.84%
Municipals	1.82	0.51%	0.45%	1.05%	1.63%
1-5 Year Indices					
U.S. Treasury	2.73	0.39%	0.15%	1.26%	2.36%
Federal Agency	2.38	0.47%	0.14%	1.19%	2.04%
U.S. Corporates, A-AAA rated	2.86	1.18%	0.58%	4.05%	4.23%
Agency MBS (0 to 5 years)	2.81	1.96%	(0.03%)	1.88%	3.82%
Municipals	2.55	0.71%	0.65%	1.68%	2.48%
Master Indices					
U.S. Treasury	5.95	1.01%	(0.26%)	3.23%	5.41%
Federal Agency	3.82	0.89%	0.05%	2.51%	3.72%
U.S. Corporates, A-AAA rated	6.79	2.39%	(0.18%)	6.88%	7.45%
Agency MBS	3.23	2.02%	(0.07%)	1.91%	4.17%
Municipals	7.51	2.62%	0.52%	5.61%	6.56%

Returns for periods greater than one year are annualized

Source: Bloomberg

Total Funds Summary

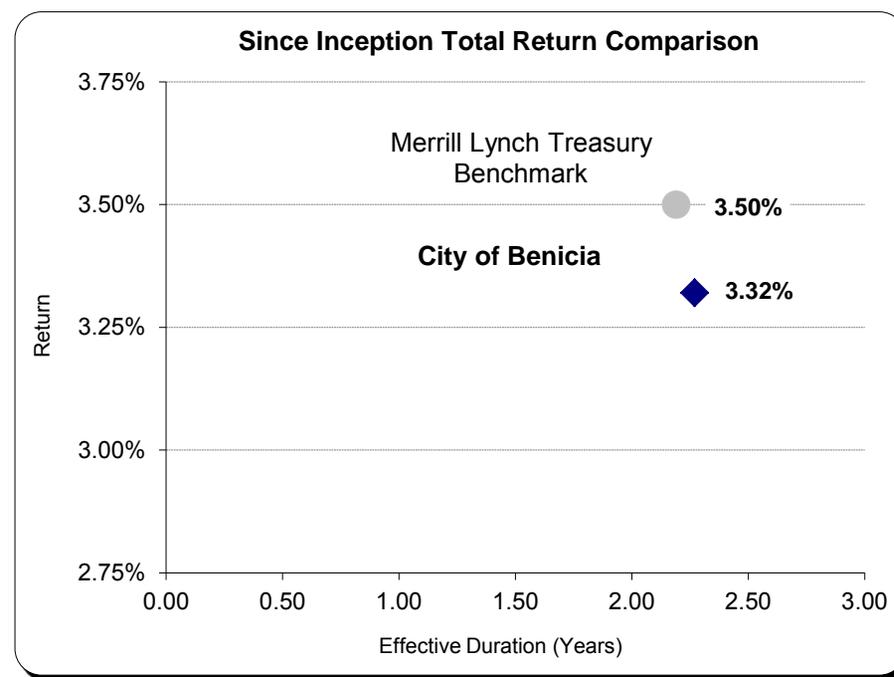
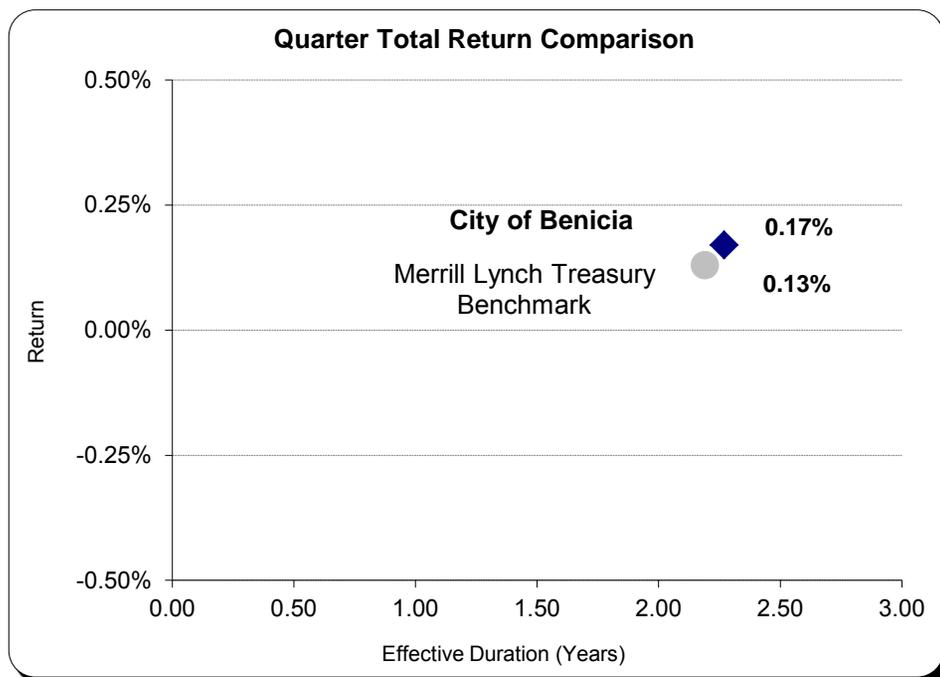
Fund ¹	Market Value 3/31/2013
<u>Investments</u>	
Investment Portfolio (Managed by PFM)	27,274,274.92
Cash Sweep	113,464.36
LAIF	2,659,681.70
Total Investments	\$30,047,420.98
<u>Cash</u>	
Cash in Checking Account	3,583,612.28
Total Cash	\$3,583,612.28
<u>Restricted/Other Funds</u>	
2002 Water Refunding Bonds	-
2005 Wastewater Refunding Bonds	-
2006 Pension Obligation Bonds	1,226,272.70
2011 COP - Energy Conservation Projects	780,507.60
Total Restricted/Other Funds	\$2,006,780.30
Total	\$35,637,813.56

¹ PFM portfolio includes accrued interest

Portfolio Performance

Total Return ^{1,2,3,4}	Quarter Ended March 31, 2013	Past 12 Months	Past 3 Years	Since Inception
City of Benicia	0.17%	0.95%	1.56%	3.32%
City of Benicia (Net of fees)	0.14%	0.84%	1.44%	3.20%
Merrill Lynch Treasury Benchmark	0.13%	1.04%	1.94%	3.50%

Effective Duration	March 31, 2013	December 31, 2012	Yields	March 31, 2013	December 31, 2012
City of Benicia	2.27	2.13	Yield at Market	0.50%	0.47%
Merrill Lynch Treasury Benchmark	2.19	2.18	Yield on Cost	0.82%	0.83%



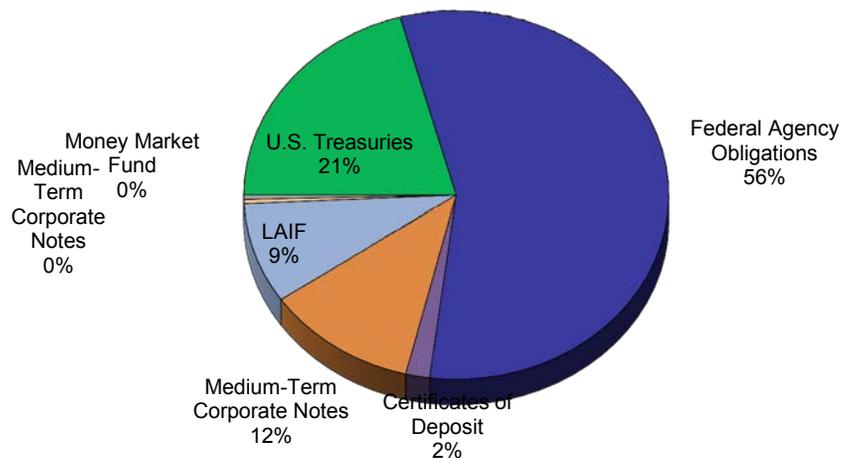
Notes:

1. Performance on trade date basis, gross (i.e., before fees), in accordance with the CFA Institute's Global Investment Performance Standards (GIPS).
2. Merrill Lynch Indices provided by Bloomberg Financial Markets. Custom Benchmark consists of the Merrill Lynch 1-3 Year U.S. Treasury Index through 6/30/2006 and the Merrill Lynch 0-5 Year U.S. Treasury Index thereafter.
3. Returns for periods less than a year are presented on an unannualized basis. Performance numbers for periods greater than 1 year are presented on an annualized basis.
4. Inception date is December 31, 2005.

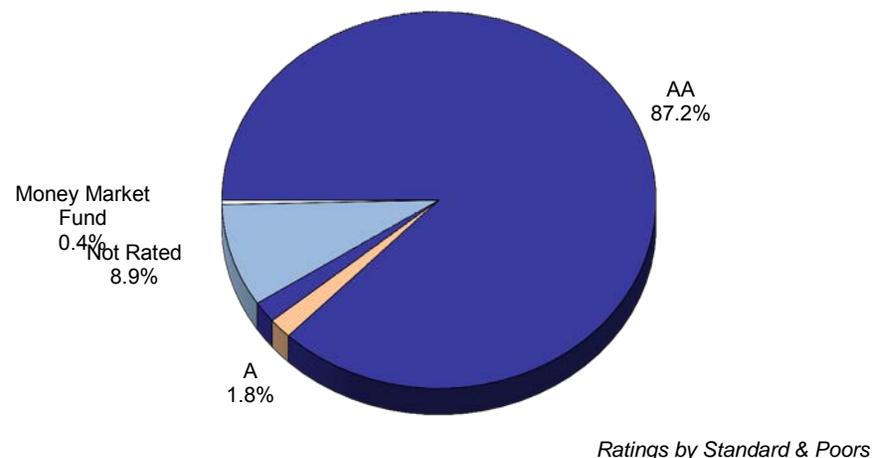
Portfolio Composition and Credit Quality Characteristics

<u>Security Type</u> ^{1,2,3}	<u>March 31, 2013</u>	<u>% of Portfolio</u>	<u>December 31, 2012</u>	<u>% of Portfolio</u>	<u>Permitted by Policy</u>
U.S. Treasuries	\$6,256,188.44	20.8%	\$7,342,830.49	21.9%	100%
Federal Agencies	\$16,967,507.75	56.5%	\$18,024,329.90	53.8%	100%
Certificates of Deposit	\$550,108.90	1.8%	\$0.00	0.0%	30%
LAIF	\$2,659,681.70	8.9%	\$6,164,343.97	18.4%	100%
Medium-Term Corporate Notes	\$3,500,469.83	11.6%	\$1,929,003.78	5.8%	10%
Money Market Fund	\$113,464.36	0.4%	\$44,369.15	0.1%	15%
Totals	\$30,047,420.98	100.0%	\$33,504,877.29	100.0%	

Portfolio Composition



Credit Quality Distribution

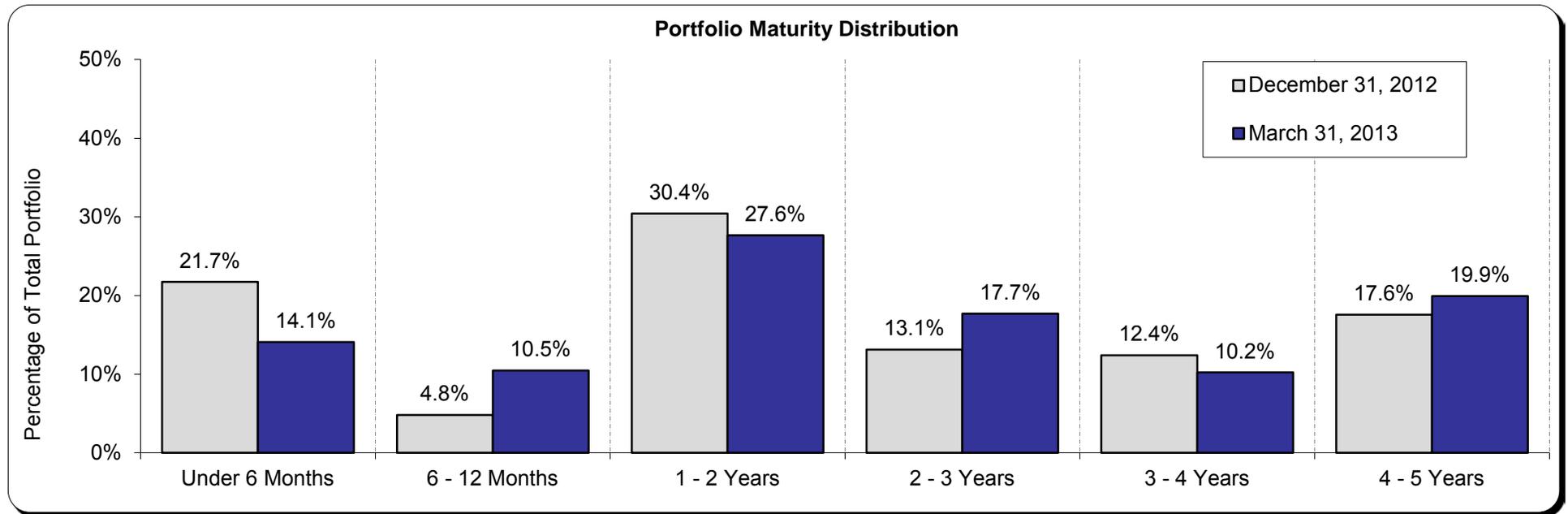


Notes:

1. End of quarter trade-date market values of portfolio holdings, including accrued interest.
2. Numbers may not add to 100% due to rounding.
3. Bank of New York Mellon is rated Aa3 by Moody's Investor Services

Portfolio Maturity Distribution

<u>Maturity Distribution¹</u>	<u>March 31, 2013</u>	<u>December 31, 2012</u>
Under 6 Months	\$4,228,334.13	\$7,276,549.59
6 - 12 Months	\$3,141,976.82	\$1,610,719.93
1 - 2 Years	\$8,304,110.70	\$10,192,391.73
2 - 3 Years	\$5,318,331.49	\$4,393,867.95
3 - 4 Years	\$3,068,189.70	\$4,150,658.58
4 - 5 Years	\$5,986,478.14	\$5,880,689.51
5 Years and Over	\$0.00	\$0.00
Totals	\$30,047,420.98	\$33,504,877.29



able securities, if any, in portfolio are included in the maturity distribution analysis to their stated maturity date, although they may be called prior to maturity.

Managed Account Detail of Securities Held

For the Month Ending **March 31, 2013**

CITY OF BENICIA RESERVES

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 03/15/2011 1.250% 03/15/2014	912828PZ7	850,000.00	AA+	Aaa	03/31/11	04/01/11	849,966.80	1.25	490.83	849,989.60	858,765.20
US TREASURY NOTES DTD 04/30/2009 1.875% 04/30/2014	912828KN9	250,000.00	AA+	Aaa	03/25/10	03/26/10	246,650.39	2.22	1,968.23	249,088.12	254,560.50
US TREASURY NOTES DTD 08/15/2011 0.500% 08/15/2014	912828RB8	750,000.00	AA+	Aaa	08/25/11	08/25/11	752,988.28	0.37	466.16	751,386.83	753,017.25
US TREASURY NOTES DTD 11/02/2009 2.375% 10/31/2014	912828LS7	975,000.00	AA+	Aaa	12/28/12	12/28/12	1,012,819.34	0.26	9,723.07	1,007,492.90	1,007,982.30
US TREASURY NOTES DTD 12/15/2011 0.250% 12/15/2014	912828RV4	750,000.00	AA+	Aaa	01/11/12	01/11/12	747,802.73	0.35	551.17	748,716.35	750,293.25
US TREASURY NOTES DTD 03/01/2010 2.375% 02/28/2015	912828MR8	100,000.00	AA+	Aaa	02/28/12	02/29/12	105,769.53	0.44	206.52	103,687.70	104,050.80
US TREASURY NOTES DTD 03/01/2010 2.375% 02/28/2015	912828MR8	660,000.00	AA+	Aaa	02/28/12	02/29/12	698,182.03	0.43	1,363.04	684,404.05	686,735.28
US TREASURY NOTES DTD 08/02/2010 1.750% 07/31/2015	912828NP1	225,000.00	AA+	Aaa	03/13/12	03/15/12	233,789.06	0.58	652.62	231,089.69	232,646.40
US TREASURY N/B DTD 12/31/2010 2.125% 12/31/2015	912828PM6	110,000.00	AA+	Aaa	11/29/12	12/05/12	115,916.80	0.36	587.60	115,299.25	115,371.08
US TREASURY N/B DTD 07/31/2012 0.500% 07/31/2017	912828TG5	475,000.00	AA+	Aaa	08/14/12	08/15/12	469,526.37	0.74	393.65	470,205.60	472,291.02
US TREASURY N/B DTD 10/31/2012 0.750% 10/31/2017	912828TW0	650,000.00	AA+	Aaa	11/01/12	11/05/12	650,380.86	0.74	2,046.96	650,350.45	651,879.15
US TREASURY N/B DTD 02/28/2013 0.750% 02/28/2018	912828UR9	350,000.00	AA+	Aaa	03/07/13	03/08/13	348,304.69	0.85	228.26	348,326.49	349,918.10
Security Type Sub-Total		6,145,000.00					6,232,096.88	0.65	18,678.11	6,210,037.03	6,237,510.33
Federal Agency Bond / Note											
FHLB GLOBAL NOTES DTD 07/21/2011 0.500% 08/28/2013	313374Y61	700,000.00	AA+	Aaa	07/20/11	07/21/11	699,167.00	0.56	301.39	699,853.45	701,070.30



Managed Account Detail of Securities Held

For the Month Ending **March 31, 2013**

CITY OF BENICIA RESERVES

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency Bond / Note											
FHLB NOTES DTD 03/09/2011 1.125% 09/09/2013	313372XG4	750,000.00	AA+	Aaa	08/03/11	08/03/11	758,985.00	0.55	515.63	751,886.28	753,300.75
FHLMC NOTES DTD 01/06/2011 1.375% 02/25/2014	3137EACR8	1,500,000.00	AA+	Aaa	01/24/11	01/24/11	1,502,790.00	1.31	2,062.50	1,500,824.01	1,516,210.50
FFCB BONDS DTD 03/05/2010 2.125% 03/05/2014	31331JGC1	750,000.00	AA+	Aaa	08/16/11	08/16/11	782,550.00	0.41	1,151.04	761,869.17	763,296.75
FEDERAL HOME LOAN BANK GLOBAL NOTES DTD 04/15/2011 1.375% 05/28/2014	313373JR4	500,000.00	AA+	Aaa	06/10/11	06/10/11	507,305.00	0.88	2,348.96	502,874.38	506,748.00
FHLMC NOTES DTD 07/05/2011 1.000% 08/27/2014	3137EACV9	750,000.00	AA+	Aaa	08/24/11	08/26/11	758,490.00	0.62	708.33	753,993.32	758,558.25
FNMA NOTES DTD 08/14/2009 3.000% 09/16/2014	31398AYY2	1,000,000.00	AA+	Aaa	01/27/11	01/28/11	1,050,010.00	1.58	1,250.00	1,020,419.18	1,040,971.00
FHLMC NOTES DTD 08/12/2011 0.500% 09/19/2014	3134G2YJ5	1,100,000.00	AA+	Aaa	09/14/11	09/15/11	1,096,642.58	0.60	183.33	1,098,357.08	1,104,081.00
FREDDIE MAC GLOBAL NOTES DTD 10/06/2011 0.750% 11/25/2014	3137EACY3	760,000.00	AA+	Aaa	05/31/12	06/01/12	764,628.40	0.50	1,995.00	763,081.51	766,240.36
FNMA NOTES (CALLABLE) DTD 09/09/2011 1.000% 09/09/2015	3136FRX73	500,000.00	AA+	Aaa	09/09/11	09/09/11	500,000.00	1.00	305.56	500,000.00	501,364.50
FNMA NOTES DTD 09/27/2010 1.625% 10/26/2015	31398A4M1	800,000.00	AA+	Aaa	09/14/11	09/15/11	822,536.00	0.93	5,597.22	814,176.60	824,948.00
FANNIE MAE GLOBAL NOTES DTD 11/16/2012 0.375% 12/21/2015	3135G0SB0	675,000.00	AA+	Aaa	11/14/12	11/16/12	673,427.25	0.45	703.13	673,616.38	674,202.15
FHLMC NOTES (CALLABLE) DTD 02/24/2012 1.000% 02/24/2016	3134G3MK3	700,000.00	AA+	Aaa	02/24/12	02/24/12	702,898.00	0.89	719.44	701,305.50	703,899.70
FHLMC NOTES (CALLABLE) DTD 03/21/2012 1.000% 03/21/2016	3134G3SE1	500,000.00	AA+	Aaa	03/21/12	03/21/12	500,515.00	0.97	138.89	500,251.55	503,166.50
FANNIE MAE GLOBAL NOTES /15/2013 0.500% 03/30/2016	3135G0VA8	465,000.00	AA+	Aaa	02/14/13	02/15/13	464,469.90	0.54	6.46	464,491.12	465,535.22

VIL-D-29

Managed Account Detail of Securities Held

For the Month Ending **March 31, 2013**

CITY OF BENICIA RESERVES

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency Bond / Note											
FNMA NOTES DTD 03/04/2011 2.375% 04/11/2016	3135G0BA0	750,000.00	AA+	Aaa	07/27/12	07/30/12	798,960.00	0.59	8,411.46	790,175.56	794,180.25
FNMA NOTES DTD 08/19/2011 1.250% 09/28/2016	3135G0CM3	900,000.00	AA+	Aaa	10/04/12	10/05/12	924,264.00	0.56	93.75	921,313.33	921,758.40
FNMA NOTES DTD 03/01/2012 1.125% 04/27/2017	3135G0JA2	750,000.00	AA+	Aaa	07/27/12	07/30/12	760,080.00	0.84	3,609.38	758,682.53	763,687.50
FNMA NOTES (CALLABLE) DTD 05/03/2012 1.750% 05/03/2017	3135G0KP7	900,000.00	AA+	Aaa	05/29/12	05/29/12	910,098.00	1.51	6,475.00	900,968.71	900,653.40
FHLMC NOTES (CALLABLE) DTD 06/06/2012 1.200% 06/06/2017	3134G3WV8	500,000.00	AA+	Aaa	06/07/12	06/08/12	501,925.00	1.12	1,916.67	501,143.87	504,471.50
FREDDIE MAC GLOBAL NOTES DTD 06/25/2012 1.000% 07/28/2017	3137EADJ5	750,000.00	AA+	Aaa	07/30/12	07/31/12	755,017.50	0.86	1,312.50	754,362.19	757,005.75
FANNIE MAE GLOBAL NOTES DTD 07/20/2012 0.875% 08/28/2017	3135G0MZ3	700,000.00	AA+	Aaa	09/06/12	09/10/12	701,736.00	0.82	527.43	701,546.24	701,824.90
Security Type Sub-Total		16,700,000.00					16,936,494.63	0.85	40,333.07	16,835,191.96	16,927,174.68
Corporate Note											
COLGATE-PALMOLIVE CO DTD 11/03/2010 1.375% 11/01/2015	19416ODO0	475,000.00	AA-	Aa3	12/19/12	12/24/12	484,758.40	0.65	2,721.35	483,844.88	484,082.95
GENERAL ELEC CAP CORP DTD 01/08/2013 1.000% 01/08/2016	36962G6R0	275,000.00	AA+	A1	01/03/13	01/08/13	274,117.25	1.11	634.03	274,184.16	275,118.80
BANK OF NEW YORK MELLON DTD 12/09/2010 2.500% 01/15/2016	06406HBS7	500,000.00	A+	Aa3	12/17/12	12/20/12	525,250.00	0.83	2,638.89	522,968.01	523,291.00
IBM CORP (EX-CALLABLE) DTD 07/22/2011 1.950% 07/22/2016	459200GX3	650,000.00	AA-	Aa3	12/20/12	12/26/12	675,129.00	0.85	2,429.38	673,298.36	674,227.45
PROCTER & GAMBLE CO NOTES (EX-CALLABLE) DTD 08/15/2011 1.450% 08/15/2016	742718DV8	650,000.00	AA-	Aa3	01/04/13	01/09/13	663,981.50	0.84	1,204.31	663,110.06	665,884.70



Managed Account Detail of Securities Held

For the Month Ending **March 31, 2013**

CITY OF BENICIA RESERVES

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
BERKSHIRE HATHAWAY FIN GLOBAL NOTES DTD 05/15/2012 1.600% 05/15/2017	084664BS9	275,000.00	AA+	Aa2	01/08/13	01/15/13	278,918.75	1.26	1,662.22	278,733.50	280,462.33
CHEVRON CORP (CALLABLE) GLOBAL NOTES DTD 12/05/2012 1.104% 12/05/2017	166764AA8	85,000.00	AA	Aa1	11/29/12	12/05/12	85,459.85	0.99	302.37	85,430.87	85,072.00
CHEVRON CORP (CALLABLE) GLOBAL NOTES DTD 12/05/2012 1.104% 12/05/2017	166764AA8	145,000.00	AA	Aa1	11/28/12	12/05/12	145,000.00	1.10	515.81	145,000.00	145,122.82
BERKSHIRE HATHAWAY GLOBAL NOTE DTD 02/11/2013 1.550% 02/09/2018	084670BHO	350,000.00	AA+	Aa2	01/29/13	02/11/13	349,513.50	1.58	753.47	349,526.53	354,345.95
Security Type Sub-Total		3,405,000.00					3,482,128.25	0.96	12,861.83	3,476,096.37	3,487,608.00
Certificate of Deposit											
BANK OF NOVA SCOTIA HOUS CERT DEPOS (FLT DTD 03/06/2013 0.540% 03/06/2015	06417FPL8	550,000.00	A-1	P-1	03/04/13	03/06/13	550,000.00	0.59	214.50	550,000.00	549,894.40
Security Type Sub-Total		550,000.00					550,000.00	0.59	214.50	550,000.00	549,894.40
Managed Account Sub-Total		26,800,000.00					27,200,719.76	0.82	72,087.51	27,071,325.36	27,202,187.41
Money Market Fund											
PFM Funds - Prime, Institutional Class		113,464.36	AAAm	NR			113,464.36		0.00	113,464.36	113,464.36
Money Market Sub-Total		113,464.36					113,464.36		0.00	113,464.36	113,464.36
Securities Sub-Total		\$26,913,464.36					\$27,314,184.12	0.82%	\$72,087.51	\$27,184,789.72	\$27,315,651.77
Accrued Interest											\$72,087.51
Total Investments											\$27,387,739.28

VII.D.31

FM

PFM Asset Management LLC

AGENDA ITEM
CITY COUNCIL MEETING DATE - MAY 21, 2013
CONSENT CALENDAR

DATE : May 1, 2013
TO : City Manager
FROM : Acting Assistant City Manager
SUBJECT : **APPROVAL OF CITY OF BENICIA INVESTMENT POLICY**

RECOMMENDATION:

Adopt the resolution approving the City of Benicia Investment Policy.

EXECUTIVE SUMMARY:

The City Council periodically reviews and updates the City's Investment Policy to ensure compliance with the provisions of the California Government Code. The Investment Policy was last amended on May 15, 2012. Staff is proposing several minor modifications to the Investment Policy. The proposed revisions to the Investment Policy were approved by the Finance Committee on April 26, 2013.

BUDGET INFORMATION:

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

GENERAL PLAN:

There is no impact 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 investment of City funds is governed by the California Government Code (Sections 53600-53610). Specifically, the Government Code prescribes the investment vehicles in which local agencies are permitted to invest available funds and identifies the reporting requirements to keep the legislative body apprised of the status of the investment portfolio. The City Council last reviewed and amended the City's Investment Policy on May 15, 2012. Staff, working with the City's investment advisor (Public Financial Management – PFM) has completed a comprehensive review of the City's Investment Policy including compliance with relevant sections of the Government Code as well as the recommended “best practices” by the Government Finance Officers

Association ("GFOA") and the Association of Public Treasurers of the U.S. and Canada ("APT"). Based upon that review, several revisions to the City of Benicia Investment Policy are recommended. Some of the revisions include changing the allocation limits per issuer; adding municipal securities, both inside and outside the state of California in accordance to the Government Code; and the change of the minimum credit requirement on corporate securities from AA-rated to "A"-rated securities. This recommendation is in recognition of the changing market, specifically, the low supply of AA-rated securities over the past several years as rating agencies have changed their methods, even though the credit worthiness of various corporations has not deteriorated. Extensive evaluation of the credit of all corporate securities both before investing, and monitoring on an on-going basis will continue to be performed.

The attached blue-lined version of the Investment Policy reflects the proposed revisions. The Finance Committee, on April 26, 2013, discussed the proposed revisions in detail and recommended that the City Council approve the amended policy.

Attachments:

- Resolution Approving City of Benicia Investment Policy
- Investment Policy Memo
- City of Benicia Investment Policy (blue-lined version)
- City of Benicia Investment Policy

RESOLUTION NO. 13-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA
APPROVING THE CITY OF BENICIA INVESTMENT POLICY**

WHEREAS, the City Council has determined that it is in the City's best interest to adopt and periodically review the City's Investment Policy in accordance with California State Government code Section 53600 et seq; and

WHEREAS, the Finance Committee and Acting Assistant City Manager have reviewed the City Investment Policy and recommend approval of the Investment Policy with recommended changes; and

WHEREAS, the City Council last reviewed and amended the Investment Policy on May 15, 2012, recognizing the City's investment reporting practices are in accordance with California State Government Code Section 53600 et seq.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Benicia hereby approves the City's Investment Policy as presented.

* * * * *

On motion of Council Member _____, seconded by Council Member _____, the above Resolution was introduced and passed by the City Council of the City of Benicia at a regular meeting of said Council held on the 21st day of May, 2013, and adopted by the following vote:

Ayes:

Noes:

Absent:

Elizabeth Patterson, Mayor

Attest:

Lisa Wolfe, City Clerk



The PFM Group

Public Financial Management, Inc.
PFM Asset Management LLC
PFM Advisors

50 California Street
Suite 2300
San Francisco, CA 94111

415 982-5544
415 982-4513 fax
www.pfm.com

April 1, 2013

Memorandum

To: Karan Reid, Finance Director
City of Benicia

From: Carlos Oblites, Senior Managing Consultant
Charles Cook, Analyst
PFM Asset Management LLC

Re: Investment Policy Review

We have completed our review of the City's Investment Policy. None of this year's changes in California Government Code ("CGC") that regulate the investment of public funds require the City to change its policy. This memorandum explains our recommended revisions to the Policy.

Our approach to evaluating the Investment Policy was comprehensive and included a check for compliance with CGC. We also added sections recommended as "best practices" by the Government Finance Officers Association ("GFOA") and the Association of Public Treasurers of the U.S. and Canada ("APT").

I. Authorized Securities and Transactions

- We recommend changing issuer allocation limits from the sections on commercial paper, bankers' acceptances, and medium-term corporate notes. In place of the existing limits, we recommend an issuer allocation limit of 5% per issuer, excluding government issuers and investment pools, regardless of the type of security. This is a prudent measure that can help protect against adverse developments with any one issuer.
- We have added municipal securities, both in and outside the state of California in accordance to CGC. These securities are permitted under CGC and may present opportunities for value.
- We changed the language on negotiable certificates of deposit to include federally-licensed branches of foreign banks as permitted by CGC.
- The policy previously only allowed for bankers' acceptances to comprise the lesser of 5% or \$3 million, and will now be restricted to the 5% limit only.



- In recognition the changing market landscape, and specifically, the low supply of AA-rated securities, we recommend the minimum credit requirement on corporate securities be “A.” The “AAA” and “AA” categories have decreased dramatically over the past several years as rating agencies have changed their methods, even though the credit-worthiness of various corporations has not deteriorated. It is important to extensively evaluate the credit of all corporate securities both before investing, and monitor on an on-going basis, which we will continue to perform on the City’s behalf.

II. Investment Pools/Money Market Funds

This section is recommended by the APT, and stresses the importance of evaluating the financials of any investment pools or money market funds investments that the City maintains.

III. Selection of Broker/Dealers

We added a statement allowing for the City’s investment advisor to use its own list of approved broker/dealers. This list of dealers must be shared with the City upon request.

IV. Competitive Transactions

We qualified that there need to be at least three bids per transaction only when practical. Obtaining multiple bids is an important practice and can result in savings for the City. However, if for any reason a security is not heavily traded and it would benefit the city to buy or sell the security, an inability to obtain three bids should not preclude the City from executing said transaction.

V. Internal Control

This is another section recommended by the APT for investment policies. Having a party outside of the City review the portfolio for compliance with policies and procedures can help ensure that the portfolio and all associated practices are permitted under CGC.

City of Benicia Investment Policy

(Revised May 15,
20122013)

The City Council of the City of Benicia (the "City") has adopted this Investment Policy (the "Investment Policy") in order to establish the investment scope, objectives, delegation of authority, standards of prudence, reporting requirements, internal controls, eligible investments and transactions, diversification requirements, risk tolerance, and safekeeping and custodial procedures for the investment of the funds of the City. All City funds will be invested in accordance with this Investment Policy and with applicable sections of the California Government Code.

This Investment Policy was endorsed and adopted by the City Council of the City of Benicia on May 15, 2012 2013 pursuant to City Council Resolution No. 12-52. It replaces any previous investment policy of the City.

I. SCOPE

The provisions of this Investment Policy shall apply to all financial assets as accounted for in the City's Comprehensive Annual Financial Report.

All cash shall be pooled for investment purposes. The investment income derived from the pooled investment account shall be allocated to the contributing funds based upon the proportion of the respective average balances relative to the total pooled balance in the City's investment portfolio. Interest earnings shall be distributed to the individual funds not less than annually.

II. OBJECTIVES

The City's funds shall be invested in accordance with all applicable City Municipal Codes and resolutions, California statutes, and Federal regulations, and in a manner designed to accomplish the following objectives, which are listed in priority order:

1. Preservation of capital and protection of investment principal.
2. Maintenance of sufficient liquidity to meet anticipated cash flows.
3. Attainment of a market value rate of return.
4. Diversification to avoid incurring unreasonable market risks.

III. DELEGATION OF AUTHORITY

Management responsibility for the City's investment program is delegated by the City Council to the Finance Director and the Assistant Finance Director. The Finance Director has primary responsibility for daily management of the City's investment portfolio. No person may engage in an investment transaction except as expressly provided under the terms of this Investment Policy.

The Finance Director shall develop written administrative procedures and internal controls, consistent with this Investment Policy, for the operation of the City's investment program. Such procedures shall be designed to prevent losses of public funds arising from fraud, employee error, and misrepresentation by third parties, or imprudent actions by employees of the City.

The City may engage the support services of outside investment advisors in regard to its investment program, so long as it can be clearly demonstrated that these services produce a net financial advantage or necessary financial protection of the City's financial resources.

The Finance Director and the Assistant Finance Director, acting as an investment committee will meet monthly to review the day to day management of the City's investment portfolio. They will meet quarterly to discuss overall portfolio performance.

IV. PRUDENCE

The standard of prudence to be used for managing the City's investments shall be California Government Code Section 53600.3, the prudent investor standard which states, "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency."

The City's overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The City recognizes that no investment is totally without risk and that the investment activities of the City are a matter of public record. Accordingly, the City recognizes that occasional measured losses may occur in a diversified portfolio and shall be considered within the context of the overall portfolio's return, provided that adequate diversification has been implemented and that the sale of a security is in the best long-term interest of the City.

The Finance Director and authorized investment personnel acting in accordance with written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that the deviations from expectations are reported in a timely fashion to the City Council and appropriate action is taken to control adverse developments.

V. ETHICS AND CONFLICTS OF INTEREST

City employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or could impair or create the appearance of an impairment of their ability to make impartial investment decisions. Employees shall disclose to the City Council any business interests they have in financial institutions that conduct business with the City and they shall subordinate their personal investment transactions to those of the City. In addition, the Finance Director, the Assistant Finance Director and others

with delegated investment authority shall file a Statement of Economic Interests each year in accordance with California Government Code Section 87203 and regulations of the Fair Political Practices Commission and the City's Open Government Ordinance.

VI. AUTHORIZED SECURITIES AND TRANSACTIONS

All investments and deposits of the City shall be made in accordance with California Government Code Sections 16429.1, 53600-53609 and 53630-53686, except that in accordance with California Government Code Section 5903(e), proceeds of bonds and any moneys set aside or pledged to secure payment of the bonds may be invested in securities or obligations described in the ordinance, resolution, indenture, agreement, or other instrument providing for the issuance of the bonds. Any revisions or extensions of these code sections will be assumed to be part of this Investment Policy immediately upon being enacted. However, in the event that amendments to these sections conflict with this Investment Policy and past City investment practices, the City may delay adherence to the new requirements when it is deemed in the best interest of the City to do so. In such instances, after consultation with the City Attorney, the Finance Director will present a recommended course of action to the City Council for approval.

The City will limit investments in any one non-government issuer, except investment pools, to no more than 5% regardless of security type.

The City has further restricted the eligible types of securities and transactions as follows:

1. United States Treasury bills, notes, bonds, and Certificates of Indebtedness, or those for which the full faith and credit of the United States are pledged for payment of principal and interest with a final maturity not exceeding five years from the date of trade settlement.
2. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises with a final maturity not exceeding five years from the date of trade settlement.
3. Obligations of the State of California or any local agency within the state, including bonds payable solely out of revenues from a revenue producing property owned, controlled or operated by the state or any local agency, or by a department, board, agency or authority of the state or any local agency.
4. Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state, or by a department, board, agency, or authority of any of these states.
- 2.5. Repurchase Agreements with a final termination date not exceeding 30 days collateralized by U.S. Treasury obligations, Federal Agency securities, or Federal Instrumentality securities listed in items 1 and 2 and 3 above with the maturity of the collateral not exceeding 10 years. For the purpose of this section, the term collateral shall mean

purchased securities under the terms of the City's approved Master Repurchase Agreement. The purchased securities shall have a minimum market value including accrued interest of 102% of the dollar value of the funds borrowed. Collateral shall be held in the City's custodian bank, as safekeeping agent, and the market value of the collateral securities shall be marked-to-the-market daily. Repurchase agreements with any one counterparty shall be limited to \$1 million.

Repurchase Agreements shall be entered into only with broker/dealers recognized as a primary dealer by the Federal Reserve Bank of New York, or with broker/dealers that have a primary dealer within their holding company structure. Approved Repurchase Agreement counterparties shall have a short-term credit rating of at least A-1 or the equivalent and a long-term credit rating of at least A or the equivalent by a NRSRO. Repurchase agreement counterparties shall execute a City approved Master Repurchase Agreement with the City. The Finance Director shall maintain a copy of the City's approved Master Repurchase Agreement along with a list of broker/dealers who have executed same.

3.6. Commercial Paper with a maturity not exceeding 270 days from the date of trade settlement with the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions in either sub-paragraph A. or sub-paragraph B. below:

A. The entity shall (1) be organized and operating in the United States as a general corporation, (2) have total assets in excess of \$500,000,000 and (3) have debt other than commercial paper, if any, that is rated A, or higher, or the equivalent, by a NRSRO.

B. The entity shall (1) be organized within the United States as a special purpose corporation, trust, or limited liability company, (2) have program wide credit enhancements, including, but not limited to, over collateralization, letters of credit or surety bond and (3) have commercial paper that is rated A-1 or higher, or the equivalent, by a NRSRO.

~~The total investment in the commercial paper of any one issuer shall be limited to the lesser of 10% of the City's total portfolio or \$1 million, and~~ The aggregate investment in commercial paper shall not exceed 25% of the City's total portfolio. The City may purchase no more than 10 percent of the outstanding commercial paper of any single issuer.

4.7. Negotiable Certificates of Deposit (NCDs) issued by a nationally or state chartered bank or a state or federal savings and loan association or by a federally-licensed or state-licensed branch of a foreign bank; provided that the senior debt obligations of the issuing institution are rated in one of the two highest rating categories (without regard to any gradations within such categories by numerical qualifier or otherwise) by a NRSRO. No more than 30% of the portfolio may be invested in NCDs.

5.8. Eligible Bankers Acceptances rated at least A-1 or the equivalent by each NRSRO that rates them at the time of purchase, with maturities not exceeding 180 days from the date of trade

settlement; issued by a FDIC insured commercial bank whose senior long-term debt is rated at the time of purchase A or the equivalent by a NRSRO. ~~The total investment in bankers' acceptances of any one issuer shall be limited to the lesser of 5% of the City's total portfolio or \$3 million, and t~~The aggregate investment in bankers' acceptances shall not exceed 20% of the City's total portfolio.

6.9. Non-negotiable Certificates of Deposit with a maturity not exceeding five years, that are collateralized in accordance with the California Government Code, in those banks and savings and loans associations which meet the requirement for investment in negotiable certificate of deposit. The issuer firm should have been in existence for at least five years. The City may waive the first \$250,000 of collateral security for such deposits if the institution is insured pursuant to federal law. The aggregate amount invested in Certificates of Deposit shall not exceed 25% of the City's total portfolio.

7.10. Medium-term Notes. Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. The City may invest in medium term corporate notes rated "AA" or higher, or the equivalent, by a nationally recognized statistical rating organization. A maximum of 30% of the City's portfolio may be invested in this category. ~~No more than 5% of the City's investment portfolio may be invested in the securities of any one non-government issuer.~~

8.11. State of California's Local Agency Investment Fund (LAIF), created by California Government Code Section 16429.1.

9.12. Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1, et seq.), that (1) are "no-load" (no commission or fee shall be charged on purchases or sales of shares); (2) have a constant net asset value per share of \$1.00; (3) invest only in the securities and obligations authorized in the applicable California statutes. Additionally, to be eligible for investment pursuant to this subdivision these companies shall either: (A.) have attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations or (B.) have an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds and with assets under management in excess of \$500,000,000.

The total investment in money market funds of any one issuer shall be limited to the lesser of 10% of the City's total portfolio or \$5 million, and the aggregate investment in money market funds shall not exceed 20% of the City's total portfolio.

Credit criteria and maximum percentages listed in this section refer to the credit of the issuing organization and/or maturity at the time the security is purchased. The City may from time to time be invested in a security whose rating is downgraded. In the event a rating drops below the minimum allowed rating category for that given investment type, the investment advisor shall

notify the Finance Director and/or Designee and recommend a plan of action.

It is the intent of the City that the foregoing list of authorized securities and transactions is strictly interpreted. Any deviation from this list must be pre-approved by resolution of the City Council.

VII. PORTFOLIO MATURITIES, DIVERSIFICATION, and REALIGNMENTS

To the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities. The City will not invest in securities maturing more than five years from the date of trade settlement, unless the City Council has by resolution granted authority to make such an investment at least three months prior to the date of investment.

Securities shall generally be held until maturity with the following exceptions:

- A security with declining credit may be sold early to minimize loss of principal.
- A security swap would improve the quality, yield, or target duration in the portfolio.
- Liquidity needs of the portfolio require that the security be sold.

The City shall diversify its investments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities. Nevertheless, the asset allocation in the investment portfolio should be flexible depending upon the outlook for the economy, the securities markets and the City's anticipated cash flow needs.

The City recognizes that occasional measured losses may occur in a diversified portfolio when securities are traded for other similar securities to improve yield, maturity, or credit risk. These losses shall be considered within the context of the long-term interest of the portfolio and may be incurred for accounting purposes, provided any of the following occurs with respect to the replacement security:

- Yield has been increased,
- Maturity has been adjusted to anticipate interest rate changes, or
- Credit quality of the investment has been improved.

Prior to purchasing securities for the City's portfolio, the credit rating of the security and the credit rating of the senior debt of the issuer, if applicable, shall be verified to assure compliance with investment policy guidelines. Securities that have been downgraded to below the minimum ratings will be sold or held at the Finance Director's discretion. The Finance Director is responsible for bringing the portfolio back into compliance as soon as practicable.

VIII. INVESTMENT POOLS/MONEY MARKET FUNDS

A thorough investigation of investment pools and money market funds is required prior to investing, and on a continual basis.

VHIXI. SELECTION OF BROKER/DEALERS

The Finance Director shall maintain a list of broker/dealers approved for investment purposes, and it shall be the policy of the City to purchase securities only from those brokers and the firms they represent. Each approved broker/dealer must possess an authorizing certificate from the California Commissioner of Corporations as required by Section 25210 of the California Corporations Code. The firms they represent must:

1. be recognized as primary dealers by the Federal Reserve Bank of New York or have a primary dealer within their holding company structure, or
2. report voluntarily to the Federal Reserve Bank of New York, or
3. qualify under Securities and Exchange Commission (SEC) Rule 15c3-1 (Uniform Net Capital Rule).

Broker/dealers will be selected by the Finance Director on the basis of their expertise in public cash management and their ability to provide services for the City's account.

Annually, each authorized broker/dealer shall submit a City approved Broker/Dealer Information Request form and the firm's most recent financial statements.

The City may purchase commercial paper from direct issuers even though they are not on the approved broker/dealer list as long as the purchase meets the criteria outlined in Item 5 of the Authorized Securities and Transactions section of this Investment Policy.

If the City has an investment advisor, the investment advisor may use its own list of authorized broker/dealers to conduct transactions on behalf of the City. The Advisor shall make available its list of authorized broker/dealers to the City upon request.

IX. COMPETITIVE TRANSACTIONS

Each investment transaction shall be competitively transacted with approved broker/dealers. At least three broker/dealers shall be contacted for each transaction, when practical, and their bid or offering prices shall be recorded.

If the City is offered a security for which there is no other readily available competitive offering, then the Finance Director will document quotations for comparable or alternative securities.

XI. SELECTION OF BANKS

The Finance Director shall maintain a list of FDIC insured banks approved to provide depository and other banking services for the City. To be eligible, a bank shall qualify as a depository of public funds in the State of California as defined in California Government Code Section 53630.5 and shall secure deposits in excess of FDIC coverage in accordance with California Government Code Section 53652.

XII. SAFEKEEPING AND CUSTODY

The Finance Director shall select one or more banks to provide safekeeping and custodial services for the City, in accordance with the provisions of Section 53608 of the California Government Code. A Safekeeping Agreement approved by the City shall be executed with each custodian bank prior to utilizing that bank's safekeeping services.

Custodian banks will be selected on the basis of their ability to provide services for the City's account and the competitive pricing of their safekeeping related services.

The purchase and sale of securities and repurchase agreement transactions shall be settled on a delivery versus payment basis. All securities shall be perfected in the name of the City. Sufficient evidence to title shall be consistent with modern investment, banking and commercial practices.

All investment securities will be delivered by either book entry or physical delivery and will be held in third-party safekeeping by a City approved custodian bank, its correspondent bank or its Depository Trust Company (DTC) participant account.

The City's custodian shall be required to furnish the City a list of holdings on at least a monthly basis and safekeeping receipts or customer confirmations shall be issued for each transaction.

XIII. PORTFOLIO PERFORMANCE

The investment portfolio shall be designed to attain a market rate of return throughout budgetary and economic cycles, taking into account prevailing market conditions, risk constraints for eligible securities, and cash flow requirements. The performance of the investment portfolio shall be compared to a benchmark with a duration similar to the City's portfolio duration target.

XIV. INTERNAL CONTROL

The Finance Director will establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures.

XHXV. REPORTING

Quarterly, the Finance Director and the Finance Committee shall submit to the City Manager and the City Council a report of the investment earnings and performance results of the City's investment portfolio. The report shall include the following information:

1. Investment type, issuer, date of maturity, par value and dollar amount invested in all securities, and investments and monies held by the City;
 2. The weighted average maturity of the investment portfolio;
 3. A description of investments that are under the management of contracted parties;
 4. A market value as of the date of the report and the source of the valuation;
 5. A statement of compliance with this Investment Policy or an explanation of non-compliance;
- and

6. A statement of the City's ability to meet expenditure requirements for the following six months or an explanation of why sufficient funds may not be available.

XIV. POLICY REVIEW

This Investment Policy shall be adopted by resolution of the City Council. It shall be reviewed at least annually by the Finance Director and the Finance Committee to ensure it remains consistent with the City's investment objectives, current law and economic trends. Any revisions to this Investment Policy must be approved by the City Council.

GLOSSARY OF CALIFORNIA GOVERNMENT CODE

The glossary below briefly defines each section of the California Government Code that is referenced in the City's policy and in the order in which they are cited. The City Council, on October 18, 2011, adopted Ordinance No. 11-09 transferring all statutory duties and responsibilities of the City Treasurer (with the exception of countersigning warrants and serving on the Finance Committee) which had not been previously transferred to the County, the City Manager or the Finance Director, to the City Clerk. The Investment Policy delegates responsibility for the daily management of the investment portfolio to the Finance Director and Assistant Finance Director.

Sections 53600- 53609 are collectively referred to as Article 1: Investment of Surplus

53600: Defines the term "local agency".

53600.3: Describes the standard of prudence in California for authorized persons.

53600.5: Defines the prudent investor standard.

53600.6: Declares that the deposit and investment of public funds by local officials and agencies is an issue of statewide concern.

53601: Provides details for types of permitted securities for the investment of public funds.

53601.1: Gives authority for investing in financial futures or financial option contracts.

53601.2: Defines "corporation" to include a limited liability company.

53601.5: Restricts investment purchases to be from authorized issuers and institutions.

53601.6: Restricts agencies from purchasing inverse floaters, range notes, or mortgage-derived, interest-only strips.

53601.8: Outlines the parameters under which a local agency may invest surplus funds in certificates of deposit.

53602: Lists the various types of indebtedness in which a legislative body is permitted to invest.

53603: Dictates how a legislative body may make a direct issue investment.

53604: Allows the legislative body authority to sell or exchange and then reinvest the proceeds of securities that have been purchased.

53605: Gives the legislative body to sell securities so that proceeds may be applied to

the purposes for which the original purchase money was placed.

53606: Allows purchased bonds which were issued by the purchaser to be cancelled.

53607: Delegates authority to invest or reinvest funds of a local agency to the Treasurer for a one-year period.

53608: Defines the terms of safekeeping with a federal or state association.

53609: Outlines the ways in which deferred portions of an employee's compensation may be invested.

Sections 53630- 53686 are collectively referred to as Article 2: Deposit of Funds

53630: Defines the following terms: local agency, Treasurer, depositor, agent of depository, security, pooled securities, administrator, savings association or federal association, federally insured industrial loan company, and corporation.

53630.1: Declares that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern.

53630.5: Defines depositories.

53631: Describes conditions established by the legislative body under which the Treasurer of a local agency may establish accounts at banks and deposit money in those accounts.

53632: Outlines the three classes of deposits.

53632.5: Outlines the three classes of security for deposits.

53633: States that the Treasurer shall determine the amount of money to be deposited as inactive, active, and interest-bearing active deposits.

53634: Defines the circumstances under which the Treasurer may place money in active deposits.

53635: Recognizes the distinct characteristics of investment pools.

53635.2: States that all money belonging to or in the custody of a local agency shall be deposited for safekeeping in state or national banks, savings associations, federal associations, credit unions, or federally insured industrial loan companies in California and selected by the Treasurer.

53635.7: Mandates that the legislative body shall discuss, consider, and deliberate each attempt to borrow \$100,000 or more.

- 53636:** States that money so deposited is deemed to be in the treasury of the local agency.
- 53637:** Requires that the money be deposited in the institutions approved in 53635.2 with the objective of realizing maximum return.
- 53638:** States that the deposit shall not exceed the shareholder's equity of any depository bank.
- 53639:** Expresses that the depository shall bear the expenses of transportation of money to and from the depository.
- 53640:** States that the depository shall handle, collect, and pay all checks, drafts, and other exchange without cost to the local agency.
- 53641:** Requires the Treasurer to take and preserve a receipt, certificate of deposit, or other evidence of depository when money is deposited in a depository.
- 53642:** Enables the money deposited to be drawn out by check or order of the Treasurer.
- 53643:** Allows the Treasurer to deposit any part of the money as agreed upon between the Treasurer and the depository.
- 53644:** Outlines the options allowed if an agreement is not made as provided for in 53643.
- 53646:** Discusses requirements of a local agencies investment policy and investment reports.
- 53647:** States how interest on deposited money shall be paid.
- 53647.5:** Provides that interest earned on bail money deposited in a bank account shall be allocated for the support of the courts in that county.
- 53648:** Regards the payment of interest of public moneys.
- 53648.5:** Provides for the conditions under which a depository may be terminated.
- 53469:** Allows the Treasurer to be responsible for the safekeeping of money.
- 53651:** Defines eligible securities.
- 53651.2:** Defines the provision with which a promissory note shall comply.
- 53651.4:** Outlines the requirements of reports that depositories using eligible securities shall file.
- 53651.6:** Lists the requirements of letters of credit for eligible securities.
- 53652:** Outlines the collateral required to secure active and inactive deposits.

- 53653:** Provides the conditions under which the Treasurer may waive security for a portion of deposits.
- 53654:** Delineates the circumstances under which the depository may add or substitute securities in a pool.
- 53655:** Defines the effect that the placement of securities by a depository with an agent of depository shall have.
- 53656:** Defines how the Treasurer shall enter into a contract with a depository.
- 53657:** Defines who shall act as an agent of depositories.
- 53658:** Outlines how an agent of a depository shall hold and pool securities.
- 53659:** Allows for an agent of depository that accepts securities to place such securities for safekeeping.
- 53660:** Outlines the information that the Treasurer shall provide when deposits of a local agency are secured by pooled securities.
- 53661:** Defines the responsibilities of the Commissioner of Financial Institutions.
- 53663:** Defines the information that an agent of depository shall report in writing to the administrator after a withdrawal, substitution, or addition or pooled securities.
- 53664:** States that the individual reports specified in Sections 53654, 53660, 53661, and 53663 are not public documents.
- 53666:** Stipulates that the only liability that shall attach to the administrator as the result of the operation of this article is that which would attach as a result of other laws of this state.
- 53667:** Discusses the expenses incurred by the administrator in conjunction with carrying out the duties and responsibilities assigned to the administrator.
- 53669:** States that the Treasurer or other authorized official is not responsible for money while it is deposited pursuant to this article.
- 53676:** States that the Treasurer is not responsible for securities delivered to and received for by any bank, savings and loan association, credit union, federally insured industrial loan company, or trust company.
- 53678:** Calls for the charges for the handling and safekeeping of any such securities not to be charged against the Treasurer but to be paid for by the depository owning the

securities.

- 53679:** States how money belonging to a local agency under control of any of its officers shall be deposited.
- 53680:** Mandates that any tax collector of a local agency shall immediately deposit with the Treasurer all money under his control, unless otherwise states.
- 53681:** Stipulates that an officer of a local agency who deposits money belonging to a local agency in a manner other than prescribed in this article is subject to forfeiture of his office.
- 53682:** Specifies contract requirements for monies being deposited.
- 53683:** States how the consideration payable by the agency shall be paid by the Treasurer.
- 53684:** Outlines how the Treasurer may deposit excess funds in investment pools.
- 53686:** Discusses audits and reports related to the investment of local agency funds.
- 5903(e):** States how the proceeds of bonds may be invested.
- 16429.1:** Pertains to general requirements on how and where public money may be invested.
- 25210:** Outlines the requirements of approved broker/dealers.

GFOA's GLOSSARY OF CASH MANAGEMENT TERMS

Accrued Interest - The accumulated interest due on a bond as of the last interest payment made by the issuer.

Agency - A debt security issued by a federal or federally sponsored agency. Federal agencies are backed by the full faith and credit of the U.S. Government. Federally sponsored agencies (FSAs) are backed by each particular agency with a market perception that there is an implicit government guarantee. An example of federal agency is the Government National Mortgage Association (GNMA). An example of a FSA is the Federal National Mortgage Association (FNMA).

Amortization - The systematic reduction of the amount owed on a debt issue through periodic payments of principal.

Average Life - The average length of time that an issue of serial bonds and/or term bonds with a mandatory sinking fund feature is expected to be outstanding.

Basis Point - A unit of measurement used in the valuation of fixed-income securities equal to 1/100 of 1 percent of yield, e.g., "1/4" of 1 percent is equal to 25 basis points.

Bid - The indicated price at which a buyer is willing to purchase a security or commodity.

Book Value - The value at which a security is carried on the inventory lists or other financial records of an investor. The book value may differ significantly from the security's current value in the market.

Callable Bond - A bond issue in which all or part of its outstanding principal amount may be redeemed before maturity by the issuer under specified conditions.

Call Price - The price at which an issuer may redeem a bond prior to maturity. The price is usually at a slight premium to the bond's original issue price to compensate the holder for loss of income and ownership.

Call Risk - The risk to a bondholder that a bond may be redeemed prior to maturity.

Cash Sale/Purchase - A transaction which calls for delivery and payment of securities on the same day that the transaction is initiated.

Collateralization - Process by which a borrower pledges securities, property, or other deposits for the purpose of securing the repayment of a loan and/or security.

Commercial Paper - An unsecured short-term promissory note issued by corporations, with maturities ranging from 2 to 270 days.

Convexity - A measure of a bond's price sensitivity to changing interest rates. A high convexity indicates greater sensitivity of a bond's price to interest rate changes.

Coupon Rate - The annual rate of interest received by an investor from the issuer of certain types of fixed-income securities. Also known as the "interest rate."

Credit Quality- The measurement of the financial strength of a bond issuer. This measurement helps an investor to understand an issuer's ability to make timely interest payments and repay the loan principal upon maturity. Generally, the higher the credit quality of a bond issuer, the lower the interest rate paid by the issuer because the risk of default is lower. Credit quality ratings are provided by nationally recognized rating agencies.

Credit Risk- The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.

Current Yield (Current Return) -A yield calculation determined by dividing the annual interest received on a security by the current market price of that security.

Delivery Versus Payment (DVP) - A type of securities transaction in which the purchaser pays for the securities when they are delivered either to the purchaser or his/her custodian.

Derivative Security - Financial instrument created from, or whose value depends upon, one or more underlying assets or indexes of asset values.

Discount - The amount by which the par value of a security exceeds the price paid for the security.

Diversification -A process of investing assets among a range of security types by sector, maturity, and quality **rating**.

Duration - A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security. This calculation is based on three variables: term to maturity, coupon rate, and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

Fair Value - The amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Federal Funds (Fed Funds)- Funds placed in Federal Reserve banks by depository institutions in excess of current reserve requirements. These depository institutions may lend fed funds to each other overnight or on a longer basis. They may also transfer funds among each other on a same-day basis through the Federal Reserve banking system. Fed funds are considered to be immediately available funds.

Federal Funds Rate - Interest rate charged by one institution lending federal funds to the other.

Government Securities- An obligation of the U.S. government, backed by the full faith and credit of the government. These securities are regarded as the highest quality of investment securities available in the U.S. securities market. See "Treasury Bills, Notes, and Bonds."

Interest Rate - See "Coupon Rate."

Interest Rate Risk -The risk associated with declines or rises in interest rates which cause an investment in a fixed-income security to increase or decrease in value.

Internal Controls - An internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that 1) the cost of a control should not exceed the benefits likely to be derived and 2) the valuation of costs and benefits requires estimates and judgments by management. Internal controls should address the following points:

1. **Control of collusion** - Collusion is a situation where two or more employees are working in conjunction to defraud their employer.
2. **Separation of transaction authority from accounting and record keeping** – By separating the person who authorizes or performs the transaction from the people who record or otherwise account for the transaction, a separation of duties is achieved.
3. **Custodial safekeeping** - Securities purchased from any bank or dealer including appropriate collateral (as defined by state law) shall be placed with an independent third party for custodial safekeeping.
4. **Avoidance of physical delivery securities**- Book-entry securities are much easier to transfer and account for since actual delivery of a document never takes place. Delivered securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with physically delivered securities.
5. **Clear delegation of authority to subordinate staff members** - Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid improper actions. Clear delegation of authority also preserves the internal control structure that is contingent on the various staff positions and their respective responsibilities.
6. **Written confirmation of transactions for investments and wire transfers** -Due to the potential for error and improprieties arising from telephone and electronic transactions, all transactions should be supported by written communications and approved by the appropriate person. Written communications may be via fax if on letterhead and if the safekeeping institution has a list of authorized signatures.
7. **Development of a wire transfer agreement with the lead bank and third-party custodian** - The designated official should ensure that an agreement will be entered into and will address the following points: controls, security provisions, and responsibilities of each party making and receiving wire transfers.

Inverted Yield Curve - A chart formation that illustrates long-term securities having lower yields than short-term securities. This configuration usually occurs during periods of high inflation coupled with low levels of confidence in the economy and a restrictive monetary policy.

Investment Company Act of 1940- Federal legislation which sets the standards by which investment companies, such as mutual funds, are regulated in the areas of advertising, promotion, performance reporting requirements, and securities valuations.

Investment Policy - A concise and clear statement of the objectives and parameters formulated by an investor or investment manager for a portfolio of investment securities.

Investment-grade Obligations -An investment instrument suitable for purchase by institutional investors under the prudent person rule. Investment-grade is restricted to those obligations rated BBB or higher by a rating agency.

Liquidity -An asset that can be converted easily and quickly into cash.

Local Government Investment Pool (LGIP) - An investment by local governments in which their money is pooled as a method for managing local funds.

Mark-to-market - The process whereby the book value or collateral value of a security is adjusted to reflect its current market value.

Market Risk- The risk that the value of a security will rise or decline as a result of changes in market conditions.

Market Value- Current market price of a security.

Maturity - The date on which payment of a financial obligation is due. The final stated maturity is the date on which the issuer must retire a bond and pay the face value to the bondholder. See "Weighted Average Maturity."

Money Market Mutual Fund - Mutual funds that invest solely in money market instruments (short-term debt instruments, such as Treasury bills, commercial paper, bankers' acceptances, repos and federal funds).

Mutual Fund - An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments. Mutual funds are regulated by the Investment Company Act of 1940 and must abide by the following Securities and Exchange Commission (SEC) disclosure guidelines:

1. Report standardized performance calculations.
2. Disseminate timely and accurate information regarding the fund's holdings, performance, management and general investment policy.
3. Have the fund's investment policies and activities supervised by a board of trustees, which are independent of the adviser, administrator or other vendor of the fund.
4. Maintain the daily liquidity of the fund's shares.
5. Value their portfolios on a daily basis.
6. Have all individuals who sell SEC-registered products licensed with a self-regulating organization (SRO) such as the National Association of Securities Dealers (NASD).
7. Have an investment policy governed by a prospectus which is updated and filed by the SEC annually.

Mutual Fund Statistical Services - Companies that track and rate mutual funds, e.g., IBC/Donoghue, Lipper Analytical Services, and Morningstar.

National Association of Securities Dealers (NASD) -A self-regulatory organization (SRO) of brokers and dealers in the over-the-counter securities business. Its regulatory mandate includes authority over firms that distribute mutual fund shares as well as other securities.

Net Asset Value- The market value of one share of an investment company, such as a mutual fund. This figure is calculated by totaling a fund's assets which includes securities, cash, and any accrued earnings, subtracting this from the fund's liabilities and dividing this total by the number of shares outstanding. This is calculated once a day based on the closing price for each security in the fund's portfolio. (See below.) $[(\text{Total assets}) - (\text{Liabilities})] / (\text{Number of shares outstanding})$

No Load Fund - A mutual fund which does not levy a sales charge on the purchase of its shares.

Nominal Yield -The stated rate of interest that a bond pays its current owner, based on par value of the security. It is also known as the "coupon," "coupon rate," or "interest rate."

Offer - An indicated price at which market participants are willing to sell a security or commodity. Also referred to as the "Ask price."

Par- Face value or principal value of a bond, typically \$1,000 per bond.

Positive Yield Curve - A chart formation that illustrates short-term securities having lower yields than long-term securities.

Premium - The amount by which the price paid for a security exceeds the security's par value.

Prime Rate - A preferred interest rate charged by commercial banks to their most creditworthy customers. Many interest rates are keyed to this rate.

Principal - The face value or par value of a debt instrument. Also may refer to the amount of capital invested in a given security.

Prospectus - A legal document that must be provided to any prospective purchaser of a new securities offering registered with the SEC. This can include information on the issuer, the issuer's business, the proposed use of proceeds, the experience of the issuer's management, and certain certified financial statements.

Prudent Investor Standard~~Person~~ Rule - An investment standard outlining the fiduciary responsibilities of public funds investors relating to investment practices.

Regular Way Delivery- Securities settlement that calls for delivery and payment on the third business day following the trade date (T+3); payment on aT+1 basis is currently under consideration. Mutual funds are settled on a same day basis; government securities are settled on the next business day.

Reinvestment Risk- The risk that a fixed-income investor will be unable to reinvest income proceeds from a security holding at the same rate of return currently generated by that holding.

Repurchase Agreement (repo or RP) -An agreement of one party to sell securities at a specified price to a second party and a simultaneous agreement of the first party to repurchase the securities at a specified price or at a specified later date.

Reverse Repurchase Agreement (Reverse Repo) - An agreement of one party to purchase securities at a specified price from a second party and a simultaneous agreement by the first party to resell the securities at a specified price to the second party on demand or at a specified date.

Rule 2a-7 of the Investment Company Act- Applies to all money market mutual funds and mandates such funds to maintain certain standards, including a 13- month maturity limit and a 90-day average maturity on investments, to help maintain a constant net asset value of one dollar (\$1.00).

Safekeeping - Holding of assets (e.g., securities) by a financial institution.

Serial Bond - A bond issue, usually of a municipality, with various maturity dates scheduled at regular intervals until the entire issue is retired.

Sinking Fund - Money accumulated on a regular basis in a separate custodial account that is used to redeem debt securities or preferred stock issues.

Swap - Trading one asset for another.

Term Bond - Bonds comprising a large part or all of a particular issue which come due in a single maturity. The issuer usually agrees to make periodic payments into a sinking fund for mandatory redemption of term bonds before maturity.

Total Return- The sum of all investment income plus changes in the capital value of the portfolio. For mutual funds, return on an investment is composed of share price appreciation plus any realized dividends or capital gains. This is calculated by taking the following components during a certain time period. $(\text{Price Appreciation}) + (\text{Dividends paid}) + (\text{Capital gains}) = \text{Total Return}$

Treasury Bills - Short-term U.S. government non-interest bearing debt securities with maturities of no longer than one year and issued in minimum denominations of \$10,000. Auctions of three- and six-month bills are weekly, while auctions of one-year bills are monthly. The yields on these bills are monitored closely in the money markets for signs of interest rate trends.

Treasury Notes- Intermediate U.S. government debt securities with maturities of one to 10 years and issued in denominations ranging from \$1,000 to \$1 million or more.

Treasury Bonds- Long-term U.S. government debt securities with maturities often years or longer and issued in minimum denominations of \$1,000. Currently, the longest outstanding maturity for such securities is 30 years.

Uniform Net Capital Rule - SEC Rule 15C3-1 outlining capital requirements for broker/dealers.

Volatility - A degree of fluctuation in the price and valuation of securities.

"Volatility Risk" Rating- A rating system to clearly indicate the level of volatility and other non-credit risks associated with securities and certain bond funds. The ratings for bond funds range from those that have extremely low sensitivity to changing market conditions and offer the greatest stability of the returns ("aaa" by S&P; "V-I" by Fitch) to those that are highly sensitive with currently identifiable market volatility risk ("ccc-" by S&P, "V-10" by Fitch).

Weighted Average Maturity (WAM) - The average maturity of all the securities that comprise a portfolio. According to SEC rule 2a-7, the WAM for SEC registered money market mutual funds may not exceed 90 days and no one security may have a maturity that exceeds 397 days.

When Issued (WI) - A conditional transaction in which an authorized new security has not been issued. All "when issued" transactions are settled when the actual security is issued.

Yield - The current rate of return on an investment security generally expressed as a percentage of the security's current price.

Yield-to-call (YTC) - The rate of return an investor earns from a bond assuming the bond is redeemed (called) prior to its nominal maturity date. **Yield Curve** - A graphic representation that depicts the relationship at a given point in time between yields and maturity for bonds that are identical in every way except maturity. A normal yield curve may be alternatively referred to as a positive yield curve.

Yield-to-maturity - The rate of return yielded by a debt security held to maturity when both interest payments and the investor's potential capital gain or loss are included in the calculation of return.

Zero-coupon Securities - Security that is issued at a discount and makes no periodic interest payments. The rate of return consists of a gradual accretion of the principal of the security and is payable at par upon maturity.

This glossary has been adapted from an article, entitled "Investment terms for everyday use," that appeared in the April 5, 1996, issue of Public Investor, GFOA's subscription investment newsletter.

City of Benicia
Investment Policy
(Revised May 21, 2013)

The City Council of the City of Benicia (the “City”) has adopted this Investment Policy (the “Investment Policy”) in order to establish the investment scope, objectives, delegation of authority, standards of prudence, reporting requirements, internal controls, eligible investments and transactions, diversification requirements, risk tolerance, and safekeeping and custodial procedures for the investment of the funds of the City. All City funds will be invested in accordance with this Investment Policy and with applicable sections of the California Government Code.

This Investment Policy was endorsed and adopted by the City Council of the City of Benicia on May 15, 2013 pursuant to City Council Resolution No. 12-52. It replaces any previous investment policy of the City.

I. SCOPE

The provisions of this Investment Policy shall apply to all financial assets as accounted for in the City’s Comprehensive Annual Financial Report.

All cash shall be pooled for investment purposes. The investment income derived from the pooled investment account shall be allocated to the contributing funds based upon the proportion of the respective average balances relative to the total pooled balance in the City’s investment portfolio. Interest earnings shall be distributed to the individual funds not less than annually.

II. OBJECTIVES

The City’s funds shall be invested in accordance with all applicable City Municipal Codes and resolutions, California statutes, and Federal regulations, and in a manner designed to accomplish the following objectives, which are listed in priority order:

Preservation of capital and protection of investment principal.

1. Maintenance of sufficient liquidity to meet anticipated cash flows.
2. Attainment of a market value rate of return.
3. Diversification to avoid incurring unreasonable market risks.

III. DELEGATION OF AUTHORITY

Management responsibility for the City’s investment program is delegated by the City Council to the Finance Director and the Assistant Finance Director. The Finance Director has primary responsibility for daily management of the City’s investment portfolio. No person may engage in an investment transaction except as expressly provided under the terms of this Investment Policy.

The Finance Director shall develop written administrative procedures and internal controls, consistent with this Investment Policy, for the operation of the City's investment program. Such procedures shall be designed to prevent losses of public funds arising from fraud, employee error, and misrepresentation by third parties, or imprudent actions by employees of the City.

The City may engage the support services of outside investment advisors in regard to its investment program, so long as it can be clearly demonstrated that these services produce a net financial advantage or necessary financial protection of the City's financial resources.

The Finance Director and the Assistant Finance Director, acting as an investment committee will meet monthly to review the day to day management of the City's investment portfolio. They will meet quarterly to discuss overall portfolio performance.

IV. PRUDENCE

The standard of prudence to be used for managing the City's investments shall be California Government Code Section 53600.3, the prudent investor standard which states, "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency."

The City's overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The City recognizes that no investment is totally without risk and that the investment activities of the City are a matter of public record. Accordingly, the City recognizes that occasional measured losses may occur in a diversified portfolio and shall be considered within the context of the overall portfolio's return, provided that adequate diversification has been implemented and that the sale of a security is in the best long-term interest of the City.

The Finance Director and authorized investment personnel acting in accordance with written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that the deviations from expectations are reported in a timely fashion to the City Council and appropriate action is taken to control adverse developments.

V. ETHICS AND CONFLICTS OF INTEREST

City employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or could impair or create the appearance of an impairment of their ability to make impartial investment decisions. Employees shall disclose to the City Council any business interests they have in financial institutions that conduct business with the City and they shall subordinate their personal investment transactions to those of the City. In addition, the Finance Director, the Assistant Finance Director and others with delegated investment authority shall file a Statement of Economic Interests each year in

accordance with California Government Code Section 87203 and regulations of the Fair Political Practices Commission and the City's Open Government Ordinance.

VI. AUTHORIZED SECURITIES AND TRANSACTIONS

All investments and deposits of the City shall be made in accordance with California Government Code Sections 16429.1, 53600-53609 and 53630-53686, except that in accordance with California Government Code Section 5903(e), proceeds of bonds and any moneys set aside or pledged to secure payment of the bonds may be invested in securities or obligations described in the ordinance, resolution, indenture, agreement, or other instrument providing for the issuance of the bonds. Any revisions or extensions of these code sections will be assumed to be part of this Investment Policy immediately upon being enacted. However, in the event that amendments to these sections conflict with this Investment Policy and past City investment practices, the City may delay adherence to the new requirements when it is deemed in the best interest of the City to do so. In such instances, after consultation with the City Attorney, the Finance Director will present a recommended course of action to the City Council for approval.

The City will limit investments in any one non-government issuer, except investment pools, to no more than 5% regardless of security type.

The City has further restricted the eligible types of securities and transactions as follows:

1. United States Treasury bills, notes, bonds, and Certificates of Indebtedness, or those for which the full faith and credit of the United States are pledged for payment of principal and interest with a final maturity not exceeding five years from the date of trade settlement.
2. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises with a final maturity not exceeding five years from the date of trade settlement.
3. Obligations of the State of California or any local agency within the state, including bonds payable solely out of revenues from a revenue producing property owned, controlled or operated by the state or any local agency, or by a department, board, agency or authority of the state or any local agency.
4. Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state, or by a department, board, agency, or authority of any of these states.
5. Repurchase Agreements with a final termination date not exceeding 30 days collateralized by U.S. Treasury obligations, Federal Agency securities, or Federal Instrumentality securities listed in items 1 and 2 above with the maturity of the collateral not exceeding 10 years. For the purpose of this section, the term collateral shall mean purchased securities under the terms of the City's approved Master Repurchase Agreement. The purchased securities shall have a minimum market value including accrued interest of 102% of the dollar value of the funds borrowed. Collateral shall be held in the City's custodian bank, as safekeeping agent,

and the market value of the collateral securities shall be marked-to-the-market daily. Repurchase agreements with any one counterparty shall be limited to \$1 million.

Repurchase Agreements shall be entered into only with broker/dealers recognized as a primary dealer by the Federal Reserve Bank of New York, or with broker/dealers that have a primary dealer within their holding company structure. Approved Repurchase Agreement counterparties shall have a short-term credit rating of at least A-1 or the equivalent and a long-term credit rating of at least A or the equivalent by a NRSRO. Repurchase agreement counterparties shall execute a City approved Master Repurchase Agreement with the City. The Finance Director shall maintain a copy of the City's approved Master Repurchase Agreement along with a list of broker/dealers who have executed same.

6. Commercial Paper with a maturity not exceeding 270 days from the date of trade settlement with the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions in either sub-paragraph A. or sub-paragraph B. below:

- A. The entity shall (1) be organized and operating in the United States as a general corporation, (2) have total assets in excess of \$500,000,000 and (3) have debt other than commercial paper, if any, that is rated A, or higher, or the equivalent, by a NRSRO.

- B. The entity shall (1) be organized within the United States as a special purpose corporation, trust, or limited liability company, (2) have program wide credit enhancements, including, but not limited to, over collateralization, letters of credit or surety bond and (3) have commercial paper that is rated A-1 or higher, or the equivalent, by a NRSRO.

The aggregate investment in commercial paper shall not exceed 25% of the City's total portfolio. The City may purchase no more than 10 percent of the outstanding commercial paper of any single issuer.

7. Negotiable Certificates of Deposit (NCDs) issued by a nationally or state chartered bank or a state or federal savings and loan association or by a federally-licensed or state-licensed branch of a foreign bank; provided that the senior debt obligations of the issuing institution are rated in one of the two highest rating categories (without regard to any gradations within such categories by numerical qualifier or otherwise) by a NRSRO. No more than 30% of the portfolio may be invested in NCDs.
8. Eligible Bankers Acceptances rated at least A-1 or the equivalent by each NRSRO that rates them at the time of purchase, with maturities not exceeding 180 days from the date of trade settlement; issued by a FDIC insured commercial bank whose senior long-term debt is rated at the time of purchase A or the equivalent by a NRSRO. The aggregate investment in bankers acceptances shall not exceed 20% of the City's total portfolio.
9. Non-negotiable Certificates of Deposit with a maturity not exceeding five years, that are collateralized in accordance with the California Government Code, in those banks and savings and loans associations which meet the requirement for investment in negotiable

certificate of deposit. The issuer firm should have been in existence for at least five years. The City may waive the first \$250,000 of collateral security for such deposits if the institution is insured pursuant to federal law. The aggregate amount invested in Certificates of Deposit shall not exceed 25% of the City's total portfolio.

10. Medium-term Notes. Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. The City may invest in medium term corporate notes rated "AA" or higher, or the equivalent, by a nationally recognized statistical rating organization. A maximum of 30% of the City's portfolio may be invested in this category.
11. State of California's Local Agency Investment Fund (LAIF), created by California Government Code Section 16429.1.
12. Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1, et seq.) that (1) are "no-load" (no commission or fee shall be charged on purchases or sales of shares); (2) have a constant net asset value per share of \$1.00; (3) invest only in the securities and obligations authorized in the applicable California statutes. Additionally, to be eligible for investment pursuant to this subdivision these companies shall either: (A.) have attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations or (B.) have an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds and with assets under management in excess of \$500,000,000.
13. The total investment in money market funds of any one issuer shall be limited to the lesser of 10% of the City's total portfolio or \$5 million, and the aggregate investment in money market funds shall not exceed 20% of the City's total portfolio.

Credit criteria and maximum percentages listed in this section refer to the credit of the issuing organization and/or maturity at the time the security is purchased. The City may from time to time be invested in a security whose rating is downgraded. In the event a rating drops below the minimum allowed rating category for that given investment type, the investment advisor shall notify the Finance Director and/or Designee and recommend a plan of action.

It is the intent of the City that the foregoing list of authorized securities and transactions is strictly interpreted. Any deviation from this list must be pre-approved by resolution of the City Council.

VII. PORTFOLIO MATURITIES, DIVERSIFICATION, and REALIGNMENTS

To the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities. The City will not invest in securities maturing more than five years from the date of trade settlement, unless the City Council has by resolution granted authority to make such an investment at least three months prior to the date of investment.

Securities shall generally be held until maturity with the following exceptions:

- A security with declining credit may be sold early to minimize loss of principal.
- A security swap would improve the quality, yield, or target duration in the portfolio.
- Liquidity needs of the portfolio require that the security be sold.

The City shall diversify its investments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities. Nevertheless, the asset allocation in the investment portfolio should be flexible depending upon the outlook for the economy, the securities markets and the City's anticipated cash flow needs.

The City recognizes that occasional measured losses may occur in a diversified portfolio when securities are traded for other similar securities to improve yield, maturity, or credit risk. These losses shall be considered within the context of the long-term interest of the portfolio and may be incurred for accounting purposes, provided any of the following occurs with respect to the replacement security:

- Yield has been increased,
- Maturity has been adjusted to anticipate interest rate changes, or
- Credit quality of the investment has been improved.

Prior to purchasing securities for the City's portfolio, the credit rating of the security and the credit rating of the senior debt of the issuer, if applicable, shall be verified to assure compliance with investment policy guidelines. Securities that have been downgraded to below the minimum ratings will be sold or held at the Finance Director's discretion. The Finance Director is responsible for bringing the portfolio back into compliance as soon as practicable.

VIII. INVESTMENT POOLS/MONEY MARKET FUNDS

A thorough investigation of investment pools and money market funds is required prior to investing, and on a continual basis.

IX. SELECTION OF BROKER/DEALERS

The Finance Director shall maintain a list of broker/dealers approved for investment purposes, and it shall be the policy of the City to purchase securities only from those brokers and the firms they represent. Each approved broker/dealer must possess an authorizing certificate from the California Commissioner of Corporations as required by Section 25210 of the California Corporations Code. The firms they represent must:

1. be recognized as primary dealers by the Federal Reserve Bank of New York or have a primary dealer within their holding company structure, or
2. report voluntarily to the Federal Reserve Bank of New York, or
3. qualify under Securities and Exchange Commission (SEC) Rule 15c3-1 (Uniform Net Capital Rule).

Broker/dealers will be selected by the Finance Director on the basis of their expertise in public cash management and their ability to provide services for the City's account.

Annually, each authorized broker/dealer shall submit a City approved Broker/Dealer Information Request form and the firm's most recent financial statements.

The City may purchase commercial paper from direct issuers even though they are not on the approved broker/dealer list as long as the purchase meets the criteria outlined in Item 6 of the Authorized Securities and Transactions section of this Investment Policy.

If the City has an investment advisor, the investment advisor may use its own list of authorized broker/dealers to conduct transactions on behalf of the City. The Advisor shall make available its list of authorized broker/dealers to the City upon request.

X. COMPETITIVE TRANSACTIONS

Each investment transaction shall be competitively transacted with approved broker/dealers. At least three broker/dealers shall be contacted for each transaction, when practical, and their bid or offering prices shall be recorded.

If the City is offered a security for which there is no other readily available competitive offering, then the Finance Director will document quotations for comparable or alternative securities.

XI. SELECTION OF BANKS

The Finance Director shall maintain a list of FDIC insured banks approved to provide depository and other banking services for the City. To be eligible, a bank shall qualify as a depository of public funds in the State of California as defined in California Government Code Section 53630.5 and shall secure deposits in excess of FDIC coverage in accordance with California Government Code Section 53652.

XII. SAFEKEEPING AND CUSTODY

The Finance Director shall select one or more banks to provide safekeeping and custodial services for the City, in accordance with the provisions of Section 53608 of the California Government Code. A Safekeeping Agreement approved by the City shall be executed with each custodian bank prior to utilizing that bank's safekeeping services.

Custodian banks will be selected on the basis of their ability to provide services for the City's account and the competitive pricing of their safekeeping related services.

The purchase and sale of securities and repurchase agreement transactions shall be settled on a delivery versus payment basis. All securities shall be perfected in the name of the City. Sufficient evidence to title shall be consistent with modern investment, banking and commercial practices.

All investment securities will be delivered by either book entry or physical delivery and will be held in third-party safekeeping by a City approved custodian bank, its correspondent bank or its Depository Trust Company (DTC) participant account.

The City's custodian shall be required to furnish the City a list of holdings on at least a monthly basis and safekeeping receipts or customer confirmations shall be issued for each transaction.

XIII. PORTFOLIO PERFORMANCE

The investment portfolio shall be designed to attain a market rate of return throughout budgetary and economic cycles, taking into account prevailing market conditions, risk constraints for eligible securities, and cash flow requirements. The performance of the investment portfolio shall be compared to a benchmark with a duration similar to the City's portfolio duration target.

XIV. INTERNAL CONTROL

The Finance Director will establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures.

XV. REPORTING

Quarterly, the Finance Director and the Finance Committee shall submit to the City Manager and the City Council a report of the investment earnings and performance results of the City's investment portfolio. The report shall include the following information:

1. Investment type, issuer, date of maturity, par value and dollar amount invested in all securities, and investments and monies held by the City;
2. The weighted average maturity of the investment portfolio;
3. A description of investments that are under the management of contracted parties;
4. A market value as of the date of the report and the source of the valuation;
5. A statement of compliance with this Investment Policy or an explanation of non-compliance; and
6. A statement of the City's ability to meet expenditure requirements for the following six months or an explanation of why sufficient funds may not be available.

XVI. POLICY REVIEW

This Investment Policy shall be adopted by resolution of the City Council. It shall be reviewed at least annually by the Finance Director and the Finance Committee to ensure it remains consistent with the City's investment objectives, current law and economic trends. Any revisions to this Investment Policy must be approved by the City Council.

GLOSSARY OF CALIFORNIA GOVERNMENT CODE

The glossary below briefly defines each section of the California Government Code that is referenced in the City's policy and in the order in which they are cited. The City Council, on October 18, 2011, adopted Ordinance No. 11-09 transferring all statutory duties and responsibilities of the City Treasurer (with the exception of countersigning warrants and serving on the Finance Committee) which had not been previously transferred to the County, the City Manager or the Finance Director, to the City Clerk. The Investment Policy delegates responsibility for the daily management of the investment portfolio to the Finance Director and Assistant Finance Director.

Sections 53600 – 53609 are collectively referred to as Article I: Investment of Surplus

53600: Defines the term “local agency”.

53600.3: Describes the standard of prudence in California for authorized persons.

53600.5: Defines the prudent investor standard.

53600.6: Declares that the deposit and investment of public funds by local officials and agencies is an issue of statewide concern.

53601: Provides details for types of permitted securities for the investment of public funds.

53601.1: Gives authority for investing in financial futures or financial option contracts.

53601.2: Defines “corporation” to include a limited liability company.

53601.5: Restricts investment purchases to be from authorized issuers and institutions.

53601.6: Restricts agencies from purchasing inverse floaters, range notes, or mortgage-derived, interest-only strips.

53601.8: Outlines the parameters under which a local agency may invest surplus funds in certificates of deposit.

53602: Lists the various types of indebtedness in which a legislative body is permitted to invest.

53603: Dictates how a legislative body may make a direct issue investment.

53604: Allows the legislative body authority to sell or exchange and then reinvest the proceeds of securities that have been purchased.

53605: Gives the legislative body to sell securities so that proceeds may be applied to the purposes for which the original purchase money was placed.

53606: Allows purchased bonds which were issued by the purchaser to be cancelled.

53607: Delegates authority to invest or reinvest funds of a local agency to the Treasurer for a one-year period.

53608: Defines the terms of safekeeping with a federal or state association.

53609: Outlines the ways in which deferred portions of an employee's compensation may be invested.

Sections 53630 – 53686 are collectively referred to as Article 2: Deposit of Funds

53630: Defines the following terms: local agency, Treasurer, depositor, agent of depository, security, pooled securities, administrator, savings association or federal association, federally insured industrial loan company, and corporation.

53630.1: Declares that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern.

53630.5: Defines depositories.

53631: Describes conditions established by the legislative body under which the Treasurer of a local agency may establish accounts at banks and deposit money in those accounts.

53632: Outlines the three classes of deposits.

53632.5: Outlines the three classes of security for deposits.

53633: States that the Treasurer shall determine the amount of money to be deposited as inactive, active, and interest-bearing active deposits.

53634: Defines the circumstances under which the Treasurer may place money in active deposits.

53635: Recognizes the distinct characteristics of investment pools.

53635.2: States that all money belonging to or in the custody of a local agency shall be deposited for safekeeping in state or national banks, savings associations, federal associations, credit unions, or federally insured industrial loan companies in California and selected by the Treasurer.

53635.7: Mandates that the legislative body shall discuss, consider, and deliberate each attempt to borrow \$100,000 or more.

53636: States that money so deposited is deemed to be in the treasury of the local agency.

53637: Requires that the money be deposited in the institutions approved in 53635.2 with the objective of realizing maximum return.

- 53638:** States that the deposit shall not exceed the shareholder's equity of any depository bank.
- 53639:** Expresses that the depository shall bear the expenses of transportation of money to and from the depository.
- 53640:** States that the depository shall handle, collect, and pay all checks, drafts, and other exchange without cost to the local agency.
- 53641:** Requires the Treasurer to take and preserve a receipt, certificate of deposit, or other evidence of depository when money is deposited in a depository.
- 53642:** Enables the money deposited to be drawn out by check or order of the Treasurer.
- 53643:** Allows the Treasurer to deposit any part of the money as agreed upon between the Treasurer and the depository.
- 53644:** Outlines the options allowed if an agreement is not made as provided for in 53643.
- 53646:** Discusses requirements of a local agencies investment policy and investment reports.
- 53647:** States how interest on deposited money shall be paid.
- 53647.5:** Provides that interest earned on bail money deposited in a bank account shall be allocated for the support of the courts in that county.
- 53648:** Regards the payment of interest of public moneys.
- 53648.5:** Provides for the conditions under which a depository may be terminated.
- 53469:** Allows the Treasurer to be responsible for the safekeeping of money.
- 53651:** Defines eligible securities.
- 53651.2:** Defines the provision with which a promissory note shall comply.
- 53651.4:** Outlines the requirements of reports that depositories using eligible securities shall file.
- 53651.6:** Lists the requirements of letters of credit for eligible securities.
- 53652:** Outlines the collateral required to secure active and inactive deposits.
- 53653:** Provides the conditions under which the Treasurer may waive security for a portion of deposits.

- 53654:** Delineates the circumstances under which the depository may add or substitute securities in a pool.
- 53655:** Defines the effect that the placement of securities by a depository with an agent of depository shall have.
- 53656:** Defines how the Treasurer shall enter into a contract with a depository.
- 53657:** Defines who shall act as an agent of depositories.
- 53658:** Outlines how an agent of a depository shall hold and pool securities.
- 53659:** Allows for an agent of depository that accepts securities to place such securities for safekeeping.
- 53660:** Outlines the information that the Treasurer shall provide when deposits of a local agency are secured by pooled securities.
- 53661:** Defines the responsibilities of the Commissioner of Financial Institutions.
- 53663:** Defines the information that an agent of depository shall report in writing to the administrator after a withdrawal, substitution, or addition or pooled securities.
- 53664:** States that the individual reports specified in Sections 53654, 53660, 53661, and 53663 are not public documents.
- 53666:** Stipulates that the only liability that shall attach to the administrator as the result of the operation of this article is that which would attach as a result of other laws of this state.
- 53667:** Discusses the expenses incurred by the administrator in conjunction with carrying out the duties and responsibilities assigned to the administrator.
- 53669:** States that the Treasurer or other authorized official is not responsible for money while it is deposited pursuant to this article.
- 53676:** States that the Treasurer is not responsible for securities delivered to and receipted for by any bank, savings and loan association, credit union, federally insured industrial loan company, or trust company.
- 53678:** Calls for the charges for the handling and safekeeping of any such securities not to be charged against the Treasurer but to be paid for by the depository owning the securities.
- 53679:** States how money belonging to a local agency under control of any of its officers shall be deposited.

53680: Mandates that any tax collector of a local agency shall immediately deposit with the Treasurer all money under his control, unless otherwise states.

53681: Stipulates that an officer of a local agency who deposits money belonging to a local agency in a manner other than prescribed in this article is subject to forfeiture of his office.

53682: Specifies contract requirements for monies being deposited.

53683: States how the consideration payable by the agency shall be paid by the Treasurer.

53684: Outlines how the Treasurer may deposit excess funds in investment pools.

53686: Discusses audits and reports related to the investment of local agency funds.

5903(e): States how the proceeds of bonds may be invested.

16429.1: Pertains to general requirements on how and where public money may be invested.

25210: Outlines the requirements of approved broker/dealers.

GFOA's GLOSSARY OF CASH MANAGEMENT TERMS

Accrued Interest - The accumulated interest due on a bond as of the last interest payment made by the issuer.

Agency - A debt security issued by a federal or federally sponsored agency. Federal agencies are backed by the full faith and credit of the U.S. Government. Federally sponsored agencies (FSAs) are backed by each particular agency with a market perception that there is an implicit government guarantee. An example of federal agency is the Government National Mortgage Association (GNMA). An example of a FSA is the Federal National Mortgage Association (FNMA).

Amortization - The systematic reduction of the amount owed on a debt issue through periodic payments of principal.

Average Life - The average length of time that an issue of serial bonds and/or term bonds with a mandatory sinking fund feature is expected to be outstanding.

Basis Point - A unit of measurement used in the valuation of fixed-income securities equal to 1/100 of 1 percent of yield, e.g., "1/4" of 1 percent is equal to 25 basis points.

Bid - The indicated price at which a buyer is willing to purchase a security or commodity.

Book Value - The value at which a security is carried on the inventory lists or other financial records of an investor. The book value may differ significantly from the security's current value in the market.

Callable Bond - A bond issue in which all or part of its outstanding principal amount may be redeemed before maturity by the issuer under specified conditions.

Call Price - The price at which an issuer may redeem a bond prior to maturity. The price is usually at a slight premium to the bond's original issue price to compensate the holder for loss of income and ownership.

Call Risk - The risk to a bondholder that a bond may be redeemed prior to maturity.

Cash Sale/Purchase - A transaction which calls for delivery and payment of securities on the same day that the transaction is initiated.

Collateralization - Process by which a borrower pledges securities, property, or other deposits for the purpose of securing the repayment of a loan and/or security.

Commercial Paper - An unsecured short-term promissory note issued by corporations, with maturities ranging from 2 to 270 days.

Convexity - A measure of a bond's price sensitivity to changing interest rates. A high convexity indicates greater sensitivity of a bond's price to interest rate changes.

Coupon Rate - The annual rate of interest received by an investor from the issuer of certain types of fixed-income securities. Also known as the "interest rate." **Credit Quality** - The measurement of the financial strength of a bond issuer. This measurement helps an investor to understand an issuer's ability to make timely interest payments and repay the loan principal upon maturity. Generally, the higher the credit quality of a bond issuer, the lower the interest rate paid by the issuer because the risk of default is lower. Credit quality ratings are provided by nationally recognized rating agencies.

Credit Risk - The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.

Current Yield (Current Return) - A yield calculation determined by dividing the annual interest received on a security by the current market price of that security.

Delivery Versus Payment (DVP) - A type of securities transaction in which the purchaser pays for the securities when they are delivered either to the purchaser or his/her custodian.

Derivative Security - Financial instrument created from, or whose value depends upon, one or more underlying assets or indexes of asset values.

Discount - The amount by which the par value of a security exceeds the price paid for the security.

Diversification - A process of investing assets among a range of security types by sector, maturity, and quality **rating**.

Duration - A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security. This calculation is based on three variables: term to maturity, coupon rate, and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

Fair Value - The amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Federal Funds (Fed Funds) - Funds placed in Federal Reserve banks by depository institutions in excess of current reserve requirements. These depository institutions may lend fed funds to each other overnight or on a longer basis. They may also transfer funds among each other on a same-day basis through the Federal Reserve banking system. Fed funds are considered to be immediately available funds.

Federal Funds Rate - Interest rate charged by one institution lending federal funds to the other.

Government Securities - An obligation of the U.S. government, backed by the full faith and credit of the government. These securities are regarded as the highest quality of investment securities available in the U.S. securities market. See "Treasury Bills, Notes, and Bonds."

Interest Rate - See "Coupon Rate."

Interest Rate Risk - The risk associated with declines or rises in interest rates which cause an investment in a fixed-income security to increase or decrease in value.

Internal Controls - An internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that 1) the cost of a control should not exceed the benefits likely to be derived and 2) the valuation of costs and benefits requires estimates and judgments by management. Internal controls should address the following points:

1. **Control of collusion** - Collusion is a situation where two or more employees are working in conjunction to defraud their employer.
2. **Separation of transaction authority from accounting and record keeping** - By separating the person who authorizes or performs the transaction from the people who record or otherwise account for the transaction, a separation of duties is achieved.
3. **Custodial safekeeping** - Securities purchased from any bank or dealer including appropriate collateral (as defined by state law) shall be placed with an independent third party for custodial safekeeping.
4. **Avoidance of physical delivery securities** - Book-entry securities are much easier to transfer and account for since actual delivery of a document never takes place. Delivered securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with physically delivered securities.
5. **Clear delegation of authority to subordinate staff members** - Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid improper actions. Clear delegation of authority also preserves the internal control structure that is contingent on the various staff positions and their respective responsibilities.
6. **Written confirmation of transactions for investments and wire transfers** - Due to the potential for error and improprieties arising from telephone and electronic transactions, all transactions should be supported by written communications and approved by the appropriate person. Written communications may be via fax if on letterhead and if the safekeeping institution has a list of authorized signatures.
7. **Development of a wire transfer agreement with the lead bank and third-party custodian** - The designated official should ensure that an agreement will be entered into and will address the following points: controls, security provisions, and responsibilities of each party making and receiving wire transfers.

Inverted Yield Curve - A chart formation that illustrates long-term securities having lower yields than short-term securities. This configuration usually occurs during periods of high inflation coupled with low levels of confidence in the economy and a restrictive monetary policy.

Investment Company Act of 1940- Federal legislation which sets the standards by which investment companies, such as mutual funds, are regulated in the areas of advertising, promotion, performance reporting requirements, and securities valuations.

Investment Policy - A concise and clear statement of the objectives and parameters formulated by an investor or investment manager for a portfolio of investment securities.

Investment-grade Obligations - An investment instrument suitable for purchase by institutional investors under the prudent person rule. Investment-grade is restricted to those obligations rated BBB or higher by a rating agency.

Liquidity - An asset that can be converted easily and quickly into cash.

Local Government Investment Pool (LGIP) - An investment by local governments in which their money is pooled as a method for managing local funds.

Mark-to-market - The process whereby the book value or collateral value of a security is adjusted to reflect its current market value.

Market Risk - The risk that the value of a security will rise or decline as a result of changes in market conditions.

Market Value - Current market price of a security.

Maturity - The date on which payment of a financial obligation is due. The final stated maturity is the date on which the issuer must retire a bond and pay the face value to the bondholder. See "Weighted Average Maturity."

Money Market Mutual Fund - Mutual funds that invest solely in money market instruments (short-term debt instruments, such as Treasury bills, commercial paper, bankers' acceptances, repos and federal funds).

Mutual Fund - An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments. Mutual funds are regulated by the Investment Company Act of 1940 and must abide by the following Securities and Exchange Commission (SEC) disclosure guidelines:

1. Report standardized performance calculations.
2. Disseminate timely and accurate information regarding the fund's holdings, performance, management and general investment policy.
3. Have the fund's investment policies and activities supervised by a board of trustees, which are independent of the adviser, administrator or other vendor of the fund.
4. Maintain the daily liquidity of the fund's shares.
5. Value their portfolios on a daily basis.
6. Have all individuals who sells SEC-registered products licensed with a self-regulating organization (SRO) such as the National Association of Securities Dealers (NASD).
7. Have an investment policy governed by a prospectus which is updated and filed by the SEC annually.

Mutual Fund Statistical Services - Companies that track and rate mutual funds, e.g., IBC/Donoghue, Lipper Analytical Services, and Morningstar.

National Association of Securities Dealers (NASD) - A self-regulatory organization (SRO) of brokers and dealers in the over-the-counter securities business. Its regulatory mandate includes authority over firms that distribute mutual fund shares as well as other securities.

Net Asset Value - The market value of one share of an investment company, such as a mutual fund. This figure is calculated by totaling a fund's assets which includes securities, cash, and any accrued earnings, subtracting this from the fund's liabilities and dividing this total by the number of shares outstanding. This is calculated once a day based on the closing price for each security in the fund's portfolio. (See below.) $[(\text{Total assets}) - (\text{Liabilities})]/(\text{Number of shares outstanding})$

No Load Fund - A mutual fund which does not levy a sales charge on the purchase of its shares.

Nominal Yield - The stated rate of interest that a bond pays its current owner, based on par value of the security. It is also known as the "coupon," "coupon rate," or "interest rate."

Offer - An indicated price at which market participants are willing to sell a security or commodity. Also referred to as the "Ask price."

Par - Face value or principal value of a bond, typically \$1,000 per bond.

Positive Yield Curve - A chart formation that illustrates short-term securities having lower yields than long-term securities.

Premium - The amount by which the price paid for a security exceeds the security's par value.

Prime Rate - A preferred interest rate charged by commercial banks to their most creditworthy customers. Many interest rates are keyed to this rate.

Principal - The face value or par value of a debt instrument. Also may refer to the amount of capital invested in a given security.

Prospectus - A legal document that must be provided to any prospective purchaser of a new securities offering registered with the SEC. This can include information on the issuer, the issuer's business, the proposed use of proceeds, the experience of the issuer's management, and certain certified financial statements.

Prudent Investor Standard - An investment standard outlining the fiduciary responsibilities of public funds investors relating to investment practices.

Regular Way Delivery - Securities settlement that calls for delivery and payment on the third business day following the trade date (T+3); payment on a T+1 basis is currently under consideration. Mutual funds are settled on a same day basis; government securities are settled on the next business day.

Reinvestment Risk - The risk that a fixed-income investor will be unable to reinvest income proceeds from a security holding at the same rate of return currently generated by that holding.

Repurchase Agreement (repo or RP) - An agreement of one party to sell securities at a specified price to a second party and a simultaneous agreement of the first party to repurchase the securities at a specified price or at a specified later date.

Reverse Repurchase Agreement (Reverse Repo) - An agreement of one party to purchase securities at a specified price from a second party and a simultaneous agreement by the first party to resell the securities at a specified price to the second party on demand or at a specified date.

Rule 2a-7 of the Investment Company Act - Applies to all money market mutual funds and mandates such funds to maintain certain standards, including a 13- month maturity limit and a 90-day average maturity on investments, to help maintain a constant net asset value of one dollar (\$1.00).

Safekeeping - Holding of assets (e.g., securities) by a financial institution.

Serial Bond - A bond issue, usually of a municipality, with various maturity dates scheduled at regular intervals until the entire issue is retired.

Sinking Fund - Money accumulated on a regular basis in a separate custodial account that is used to redeem debt securities or preferred stock issues.

Swap - Trading one asset for another.

Term Bond - Bonds comprising a large part or all of a particular issue which come due in a single maturity. The issuer usually agrees to make periodic payments into a sinking fund for mandatory redemption of term bonds before maturity.

Total Return - The sum of all investment income plus changes in the capital value of the portfolio. For mutual funds, return on an investment is composed of share price appreciation plus any realized dividends or capital gains. This is calculated by taking the following components during a certain time period. $(\text{Price Appreciation}) + (\text{Dividends paid}) + (\text{Capital gains}) = \text{Total Return}$

Treasury Bills - Short-term U.S. government non-interest bearing debt securities with maturities of no longer than one year and issued in minimum denominations of \$10,000. Auctions of three- and six-month bills are weekly, while auctions of one-year bills are monthly. The yields on these bills are monitored closely in the money markets for signs of interest rate trends.

Treasury Notes - Intermediate U.S. government debt securities with maturities of one to 10 years and issued in denominations ranging from \$1,000 to \$1 million or more.

Treasury Bonds - Long-term U.S. government debt securities with maturities of ten years or longer and issued in minimum denominations of \$1,000. Currently, the longest outstanding maturity for such securities is 30 years.

Uniform Net Capital Rule - SEC Rule 15C3-1 outlining capital requirements for broker/dealers.

Volatility - A degree of fluctuation in the price and valuation of securities.

"Volatility Risk" Rating - A rating system to clearly indicate the level of volatility and other non-credit risks associated with securities and certain bond funds. The ratings for bond funds range from those that have extremely low sensitivity to changing market conditions and offer the greatest stability of the returns ("aaa" by S&P; "V-1" by Fitch) to those that are highly sensitive with currently identifiable market volatility risk ("ccc-" by S&P, "V-10" by Fitch).

Weighted Average Maturity (WAM) - The average maturity of all the securities that comprise a portfolio. According to SEC rule 2a-7, the WAM for SEC registered money market mutual funds may not exceed 90 days and no one security may have a maturity that exceeds 397 days.

When Issued (WI) - A conditional transaction in which an authorized new security has not been issued. All "when issued" transactions are settled when the actual security is issued.

Yield - The current rate of return on an investment security generally expressed as a percentage of the security's current price.

Yield-to-call (YTC) - The rate of return an investor earns from a bond assuming the bond is redeemed (called) prior to its nominal maturity date. **Yield Curve** - A graphic representation that depicts the relationship at a given point in time between yields and maturity for bonds that are identical in every way except maturity. A normal yield curve may be alternatively referred to as a positive yield curve.

Yield-to-maturity - The rate of return yielded by a debt security held to maturity when both interest payments and the investor's potential capital gain or loss are included in the calculation of return.

Zero-coupon Securities - Security that is issued at a discount and makes no periodic interest payments. The rate of return consists of a gradual accretion of the principal of the security and is payable at par upon maturity.

This glossary has been adapted from an article, entitled "Investment terms for everyday use," that appeared in the April 5, 1996, issue of Public Investor, GFOA's subscription investment newsletter.

**AGENDA ITEM
CITY COUNCIL MEETING DATE - MAY 21, 2013
BUSINESS ITEMS**

DATE : May 15, 2013
TO : City Manager
FROM : Public Works Director
SUBJECT : **ACCEPTANCE OF DOWNTOWN INTERMODAL FACILITIES PROJECT**

RECOMMENDATION:

Adopt a resolution accepting the Downtown Intermodal Facilities Project as complete, including Contract Change Order Nos. 1 - 30, approving Contract Change Order Nos. 19 - 30 for \$63,118, 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:

The Downtown Intermodal Facilities Project improved pedestrian, bicycle, automobile, and transit facilities in the vicinity of First Street and Military West and beautified the area. This project and the Western Gateway Intermodal, which will be constructed later this season, are fully funded through a \$3 million Regional Measure 2 grant from the Metropolitan Transportation Commission. Acceptance of the project is necessary to make final payment to the contractor.

BUDGET INFORMATION:

The budget for the \$3 million Regional Measure 2 (RM2) grant is outlined below:

Grant Budget (Acct# 048-3148-7532)

Approved Budget (FY 2010/11, 2011/12, 2012/13)

Regional Measure 2 Grant **\$3,000,000**

Grant Expenditures (Acct# 048-3148-9766)

Environmental Review & Conceptual Design\$92,000
(Completed by Kimley-Horn in FY 2010/11)

Final Design¹\$431,000
(Completed by Kimley-Horn in FY 2010/11, 2011/12)

¹ The consulting contract with Kimley-Horn for final design and construction management for \$570,000 was approved by Council on January 18, 2011.

Construction Management.....\$139,000
(Kimley-Horn in FY 2012/13)

Downtown Intermodal Facilities Project

Construction Contract (Approved by Council May 1, 2012)\$1,012,701
Contract Change Order (CCO) Nos.1-3..... \$131,960
(Approved by City Council October 2, 2012)
CCO Nos. 4-18 (Staff Approved)\$48,182
CCO Nos. 19-30 (**This Request**)\$63,118
Total Downtown Intermodal Facilities Project\$1,255,961

Western Gateway Intermodal Facilities Project ²

Construction Cost Estimate (Includes 10% Contingency)\$900,000

Total Projected Expenditures..... **\$2,817,961**

Projected Grant Fund Balance

\$3M Grant - \$2,798,955 Projected Expenditures **\$182,039**

Funding for the \$3 million grant is generated from bridge tolls in the Bay Area, which people pay when commuting or otherwise traveling over the Benicia-Martinez and Carquinez Bridges into Contra Costa County. The intermodal facilities provide many co-benefits to the community, in addition to improving transit facilities. Any unspent grant monies will be reprogrammed and spent in other communities.

As part of this City Council action, it is recommended that Change Order Nos. 19 – 30, in the amount of \$63,118 as summarized in Exhibit A, be approved. These change orders will compensate the contractor for field modifications that were needed to construct the Downtown Intermodal Facilities Project in accordance with the intent of the plans and engineering standards. There is currently a projected \$182,000 budget surplus for the Downtown and Western Gateway Intermodal Facilities projects.

GENERAL PLAN:

Relevant General Plan Goals and Policies include:

- Overarching Goal of the General Plan: Sustainability
- Goal 2.17: Provide an efficient, reliable, and convenient transit system

² The Western Gateway construction contract will be brought to City Council after the final design has been completed and bids for the project have been received, which is tentatively scheduled for July 16, 2013.

- Goal 2.20: Provide a balanced street system to serve automobiles, pedestrians, bicycles, and transit
- Goal 2.28: Improve and maintain public facilities and services

STRATEGIC PLAN:

Relevant Strategic Plan Issue and Strategies include:

- Strategic Issue #2: Protecting and Enhancing the Environment
 - Protect air quality/Pursue multiple mass transit opportunities
- Strategic Issue #4: Preserving and Enhancing Infrastructure
 - Strategy #1: Provide safe, functional, and complete streets
 - Strategy #2: Increase use of mass transit/Design and construct the Downtown Intermodal Facilities Project

ENVIRONMENTAL REVIEW:

This project is Categorical Exempt per CEQA Section 15301(c). The project consists of a minor alteration of public facilities within the existing street right-of-way.

BACKGROUND:

On May 1, 2012, City Council awarded a construction contract to Carone & Company of Concord, California, for the Downtown Intermodal Facilities Project. Carone & Company has now completed the project to the satisfaction of the City Engineer at a final construction cost of \$1,255,961, which is fully funded from a \$3 million RM2 grant from MTC. It is recommended Council accept the project as complete at this time so that final payment can be made to Carone & Company.

This project constructed improvements to the existing bus stops on Military West just west of First Street including bus pullouts, widened sidewalks, and larger shelters. The project also constructed many other transit oriented improvements that have co-benefits to the community including enhanced pedestrian facilities on First Street, at the intersections of Military West and West K Streets, and an in-street lighted crosswalk at Military West and West 2nd; a new traffic signal at Military and First Street that includes electronic pedestrian crossing warning signs; new asphalt resurfacing within the limits of the project; extensive landscaping; safety lighting throughout the park; and the Benicia blue branding theme that creates a gateway to Main Street.

Final design for the Western Gateway Intermodal Facilities Project is nearing completion. That project is scheduled to be out to bid in June and brought to Council on July 18 for award of the construction contract. The Western

Gateway Project is anticipated to yield similar benefits as the Downtown Intermodal Project and will complete the remaining items on this project, including installing the remaining parking T's around City Park and the stamped, colored concrete at the intersection of Military & First Street, which were not installed due to cold, inclement weather at the time.

Attachments:

- Proposed Resolution
- Exhibit A
- Notice of Completion
- Downtown Intermodal Project Photographs

RESOLUTION NO. 13-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA ACCEPTING THE DOWNTOWN INTERMODAL FACILITIES PROJECT AS COMPLETE INCLUDING CONTRACT CHANGE ORDER NOS. 1 - 30, APPROVING CONTRACT CHANGE ORDER NOS. 19 - 30 FOR \$63,118, 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. 12-50, the City Council awarded the contract for the Downtown Intermodal Facilities Project to Carone & Company of Concord, California; and

WHEREAS, by Resolution No. 12-125, City Council approved Contract Change Orders (CCO) Nos. 1 - 3; City staff approved CCO Nos. 4 - 18; and CCO Nos. 19 - 30 for \$63,118 (as shown on Exhibit A) were needed to construct the project in accordance with the intent of the plans and engineering standards; and

WHEREAS, Carone & Company 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 \$1,255,961, including CCO Nos. 1 – 30; and

WHEREAS, the Downtown Intermodal Facilities Project is fully funded with a \$3 million Regional Measure 2 Grant from the Metropolitan Transportation Commission; 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 the Downtown Intermodal Project as complete including CCO Nos. 1 - 30 (as shown on Exhibit A) for a final construction cost of \$1,255,961.

BE IT FURTHER RESOLVED that the City Council hereby approves CCO Nos. 19 - 30 for \$63,118.

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 Council Member _____, seconded by Council Member _____, the above Resolution was introduced and passed by the City Council of the City of Benicia at a regular meeting of said Council held on the 21st day of May, 2013, and adopted by the following vote:

Ayes:

Noes:

Absent:

Elizabeth Patterson, Mayor

Attest:

Lisa Wolfe, City Clerk

EXHIBIT A
BENICIA DOWNTOWN INTERMODAL FACILITIES PROJECT¹
CONTRACT CHANGE ORDER (C.C.O.) SUMMARY

C.C.O. No.	DESCRIPTION	AMOUNT
1	Add 1 Street Light and 8 Pedestrian Lights (Approved by Council 10/2/12)	\$85,050.00
2	Vehicle Detection Cameras for New Traffic Signal (Approved by Council 10/2/12)	\$16,249.80
3	2 Bus Shelters (Approved by Council 10/2/12)	\$30,659.29
4	Demolish Additional Curb & Gutter (Staff Approved)	\$1,891.93
5	Traffic Control for Surveyors (Staff Approved)	\$1,728.75
6	Wayfinding Signs and Artistic Rendering Sign (Staff Approved)	\$530.33
7	Additional Base Rock under New Sidewalk to Solano Square (Staff Approved)	\$647.22
8	Lower Fiber Optic Line in Pork Chop Island (Staff Approved)	\$6,070.51
9	Field Modify Bulb-Out at First & K (Staff Approved)	\$2,200.16
10	Remove Tree in Proposed First St. Sidewalk (Staff Approved)	\$928.13
11	Field Adjustments for Pedestrian Facilities - Sidewalks & Ramps (Staff Approved)	\$4,148.73
12	Additional Cutback, Demo, & Backfill for Sidewalk and Ramps, Artistic Rendering Signs (Staff Approved)	\$5,159.28
13	Additional Sawcutting for Redesign of Porkchop Island, Remove Right Turn Only Sign (Staff Approved)	\$2,479.78
14	Remove Temporary Crosswalk (Staff Approved)	\$197.23
15	Adjust Valve Covers and Change Temporary Striping (Staff Approved)	\$3,385.25
16	Final Striping Modifications (Staff Approved)	\$4,906.42
17	New Pullboxes for Streetlights (Staff Approved)	\$3,638.04
18	Additional Electrical Work - Temporary Signal Pole, Relocate Push Button, Trenching (Staff Approved)	\$10,270.73
19	Pork Chop Island Redesign - Demo & Patch Pave (<i>This Request</i>)	\$2,700.68
20	Sidewalk Bricks on First Street (<i>This Request</i>)	\$36,702.37
21	Solano Square Irrigation System Repair (<i>This Request</i>)	\$446.38
22	Job Funding Signs (<i>This Request</i>)	\$220.00
23	Power & Communication Lines to Irrigation Controller (<i>This Request</i>)	\$6,024.85
24	Bus Shelter Removal (<i>This Request</i>)	\$2,126.02
25	Demo/Install Sidewalk to Veteran's Building (<i>This Request</i>)	\$1,926.06
26	Stamped Concrete Molds (<i>This Request</i>)	\$3,995.57
27	Modify Site Conditions to Match New Facilities (<i>This Request</i>)	\$3,138.14
28	Additional Mulch (<i>This Request</i>)	\$2,979.38
29	1 ft Wide Concrete Landscaping Strip (<i>This Request</i>)	\$1,333.00
30	Repair Crushed Sidewalk (<i>This Request</i>)	<u>\$1,525.70</u>
Note 1	C.C.O. Nos.19-30 Total (<i>This Request</i>) =	\$63,118.15
	Total C.C.O. =	\$243,259.73

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:

First Street and Military West, 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 **Downtown Intermodal Facilities Project** within the property described was completed and accepted by the City Council of the City of Benicia on May 21, 2013.
3. The name of the contractor for such improvement was **Carone & Company 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

PROJECT PHOTOGRAPHS

Benicia Downtown Intermodal Facilities Project

MILITARY (BY THE FIRE STATION) LOOKING EAST



NORTHEAST CORNER OF MILITARY AND FIRST STREET LOOKING SOUTH



**SOUTHEAST CORNER OF FIRST STREET AND EAST K STREET
LOOKING NORTH**



**AGENDA ITEM
CITY COUNCIL MEETING DATE - MAY 21, 2013
BUSINESS ITEMS**

DATE : May 15, 2013
TO : City Council
FROM : City Manager
SUBJECT : **COUNCIL MEMBER STRAWBRIDGE REQUEST TO AGENDIZE AN
ITEM REGARDING THE TERMINATED BENICIA BUSINESS PARK
PROJECT**

RECOMMENDATION:

Consider Council Member Strawbridge's request to agendize this topic for a future City Council Meeting.

EXECUTIVE SUMMARY:

This is a request to discuss the Benicia Business Park Project, which was formally withdrawn by the applicant on June 29, 2010. Council Member Strawbridge believes this would be an opportune time to bring the full Council up-to-date with the prior project agreement and discuss what steps, if any, should be taken moving forward.

Attachments:

- Council Member Requested Agenda Item Form
- Letter from City of Benicia Community Development Director, Charlie Knox dated April 23, 2013
- Letter from West Coast Home Builders, Inc., dated April 19, 2013

COUNCIL MEMBER REQUESTED AGENDA ITEM

Requested by: Council member Christina Strawbridge

Desired Initial Council Meeting Date: May 21, 2013

Desired Date for Second Step or Policy Calendar Review: Soon as practical after adoption of City's FY 13-15 Budget

Deadline for Action, if any: N/A

Problem/Issue/Idea Name: Request to agendize a discussion of the terminated Benicia Business Park Project

Description of Problem/Issue/Idea: Due to the recent interest of West Coast Home Builders to pursue development of the 530-acre property located in northeast Benicia, I would like to request that the Council place on a future agenda discussion of the Benicia Business Park Project, which was formally withdrawn by the applicant on June 29, 2010. I feel this would be an opportune time to bring the full Council up to date with the prior project agreement and discuss what steps if any should be taken moving forward.

COUNCIL DIRECTION

- No Further Action
- Schedule for Second Step on _____
- Schedule for Policy Calendar Review on _____
- Refer to: Staff _____
 Commission _____
 Board _____
 Committee _____

Date Due: _____



THE CITY OF
BENICIA
CALIFORNIA

April 23, 2013

Louis Parsons
West Coast Home Builders
4061 Port Chicago Hwy, Suite H
Concord, CA 94520

Re: 528-acre Benicia Property

Dear Louis,

The purpose of this correspondence is to provide clarification in response to your April 19 letter to the Mayor and City Council.

As you and I discussed during the two meetings we've had since the prior application was withdrawn, City staff's role is to make sure that submitted applications are processed properly. We also are prepared when asked, as in this case by you, to discuss issues that could arise during review of an application.

Therefore, the statement in your letter that staff "is not interested in looking at amending the land use designations" is inaccurate since what you asked and I answered is how the Planning Commission and City Council might react to an almost entirely residential subdivision proposal for the property, which is zoned industrial and has general plan designations of industrial and commercial.

If it is the desire of West Coast Home Builders to amend the general plan and zoning designations for the subject property, the appropriate process would be for the property owner or agent to submit the required application. City staff will do our best to make sure that any application is processed as expeditiously as possible. Application forms, requirements and fees can be found on the City website at the Community Development Department / Planning Division page, or by contacting the Planning Division staff at (707) 746-4280.

Sincerely,

Charlie Knox
Community Development Director

cc: Mayor and Council
City Manager & City Attorney

WEST COAST HOME BUILDERS, INC.
4061 Port Chicago Highway Suite H• Concord, CA 94520
(925) 682-6419 • Fax (925) 689-2047

April 19, 2013

Via Hand Delivery

Honorable Mayor Patterson and
Members of the City Council
City of Benicia
250 East L Street
Benicia, CA 94510

Re: Conceptual Master Land Use Site Plan – Montclair Collection

Dear Mayor Patterson and Members of the City Council:

Since December of 2012, we have been participating in on-going discussions with Mr. Charlie Knox, the City's Director of Community Development about proceeding with an alternative land use plan for our approximately 530-acre property located in the northwest portion of the City. The alternative land plan is comprised primarily of residential uses. We met with Mr. Knox multiple times earlier this year and made amendments to our Conceptual Master Land Use Site Plan (the "Plan") based on feedback from him. Once we revised the Plan further, we requested a meeting with both Mr. Knox and the City Manager to go over our proposal.

On March 21, 2013 Mr. Knox contacted our office and indicated that, based on his discussion with the City Manager, City Staff was not interested in looking at amending the land use designations for this property. Furthermore, it was conveyed that City Staff wants to see land uses consistent with what was previously proposed and therefore, the City Manager did not want to meet with us on this proposed Plan. In light of the incredibly high and perpetual vacancy rate within the existing Benicia Industrial Park, we think it is a speculative and imprudent use of land to propose and develop more industrial property considering the industrial land currently available. In the 35 years we have owned this property, no outside interest for industrial uses has been shown. The existing Benicia Industrial Park is underutilized, needs improvements and does not need competition.

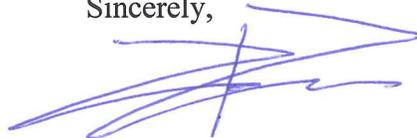
On March 6, 2013 the City Manager drafted a memo to the City Council and indicated that Benicia is a "built-out" city. We disagree with this assessment. This is an undeveloped, 530 acre piece of land contemplated for development and we've provided a Conceptual Plan. It is our understanding that property taxes are Benicia's largest single revenue stream (comprising 40% of the City's revenue). Of that amount, residential property values comprise over half of Benicia's property tax base. This project would bring substantial tax revenue to the City and would have

VIII.B.7

its own assessment districts to cover the costs of police and fire services as well as its own lighting and landscape maintenance district to cover all landscape maintenance costs. In addition, an assessment district and/or fees would cover impacts to schools.

Moving forward with this Plan would require amendments to the current General Plan and zoning. We request that the City Council agendaize this item for discussion and consider directing staff to move forward and take the next steps in processing the requisite land use amendments to accommodate this type of development proposal as depicted on our Plan. Otherwise, this property will continue to sit idle as we can no longer agree to proceed with an industrial site plan with the same conditions as previously required by the City on the application that was withdrawn. Thank you for your consideration.

Sincerely,



Louis Parsons
Senior Vice President

cc: Charlie Knox

**AGENDA ITEM
CITY COUNCIL MEETING: MAY 21, 2013
COUNCIL MEMBER COMMITTEE REPORTS**

DATE : May 13, 2013
TO : Mayor Patterson
FROM : City Manager
SUBJECT : **MAYORS' COMMITTEE MEETING**

The following information is provided for your committee report at the May 21, 2013 City Council meeting.

The Mayors' Committee meetings are held quarterly at 6:00 pm in Vallejo. The next meeting will be on June 19, 2013 and the location is TBD. The agenda for this meeting is not yet available.

AGENDA ITEM
CITY COUNCIL MEETING: MAY 21, 2013
COUNCIL MEMBER COMMITTEE REPORTS

DATE : May 8, 2013

TO : Mayor Patterson
Council Member Strawbridge

FROM : City Attorney 

SUBJECT : **ABAG COMMITTEE MEETING**

The following information is provided for your committee report at the May 21, 2013 council meeting:

- The Spring General Assembly was held at Jack London Square Pavilion on Thursday, April 18, 2013.
- The draft minutes for this meeting are not yet available.
- The date for the Fall Assembly has not been announced yet.

Attachment:

- Service Matters May-June 2013 Issue



Service Matters

Association of Bay Area Governments

May - June 2013 • Issue No. 124

Spring General Assembly Demonstrates Latest Planning for People and Places

More than 200 Bay Area elected officials, business and community leaders convened on April 18th in Oakland at the former Barnes and Noble building in Jack London Square for ABAG's Spring General Assembly and Business Meeting. This important regional forum *Planning for People and Places* featured keynote speaker Robert Reich, former U.S. Secretary of Labor and current UC Berkeley Chancellor's Professor of Public Policy, author Allan Jacobs, and panels of elected officials, planners, and business leaders who shared their expertise in jobs and housing trends, neighborhood architecture and design, and sustainable community development. The ABAG 2013-14 Budget and Work Program was approved during the Business Meeting and during the luncheon presentation, the 2013 Growing Smarter Together Awards were presented.



Robert Reich, former U.S. Secretary of Labor and UC Berkeley Chancellor's Professor of Public Policy

Robert Reich set the stage with his wry insightful assessment of the improving trends of people and jobs nationally and regionally. He noted that the dramatic increase of seniors over the next twenty years will have critical social impacts on housing needs and medical care, further affecting how communities design neighborhoods and create access to services. UC Berkeley Professor Emeritus Allan Jacobs, Author of *Great Streets* and *Making City Planning Work*, illustrated the physical and designable characteristics of what makes great streets and cities through a series of neighborhood and street place images. From Venice and Amsterdam to San Francisco, Chico and Pasadena, he delineated leisure walkability, physical comfort, a street's definition/right of way, transparency, and complementarity, qualities from clear street beginnings and endings to special design features and trees.

Moderated by City and County San Francisco Supervisor Eric Mar, the panel *Planning for People and Places* featured Bonnie Fisher, Principal, ROMA Design; David Baker, Principal, David Baker+Partners; and Michael Rios, Co-Author of *Placemaking in Latino Communities*, and UC Davis Associate Professor. This panel demonstrated placemaking in action, showcasing model

developments, sustainable affordable housing, outstanding urban design, the use of lost space, the restoration of natural ecosystems, the use of art in the public realm, the creation of social environments, and placemaking ways to achieve cultural competency and overcome "too much process, and not enough action." Examples of best practice public space planning included Santa Monica's Third Street Promenade, San Francisco's Pier 7 and 14, Suisun City waterfronts, and Union City's transit oriented development district around BART.



Allan Jacobs, UC Berkeley Professor Emeritus, and author of *Great Streets* and *Making City Planning Work*

Bay Area best practice case studies were the subject of the panel *Local Approaches to Placemaking*, moderated by American Canyon Councilmember Belia Ramos Bennett. Panelist Sonoma County Supervisor David Rabbitt captured the success of mixed use development in Petaluma, demonstrating how "Form-based" SmartCode Zoning produced mixed use walkable neighborhoods in Downtown Petaluma. Fremont Vice Mayor Anu Natarajan featured how the City is transforming 850 acres of vacant and underutilized land in South Fremont/Warm Springs into a 21st century jobs-focused transit-multi-use neighborhood, illustrating how an auto-oriented suburb can



(L-R): Laurel Prevetti, Assistant Planning Director, City of San Jose; David Rabbitt, Sonoma County Supervisor; Anu Natarajan, City of Fremont Vice Mayor, ABAG President Mark Luce, Napa County Supervisor

evolve into a sustainable, strategically urban modern city. Laurel Prevetti, San Jose Assistant Planning Director, illustrated best practice principles for

building great places by "using the right planning, engaging the community, leveraging financing options, partnering with regional entities, and sustaining political will."

Spring GA Continued on Page 2

In This Issue

Spring General Assembly	Pg. 1-2	Call for PCA Proposals—Information Workshops	Pg. 3
Growing Smarter Together Awards	Pg. 2	ABAG Bay Area Directory	Pg. 4
Estuary Partnership Awards New Grants	Pg. 3	Estuary Conference Save the Date Oct. 29-30	Pg. 4
New Bay Trail Maps Arrive	Pg. 3	Calendar of Events and Notable Numbers	Pg. 4

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ion of the Association of Bay Area Governments, the planning and services agency for the San Francisco Bay Area's nine counties and 101 cities.

Spring GA Continued from Page 1

Priority Development Area success stories were also featured in exhibits spaced throughout the former Barnes and Noble building which Oakland Mayor Jean Quan cited in her welcoming remarks as an example of Oakland's creative infill development and placemaking. In a special post General Assembly event, *Visual Tools for Neighborhood Planning workshop*, the City of San Francisco staff ran a simulation, using a computer-based tool that has successfully helped

citizens visualize the influence of planning policies on the future of their neighborhoods. Other post event offerings included Bay Trail tour of historic Jack London Square and local sustainable winery tours. Kaiser Permanente was recognized as a corporate sponsor helping underwrite conference costs. General Assembly presentations can be viewed online at www.abag.ca.gov.

Local Governments and Agencies Honored for Sustainability Projects

The Cities of El Cerrito and Dublin joined Santa Clara County and its Planning and Facilities and Fleet Departments in receiving ABAG's 2013 Growing Smarter Together Awards for their outstanding projects. Presented during ABAG's Spring General Assembly, the five 2013 awards highlighted innovative efforts in revitalization, planning, and sustainable energy that helped create complete healthy communities and promote conservation efforts protecting vital natural, scenic, and agricultural resource areas.

Urban Design Award to City of El Cerrito Recycling & Environmental Resource Center

El Cerrito's new innovative recycling-community education facility for residential waste reduction and recycling features zero net energy use, solar photovoltaic energy production, rainwater catchment, native landscaping and rain gardens, use of recycled steel, aluminum and wood materials, and educational signage.

Public Private Partnership Award to the County of Santa Clara & Stanford University

The milestone planning effort between the County and Stanford University/Palo Alto was designed to meet the county green building ordinance using an alternate means and equivalency process for LEED Silver credits.

Preserving and Protecting the Environment Award to the County of Santa Clara, Planning Department for the Santa Clara Valley Habitat Plan.

The Plan provides for the protection of approximately 50,000 acres of critical wildlife habitat in Santa Clara County over the next 50 years and is recognized as the largest multi-species Habitat Plan in Northern California and one of the largest regional multi-species plans in the Western United States benefiting more than 21 important plant and wildlife species.

Sharing the Benefits Award to the City of Dublin for Emerald Vista

The City of Dublin's Emerald Vista is a model development exemplifying community revitalization by turning the public housing

known as Arroyo Vista into a new neighborhood and avoiding displacement of past residents, while promoting a mixed income community with 188 units of affordable housing and 198 market rate town homes and single family homes, developed in partnership with Eden Housing and KB Home. The new community includes a community center, childcare center, active open space areas, and access to the regional trail along Alamo Creek.

Start it Up Award: County of Santa Clara, Facilities & Fleet Department

Santa Clara County Photovoltaic Project facilitated the installation of solar Photovoltaic systems at eight different County facilities, which will save the County \$18.8 million over the 25 year system lifetime and offset 100% for certain facilities' energy needs giving buildings "zero net energy" status. The project is a model for creating green communities and green energy jobs.

Video highlights of each project and past years' recipients can be viewed at www.abag.ca.gov/smarter.html.



(L-R Back Row): Nash Gonzalez, Santa Clara County Director, Department of Planning and Development; Gary Rudholm, Santa Clara County Senior Planner; Michael Alvarez, Santa Clara County Associate Plan Check Engineer; Rob Eastwood, Santa Clara County Principal Planner; Brad Vance, Santa Clara County Utility Analyst; Michael Harrison – Santa Clara County Building Official, Building Inspection Office; Mark Luce, ABAG President and Napa County Supervisor; (L-R Front Row): Kavitha Kumar – Stanford Planner, County Planning; Siva Darbhamulla, Santa Clara County Chief of Design Services, Capital Programs; Jeff Draper, Santa Clara County Facilities and Fleet Department Director; Lin Ortega, Santa Clara County Utility Engineer Program Manager; Julie Pierce, ABAG Vice President and City of Clayton Mayor; Don Biddle, City of Dublin Vice Mayor; Linda Mandolini, Eden Housing Executive Director; Melanie Mintz, City of El Cerrito Environmental Services Division Manager; Greg Lyman, City of El Cerrito Mayor.

Estuary Partnership Awards New Grants for Watershed Protection

Habitats and water quality around the Bay region will soon see improvements due to a new grant program. The Estuary Partnership recently awarded \$50,000 in grant funds to 11 non-profits and special districts for watershed education, preservation, and restoration programs throughout the Bay Area. This is the first round of awards for the Estuary Partnership's Watershed Program designed to build support for community-based watershed protection and to increase the capacity of Bay Area watersheds to adapt to climate change.

An award was granted to the **Tuolumne River Preservation Trust** for an extensive education program reaching up to 5,000 students in grades four through six and five community service projects in areas where the majority of drinking water comes from the Tuolumne. An award was granted to the **Friends of Sausal Creek's** project to support volunteer-led efforts at several restoration sites on Sausal Creek in Oakland. In Contra Costa County, a grant was awarded to the **Martinez Unified School District** for New Leaf Watershed Science Projects to support ecoliteracy projects, public engagement, and climate change awareness programs. The **Rheem Creek Watershed Project** was funded by the Estuary Partnership to support restoration of a creek located on the western border of WanLass Park in San Pablo.

In Marin County, the **Gallinas Watershed Council's** project will increase community-based watershed stewardship in the Gallinas Creek watershed in San Rafael and facilitate collaboration among watershed groups in the county. Grant funds will support family activities, hikes, bike tours, and creek cleanups. The **Greenwood School** in Larkspur will use grant funds to participate in an Earth Day Marin Festival called Climate Change Solutions put on by seventh and eighth graders. In Napa County, the **Napa County Flood Control and Water Conservation District** received funding for Building a Community Rain Garden and community Stormwater Awareness on the campus of Vintage High School, which is bordered by Salvador Creek in the Napa River watershed.



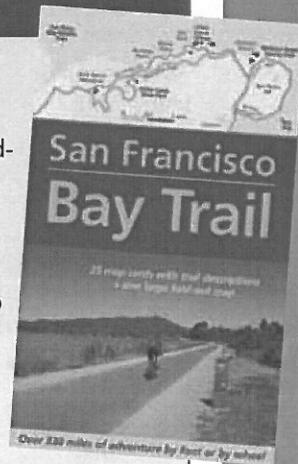
Pinole Creek

In Santa Clara County, the **Acterra** in Palo Alto received an award for Citizen Science for the Stevens and Permanente Creek watersheds to support monthly water quality monitoring, macroinvertebrate sampling, and education events. **Committee for Green Foothills** is holding a Permanente Creek Watershed Tour in Los Altos in May to highlight watershed management, habitat restoration, climate change impacts, and historical ecology. In Sonoma County, the **Friends of the Petaluma River** held a Petaluma River Cleanup on May 4th for trash scouting activities and coordination with local social service agencies. The **Solano Land Trust** received grant funds for a project that will support an intern to launch the California Phenology Project on properties owned by the Trust.

For more complete information on these projects, visit <http://www.sfestuary.org/small-grants-release>. The San Francisco Estuary Partnership, which is an ABAG program, is a coalition of resource agencies, non-profits, citizens, and scientists working to protect, restore, and enhance water quality and fish and wildlife habitat in and around the San Francisco Bay-Delta Estuary.

New Bay Trail Maps Arrive!

The San Francisco Bay Trail Project has updated and fully re-designed the nine-county Bay trail maps. Conveniently packaged in a colorful box, 25 four-by-seven-inch map cards and a large fold-out map are essential tools to discovering the San Francisco Bay Trail. A companion online and mobile phone application is available by visiting the Bay Trail website, www.baytrail.org developed so that hikers and walkers can call up the Bay Trail on a mobile device while enjoying a bike trip or a hike along the shoreline. These invaluable maps are available for purchase at www.baytrail.org for \$14.95. The maps were funded in part by the State Coastal Conservancy.



Call for Proposals for Plan Bay Area Priority Conservation Area Grant Program and Informational Workshops Offered

The State Coastal Conservancy (SCC), in cooperation with the Metropolitan Transportation Commission (MTC) and ABAG, has issued a call for proposals for the Priority Conservation Area Program. This pilot program focuses on the Priority Conservation Areas (PCAs) in Alameda, Contra Costa, San Francisco, San Mateo, and Santa Clara Counties. MTC has made \$5 million of federal funds available which will be combined with additional funding provided by SCC. Proposed projects should protect or enhance resource areas or habitats, provide or enhance bicycle and pedestrian access to open space/parkland resources, or support the agricultural economy of the region. Grant guidelines and call for proposals are located at <http://scc.ca.gov>. Public workshops are scheduled on May 20th in Mountain View and on May 23rd in Oakland to provide prospective applicants with an overview of the Plan Bay Area PCA Grant Program and to answer questions. For more information, go to <http://scc.ca.gov>. **Letters of Interest** are due from eligible applicants by July 19, 2013.

Mark Your Calendar!

MAY 2013

- May 10**
Bay Area Regional Prosperity Plan Steering Committee 12:00 PM
MetroCenter, Auditorium
- May 16**
Legislation & Governmental Organization Committee 3:30 PM
ABAG Conference Room B
- Finance & Personnel Committee** 5:00 PM
ABAG Conference Room B
- ABAG Executive Board**
MetroCenter, Auditorium 7:00 PM
- May 17**
ABAG/BAAQMD/MTC Joint Policy Committee
MetroCenter, Auditorium 10:00 AM
- May 22**
San Francisco Estuary Partnership Implementation Committee
Elihu M. Harris State Building, Room 10 9:30 AM

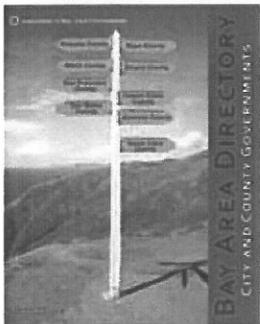
JUNE 2013

- June 6**
Regional Planning Committee Meeting 1:00 PM
MetroCenter, Auditorium
- June 13**
Bay Trail Steering Committee 1:30 PM
ABAG Conference Room B
- June 19**
ABAG POWER Executive Committee 12 NOON
ABAG Conference Room B
- June 28**
Water Trail Implementation Meeting 10:00 AM
State Coastal Conservancy
1330 Broadway, 11th Floor Conference Room, Oakland
- Special Date: July 18**
Joint ABAG Executive Board/MTC Meeting 6:30 PM
Site TBD

ABAG 2013 Bay Area Directory

ON SALE at:
www.abag.ca.gov
click Webstore or contact:
ABAG Publications
510-464-7900

Each jurisdiction has received a complimentary copy



SAVE THE DATE

20/20 Vision: Past Reflections, Future Directions

State of the San Francisco Estuary Conference

October 29-30, 2013

Oakland Marriott at City Center
1001 Broadway

(12th Street/City Center BART Station), Oakland

Mark Luce
ABAG President
Supervisor, Napa County

Julie Pierce
ABAG Vice President
Mayor, City of Clayton

Dave Cortese
ABAG Immediate Past President
Supervisor, Santa Clara County

Ezra Rapport
Secretary/Treasurer
Executive Director

Patricia M. Jones
Managing Editor

Halimah Anderson
Writer

Vicki Rutherford - Design and Production

Kathleen Cha
Editor/Writer

Leah Zippert
Writer

Notable Numbers

2013 Housing Trends

10%
Rise in Home Prices in 2013 is forecast nationally, with 8% next year.
(Stephen Kim, Barclays Analyst, Wall Street Journal)

37.5%
Rise of new single-family homes in the West, double the 18.5% recorded nationwide *(March 2013 Report, US Census)*

54%
New home sales in Western States were up in first quarter 2013, compared to first quarter 2012, with a rise of 19.6 % across all states. *(March 2013 Report, US Census)*

15-17%
Increase in housing units sold in Bay Area with a price appreciation of 4 to 9%. *(Pacific Union 2013 First Quarter Report)*

18,567
Mortgage default notices on California Homes were recorded by lenders in first quarter 2013, down 51% from previous quarter, 67% from first quarter 2012—the lowest number of default notices since 4th quarter 2005. *(DataQuick)*

74%
Decrease of Default Notices recorded in Napa County, followed by 72% decrease in Sonoma County, 70% decrease in Alameda and San Francisco Counties, 65% in Contra Costa County, and 58% in Marin County. *(Bay Area Mortgage Default Notices, DataQuick)*

AGENDA ITEM
CITY COUNCIL MEETING: MAY 21, 2013
COUNCIL MEMBER COMMITTEE REPORTS

DATE : May 10, 2013

TO : Council Member Campbell
Council Member Strawbridge

FROM : Acting Assistant City Manager

SUBJECT : **FINANCE COMMITTEE REPORT**

The following information is provided for your committee report at the May 21, 2013 Council meeting.

The last Finance Committee meeting was held on April 26, 2013; draft minutes for the meeting are attached for your review. The next meeting will be held on Friday, May 24, 2013 at 8:00 a.m. A copy of the draft agenda is also attached.

Attachment:

- April 26, 2013 Finance Committee Meeting Draft Minutes
- May 24, 2013 Finance Committee Draft Agenda

FINANCE COMMITTEE
****DRAFT** REGULAR MEETING MINUTES**
APRIL 26, 2013 – 8:00 AM

1. Call to Order at 8:00 AM

2. Roll Call

Attended by Chairperson Larry Grossman, Committee Members: Michael Clarke, Kathy Griffin and Lee Wines; Council Member Christina Strawbridge; City Treasurer H.R. Autz. Absent: Committee Member Chris Carvalho & Council Member Tom Campbell. Staff present: City Manager Brad Kilger, Finance Director Karan Reid, Finance Consultant Brenda Olwin, Assistant Finance Director Abigail Urrutia. Guest: Carlos Oblites from PFM Asset Management.

3. Pledge of Allegiance

4. Notice to the Public

5. Action Items

A. Approval of Agenda

On motion of Committee Member Wines, seconded by Vice-Chairperson Clarke, the Committee approved the Agenda on roll call by the following vote:

Ayes: Clarke, Griffin, Grossman, Wines

Noes: (None)

Abstain: (None)

B. Approval of Minutes from the meeting held on March 22, 2013

On motion of Vice-Chairperson Clarke, seconded by Committee Member Lee, the Committee approved the minutes of the March 22, 2013 meeting, on roll call by the following vote:

Ayes: Clarke, Griffin, Grossman, Wines

Noes: (None)

Abstain: (None)

C. Review December 31, 2012 and March 31, 2013 Investment Reports

Carlos Oblites of PFM Asset Management LLC made a presentation to the Committee on investments and reviewed investment strategies, benchmark and performance of the City's investments during the past two quarters; and responded to questions from the Committee.

On motion of Committee Member Wines, seconded by Committee Member Griffin, the Committee approved the reports and will be forwarded to the City Council, on roll call by the following vote:

Ayes: Clarke, Griffin, Grossman, Wines

Noes: (None)

Abstain: (None)

D. Annual Review and Update of Investment Policy

State law requires the City's Investment Policy be reviewed on an annual basis, and the last approved policy by the City Council was on May 15, 2012. Carlos Oblites of

PFM Asset Management LLC reviewed our existing policy and proposed changes which were presented in the meeting. The biggest change that was proposed was the recommendation of investing from an “AA” investment instrument to an “A” instrument. The reason being, there are less “AA” in the market, which diminishes investment opportunities for the City. “A” instruments are still attractive in the market and PFM will still practice due diligence when considering purchasing any investments.

Chairperson Grossman suggested forming a sub-committee with Committee Member Wines as one of the members to review the Investment Policy. Finance Director Reid informed the committee that due to time constraints, the policy has to be approved before the end of the fiscal year.

On motion of Committee Member Lee, seconded by Committee Member Griffin, with qualification by Chairperson Grossman on the change to an “A” investment instrument, having a sub-committee review such changes, the Committee approved the Investment Policy and will be forwarded to the City Council, on roll call by the following vote:

Ayes: Clarke, Griffin, Grossman, Wines
Noes: (None)
Abstain: (None)

E. Additional Items:
None.

6. Discussion Items

A. Review of Financial Report for the Month of March 2013

Finance Director Reid informed the committee that expenditures are slightly below budget and revenues are coming in as projected, and at the end of the year, the City will be at 19% of the reserves, with anticipated expenditure savings of \$350,000. The amended budget does not include budget adjustments presented and approved by Council in the April Council meeting.

B. Review Warrant Register for Month of March 2013

The Committee reviewed the warrant register for March 2013 – 4 questions were received prior to the meeting. Committee Member Wines inquired about City staff doing comparison pricing before any purchase is done, such as the field light bulbs purchase. Finance Director Reid informed Committee members that the City has purchasing agreements with certain local businesses and price comparison is conducted before purchases.

C. Review List of Future Agenda Items

Chairperson Grossman requested to add a sub-committee to review the Investment Policy; the Finance Committee’s work plan; an update on the two-year budget; and an update on the accounting system upgrade.

City Manager Kilger informed the Committee of the staffing situation in the Finance Department with the departure of Finance Director Reid and appointing Anne Cardwell as the interim overseer of the Finance Department. Brenda Olwin, a consultant, will be responsible mainly with the budget preparation. Admin Services

Director Cardwell informed the Committee of the accounting system upgrade. This is a significant change, not just an upgrade but a full implementation of the financial system with involvement of all City departments.

7. Public Comment

Treasurer Autz commented on increases of sales tax in cities statewide, except in Benicia. The Council at this time is not recommending any increases in taxes.

Dan Miceli thanked Finance Director Reid for her service with the City and wished her good luck in her future endeavors.

8. Committee Member Comments

None.

9. Adjournment

There being no further business, the meeting was adjourned at 10:13 a.m.

**FINANCE COMMITTEE
DRAFT REGULAR MEETING AGENDA
COMMISSION ROOM
MAY 24, 2013 - 8:00AM**

1. Call to Order

2. Roll Call

3. Pledge of Allegiance

4. Notice to the Public

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

5. ACTION ITEMS

A. Approval of Agenda

B. Approval of minutes for meeting held on April 26, 2013

C. Additional Items

6. DISCUSSION ITEMS

A. Review Financial Report for the Month of April 2013

The Finance Committee reviews monthly financial report. Committee Members are encouraged to review and provide any questions specific to the financial report to the Finance Director prior to the meeting.

B. Review Warrant Register for Month of April 2013

A monthly audit of payments to vendors that supply services to the City of Benicia. Members of the Finance Committee review the warrant register and request that further information be provided by staff as necessary. It is encouraged that Committee Members submit their questions to the Finance Director prior to the meeting.

C. Work Plan Development

The Finance Committee will review and update the work plan for the year.

D. Update on the Two-Year Budget

E. Update on the Accounting System Upgrade

7. Public Comment

8. Committee Member Comment

9. Adjournment

**AGENDA ITEM
CITY COUNCIL MEETING: MAY 21, 2013
COUNCIL MEMBER COMMITTEE REPORTS**

DATE : May 13, 2013

TO : Mayor Patterson
Vice Mayor Campbell

FROM : City Manager

SUBJECT : **LEAGUE OF CALIFORNIA CITIES**

The following information is provided for your committee report at the May 21, 2013 City Council meeting.

The next North Bay Division General Membership Meeting will be held on Wednesday, July 31, 2013 at Sonoma County.

**AGENDA ITEM
CITY COUNCIL MEETING: MAY 21, 2013
COUNCIL MEMBER COMMITTEE REPORTS**

DATE : May 13, 2013

TO : Council Member Strawbridge
Council Member Hughes

FROM : City Manager

SUBJECT : **CITY COUNCIL/SCHOOL BOARD LIAISON COMMITTEE**

The following information is provided for your committee report at the May 21, 2013 City Council meeting.

This committee meets quarterly at the Benicia Unified School District Board Room located at 350 East K Street. The next meeting will be Thursday, June 13, 2013 at 8:30 am at the BUSD Board Room. The agenda for that meeting is currently unavailable.

AGENDA ITEM
CITY COUNCIL MEETING: MAY 21, 2013
COUNCIL MEMBER COMMITTEE REPORTS

DATE : May 13, 2013

TO : Vice Mayor Campbell
Council Member Schwartzman

FROM : City Manager

SUBJECT : **SKY VALLEY OPEN SPACE COMMITTEE**

The following information is provided for your committee report at the May 21, 2013 Council meeting.

The Sky Valley Open Space Committee meets quarterly. The first meeting of 2013 (February 6) and second meeting (May 3) were cancelled due to a lack of agenda items. The next regularly scheduled meeting is August 7, 2013.

**AGENDA ITEM
CITY COUNCIL MEETING: MAY 21, 2013
COUNCIL MEMBER COMMITTEE REPORTS**

DATE : May 10, 2013

TO : Mayor Patterson
Council Member Strawbridge

FROM : City Manager

SUBJECT : **SOLANO EDC BOARD OF DIRECTORS**

The following information is provided for your committee report at the May 21, 2013 Council meeting.

The last Board of Directors meeting was held on Thursday, May 9, 2013. The agenda for that meeting is attached. The minutes are not yet available.

The next Board of Directors meeting is scheduled for Thursday, July 11, 2013 at 9:00 am at Jelly Belly Candy Company. The agenda for that meeting is not yet available.

Attachment:

- Agenda for May 9, 2013

Solano EDC
Board of Directors Meeting
Thursday, May 09, 2013
Jelly Belly Candy Company (Corporate Offices)

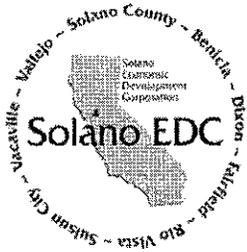
AGENDA

9:00 am	1.	Call to Order	Patsy Van Ouwerkerk, Chair
Action Item	2.	Approval of 03/14/13 Meeting Minutes	Patsy Van Ouwerkerk, Chair
Action Item	3.	Treasurer's Report – April 2013	Sean Quinn
Action Item	4.	Chairman's Remarks	Patsy Van Ouwerkerk, Chair
	5.	Guest Speaker: Bill Browne, Manex	
	6.	Advocacy Committee	Sandy Person
	7.	Transportation Update	Daryl Halls
	8.	President's Report	Sandy Person
	9.	Items from Directors	
10:00 am	10.	Adjourn Meeting	

Calendar of Events

- ◆ May 29, 2013 Solano EDC Breakfast, 7:30-9:00 am at Hilton Garden Inn Fairfield
Every Minutes Matters! Attendance – A Key to School Success
Speakers: Jay Speck, SCOE and Don DuBain, Solano County DA

- ◆ 2013 Board Meetings 9:00 am, 2nd Thursday (odd months), Jelly Belly Candy Company
July 11, September 12, November 14



SOLANO EDC BOARD OF DIRECTORS MEETING

March 14, 2013, 9:00 AM

CALL TO ORDER

Chairman Van Ouwerkerk called the meeting to order at 9:03 am at the Jelly Belly Candy Company. She thanked Jelly Belly for hosting the meeting.

Attending were:

Jack Batchelor	Robert Bloom	Rebecca Brandt	Beverly Byl	Tony Cincotta
Jim Dunbar	Mario Giuliani	Daryl Halls	Steve Hardy	Steve Huddleston
Tim Kubli	Laura Kuhn	Jowel Laguerre	Jim Lindley	Brooks Pedder
Sandy Person	Harry Price	Sean Quinn	Tom Recknagel	Scott Reynolds
Bob Simpson	Talyon Sortor	Jay Speck	Hermie Sunga	Skip Thomson
Patsy Van Ouwerkerk		Louise Walker		

Absent were:

Elaine Crombie	Ed Farewell	Terry Glubka	Norm Hattich	Frank Hurtarte
Brad Kilger	Albert Lavezzo	Catherine Moy	Elizabeth Patterson	
Debra Russo	Scott Thomas			

APPROVAL OF MINUTES

Chairman Van Ouwerkerk called for approval of minutes of the January meeting. Upon motion duly made (Batchelor) and seconded (Quinn) it was RESOLVED, that the minutes of the January 24, 2013 meeting of the Solano EDC Board of Directors be accepted as submitted.

TREASURERS REPORT

Treasurer Quinn presented the financial report for the month of February 2013. Upon motion duly made (Quinn) and seconded (Hardy) it was RESOLVED, that the Treasurer's Report be accepted.

ROSTER CHANGES

Chairman Van Ouwerkerk called for approval of changes to the board roster: Tony Cincotta for Sue Vaccaro, Solano Garbage Company and Frank Hurtarte for Joanie Erickson, Kaiser Permanente. Upon motion duly made (Hardy) and seconded (Quinn) it was RESOLVED, that the roster changes be accepted.

ADVOCACY COMMITTEE REPORT

Vice-Chair Huddleston informed the group the committee meets monthly on the third Tuesday at the EDC office. He received positive feedback from the February 22 EDC breakfast event where Assembly members Susan Bonilla, Jim Frazier and Mariko Yamada participated as panelists.

ECONOMIC DEVELOPMENT TASK FORCE

Committee chair Mario Giuliani noted at the last meeting guest speaker Patrick McGuire with the Governor's Office of Business and Economic Development (GO-Biz) provided an update.

TRANSPORTATION UPDATE

Director Halls provided an update on activities including: current, recently completed and upcoming projects, transit studies, milestones, legislative efforts and funding challenges.

PRESIDENT'S REPORT

President Person provided updates on: prospect activity; Project ICON, partnerships, membership renewals and OEA grant proposal.

Calendar items were discussed. The meeting adjourned 10:12 am.

Sandy Person

President

sandy@solanoedc.org

Patricia Uhrich

Office Manager

pat@solanoedc.org

Address:

360 Campus Lane, Suite 102
Fairfield, CA 94534

Phone:

707.864.1855

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Website:

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Solano EDC Monthly Financial Summary

APRIL 2013
(YTD 33% of budget)

MONTHLY INCOME: \$ 33,229.81 YTD: \$ 138,849.02 (42%)

- Membership Renewals – YTD 35% accrual (actual to date is 105%)
- New Member – two new members: The Landmark Image (\$1,000)and BluHomes (\$2,500)
- Public Membership \$4,500 received City of Dixon and City of Benicia’s quarterly payments
 - ✓ City of Benicia: \$9,500 FY12/13 billed quarterly
 - ✓ City of Dixon: \$8,500 FY12/13 billed quarterly
 - ✓ City of Fairfield: \$5,000 FY12/13 annual paid
 - ✓ City of Rio Vista: \$1,000 FY12/13 annual paid
 - ✓ City of Vacaville: \$5,000 FY12/13 annual paid
 - ✓ City of Vallejo: \$19,800 FY12/13 paid in 3 installments
 - ✓ County of Solano: \$35,000 FY12/13 annual paid
 - City of Suisun City (dropped membership)
- Membership Meetings: \$965.00 from March breakfast program (YTD 43% of budget)
- Publications: \$6,500 Connections membership directory income
- Sublease Income: \$6,239.98 (SBDC quarterly payment - YTD 60% budget)

MONTHLY EXPENSES: \$ 28,260.97 YTD: \$110,246.49 (34%)

- Fixed Expenses: \$5,232.15 (YTD tracking at 31%)
- Personnel: \$16,546.61 (YTD tracking at 33%)
- Prof Services: \$976.00 slightly over budget (YTD 33%) timing issue due to year end financials & tax preparation
- Marketing-Business Attraction:
 - Publications: \$4,290.95 printing and mailing of Connections membership directory
 - Business Attraction & Recruiting – \$1,205.26 (YTD tracking at 33%)

Monthly INCOME: \$4,968.84

Solano EDC
Monthly Financial Statement
 April 2013

	Annual		
	Current Month	Year-to-Date	YTD \$ Variance
	Apr 13 Actuals	Jan-Apr 13 Actuals	Jan-Dec 13 Budget
			%
INCOME			
Private & Other Public			
Memberships Renewals	13,576.87	52,640.65	(98,359.35) 35%
New Members	1,427.16	2,208.47	(12,791.53) 15%
Public Memberships			
Memberships Renewals	4,500.00	36,900.00	(46,900.00) 44%
Contracts & Grants	0.00	11,600.00	(400.00) 97%
Fundraisers			
Golf - Net	0.00	0.00	(10,000.00) 0%
Membership Mtgs (Net)	965.00	6,413.29	(8,586.71) 43%
Publications	6,500.00	7,000.00	(3,000.00) 70%
Other Income			
Capital Campaign	0.00	8,300.00	0.00 100%
Interest Income	20.80	95.55	(204.45) 32%
Sublease Income	6,239.98	13,691.06	(9,308.94) 60%
Total INCOME	33,229.81	138,849.02	(189,550.98) 42%
EXPENSES			
Fixed/Semi-Fixed Expenses			
Personnel	5,232.15	22,979.58	(51,120.42) 31%
Professional Services	16,546.61	68,736.88	(138,563.12) 33%
Marketing-Sales & Bus Attraction	976.00	4,971.00	(9,029.00) 36%
Publications	4,290.95	4,290.95	(709.05) 86%
Website	10.00	1,423.17	(2,576.83) 36%
Business Att & Recruiting	1,205.26	7,844.91	(16,155.09) 33%
Total EXPENSES	28,260.97	110,246.49	(218,153.51) 34%
INCOME (LOSS)	4,968.84	28,602.53	28,602.53 9%

**AGENDA ITEM
CITY COUNCIL MEETING: MAY 21, 2013
COUNCIL MEMBER COMMITTEE REPORTS**

DATE : May 13, 2013

TO : Mayor Patterson
Council Member Schwartzman

FROM : Director of Public Works

SUBJECT : **SOLANO TRANSPORTATION AUTHORITY**

The following information is provided for your committee report at the May 21, 2013 City Council meeting.

The minutes are attached from the April 10, 2013 meeting. A closed session and regular STA Board meeting was held on May 8, 2013 and the agendas for those meeting are attached. The next regular meeting is scheduled for June 12, 2013 at Suisun City Hall and the agenda for that meeting is unavailable.

Attachments:

- April 10, 2013 Minutes
- May 8, 2013 Closed Session Agenda
- May 8, 2013 Regular Agenda



SOLANO TRANSPORTATION AUTHORITY
Board Minutes for Meeting of
April 10, 2013

1. CLOSED SESSION

PERSONNEL MATTERS (Gov't Code §549547):
Public Employee Performance Evaluation: Executive Director

No closed session was held.

2. CALL TO ORDER

Vice Chair Davis called the regular meeting to order at 6:00 p.m. A quorum was confirmed.

MEMBERS

PRESENT:	Osby Davis, Vice Chair	City of Vallejo
	Elizabeth Patterson	City of Benicia
	Jack Batchelor	City of Dixon
	Harry Price	City of Fairfield
	Norman Richardson	City of Rio Vista
	Pete Sanchez	City of Suisun City
	Dilenna Harris (Alternate)	City of Vacaville
	Jim Spering	County of Solano

MEMBERS

ABSENT:	Steve Hardy, Chair	City of Vacaville
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STAFF

PRESENT:	Daryl K. Halls	Executive Director
	Bernadette Curry	Legal Counsel
	Janet Adams	Deputy Executive Director/Director of Projects
	Robert Macaulay	Director of Planning
	Johanna Masielat	Clerk of the Board/Office Manager
	Jayne Bauer	Legislative & Marketing Program Manager
	Susan Furtado	Accounting & Administrative Svc. Manager
	Liz Niedziela	Transit Manager
	Judy Leaks	Program Manager
	Robert Guerrero	Project Manager
	Jessica McCabe	Assistant Project Manager
	Sara Woo	Associate Planner
	Paulette Cooper	Commute Consultant
	Sheila Jones	Administrative Assistant

ALSO

PRESENT:

In Alphabetical Order by Last Name:

Bill Emlen	Solano County
Steve Heminger	Metropolitan Transportation Commission (MTC)
Mike Hudson	City of Suisun City Vice Mayor and STA Alternate Board Member
Dan Kasperson	City of Suisun City
Joe Leach	City of Dixon
Wayne Lewis	City of Fairfield
Brian McLean	Vacaville City Coach
Ezra Rapport	Association of Bay Area Governments (ABAG)
Mike Roberts	City of Benicia
Michael Tran	KPMG, Inc.
Matt Tuggle	Solano County

3. CONFIRM QUORUM/STATEMENT OF CONFLICT

A quorum was confirmed by the Clerk of the Board. There was no Statement of Conflict declared at this time.

4. APPROVAL OF AGENDA

On a motion by Board Member Spring, and a second by Board Member Patterson, the STA Board approved the agenda.

5. OPPORTUNITY FOR PUBLIC COMMENT

None presented.

6. EXECUTIVE DIRECTOR'S REPORT

- Daryl Halls provided an update on the following topics:
- I-80/I-680/State Route (SR) 12 Interchange Project *
- ABAG/MTC Presentation to Elected Officials Regarding Plan Bay Area *
- Approval of Solano's Priority Development Area (PDA) Investment and Growth Strategy *
- Heightened Interest in STA's Public Private Partnership Feasibility Study *
- Cities of Dixon and Rio Vista Request Transit Assistance from STA *
- Wrap up of SR 12 Corridor Management Plan *
- 19th Annual Bike to Work Day Scheduled for May 9, 2013 *
- Inaugural Solano Safe Routes to School (SR2S) Summit Set for May 23, 2013 *
- STA Staff Update

7. COMMENTS FROM METROPOLITAN TRANSPORTATION COMMISSION (MTC), CALTRANS, AND STAFF:

MTC Report:

None presented.

Caltrans Report:

None presented.

A. Plan Bay Area Presentation and Opportunity for Public Officials and Public Comment per SB 375 MTC/Association of Bay Area Governments (ABAG)

Background:

As part of their process to wrap up the most recent Plan Bay Area, MTC's Executive Director, Steve Heminger and ABAG's Executive Director, Ezra Rapport presented the draft Plan Bay Area. The purpose of the presentation was to solicit and consider input and recommendations from Solano County's elected officials, also the STA Board.

B. Directors Report

- 1. Planning**
- 2. Projects**
- 3. Transit/Rideshare**

8. CONSENT CALENDAR

On a motion by Board Member Spring, and a second by Board Member Patterson, the STA Board approved Consent Calendar Items A through J.

A. Minutes of the STA Board Meeting of March 13, 2013

Recommendation:

Approve STA Board Meeting Minutes of March 13, 2013.

B. Draft Minutes of the TAC Meeting of March 27, 2013

Recommendation:

Approve Draft TAC Meeting Minutes of March 27, 2013.

C. Job Access and Reverse Commute(JARC)/New Freedom Funding Applications

Recommendation:

Approve the following:

1. Authorizing the Executive Director to submit Letter of Support to Caltrans in Support of the Faith in Action funding applications for New Freedom for the Volunteer Driver Program for Seniors;
2. Authorizing the Executive Director to submit a Letter of Support to Caltrans in Support of County of Solano Funding application for New Freedom for the Intercity Taxi Scrip Program;
3. Authorizing the Executive Director to submit an application for Job Access and Reverse Commute (JARC) and New Freedom funding for the Solano Mobility Management Program;
4. Resolution No. 2013-12 as shown in Attachment A authorizing JARC funding and Resolution No. 2013-13 as shown in Attachment B authorizing New Freedom funding; and
5. Authorize the Executive Director to execute a contract or agreement with Caltrans for JARC and New Freedom funding for the Solano Mobility Management Program including submitting and approving request for reimbursement of funds as stated in JARC Authorizing Resolution No. 2013-12 (Attachment A) and the New Freedom Authorizing Resolution No. 2013-13 (Attachment B).

D. Paratransit Coordinating Council (PCC) Member Reappointment

Recommendation:

Reappoint Judy Nash (Solano County) to the Paratransit Coordinating Council for an additional three-year term.

- E. Solano Pedestrian Advisory Committee (PAC) Member Appointment**
Recommendation:
Appoint Shannon Lujan representing City of Vacaville and Pete Turner representing City of Benicia to the PAC for a three-year term.
- F. Contract Amendment for Parsons Brinckerhoff, Inc. - I-80/I-680/State Route (SR) 12 Interchange (Initial Construction Project)**
Recommendation:
Authorize the Executive Director to execute a contract amendment with Parsons Brinckerhoff, Inc. in an amount not-to-exceed \$246,992 to cover construction management services for the I-80/I-680/SR 12 Interchange – Initial Construction Package.
- G. Contract Amendment for Contra Costa Real Property Division – I-80/I-680/State Route (SR) 12 Interchange (Initial Construction Project)**
Recommendation:
Authorize the Executive Director to execute a contract amendment with Contra Costa Real Property Division in an amount not-to-exceed \$220,000 to provide right-of-way acquisition services for the I-80/I-680/SR 12 Interchange – Initial Construction Package.
- H. Dixon West B Street Pedestrian Undercrossing Construction Award**
Recommendation:
Approve Resolution No. 2013-14 authorizing the Executive Director to:
1. Award the construction contract for the West B Street Pedestrian and Bicycle Undercrossing Project in Dixon for a total amount not-to-exceed \$5.9 million including 20% contingency; and
 2. Execute a Construction and Maintenance Agreement with Union Pacific Railroad for a total amount not-to-exceed \$250,000.
- I. State Route (SR) 12 Comprehensive Evaluation and Corridor Management Plan and SR 12 Safety Project Update**
Recommendation:
Approve the updated final SR 12 Comprehensive Evaluation and Corridor Management Plan as shown in Attachment A.
- J. City of Dixon and City of Rio Vista Requests to STA for Transit Consulting Services**
Recommendation:
Authorize the Executive Director to:
1. Enter into a contract with the City of Dixon to provide transit financial and operational services for an amount not-to-exceed \$25,000; and
 2. Enter into a contract with the City of Rio Vista to provide transit financial and operational services for an amount not-to-exceed \$35,000.

9. ACTION – FINANCIAL ITEMS

- A. **Public Private Partnership (P3) Contract Amendment with KPMG to Add Four**
Jessica McCabe provided update to the development of a Public Private Partnership (P3) Feasibility Study evaluating a number of Solano County's transit and rail facilities for potential paid parking, advertising, mixed used development, and other P3 opportunities. Due to recent interest in the Feasibility Study, the STA has been contacted to add four additional transit facilities to the initial feasibility study which increased the scope of work for the consultant. Staff is recommending an amendment to the contract to add these additional facilities to the Feasibility Study.

Public Comments:

None presented.

Board Comments:

None presented.

Recommendation:

Authorize the Executive Director to execute a contract amendment with KMPG for an amount of \$50,400 to cover additional services related to adding four (4) transit facilities for a total amount not-to-exceed \$200,400 to the P3 Feasibility Study.

On a motion by Board Member Batchelor, and a second by Board Member Price, the STA Board unanimously approved the recommendation.

10. ACTION – NON-FINANCIAL ITEMS

- A. **Solano County Priority Development Area Investment and Growth Strategy**
Robert Macaulay reviewed the Solano PDA Investment and Growth Strategy which updates the nine PDAs and incorporates three additional PDAs added to the Solano Transportation for Sustainable Communities Plan.

He added that City of Benicia staff requested the list of comments below be incorporated into the PDA Investment and Growth Strategy:

- *Pg.25 - Digitizing makes the exhibit very blurry and difficult to read.*
- *Pg.45/First Paragraph - Description does a great job in emphasizing the positive impacts the PDA could have, but please recognize the full status of the existing Industrial Park (i.e. use "Park" instead of "area" and "grow" versus "transform").*
- *Pg.46/First Paragraph - Prefer "walking and bicycling corridors along Park Road and Bayshore Road." See also Pg.59/Bicycle & Ped Improvements.*
- *Pg.57/58/59/77 - Please swap "Sulfur Springs Connectivity Project" with "First Street Streetscape and Parking Enhancements" as this is our next priority.*
- *Pg.59 - Remove "Benicia Intermodal Station". This appears to be a combined description of the Downtown Intermodal Station that has been completed and the Benicia Intermodal Station covered on pg.58.*
- *Make the following change on Page 57: "First Street Streetscape and Parking Pedestrian Enhancements"*

Public Comments:

None presented.

Board Comments:

Board Member Patterson conveyed her ongoing concern regarding the Board's reconsideration to redefine the definition of "sustainable development" so that the statement conforms to what is universally accepted which is development that allows resources to be used by future generations. She added that this definition is missing the opportunity to indicate we understand it's an integration of the environment, economy, and social equity.

Robert Macaulay responded that after going through all the STA Committees (Alternative Modes and STA Board) and what is adopted in the Transportation for Livable Communities (TLC), staff shared this with MTC and ABAG staff and asked if they had any comments and/or concerns with it being a little different than the State and regional documents and they indicated they were fine with the definition when STA applied to the Strategic Growth Council for a grant to do climate change activities in Solano County there were no issues raised prior to the grant being awarded.

Recommendation:

Approve the STA PDA Investment and Growth Strategy as shown in Attachment B.

On a motion by Board Member Price, and a second by Board Member Patterson, the STA Board unanimously approved the recommendation as amended shown above in *bold italics*.

11. INFORMATIONAL – DISCUSSION NECESSARY

A. Safe Routes to School (SR2S) Countywide Plan Update Status/Summit Update
Danelle Carey announced that the SR2S Countywide Plan update is scheduled to be released to the public at the first SR2S Summit scheduled on May 23, 2013 at the Salvation Army Kroc Center in Suisun City.

B. Highway Projects Status Report:

- 1.) **I-80/I-680/State Route (SR) 12 Interchange**
- 2.) **I-80 Eastbound Cordelia Truck Scales Relocation**
- 3.) **I-80 Express Lanes**
- 4.) **Jepson Parkway**
- 5.) **State Route 12 (Jameson Canyon)**
- 6.) **State Route 12 East SHOPP**
- 7.) **I-80 SHOPP Rehabilitation**

Janet Adams provided updates to the above listed major highway and local projects in Solano County.

NO DISCUSSION NECESSARY

C. Legislative Update

D. Funding Opportunities Summary

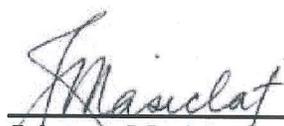
**E. STA Board and Advisory Committee Meeting Schedule
for Calendar Year 2013**

12. BOARD MEMBER COMMENTS

13. ADJOURNMENT

The meeting was adjourned at 7:30 p.m.

Attested by:



**Johanna Masiclat
Clerk of the Board**

/April 10, 2013

Date



**NOTICE OF CLOSED MEETING OF THE
SOLANO TRANSPORTATION AUTHORITY**

Pursuant to California Government Code Section 54950 et seq., the Governing Board of the Solano Transportation Authority will hold a Closed Session on May 8, 2013 at the Suisun City City Hall, 701 Civic Center Drive, Suisun City, California, and beginning at 5:30 P.M. More specific information regarding the Closed Session is indicated by the section(s) checked below:

1. **CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Gov't Code §54956.9)**
 Case name unspecified (specify whether disclosure would jeopardize service of process or existing settlement negotiations):
2. **CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION (Gov't Code §54956.9)**
 Significant exposure to litigation pursuant to subdivision (b) of Government Code Section 54956.9 (specify number of potential cases):
 Initiation of litigation pursuant to subdivision (c) of Government Code Section 54956.9 (specify number of potential cases):
3. **LIABILITY CLAIMS (Gov't Code §54956.9 and 54961)**
 - a. Claimant (specify name unless unspecified pursuant to Government Code Section 54961):
 - b. Agency claimed against:
4. **CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Gov't Code §54956.8)**
 - a. Property (specify street address or, if no street address, the parcel number or other unique reference of the real property under negotiation):
 - b. Negotiation parties (specify name of party, not agent):
 - c. Under negotiation (specify whether instruction to negotiator will concern price, terms of payment, or both):
5. **PERSONNEL MATTERS (Gov't Code §549547)**
 Public Employee Appointment (specify title): _____
 Public Employment (describe position to be filled):
 Public Employee Performance Evaluation: Executive Director
 Public Employee Discipline/Dismissal/Release.
6. **CONFERENCE WITH LABOR NEGOTIATOR (Gov't Code §54054.6)**
 Agency negotiator (specify name): STA Board Chairman
 Employee Organization: Unrepresented Employee: STA Executive Director
7. **LICENSE/PERMIT DETERMINATION (Gov't Code §54956.7)**
Applicant(s) (specify number of applicants): _____
8. **SAFETY OF PUBLIC FACILITIES OR THREAT TO PUBLIC SERVICES OR PERSONNEL (Gov't Code §54957)**
Consultation with (specify name of law enforcement agency and title of officer):

DATED: April 10, 2013

A handwritten signature in blue ink, appearing to read "Masclat", is written over a horizontal line.

STA BOARD CLERK OR STA LEGAL COUNSEL (signature)



STA BOARD MEETING AGENDA
5:30 p.m., Closed Session
6:00 p.m., Regular Meeting
Wednesday, May 8, 2013
Suisun City Hall Council Chambers
701 Civic Center Drive
Suisun City, CA 94585

Mission Statement: To improve the quality of life in Solano County by delivering transportation system projects to ensure mobility, travel safety, and economic vitality.

Public Comment: Pursuant to the Brown Act, the public has an opportunity to speak on any matter on the agenda or, for matters not on the agenda, issues within the subject matter jurisdiction of the agency. Comments are limited to no more than 3 minutes per speaker unless modified by the Board Chair, Gov't Code § 54954.3(a). By law, no action may be taken on any item raised during the public comment period (Agenda Item IV) although informational answers to questions may be given and matters may be referred to staff for placement on a future agenda of the agency. **Speaker cards are required in order to provide public comment. Speaker cards are on the table at the entry in the meeting room and should be handed to the STA Clerk of the Board. Public comments are limited to 3 minutes or less.**

Americans with Disabilities Act (ADA): This agenda is available upon request in alternative formats to persons with a disability, as required by the ADA of 1990 (42 U.S.C. §12132) and the Ralph M. Brown Act (Cal. Govt. Code §54954.2). Persons requesting a disability related modification or accommodation should contact Johanna Masiclat, Clerk of the Board, at (707) 424-6008 during regular business hours at least 24 hours prior to the time of the meeting.

Staff Reports: Staff reports are available for inspection at the STA Offices, One Harbor Center, Suite 130, Suisun City during regular business hours, 8:00 a.m. to 5:00 p.m., Monday-Friday. You may also contact the Clerk of the Board via email at jmasiclat@sta-snci.com. **Supplemental Reports:** Any reports or other materials that are issued after the agenda has been distributed may be reviewed by contacting the STA Clerk of the Board and copies of any such supplemental materials will be available on the table at the entry to the meeting room.

Agenda Times: Times set forth on the agenda are estimates. Items may be heard before or after the times shown.

ITEM

BOARD/STAFF PERSON

- | | |
|---|---------------------------------------|
| <p>1. CLOSED SESSION (5:30 p.m.)</p> <ul style="list-style-type: none"> • PERSONNEL MATTERS (Gov't Code §549547):
Public Employee Performance Evaluation: Executive Director <p>2. CALL TO ORDER/PLEDGE OF ALLEGIANCE
(6:00 – 6:05 p.m.)</p> <p>3. CONFIRM QUORUM/ STATEMENT OF CONFLICT</p> <p>An official who has a conflict must, prior to consideration of the decision; (1) publicly identify in detail the financial interest that causes the conflict; (2) recuse himself/herself from discussing and voting on the matter; (3) leave the room until after the decision has been made. Cal. Gov't Code § 87200.</p> | <p>Chair Hardy</p> <p>Chair Hardy</p> |
|---|---------------------------------------|

STA BOARD MEMBERS

Steve Hardy Chair	Osby Davis Vice-Chair	Elizabeth Patterson	Jack Batchelor, Jr.	Harry Price	Norman Richardson	Pete Sanchez	Jim Spering
City of Vacaville	City of Vallejo	City of Benicia	City of Dixon	City of Fairfield	City of Rio Vista	City of Suisun City	County of Solano

STA BOARD ALTERNATES

Dilenna Harris	Hermie Sunga	Alan Schwartzman	Dane Besneatte	Rick Vaccaro	Constance Boulware	Mike Hudson	Erin Hannigan
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4. APPROVAL OF AGENDA

5. OPPORTUNITY FOR PUBLIC COMMENT

(6:05 – 6:10 p.m.)

6. EXECUTIVE DIRECTOR’S REPORT – Pg. 7

Daryl K. Halls

(6:10 – 6:15 p.m.)

7. COMMENTS FROM CALTRANS, THE METROPOLITAN TRANSPORTATION COMMISSION (MTC), AND STA

(6:15 – 6:20 p.m.)

A. Directors Report

1. Planning

Jayne Bauer

2. Projects

Janet Adams

3. Transit/Rideshare – Bike to Work Day

Judy Leaks

8. CONSENT CALENDAR

Recommendation:

Approve the following consent items in one motion.

(Note: Items under consent calendar may be removed for separate discussion.)

(6:20 - 6:25 p.m.)

A. Minutes of the STA Board Meeting of April 10, 2013

Johanna Masiclat

Recommendation:

Approve STA Board Meeting Minutes of April 10, 2013.

Pg. 13

B. Draft Minutes of the TAC Meeting of April 26, 2013

Johanna Masiclat

Recommendation:

Approve Draft TAC Meeting Minutes of April 26, 2013.

Pg. 21

C. Local Transportation Development Act (TDA) and Members Contributions for Fiscal Year (FY) 2013-14

Susan Furtado

Recommendation:

Receive and file.

Pg. 27

D. Fiscal Year (FY) 2012-13 Abandoned Vehicle Abatement (AVA) Program Second Quarter Report

Susan Furtado

Recommendation:

Receive and file.

Pg. 33

E. Project Delivery Update – OneBayArea Grant (OBAG) Programming

Jessica McCabe

Recommendation:

Approve the following projects for OBAG STP and CMAQ funding:

1. \$1,200,000 in CMAQ to STA Safe Routes to School (SR2S) Engineering Projects;
2. \$250,000 in CMAQ to STA Transit Ambassador Program;

3. \$315,000 in CMAQ and \$100,000 in STP to City of Suisun City's Train Station Improvements;
4. \$450,000 in CMAQ to City of Vacaville's Allison Drive Sidewalk + Class I to Transit Center;
\$500,000 in CMAQ to City of Vacaville's Ulatis Creek Class I Bike Lane (McClellan to Depot);
5. 1,095,000 in CMAQ to City of Vallejo's Downtown Streetscape (Maine Street); and
6. \$1,800,000 in CMAQ to the County of Solano's Vaca-Dixon Bicycle Path

Pg. 35

F. Solano County Project Initiation Document (PID) 3-Year Work Plan for Caltrans

Robert Guerrero

Recommendation:

Approve the Solano County new 3-year Project Initiation Document Work Plan (FY 2013-14 to FY 2015-16) and submit to Caltrans.

Pg. 53

G. Safe Routes to School Advisory Committee (SR2S-AC) Bylaws

Danelle Carey

Recommendation:

Approve the STA's Safe Routes to School Advisory Committee By-Laws.

Pg. 57

H. I-80/I-680/State Route (SR) 12 Interchange Project

Janet Adams

Recommendation:

Approve the attached Resolution No. 2013-15 and Funding Allocation Request from Metropolitan Transportation Commission (MTC) for \$10.4 million in Regional Measure 2 or AB 1171 funds for the I-80/I-680/SR 12 Interchange Project – ICP for right-of-way phase.

Pg. 63

9. ACTION FINANCIAL ITEMS

A. Compressed Natural Gas (CNG) Feasibility Study for Solano County

Robert Guerrero

Recommendation:

Approve the following:

1. Authorize the Executive Director to enter into an agreement with SolTrans to develop a Compressed Natural Gas (CNG) Feasibility Study; and
2. Approve dedicating \$20,000 in State Transit Assistance Funds (STAF) to match SolTrans contribution for the CNG Feasibility Study.

(6:25 – 6:30 p.m.)

Pg. 81

10. ACTION NON-FINANCIAL ITEMS

- A. STA Comment Letter on Association of Bay Area Governments (ABAG) and Metropolitan Transportation Commission (MTC)'s Regional Transportation Plan Bay Area and Draft Environmental Impact Report** Robert Macaulay
Recommendation:
Authorize the STA Chair to submit a letter to MTC and ABAG commenting on the draft Plan Bay Area and Draft Environmental Impact Report (DEIR), based upon the points contained in Attachment B.
(6:30 – 6:40 p.m.)
Pg. 87
- B. Release of Draft Safe Routes to School Countywide Plan** Danelle Carey
Recommendation:
Authorize the Executive Director to release the STA's Safe Routes to School Draft Countywide Plan Update for public input at the SR2S Summit on May 23, 2013 and for a 30-day comment period.
(6:40 – 6:50 p.m.)
Pg. 97
- C. STA Regional Transportation Impact Fee (RTIF) Implementation Package and Projects** Robert Guerrero
Recommendation:
Approve the following:
1. The updated list of RTIF Implementation Package and Projects specified in Attachment B; and
2. Authorize the Executive Director to complete the RTIF Nexus Study based on these specified projects.
(6:50 – 7:05 p.m.)
Pg. 103
- D. Legislative Update** Jayne Bauer
Recommendation:
1. Approve the following positions on State legislative bills:
A. AB 431 (Mullin) – Oppose
B. AB 574 (Lowenthal) – Support
C. SB 791 (Wyland) – Oppose
2. Support submittal of the Fairfield/Vacaville Intermodal Station for TIGER 5 Grant funding.
(7:05 – 7:15 p.m.)
Pg. 107

11. INFORMATIONAL – DISCUSSION ITEMS

- A. Regional Measure 2 (RM 2) Project Implementation Deadline and Development of Funding Plan** Janet Adams
(7:00 – 7:10 p.m.)
Pg. 161

NO DISCUSSION NECESSARY

B. Funding Opportunities Summary
Pg. 191

Sara Woo

C. STA Board and Advisory Committee Meeting Schedule
for Calendar Year 2013
Pg. 197

Johanna Masiclat

12. BOARD MEMBERS COMMENTS

13. ADJOURNMENT

The next regularly scheduled meeting of the STA Board at **6:00 p.m., Wednesday, June 12, 2013**, Suisun Council Chambers.

**AGENDA ITEM
CITY COUNCIL MEETING: MAY 21, 2013
COUNCIL MEMBER COMMITTEE REPORTS**

DATE : May 13, 2013

TO : Mayor Patterson
Council Member Hughes

FROM : Director of Public Works

SUBJECT : **SOLANO COUNTY WATER AGENCY**

The following information is provided for your committee report at the May 21, 2013 City Council meeting.

The draft minutes of the April 11, 2013 meeting are attached along with the agenda for the May 9, 2013 meeting. The next regular meeting is scheduled for June 13, 2013.

Attachments:

- SCWA Minutes for April 11, 2013
- SCWA Meeting Agenda for May 9, 2013

SOLANO COUNTY WATER AGENCY



BOARD OF DIRECTORS:

Chair:

Supervisor Jim Spering
Solano County District 3

Vice Chair:

Mayor Harry Price
City of Fairfield

Mayor Jack Batchelor
City of Dixon

Director Bob Bishop
Solano Irrigation District

Director Dale Crossley
Reclamation District No. 2068

Mayor Osby Davis
City of Vallejo

Supervisor Erin Hannigan
Solano County District 1

Mayor Steve Hardy
City of Vacaville

Mayor Elizabeth Patterson
City of Benicia

Mayor Norm Richardson
City of Rio Vista

Director Gene Robben
Maine Prairie Water District

Mayor Pete Sanchez
City of Suisun City

Supervisor Linda Seifert
Solano County District 2

Supervisor Skip Thomson
Solano County District 5

Supervisor John Vasquez
Solano County District 4

GENERAL MANAGER:

David Okita, PE
Solano County Water Agency

BOARD OF DIRECTORS MEETING

DATE: Thursday, May 9, 2013

TIME: 5:30 - 7:00 p.m. **Note earlier start time!**

PLACE: Berryessa Room
Solano County Water Agency Office
810 Vaca Valley Parkway, Suite 203
Vacaville

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. APPROVAL OF AGENDA

4. PUBLIC COMMENT

Limited to 5 minutes for any one item not scheduled on the Agenda.

5. CONSENT ITEMS

(A) Minutes: Approval of the Minutes of the Board of Directors meeting of April 11, 2013 is recommended.

(B) Expenditure Approvals: Approval of the April checking account register is recommended.

(C) Mangels Bypass Pipeline Project: Adoption of plans and specifications for the Mangels Bypass Pipeline Project and authorization for General Manager to solicit construction bids is recommended.

(D) Agreement with Corps of Engineers for the Solano Habitat Conservation Plan Regional General Permit: Authorization for Chairman to execute a Memorandum of Agreement with the

810 Vaca Valley Parkway, Suite 203
Vacaville, California 95688
Phone (707) 451-6090 • FAX (707) 451-6099
www.scwa2.com



VIII.C.9.3

United States Army Corps of Engineers, for funding positions to work on the Solano Habitat Conservation Plan Regional General Permit is recommended.

(E) Legislation:

1. Support for amended SB 735 – Wolk – Sacramento-San Joaquin Delta Reform Act of 2009: covered actions, is recommended
2. Support AB 1258 if amended – Skinner – Electricity: hydroelectric facilities, is recommended.

6. BUDGET REVIEW COMMITTEE

RECOMMENDATION: Chairman to appoint a committee to review draft SCWA FY 2013-2014 budget to make a recommendation to the Board.

7. CLOSED SESSION – GENERAL MANAGER’S PERFORMANCE EVALUATION

Public Employee Performance Evaluation for General Manager: Pursuant to Government Code Section 54957.

8. TIME AND PLACE OF NEXT MEETING

Thursday, June 13, 2013 at 7:00 pm at the SCWA offices.

The Full Board of Directors packet with background materials for each agenda item can be viewed on the Agency’s website at www.scwa2.com.

Any materials related to items on this agenda distributed to the Board of Directors of Solano County Water Agency less than 72 hours before the public meeting are available for public inspection at the Agency’s offices located at the following address: 810 Vaca Valley Parkway, Suite 203, Vacaville, CA 95688. Upon request, these materials may be made available in an alternative format to persons with disabilities.

May.2013.bod.agd

**SOLANO COUNTY WATER AGENCY
BOARD OF DIRECTORS MEETING MINUTES**

MEETING DATE: April 11, 2013

The Solano County Water Agency Board of Directors met this evening at the Solano County Water Agency. Present were:

Mayor Jack Batchelor, City of Dixon
Mayor Harry Price, City of Fairfield
Mayor Pete Sanchez, City of Suisun City
Mayor Steve Hardy, City of Vacaville
Mayor Osby Davis, City of Vallejo
Mayor Elizabeth Patterson, City of Benicia
Mayor Norm Richardson, City of Rio Vista
Supervisor Erin Hannigan, Solano County District 1
Supervisor Linda Seifert, Solano County District 2
Supervisor Jim Spering, Solano County District 3
Supervisor John Vasquez, Solano County District 4
Supervisor Skip Thomson, Solano County District 5
Director Bob Bishop, Solano Irrigation District
Manager Don Holdener, Maine Prairie Water District
Director Dale Crossley, Reclamation District No. 2068

CALL TO ORDER

The meeting was called to order at 7:00 P.M. by Chairman Spering.

APPROVAL OF AGENDA

On a motion by Mayor Patterson and a second by Supervisor Seifert the Board unanimously approved the agenda.

PUBLIC COMMENT

There were not public comments.

CONSENT ITEMS

On a motion by Mayor Patterson and a second from Mayor Richardson the Board approved the following Consent Items.

- (A) Minutes
- (B) Expenditure Approvals
- (C) Mangels Bypass Pipeline Project

BOARD MEMBER REPORTS

There were no Board Member reports.

GENERAL MANAGER'S REPORT

There were no additions to the written report.

**PRESENTATION ON THE BAY DELTA CONSERVATION PLAN – JERRY
MERAL, CALIFORNIA NATURAL RESOURCES AGENCY**

Dr. Jerry Meral, Deputy Secretary of the California Natural Resources Agency, provided a report on the status of the Bay Delta Conservation Plan (BDCP). The BDCP is a habitat conservation plan and a natural community conservation plan created pursuant to the state and federal endangered species acts. Presently, the restrictions to protect endangered species cause variations in the amount of water that can be exported from the Delta. The BDCP is gradually being released in an administrative draft form to provide information about the Plan to interested parties. The BDCP will require an accompanying Environmental Impact Report and an Environmental Impact Statement which will be released in an administrative draft in early May. The BDCP includes a proposal to construct a new tunnel to transport water from the North Delta to the export pumps serving the State and Federal water projects. The BDCP also includes a series of conservation measures designed to restore the fish and wildlife of the Delta. Some of these conservation measures include restoration of habitat, stopping illegal poaching of fish and repressing invasive plants. The costs of the new tunnel will be paid by the water exporters. Other costs of the BDCP will be paid by the State and Federal Government for public benefits. Some of the benefits to Solano County in the BDCP are providing endangered species take coverage to irrigators on the Cache Slough area and take coverage for the North Bay Alternate Intact Project. Dr. Meral responded to questions from Board Members.

SCWA BUDGET

Administrative Services Manager Katherine Phillips reported on the fiscal year 2012-2013 budget at February 28, 2013 or 67% of the budget cycle. She provided explanations for variances from the expected amounts.

CLOSED SESSION

Public Employee Performance Evaluation for General Manager: Pursuant to Government Code section 54957. There were no reportable actions from the closed session.

TIME AND PLACE OF NEXT MEETING

The next regularly scheduled meeting will be Thursday, May 9, 2013 at 5:30 P.M. at the Solano County Water Agency offices.

ADJOURNMENT

This meeting of the Solano County Water Agency Board of Directors was adjourned at 8:45 P.M.

David B. Okita, General Manager
and Secretary to the Board of Directors of the
Solano County Water Agency

**AGENDA ITEM
CITY COUNCIL MEETING: MAY 21, 2013
COUNCIL MEMBER COMMITTEE REPORTS**

DATE : May 6, 2013

TO : Vice Mayor Campbell
Council Member Schwartzman

FROM : Director of Public Works

SUBJECT : **TRAFFIC, PEDESTRIAN AND BICYCLE SAFETY (TPBS) COMMITTEE**

The following is provided as your committee report for the May 21, 2013 City Council meeting.

The last TPBS Committee meeting was held on April 25, 2013 (meeting agenda attached).

The last Solano Transportation Authority (STA) Benicia Safe Routes to School (SR2S) Task Force also met on April 25, 2013, immediately after the TPBS Committee adjournment (meeting agenda attached).

The next regularly scheduled TPBS Committee meeting is Thursday, July 18, 2013 at 7:00 pm in the Commission Room.

Attachments:

- April 25, 2013 Traffic Pedestrian & Bicycle Safety Committee Meeting Agenda
- April 25, 2013 STA Benicia Safe Routes to School Task Force Meeting Agenda



City of Benicia
**TRAFFIC PEDESTRIAN &
BICYCLE SAFETY (TPBS) COMMITTEE**
Rescheduled Regular Meeting

7:00 pm
Thursday, April 25, 2013

Program Room 2
Benicia Community Center
370 East L Street
(please note meeting location change above)

AGENDA

I. Call To Order

- A. Roll Call
- B. Pledge of Allegiance
- C. Fundamental rights statement

II. Approval of Minutes

- A. Draft October 18, 2012 Meeting Minutes

III. Public Comments

IV. Citizen Request

1. Request for Marked Crosswalk on West K at West 7th Street

Recommendation: The TPBS Committee shall receive public comments and consider the installation of a new yellow ladder crosswalk at this location.

V. Action Items

1. Interim All-way Stop at Military East/Grant/Adams/Jefferson Streets

Recommendation: The TPBS Committee shall receive public comments. Staff recommends the interim all-way stop remain in place, and the intersection be monitored until the next TPBS Committee meeting, at which time staff will report back to the Committee.

VI. Adjournment

- 1. Adjourn to the Safe Routes to School (SR2S) Task Force Meeting
(7:30 pm).
-

Public Participation

The Traffic Pedestrian and Bicycle Safety (TPBS) Committee 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 TPBS Committee allows speakers to speak on agendized and non-agendized matters under public comment. Comments are limited to no more than 5 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 TPBS Committee.

Disabled Access

In compliance with the Americans with Disabilities Act (ADA), if you need special assistance to participate in this meeting, please contact Anne Cardwell, the ADA Coordinator at (707) 746-4200. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

Meeting Procedures

All items listed on this agenda are for the TPBS Committee 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 TPBS Committee.

Public Records

The agenda packet for this meeting is available at the Public Works Department, City Clerk's Office and the Benicia Public Library during regular work hours. To the extent feasible, the packet is also available on the City's web page at www.ci.benicia.ca.us under the heading "Agendas and Minutes." ***If you wish to submit written information on an agenda item, please submit to Kathy Trinque, Administrative Secretary, by 5:00 pm, Wednesday, April 24, 2013 for distribution to Committee Members.***

BENICIA

SAFE ROUTES TO SCHOOL COMMUNITY TASK FORCE MEETING AGENDA

Thursday, April 25, 2013
7:30 p.m. to 8:30 p.m.

Benicia Community Center
370 East L Street, Program Room 2
Benicia, CA 94510



ITEM ACTIVITY

ADMINISTRATOR

I. Call to Order—Self Introductions

Tom Campbell, Chair

II. Approval of Agenda

III. Public Comment

IV. Information Items

A. SR2S Summit

Danelle Carey, STA

B. OBAG Funding Update

Jessica McCabe, STA

C. Benicia SR2S Community Task Force Presentation

Danelle Carey, STA
Committee

- Highlighting Priority Projects
- Selection of Task Force Presenter
- Display Board

D. Future Meeting Schedule

Committee

V. Committee Member Comments & Future Agenda Items

Tom Campbell, Chair

VI. Adjournment

BENICIA SR2S COMMUNITY TASK FORCE MEMBERS

Alan Schwartzman
Council Member
City of Benicia

Rosie Switzer
Board Member
Benicia Unified School
District

Melissa Morton
Asst. Director of Public
Works/Engineer
City of Benicia
Mike Roberts
Senior Civil Engineer
City of Benicia

Tom Campbell
Vice Mayor
City of Benicia

Lindsay Dalske
Vice-Principal
Benicia Middle School

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DATE: April 17, 2013
TO: Benicia SR2S Community Task Force
FROM: Danelle Carey, Assistant Program Manager
RE: Information Items- Discussion

A. SR2S Summit (Danelle Carey, STA)

On January 9, 2013, the STA Board authorized the STA to sponsor a SR2S Summit on May 23, 2013. Save the Date's have been sent out to stakeholders and interest groups on Monday, March 12, 2013. Staff will provide an overview on the purpose and goal of the SR2S Summit.

Attachment: (pg.5-7)

- A. SR2S Summit Report
- B. Save the Date

B. SR2S One Bay Area Grant (OBAG) Update (Jessica McCabe, STA)

On August 15, 2012, the SR2S Advisory Committee approved the recommendation to create a SR2S Engineering Program to be used to fund the priority infrastructure projects that are identified through the updated SR2S plan over the next four years. The SR2S program requested \$1.2M from the One Bay Area Grant for this purpose.

On March 13, 2013, the STA Board unanimously approved the proposal of the SR2S Engineering program. Staff will provide an overview of the STA SR2S OBAG formula distribution recommendation.

Attachment: (pg.8)

- A. SR2S OBAG Formula Distribution

C. Benicia SR2S Community Task Force Presentation (Danelle Carey, STA)

The SR2S Summit will highlight the efforts and achievements of each SR2S Community task force which will include items such as:

- Completed SR2S related projects
- SR2S related projects in progress
- Local plan update process and priorities
- Infrastructure plans

The Community Task Force should select a representative from their committee to present on behalf of all members. Additionally, STA staff will create a display board for Benicia and would like feedback on what should be highlighted.

Attachment: (pg.9)

- A. Benicia SR2S Priority Project List

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DATE: April 17, 2013
TO: Benicia SR2S Community Task Force
FROM: Danelle Carey, SR2S Assistant Program Manager
RE: SR2S Summit

Background:

In 2007, a Child Obesity Summit was held by Solano County Department of Public Health to address the growing childhood obesity epidemic in Solano County. From that summit, the STA developed the Safe Routes to School (SR2S) Countywide plan and later implemented a SR2S program. After six years, the SR2S program attained funding to expand the program and update the Countywide Plan. STA staff worked with each city to reengage their SR2S Community Task Forces to identify areas for improvement in their communities. Walk audits were conducted and school improvement plans and maps were developed for each city. Additionally, \$3M of projects was identified while \$2M of which was priority projects.

Discussion

On January 9, 2013, the STA Board authorized the STA to sponsor a SR2S Summit in May 2013. The purpose of the SR2S Summit is to increase program awareness countywide—making the communities better informed and building advocacy. The summit will serve as a forum to highlight the achievements/efforts of each SR2S community task force, schools, parent champions and students. Additionally, to release the update of the Countywide SR2S Plan. The findings from the enforcement grant pilot will be released in addition to the start up of the new walking school bus program.

The target audience and invited participants will be city council members, and school board members, school principals, parents & PTAs, public safety staff, and public health staff. The format would consist of breakout sessions and set of presentations to better understand how each community in Solano County is coping with SR2S issues in the face of local city and school district budget cuts, such as school closures and school bus program cuts. We will also hear about the success of building projects and programs. Brief presentations will be made by each city's SR2S Community Task Force. Additionally, panel discussions will be held to encourage schools to participate in the program in the fall.

Below is a draft agenda for your review:
(STA), Safe Routes to School Summit, May 23, 2013-DRAFT AGENDA

- 8:30 a.m. **Registration**
- 9:00 a.m. **Welcome & Introductions (Summit Kickoff)**
Goal of the Day/Summit
- 9:20 a.m. **SR2S Program Update/Progress**
- 9:40 a.m. **The 5E's**
Education/Encouragement (Robin Cox)
Engineering (STA Staff member)
Enforcement (Fairfield/Suisun PD, Police Chiefs)
Evaluation (Open)
- 10:50 a.m. **Community Task Force Highlights**
- 11:00 a.m. **Break out Session**
- 12:00 p.m. **Lunch/ Keynote Speaker**
- 1:15 p.m. **Break out Session**
- 2:15pm Guest Speaker/Video
Program Challenges
The Future of the SR2S Program
- 3:00 p.m. **Closing Remarks**

Attachments: None

Safe Routes to school

2013 Safe Routes to School Summit

Save the Date!

Thursday, May 23, 2013

Salvation Army KROC Center
586 E. Wigeon Way
Suisun City CA 94585

8:30 a.m. to 3:00 p.m.

Hosted by Solano Transportation Authority
and Solano County Public Health

Safe Routes to school

2013 Safe Routes to School Summit

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Salvation Army KROC Center
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Hosted by Solano Transportation Authority
and Solano County Public Health

Solano Transportation Authority and Solano County Public Health invite you to Solano's first Safe Routes to School Summit.

Learn about the new, fun and exciting things the SR2S program is working on and future plans. We'd like to engage our communities, and better inform them while creating greater program awareness.

What should I expect from the Summit?

- Unveiling of the Updated Draft Countywide SR2S Plan
- Findings from the School Bus Enforcement Pilot
- New Walking School Bus Program
- Achievements/efforts of each SR2S Community Task Force, Schools, Parent Champions and Students

How can I get involved in the Summit?

We would like to share information and hear from you!

- The Summit will offer:
- Breakout Sessions
 - Panel Discussions
 - Presentations



Save the date— we hope to see you there!
Watch for more info: www.solanosr2s.ca.gov



Hosted by Solano Transportation Authority
and Solano County Public Health



Safe Routes to school

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Save the date— we hope to see you there!
Watch for more info: www.solanosr2s.ca.gov



Hosted by Solano Transportation Authority
and Solano County Public Health



VIII.C.10.12 STA SR2S OBAG Formula Distribution Recommendation
 3/6/2013

	FY 2011-12		STA
Local Task Force Shares	Student Enrollment	Share	recommended shares*
Benicia USD	4,923	7.60%	\$ 100,000
Dixon USD	3,879	5.99%	\$ 100,000
FSUSD	21,577	33.33%	\$ 349,065
Travis USD	5,391	8.33%	\$ 100,000
Vacaville USD	12,561	19.40%	\$ 203,207
Vallejo USD	15,313	23.65%	\$ 247,728
RD USD Rio Vista only	1,094	1.69%	\$ 100,000
	64,738	100.00%	\$ 1,200,000

* Remaining funds distributed to larger districts after calculating \$100,000 minimums for smaller districts.

Benicia -
Safe Routes
to School
Capital
Project List
(DRAFT)

Total Project Costs Identified \$396,000 Total Priority Projects \$312,000 Grants (Responsible Anticipated, 5 years) \$200,000

School District	School Name	Project ID # (from audit)	Project Description	School Walk Score / Mode Share	Grant Competitive	Proximity to Crossings	On Routes	Project in other plans or contributes to multiple modes	Achieves Gap Closure	Benefit/Cost	City/School Support (TBD)	Overall Priority (Preliminary)	Lead Agency	Cost Estimates	
Benicia Unified	Robert Simple Elementary	4	<ul style="list-style-type: none"> Construct sidewalk on the north side of S Street to close existing gap Install curb extensions at northwest and southwest legs, fill in landscape strip along 3rd Street Replace existing yellow transverse crosswalks with high-visibility yellow crosswalks Strip a new high-visibility crosswalk in the east leg and reduce crossing distances/curb radii by providing hatched bulb-outs and/or soft hit posts. 	Medium	Medium	Low	High	Medium	High	Medium/High		Medium/High	City of Benicia	\$140,000	
Benicia Unified	Robert Simple Elementary	7	<ul style="list-style-type: none"> Construct sidewalk segments on El Bonito Way to close gaps on two blocks adjacent to the intersection Construct sidewalk segment on the north side of Vista Grande Avenue Construct sidewalk segment on Hillcrest Ave (south side) Use hatch markings and/or soft hit posts to square up the El Bonito Ave/Hillcrest Ave intersections Install curb extension on southwest corner of Hillcrest Ave/3rd Street with new high visibility crosswalk and curb ramps Enhance southern crosswalk to high-visibility yellow Install additional lighting at Hillcrest Ave/3rd Street intersection Install additional lighting in tunnel Repare sidewalk approach and retrofit pathway to ensure ADA access and compliance 	Medium	Medium	Low	High	High	High	Medium	Medium		Medium/High	City of Benicia	\$86,000
Benicia Unified	Robert Simple Elementary	2 and 4	<ul style="list-style-type: none"> Install curb extension on southwest corner of Hillcrest Ave/3rd Street with new high visibility crosswalk and curb ramps Enhance southern crosswalk to high-visibility yellow Install additional lighting at Hillcrest Ave/3rd Street intersection 	Medium	Medium	Low	High	High	High	High		High	City of Benicia	\$45,000	
Benicia Unified	Robert Simple Elementary	5	<ul style="list-style-type: none"> Install additional lighting in tunnel Repare sidewalk approach and retrofit pathway to ensure ADA access and compliance 	Medium	Medium	Medium	High	Medium	Low	Medium		Medium	City of Benicia	\$42,000	
Benicia Unified	Benicia Middle	3	<ul style="list-style-type: none"> Widen sidewalks on north side of Southampton Road Provide truncated domes on curb ramps Replace white diagonal crosswalk microdot parking lot with high-visibility yellow crosswalk Install additional lighting at Southampton Road/Hillcrest Ave intersection Install pedestrian-actuated flashing beacon at East 1st and 5th Streets 	High	Low	Low	High	High	Medium	Medium		Medium/High	City of Benicia	\$25,000	
Benicia Unified	St. Dominic's Catholic School	Requested by City	<ul style="list-style-type: none"> Install pedestrian-actuated flashing beacon at East 1st and 5th Streets 	Medium	Low	Low	High	Medium	Low	Low		Low	City of Benicia	\$15,000	
Benicia Unified	Benicia Middle	2	<ul style="list-style-type: none"> Widen sidewalks west of school driveway entrance 	High	Low	Low	High	Medium	Low	Medium		Medium	BUSD	\$10,000	
Benicia Unified	Matthew Turner Elementary	8	<ul style="list-style-type: none"> Implement the planned bike lanes on Base Drive Install additional lighting at Hillcrest Ave/3rd Street intersection Install pedestrian-actuated flashing beacon at Hillcrest Ave/3rd Street intersection Install Shared Lane Markings and consider floating bike lane 	Low	Low	Medium	High	High	Medium	Medium		Medium/High	City of Benicia	\$10,000	
Benicia Unified	Benicia Middle	1	<ul style="list-style-type: none"> Reconfigure Demsey Drive at intersection, with on-grade, lane two ingress lanes, pedestrian crossing warning signs and SLOW SCHOOLING pavement markings for westbound drivers Construct a curb ramp at southern end of the crosswalk across Base Drive 	High	Low	Low	High	Medium	Medium	Medium		Medium	City of Benicia	\$7,500	
Benicia Unified	Matthew Turner Elementary	3	<ul style="list-style-type: none"> Construct a curb ramp at southern end of the crosswalk across Base Drive 	Low	Low	Low	High	Low	Low	Medium		Medium	City of Benicia	\$6,000	
Benicia Unified	Matthew Turner Elementary	2	<ul style="list-style-type: none"> Construct a landing pad for the existing crosswalk on the eastern side of Dempsy Drive Strip a high-visibility yellow crosswalk across the parking lot entrance, with curb ramps at both ends 	Low	Low	Low	High	Medium	Medium	High		High/Medium	City of Benicia	\$5,000	
Benicia Unified	Benicia Middle	6	<ul style="list-style-type: none"> Consider striping a high-visibility yellow crosswalk across Southampton Street with pedestrian crossing warning signs and SLOW SCHOOLING pavement markings for westbound drivers Install a high-visibility yellow crosswalk across Southampton Street with pedestrian crossing warning signs and SLOW SCHOOLING pavement markings for westbound drivers 	High	Low	Low	Low	Medium	Medium	Medium		Medium/Low	City of Benicia	\$1,000	
Benicia Unified	Matthew Turner Elementary	7	<ul style="list-style-type: none"> Install Assembly's signage at the crossing and Assembly's signage in advance of the crossing Erect Passenger Loading signage, in effect during pick-up and drop-off, on the northern side of Kearney Street beside the park 	Low	Low	Low	High	Medium	Medium	High		High/Medium	City of Benicia	\$1,000	
Benicia Unified	Robert Simple Elementary	1	<ul style="list-style-type: none"> Repare yellow curb loading zone at the school entrance with white curb Regrade yellow curb area to the west as bus lane loading zone Make western parking lot an additional loading zone Refresh white pavement striping in loading zones Refresh white pavement striping at load zones Reformat pedestrian pathway to be ADA compliant 	Medium	Medium	Low	High	Low	Low	Medium		Low/Medium	BUSD	\$1,000	
Benicia Unified	Matthew Turner Elementary	3	<ul style="list-style-type: none"> Reformat pedestrian pathway to be ADA compliant 	Low	Medium	Low	High	Low	Low	Medium		Medium/Low	BUSD	\$500	
Benicia Unified	Robert Simple Elementary	1		Medium	Medium	Low	High	Low	Low	Medium		Medium/Low	BUSD	N/A	

AGENDA ITEM
CITY COUNCIL MEETING: MAY 21, 2013
COUNCIL MEMBER COMMITTEE REPORTS

DATE : May 13, 2013

TO : Vice Mayor Campbell
Council Member Schwartzman

FROM : City Manager

SUBJECT : **TRI-CITY AND COUNTY COOPERATIVE PLANNING GROUP**
"SOLANO OPEN SPACE"

The following information is provided for your committee report at the May 21, 2013 Council meeting.

The next Tri-City and County Cooperative Planning Group meeting is scheduled for June 10, 2013.

**AGENDA ITEM
CITY COUNCIL MEETING: MAY 21, 2013
COUNCIL MEMBER COMMITTEE REPORTS**

DATE : May 13, 2013

TO : Mayor Patterson
Council Member Hughes

FROM : City Manager

SUBJECT : **VALERO COMMUNITY ADVISORY PANEL (CAP)**

The following information is provided for your committee report at the May 21, 2013 Council meeting.

The CAP meets quarterly at 6:30 p.m. at the refinery at 610 Industrial Way. The next meeting is TBD.

AGENDA ITEM
CITY COUNCIL MEETING: MAY 21, 2013
COUNCIL MEMBER COMMITTEE REPORT

DATE : May 7, 2013

TO : Mayor Elizabeth Patterson
Council Member Christina Strawbridge
Council Member Mark Hughes

FROM : Youth Action Coalition

SUBJECT : **YOUTH ACTION COALITION**

The Benicia Youth Action Coalition met on April 24, 2013. The County provided a special presentation regarding the Solano Countywide Tobacco Retail Survey that we will conduct in July or August. Four teams of two adults and two youth will visit 21 tobacco sale locations in Benicia. The surveys will be done on an iPad provided by the county. The survey does not ask the business owner or employees questions, it is geared to collect data relating to environmental issues. Permission is asked of the store before conducting the survey.

The County reduced next year's ATOD budget by \$1,000 from indirect costs. Board of Supervisors will review and hopefully approve the City Team budgets in late May.

Prescription Drug Take Back event was held on Saturday, April 27th at the Police Department. 370 lbs. of drugs were turned in by 205 Benicia residents and 18 from Vallejo.

Group discussed dates for next year's Every 15 Minute Program. The Co-chairs; Patti Baron, Ron Wheat, Gary Wing and Ann Dunleavy will begin planning meetings in September.

The next meeting will be on May 22, 2013.

**AGENDA ITEM
CITY COUNCIL MEETING: MAY 21, 2013
COUNCIL MEMBER COMMITTEE REPORTS**

DATE : May 13, 2013
TO : City Council
FROM : Mayor Patterson
SUBJECT : **ABAG/CAL FED TASK FORCE/BAY AREA WATER FORUM**

The following information is provided for your committee report at the May 21, 2013 City Council meeting.

The Bay Area Water Forum's last meeting was held on March 26, 2012.

This was the last meeting of the Bay Area Water Forum for 2012, due to a lack of funding.

AGENDA ITEM
CITY COUNCIL MEETING: MAY 21, 2013
COUNCIL MEMBER COMMITTEE REPORTS

DATE : May 10, 2013

TO : Mayor Patterson
Council Member Hughes
Council Member Schwartzman

FROM : Acting Assistant City Manager

SUBJECT : **SOLANO COUNTY TRANSIT (SolTrans) BOARD MEETING**

The following information is provided for your committee report at the May 21, 2013 Council meeting.

The Solano County Transit (SolTrans) Joint Powers Authority held a regular meeting on April 18, 2013 in the City of Vallejo City Council Chambers. The draft minutes for the April 18 meeting are attached. The agenda for the regular SolTrans Board meeting held on May 16, 2013 in the City of Benicia City Council Chambers is also attached.

The next regular meeting of the SolTrans Board is scheduled for Thursday, June 27, 2013 at 4:00 p.m. and will be held in the City of Vallejo City Council Chambers. The agenda for this meeting was not available as of the date of this report.

Attachment:

- April 18, 2013 SolTrans Board Meeting Draft Minutes
- May 16, 2013 SolTrans Board Meeting Agenda



SOLANO COUNTY TRANSIT

**DRAFT Board Minutes for Meeting of
April 18, 2013**

1. CLOSED SESSION

The special meeting was called to order at 3:00 p.m., which recessed into closed session to discuss a public employee performance evaluation. There were no matters to report.

2. CALL TO ORDER

Chair Davis reconvened the meeting of the SolTrans Board at 4:00 p.m. A quorum was confirmed.

MEMBERS

PRESENT:

Osby Davis, Mayor	City of Vallejo, Chair
Mark Hughes, Councilmember	City of Benicia, Vice Chair
Hermie Sunga, Councilmember	City of Vallejo
Elizabeth Patterson, Mayor	City of Benicia
Jim Spering, Supervisor, County of Solano	MTC Representative
Pete Sanchez, Mayor	Ex-Officio – STA Representative

MEMBERS

ABSENT:

None

STAFF

PRESENT:

In Alphabetical Order by Last Name:

Gary Albright	SolTrans Program Analyst
Mona Babauta	SolTrans Executive Director
Kristina Botsford	SolTrans Budget & Accounting Manager
Bernadette Curry	SolTrans Legal Counsel
Suzanne Fredriksen	SolTrans Clerk of the Board
Philip Kamhi	SolTrans Planning & Operations Manager
Elizabeth Romero	SolTrans Program Analyst
Erwin Santos	SolTrans Accountant
Ward Stewart	SolTrans Program Analyst

OTHERS

PRESENT: *In Alphabetical Order by Last Name:*

Richard Burnett	MTC Policy Advisory Council
Vincent Edwards	Teamsters Local 315
Angie Johnson	National Express

4. APPROVAL OF AGENDA

On a motion by Director Patterson, and a second by Director Hughes, the SolTrans JPA Board approved the agenda with an amendment to include a revised recommendation to Agenda Item 11, Approve FY 2012-13 Capital Budget for the Curtola/Lemon Park and Ride Facility Project.

A quorum was confirmed by the Clerk of the Board. There was no Statement of Conflict declared at this time.

5. OPPORTUNITY FOR PUBLIC COMMENT

None presented.

COMMENTS FROM STAFF

6. REPORT FROM THE EXECUTIVE DIRECTOR

CONSENT CALENDAR

On a motion by Director Patterson, and a second by Director Hughes, the SolTrans JPA Board approved Consent Calendar Items 7b through 7e. Agenda Item 7a, Meeting Minutes of March 21, 2013 was pulled for discussion.

7a. Meeting Minutes of March 21, 2013

Recommendation:

Approve the meeting minutes of March 21, 2013.

Public Comments:

None presented.

Board of Directors Comments:

Director Patterson requested that the public comment listed under Agenda Item 12, Route 78 Update, be revised in the minutes to include the rider's request for late night service to assist riders in getting home from work. She also requested the following amendment to her own request for late night service as shown under the Board of Directors Comments section of the Route 78 Update item:

"Director Patterson requested that staff explore the possibility of utilizing different buses which could service the South Hampton area in Benicia at certain times of the day in order to increase ridership. She also requested that staff consider adding the late night trip ~~to assist riders in getting home from work~~ to provide service for people returning from a concert, play or movie."

On a motion by Director Patterson and a second by Director Sunga, the SolTrans JPA Board unanimously approved the recommendation to include the revisions to the meeting minutes as noted above.

7b. Technical Advisory Committee Meeting Minutes of April 8, 2013

Recommendation:

Approve the meeting minutes of April 8, 2013.

7c. Approve Contract Award to A-Z Bus Sales for Video Security Systems Through a Cooperative Purchase

Recommendation:

1. Approve contract award to A-Z Bus Sales for REI video security systems and installation services in a "Not-to-Exceed" amount of \$271,124;
2. Authorize the Executive Director to execute the procurement contract with A-Z Bus Sales, as well as any other contractual documents related to the procurement.

7d. Master Contract Award for Bus Construction, Inspection, and Maintenance Consulting

Recommendation:

1. Approve the award of a Master Agreement for Bus Construction, Inspection and Maintenance Consulting Services for a Not-To-Exceed amount of \$125,000, and
2. Authorize the Executive Director to execute the Master Agreement and Task Orders with firms in the certified pool.

7e. Proposed Revisions to the Solano County Transit (SolTrans) Joint Powers Agreement

Recommendation:

1. Approve an amendment to language under Section 6 (Membership) of the SolTrans Joint Powers Agreement to exclude public-private partnerships from membership eligibility in SolTrans;
2. Authorize the Executive Director to request of the Member Agencies action to approve the amendment to the Joint Powers Agreement accordingly.

REGULAR CALENDAR

ACTION ITEMS

8. Public Hearing on Federal Transit Administration Section 5310 Grant Application

Elizabeth Romero presented an overview of SolTrans' application for Federal Transit Administration (FTA) Section 5310 Elderly and Disabled Specialized Transit Program funding for the purpose of procuring a multilingual Interactive Voice Response System, or a "reminder call-back system" for ADA Paratransit Service. She presented highlights of the anticipated ADA Paratransit customer service and service improvements, the public hearing requirements, the grant timeline and the regional rankings.

Mona Babauta announced that the Resolution to submit the FTA Section 5310 grant application had been revised and posted electronically on the SolTrans website, via hard copy in the Board of Directors folders as well as on the back table of the Council Chambers.

Chair Davis opened the public hearing.

Public Comments:

None presented.

Board Comments:

None presented.

Chair Davis closed the public hearing.

Recommendation:

After considering public comments received during the public hearing, approve the Resolution to:

1. Submit the Federal Section 5310 grant application for the purchase of an Interactive Voice Response System.
2. Appoint the Executive Director as the authorized agent to execute any actions necessary for this application, the acceptance of these funds, and the completion of the project.

On a motion by Director Patterson and a second by Director Sunga, the SolTrans JPA Board unanimously approved the recommendation to include the revised Resolution.

9. Standardizing Project Name for Curtola/Lemon Park and Ride Facility

Jim McElroy stated that the park and ride facility has many uses and has been referred to by a variety of names. He noted that staff has recommended an interim name developed by the Curtola Project Development Team (PDT), and requested that the board provide direction to staff on developing a permanent name.

Public Comments:

Keith Ward, a member of the SolTrans Public Advisory Committee and bus driver for MV Transportation, submitted a request to consider a shortened permanent name for the facility so that drivers are able to call out the bus stop easily.

Board Comments:

Director Patterson expressed concern that the proposed name seemed confusing and recommended an interim name of "SolTrans Curtola Park and Ride Hub", which could be shortened to Curtola Park and Ride when bus drivers call out the stop. She noted that she would be in favor of a ridership contest to come up with a permanent name; however she added that if the Board felt that a prolonged process was unnecessary that she would be amenable to approving "SolTrans Curtola Park and Ride Hub" as the permanent facility name.

Director Hughes expressed concern that most of the old names made reference to "Curtola" and that it may be confusing to riders to not include this in the new name.

After discussion and further consideration, the SolTrans JPA Board voted to revise the recommendation as follows:

Recommendation:

1. Approve "~~The SolTrans Vallejo Parking and Transit~~ ***Curtola Park and Ride Hub***" as the ***permanent*** facility name for all current and future documents and temporary signage. ~~until completion of the project or until the Board chooses to rename the facility;~~
2. ~~Direct staff to recommend a process to determine the final facility name to be used in permanent signage.~~

On a motion by Director Patterson and a second by Director Spering, the SolTrans JPA Board unanimously approved the recommendation as amended shown above in ~~strikethrough~~ ***bold italics***.

10. SolTrans Vallejo Parking & Transit Hub Project Funding and Management Agreement

Jim McElroy stated that there are three main goals included in the agreement: 1) the project management agreement, 2) to define the relationships between the three entities, and 3) the Metropolitan Transportation Commission (MTC) required funding agreement. He noted that the project is moving quickly into the design phase and that the Regional Measure 2 (RM2) funds necessary for that phase are subject to the approval of a funding agreement.

Public Comments:

None presented.

Board Comments:

Director Sunga requested that staff reflect the new name which the Board approved under Agenda Item 9 in the final agreement.

Recommendation:

1. Approve the draft Funding and Management Agreement between the Solano Transportation Authority, the City of Vallejo and SolTrans for the Implementation of the Curtola/Lemon Park and Ride Facility Project;
2. Direct the Executive Director to negotiate and sign the final agreement with the City of Vallejo and the Solano Transportation Authority, subject to approval by SolTrans Legal Counsel.

On a motion by Director Hughes and a second by Director Spering, the SolTrans JPA Board unanimously approved the recommendation.

11. Approve Fiscal Year 2012-13 Capital Budget for the Curtola/Lemon Park and Ride Facility Project

Mona Babauta stated that in March 2013, the MTC approved an allocation of \$1.8 Million in RM2 funding to the SolTrans Curtola Park and Ride Hub and that the board subsequently approved the acceptance of such funds. She noted, however that a capital budget did not currently exist to spend down the funding.

Mona Babauta stated that staff's recommendation was revised to include the following verbiage:

Approve \$1.8 Million in budget appropriations for the Curtola/Lemon Project in the FY 2012-13 Capital Budget.

Public Comments:

None presented.

Board Comments:

None presented.

Recommendation:

1. Approve the addition of \$1,800,000 in RM2 funding to the FY 2012-13 Capital Budget for the Curtola/Lemon Park and Ride Facility Project.
2. *Approve \$1.8 Million in budget appropriations for the Curtola/Lemon Project in the FY 2012-13 Capital Budget.*

On a motion by Director Spering and a second by Director Patterson, the SolTrans JPA Board unanimously approved the recommendation as amended shown above in *bold italics*.

12. Receive and File Fiscal Year (FY) 2011-12 Annual Financial Audit

Kristina Botsford stated that the public accounting firm of Brown Armstrong performed the audit of SolTrans' FY 2011-12 annual financial statements and internal controls and issued an unqualified opinion, meaning that there were no findings, all transactions were complete, and that everything was presented in acceptance with generally accepted financial standards.

Public Comments:

None presented.

Board Comments:

None presented.

Recommendation:

Receive and file SolTrans' FY 2011-12 Annual Financial Audit.

On a motion by Director Sunga and a second by Director Hughes, the SolTrans JPA Board unanimously approved the recommendation.

13. Fiscal Year 2013-14 Proposed Operating and Capital Budget

Kristina Botsford presented an overview of the operating budget key assumptions, the FY 2013-14 proposed operating budget, as well as highlights of the SolTrans Committee reviews. She noted that the proposed operating budget is less than the budget for the current fiscal year. She presented charts and data comparing the projected revenues and expenses for FY 2012-13 and the proposed revenues and expenses for FY 2013-14.

Mona Babauta presented an overview of the proposed FY 2013-14 Capital Budget, including the FY 2012-13 estimated carryover request and the FY 2013-14 new capital requests.

Public Comments:

None presented.

Board Comments:

Chair Davis expressed concern over the assumption that the agency would be fully staffed by the beginning of the fiscal year, if in fact it would take a longer period of time for that to occur. He requested that staff reflect the funding which would be utilized for consultants needed during the interim under the professional services line item of the budget versus the staffing and benefits line item.

Director Hughes requested additional information regarding the following items:

- What staff anticipated the operating reserve to be
- How staff arrived at the marketing budget amount, as it appeared too low.

Mona Babauta provided the following answers in response:

- Based upon the budget which the Board approved last year, the agency will be able to maintain a 15% reserve.
- The agency's goal listed in the Short Range Transit Plan (SRTP) is to set aside 1% of the operating budget for marketing.

Director Patterson requested additional information regarding the following items:

- She concurred with Director Hughes regarding the marketing budget, and requested that staff bring back an item to the board in May to consider the option of augmenting the budget. She requested that staff specifically explore the preliminary costs of marketing efforts which would allow staff to be physically present and to offer travel training to the public.
- She expressed concern regarding the diesel fuel budget line item, referencing a large spike in diesel costs years ago which caused cascading problems for the Vallejo Transit service.
- She expressed concern regarding spending \$100,000 on the CNG feasibility study and requested additional information. She noted that she would like to see the budget constrained and the feasibility study broken into phases.
- She requested that staff bring a preliminary reserve policy to the board for review in May, where possible.

Mona Babauta stated that part of the money budgeted for the CNG feasibility study could include actual implementation, but that primarily it is necessary to determine whether the 1850 Broadway location has the capacity to allow for a fueling station. She noted that staff is working with STA to determine the exact costs of a feasibility study, and could bring an adjusted number back to the board in May, if it is significantly lower.

Director Sunga requested that staff consider advertising on the buses as an additional revenue source.

Director Spring commended staff on the quality of the presentation, the vision for future service and the realistic projections. He concurred that the marketing budget seemed too low and recommended that the board amend the budget to include an increase. He noted that the agency's membership with APTA seemed premature, and that money could be better utilized to market the system. He also requested that the security camera budget be augmented.

Mona Babauta noted that only \$10,000 is being requested for project management in FY 2013-14, but over \$135,000 in FY 2012-13 carryover is included in the proposed budget for security cameras.

Chair Davis concurred with Director Spring's comments.

Recommendation:

1. Provide feedback on FY 2013-14 Proposed Operating and Capital Budget.
2. Direct staff to revise the FY 2013-14 Proposed Budget per feedback received and return in May 2013 with the final FY 2013-14 Operating and Capital Budget for approval.

On a motion by Director Spering and a second by Director Patterson, the SolTrans JPA Board unanimously approved the recommendation to include the following amendments:

- Direct staff to move the monies for APTA under professional memberships to the marketing budget line item
- Direct staff to bring a proposal to the board in May for augmented marketing efforts
- Direct staff to consider augmenting the security budget
- Direct staff to bring a proposal to the board in May regarding possible phases for the CNG feasibility study

NON-ACTION/ INFORMATIONAL

DISCUSSION ITEMS

14. System Performance Report

Philip Kamhi presented an overview of the year-to-date (YTD) fixed route recovery ratio, the local and intercity ridership for July 2012 through March 2013, the March 2013 ridership by route, as well as the systemwide ridership for July 2012 through March 2013. He noted that the agency is currently exceeding or very close to meeting each of the Board approved Performance Measures and Standards related to system performance. He provided a comparison summary of Bay Area Operators' fixed-route farebox recovery from FY 2011-2012, as compared with SolTrans' current fixed-route farebox recovery, noting a continual upward trend. He also provided ridership numbers for Paratransit and General Public (GP) Dial-a-Ride services for the first six months of the fiscal year.

Public Comments:

None presented.

Board Comments:

Director Patterson requested additional information regarding the reasons why SolTrans' farebox recovery is so much higher than other agencies.

Mona Babauta noted that costs have declined due to the consolidation of the two transit systems which has contributed to the increase in farebox recovery. She also noted that many of the other agencies rely upon county sales tax, whereas SolTrans does not and therefore must discover ways of increasing the system performance and farebox recovery in order to maintain the financial health of the system.

Director Sunga requested additional information regarding why the ridership was highest in October.

Philip Kamhi noted that since October has 31 days and no holidays, the number of actual service days was higher than other months. He added that student breaks, such as spring breaks also impact ridership.

Recommendation:
Informational.

NON- DISCUSSION ITEMS

15. SolTrans Public Outreach Update

Recommendation:
Informational.

STAFF BRIEFINGS

Mona Babauta noted that staff is currently working with Solano County on Phase II of the Intercity Taxi Program. She cited that currently, the agency participates in the first phase of the Intercity Taxi Program which allows Paratransit-eligible riders to take a taxi ride from Vallejo or Benicia to another city within the county. She stated that Phase II would expand the program to include those riders who are not ambulatory or who utilize wheelchairs.

16. BOARD MEMBERS COMMENTS

Director Spring requested that a half hour workshop be scheduled during one of the upcoming board meetings in order to give the new operator, National Express, an opportunity to provide an overview of services and anticipated improvements. He also expressed great concern regarding the Executive Director signing a document with other county transit operators that included comments on the Draft Mobility Management Plan produced by the Solano Transportation Authority. He reminded the Executive Director of her position in relation to the other operators and requested that items such as this be vetted first through the Board of Directors.

Director Sunga expressed appreciation to staff for creating special promotions for youth.

Chair Davis requested that charging stations be included in the SolTrans Curtola Park and Ride Hub design, and also be considered for all other transit locations. He cited that the charging stations that run on solar power are especially beneficial. He also expressed concern regarding how the Public Advisory Committee (PAC) members are elected, requesting that staff bring an item to the board to amend the JPA to allow the SolTrans Board to elect the PAC members. He also referenced the "Summer Youth Paid Internship Program" which was announced at a recent Vallejo City Council meeting, and requested that staff return to the board with an item to consider providing transportation for the program.

Director Spring concurred with Chair Davis' suggestion regarding PAC appointments and added that staff should include geographic balance as a criteria for selecting members in order to better serve the entire district.

Director Patterson noted that it would be helpful to consider how other agencies currently appoint PAC members. She also referenced the Electric Highway Program which targets I-80 and encouraged staff to get into the queue as charging stations are being positioned all along the interstate.

17. **ADJOURNMENT**

The meeting was adjourned at 5:15 p.m. The next regular meeting of the SolTrans Board is *tentatively* scheduled as one of two annual evening meetings for Thursday, May 16, 2013, 6:30 p.m., Benicia Council Chambers.

Attested by:



Suzanne Fredriksen
Clerk of the Board

4/19/2013

Date



**BOARD MEETING AGENDA
6:30 p.m., Regular Meeting
Thursday, May 16, 2013
Benicia Council Chambers**

Public Comment: Pursuant to the Brown Act, the public has an opportunity to speak on any matter on the agenda or, for matters not on the agenda, issues within the subject matter jurisdiction of the agency. Comments are limited to no more than 3 minutes per speaker unless modified by the Board Chair, Gov't Code § 54954.3(a). By law, no action may be taken on any item raised during the public comment period (Agenda Item IV) although informational answers to questions may be given and matters may be referred to staff for placement on a future agenda of the agency.

Americans with Disabilities Act (ADA): This agenda is available upon request in alternative formats to persons with a disability, as required by the ADA of 1990 (42 U.S.C. §12132) and the Ralph M. Brown Act (Cal. Govt. Code §54954.2). Persons requesting a disability related modification or accommodation should contact Suzanne Fredriksen, Interim Clerk of the Board, at (707) 648-4046 during regular business hours at least 24 hours prior to the time of the meeting.

Staff Reports: Staff reports are available for inspection at the SolTrans office, during regular business hours, 8:00 a.m. to 5:00 p.m., Monday-Friday. You may also contact the Clerk of the Board via email at suzanne@soltransride.com.

Supplemental Reports: Any reports or other materials that are issued after the agenda has been distributed may be reviewed by contacting the SolTrans Clerk of the Board and copies of any such supplemental materials will be available on the table at the entry to the meeting room.

Agenda Times: Times set forth on the agenda are estimates. Items may be heard before or after the times shown.

ITEM

BOARD/STAFF PERSON

- | | |
|---|---|
| <p>1. CLOSED SESSION:
 A. PERSONNEL: Public Employee Performance Review – SolTrans Executive Director
 (5:30 – 6:30 p.m.)</p> <p>2. CALL TO ORDER/PLEDGE OF ALLEGIANCE
 (6:30 – 6:35 p.m.)</p> <p>3. CONFIRM QUORUM/STATEMENT OF CONFLICT</p> | <p>Osby Davis, Mayor
City of Vallejo</p> <p>Suzanne Fredriksen
Clerk of the Board</p> |
|---|---|

An official who has a conflict must, prior to consideration of the decision; (1) publicly identify in detail the financial interest that causes the conflict; (2) recuse himself/herself from discussing and voting on the matter; (3) leave the room until after the decision has been made. Cal. Gov't Code § 87200.

SOLTRANS BOARD MEMBERS

Elizabeth Patterson	Mark Hughes	Osby Davis	Hermie Sunga	Jim Spring	Pete Sanchez
City of Benicia	City of Benicia	City of Vallejo	City of Vallejo	MTC Representative	STA Ex-Officio
Alternate Board Member Alan Schwartzman		Alternate Board Member Stephanie Gomes			

4. APPROVAL OF AGENDA

5. OPPORTUNITY FOR PUBLIC COMMENT

(6:35 – 6:40 p.m.)

6. REPORT FROM THE EXECUTIVE DIRECTOR

Mona Babauta

Pg. 1

(6:40 – 6:45 p.m.)

PROCLAMATIONS & PRESENTATIONS

CONSENT CALENDAR

Recommendation:

Approve the following consent items in one motion.

(Note: Items under consent calendar may be removed for separate discussion.)

(6:45 – 6:50 p.m.)

7a. Meeting Minutes of April 18, 2013

Suzanne Fredriksen,
Clerk of the Board

Recommendation:

Approve the meeting minutes of April 18, 2013.

Pg. 7

7b. Clipper Memorandum of Understanding

Mona Babauta,
Executive Director

Recommendation:

Authorize the Executive Director to execute the Supplemental Agreement to the Clipper Memorandum of Understanding with the Metropolitan Transportation Commission.

Pg. 17

7c. Continuation of Financial and Human Resources Services Agreement with the City of Vacaville

Kristina Botsford,
Budget and Accounting Manager

Recommendation:

Authorize the Executive Director to execute the Agreement with the City of Vacaville as shown in Attachment A.

Pg. 21

7d. Memorandum of Understanding For Intercity Paratransit Services

Mona Babauta,
Executive Director

Recommendation:

Authorize Executive Director to execute the Memorandum of Understanding for Intercity Paratransit Services as shown on Attachment A.

Pg. 29

- 7e. **Coordinated Short Range Transit Plan Progress Report**
Recommendation:
Accept the update on the Coordinated Short Range Transit Plan.
Pg. 41

Elizabeth Romero,
Program Analyst;
David Lee, Consultant, C.A.R.E

REGULAR CALENDAR

ACTION ITEMS

8. **Pilot Project with Cal Maritime**

Recommendation:

1. *Approve pilot project with Cal Maritime.*
2. *Authorize Executive Director to execute a Memorandum of Understanding with California State University Maritime, subject to approval of SolTrans Legal Counsel.*

(6:50 – 7:00 p.m.)

Pg. 45

Philip Kamhi,
Planning and Operations Manager

9. **Americans with Disabilities Act (ADA) Eligibility Determination Process Implementation**

Recommendation:

- 1) *Provide feedback on the implementation and public outreach processes for the new in-person paratransit eligibility determination process;*
- 2) *Authorize staff to work with the Solano Transportation Authority to develop contract oversight procedures to ensure continued eligibility for federal funding.*

(7:00 – 7:10 p.m.)

Pg. 61

Elizabeth Romero,
Program Analyst

10. **SolTrans Mission Statement Development**

Recommendation:

Adopt the SolTrans Mission Statement.

(7:10 – 7:35 p.m.)

Pg. 75

Ward Stewart,
Program Analyst

11. **SolTrans Reserve Policy**

Recommendation:

Adopt the Reserve Policy as outlined on Attachment A.

(7:35 – 7:50 p.m.)

Pg. 79

Mona Babauta,
Executive Director

- 12. Fiscal Year 2013-14 Final Operating & Capital Budget**
Recommendation:
Approve the FY 2013-2014 Operating and Capital Budget as presented on Attachments A and C.
(7:50 – 8:00 p.m.)
Pg. 85

Mona Babauta,
Executive Director;
Kristina Botsford,
Budget and Accounting Manager

- 13. Service Improvements Overview**
Recommendation:
1) *Authorize staff to begin public outreach.*
2) *Authorize staff to implement proposed changes pending public comment.*
3) *Authorize staff to coordinate with the Benicia and Vallejo School Districts to develop and implement Limited Service Route Schedules.*
(8:00 – 8:10 p.m.)
Pg. 97

Philip Kamhi,
Planning and Operations Manager

NON-ACTION/ INFORMATIONAL

DISCUSSION ITEMS

- 14. System Performance Report**
Recommendation:
Informational.
(8:10 – 8:15 p.m.)
Pg. 105

Philip Kamhi,
Planning and Operations Manager

- 15. SolTrans Public Outreach Update**
Recommendation:
Informational.
(8:15 – 8:20 p.m.)
Pg. 119

Ward Stewart,
Program Analyst

NON-DISCUSSION ITEMS

- 16. STAFF BRIEFINGS**
This time is reserved for SolTrans staff to provide a five-minute briefing to the Board on various items of interest. No action will be taken on these matters except to possibly place a particular item on a future agenda for Board consideration.

17. BOARD OF DIRECTORS COMMENTS

18. ADJOURNMENT

The next regular meeting of the SolTrans Board is *tentatively* scheduled for **Thursday, June 27, 2013, 4:00 p.m., Vallejo Council Chambers.**