CITY OF PITTSBURG
AGENDA

JUNE 17, 2024

CITY HALL COUNCIL CHAMBER
65 CIVIC AVENUE, PITTSBURG, CA

REGULAR MEETING
7:00 P.M.

CITY COUNCIL
HOUSING AUTHORITY
PITTSBURG ARTS AND COMMUNITY FOUNDATION
PITTSBURG POWER COMPANY
SOUTHWEST PITTSBURG GEOLOGIC HAZARD ABATEMENT DISTRICT II
SUCCESSOR AGENCY

PRESIDING

Juan Antonio Banales, Mayor/Chair
Jelani Killings, Vice- Mayor/Chair
Dionne Adams, Council Member/Board Member
Angelica Lopez, Council Member/Board Member
Shanelle Scales-Preston, Council Member/Board Member

FOR HOUSING AUTHORITY:
S.L. Floyd, Housing Authority Member
Annie Hill Herring, Housing Authority Member

Pittsburg City Council regular meetings are held the first and third Mondays of each month at 7:00 p.m. The Housing Authority meets in conjunction with the City Council on the third Monday of each month. The Pittsburg City Council meets regularly in the Council Chamber at 65 Civic Avenue, unless otherwise noted above. The City Council also sits as the Board of Directors of several other City agencies. The stipends for all agency members conform to state statutes governing compensation amounts. All other Agencies meet on an as needed basis and will be listed above if applicable. Copies of the open session agenda packets, which are distributed to the City Council, are on file in the office of the City Clerk, 65 Civic Avenue, Pittsburg, California, and are available for public inspection, beginning 72 hours in advance, during normal business hours (8:00 a.m. – 5:00 p.m., Monday through Friday, except from noon to 1:00 p.m. and City holidays). The agenda and reports are also located on the City's website at www.pittsburgca.gov. Additionally, if any reports or documents, which are public records, are distributed to the City Council less than 72 hours before the meeting, those reports and documents will also be available for public inspection in the City Clerk's Office and on the day of the meeting in the Council Chamber at the public counter area below the dais.

7:00 PM - CONVENE IN OPEN SESSION FOR REGULAR MEETING

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

CITY MANAGER REPORTS/REMARKS

The City Manager may make brief announcements or informal comments at this time and brief the Council on items of interest. (No Action Required)

PUBLIC COMMENTS

Members of the audience who wish to address the City Council or Agency Boards on issues that are not scheduled for the agenda and on any items listed as part of the Consent Calendar should complete a Speaker's Card available at the dais. Please read the card carefully in order to fill out the card properly. Submit the completed card to the City Clerk before the item is called, preferably before the meeting begins. Individuals will be given three minutes to address the Council unless additional time is allowed as provided for spokespersons. Prior to speaking, each member of the public shall state their name and business and City of residence in a clear and audible tone of voice. (No Action Required)

COMMITTEE REPORTS

Council Members may make a report on their committee assignments at this time. (see attached list of adhoc committees and other public agencies in which Council members participate). (No Action Required)

HOUSING AUTHORITY

CONSIDERATION

1. Adoption of a Housing Authority of the City of Pittsburg Resolution Approving the Operating Budget Plan for Fiscal Year 2024-25 for the Housing Authority City of Pittsburg and Appropriation of Funds for Fiscal Year 2024-25

   The Housing Authority City of Pittsburg has prepared its Operating Budget Plan for Fiscal Year 2024-25. The Fiscal Year 2024-25 budget must be appropriated by July 1, 2024, to provide on-going financing for the Housing Authority of the City of Pittsburg’s activities during the next fiscal year.

COMBINED CITY COUNCIL AND HOUSING AUTHORITY CONSENT CALENDAR

2. Minutes of April 15, 2024

3. Adoption of a City Council Resolution Authorizing Conveyance of 2362 Dover Way to the Housing Authority and a Housing Authority Resolution Authorizing Acceptance of 2362 Dover Way from the City of Pittsburg

   The City proposes to authorize the conveyance of 2362 Dover Way, Assessor’s Parcel Number (087-352-010) (Property) to the Housing Authority of the City of Pittsburg (Housing Authority) and the Housing Authority authorizes acceptance of the Property from the City for affordable housing for its Housing Choice Voucher (HCV) Program, also known as Section 8.

4. Adoption of a City Council Resolution Authorizing the City Manager to Execute an Agreement between the City of Pittsburg and Contra Costa Health Services for Coordinated Outreach Referral and Engagement (CORE) Program Services and a Housing Authority Resolution Authorizing the Use of Housing Successor Agency Funds

    The City and Contra Costa Health Services (Contractor) propose to enter into a 3-year agreement (Agreement) for Coordinated Outreach Referral and Engagement (CORE) program services to assist individuals living in a state of homelessness within the boundaries of Pittsburg.

HOUSING AUTHORITY MEMBER REMARKS

ADJOURNMENT OF THE HOUSING AUTHORITY

CITY COUNCIL MEETING

COMBINED CITY COUNCIL, PITTSBURG POWER COMPANY, SUCCESSOR AGENCY AND SOUTHWEST PITTSBURG GHADD II CONSIDERATION

5. Adoption of a City Council Minute Order to Approve City Goals and Priorities for Fiscal Year 2024-2025

    Each year, the City Council and City staff work together to establish citywide goals and priorities for the following fiscal year. Staff is proposing the fiscal year 2024-2025 City goals and priorities (the “City Goals and Priorities for FY 24-25”).

6. Introduction and Waive Further Reading of an Ordinance Amending Pittsburg Municipal Code Chapter 2.85 and Repealing Chapter 2.86

    The City Attorney proposes consolidating the Purchasing Policy and two chapters of the Pittsburg Municipal Code for efficiency and ease of reference, and revising provisions for clarification, correction and/or alignment with current state law and local policy and practice.

7. Adoption of a City Council Resolution for Approval of the City of Pittsburg’s Operating Budget for Fiscal Year 2024-25 and Appropriation of Funds for Fiscal Year 2024-25.

    The City Council’s Finance Sub-Committee met on April 19, 2024 and City Council budget workshop meetings were held on May 6, 2024 and June 3, 2024 to review and receive public input and discussion regarding the Draft Operating Budget for Fiscal Year 2024-25. The Fiscal Year 2024-25 budget must be appropriated by July 1, 2024, to provide on-going funding for the City of Pittsburg activities during the next fiscal year.

8. Adoption of a GHAD II Resolution for Approval of the Budget for Fiscal Year 2024-25 for the Southwest Pittsburg Geologic Hazard Abatement District II (GHAD II) and Appropriation of Funds for Fiscal Year 2024-25

   The City Council's Finance Management Subcommittee met on April 19, 2024, City Council budgets workshops were held on May 6, 2024, and June 3, 2024, to review and receive public input and discussion regarding the Draft Operating Budget for Fiscal Year 2024-25. The Fiscal Year 2024-25 budget must be appropriated by July 1, 2024, to provide on-going funding for the Southwest GHAD II activities during the next fiscal year.

9. Adoption of a Pittsburg Power Company Resolution for Approval of the Budget for Fiscal Year 2024-25 for the Pittsburg Power Company (PPC) and Appropriation of Funds for Fiscal Year 2024-25

   The Pittsburg Power Company (PPC) has prepared its Operating Budget Plan for Fiscal Year 2024-25. The Fiscal Year 2024-25 budget must be appropriated by July 1, 2024, to provide on-going funding for the City of Pittsburg activities during the next fiscal year.

10. Adoption of a Successor Agency for the Redevelopment Agency of the City of Pittsburg Resolution for Approval of the Budget for Fiscal Year 2024-25 for the Successor Agency for the Redevelopment Agency of the City of Pittsburg (Successor Agency) and Appropriation of Funds for Fiscal Year 2024-25

    The Successor Agency for the Redevelopment Agency of the City of Pittsburg (Successor Agency) has prepared its Operating Budget Plan for Fiscal Year 2024-25. The Fiscal Year 2024-25 budget must be appropriated by July 1, 2024, to provide on-going funding for the Successor Agency activities during the next fiscal year.

<u>CONFLICT OF INTEREST STATEMENT</u>

City Council/Agency Members may make any conflict of interest declarations pertaining to Consent Calendar items at this time.

<u>COMBINED CITY COUNCIL, PITTSBURG ARTS AND COMMUNITY FOUNDATION, PITTSBURG POWER COMPANY, SOUTHWEST PITTSBURG GHAD II AND SUCCESSOR AGENCY CONSENT CALENDAR</u>

11. Minutes of May 20, 2024 and June 3, 2024

12. Adoption of a City Council Minute Order to Direct Review of the City's Conflict of Interest Code

    The Political Reform Act requires every local government agency to review its Conflict of Interest Code biennially to determine if it is accurate or, alternatively, that the code must be amended. Once the determination has been made, a notice must be submitted to the code reviewing body no later than October 1 of even-numbered years.

13. Adoption of a City Council Resolution Requesting the Consolidation of the Municipal Election with Other Elections to be Held on Tuesday, November 5, 2024 General Election Date for the Election of Certain Officers as Required by the Provisions of the Laws of the State of California Relating to General Law Cities and Levying a Charge and Establishing Word Limitation for Candidates' Statements

    Pursuant to Elections Code Section 10400, et. seq., the City must, at least 88 days prior to the date of the election, file with the Board of Supervisors a Resolution of its governing board requesting the consolidation of elections and setting forth the exact form of any office to be voted upon at the election and establishing the word limitation for candidates' statements.

14. Adoption of a City Council Resolution Approving Revisions to the City's Investment Policy

    City of Pittsburg's Investment Policy provides guidelines for the prudent investment of the City's idle funds and outlines the policies for maximizing the efficiency of the City's cash management system. The goal of the City's Investment Policy is to enhance the economic status of the City while protecting its funds.

15. Adoption of a City Council Resolution Approving the Appropriations Limit for the 2024-25 Fiscal Year in Accordance with Proposition 111 and Article XIII (B)

    In November 1979, the voters of California approved Proposition 4, commonly known as the Gann Initiative. This proposition created Article XIII (B) of the State Constitution placing limits on the amount of revenue which can be appropriated by all government entities in any fiscal year. The legislation mandates all governing bodies including the City of Pittsburg to annually establish the Appropriations Limit.

16. Adoption of a City Council Resolution Authorizing the City Manager to Execute a Contract with Thatcher Company of California, Inc. for Water Treatment Plant Chemical Supply – Liquid Chlorine

    The Public Works Department is responsible for the maintenance and operation of the City's Water Treatment Plant and each year solicits bids for necessary chemical supplies. If approved, the resolution will authorize a purchase contract with vendor Thatcher Company of California, Inc. (Thatcher) as the only responsive bidder for Liquid Chlorine in the amount of $125,000.

17. Adoption of a City Council Resolution Authorizing the City Manager to Execute a Contract with Chemtrade Chemicals for Water Treatment Chemical Supply – Aluminum Sulfate

    The Public Works Department is responsible for the maintenance and operation of the City's Water Treatment Plant (WTP) and each year solicits bids for necessary chemical supplies. If approved, the resolution will authorize a purchase contract with vendor Chemtrade Chemicals US LLC as the only responsive bidder for

Aluminum Sulfate in the amount of $84,000.

18. Adoption of a City Council Resolution to Authorize City Manager to Execute a Contract with Univar USA, Inc. for Water Treatment Plant Chemical Supply – Sodium Hydroxide

    The Public Works Department is responsible for the maintenance and operation of the City's Water Treatment Plant (WTP) and each year solicits bids for necessary chemical supplies. If approved, the resolution will authorize a purchase contract with vendor Univar USA, Inc. as the lowest responsible, responsive bidder for Sodium Hydroxide (Caustic Soda) in the amount of $225,000.

19. Adoption of a City Council Resolution Authorizing the City Manager to Execute a Contract with Neo Solutions, Inc. for Water Treatment Plant Chemical Supply – Cationic Polymer

    The Public Works Department is responsible for the maintenance and operation of the City's Water Treatment Plant (WTP) and each year solicits bids for necessary chemical supplies. If approved, the resolution will authorize a purchase contract with vendor Neo Solutions, Inc. in an amount up to $170,000 for Cationic Polymer.

20. Adoption of a City Council Resolution Authorizing the City Manager to Execute a Contract with International Dioxcide for Water Treatment Plant Chemical Supply – Sodium Chlorite

    The Public Works Department is responsible for the maintenance and operation of the City's Water Treatment Plant (WTP) and solicits bids for necessary chemical supplies. If approved, the resolution will authorize a purchase contract with vendor International Dioxcide, Inc. in an amount up to $150,000 for Sodium Chlorite.

21. Adoption of a City Council Resolution to Authorize the City Manager to Negotiate and Execute a Loan Agreement for Energy Efficiency Improvements and Adoption of a Pittsburg Power Company Resolution Allocating Funds

    Approval of the proposed City Council resolution would authorize the City Manager to negotiate and execute a loan agreement with Sean McCauley Investments (SMI) to facilitate energy efficiency improvements to Assessor's Parcel Number (APN) 085-390-077, commonly known as Vidrio Commercial. Approval of the proposed Pittsburg Power Company (PPC) resolution would allocate $300,000 to fund the loan.

22. Adoption of a City Council Resolution Reallocating Funds, Establishing a Measure M Reserve, and Establishing a Youth Fund

    The City Council previously allocated $18.4 million in ARPA, Measure M Surplus, General Fund, General Fund Surplus, and Park Dedication Funds (PDF) to various projects. Due to increased project costs, changing project scopes, the evolution of the State and Local Fiscal Recovery Ffunds Final Rule, and required General Fund reserves, this item proposes reallocation of these funds to other revenue sources. The City Council also directed staff to utilize Measure M Surplus funds to establish an annual Measure M Reserve and a Youth Fund. This item will reallocate project funds and formally establish the Measure M Reserve and Youth Fund as directed.

COUNCIL REQUEST FOR FUTURE AGENDA ITEMS

Council Members may request items to be considered for future agendas. An item will only be brought forward with a majority vote and will appear on a future agenda with staff recommendations for further Council consideration.

COUNCIL MEMBER REMARKS

Council Members may make brief announcements or informal comments at this time. (No Action Required)

ADJOURNMENT TO JULY 1, 2024

NOTICE TO PUBLIC

GENERAL INFORMATION
Copies of the open session agenda packets, as distributed to the City Council, are on file in the office of the City Clerk, 65 Civic Avenue, Pittsburg, California, and are available for public inspection, beginning 72 hours in advance, during normal business hours (8:00 a.m. – 5:00 p.m., Monday through Friday, except City holidays). Full agenda packets are also located on the City's website at www.pittsburgca.gov. If any reports or documents, which are public records, are distributed to the City Council less than 72 hours before the meeting, those reports or documents will be available for public inspection in the City Clerk's Office and on the day of the meeting in the Council Chamber at the public counter area below the dais.

SPEAKER'S CARD
Members of the audience who wish to address the City Council on issues that are not scheduled for the agenda and on any items listed as part of the agenda should complete a Speaker's Card available at the dais. Please read the card carefully in order to fill out the card properly. Submit the completed card to the City Clerk before the item is called, preferably before the meeting begins. Individuals will be given up to three minutes to address the Council unless additional time is allowed as provided for spokespersons. Speakers are not permitted to yield their time to another speaker. Prior to speaking, each member of the public shall state their name and business and City of residence in a clear and audible tone of voice. Pursuant to the Brown Act, no action may be taken by the City Council on items not already scheduled on the agenda; however, the City Council may refer your comments/concerns to staff or request that the item be placed on a future agenda.

PUBLIC HEARINGS
Persons who wish to speak on Public Hearings listed on the agenda will be heard when the Public Hearing is opened, except on Public Hearing items previously heard and closed to public comment. After the public has commented, the item is closed to public comment and brought to the Council/Agency level for discussion and action. Further comment from the audience will not be received unless requested by the Council/Agency.

There is a 90-day limit for the filing of a challenge in the Superior Court to certain City administrative decisions and orders which require a hearing by law, the receipt of evidence, and the exercise of discretion. The 90-day limit begins on the date the decision is final (Code of Civil Procedure Section 1094.6). Further, if you challenge an action taken by the City Council in court, you may be limited, by California law, including but not limited to Government Code Section 65009, to raising only those issues you or someone else raised in the public hearing, or in written correspondence delivered to the City Council prior to or at the public hearing. The City Council may be requested to reconsider a decision if the request is made prior to the next City Council meeting, regardless of whether it is a regular or special meeting.

NOTICE TO THE DISABLED AND VISUALLY OR HEARING IMPAIRED
In compliance with the Americans with Disabilities Act, the City of Pittsburg will provide special assistance for disabled residents. Upon request, an agenda for any meeting shall be made available in appropriate alternative formats. The Council Chamber is equipped with sound amplifier units for use by the hearing impaired. The units operate in conjunction with the Chamber's sound system. You may request the sound amplifier from the City Clerk for personal use during Council meetings. If you need special assistance to participate in this meeting, or are requesting a specially formatted agenda, please contact the City Clerk at (925) 252-4850. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting or provide the requested agenda format. (28 CFR 35.102-35.104 ADA Title II)

DISRUPTIVE CONDUCT
The Council requests that you observe the order and decorum of our Council Chamber by turning off or setting to vibrate all cellular telephones and electronic devices, and that you refrain from making personal, impertinent, or slanderous remarks. Boisterous and disruptive behavior while the Council is in session, and the display of signs in a manner which violates the rights of others or prevents others from watching or fully participating in the Council meeting, is a violation of our Municipal Code and any person who engages in such conduct can be ordered to leave the Council Chamber by the Mayor.

LIVE MEDIA BROADCASTING ADVISEMENT
City Council meetings are webcast live on the City's website at www.pittsburgca.gov on the Agendas and Live Meetings page. Past meetings and approved minutes are also archived on that webpage. Watch the live meeting via the City's webcast (www.pittsburgca.gov - Agendas and Live Meetings), on Comcast Channel 24 Delta TV, AT&T U-Verse Channel 99 Delta TV. Contact the City Clerk's office at (925) 252-4850 for more information

City Council Agency/Liaison/Subcommittee Assignments as of May 20, 2024

OUTSIDE AGENCY BOARDS	COUNCIL MEMBER(S)	TYPE	MEETS	TIME	STAFF
ABAG	Dionne Adams / Jelani Killings Alternate	Standing	Annual		G. Evans
Delta Diablo*	Juan Banales / Shanelle Scales-Preston Alternate	Standing	2nd Wednesday	4:30 PM	J. Samuelson
East Co. Co. County Habitat Conservancy	Angelica Lopez / Juan Banales Alternate	Standing	4th Monday Bi-Monthly	2:00 PM	J. Davis
East County Water Management	Juan Banales / Jelani Killings Alternate	Standing	Annual		J. Samuelson
MCE Clean Energy Board	Shanelle Scales-Preston / Angelica Lopez Alternate	Standing	Quarterly	7:00 PM	D. Buchanan
TRANSPLAN / ECCRFFA	Shanelle Scales-Preston / Juan Banales Alternate	Standing	2nd Thursday	6:30 PM	J. Samuelson
Tri-Delta Transit (2 reps)**	Shanelle Scales-Preston & Dionne Adams / Jelani Killings Alternate	Standing	4th Wednesday	4:00 PM	J. Samuelson

LIAISON TO	COUNCIL MEMBER(S)	TYPE	MEETS	TIME	STAFF
East Bay League of California Cities	Shanelle Scales-Preston / Jelani Killings Alternate	Standing	3rd Thursday		G. Evans
Los Medanos Health Advisory Committee	Shanelle Scales-Preston & Jelani Killings	Ad Hoc	As needed		M. Aliotti
Mayor's Conference	Juan Banales / Jelani Killings Alternate	Standing	1st Thursday	6:30 PM	G. Evans
Pittsburg Police Activities League (PAL)	Shanelle Scales-Preston & Angelica Lopez / Dionne Adams Alternate	Standing	Monthly		S. Albanese
School Districts Committee (2x2)	Jelani Killings & Angelica Lopez / Dionne Adams Alternate	Standing	Quarterly		M. Aliotti

SUBCOMMITTEES	COUNCIL MEMBER(S)	TYPE	MEETS	TIME	STAFF
Budget Sustainability	Juan Banales & Jelani Killings	Ad Hoc	As needed		G. Evans
Community and Economic Development	Jelani Killings & Dionne Adams / Juan Banales Alternate	Standing	2nd Wednesday	5:00 PM	J. Davis
Finance Management	Juan Banales & Jelani Killings / Shanelle Scales-Preston Alternate	Standing	3rd Friday	4:00 PM	P. Rodrigues
Government Performance	Juan Banales & Jelani Killings	Ad Hoc	4th Friday	4:00 PM	J. Brizel
Infrastructure and Transportation	Shanelle Scales-Preston & Dionne Adams / Juan Banales Alternate	Standing	4th Thursday	5:30 PM	J. Samuelson
Life Enrichment	Dionne Adams & Angelica Lopez / Shanelle Scales-Preston Alternate	Standing	3rd Wednesday	5:30 PM	K. Simonton
Pittsburg Arts and Community Foundation	Shanelle Scales-Preston & Jelani Killings	Standing	As needed		K. Simonton
Public Safety	Shanelle Scales-Preston & Angelica Lopez / Jelani Killings Alternate	Standing	1st Wednesday	5:30 PM	S. Albanese
Tobacco, Cannabis, Alcohol Policy Review	Shanelle Scales-Preston & Jelani Killings	Ad Hoc	As needed		G. Evans
Facilities Rental and Usage	Jelani Killings & Dionne Adams	Ad Hoc	As needed		G. Evans

*Stipend of $170 per month

** Stipend of $100 per month

OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR
65 Civic Avenue
Pittsburg, CA 94565

TO: Chair and Governing Board Members

FROM: Garrett Evans, Executive Director

SUBJECT: Adoption of a Housing Authority of the City of Pittsburg Resolution Approving the Operating Budget Plan for Fiscal Year 2024/25 for the Housing Authority of the City of Pittsburg and Appropriation of Funds for Fiscal Year 2024/25

MEETING DATE: June 17, 2024

EXECUTIVE SUMMARY

The Housing Authority of the City of Pittsburg has prepared its Operating Budget Plan for Fiscal Year 2024/25. The Fiscal Year 2024/25 budget must be appropriated by July 1, 2024, to provide on-going financing for the Housing Authority of the City of Pittsburg's activities during the next fiscal year.

FISCAL IMPACT

The Housing Authority of the City of Pittsburg's Budget for Fiscal Year 2024/25 estimates revenues of $24,866,023 and expenditures of $25,064,280.

RECOMMENDATION

The Housing Authority Board approves the Operating Budget for Fiscal Year 2024/25 and adopts the Budget for the Housing Authority of the City of Pittsburg, for the Fiscal Year 2024/25.

BACKGROUND

The Preliminary Operating Budget for Fiscal Year 2024/25 for the City of Pittsburg was presented to the City Council at a Budget workshop meeting held on May 6, 2024, and June 3, 2024, which included the Housing Authority of the City of Pittsburg.

SUBCOMMITTEE FINDINGS

The City of Pittsburg Preliminary Operating Budget for the Fiscal Year 2024/25, which included the Housing Authority of the City of Pittsburg's Budget, was presented to the Finance Subcommittee on April 19, 2024. The Finance Subcommittee did not have any changes related to the Housing Authority's Budget.

STAFF ANALYSIS

The Housing Authority of the City of Pittsburg's anticipates a decrease in fund balance of \$198,257, with a projected June 30, 2025, ending fund balance of \$244,240. The fund balance for the Housing Authority is subject to requirements and regulations as established by the Department of Housing and Urban Development. The detailed budget for the Housing Authority is contained within the City of Pittsburg's Annual Budget for Fiscal Year 2024/25.

ATTACHMENTS: City of Pittsburg's Annual Budget for Fiscal Year 2024/25 (on file)
Resolution

Report Prepared By: Laura Mendez, Senior Financial Reporting Analyst

BEFORE THE GOVERNING BOARD OF THE HOUSING AUTHORITY

In the Matter of:

Approval of the Budget for Fiscal Year 2024/25 for the Housing Authority of the City of Pittsburg and Appropriation of Funds for Fiscal Year 2024/25	)	RESOLUTION NO. 24-

WHEREAS, the Executive Director has prepared, transmitted and presented the one-year Preliminary Operating Budget Plan for Fiscal Year 2024/25 to the Housing Authority Board for its consideration; and

WHEREAS, a Housing Authority Budget is prepared with the intent of providing a planned program for services and a financial system to carry out the planned program of services; and

WHEREAS, on May 6, 2024, and June 3, 2024, budget workshop meetings were held to review and receive public input regarding the City's Preliminary Operating Budget for Fiscal Year 2024/25, which included the Housing Authority of the City of Pittsburg and recommends estimated expenditures of $25,064,280.

NOW, THEREFORE, BE IT RESOLVED that the Housing Authority Governing Board hereby approves the Budget for Fiscal Year 2024/25 as set forth in the budget summary on file with the Housing Authority and incorporated by reference herein and authorizes the preparation of the final Budget Review document for Fiscal Year 2024/25.

BE IT FURTHER RESOLVED that the Board hereby appropriates funds in the estimated expenditures of $25,064,280

BE IT FURTHER RESOLVED that the Board authorizes the Finance Director or his/her designee to approve payment of goods and services received by the Housing Authority in accordance with the Housing Authority's approved budget, programs and policies.

PASSED AND ADOPTED by the Governing Board of the Housing Authority of the City of Pittsburg at a regular meeting on the 17th day of June 2024, by the following vote:

AYES:

NOES:

ABSTAINED:

ABSENT:

____
Juan Antonio Banales, Chair

ATTEST:

____
Alice E. Evenson, Agency Secretary

CITY OF PITTSBURG
HOUSING AUTHORITY MEETING MINUTES

DATE: April 15, 2024

LOCATION: Council Chamber, City Hall, 65 Civic Avenue, Pittsburg, CA 94565

CITY COUNCIL/AGENCY MEMBERS
Juan Antonio Banales, Mayor/Chair
Jelani Killings, Vice-Mayor/Chair
Dionne Adams, Council/Agency Member
Angelica Lopez, Council/Agency Member
Shanelle Scales-Preston, Council/Agency Member
S.L. Floyd, Agency Member
Annie Hill Herring, Agency Member

APPOINTED OFFICIALS
Garrett Evans, City Manager/Executive Director
Donna Mooney, City Attorney/Legal Counsel
Alice E. Evenson, City Clerk/Agency Secretary (elected)
Nancy Parent, City Treasurer (elected)

Chair Banales called the meeting of the Housing Authority to order at 7:07 P.M. in the Council Chamber at City Hall, 65 Civic Avenue Pittsburg, CA after having convened at 6:31 P.M. for the following Closed Session:

1. Housing Authority Governing Board
CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION
Initiation of litigation pursuant to Section 54956.9(d)(4)
Number of cases: one

City Attorney Mooney stated there were no reportable actions taken in Closed Session.

ROLL CALL

Member Adams and Member Scales-Preston were absent and excused.

PUBLIC HEARING

6. Adoption of a Housing Authority Resolution Approving the Public Housing Agency Administrative Plan for 2024 and Directing the Executive Director to Submit the Public Housing Agency Administrative Plan for 2024 to the U.S. Department of Housing and Urban Development.

On Motion by Member Floyd, seconded by Member Herring and adopted by the following vote:

AYES: Floyd, Herring, Killings, Lopez, Banales
ABSENT: Adams, Scales-Preston

CONSIDERATION

7. Adoption of a Housing Authority Resolution Amending the Fiscal Year 2023-24 Budget Based on Year-End Revenue and Expenditure Projections.

On Motion by Member Floyd, seconded by Member Herring and adopted by the following vote:

AYES: Floyd, Herring, Killings, Lopez, Banales
ABSENT: Adams, Scales-Preston

CONSENT CALENDAR

On Motion by Member Floyd, seconded by Member Herring and adopted by the following vote:

AYES: Floyd, Herring, Killings, Lopez, Banales
ABSENT: Adams, Scales-Preston

8. Minutes of March 18, 2024

HOUSING AUTHORITY MEMBER REMARKS

There were no Housing Authority Member remarks.

ADJOURNMENT

The Housing Authority was adjourned at 7:53 P.M.

Respectfully submitted,

Alice E. Evenson, Secretary

OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR
65 Civic Avenue
Pittsburg, CA 94565

TO: Mayor/Chair and Council/Governing Board Members

FROM: Garrett Evans, Executive Director/City Manager

SUBJECT: Adoption of a City Council Resolution Authorizing Conveyance of 2362 Dover Way to the Housing Authority and a Housing Authority Resolution Authorizing Acceptance of 2362 Dover Way from the City of Pittsburg

MEETING DATE: June 17, 2024

EXECUTIVE SUMMARY

The City proposes to authorize the conveyance of 2362 Dover Way, Assessor's Parcel Number (087-352-010) (Property) to the Housing Authority of the City of Pittsburg (Housing Authority) and the Housing Authority authorizes acceptance of the Property from the City for affordable housing for its Housing Choice Voucher (HCV) Program, also known as Section 8.

FISCAL IMPACT

The conveyance of this Property has no fiscal impact to the General Fund.

The City utilized a total of $630,657 of Permanent Local Housing Allocation (PLHA) grant funds to purchase and rehabilitate the Property ($270,062 from 2019 and $360,595 from 2020 grant funds).

RECOMMENDATION

City Council adopt the Resolution authorizing the conveyance of the Property to the Housing Authority with the condition that the Property will be solely leased to HCV participants

The Governing Board of the Housing Authority adopt the Resolution authorizing the acceptance of the Property from the City of Pittsburg

BACKGROUND

In September 2017, the California Legislature approved Senate Bill 2, known as the Building Homes and Jobs Act (Act), which established a $75 recording fee on real estate documents. The Act established the PLHA program administered by the California Department of Housing and Community Development (HCD). The PLHA provides a permanent source of funding to cities and counties to help meet the need for affordable housing and increase the supply of affordable housing units. Under the PLHA, funding is provided through formula grants to entitlement jurisdictions based on the formula prescribed under federal law for the Community Development Block Grant program over a 5-year funding period, as well as through a competitive grant program for non-entitlement jurisdictions.

On November 15, 2021, the City Council, through a public hearing process, adopted Resolution 21-14010, authorizing the submission of the application for and acceptance of PLHA grant funds. One of the eligible activities under the PLHA program is to, "Acquire and rehabilitate foreclosed or vacant homes and apartments." (also known as Activity #8).

City Council Resolution 23-14276 was adopted on April 20, 2023, whereby the City Council authorized the City Manager to purchase properties utilizing PLHA funds and transfer said properties to the Housing Authority. Concurrently, Housing Authority Resolution 23-366 was adopted, whereby the Housing Authority authorized the Executive Director to accept said properties with the condition that they be solely leased to HCV participants.

SUBCOMMITTEE FINDINGS

This item was discussed at the Life Enrichment subcommittee meeting on May 15, 2024.

STAFF ANALYSIS

Staff located a suitable property, and after an inspection by the City's contracted Chief Building Official (CBO), the City made a cash offer of $570,000, which was accepted by the seller. Escrow on the Property closed on January 16, 2024. The Property required rehabilitation, including the removal and replacement of the heating, ventilation, and air conditioning (HVAC) unit and all ducts, as well as the replacement of the water heater and other repairs. The rehabilitation project underwent a public bidding process, with the most qualified contractor being chosen. The total expenditure for the rehabilitation amounted to $55,387. Following the completion of the rehabilitation work, the Property was inspected and approved by the CBO. The Property is now ready to be transferred to the Housing Authority to be rented to a qualified participant in the HCV Program. Participants in the HCV Program are typically 60% of area median income or lower.

As part of the transfer, staff will record a Grant Deed, Certificate of Acceptance, and a Regulatory Agreement restricting the Property as affordable unit for 55 years.

ATTACHMENTS: Regulatory Agreement, Exhibit A – Grant Deed, Exhibit B – Certificate of Acceptance
City Council Resolution
Housing Authority Resolution

Report Prepared By: Ishani Rasanayagam, Administrative Analyst II

EXHIBIT A

Recording Requested by
and when Recorded, return to:

Housing Authority of the City of Pittsburg
65 Civic Avenue
Pittsburg, CA 94565
Att: Agency Secretary

(SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE)
\

APN: 087-352-010

GRANT DEED

For valuable consideration, receipt of which is hereby acknowledged, the City of Pittsburg **("Grantor")** hereby grants to the Housing Authority of the City of Pittsburg **("Grantee")** property located at 2362 Dover Way, Pittsburg, as more particularly described in Exhibit **1** attached hereto and incorporated herein by this reference.

IN WITNESS WHEREOF , Granter has executed this Grant Deed as of the ____of June, 2024.

GRANTOR:
CITY OF PITTSBURG

By:

____
Garrett Evans
Its City Manager

S/GNA TURES MUST BE NOTARIZED

Exhibit 1

Real property in the City of Pittsburg, County of Contra Costa, State of California, described as follows:

LOT 470, AS SHOWN ON THE MAP OF SUBDIVISION 4324, CITY OF PITTSBURG, COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA, FILED DECEMBER 30, 1975, IN MAP BOOK 181, PAGE 21, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 087-352-010

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Contra Costa

On______________________________________ before me, _______________________________
(Insert name and Title of the Officer)

Personally appeared ____
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and Official seal.

Signature ___________________________________ (Seal)

EXHIBIT B

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the Grant Deed dated June ___________, 2024, from the City of Pittsburg, a municipal corporation ("**City**"), is hereby accepted on behalf of the Housing Authority of the City of Pittsburg, a California public body corporate and politic ("**Housing Authority**") by its Executive Director pursuant to authority conferred by Resolution No. 23-366, adopted by the Governing Board of the Housing Authority of the City of Pittsburg on April 20, 2024, and that the Housing Authority consents to recordation of the Grant Deed by its duly authorized officer.

Dated ______________, 2024

HOUSING AUTHORITY OF THE CITY OF PITTSBURG,
a California public body corporate and politic

By: ________________________________
Garrett Evans, Executive Director

RECORDING REQUESTED BY:

CITY OF PITTSBURG

When Recorded Mail To:

City Clerk
City of Pittsburg
65 Civic Avenue
Pittsburg, CA 94565

Fee Waived per GC 27383

Space above this line for Recorder's use

REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS

Owner: Housing Authority of the City of Pittsburg Property Address: 2362 Dover Way Pittsburg, California, 94565 APN: 087-352-010

This Regulatory Agreement and Declaration of Restrictive Covenants (this "**Agreement**") is entered into effective as of _____________ ("**Effective Date**") by and between the City of Pittsburg, a municipal corporation ("**City**") and Housing Authority of the City of Pittsburg, a California public body corporate and politic (**Housing Authority**). City and Housing Authority are hereinafter collectively referred to as the "**Parties**."

Recitals

A. Housing Authority is the owner of certain real property, with the situs address of 2362 Dover Way, known as Assessor's Parcel Number 087-352-010, which is located in Pittsburg, California and more particularly described in **Exhibit A** attached hereto and incorporated herein by reference (collectively, the "**Property**").

B. City purchased the real property for affordable housing for the Housing Authority's Housing Choice Voucher (HCV) Program, also known as Section 8.

C. The City proposes to transfer the Property to the Housing Authority with the condition that the Property will be leased to HCV participants.

D. In exchange for the Property, the Housing Authority agrees to the following: 1) lease the Property to HCV participants; and 2) record this Agreement against the Property, restricting the Property as an affordable unit for fifty-five (55) years.

E. The Parties have agreed to enter into and record this Agreement in order to satisfy the requirements described in the foregoing Recitals and to comply with one of the eligible activities under the Permanent Local Housing Allocation program, "Acquire and rehabilitate foreclosed or vacant homes and apartments", also known as Activity #8.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the Parties hereby agree as follows:

1. Definitions. The following terms have the meanings set forth in this Section wherever used in this Agreement or the attached exhibits.

"**Applicable Income Level**" means the annual income level as calculated by the Housing Authority in compliance with the US Department of Housing and Urban Development.

"Eligible Household" means eligible tenants whose names are listed on the lease agreement that has been reviewed and approved by the Housing Authority.

"Qualifying Rent" means a monthly rent determined by the Housing Authority as reasonable rent in compliance with US Department of Housing and Urban Development.

"**Tenant**" means person or persons whose names are listed on the lease agreement.

2. Term of Agreement.

   2.1. Term of Restrictions. This Agreement shall remain in effect for fifty-five (55) years from the date the Property is transferred to the Housing Authority.

   2.2. Effectiveness Succeeds Conveyance of Property. This Agreement shall remain effective and fully binding for the full term hereof regardless of any sale, assignment, transfer, or conveyance of the Property, unless this Agreement is terminated earlier by City in a recorded writing.

   2.3. Reconveyance. Upon the termination of this Agreement, the Parties agree to execute and record appropriate instruments to release and discharge the terms of this Agreement.

3. Binding Upon Successors; Covenants to Run with the Land. Housing Authority hereby subjects its interest in the Property to the covenants and restrictions set forth in this Agreement. The City and Housing Authority hereby declare their express intent that the covenants and restrictions set forth herein shall be deemed covenants running with the land and shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors in interest, transferees, and assigns of Housing Authority and City, regardless of any sale, assignment, conveyance or transfer of the Property or any part thereof or interest therein. Each reference in this Agreement to a specifically named party shall be deemed to mean a reference to the successor of each such Party. Any successor-in-interest to Housing Authority, including without limitation any purchaser, transferee or lessee of the Property shall be subject to all of the duties and obligations imposed hereby for the full term of this Agreement. Each and every contract, deed, ground lease or other instrument affecting or conveying the Property or any part thereof, shall conclusively be held to have been executed, delivered and accepted subject to the covenants, restrictions, duties and obligations set forth herein, regardless of whether such covenants, restrictions, duties and obligations are set forth in such contract, deed, ground lease or other instrument. If any such contract, deed, ground lease or other instrument has been executed prior to the date hereof, Housing Authority hereby covenants to obtain and deliver to City an instrument in recordable form signed by the parties to such contract, deed, ground lease or other instrument pursuant to which such parties acknowledge and accept this Agreement and agree to be bound hereby.

Housing Authority agrees for itself and for its successors that in the event that a court of competent jurisdiction determines that the covenants herein do not run with the land, such covenants shall be enforced as equitable servitudes against the Property in favor of City.

4. Property Management; Repair and Maintenance; Marketing.

4.1 Management Responsibilities. Housing Authority shall be responsible for all management functions for the Property, including without limitation the onboarding of HCV participants, and certification and annual recertification of HCV participants. City shall have no responsibility for management or maintenance of the Property.

4.2 Recordation. This Agreement shall be recorded in the Official Records of Contra Costa County.

5. Miscellaneous.

5.1 Amendments. This Agreement may be amended or modified only by a written instrument signed by both Parties.

5.2 Notices. Except as otherwise specified herein, all notices to be sent pursuant to this Agreement shall be made in writing and sent to the

Parties at their respective addresses specified below or to such other address as a Party may designate by written notice delivered to the other parties in accordance with this Section. All such notices shall be sent by:

(a) personal delivery, in which case notice is effective upon delivery;

(b) electronic mail transmission, in which case notice shall be deemed delivered upon transmittal, provided that a duplicate copy of the notice is promptly delivered by first-class mail. Any notice given by electronic mail shall be considered to have been received on the next business day if it is received after 5:00 p.m. recipient's time or on a nonbusiness day.

City:

City of Pittsburg
65 Civic Ave
Pittsburg, CA 94565
Attention: City Manager

Owner:

Housing Authority of the City of Pittsburg
65 Civic Avenue
Pittsburg, CA 94565
Attention: Executive Director

5.3 Further Assurances. The Parties shall execute, acknowledge and deliver to the other such other documents and instruments, and take such other actions, as either shall reasonably request as may be necessary to carry out the intent of this Agreement.

5.4 Headings; Construction. The headings of the sections and paragraphs of this Agreement are for convenience only and shall not be used to interpret this Agreement. The language of this Agreement shall be construed as a whole according to its fair meaning and not strictly for or against any Party.

5.5 Time is of the Essence. Time is of the essence in the performance of this Agreement.

5.6 Governing Law. This Agreement shall be construed in accordance with the laws of the State of California without regard to principles of conflicts of law.

5.7 Severability. If any provision of this Agreement is held invalid, illegal, or unenforceable by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not be affected or impaired thereby.

5.8 Entire Agreement; Exhibits. This Agreement contains the entire agreement of Parties with respect to the subject matter hereof and supersedes all prior oral or written agreements between the Parties with respect thereto. The exhibit attached hereto are incorporated herein by this reference.

5.9 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement effective as of the date first written above.

HOUSING AUTHORITY OF THE CITY OF PITTSBURG

____
Garrett Evans
Executive Director

CITY OF PITTSBURG

By: ________________________
Garrett Evans
City Manager

Attest: ________________________
Alice E. Evenson
City Clerk

Approved as to form:

____
Donna Mooney
City Attorney

SIGNATURES MUST BE NOTARIZED

Exhibit A

PROPERTY DESCRIPTION

Real property in the City of Pittsburg, County of Contra Costa, State of California, described as follows:

LOT 470, AS SHOWN ON THE MAP OF SUBDIVISION 4324, CITY OF PITTSBURG, COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA, FILED DECEMBER 30, 1975, IN MAP BOOK 181, PAGE 21, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 087-352-010

STATE OF CALIFORNIA)
COUNTY OF Contra Costa)

On ______________________, 20___ before me, __________________________ ,
Notary Public, the undersigned, personally appeared ____________________________

( ) personally known to me
( ) proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) (is/are) subscribed to the within instrument and acknowledged to me that (he/she/they) executed the same in (his/her/their) authorized capacity(ies), and that by (his/her/their) signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature __________________________________

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Authorizing Conveyance of 2362)
Dover Way to the Housing) RESOLUTION NO. 24-
Authority of the City of Pittsburg)

WHEREAS, in September 2017, the California Legislature approved Senate Bill 2, known as the Building Homes and Jobs Act (Act), which established a $75 recording fee on real estate documents; and

WHEREAS, the Act established the Permanent Local Housing Allocation (PLHA) program administered by the California Department of Housing and Community Development (HCD); and

WHEREAS, the PLHA provides a permanent source of funding to cities and counties to help meet the need for affordable housing and increase the supply of affordable housing units; and

WHEREAS, on November 15, 2021, the City Council, through a public hearing process, adopted Resolution 21-14010, authorizing the submission of the application for and acceptance of PLHA grant funds. One of the eligible activities under the PLHA program is to, “Acquire and rehabilitate foreclosed or vacant homes and apartments.” (also known as Activity #8); and

WHEREAS, on April 20, 2023, City Council Resolution 23-14276 was adopted, authorizing the City Manager to purchase properties utilizing PLHA funds and transfer said properties to the Housing Authority of the City of Pittsburg (Housing Authority). Concurrently, Housing Authority Resolution 23-366 was adopted, authorizing the Executive Director to accept said properties with the condition that said properties will be solely leased to Housing Choice Voucher (HCV) participants, and

WHEREAS, the City utilized a total of $630,657 of PLHA grant funds to purchase and rehabilitate 2362 Dover Way, Assessor’s Parcel Number (087-352-010) (Property) ($270,062 from 2019 and $360,595 from 2020 grant funds).

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby authorizes the conveyance of the Property to the Housing Authority and execution of all documents including a deed to accomplish the conveyance.

PASSED AND ADOPTED by the City Council of the City of Pittsburg at a regular meeting on the 17th day of June 2024 by the following vote:

AYES:
NOES:
ABSTAINED:
ABSENT:

____
Juan Antonio Banales, Mayor

ATTEST:

____
Alice E. Evenson, City Clerk

BEFORE THE GOVERNING BOARD OF THE HOUSING AUTHORITY
OF THE CITY OF PITTSBURG

In the Matter of:

Authorizing Acceptance of 2362 Dover Way from the City of Pittsburg	)))	RESOLUTION NO. 24-

WHEREAS, in September 2017, the California Legislature approved Senate Bill 2, known as the Building Homes and Jobs Act (Act), which established a $75 recording fee on real estate documents; and

WHEREAS, the Act established the Permanent Local Housing Allocation (PLHA) program administered by the California Department of Housing and Community Development (HCD); and

WHEREAS, the PLHA provides a permanent source of funding to cities and counties to help meet the need for affordable housing and increase the supply of affordable housing units; and

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WHEREAS, on April 20, 2023, City Council Resolution 23-14276 was adopted, authorizing the City Manager to purchase properties utilizing PLHA funds and transfer said properties to the Housing Authority of the City of Pittsburg (Housing Authority). Concurrently, Housing Authority Resolution 23-366 was adopted, authorizing the Executive Director to accept said properties with the condition that said properties will be solely leased to Housing Choice Voucher (HCV) participants, and

WHEREAS, the City utilized a total of $630,657 of PLHA grant funds to purchase and rehabilitate 2362 Dover Way, Assessor’s Parcel Number (087-352-010) (Property) ($270,062 from 2019 and $360,595 from 2020 grant funds).

NOW, THEREFORE, BE IT RESOLVED that the Governing Board of the Housing Authority hereby authorizes the Executive Director to accept the Property and execute all necessary documents including a Grant Deed to effect the conveyance.

BE IT FURTHER RESOLVED that the Executive Director or his designee is authorized to execute a Regulatory Agreement restricting the Property as an affordable unit for 55 years and directs the Executive Director or designee to record a Grant Deed, Certificate of Acceptance, and Regulatory Agreement.

PASSED AND ADOPTED by the Governing Board of the Housing Authority of the City of Pittsburg at a regular meeting on the 17th day of June 2024 by the following vote:

AYES:

NOES:

ABSTAINED:

ABSENT:

Juan Antonio Banales, Chair

ATTEST:

Alice E. Evenson, Agency Secretary

OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR
65 Civic Avenue
Pittsburg, CA 94565

TO: Mayor/Chair and Council/Governing Board Members

FROM: Garrett Evans, Executive Director/City Manager

SUBJECT: Adoption of a City Council Resolution Authorizing the City Manager to Execute an Agreement between the City of Pittsburg and Contra Costa Health Services for Coordinated Outreach Referral and Engagement (CORE) Program Services and a Housing Authority Resolution Authorizing the Use of Housing Successor Agency Funds

MEETING DATE: June 17, 2024

EXECUTIVE SUMMARY

The City and Contra Costa Health Services (Contractor) propose to enter into a 3-year agreement (Agreement) for Coordinated Outreach Referral and Engagement (CORE) program services to assist individuals living in a state of homelessness within the boundaries of Pittsburg.

FISCAL IMPACT

The total cost of the Agreement for fiscal years 2024/25-2026/27 is $880,848 The cost breakdown is as follows.

Fiscal Year 2024-2025	$281,466
Fiscal Year 2025-2026	$293,790
Fiscal Year 2026-2027	$305,592

The Agreement will be funded by $874,738 in PHLA funds and Housing Successor Agency (HSA) funds will be used to pay for the difference between the total cost of the Agreement and the PLHA grant funds, which is anticipated to be $6,110. HSA funds will also be used as an advance in the event that HCD is delayed in remitting the grant funds to the City.

RECOMMENDATION

City Council adopt the Resolution authorizing the City Manager to execute the Agreement between the City and the Contractor for CORE program services.

The Governing Board of the Housing Authority adopt the Resolution authorizing the use of $6,110 of HSA funds to help pay for the difference between the total cost of Agreement and the PLHA grant funds and to advance HSA funds as necessary in the event that HCD is delayed in remitting the grant funds to the City.

BACKGROUND

During the COVID-19 pandemic, Governor Newsom established Project Room Key, which turned hotel rooms into non-congregate homeless shelters. The County received Project Room Key funds and used it to lease and operate Motel 6 as a shelter, offering 174 rooms. A more common homeless shelter set up consists of one large, shared space with rows of beds. Under Project Home Key, people were able to have private spaces, thereby minimizing the spread of COVID.

Through the State's Project Home Key program, the County acquired Motel 6 and turned it into a permanent shelter named Delta Landing in 2022. Conversion of Motel 6 into a shelter has financially impacted the City because Motel 6 was no longer able to generate and pay transient occupancy tax to the City. To help ease some of the impacts, the County funded a CORE Team dedicated to Pittsburg (Pittsburg CORE Team) for fiscal years 2021/22 and 2022/23. The County's funding of the Pittsburg CORE Team expired on June 30, 2023.

In September 2017, the California Legislature approved Senate Bill 2, known as the Building Homes and Jobs Act (Act), which established a $75 recording fee on real estate documents to increase the supply of affordable housing. The Act established the Permanent Local Housing Allocation (PLHA) program administered by the California Department of Housing and Community Development (HCD).

The City has been awarded PHLA grant funds by HCD. One of the eligible activities under this grant is to assist persons who are experiencing or at risk of experiencing homelessness including, but not limited to, providing rapid rehousing, rental assistance, supportive/case management services that allow people to obtain and retain housing, operating and capital costs for navigation centers and emergency shelters, and the new construction, rehabilitation, and preservation of permanent and transitional housing.

On June 19, 2023, City Council Resolution 23-14316 approved an agreement ("Initial Agreement") between the City and the Contractor with a cost of $269,729 and a term that commenced July 1, 2023 and expires June 30, 2024. This Resolution also approved the use of $200,683 of PLHA grant funds to pay for a portion of the "Initial Agreement". On the same date, the Governing Board of the Housing Authority authorized the use of $69,046 of HSA funds to pay for the difference between the cost of the Initial Agreement and the PLHA funds.

Continuing the efforts of the Pittsburg CORE Team is important because it adds another layer of service made available to the unhoused.

SUBCOMMITTEE FINDINGS

This item was discussed in the Life Enrichment Subcommittee meeting on May 15, 2024.

STAFF ANALYSIS

The CORE program works to engage and stabilize homeless persons and families through consistent outreach and to refer the unhoused to resources such as shelters, daytime drop-in care centers, emergency food, job training, healthcare, mental health counseling, transportation, substance abuse treatment, and other services. CORE teams serve as an entry point into the County's coordinated entry system for the unhoused and work to locate, engage, stabilize, and house chronically homeless individuals and families.

Pursuant to the Initial Agreement, the Pittsburg CORE Team consists of 2 staff members who will each work 40 hours per week, Monday-Friday, 8 am-4 pm. The work schedule may be revised based on the City's needs. The Pittsburg CORE Team will provide the following services:

- Identify and initiate contacts with homeless individuals living on the streets, assess their housing and service needs, and facilitate connections to shelter, benefits, behavioral health and primary healthcare services.
- Respond to calls for outreach and engagement from the City staff.
- Conduct a standardized intake and needs assessment assuring all homeless individuals contacted are entered into the Homeless Management Information System used by the Contractor.
- Conduct VI-SPDAT (Vulnerability Index-Service Prioritization Assistance Tool), a housing assessment tool assuring that homeless individuals who are provided services hereunder are entered into the Coordinated Entry system for prioritizing their needs for longer term housing.
- Partner with assigned City officer(s) during CORE Team's work shifts throughout the week as needed and as determined by the City.
- Connect homeless individuals, also designated as "homeless clients," via phone or in person with other points in the homeless service continuum including, but not limited to, interim housing, substance abuse treatment, mental health counseling, benefits, etc.
- Perform special assignments that include, but not limited to, homeless counts and presentations.
- Conduct patrols of strategic areas within the city limits on foot and via vehicle.
- Observe and report threats to the health and/or safety of homeless individuals (or threats by homeless individuals to the health or safety of others) encountered in the field and determine the need to request for uniformed police, fire or other emergency personnel.
- Maintain direct communications with the City's Police Department to report illegal activity.
- CORE Team supervisors and outreach workers will participate in monthly meetings with the City's Police Management, as well as with public and private partners as deemed appropriate by the City.
- Contractor will provide a monthly report to the City which will describe the services rendered during the previous 30 days, as well as the names of the persons rendering the service.

The City anticipates receiving the following PLHA funds:

2020 Allocation	$59,167
2021 Allocation	$543,278
2022 Allocation	$272,293
Total PLHA Funds Available	$874,738

If approved by the City Council, staff will submit the drawn down request of $874,838 to HCD, along with a copy of the executed Agreement between the City and the Contractor. The Agreement may be extended for additional one-year periods with written consent from the City and Contractor.

The homeless crisis is not particular to any city. Because most cities do not have the resources to tackle homeless issues on their own, many cities partner with counties and service providers as an efficient and cost effective way of addressing homelessness. The City is no different. For example, the City uses some of its Community Development Block Grant funds to fund organizations who provide meals and conduct food distribution and administer healthcare services to the unhoused. Various housing funds have been used to assist projects that constructed residential units for those who were previously homeless or at the verge of homelessness. The City also provides in-kind services to assist the shower program offered to the unhoused. The City is dedicated to working with its partners in providing resources and assisting in the homeless efforts.

ATTACHMENTS: Agreement
City Resolution
Housing Authority Resolution

Report Prepared By: Ishani Rasanayagam, Administrative Analyst II

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Authorizing the City Manager to Execute an Agreement between the City of Pittsburg and Contra Costa Health Services for Coordinated Outreach Referral and Engagement (CORE) Program Services)	RESOLUTION NO. 24-

WHEREAS, the City and Contra Costa Health Services (Contractor) propose to enter into a 3-year agreement (Agreement) for Coordinated Outreach Referral and Engagement (CORE) program services to assist individuals living in a state of homelessness within the boundaries of Pittsburg; and

WHEREAS, the total cost of the Agreement for fiscal years 2024/25-2026/27 is $880,848; and

WHEREAS, through the State's Project Home Key program, the County acquired Motel 6 and turned it into a permanent shelter named Delta Landing in 2022. Conversion of Motel 6 into a shelter has financially impacted the City because Motel 6 was no longer able to generate and pay transient occupancy tax to the City. To help ease some of the impacts, the County funded a CORE Team dedicated to Pittsburg (Pittsburg CORE Team) for fiscal years 2021/22 and 2022/23. The County's funding of the Pittsburg CORE Team expired on June 30, 2023; and

WHEREAS, in September 2017, the California Legislature approved Senate Bill 2, known as the Building Homes and Jobs Act (Act), which established a $75 recording fee on real estate documents to increase the supply of affordable housing. The Act established the Permanent Local Housing Allocation (PLHA) program administered by the California Department of Housing and Community Development (HCD); and

WHEREAS, one of the eligible activities under the PLHA program is to assist individuals who are experiencing or at risk of homelessness; and

WHEREAS, continuing the efforts of the Pittsburg CORE Team is important because it adds another layer of service made available to the unhoused; and

WHEREAS, the proposed funding for the 3-year Agreement, totaling $880,848, consists of $874,738 of PLHA grant funds and $6,110 of Housing Successor Agency (HSA) funds.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Pittsburg hereby authorizes the City Manager execute a 3-year Agreement with the Contractor for the total cost of $880,848 and the use of $874,838 of PLHA funds to pay towards the cost of the Agreement.

PASSED AND ADOPTED by the City Council of the City of Pittsburg at a regular meeting on the 17th day of June 2024 by the following vote:

AYES:

NOES:

ABSTAINED:

ABSENT:

Juan Antonio Banales, Mayor

ATTEST:

Alice E. Evenson, City Clerk

BEFORE THE GOVERNING BOARD OF THE HOUSING AUTHORIITY
OF THE CITY OF PITTSBURG

In the Matter of:

Authorizing the Use of Housing)
Successor Agency Funds)

RESOLUTION NO. 24-

WHEREAS, the City and Contra Costa Health Services (Contractor) propose to enter into a 3-year agreement (Agreement) for Coordinated Outreach Referral and Engagement (CORE) program services to assist individuals living in a state of homelessness within the boundaries of Pittsburg; and

WHEREAS, the total cost of the Agreement for fiscal years 2024/25-2026/27 is $880,848; and

WHEREAS, through the State's Project Home Key program, the County acquired Motel 6 and turned it into a permanent shelter named Delta Landing in 2022. Conversion of Motel 6 into a shelter has financially impacted the City because Motel 6 was no longer able to generate and pay transient occupancy tax to the City. To help ease some of the impacts, the County funded a CORE Team dedicated to Pittsburg (Pittsburg CORE Team) for fiscal years 2021/22 and 2022/23. The County's funding of the Pittsburg CORE Team expired on June 30, 2023; and

WHEREAS, in September 2017, the California Legislature approved Senate Bill 2, known as the Building Homes and Jobs Act (Act), which established a $75 recording fee on real estate documents to increase the supply of affordable housing. The Act established the Permanent Local Housing Allocation (PLHA) program administered by the California Department of Housing and Community Development (HCD); and

WHEREAS, one of the eligible activities under the PLHA program is to assist individuals who are experiencing or at risk of homelessness; and

WHEREAS, continuing the efforts of the Pittsburg CORE Team is important because it adds another layer of service made available to the unhoused; and

WHEREAS, the proposed funding for the 3-year Agreement, totaling $880,848, consists of $874,738 of PLHA grant funds and $6,110 of Housing Successor Agency (HSA) funds.

NOW, THEREFORE, BE IT RESOLVED that Governing Board of the Housing Authority hereby authorizes the use of HSA funds to pay for the difference between the total cost of the Agreement and the PLHA grant funds, which is anticipate to be $6,110 and to use HSA funds as an advance in the event that HCD is delayed in remitting the grant funds to the City.

PASSED AND ADOPTED by the Governing Board of the Housing Authority of the City of Pittsburg at a regular meeting on the 17th day of June 2024 by the following vote:

AYES:

NOES:

ABSTAINED:

ABSENT:

Juan Antonio Banales, Chair

ATTEST:

Alice E. Evenson, Agency Secretary

AGREEMENT BETWEEN CITY OF PITTSBURG

AND THE CONTRA COSTA COUNTY HEALTH SERVICES DEPARTMENT FOR ITS HEALTH, HOUSING AND HOMELESS SERVICES DIVISION

THIS AGREEMENT, effective the July 1, 2024, ("**Effective Date**"), is by and between the City of Pittsburg (hereinafter "**CITY**"), a municipal corporation organized and existing under the laws of the State of California and located in the County of Contra Costa, State of California, and the Contra Costa County Health Services Department for its Health, Housing and Homeless Services Division (hereinafter referred to as "**CONTRACTOR**").

THE PARTIES ENTER INTO THIS AGREEMENT based upon the following facts, understandings, and intentions:

CITY desires to contract with CONTRACTOR and CONTRACTOR has agreed to contract with the CITY to provide homeless outreach services in the City of Pittsburg, as further described herein, upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants and promises of the parties herein contained, the parties hereto agree as follows:

1. TERM

The term of this Agreement ("**Term**") begins on the effective date of this AGREEMENT and expires on June 30, 2027. The continuation of the Term into each next fiscal year will be contingent upon the City's lawful encumbrance or appropriation of new funds for the Agreement.

2. SCOPE OF SERVICES

A. CONTRACTOR shall provide County-contracted staff to provide Coordinated Outreach Referral and Engagement (CORE) program services to individuals living in a state of homelessness within the boundaries of the City of Pittsburg. The primary mission of the CORE program is to engage and stabilize homeless individuals living outside through consistent outreach to facilitate and/or deliver health and basic needs services to, and find permanent housing, for such individuals.

The CONTRACTOR shall employ and utilize its CORE Team (as defined below) to (i) serve as an entry point into the County of Contra Costa's coordinated entry system for unsheltered persons and (ii) work to locate, engage, stabilize and house chronically homeless individuals and families. The CORE Team will assure the CITY receives an annual minimum of 2,080 hours of service from the CORE Team assigned to perform CONTRACTOR's obligations under this AGREEMENT (after observance of holidays). The CORE Team will consist of two individuals who will provide services to the CITY over the course of the AGREEMENT for at least 80 hours per week. The days and hours of the CORE Team to provide said services are to be determined by the CITY's Chief of Police or his designee. The days and hours will be flexible based on the needs of the CITY's police department and in collaboration with the City of Pittsburg Police Department. The CORE Team will be scheduled to provide said services between the hours of 8:00 AM to 4:00 PM, Monday through Friday of each week during the term of this AGREEMENT, based on the needs of the CITY. A member of the CORE Team will check in at the beginning of each shift with the City's Police Department on-duty Watch Commander or Homeless Outreach Officer for assignment. The CITY shall provide the CONTRACTOR the name and contact information of the CITY coordinator.

1) At least 1 (one) CORE Team shall be assigned by CONTRACTOR to perform CONTRACTOR's obligations to the CITY under this AGREEMENT. The CORE Team shall perform the services described herein during their shifts. CORE Teams shall be comprised of at least 2 persons qualified to provide the services described herein. CONTRACTOR warrants and represents that each of the individuals it employs and/or retains to provide the services CONTRACTOR is required to perform hereunder shall (i) possesses the requisite experience and training to competently perform said services (this is not an on-the-job training program for CONTRACTOR's employees), (ii) shall possess the requisite license(s), degrees, and/or approvals necessary to competently perform said services, and (iii), to the extent said individuals shall have supervisory or disciplinary authority over any minor as part of the services to be performed hereunder, said individuals shall undergo a criminal background check pursuant to Cal. Pub. Resources Code sec. 5164 and pass that check before they are retained by CONTRACTOR to perform services under this AGREEMENT. The background check shall include a Live Scan in which fingerprints are submitted to the Department of Justice (DOJ) and the Federal Bureau of Investigation (FBI) for a criminal record check.

2) Prior to the commencement of the term of this AGREEMENT, CONTRACTOR shall provide a written list of the names and contact information of all persons who the CONTRACTOR intends to employ to perform CONTRACTOR's obligations under this AGREEMENT. At least five calendar days before CONTRACTOR removes or adds any person from or to this list, it shall provide written notice of same to the CITY coordinator along with the name(s) and contact information of the person(s) removed and/or added.

B. Without limiting the generality of the foregoing provisions, CONTRACTOR will perform the following services:

1) Identify and initiate contacts with homeless individuals living on the streets, assess their housing and service needs, and facilitate connections to shelter, benefits, behavioral health and primary healthcare services.

2) Respond to calls for outreach and engagement from the CITY's sworn employees. At the commencement of the term of this AGREEMENT, CONTRACTOR shall provide to CITY a list of the names of persons (and their contact information) who will be assigned to respond to such calls.

3) Conduct a standardized intake and needs assessment assuring all homeless individuals contacted are entered into the Homeless Management Information System used by the CONTRACTOR.

4) Conduct VI-SPDAT (Vulnerability Index-Service Prioritization Assistance Tool), a housing assessment tool, assuring that homeless individuals who are provided services hereunder are entered into the Coordinated Entry system for prioritizing their needs for longer term housing.

5) Partner with assigned CITY officer(s) during CORE Team work shifts throughout the week as needed and as determined by the CITY coordinator.

6) Connect homeless individuals, also designated as “homeless clients”, via phone or in person with other points in the homeless service continuum including, but not limited to, interim housing, substance abuse treatment and mental health counseling, and benefits, etc.

7) Perform special assignments to include, but not limited to, homeless counts, Homeless Connect and presentations. The number and nature of said assignments shall be determined by the CITY coordinator who shall timely inform CONTRACTOR of CONTRACTOR’s obligation to perform them.

8) Conduct patrols of strategic areas within the CITY’s limit on foot and via vehicle as designated by the CITY coordinator.

9) Observe and report threats to the health and/or safety of homeless individuals (or threats by homeless individuals to the health or safety of others) encountered in the field and determine the need to summon uniformed police, fire or other emergency personnel.

10) Maintain direct communications with the CITY’s Police Department to report illegal activity.

11) CORE Team supervisors and outreach workers will participate in monthly meetings with the CITY’s Police Management, as well as, with public and private partners as deemed appropriate by the CITY coordinator.

12) CORE Team management will provide Service Impact Reports to the

CITY at intervals determined and required by the CITY. The reports will assist the CITY in evaluating outcomes of this AGREEMENT. The monthly report shall, in detail, describe the services rendered by the CONTRACTOR during the previous 30 days as well as the names of the persons rendering the service.

3. **PAYMENT**

A. Commencing July 1, 2024, CITY shall pay CONTRACTOR on a quarterly basis in arrears after services have been rendered and documented in quarterly invoices provided by CONTRACTOR, provided however that the total compensation to CONTRACTOR under this Agreement not to exceed **Eight Hundred Eighty Thousand, Eight Hundred and Forty-Eight Dollars ($880,848)** over Fiscal Years 2024-25 through 2026-27 under this Agreement, as follows:

1) As documented in Exhibit A, payments for services rendered during Fiscal Year 2024-25 (July 1, 2024 – June 30, 2025) shall not exceed **Two Hundred Eighty-One Thousand Four Hundred Sixty-Six Dollars ($281,466)**;

2) The cost increase will apply for services rendered during Fiscal Year 2025-26 (July 1, 2025 – June 30, 2026), and payments for services rendered during Fiscal Year 2025-26 shall not exceed **Two Hundred Ninety-Three Thousand Seven Hundred Ninety Dollars ($293,790)**;

3) The cost increase will apply for services rendered during Fiscal Year 2026-27 (July 1, 2026 – June 30, 2027), and payments for services rendered during Fiscal Year 2026-27 shall not exceed **Three Hundred Five Thousand Five Hundred Ninety-Two Dollars ($305,592)**.

B. The CONTRACTOR shall invoice the CITY on a quarterly basis during the term of this AGREEMENT. Each invoice shall describe the date(s) the services were provided as well as the time(s) spent rendering the services. The quarterly invoice shall, in detail, describe the services rendered by the CONTRACTOR during the billing period as well as the names of the persons rendering the service. In the event a payment is not received by CONTRACTOR within 10 days after the billing period identified in Section 3(A), CONTRACTOR shall notify CITY and CITY shall have until the end of the same month to make such a payment or as many days as may be otherwise agreed upon by the parties to make payment to the CONTRACTOR.

4. INDEPENDENT CONTRACTOR

A. CONTRACTOR is and **shall** be deemed an independent contractor and shall have exclusive responsibility for and control over the details and means of providing its services under this AGREEMENT. CONTRACTOR agrees that its services shall be performed with due diligence, competently and in accordance with generally accepted industry practices and as generally directed by CITY. As an independent contractor, CONTRACTOR and its employees shall not be eligible for any payment, benefits or remuneration of any nature which the CITY may otherwise provide to its own employees. The flat amount specified in Section 3(A) shall be the only remuneration CITY pays to CONCTRACTOR for the latter's performance under this AGREEMENT. All persons, if any, hired by CONTRACTOR shall be employees, volunteers, or subcontractors of CONTRACTOR and shall not be construed as employees or agents of the CITY in any respect.

B. CONTRACTOR shall perform and coordinate all its activities in a timely manner so that the assigned activities will be completed according to any reasonable deadlines imposed by the CITY's police chief or designee.

5. AUTHORIZED REPRESENTATIVES

CITY's authorized representatives to administer the terms of this AGREEMENT shall be the Chief of Police or designee. CONTRACTOR'S representative to administer the terms of this AGREEMENT shall be Christy Saxton and Jenny Robbins. Notwithstanding any other terms of this AGREEMENT, either party may at any time change the designation of representatives upon written notice provided to the other party without this AGREEMENT having to be amended or modified.

6. AMENDMENT

This AGREEMENT may not be modified or amended except through written agreement between the parties.

7. **OWNERSHIP AND MAINTENANCE OF DOCUMENTS**

A. CONTRACTOR's records and documents pertaining to actual monthly activities within CITY shall be given to CITY by the end of each month, if requested. Such documents will be redacted by CONTRACTOR removing personally identifiable information which is restricted under HIPAA guidelines before they are provided to the CITY. CONTRACTOR is entitled to keep copies of these same items for its internal use and for reporting to governmental agencies (e.g. HUD and County of Contra Costa) on services rendered to homeless individuals.

B. CONTRACTOR shall retain said records and documents for the three year period immediately following the termination of this AGREEMENT, and upon reasonable notice from CITY, shall make said records and documents available at a mutually agreeable location in Contra Costa County to the CITY for inspection and copying.

8. **STANDARD OF PERFORMANCE**

CONTRACTOR represents to CITY that CONTRACTOR'S services shall be performed in an expeditious and timely manner and with the degree of skill and care that is required by current, good, sound procedures and practices applicable to the profession which provides the services CONTRACTOR is agreeing to perform hereunder. CONTRACTOR further agrees that the services shall be in conformance with this AGREEMENT.

9. **MUTUAL INDEMNIFICATION**

A. CITY shall defend, save and hold harmless and indemnify CONTRACTOR, and its officers, agents and employees from all liabilities and claims for damages for death, sickness or injury to persons or property, including without limitation, all consequential damages, from any cause whatsoever arising from or connected with the operations or the services of CITY hereunder, to the extent resulting from the conduct, negligent or otherwise, of the CITY, its agents or employees.

B. CONTRACTOR shall defend, save and hold harmless and indemnify CITY and its officers, agents and employees from all liabilities and claims for damages for death, sickness or injury to persons or property, including without limitation, all consequential damages, from any cause whatsoever arising from or connected with the operations or the services of CONTRACTOR, to the extent resulting from the conduct, negligent or otherwise, of the CONTRACTOR, or its employees.

10. INSURANCE REQUIREMENTS

CONTRACTOR shall, at its own expense, procure and maintain in full force at all times during the term of this AGREEMENT the following insurance:

A. Commercial General Liability Coverage. CONTRACTOR shall maintain commercial general liability insurance with limits of no less than one million dollars ($1,000,000) limit per occurrence and two million dollars ($2,000,000) aggregate limit for bodily injury, personal injury, and property damage.

B. Automobile Liability Coverage. CONTRACTOR shall maintain automobile liability insurance covering all vehicles used in the performance of this AGREEMENT providing one million dollars ($1,000,000) per accident for bodily injury, personal injury, and property damage.

C. Compliance with State Workers' Compensation Requirements. CONTRACTOR covenants that it will ensure itself against liability for Worker's Compensation pursuant to the provisions of California Labor Code §3700, et seq. CONTRACTOR shall, at all times, upon demand of the City Council and properly authorized agents, furnish proof that Workers' Compensation Insurance is being maintained by it in force and effect in accordance with the California Labor Code.

D. Other Insurance Provisions. The policies are to contain, or be endorsed to contain the following provisions:

1) CITY, its officers, agents, employees, and volunteers are to be covered as additional insured on an endorsement at least as broad as an ISO CG 20 10 (or as an Additional Covered Party as noted on Contractor's insurance certificate) with respect to: Liability arising out of activities and operations performed by or on behalf of CONTRACTOR pursuant to this AGREEMENT and premises owned, occupied, or used by CONTRACTOR. The coverage shall contain no special limitations on the scope or protection afforded to CITY, its officers, officials, employees, or volunteers.

2) CONTRACTOR's insurance coverage shall be primary insurance with respect to CITY, its officers, officials, employees, and volunteers. Any insurance, risk pooling arrangement, or self-insurance maintained by CITY, its officers, officials, employees, or volunteers shall be in excess of CONTRACTOR's insurance and shall not contribute with it.

3) Any failure to comply with the reporting provisions of the policy shall not affect the coverage provided to the CITY, its officers, officials, employees, or volunteers.

4) The insurance CONTRACTOR is required to obtain hereunder shall provide coverage for CONTRACTOR's liabilities under this AGREEMENT, including but not limited to CONTRACTOR's obligations under Section 9.

5) The aforementioned policies shall be issued by an insurance carrier having a rating of Best A:VII or better which is satisfactory to the City Attorney and the CITY's Pooling Authority and evidence of said insurance shall be delivered to CITY at the time of the execution of this AGREEMENT or as provided below. In lieu of actual delivery of such policies, a Certificate issued by the insurance carrier showing such policy to be in force for the period covered by the AGREEMENT may be delivered to CITY. Except for worker's compensation and professional liability insurance, the policies

mentioned in this subsection shall name CITY as an additional insured and provide for thirty (30) days' notice of cancellation to CITY. Said policies shall not be canceled earlier than, nor the amount of coverage reduced earlier than, thirty (30) days after the CITY receives notices from the insured of the intent of cancellation or reduction.

11. <u>TERMINATION</u>

A. CITY or CONTRACTOR may terminate this AGREEMENT for any reason upon sixty (60) days' written notice to the opposite party.

B. CITY and/or CONTRACTOR may terminate the AGREEMENT upon ten (10) days' written notice if the other party (the "breaching party") breaches this AGREEMENT and the breach is not cured within ten (10) days after the non-breaching party has delivered written notice to the breaching party notifying the breaching party of the nature of the breach and the steps that must be taken and completed within said ten (10) day period to cure the breach. Upon passage of the said ten (10) day period without the breaching party curing the breach, the AGREEMENT shall be deemed terminated.

C. In the event of termination based upon sixty (60) days' notice as set forth in subsection 11(A), CITY will pay CONTRACTOR for services performed through the effective date of the termination.

D. Any records or documents prepared for CITY prior to the effective date of any termination of this AGREEMENT shall be promptly delivered to CITY by CONTRACTOR, subject to Section 7 above.

12. <u>COMPLIANCE WITH CIVIL RIGHTS</u>

During the performance of this AGREEMENT, CONTRACTOR agrees as follows:

A. Equal Employment Opportunity. In performing under this AGREEMENT, CONTRACTOR shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, or national origin. Such actions shall include, but not be limited to, the following: employment, promotion, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rate of pay or other forms of compensation;

and selection for training including apprenticeship.

B. Nondiscrimination Civil Rights Act of 1964. CONTRACTOR will comply with all federal regulations relative to nondiscrimination in federally assisted programs.

C. Solicitations for Subcontractors including Procurement of Materials and Equipment. In all solicitation, either by competitive bidding or negotiations, made by CONTRACTOR for work to be performed under a subcontract including procurement of materials or leases of equipment, each potential subcontractor, supplier or lessor shall be notified by CONTRACTOR of CONTRACTOR's obligation under this AGREEMENT and the regulations relative to nondiscrimination on the grounds of race, religion, color, sex, or national origin.

13. <u>COMPLIANCE WITH LAWS</u>

CONTRACTOR shall comply with all applicable published Federal, State of California, and local laws, rules, and regulations, and shall obtain all applicable licenses and permits for the conduct of its business and the performance of the services described herein.

14. <u>CHOICE OF LAWS</u>

This AGREEMENT shall be construed and interpreted in accordance with the laws of the State of California, excluding any choice of law rules which may direct the application of the laws of another jurisdiction.

15. <u>NON-WAIVER</u>

The waiver by either party of any breach of any term, covenant, or condition contained in the AGREEMENT, or any default in their performance of any obligations under the AGREEMENT shall not be deemed to be a waiver of any other breach or default of the same or any other term, covenant, condition, or obligation, nor shall any waiver of any incident of breach of default constitute a continuing waiver of same.

16. ENFORCEABILITY

In the event that any of the provisions or portions or application of any of the provisions of the AGREEMENT are held to be illegal or invalid by a court of competent jurisdiction, CITY and CONTRACTOR shall negotiate an equitable adjustment in the provisions of the AGREEMENT with a view toward affecting the intended purpose of the AGREEMENT. The illegality or invalidity of any of the provisions or portions or application of any of the provisions of the AGREEMENT shall not affect the legality or enforceability of the remaining provisions or portions or application of any remaining provisions of the AGREEMENT.

17. INTEGRATION

This written AGREEMENT contains the entire AGREEMENT and all understandings between the parties as to the subject matter of this AGREEMENT. It merges and supersedes all prior or contemporaneous agreements, commitments, representation, writings, and discussions between CONTRACTOR and CITY, whether oral or written.

18. SUCCESSORS AND ASSIGNS

CITY and CONTRACTOR respectively, bind themselves, their successors, assigns, and legal representatives. CONTRACTOR shall not assign or transfer any interest in the AGREEMENT without the CITY's prior written consent, which consent shall be at the CITY's sole discretion. Any attempted assignment or transfer in breach of this provision shall be void.

19. NOTICES

All notices required hereunder shall be in writing and mailed postage prepaid by Certified or Registered mail, return receipt requested, or by personal delivery to the addresses as shown below, or such other places as CITY or CONTRACTOR may, from time to time, respectively, designate in a written notice given to the other. Notice shall be deemed received three (3) days after the date of the mailing thereof or upon personal delivery.

To CITY: City Manager
City of Pittsburg
65 Civic Avenue
Pittsburg, CA 94565

To CONTRACTOR: Christy Saxton, Director
Contra Costa County Health Services Department
2400 Bisso Lane, Suite D2
Concord, CA 94520
Phone: 925-608-6700

20. AUTHORIZATION TO EXECUTE AGREEMENT

The persons whose signatures appear below warrant and represent that they have been duly authorized by their respective party to execute this AGREEMENT on behalf of that party. They further warrant and represent that the party which they represent has taken the requisite action to approve this AGREEMENT and authorize its execution by the undersigned. The persons whose signatures appear below warrant and represent that this AGREEMENT is a lawful agreement that is binding upon the party which the undersigned represents, enforceable against said party in accordance with its terms and conditions.

IN WITNESS WHEREOF, the parties have executed this AGREEMENT in three (3) or more copies as of the date and year first written above.

By:______________________________	By: ______________________________
Name: Christy Saxton, MS	Name: Garrett Evans
Title: Director	Title: City Manager
Health, Housing and Homeless Services	City of Pittsburg

Attachments:

Exhibit A – FY 25-27 Program Budget

Team Name:
Contract Term: **7/1/2024 - 6/30/2027**

			Distribution across funding sources								
Funding source(s)			$ -		**Leveragaged Funding**		**Contract Total Year 1** 5% increase from 23-24		**Contract Total Year 2** 5% increase from 24-25		**Contract Total Year 3** 3% increase from 26-27
Funding Amount			**$ 281,466**		**676,822**						
Option Code(s)											
CFDA Number											
Federal, State, or Local Funding					Various		**FY24-25**		**FY25-26**		**FY26-27**
Personnel Expenses											
Position Titles	**FY24-25 Salary**	**FTE**	**Salaries**	**FTE**	**Salaries**	**FTE**		**FY25-26 Salary**		**FY26-27 Salary**	
Care Coordinator	$ 75,600	0.00	$ -	-	-	-	$ -	$ 79,380	$ -	$ 81,761	$ -
Dispatch	$ 57,745	0.00	$ -	-	115,490	2.00	$ -	$ 60,632	$ -	$ 62,451	$ -
HMIS Data Analyst	$ 67,245	0.00	$ -	-	67,245	1.00	$ -	$ 70,608	$ -	$ 72,726	$ -
HMIS Data Specialist	$ 55,299	0.00	$ -	-	55,299	1.00	$ -	$ 58,064	$ -	$ 59,806	$ -
Outreach Specialist	$ 57,745	2.00	$ 115,500	2.00	-	-	$ 115,500	$ 60,632	$ 121,275	$ 62,451	$ 124,913
Program Coordinator	$ 83,997	0.25	$ 20,999	0.25	-	-	$ 20,999	$ 88,196	$ 22,049	$ 90,842	$ 22,711
Program Director	$ 117,172	0.00	$ -	-	117,172	1.00	$ -	$ 123,030	$ -	$ 126,721	$ -
Program Manager	$ 92,405	0.13	$ 12,013	0.13	-	-	$ 12,013	$ 97,025	$ 12,613	$ 99,936	$ 12,992
Overtime		*0.03*	*$ 3,105*	*0.03*			*$ 3,105*		*$ 3,260*		*$ 3,358*
Doubletime		*0.01*	*$ 1,035*	*0.01*			*$ 1,035*		*$ 1,087*		*$ 1,120*
Total FTE & Total Salaries		2.38	$ 152,652	2.38	355,206	5.00	$ 152,652		$ 160,285		$ 165,093
PT Fringe Benefits		16.00%	$ -		-		$ -		$ -		$ -
FT Fringe Benefits		32.00%	$ 48,849		113,667		$ 48,849	32.00%	$ 51,292	34.00%	$ 56,132
Heluna F&A		11.20%	$ 22,568		52,513		$ 22,568	11.20%	$ 23,696	13.00%	$ 24,777
Subtotal Personnel Expenses			**$ 224,069**		**521,385**		**$ 224,069**		**$ 235,272**		**$ 246,002**
Operating Expenses											
Vehicle expenses (rental, gas, etc.)			$ 22,180				$ 22,180		$ 22,180		$ 22,180
Phone & IT Expenses			$ 4,040				$ 4,040		$ 4,040		$ 4,040
Client Expenses (Transit tickets, water, food, emergency supplies, etc.)			$ 720		1,000		$ 720		$ 720		$ 720
Other Costs (office supplies, employee uniforms, storage unit etc.)			$ 4,870		2,000		$ 4,870		$ 4,870		$ 4,870
Subtotal Operating Expenses			**$ 31,810**		**$ 3,000**		**$ 31,810**		**$ 31,810**		**$ 31,810**
Subtotal Direct Expenses			**$ 255,879**		**$ 524,385**		**$ 255,879**		**$ 267,082**		**$ 277,812**
Admin Indirect Expense		10%	$ 25,587		$ 52,437		$ 25,587	10%	$ 26,708	10%	$ 27,780
Housing Security Fund (HSF)					100,000						
TOTAL PROGRAM EXPENSES			**$ 281,466**		**676,822**		**$ 281,466**		**$ 293,790**		**$ 305,592**
Quarterly Invoice			**$ 70,366**				**$ 70,366**		**$ 73,448**		**$ 76,398**

OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR
65 Civic Avenue
Pittsburg, CA 94565

TO: Mayor and Council Members

FROM: Garrett Evans, City Manager

SUBJECT: Adoption of a City Council Minute Order to Approve City Goals and Priorities for Fiscal Year 2024/2025

MEETING DATE: June 17, 2024

EXECUTIVE SUMMARY

Each year, the City Council and staff work together to establish Citywide goals and priorities for the following fiscal year. Staff is proposing the Fiscal Year 2024/2025 City goals and priorities (the "City Goals and Priorities for FY 24/25").

FISCAL IMPACT

There is no fiscal impact from adoption of the attached City Goals and Priorities for FY 24/25. It should be noted that if adopted, the goals and priorities are intended to inform and guide decisions that may have a financial impact during the budget process and as projects and programs are considered.

RECOMMENDATION

City Council adopt this Minute Order, approving the City Goals and Priorities for FY 24/25.

BACKGROUND

On January 19, 2024, and January 20, 2024, the City Council held public workshops, designed to review and define City Council priority areas and align goals for the upcoming year. The strategic planning workshop held on January 19, 2024, included a group discussion about the positive impacts to the quality of life for residents in Pittsburg and a review of the accomplishments and current workplans of City departments. The workshop held on January 20, 2024, included a discussion regarding current trends in local government and facilitated exercises to identify the most significant opportunities and challenges facing the community.

The Mayor, Vice Mayor, and Council Members reviewed and discussed strategies to address opportunities and challenges and aligned them with the City Council's priority areas.

On March 18, 2024, staff presented the goals to City Council for adoption. Additional discussion led to the City Council to direct the Government Performance Ad Hoc Subcommittee to identify strategies to measure performance success year-over-year. The Ad Hoc Subcommittee also recommended organizing the priority areas into tiers, A) areas for focused improvement and B) areas to continue sustained progress. Additionally, an area was added to focus on FY 2024/2025 uncategorized initiatives. The Government Performance Ad Hoc Subcommittee met on March 22nd, April 12th and May 28th to further establish goals that could be measured over time through adopted annual objectives as well as serve as a foundational reference when items are brought to the City Council for adoption to ensure that decision-making aligns with the long-term vision.

The Government Performance Ad Hoc Subcommittee has continuously worked to develop processes and systems to measure and communicate outcomes of City goals, programs, projects, and services. This Subcommittee led the implementation of a public dashboard on the City's website to report the status of the City's approved Fiscal Year 2023/2024 goals in an effort to enhance the quality and accessibility of information to the community.

SUBCOMMITTEE FINDINGS

The Government Performance Ad-Hoc Subcommittee developed goals to ensure that objectives could be measured according to an established vision. The draft City Goals were presented to their respective priority area subcommittees between February 7th and February 21st. The Government Performance Ad Hoc Subcommittee recommended additional layers to clarify goals vs objectives in order to better define and track performance success over time.

STAFF ANALYSIS

Each department worked with their teams to develop implementation strategies based on comments received from the City Council during the January workshops, subcommittee meetings and feedback from the Government Performance Ad Hoc Subcommittee to identify goal measurements, specific objectives and tasks each department or division will undertake this fiscal year as part of the effort to achieve the stated longer-term goal through tracking progress of specific performance objectives.

The proposed structure identifies a cascading model with a tier to focused on improvement areas (Economic Development, Public Infrastructure and Youth Development) as well as priorities areas for the City to continue sustained progress (Efficiency and Public Safety). These areas include goals aligned to a longer-term vision which are recognized through previously adopted master plans. The objectives listed in the attached document express the outcomes to be achieved throughout the fiscal year and support a common vision for staff and resources. The City Council strategic planning process resulted in the identification of additional fiscal year 2024/2025 priorities that do not fall within the standard categories, those items are labeled, "Uncategorized Initiatives."

Once adopted, progress on goals and objectives can be viewed through the City's website, www.pittsburgca.gov/government/city-council/citywide-priorities-and-goals.

ATTACHMENTS: FY 2024/2025 City Council Goals

Report Prepared By: Jennifer Brizel, Human Resources Director

#	Level	Name	Start Date	Due Date
		Focus for the Following Priority Areas: ***Improvement***		
1	***Priority Area***	***Economic Development: Continuing economic development through strategic partnerships, promotion of entry-level and high-end housing and the retention and growth of new and existing businesses***		
1.1	**Goal**	**Improve the City's job-housing balance and increase the City's tax base through the retention and growth of existing and new businesses. Increase general fund revenue by 15% by 2030 and achieve a job housing balance of .8**		
1.1.1	Department	Community & Economic Development		
1.1.1.1	Objective	Create a framework for the redevelopment of Century Plaza	7/1/2024	6/30/2025
1.1.1.1.1	Implementation Measure	Establish conceptual plan for residential development of area	7/1/2024	12/31/2024
1.1.1.1.2	Implementation Measure	Utilize conceptual plans (FY 2023-2024 goal) to begin development of a Century Plaza specific plan	7/1/2024	6/30/2025
1.1.1.2	Objective	Assist existing businesses in growing and maintain a minimum 95% retention of current in-town businesses in the next business license renewal cycle	7/1/2024	6/30/2025
1.1.1.2.1	Implementation Measure	Ensure online renewal system is easy to use and eliminates extra processing time	7/1/2024	3/31/2025
1.1.1.2.2	Implementation Measure	Institute at least 4 small business courses (1 per quarter) held in person in Pittsburg geared towards business enhancement, with a goal of a 2% net increase in reported estimated revenue)	7/1/2024	6/30/2025
1.1.1.3	Objective	Update the zoning code to ensure efficient entitlement process for businesses and industries in appropriate areas	7/1/2024	6/30/2025
1.1.1.3.1	Implementation Measure	Review zoning code with the intent of ensuring efficient entitlement process for businesses and industries in appropriate areas	7/1/2024	9/1/2024
1.1.1.3.2	Implementation Measure	Identify opportunities where the entitlement and permitting process can be made more efficient in terms of time, costs, and ease of process navigation	7/1/2024	12/31/2024
1.1.1.3.3	Implementation Measure	Gather community feedback on draft Development Code	7/1/2024	12/30/2024
1.1.1.3.4	Implementation Measure	Prepare CEQA Analysis for Draft Development Code update	7/1/2024	4/30/2024
1.1.2	Department	Pittsburg Power Company/Island Energy		
1.1.2.1	Objective	Develop energy supply strategy for the Water Treatment Plant	7/1/2024	6/30/2025
1.1.2.1.1	Implementation Measure	Conduct assessment of energy usage and needs for the Water Treatment Plant	7/1/2024	9/30/2024
1.1.2.1.2	Implementation Measure	Create energy delivery solutions and implementation plan (market energy supply, new infrastructure, renewables applications)	7/1/2024	3/30/2025
1.1.2.1.3	Implementation Measure	Present the plan to the Pittsburg Power Company Board	7/1/2024	6/30/2025
1.1.3	Department	Community Services		
1.1.3.1	Objective	Enroll participants in a self-sufficiency pilot program	7/1/2024	6/30/2025
1.1.3.1.1	Implementation Measure	Draft pilot program	7/1/2024	7/31/2024
1.1.3.1.2	Implementation Measure	Identify potential partners	7/1/2024	8/15/2024
1.1.3.1.3	Implementation Measure	Meet with potential partners	7/1/2024	9/30/2024

#	Level	Name	Start Date	Due Date
1.1.3.1.4	Implementation Measure	Establish program offerings	7/1/2024	10/15/2024
1.1.3.1.5	Implementation Measure	Present self-sufficiency pilot program to Life Enrichment Subcommittee	7/1/2024	11/20/2024
1.1.3.1.6	Implementation Measure	Finalize self-sufficiency pilot program, incorporating Life Enrichment Subcommittee comments and recommendation	7/1/2024	11/30/2024
1.1.3.1.7	Implementation Measure	Governing Board of the Housing Authority approval of the self-sufficiency pilot program	7/1/2024	12/16/2024
1.1.3.1.8	Implementation Measure	Reach out potential participants by sending out letters to Housing Authority participants regarding the self-sufficiency pilot program opportunities	7/1/2024	1/3/2025
1.1.3.1.9	Implementation Measure	Conduct an orientation with potential participants and providers	7/1/2024	2/5/2025
1.1.3.1.10	Implementation Measure	Report outcome to Life Enrichment Subcommittee	7/1/2024	5/19/2025
1.1.3.2	Objective	Preservation of affordable housing stock through the housing rehabilitation loan program	7/1/2024	6/30/2025
1.1.3.2.1	Implementation Measure	Identify funding sources	7/1/2024	7/31/2024
1.1.3.2.2	Implementation Measure	Research grant opportunities	7/1/2024	6/30/2025
1.1.3.2.3	Implementation Measure	Revise program policy to include clear deadlines	7/1/2024	7/31/2024
1.1.3.2.4	Implementation Measure	Review and revise brochure and loan application	7/1/2024	8/21/2024
1.1.3.2.5	Implementation Measure	Present revised program policy and materials to the Life Enrichment Subcommittee	7/1/2024	9/18/2024
1.1.3.2.6	Implementation Measure	Present revised program policy and materials to the City Council	7/1/2024	10/21/2024
1.1.3.2.7	Implementation Measure	Campaign to promote program to eligible residents	7/1/2024	6/30/2025
1.1.3.2.8	Implementation Measure	Issue Loans throughout the fiscal year	7/1/2024	6/30/2025
1.1.3.3	Objective	Continue with the Development of Bliss Avenue. Development is a multi-year goal. Phase 2 – Development Agreement	7/1/2024	6/30/2025
1.1.3.3.1	Implementation Measure	Issue RFP	7/1/2024	7/15/2024
1.1.3.3.2	Implementation Measure	Review responses to RFP	7/1/2024	9/6/2024
1.1.3.3.3	Implementation Measure	Present RFP outcome to Economic Development Subcommittee	7/1/2024	10/9/2024
1.1.3.3.4	Implementation Measure	Negotiate an Exclusive Negotiating Agreement (ENA)	7/1/2024	12/16/2024
1.1.3.3.5	Implementation Measure	Negotiate a Disposition and Development Agreement (DDA)	7/1/2024	3/20/2025
1.1.3.3.6	Implementation Measure	DDA – City Council approval and Governing Board of the Housing Authority approval (if assistance is given)	7/1/2024	6/30/2025
2	***Priority Area***	***Youth Development: Improve the education, health and wellness of our youth and young adults by improving their social and economic outcomes.***		
2.1	**Goal**	**Enhance career and college readiness through daily afterschool youth programming throughout the City in collaboration with community partners and increase program attendance by 15%**		

#	Level	Name	Start Date	Due Date
2.1.1	Department	Recreation		
2.1.1.1	Objective	Work with our educational partners to provide career pathways and opportunities for youth and young adults as identified in the Youth & Young Adult Services Master Plan Objective 2	7/1/2024	6/30/2025
2.1.1.1.1	Implementation Measure	Conduct youth services symposium with local providers to identify programs and opportunities.	7/1/2024	9/30/2024
2.1.1.1.2	Implementation Measure	Survey Pittsburg High students on interest and accessibility of/to career pathways and trade programs and evaluate feedback	7/1/2024	4/1/2025
2.1.1.1.3	Implementation Measure	Work with Pittsburg Unified to provide career exploration and job shadow opportunities with local employers	7/1/2024	6/30/2025
3	***Priority Area***	***Public Infrastructure: Improve public facilities and infrastructure and increase beautification of City maintained areas***		
3.1	**Goal**	**Increase Pavement Condition Index (PCI) to 65 by 2029.** **Meet the following targets an average of 75% annually:** **- Perform maintenance of medians/right-of-ways at least 3 times per year;** **- Mow/edge City parks once per week;** **- Clean restrooms and collect trash 5 times per week**		
3.1.1	Department	Public Works	7/1/2024	6/30/2024
3.1.1.1.	Objective	Improve key entryways into the city	7/1/2024	6/30/2025
3.1.1.1.1	Implementation Measure	Finalize vision	7/1/2024	9/30/2024
3.1.1.1.2	Implementation Measure	Develop design concepts	7/1/2024	12/30/2024
3.1.1.1.3	Implementation Measure	Award construction contract	7/1/2024	6/30/2025
3.1.1.2	Objective	Evaluate existing and new funding sources to support roadway infrastructure improvements	7/1/2024	6/30/2025
3.1.1.2.1	Implementation Measure	Identify deferred pavement maintenance needs	7/1/2024	7/1/2024
3.1.1.2.2	Implementation Measure	Create a marketing identity and develop webpage to promote paving plan, projects, and funding	7/1/2024	7/1/2024
3.1.1.2.3	Implementation Measure	Promote projects via social media 3-4 times per month, including messaging on funding sources	7/1/2024	6/30/2025
3.1.1.2.4	Implementation Measure	Install signage during construction and following completion of infrastructure projects that advertise funding sources and use links for public information	7/1/2024	6/30/2025
3.1.1.3	Objective	Address traffic circulation issues at the intersection of San Marco Boulevard and West Leland Road	7/1/2024	6/30/2025
3.1.1.3.1	Implementation Measure	Have ECCCRFFA Board vote to prioritize W Leland Road Extension Project	7/1/2024	7/1/2024
3.1.1.3.2	Implementation Measure	Execute design agreement	7/1/2024	9/30/2024
3.1.1.3.3	Implementation Measure	Award construction contract	7/1/2024	4/30/2026
3.1.1.3.4	Implementation Measure	Work with Caltrans to develop concepts and timelines for interchange improvements at Highway 4	7/1/2024	6/30/2025
3.1.1.4	Objective	Address traffic circulation issues along Railroad Avenue corridor	7/1/2024	6/30/2025
3.1.1.4.1	Implementation Measure	Execute Ownership, Operations, and Maintenance Agreement with CCTA for Smart Signals Project	7/1/2024	7/1/2024

#	Level	Name	Start Date	Due Date
3.1.1.4.2	Implementation Measure	Collaborate with CCTA on design of the Smart Signals Project	7/1/2024	12/31/2024
3.1.1.4.3	Implementation Measure	Complete Pittsburg Center Smart City Project	7/1/2024	6/30/2025
3.1.1.4.4	Implementation Measure	Work with Caltrans to develop concepts and timelines for interchange improvements at Highway 4	7/1/2024	6/30/2025
3.1.1.5	Objective	Engage and advocate with Caltrans in improved communication and collaboration	7/1/2024	6/30/2025
3.1.1.5.1	Implementation Measure	Hold monthly meetings with key Caltrans personnel to discuss goals and challenges in the City of Pittsburg	7/1/2024	6/30/2025
3.1.1.5.2	Implementation Measure	Get involved in Caltrans activities	7/1/2024	6/30/2025
3.1.1.6	Objective	Construct Water Treatment Plant Filtration Improvements and Hypochlorite Conversion Project	7/1/2024	6/30/2025
3.1.1.6.1	Implementation Measure	Award construction contract	7/1/2024	7/1/2024
3.1.1.6.2	Implementation Measure	Complete project mobilization	7/1/2024	7/1/2024
3.1.1.6.3	Implementation Measure	Activate new filter gallery	7/1/2024	6/30/2027
3.1.1.6.4	Implementation Measure	Accept project as complete	7/1/2024	6/30/2027
3.1.2	Department	Environmental Services		
3.1.2.1	Objective	Promote public transit incentive programs that are available to the community	7/1/2024	6/30/2025
3.1.2.1.1	Implementation Measure	Collaborate with transit partners (Tri Delta Transit, BART, MTC) to determine incentives for transit programs	7/1/2024	7/30/2024
3.1.2.1.2	Implementation Measure	Promote existing transit program incentives to encourage ridership.	7/1/2024	6/30/2025
3.1.2.1.3	Implementation Measure	Research the potential impacts of a trolley route	7/1/2024	1/30/2025
3.1.2.2	Objective	Enhance clean-up day program to mitigate illegal dumping	7/1/2024	6/30/2025
3.1.2.2.1	Implementation Measure	Identify illegal dumping mitigation needs throughout the city	7/1/2024	7/30/2024
31222	Implementation Measure	Analyze current clean-up programs and collected data to determine clean-up frequency	7/1/2024	7/30/2024
3.1.2.2.3	Implementation Measure	Schedule at least two community clean-up days	7/1/2024	7/30/2024
3.1.2.2.4	Implementation Measure	Promote clean-up days	7/1/2024	6/30/2025
		Focus for the Following Priority Areas: ***Sustainment***		
4	***Priority Area***	***Public Safety: Prioritize public safety, health and welfare in the City budget and when reviewing projects***		
4.1	**Goal**	**Reduce violent crime to no more than 3.0 per capita and property crime to no more than 20.0 per capita**		
4.1.1.	Department	Police Department		

#	Level	Name	Start Date	Due Date
4.1.1.1	Objective	Implement Violent Crime Reduction Strategies	7/1/2024	6/30/2025
4.1.1.1.1	Implementation Measure	Increase monthly traffic enforcement in business and commercial districts mirroring hours identified with violent crime analysis	7/1/2024	12/31/2024
4.1.1.1.2	Implementation Measure	Conduct local agency (East County) collaborative enforcement and intelligence sharing operations	7/1/2024	12/31/2024
4.1.1.1.3	Implementation Measure	Intelligence based enforcement merging trending analytics with active daily enforcement	7/1/2024	3/31/2024
4.1.1.2	Objective	Forecast and model police resources to match growth of community (forecast needs to meet City Council priorities (i.e., ratio, crime rates, etc.)	7/1/2024	6/30/2025
4.1.1.2.1	Implementation Measure	Conduct meetings with Planning and Economic Development departments to forecast city growth for the purposes of maintaining current and future public safety service levels	7/1/2024	12/31/2024
4.1.1.2.2	Implementation Measure	Analyze and forecast geographical expansion in order to identify community service response and reporting needs	7/1/2024	3/31/2024
5	***Priority Area***	***Efficiency: Increase efficiency of City operations and services through technology and streamlined processes***		
5.1	**Goal**	**Maintain customer satisfaction scores of 90% across all departments, programs, and services, and improve City operations through technology and streamlined processes**		
5.1.1	Department	City Clerk Services		
5.1.1.1	Objective	Ensure compliance with applicable elections codes regarding City actions as triggered by specified timelines for potential ballot measure	1/1/2024	6/30/2025
5.1.1.1.1	Implementation Measure	Retrieve most recent total number of registered voters for the city from the County Elections Office to calculate the number of signatures needed for the ballot measure to be moved forward	1/1/2024	1/30/2024
5.1.1.1.2	Implementation Measure	Create election timeline calendar to ensure alignment with County deadlines	1/1/2024	2/29/2024
5.1.1.1.3	Implementation Measure	Count petition signatures if and when submitted by proponents	7/1/2024	7/7/2024
5.1.1.2	Objective	Streamline common public record requests using a public dashboard	7/1/2024	9/30/2024
5.1.1.2.1	Implementation Measure	Evaluate common records requests to be extracted from city systems to be streamlined and posted on city dashboard for easy access	7/1/2024	5/15/2024
5.1.1.2.2	Implementation Measure	Establish frequency and timing of data extraction	7/1/2024	6/15/2024
5.1.1.2.3	Implementation Measure	Collaborate with internal stakeholders to publish requested records	7/1/2024	8/30/2024
5.1.2	Department	Finance		
5.1.2.1	Objective	Enterprise Resource Planning (ERP) - implementation of Financial system	7/1/2024	6/30/2025
5.1.2.1.1	Implementation Measure	Finalize the new Chart of Accounts (CoA) for the City	7/1/2024	8/31/2024
5.1.2.1.2	Implementation Measure	Finalize the process/policy changes for Finance that will be adhered to by the new ERP system	7/1/2024	9/31/2024
5.1.2.1.3	Implementation Measure	Migrate financial systems data from existing Eden system to the new ERP system	7/1/2024	11/30/2024
5.1.2.1.4	Implementation Measure	Financial modules in the new ERP system goes live	7/1/2024	2/28/2025
5.1.2.2	Objective	Enterprise Resource Planning (ERP) - implementation of Human Resources Information System	7/1/2024	6/30/2025

#	Level	Name	Start Date	Due Date
5.1.2.2.1	Implementation Measure	Finalize the process/policy changes for HR that will be adhered to by the new ERP system	7/1/2024	4/30/2025
5.1.2.2.2	Implementation Measure	Migrate HR systems data from existing Eden system to the new ERP system	7/1/2024	6/30/2025
5.1.2.3	Objective	Finalize the financial transparency dashboard for the new Enterprise Resource Planning (ERP) system	7/1/2024	6/30/2025
5.1.2.3.1	Implementation Measure	Begin implementation of transparency modules	7/1/2024	10/31/2024
5.1.2.3.2	Implementation Measure	Financial modules in the new ERP system goes live	7/1/2024	6/30/2025
5.1.2.4	Objective	Improve user experience with the City website	7/1/2024	6/30/2025
5.1.2.4.1	Implementation Measure	Survey City staff to identify potential improvement areas to City website and customer engagement portals	7/1/2024	7/31/2024
5.1.2.4.2	Implementation Measure	Survey the community to identify potential improvement areas to the City website and customer engagement portals	7/1/2024	9/30/2024
5.1.2.4.3	Implementation Measure	Evaluate internal and external survey feedback	7/1/2024	11/30/2024
5.1.2.4.4	Implementation Measure	Provide recommendations for enhancements including cost and potential vendors	7/1/2024	12/30/2024
5.1.2.4.5	Implementation Measure	Implement the approved enhancements.	7/1/2024	6/30/2025
5.2.1	Department	Human Resources		
5.2.1.1.	Objective	Establish service level standards	7/1/2024	6/30/2025
5.2.1.1.1	Implementation Measure	Identify customer engagement metrics	7/1/2024	8/30/2024
5.2.1.1.2	Implementation Measure	Submit report to city departments with findings and recommendations for best practices	7/1/2024	12/30/2024
5.2.1.1.3	Implementation Measure	Develop service level agreements with departments	7/1/2024	2/7/2025
5.2.1.1.4	Implementation Measure	Implement service standards procedures	7/1/2024	3/28/2025
		FY 2024/2025 Uncategorized City Council Intiatives		
A.1	**Goal**	**Improve the quality of life for all Pittsburg residents**		
A.1.1	Department	Recreation		
A.1.1.1	Objective	Evaluate and prioritize events and experience-based entertainment	7/1/2024	6/30/2025
A.1.1.1.1	Implementation Measure	Collect and analyze event participation data for calendar years 2022 and 2023 to gauge success	7/1/2024	10/31/2024
A.1.1.1.2	Implementation Measure	Evaluate locations throughout the city to promote community engagement through events	7/1/2024	12/30/2024
A.1.1.1.3	Implementation Measure	Present data to Community Advisory Commission and obtain feedback	7/1/2024	2/15/2025
A.1.1.1.4	Implementation Measure	Present data to Subcommittee and obtain feedback	7/1/2024	2/20/2025

#	Level	Name	Start Date	Due Date
A.1.1.1.5	Implementation Measure	Based on data and feedback determine any changes in events for the 2025 calendar	7/1/2024	3/15/2025
A.1.2.1	Objective	Promote “Pittsburg Cares” with events and activities to support community engagement	7/1/2024	6/30/2025
A.1.2.1.1	Implementation Measure	In collaboration with community partners coordinate an event to promote mental health wellness	7/1/2024	5/30/2025
A.1.2.1.2	Implementation Measure	Establish a network of service providers for mental health	7/1/2024	12/31/2024
A.1.2.1.3	Implementation Measure	Create a “Pittsburg Cares” Proclamation deeming May as “Pittsburg Cares” in honor of Mental Health awareness month	7/1/2024	5/30/2025

OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR
65 Civic Avenue
Pittsburg, CA 94565

TO: Mayor and Council Members

FROM: Donna Mooney, City Attorney

SUBJECT: Introduction and Waive Further Reading of an Ordinance Amending Pittsburg Municipal Code Chapter 2.85 and Repealing Chapter 2.86

MEETING DATE: June 17, 2024

EXECUTIVE SUMMARY

The City Attorney proposes consolidating the Purchasing Policy and two chapters of the Pittsburg Municipal Code for efficiency and ease of reference, and revising provisions for clarification, correction and/or alignment with current state law and local policy and practice.

FISCAL IMPACT

The amendment would have no fiscal impact.

RECOMMENDATION

Introduce and waive further reading of an Ordinance Amending Pittsburg Municipal Code Chapter 2.85 and Repealing Chapter 2.86.

BACKGROUND

Contracting requirements for the City of Pittsburg are set forth in Pittsburg Municipal Code Chapters 2.85 and 2.86, and the Purchasing Policy. The chapters were added to the PMC in 2006 and various subsections have been amended from time to time. PMC Section 2.85.010 required the City Council to adopt by resolution a policy for purchases. The Purchasing Policy was last amended in 2018.

SUBCOMMITTEE FINDINGS

This item was not submitted to a subcommittee.

STAFF ANALYSIS

The proposed ordinance consolidates the City's contracting requirements into one chapter of the Pittsburg Municipal Code. The proposed ordinance contains requirements for contracting for the four categories engaged in by local public agencies: equipment and supplies, general services, professional services, and public works projects.

Staff sometimes issues a Request for Proposals for purposes of creating a list of service providers and entering into master on-call contracts so that assistance is readily available as the need arises. The ordinance addresses and authorizes this approach, and sets forth a requirement that staff obtain three or more quotes when a task is identified for on-call work that is expected to exceed $50,000.

For public works projects, state law authorizes informal bidding so long as certain prerequisites are met, including a dollar ceiling. The City meets the prerequisites and historically authorized informal bidding for public works projects. From time to time, the state increases the dollar ceiling for public works projects to be contracted through informal bidding, to recognize the increase in costs over the years. Presently, a public works project of up to $200,000 can be contracted through the informal bidding procedure. The proposed ordinance incorporates any future increases established by the state.

The proposed ordinance clarifies that the City may engage in cooperative contracting. The City belongs to one or more purchasing cooperatives. A co-op identifies vendors through a bidding process or request for proposals, for the benefit of the members of the co-op. The collective effort is expected to yield better prices and more vendors compared to one member seeking vendors on its own. The ordinance allows contracting through a co-op so long as the co-op utilized a process similar to or better than the City's required contracting process.

Provisions from the Purchasing Policy have been carried over to the ordinance: Purchases may be made through an agreement negotiated by another public agency (known as a "piggyback" purchase). In an emergency, as defined, and in specified circumstances, contracting requirements may be curtailed. The dollar limit for contracting by the City Manager and City Attorney remains at $75,000, and $50,000 for department heads. To facilitate faster procurement of equipment for the electric utility, the dollar limit is $250,000. All contracts of the City must be in writing, and any contract of $10,000 or more must be reviewed and signed approving as to form by the City Attorney.

ATTACHMENTS: Ordinance

Report Prepared By: Donna Mooney, City Attorney

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Amending Pittsburg Municipal Code) Chapter 2.85 Purchasing System and) Repealing Chapter 2.86)	ORDINANCE NO. 24-

WHEREAS, pursuant to the City's police power under Article XI Section 7 of the California Constitution, the City Council of the City of Pittsburg has the authority to enact and enforce ordinances and regulations for the public peace, morals, and welfare of the City and its residents; and

WHEREAS, the City seeks to consolidate its contracting and purchasing requirements set forth in the Purchasing Policy and two chapters of the Pittsburg Municipal Code into one chapter of the PMC for ease of reference; and

WHEREAS, the proposed ordinance clarifies, corrects, and/or revises provisions in compliance with current law, practice and desired policy.

NOW, THEREFORE, the City Council of the City of Pittsburg Does ORDAIN as follows:

Section 1. Amendment. Chapter 2.85 of the Pittsburg Municipal Code is hereby deleted and replaced to read as follows:

Chapter 2.85
CONTRACTING AND PURCHASING

Sections:

2.85.010 Purpose.
The purpose of this chapter is to ensure prudent expenditures of public funds, provide fairness to vendors in the selection process, and to avoid favoritism.

2.85.020 Chief contracting and purchasing officer.
The city manager is the chief contracting and purchasing officer of the city. The city manager may delegate his/her duties as chief purchasing officer to other city staff. The chief purchasing officer or his/her designated representative may have additional duties specified by resolution of the city council. The city manager or his/her designated representatives may sign contracts on behalf of the city when authorized by ordinance, resolution or other action of the city council. The city manager is authorized to establish purchasing procedures as an administrative order in compliance with this chapter and applicable law.

2.85.030 Contracting for equipment and supplies.
A. Equipment and supplies defined. Equipment and supplies are goods procured by the city for the conduct of the city's business, except equipment and supplies procured by a contractor or subcontractor for a public works project governed by sections 2.85.070 and 2.85.080.

B. Formal bidding for equipment and supplies.

1. Formal bidding is required for any purchase of equipment and supplies over $50,000.

2. Formal bidding shall contain the following:

a. Notice issued using an invitation to bid template, and

b. If applicable, solicit potential vendors through supplier lists approved by the purchasing officer; and

c. Advertise the invitation to bid on the city website, by advertisement in a newspaper of general circulation, and/or direct mail or email to reputable vendors, at least 10 days before the deadline for submission of bids; and

d. Open the bids at advertised time to determine the lowest responsive bid.

3. The lowest responsive bid shall be recommended to city council for award of the contract.

C. Informal bidding for equipment and supplies.

1. Informal bidding is authorized for any purchase of equipment and supplies in the amount of $50,000 or less.

2. Potential vendors may be solicited using the Request for Quote template through supplier lists, if applicable, notice on the city website, and/or direct mail or email to reputable vendors, at least 10 days before the deadline for submission of quotes.

3. At least three quotes must be solicited for any purchase of equipment and supplies over $10,000, unless fewer than three reputable vendors are available to provide the required equipment or supplies.

4. The city manager or his/her designee is authorized to enter into a contract with the vendor that submits the lowest responsive quote.

2.85.040 Contracting for general services.

A. General services defined. General services are services from a vendor that do not require a high degree of professional or technical skill, such as janitorial services, general labor, or maintenance. General services do not include professional services as defined in section 2.85.050 or public works project services as defined in section 2.85.070.

B. A request for proposals (RFP), must be issued when the anticipated cost of general services exceeds $100,000 during the term of the contract, including any potential renewal terms. The RFP should attach the required form of agreement for the general services, subject to approval as to form by the city attorney. The RFP may also require information about the vendor's qualifications, experience, or other relevant information for the procurement. Cost shall be the highest weighted criterion for the evaluation of proposals. Vendors shall be solicited through lists approved by the purchasing officer, if applicable, direct mail or email, and/or newspaper advertisement. Each RFP must also be posted on the city website.

C. A minimum of three quotes shall be obtained when the anticipated cost of services is $50,000 to $100,000, unless fewer than three reputable vendors are available to provide the required general services.

2.85.050 Contracting for professional services.

A. Professional services defined. Professional services are services from a specially trained and experienced person, firm, or corporation for special services and advice in financial, economic, accounting, engineering, legal, planning or administrative matters.

B. Procurement and selection. Selection shall be based on the demonstrated competence, experience and professional qualifications of the vendor necessary for the satisfactory performance of the professional services. In any request for proposals, cost shall be a criterion.

2.85.060 Contracting for on-call professional services.

A. On-call services defined. For professional services that may be needed on an occasional basis as need arises, city staff may solicit for professional services providers to be retained under contract for on-call services, following the requirements in section 2.85.050.

B. List. A list of qualified professional service providers may be compiled based on responses to the solicitation.

C. Quotes for task. When a particular task is identified for on-call work, at least three quotes must be obtained from professional service providers, on the list or if there is no list, when the estimated cost of the work is over $50,000, unless there are fewer than three professional service providers listed or available for the type of services needed.

2.85.070 Contracting for public works projects – informal bidding

A. Public works project defined. Public works project has the same meaning as “public project” as defined in Public Contract Code section 22002, as may be amended.

B. Informal bidding authorized. As authorized by Public Contract Code Section 22034, the city elected to become subject to the California Uniform Public Construction Cost Accounting Act (CUPCCAA) as set forth in Public Contract Code Sections 22000 through 22050, and is therefore permitted to use the informal bidding procedures set forth in Public Contract Code Section 22034. The provisions of CUPCCAA take precedence over any conflicting provisions in Public Contract Code Sections 20160 through 20174. All applicable provisions of the Public Contract Code remain in effect and city contracting is subject to them, unless superseded by conflicting terms under CUPCCAA.

C. Informal bidding procedures. A public works project of up to $200,000, or any higher amount as may be established by state law under CUPCCAA, may be let to contract by the informal procedure as set forth in Sections 22032(b) and 22034 of the Public Contract Code, as may be amended.

D. Contractors list required. The city manager or designee(s) shall develop and maintain a list of qualified contractors identified according to categories that comply with section 22034 of the Public Contract Code and criteria adopted by the Commission (Commission). The city manager or his/her designee(s) shall develop and maintain the contractors list by annually mailing or emailing a written notice to construction trade journals designated by the Commission as specified by region in the Commission's current *Cost Accounting Policies and Procedures Manual*, accessed via the Commission's website, inviting all licensed contractors to submit the name of their firm to the city for inclusion on the contractors list of qualified bidders for the following calendar year.

E. Notice for informal bidding. For a public works project with the estimated cost set forth in subsection (C), not less than 10 days before the bids are due, the city manager or his/her designee shall mail or email a written notice inviting bids to (1) all contractors for the category of work to be bid as shown on the contractors list developed in accordance with subsection (C) and/or (2) all construction trade journals designated by the Commission under Public Contract Code Section 22036. Additional contractors and construction trade journals may be notified at the discretion of the city manager or designee. If there is no list of qualified contractors for the particular category of work to be performed, the notice inviting bids shall be sent only to the construction trade journals specified by the Commission.

F. Small projects. For a public works project of up to $60,000, or any higher amount as may be established by state law, the city may perform the project by city employees, by force account, by negotiated contract or by purchase order as authorized by Section 22032(a) of the Public Contract Code, as may be amended, or the city may elect to follow the informal bidding procedure set forth in this section and state law.

G. Award authority. The city manager or his/her designee is authorized to award contracts subject to the informal bid or small project requirements in this section 2.85.070.

H. Bid over small project limit. If all bids received on a public works project under the procedure set forth in this section are in excess of the amount set forth in subsection (F), the city council may award the contract at an amount authorized by state law to the lowest responsible bidder if the council determines by adopting a resolution by at least four-fifths vote that the city's original cost estimate was reasonable.

2.85.080 Contracting for public works projects – formal bidding.

A. Any contract for a public works project which exceeds the informal bid threshold in section 2.85.080 shall be procured in compliance with formal bidding requirements in section 22037 of the Public Contract Code, as may be amended.

B. A public works project of more than $1 million is subject to Project Stabilization Agreement unless exempt.

2.85.090 Contracting – exemptions.

The following shall be exempt from bidding requirements of this chapter:

A. Piggyback contracting. Contracting may be done through a contract entered into by another public agency if the city attorney determines the contract is acceptable as to form and (a) the contracting procedure was substantially similar to the city's required procedure for a contract of the same type and dollar amount, or (b) the contract is identified by the State of California procurement department.

B. Cooperative contracting. Contracting may be done through a contract entered into by a cooperative entity if the contracting procedure was substantially similar to the city's required procedure of the same type and dollar amount, provided the city attorney determines the contract is acceptable as to form.

C. Emergency contracting.

1. Public work projects subject to bidding. In the case of a sudden, unexpected occurrence that poses a clear and imminent danger requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services, the city manager is authorized to purchase repairs or replacement of any public facility, procure necessary equipment, services and supplies, without giving notice for bids to let contracts, in compliance with Public Contract Code section 22050.

2. All other contracts. In the case of a sudden, unexpected occurrence that poses a clear and imminent danger requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services, the city manager may enter into a contract up to $150,000, without city council approval or compliance with other procedures set forth in this chapter 2.85.

D. Design-build. Public works projects may be procured on a design-build basis subject to the requirements and limitations of Sections 22160 through 22169, and Section 22170 et seq., as may be amended.

E. Other. Based on unique fact or circumstances and a recommendation with justification from the affected department director, the city manager after consultation with the city attorney may waive one or more purchasing procedures if they determine the interests of the city are best served and waiver complies with relevant law. This exception includes but is not limited to the circumstances when equipment or services are available only from one vendor, or equipment from a particular manufacturer is necessary for optimal functioning with existing equipment, rendering solicitation futile.

2.85.100 Contracting authority of employees.

A. City council authorization. Except as authorized in this chapter, no contract or purchase may be made without the prior authorization of city council.

B. City manager authorization. The city manager is authorized to contract or purchase in the amount of $100,000 or less, except that the city manager is authorized to purchase electric utility equipment or supplies in the amount of $250,000 or less. The city manager is authorized to delegate authority to contract or purchase to any employee so long as the delegation is in writing. A department head is authorized to enter into a contract in the amount of $50,000 or less.

C. City attorney authorization. The city attorney is authorized to contract or purchase professional legal services, professional services related to legal matters, general services, and supplies, in the amount of $100,000 or less.

2.85.110 Contracting requirements.

A. All contracts must be in writing.

B. All contracts must set forth the total maximum compensation.

C. Bid splitting is prohibited. Bid splitting means to divide a transaction into separate contracts to avoid the requirement to obtain city council approval or use competitive bidding.

C. For any multi-year contract, adequate funds must be available to fulfill the first fiscal year's obligation and the time of contract execution. Subsequent years' appropriations are subject to city council authorization unless allowed pursuant to state law and the terms of the contract.

D. Any contract for a duration of more than seven years must be approved by city council regardless of the dollar amount.

E. Any contract in the amount of $10,000 or more must be reviewed and signed approving as to form by the city attorney.

F. A contract approved by city council may be amended to increase the compensation amount when the city council has approved a contingency amount and the increase is equal to or less than the contingency, or when the amount of the increase is less than $25,000.

G. Only the city attorney may enter into a contract for outside counsel services.

2.85.120 Local preference in contracting and purchasing.

The city shall provide a three percent preference for local vendors when soliciting for contracts up to $50,000. To qualify for the preference, the purchase must be subject to sales tax collection. The vendor must hold a current Pittsburg business license and be located in Pittsburg. This section does not apply to public works projects subject to informal or formal bidding, or to federally funded projects subject to procurement standards in 2 C.F.R. sections 200.318 through 200.327, as may be amended.

2.85.130 Minority and women-owned businesses.

It is the city's policy to give minority suppliers an opportunity to compete on an equal basis with all other vendors in the competitive marketplace. One of the responsibilities of the city manager or designee is to seek out and identify qualified, minority- and women-owned businesses and assist them in becoming familiar with the city's requirements for city purchases.

Section 2. Repeal of Chapter 2.86. Chapter 2.86 of the Pittsburg Municipal Code is hereby repealed.

Section 3. Effective Date. This Ordinance shall be in full force and effect thirty (30) days after its adoption.

Section 4. Severability. If any section, subdivision, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions.

Section 5. Publication. The ordinance shall be posted and published in accordance with the California Government Code.

PASSED AND ADOPTED by the City Council of the City of Pittsburg at a regular meeting on the 17th day of June 2024, by the following vote:

AYES:

NOES:

ABSTAINED:

ABSENT:

____
Juan Antonio Banales, Mayor

ATTEST:

____
Alice E. Evenson, City Clerk

OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR
65 Civic Avenue
Pittsburg, CA 94565

TO: Mayor and Council Members

FROM: Garrett Evans, City Manager

SUBJECT: Adoption of a City Council Resolution for Approval of the City of Pittsburg's Operating Budget for Fiscal Year 2024/25 and Appropriation of Funds for Fiscal Year 2024/25

MEETING DATE: June 17, 2024

EXECUTIVE SUMMARY

The City Council's Finance Subcommittee met on April 19, 2024, and City Council budget workshop meetings were held on May 6, 2024 and June 3, 2024 to review and receive public input and discussion regarding the Draft Operating Budget for Fiscal Year 2024/25. The Fiscal Year (FY) 2024/25 budget must be appropriated by July 1, 2024, to provide on-going funding for the City of Pittsburg activities during the next fiscal year.

FISCAL IMPACT

The proposed City of Pittsburg Operating Budget for Fiscal Year 2024/25 contains an overall estimated revenue stream of $262,587,546 and overall appropriations of $246,453,292. Included in the total appropriations budget are $67.3 million for the General Fund, $8.6 million for the Internal Service Funds, $50.7 million for the Enterprise Funds, $48.5 million for the Special Revenue Funds, $7.1 million for the Debt and Project Funds and $64.3 million for the Successor Agency to the Redevelopment Agency of the City of Pittsburg Funds.

RECOMMENDATION

The City Council approve and adopt the Operating Budget for the City of Pittsburg for the Fiscal Year 2024/25.

BACKGROUND

The Preliminary Operating Budget for Fiscal Year 2024/25 for the City of Pittsburg was presented to the City Council's Finance Subcommittee on April 19, 2024. City Council Budget workshops were held on May 6, 2024, and June 3, 2024. Copies of the proposed budget and supporting documentation were submitted to interested parties prior to the meetings.

A complete copy of the detailed Preliminary Operating Budget document for Fiscal Year 2024/25 will be on the City's website before the June 17, 2024, City Council meeting and can be located by navigating to City Services/Finance/Budget and Other Financial Documents/2024-25 Proposed Budget.

This is the twelfth year that the City's budget has been developed under the guidelines of the City's Fiscal Sustainability Ordinance. The Budget Stabilization Fund projected balance at the end of FY 2024/25 is over the lesser of $2 million dollars or five percent of the General Fund operating expenditures as required by the Ordinance. While the City Council adopted a change to the Fiscal Sustainability Ordinance allowing up to 10 percent of the required minimum 30 percent General Fund reserve level to be held in real estate, no expected utilization of real estate is projected for the current year to maintain the minimum requirements as outlined in the Ordinance.

SUBCOMMITTEE FINDINGS

The City Council's Finance Subcommittee met on April 19, 2024, to review the proposed budget. The Subcommittee did not have any changes to the City's Fiscal Year 2024/25 Proposed Budget.

STAFF ANALYSIS

Revenues for the City are projected to be $262.6 million, of which 26 percent comprises the General Fund. The City's total expenditures are projected to be $246.5 million, of which 27 percent is the General Fund, the City's main source of unrestricted funds. This proposed budget funds 324 full-time equivalent employees. This Budget follows the requirements of the Fiscal Sustainability Ordinance, which set a minimum reserve by the end of FY 2017/18.

Projected FY 2024/25 ending Budget Stabilization Fund Balance $ 2,445,285

Projected FY 2024/25 ending General Fund Balance $17,536,153

Overview of the General Fund Proposed Operating Budget for FY 2024/25

	Amended Budget	Proposed Budget	Increase/ (Decrease)	Percentage Inc/(Dec)
Revenues	61,259,205	61,293,045	33,840	0.1%
Expenditures	70,050,960	61,886,866	(8,164,094)	-11.7%
Surplus (Deficit)	**(8,791,755)**	**(593,821)**	**8,197,934**	
Use of General Fund Balance	***(8,791,755)***	***(593,821)***	***8,197,934***	
(Not Including Measure M activity)				

The City accounts for Measure M activity in a separate, stand alone fund. This fund is a sub fund of the General Fund. The following discussion of General Fund revenues and expenditures includes Measure M activity.

Revenues

The City's revenue streams are influenced by overall economic conditions. Total General Fund revenue projections for FY 2024/25 are $369,840 less than FY 2023/24 year-end estimates. This decrease is due primarily to lower sales tax revenues. The General Fund's major revenue sources include property and sales taxes, franchise taxes, other taxes, and intergovernmental revenue, permits, licenses and fees. Together these sources comprise 73 percent of total General Fund revenues for FY 2024/25. The remaining 27 percent includes revenues such as transfers, investments, and administrative overhead reimbursements.

The City anticipates property tax revenues to increase modestly in FY 2024/25 by $$180,545, approximately 48% of which is due to increases in secured property, with the other 52% due to increases in supplemental taxes. Secured property tax is the tax on the ad valorem (value) of the real estate property being assessed. Supplemental property taxes are a one-time tax that covers the increased value caused by purchase or new construction.

For FY 2024/25, sales tax revenue projections have decreased significantly compared to the FY 2023/24 year-end estimates, a 6.56 percent decrease. This is in line with sales tax trends throughout the Bay Area and reflects the loss of several Pittsburg businesses. Staff anticipates sales taxes to grow very slowly over the course of the next several years.

Revenues in other funds include Internal Service Funds $16.2 million, Enterprise Funds $52.4 million, Special Revenue Funds $51.6 million, Capital Project and Debt Service Funds $9.0 million, and Successor Agency $65.7 million.

Expenditures

General Fund projected expenditures have decreased by $7.7 million in FY 2024/25 over FY 2023/24, primarily due to additional appropriation of General Fund reserves for various City Council approved projects in FY 2023/24. Other increases are related to scheduled salary increases as well as increasing fringe benefits, such as pension and medical costs. This budget continues to see additional resources dedicated to fund the City's pension obligation, with higher contribution rates and additional funding requirements to cover the unfunded actuarial liabilities (UAL) and changes initiated by the California Public Employees' Retirement System (CalPERS) Board. These increases are the result of changes in CalPERS policies to proactively fund the current UAL over the next 15 years.

Expenditures in other include Internal Service Funds $8.6 million, Enterprise Funds $50.7 million, Special Revenue Funds $48.5 million, Capital Project and Debt Service Funds $7.1 million, and Successor Agency $64.3 million.

ATTACHMENTS:
FY2024/25 Budget Resolution
FY 2024/25 City Manager Budget Message
Summary of Fund Conditions for FY 2024/25
Summary of Revenues and Expenditures All Funds
Revenue Source by Category and Object All Funds
Summary of Expenditures by Program All Funds
General Fund Revenues
General Fund Expenditures

Report Prepared By: Paul L. Rodrigues, Director of Finance

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Approving the Operating Budget for	)	
Fiscal Year 2024/25 for the City of	)	RESOLUTION NO. 24-
Pittsburg and Appropriation of Funds	)	
For Fiscal Year 2024/25	)	

WHEREAS, the City Manager has prepared, transmitted, and presented the one-year Preliminary Operating Budget for Fiscal Year 2024/25 to the City Council for its consideration; and

WHEREAS, the City prepares and adopts the Preliminary Operating Budget for Fiscal Year 2024/25 with the intent of providing a planned program for services and a financial system to carry out the planned program of services; and

WHEREAS, the Preliminary Operating Budget for Fiscal Year 2024/25 for the City of Pittsburg was presented to the City Council's Finance Subcommittee on April 19, 2024. City Council Budget workshops were held on May 6, 2024 and June 3, 2024. Copies of the proposed budget and supporting documentation were submitted to interested parties prior to the meetings; and

WHEREAS, the City Council, having fully reviewed the Preliminary Operating Budget for Fiscal Year 2024/25 being fully advised, finds, and determines that the said Preliminary Operating Budget should be adopted and prepared in the final form.

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby approves the Budget for Fiscal Year 2024/25 as set forth in the budget summary on file with the City of Pittsburg and incorporated by reference herein and authorizes the preparation of the final Adopted Operating Budget for Fiscal Year 2024/25.

BE IT FURTHER RESOLVED that the City Council hereby appropriates the funds in the base amount for all City funds in the manner and for the purposes set forth in the respective Attachment XI, Table 4, Summary of Expenditures by Program All Funds for Fiscal Year 2024/25.

BE IT FURTHER RESOLVED that the revenues for all City funds are projected as set forth in Attachment IV, Table 2, Summary of Revenues and Expenditures All Funds FY24/25, Adopted Estimated Citywide Revenues Fiscal Year 2024/25, and any Measure M appropriations unused at the end of FY 2024/25 will be committed for future appropriations for Measure M projects and activities.

BE IT FURTHER RESOLVED that the City Council authorizes the Finance Director or his/her designee to approve payment of goods and services received by the City of Pittsburg in accordance with the City's approved budget, programs, and policies.

BE IT FURTHER RESOLVED that the City Council authorizes changes to be made to the annual budget of the City of Pittsburg as follows:

Items Requiring Council/Agency Action:

- Appropriation of fund balance reserves.
- Transfers of appropriations between funds.
- New interfund loans or advances.
- Creation of new capital projects.
- Transactions which increase total fund budgets.

Items Delegated to the City Manager:

- Items in excess of $5,000.00
- Transfers between departments and divisions so that the total fund budget remains the same.
- Approval of transfers within funds which increase salary and benefit appropriations so that the total fund budget remains the same.

Items Delegated to Department Heads:

- Allocation of departmental appropriations to line items except for salary and benefit appropriations.
- Changes which exceed current funds disbursement authorizations must be approved by the City Manager. These changes cannot increase the department budget.

PASSED AND ADOPTED by the City Council of the City of Pittsburg at a regular meeting held on 17th day of June 2024, by the following vote:

AYES:
NOES:
ABSTAINED:
ABSENT:

____
Juan Antonio Banales, Mayor

ATTEST:

____
Alice E. Evenson, City Clerk

Summary of Fund Condition
Table 1

	Estimated Reserves 6/30/2024[1]	Projected Revenues 2024-25	Transfers-In	Proposed Expenditures 2024-25	Transfers-Out	Estimated Balance June 30, 2025
General Fund						
General	18,129,974	50,733,666	10,559,379	59,502,566	2,384,300	17,536,153
Measure M Fund	1,104,000	6,340,000	-	-	5,400,000	2,044,000
Subtotal, General Fund	$ 19,233,974	$ 57,073,666	$ 10,559,379	$ 59,502,566	$ 7,784,300	$ 19,580,153
Internal Service Funds						
Building Maintenance	880,346	3,070,393	-	3,026,786	15,917	908,036
Fleet Maintenance	1,065,976	2,238,386	-	2,051,693	13,296	1,239,373
Fringe Benefits	1,087,069	1,000,000	-	31,417	-	2,055,652
Information Communication Services	1,202,813	2,929,118	-	3,204,716	-	927,215
Insurance	1,138,857	3,393,240	-	-	-	4,532,097
Other Post-Employment Benefits (OPEB)[2]	220,728	2,603,000	500,000	-	-	3,323,728
Pension Trust/Reserve Fund[3]	87,499	481,954	-	222,338	-	347,115
Subtotal, Internal Service Funds	$ 5,683,288	$ 15,716,091	$ 500,000	$ 8,536,950	$ 29,213	$ 13,333,216
Enterprise Funds						
Island Energy	3,641,710	10,049,196	-	9,898,719	38,389	3,753,798
Marina	1,728,185	2,196,014	-	2,446,143	22,659	1,455,397
Pittsburg Power	3,978,875	4,472,230	55,200	1,911,927	766,929	5,827,449
Sewer Utility	5,698,866	5,320,832	-	2,748,944	841,461	7,429,293
Water Front Operations	671,990	1,023,238	-	945,773	67,791	681,664
Water Utility	80,210,149	28,432,298	817,600	30,606,970	435,525	78,417,552
Zone 2 Reservoir	-	3,836	-	-	-	3,836
Subtotal, Enterprise Funds	$ 95,929,775	$ 51,497,644	$ 872,800	$ 48,558,476	$ 2,172,754	$ 97,568,989
Special Revenue Funds						
American Rescue Plan Act (ARPA) Fund	9,553,866	-	-	470	-	9,553,396
Assets Seizure	111,258	-	-	-	-	111,258
Budget Stabilization	2,445,285	-	-	-	-	2,445,285
CalHome Program	239,619	8,350	-	152,000	-	95,969
California Theatre	141,590	930	350,000	125,846	-	366,674
CFD 2021-1 Tuscany Meadows	24,519	680	-	-	-	25,199
Economic Development	856,838	238,150	450,000	1,215,859	53,285	275,844
Emergency Operations Center	88,246	2,774	50,000	99,000	-	42,020
Fire District CFD	106,541	41,073	-	4,160	-	143,454
Gas Tax	1,295,691	2,174,056	-	-	1,200,000	2,269,747
Gas Tax - Road Maint & Rehab (RMRA)	783,635	1,998,342	-	-	-	2,781,977
General Plan Update	508,367	22,094	-	-	-	530,461
GHAD Administration	125,175	10,802	569,530	700,076	5,431	-
Golf Course	37	-	1,600	-	-	1,637
Hillivew Jr. High Athletic Field (Mainte	434,589	12,070	-	-	-	446,659
Housing Authority-Section 8	442,497	24,866,023	-	25,039,373	24,907	244,240
HUD Community Development Block Grant	113,213	642,658	-	651,610	2,060	102,201
Lighting and Landscape	127,522	3,758,925	2,265,000	6,104,443	47,004	-
Lighting and Landscaping Oak Hill	74,560	35,820	1,500	37,110	-	74,770
Local Law Enforcement Block Grant	(34)	66,895	-	35,047	-	31,814
Marina Dredging & Infrastructure Improve	239,708	-	-	-	-	239,708
Marina Vista Field Replacement	325,687	9,046	-	-	-	334,733
Measure J Tax Fund	(579,596)	1,289,596	-	-	710,000	-
Miscellaneous Grants Non Interest	181,792	89,054	-	73,500	125,000	72,346
Neighborhood Stabilization	49,376	1,372	-	-	-	50,748
Other Impact Fees Fund	84,578	29,040	-	-	-	113,618
Park Maintenance CFD 2007-1	514,363	196,837	-	81,319	936	628,945
Project Amenities Mgmt (CFD 2015-1)	107,502	60,516	-	-	115,000	53,018
Public Safety CFD 2005-1	6,484	1,044,081	-	5,400	1,043,693	1,472
Public, Education & Gov't Fees (PEG)	294,666	172,938	-	-	-	467,604
R/R AVE SPECIFIC PLAN (E-BART) CFD 2014-	115,790	3,262	-	-	-	119,052
Regional Freeway Security Fund	78,798	-	-	-	-	78,798
San Marco CFD 2004-1	7,219	1,458,854	-	10,800	1,455,273	-
Small Cities Grant	253,024	3,876	-	-	-	256,900
Solid Waste	1,221,546	1,716,386	-	1,329,755	205,617	1,402,560
Southwest Pittsburg GHAD II	6,245,127	1,389,786	-	610,339	569,530	6,455,044
Storm Water Utility NPDES	15,730	1,744,489	215,000	1,960,575	14,644	-
Successor Agency Housing Fund	1,240,765	533,992	-	1,064,381	749	709,627

	Estimated Reserves 6/30/2024[1]	Projected Revenues 2024-25	Transfers-In	Proposed Expenditures 2024-25	Transfers-Out	Estimated Balance June 30, 2025
US EPA Grants	1,517,187	3,533,396	150,000	3,228,662	-	1,971,921
Vista Del Mar CFD 2005-2	777	425,413	-	691	425,413	86
Subtotal, Special Revenue Funds	$ 29,393,537	$ 47,581,576	$ 4,052,630	$ 42,530,416	$ 5,998,542	$ 32,498,785
Capital Projects Funds						
Bailey Road Maintenance	2,146,018	212,860	-	-	-	2,358,878
Capital Improvement	11,758,135	348,308	-	465,620	-	11,640,823
Communitiy Capital Improvement	471,354	13,712	-	-	-	485,066
Inclusionary Housing	40,126	1,116	-	-	-	41,242
Infrastructure Repair & Replacement	31,013	856	-	-	-	31,869
Kirker Creek Drainage Fees	378,145	10,426	-	-	-	388,571
Park Dedication	2,478,312	126,968	-	85,766	-	2,519,514
Proposition 1B Local ST Road Impr	-	-	-	-	-	-
RDA - Project Fund	48,640	-	-	2,417	-	46,223
Recycled Water Capital Maintenance	34,764	962	-	-	-	35,726
Regional Traffic Mitigation	469,748	12,948	-	-	-	482,696
Traffic Impact Fair Share	548,952	15,122	-	-	-	564,074
Traffic Mitigation	4,199,428	583,028	-	85,570	-	4,696,886
Water Utility	1,937,300	53,492	-	-	-	1,990,792
Subtotal, Capital Projects Funds	$ 24,541,935	$ 1,379,798	$ -	$ 639,373	$ -	$ 25,282,360
Successor Agency to RDA Funds						
Successor Agency to RDA Tax Alloc Bonds	24,076,818	1,035,030	29,696,250	29,696,250		25,111,848
Successor Agency RDA Retirement Fund	-	32,158,960	-	-	32,158,960	-
Successor Agency to RDA - Housing Bonds	1,625,053	88,636	2,042,710	2,042,710		1,713,689
Successor Agency to RDA Tax Inc Fund	2,620,155	275,148	420,000	382,977		2,932,326
Subtotal, Successor Agency to RDA Funds	$ 28,322,026	$ 33,557,774	$ 32,158,960	$ 32,121,937	$ 32,158,960	$ 29,757,863
Debt Service Funds[4]						
Assessment Districts Fund	535,290.00	351,866	-	323,872	-	563,284
Pension Obligations	3,375,868.00	4,759,668	-	4,637,694	-	3,497,842
Re-Assessment District 2022-1	737,183.00	664,362	-	710,750	-	690,795
San Marco CFD 2009-1	3,632,145.00	1,822,564	-	30,000	-	5,424,709
Vista Del Mar CFD Bond 2005	1,127,591.00	38,768	-	717,489	-	448,870
Subtotal, Debt Service Funds	$ 9,408,077	$ 7,637,228	$ -	$ 6,419,805	$ -	$ 10,625,500
Total All Funds	$ 212,512,612	$ 214,443,777	$ 48,143,769	$ 198,309,523	$ 48,143,769	$ 228,646,866

[1] Represents working capital and does not include fixed assets, inventory, long-term advances or loans

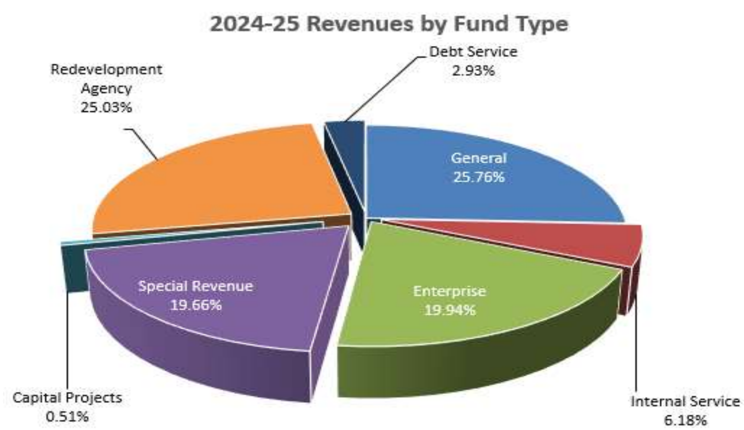
[2] Does not include CERBT trust funds held by CalPERS

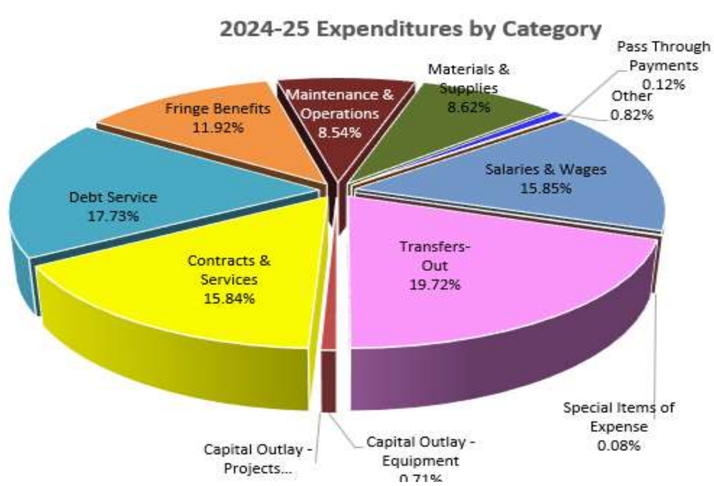
[3] Pension trust funds are collected and disbursed to a trustee

[4] Debt service fund balances include debt service reserves held by a trustee

Summary of Revenues and Expenditures - All Funds
Table 2

	2022-23 Actual	2023-24 Amended Budget	2024-25 Proposed Budget	Change from 2023-24	% Change
Revenue					
General	62,716,397	67,263,205	67,633,045	369,840	0.55
Internal Service	17,471,656	18,337,725	16,216,091	(2,121,634)	-11.57
Enterprise	56,828,971	56,304,842	52,370,444	(3,934,398)	-6.99
Special Revenue	57,017,933	61,724,322	51,634,206	(10,090,116)	-16.35
Capital Projects	12,923,309	13,641,133	1,326,306	(12,314,827)	-90.28
Successor Agency	65,420,187	64,576,665	65,716,734	1,140,069	1.77
Debt Service	8,221,460	8,543,913	7,690,720	(853,193)	-9.99
Total, Revenues	**$ 280,599,913**	**$ 290,391,805**	**$ 262,587,546**	**(27,804,259)**	**-9.57%**
Expenditure					
Acquisition	-	3,000,000	-	(3,000,000)	-100.00
Capital Outlay - Equipment	2,786,290	8,256,396	1,742,416	(6,513,980)	-78.90
Capital Outlay - Projects	7,204,147	34,309,940	84,098	(34,225,842)	-99.75
Contracts & Services	35,126,129	44,459,236	38,681,854	(5,777,382)	-12.99
Debt Service	41,977,528	41,536,658	43,303,033	1,766,375	4.25
Fringe Benefits	27,093,139	30,137,783	29,102,576	(1,035,207)	-3.43
Grants	180,365	73,196	-	(73,196)	-100.00
Maintenance & Operations	23,284,340	27,285,021	20,859,331	(6,425,690)	-23.55
Materials & Supplies	20,957,953	22,443,844	21,043,565	(1,400,279)	-6.24
Other	1,173,533	1,293,000	1,998,644	705,644	54.57
Pass Through Payments	282,237	310,000	300,000	(10,000)	-3.23
Salaries & Wages	34,226,646	37,516,273	38,707,664	1,191,391	3.18
Special Items of Expense	1,636,674	275,360	202,000	(73,360)	-26.64
Transfers-Out	59,283,753	69,349,888	48,143,769	(21,206,119)	-30.58
Workers Compensation	3,119,645	4,538,710	2,284,342	(2,254,368)	-49.67
Total, Expenditures	**$ 258,332,379**	**$ 324,785,305**	**$ 246,453,292**	**$ (78,332,013)**	**-24.12%**





Revenue Source by Category and Object
Table 3

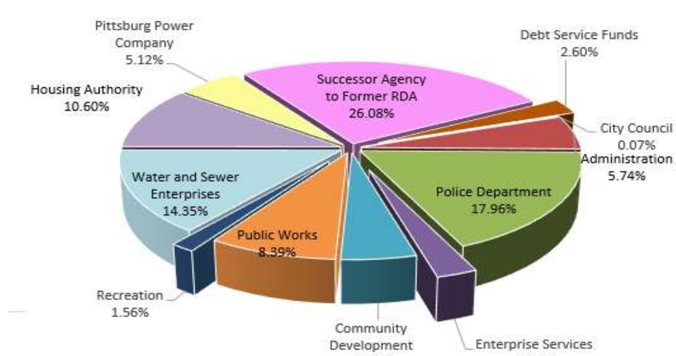
	2022-23 Actual	2023-24 Amended Budget	2024-25 Proposed Budget	Change from 2023-24	% Change
General Fund					
Fines & Forfeitures	520,197	468,000	471,000	3,000	0.64
Franchise Fees	5,392,894	5,206,800	5,734,000	527,200	10.13
Intergovernmental Revenue	6,974,910	6,948,037	6,694,230	(253,807)	-3.65
Other Revenues	2,453,909	2,329,451	4,028,577	1,699,126	72.94
Other Taxes	8,848,654	9,312,383	10,188,179	875,796	9.40
Permits, Licenses & Fees	2,924,275	2,552,214	2,794,961	242,747	9.51
Property Taxes	5,034,133	4,959,305	5,139,850	180,545	3.64
Sales Taxes	20,955,967	19,897,000	18,592,000	(1,305,000)	-6.56
Service Fees	2,864,062	2,407,769	2,327,995	(79,774)	-3.31
Transfers-In	5,642,788	12,026,476	10,559,379	(1,467,097)	-12.20
Use of Money & Property	1,104,608	1,155,770	1,102,874	(52,896)	-4.58
Subtotal, General Fund	$ 62,716,397	$ 67,263,205	$ 67,633,045	$ 369,840	0.55%
Internal Service					
Other Revenues	7,353,804	8,614,854	7,885,119	(729,735)	-8.47
Service Fees	9,547,852	9,193,591	7,830,972	(1,362,619)	-14.82
Transfers-In	570,000	529,280	500,000	(29,280)	-5.53
Subtotal, Internal Service Funds	$ 17,471,656	$ 18,337,725	$ 16,216,091	$ (2,121,634)	-11.57%
Enterprise					
Debt Service	1,359,576	850,000	1,135,594	285,594	33.60
Fines & Forfeitures	9,914	46,100	-	(46,100)	-100.00
Franchise Fees	1,080,000	880,000	1,080,000	200,000	22.73
Intergovernmental Revenue	92,841	200,000	589,752	389,752	444.88
Other Revenues	1,816,077	3,082,047	2,091,038	(991,009)	-48.38
Other Taxes	(28,259)	35,764	-	(35,764)	-100.00
Service Fees	44,167,702	45,338,429	43,404,811	(1,933,618)	-4.26
Transfers-In	5,325,389	3,442,279	872,800	(2,569,479)	-74.64
Use of Money & Property	3,005,731	2,430,223	3,196,449	766,226	31.53
Subtotal, Enterprise Funds	$ 56,828,971	$ 56,304,842	$ 52,370,444	$ (3,934,398)	-6.99%
Special Revenue					
Fines & Forfeitures	8,831	49,000	-	(49,000)	-100.00
Franchise Fees	141,195	155,000	155,000	-	0.00
Intergovernmental Revenue	34,783,433	26,361,450	26,786,107	424,657	1.61
Other Revenues	3,428,128	10,599,855	5,330,581	(5,269,274)	-49.71
Other Taxes	3,750,249	4,906,095	5,250,956	344,861	7.03
Sales Taxes	450,000	-	-	-	-100.00
Service Fees	14,671	92,171	17,396	(74,775)	-81.13
Special Assessments	8,297,469	8,838,177	8,842,848	4,671	0.05
Transfers-In	5,283,486	9,771,786	4,052,630	(5,719,156)	-58.53
Use of Money & Property	860,471	950,788	1,198,688	247,900	26.07
Subtotal, Special Revenue Funds	$ 57,017,933	$ 61,724,322	$ 51,634,206	$ (10,090,116)	-16.35%
Capital Projects					
Intergovernmental Revenue	248,819	538,272	158,000	(380,272)	-70.65
Other Revenues	181,241	45,000	-	(45,000)	-100.00
Service Fees	1,846,832	1,201,249	441,000	(760,249)	-63.29
Transfers-In	10,217,813	11,496,174	-	(11,496,174)	-100.00
Use of Money & Property	428,604	360,438	727,306	366,868	101.78
Subtotal, Capital Projects Funds	$ 12,923,309	$ 13,641,133	$ 1,326,306	$ (12,314,827)	-90.28%
Successor Agency to RDA Funds					
Debt Service	880,431	21,600	1,123,666	1,102,066	5,102.16
Other Revenues	635,494	610,286	190,200	(420,086)	-68.83
Property Taxes	31,723,055	32,136,171	32,158,960	22,789	0.07
Service Fees	49,520	-	-	-	-100.00
Transfers-In	32,071,439	31,763,629	32,158,960	395,331	1.24
Use of Money & Property	60,248	44,979	84,948	39,969	88.86
Subtotal, Successor Agency to RDA Funds	$ 65,420,187	$ 64,576,665	$ 65,716,734	$ 1,140,069	1.77%
Debt Service Fund					
Debt Service	156,696	45,872	178,422	132,550	288.96
Service Fees	4,544,428	4,579,105	4,637,694	58,589	1.28
Special Assessments	3,431,533	3,837,498	2,758,486	(1,079,012)	-28.12
Use of Money & Property	88,803	81,438	116,118	34,680	42.58
Subtotal, Debt Service Funds	$ 8,221,460	$ 8,543,913	$ 7,690,720	$ (853,193)	-9.99%
Total, All Funds	$ 280,599,913	$ 290,391,805	$ 262,587,546	$ (27,804,259)	-9.57%

Summary of Expenditure by Program
Table 4

	2022-23 Actual	2023-24 Amended Budget	2024-25 Proposed Budget	Change from 2023-24	% Change
City Council					
City Council	149,813	153,155	169,664	16,509	10.78
Subtotal, City Council	$ 149,813	$ 153,155	$ 169,664	$ 16,509	10.78%
Administration					
City Manager	154,845	157,108	158,329	1,221	0.78
City Clerk	608,089	505,784	611,434	105,650	20.89
City Attorney	340,446	567,249	506,177	(61,072)	-10.77
Human Resources	1,271,628	1,303,671	1,349,467	45,796	3.51
Treasurer	6,284	6,215	6,215	-	0.00
Finance	3,844,004	3,785,360	4,452,066	666,706	17.61
General Fund - Non Departmental	16,976,379	16,158,931	3,724,746	(12,434,185)	-76.95
General Fund - Capital Projects	-	350,000	-	(350,000)	-100.00
Emergency Operation Center	73,494	66,500	99,000	32,500	48.87
Information Technology	1,612,559	3,607,822	3,204,716	(403,106)	-11.17
Employee Fringe Benefits	2,530,919	3,288,266	31,417	(3,256,849)	-99.04
Other Post-Employment Benefits (OPEB)	2,408,117	2,515,880	-	(2,515,880)	-100.00
Pension Trust	13,711	-	-	-	
Insurance	2,617,954	2,920,167	-	(2,920,167)	-100.00
American Rescue Plan Act (ARPA)	1,160,456	7,540,679	470	(7,540,209)	-99.99
Subtotal, Administration	$ 33,618,885	$ 42,773,632	$ 14,144,037	$ (28,629,595)	-66.93%
Police Department					
Police Services	34,966,756	35,577,102	38,352,897	2,775,795	7.80
San Marco CFD	1,344,843	1,712,006	1,466,073	(245,933)	-14.37
Vista Del Mar CFD	399,690	453,691	426,104	(27,587)	-6.08
Public Safety CFD	959,192	1,280,378	1,049,093	(231,285)	-18.06
Asset Forfeitures	823	-	-	-	
Police Grants	426,290	716,011	125,000	(591,011)	-82.54
Measure M Police	-	2,850,000	2,850,000	-	0.00
Subtotal, Police Department	$ 38,097,594	$ 42,589,188	$ 44,269,167	$ 1,679,979	3.94%
Enterprise Services					
General Fund - Non Departmental	3,874	-	-	-	-100.00
Public, Education & Gov't Fees (PEG)	117,818	500,000	-	(500,000)	-100.00
Marina	2,481,373	2,903,259	2,468,802	(434,457)	-14.96
Golf Course	808	-	-	-	-100.00
Fire District CFD	4,085	3,242	4,160	918	28.32
R/R Ave e-BART CFD	67,380	-	-	-	-100.00
Environmental Affairs	925,105	1,166,573	1,570,419	403,846	34.62
Housing Rehab Loans - CDBG	225	12,423	-	(12,423)	-100.00
CDBG Entitlements	799,558	747,677	653,670	(94,007)	-12.57
CalHome Program	25,130	75,000	152,000	77,000	102.67
Waterfront Operations	980,984	1,726,632	1,152,184	(574,448)	-33.27
Marina Dredging & Infrastructure Improv	542,014	-	-	-	
Measure M Economic Development	-	450,000	450,000	-	
Subtotal, Enterprise Services	$ 5,948,354	$ 7,584,806	$ 6,451,235	$ (1,133,571)	-14.95%
Community Development					
Planning Division	2,129,203	1,379,559	1,404,030	24,471	1.77
Planning Grants	155,115	101,885	-	(101,885)	-100.00
Building Division	1,266,735	1,964,987	2,045,328	80,341	4.09
Gas Tax	2,000,373	8,368,602	1,200,000	(7,168,602)	-85.66
Measure J Tax	926,872	4,149,760	710,000	(3,439,760)	-82.89
NPDES	1,475,875	1,640,139	1,975,219	335,080	20.43
Southwest Pittsburg GHAD	679,412	1,134,428	1,179,369	44,941	3.96
GHAD Administration	304,434	705,707	705,507	(200)	-0.03
Pittsburg CIP	2,291,514	7,535,582	465,620	(7,069,962)	-93.82
Developer Fee Fund	1,049,252	7,864,134	171,336	(7,692,798)	-97.82
Community Capital Improvements	1,490	1,845,666	-	(1,845,666)	-100.00
Code Enforcement	694,538	874,886	852,010	(22,876)	-2.61
Project Amenities Mgmt CFD	64,471	118,604	115,000	(3,604)	-3.04
Economic Development	1,638,058	1,367,877	1,269,144	(98,733)	-7.22
Subtotal, Community Development	$ 14,677,342	$ 39,051,816	$ 12,092,563	$ (26,959,253)	-69.03%

	2022-23 Actual	2023-24 Amended Budget	2024-25 Proposed Budget	Change from 2023-24	% Change
Public Works					
Engineering Division	2,806,857	3,149,346	4,030,675	881,329	27.98
Pittsburg CIP	362,842	975,475	-	(975,475)	-100.00
Swim Center Maint.	193,062	216,530	233,602	17,072	7.88
Landscape	3,900,734	4,684,760	4,386,541	(298,219)	-6.37
Landscape - Oak Hills Assessment	35,214	39,101	37,110	(1,991)	-5.09
Park Maintenance CFD	72,748	75,481	82,255	6,774	8.97
Public Works Administration	95,010	104,575	90,098	(14,477)	-13.84
Streets	3,438,244	3,301,143	3,430,188	129,045	0.04
Street Lighting	1,292,206	1,064,147	1,032,039	(32,108)	-3.02
Street Trees	562,225	635,604	612,179	(23,425)	-3.69
Concrete	81,444	134,229	120,688	(13,541)	-10.09
Fleet Maintenance	3,266,804	4,581,190	2,064,989	(2,516,201)	-54.92
Building Maintenance	2,557,319	3,030,722	3,042,703	11,981	0.40
Graffiti Removal Program	230,927	282,623	267,623	(15,000)	-5.31
Measure M Public Works	-	750,000	1,250,000	500,000	66.67
Subtotal, Public Works	$ 18,895,636	$ 23,024,926	$ 20,680,690	$ (2,344,236)	-10.18%
Recreation					
Pittsburg CIP	836,867	935,522	-	(935,522)	-100.00
Recreation Administration	790,531	827,230	793,008	(34,222)	-4.14
Recreation Services	1,527,562	1,980,650	2,070,511	89,861	0.05
Recreation Grants	27,512	133,639	-	(133,639)	-100.00
California Theatre	194,391	723,562	125,846	(597,716)	-82.61
Measure M Recreation	-	850,000	850,000	-	0.00
Subtotal, Recreation	$ 3,376,863	$ 5,450,603	$ 3,839,365	$ (1,611,238)	-29.56%
Water and Sewer Enterprises					
US EPA Grants	59,383	5,150,420	3,090,042	(2,060,378)	-4.00
Water Operating	19,461,342	23,534,258	23,484,947	(49,311)	-0.21
Water CIP	1,941,110	9,139,715	5,749	(9,133,966)	-100.00
Water Facility Reserve Fee Funds	500,000	2,033,853	-	(2,033,853)	-100.00
Sewer Maintenance	4,556,851	4,737,808	3,589,004	(1,148,804)	-24.25
Sewer CIP	4,105,978	1,445,581	933	(1,444,648)	-99.94
Sewer Facility Reserve Fee Funds	0	-	-	-	0
Waterfront Operations	197,873	2,100,000	-	(2,100,000)	-100.00
Water Bond Debt Service	4,576,273	3,945,305	5,187,403	1,242,098	31.48
Subtotal, Water and Sewer Enterprises	$ 35,398,810	$ 52,086,940	$ 35,358,078	$ (16,728,862)	-32.12%
Housing Authority					
Housing Authority - Section 8	23,276,274	22,971,408	25,064,280	2,092,872	9.11
Housing - Successor Agency	290,545	4,200,778	1,065,130	(3,135,648)	-74.64
Subtotal, Housing Authority	$ 23,566,819	$ 27,172,186	$ 26,129,410	$ (1,042,776)	-3.84%
Pittsburg Power Company					
Island Energy	9,793,391	9,182,704	9,585,938	403,234	4.39
Pittsburg Power	3,039,102	3,239,781	2,658,988	(580,793)	-17.93
Power Company Capital Projects	357,552	1,107,528	371,038	(736,490)	-66.50
Subtotal, Pittsburg Power Company	$ 13,190,045	$ 13,530,013	$ 12,615,964	$ (914,049)	-6.76%
Successor Agency to Former RDA					
RDA General	31,994,757	32,578,893	32,158,960	(419,933)	-1.29
RDA Administration	383,642	422,711	382,977	(39,734)	-9.40
RDA Capital Projects Fund	49,856	740,235	2,417	(737,818)	-99.67
RDA Tax Allocation Bonds	29,412,044	29,319,375	29,696,250	376,875	1.29
RDA Housing Bonds	2,023,242	2,023,132	2,042,710	19,578	0.97
Subtotal, Successor Agency to Former RDA	$ 63,863,541	$ 65,084,346	$ 64,283,314	$ (801,032)	-1.23%
Debt Service Funds					
Pension Obligation Bond	4,519,852	4,579,205	4,637,694	58,489	1.28
Assessment Districts	3,028,825	1,704,489	1,782,111	77,622	4.55
Subtotal, Debt Service Funds	$ 7,548,677	$ 6,283,694	$ 6,419,805	$ 136,111	2.17%
Total Uses by Program	$ 258,332,379	$ 324,785,305	$ 246,453,292	$ (78,332,013)	-24.12%

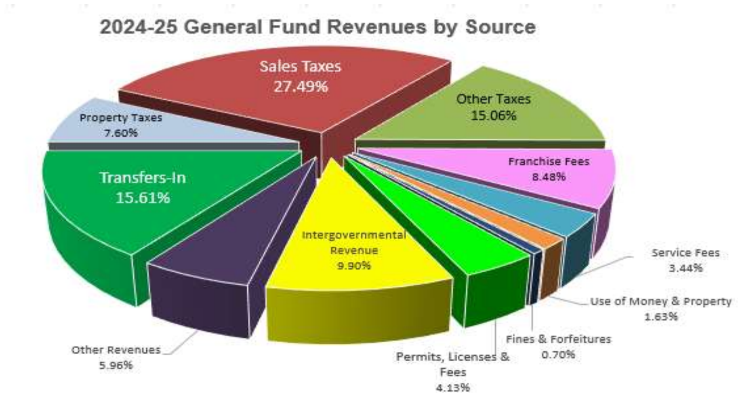
2024-25 Expenditures by Program



General Fund Revenues
Table 7

	2022-23 Actual	2023-24 Amended Budget	2024-25 Proposed Budget	Change from 2023-24	% Change
Property Taxes					
Homeowners Tax Relief	75,486	69,043	70,610	1,567	2.27
Prior Year Taxes	(75,601)	(73,448)	(42,411)	31,037	-42.26
Secured Property Taxes	3,747,181	3,784,651	3,870,633	85,982	2.27
Supplemental Taxes	521,054	300,000	350,685	50,685	16.90
Unitary Taxes	362,528	382,397	382,397	-	0.00
Unsecured Property Taxes	403,485	496,662	507,936	11,274	2.27
Subtotal, Property Taxes	$ 5,034,133	$ 4,959,305	$ 5,139,850	$ 180,545	3.64%
Sales Taxes					
Sales & Use Taxes	14,959,723	13,893,000	12,252,000	(1,641,000)	-11.81
Sales Taxes - Measure M	5,996,244	6,004,000	6,340,000	336,000	5.60
Subtotal, Sales Taxes	$ 20,955,967	$ 19,897,000	$ 18,592,000	$ (1,305,000)	-6.56%
Other Taxes					
Business License Tax	699,501	700,000	720,000	20,000	2.86
Motor Vehicle Tax	6,590,985	6,962,383	7,223,979	261,596	3.76
Other Taxes	241,648	320,000	300,000	(20,000)	-6.25
Public Safety - Prop 172 Sales Tax	815,485	830,000	844,200	14,200	1.71
Transient Occupancy Taxes	501,035	500,000	1,100,000	600,000	120.00
Subtotal, Other Taxes	$ 8,848,654	$ 9,312,383	$ 10,188,179	$ 875,796	9.40%
Franchise Fees					
Calpine	20,617	19,800	20,000	200	1.01
Comcast Broadband	655,403	700,000	700,000	-	0.00
Franchise Fees - Other	48,769	42,000	55,000	13,000	30.95
PG&E	890,187	740,000	934,000	194,000	26.22
Pittsburg Disposal	2,671,306	2,595,000	2,775,000	180,000	6.94
RCTS	1,106,612	1,110,000	1,250,000	140,000	12.61
Subtotal, Franchise Fees	$ 5,392,894	$ 5,206,800	$ 5,734,000	$ 527,200	10.13%
Service Fees					
Building Service Fees	344,936	226,600	263,350	36,750	16.22
Engineering Service Fees	7,087	4,000	3,000	(1,000)	-25.00
Other Reimbursements	511,096	-	-	-	-100.00
Other Service Fees	717,367	765,249	736,545	(28,704)	-3.75
Planning Service Fees	20,876	9,000	57,200	48,200	535.56
Police Service Fees	686,328	786,150	632,000	(154,150)	-19.61
Public Works Service Fees	289,787	276,000	285,000	9,000	3.26
Recreation Entrance Fees	130,526	140,500	140,500	-	0.00
Recreation Service Fees	69,270	80,270	80,000	(270)	-0.34
Recreation Sports Fees	86,789	120,000	130,400	10,400	8.67
Subtotal, Service Fees	$ 2,864,062	$ 2,407,769	$ 2,327,995	$ (79,774)	-3.31%
Use of Money & Property					
Investment Earnings	616,486	788,626	688,563	(100,063)	-12.69
Rental Income	488,122	367,144	414,311	47,167	12.85
Sale of Property	-	-	-	-	
Subtotal, Use of Money & Property	$ 1,104,608	$ 1,155,770	$ 1,102,874	$ (52,896)	-4.58%
Fines & Forfeitures					
Abandoned Vehicle Abatement	69,253	40,000	50,000	10,000	25.00
Code Enforcement Fines	9,574	6,000	15,000	9,000	150.00
Fines and forfeitures	64,172	78,000	83,000	5,000	6.41
Police Fines	67,657	53,000	32,500	(20,500)	-38.68
Police Forfeitures	494	1,000	500	(500)	-50.00
POST Reimbursements	78,927	60,000	60,000	-	0.00
Vehicle Code Fines	230,120	230,000	230,000	-	0.00
Subtotal, Fines & Forfeitures	$ 520,197	$ 468,000	$ 471,000	$ 3,000	0.64%
Permits, Licenses & Fees					
Building Fees	340,458	258,500	319,000	60,500	23.40
Building Permits	751,157	790,000	775,000	(15,000)	-1.90
Building Service Fees	27,876	40,000	42,000	2,000	5.00
Business License Fees	177,036	154,300	157,000	2,700	1.75
Engineering Fees	1,043,839	890,053	1,049,700	159,647	17.94
Other Fees	11,503	14,761	16,261	1,500	10.16
Other Permits	243,565	213,200	240,000	26,800	12.57
Permits, licenses and fees	15,130	30,000	25,000	(5,000)	-16.67
Planning & Zoning	308,061	107,000	116,500	9,500	8.88
Planning Service Fees	-	50,000	50,000	-	0.00
Police Fees	5,650	4,400	4,500	100	2.27
Subtotal, Permits, Licenses & Fees	$ 2,924,275	$ 2,552,214	$ 2,794,961	$ 242,747	9.51%

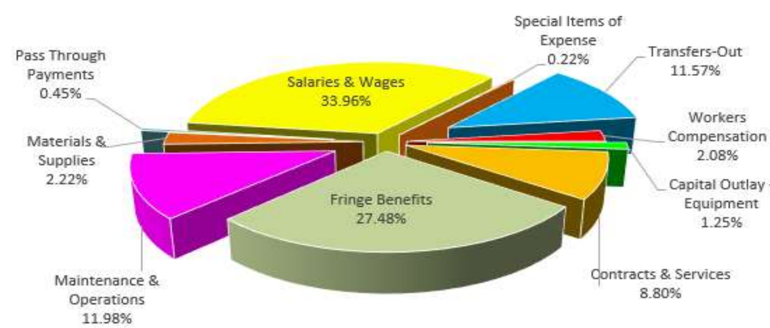
	2022-23 Actual	2023-24 Amended Budget	2024-25 Proposed Budget	Change from 2023-24	% Change
Intergovernmental Revenue					
Grants	214,807	170,500	161,000	(9,500)	-5.57
Intergovernmental revenues	3,719,253	3,868,023	3,557,724	(310,299)	-8.02
Other Reimbursements	271,936	170,000	172,000	2,000	1.18
RDA AB-1290/City Pass Through	1,185,730	1,233,159	1,308,690	75,531	6.13
School Resource Officer Reimbursement	482,073	501,355	394,816	(106,539)	-21.25
State Mandated Costs	126,669	-	-	-	
Tipping Fee	974,442	1,005,000	1,100,000	95,000	9.45
Subtotal, Intergovernmental revenue	$ 6,974,910	$ 6,948,037	$ 6,694,230	$ (253,807)	-3.65%
Other Revenues					
Administrative Overhead	1,851,403	1,959,597	2,495,077	535,480	27.33
Donations	47,767	10,000	12,500	2,500	25.00
Other	66,728	43,000	283,500	240,500	559.32
Other Reimbursements	439,099	261,854	1,184,500	922,646	352.35
Planning Service Fees	48,912	55,000	53,000	(2,000)	-3.64
Subtotal, Other Revenues	$ 2,453,909	$ 2,329,451	$ 4,028,577	$ 1,699,126	72.94%
Transfers-In					
Transfers-In	5,642,788	12,026,476	10,559,379	(1,467,097)	-12.20
Subtotal, Transfers-In	$ 5,642,788	$ 12,026,476	$ 10,559,379	$ (1,467,097)	-12.20%
Total, General Fund Revenues	$ 62,716,397	$ 67,263,205	$ 67,633,045	$ 369,840	0.55%



General Fund Expenditures by Category
Table 8

	2022-23 Actual	2023-24 Amended Budget	2024-25 Proposed Budget	Change from 2023-24	% Change
General Fund					
Capital Outlay - Equipment	1,204,918	1,970,660	837,860	(1,132,800)	-57.48
Capital Outlay - Projects	-	(150,000)	-	150,000	-100.00
Contracts & Services	5,975,948	5,872,818	5,920,339	47,521	0.81
Fringe Benefits	15,281,411	17,127,920	18,490,754	1,362,834	7.96
Maintenance & Operations	8,989,621	9,825,941	8,061,355	(1,764,586)	-17.96
Materials & Supplies	1,502,608	1,675,371	1,493,710	(181,661)	-10.84
Other	14,400	-	-	-	-100.00
Pass Through Payments	282,237	310,000	300,000	(10,000)	-3.23
Salaries & Wages	21,312,895	20,674,068	22,853,563	2,179,495	10.54
Special Items of Expense	1,608,588	192,937	147,000	(45,937)	-23.81
Transfers-Out	12,279,349	15,987,869	7,784,300	(8,203,569)	-51.31
Workers Compensation	987,102	1,463,376	1,397,985	(65,391)	-4.47
Total General Fund Expenditures	$ 69,439,077	$ 74,950,960	$ 67,286,866	$ (7,664,094)	-10.23%

2024-25 General Fund Expenditure by Category



City of Pittsburg
California

65 Civic Avenue
Pittsburg, CA 94565
P: (925) 252-6900
F: (925) 252-4814

pittsburgca.gov

June 17, 2024

Honorable Mayor and Members of the City Council:

On behalf of the Management Team and the entire City staff, I am pleased to submit the Fiscal Year (FY) 2024-25 Annual Budget. This document includes the City's Operating and Capital Improvement budgets for all activities and provides a comprehensive financial framework for the coming year.

The City of Pittsburg continues to make strides in increasing efficiency of services, improving infrastructure, and enhancing the overall quality of life for our residents. The City is continuing to grow, with an estimated population of over 76,500, and further commercial, industrial, and residential development in various stages of the review process.

The annual budget is likely the single most important policy that the City Council reviews and approves, as it represents the City's priorities for making resource investments, both for the upcoming year and in the future. As such, the budget process must include effective participation from the City Council, our community, key stakeholders, and City staff. Working together, we strive for progressive investment in the community's future, as well as in our organization and staff, so that we can operate efficiently and effectively.

Team Pittsburg's divisions and staff pulled together to propose a budget that strives to maintain the core services that Pittsburg residents and businesses expect from their local government. The commitment of Team Pittsburg – from the City Council, community, and the entire organization – in providing these services, which are critical to the City's continued success, is the basis for the budget presented, and reflective of the City Council's adopted goals.

Revenues for all City funds are projected to be $262.6 million for FY 2024-254, 25.8 percent of which comprises the General Fund. The City's total expenditures are projected to be $246.5 million, of which 27.3 percent is the General Fund, the City's main source of discretionary spending. This proposed budget funds 324 full-time equivalent employees, while adhering to the requirements of the City's Fiscal Sustainability Ordinance, which sets forth a minimum reserve to be maintained.

- Projected FY 2024-25 ending Budget Stabilization Fund Balance: $2,445,285
- Projected FY 2024-25 ending General Fund Balance: $17,536,153

Overview of the General Fund Proposed Operating Budget for FY 2024-25

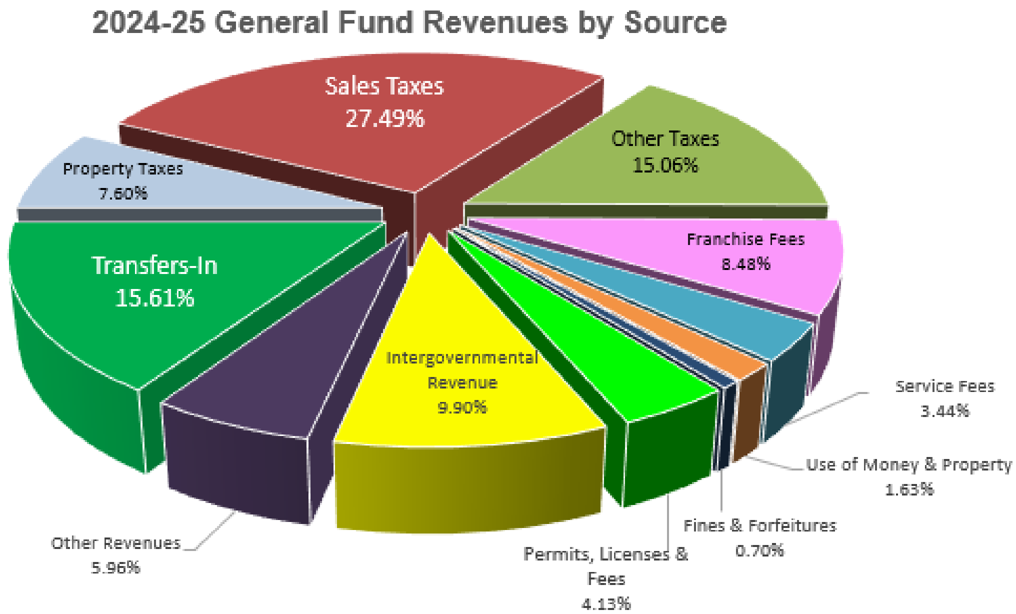
	Amended Budget	Proposed Budget	Increase/ (Decrease)	Percentage Inc/(Dec)
Revenues	61,259,205	61,293,045	33,840	0.1%
Expenditures	70,050,960	61,886,866	(8,164,094)	-11.7%
Surplus (Deficit)	**(8,791,755)**	**(593,821)**	**8,197,934**	
Use of General Fund Balance	***(8,791,755)***	***(593,821)***	***8,197,934***	
(Not Including Measure M activity)				

Measure M Activity

The City accounts for Measure M activity in a separate, stand alone fund. This fund is a sub fund of the General Fund. The following discussion of General Fund revenues and expenditures includes Measure M activity.

Revenues

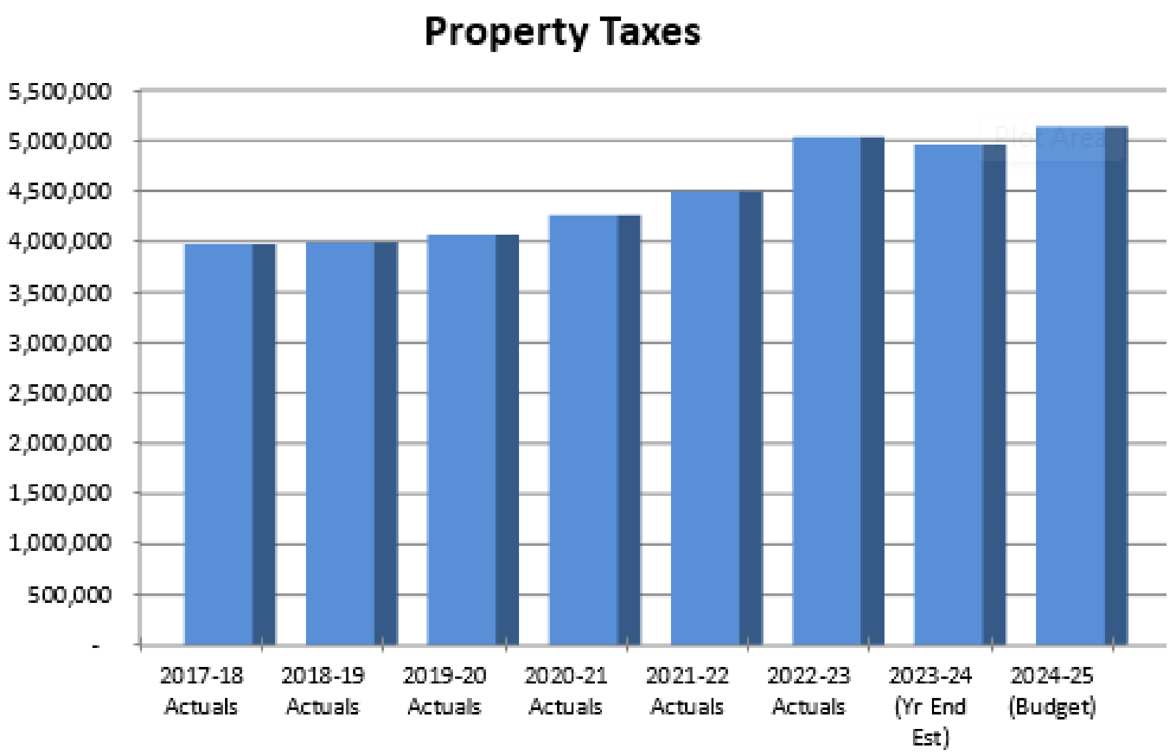
The City's revenue streams are influenced by overall economic conditions. Total General Fund revenue projections for FY 2024-25 are $369,840 less than FY 2023-24 year-end estimates. This decrease is due primarily to lower sales tax revenues. The General Fund's major revenue sources include property and sales taxes, franchise taxes, other taxes, and intergovernmental revenue, permits, licenses and fees. Together these sources comprise 73 percent of total General Fund revenues for FY 2024-25, as shown on the graph below. The remaining 27 percent includes revenues such as transfers, investments, and administrative overhead reimbursements.



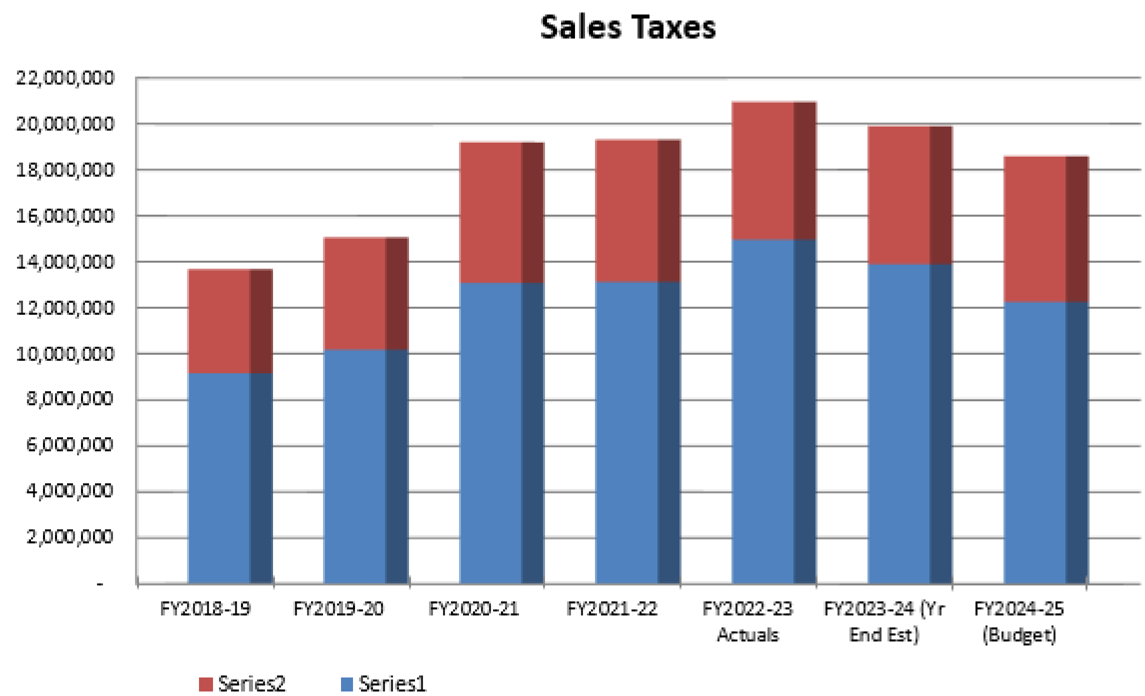
The City anticipates property tax revenues to increase modestly in FY 2024-25 by $$180,545, approximately 48% of which is due to increases in secured property, with the other 52% due to increases in supplemental taxes. Secured property tax is the tax on the ad valorem (value) of the real estate property being assessed. Supplemental property taxes are a one-time tax that covers the increased value caused by purchase or new construction.

While the City is anticipating modest property tax revenue growth, this projection will be re-assessed during the year and adjusted to reflect stronger revenue growth if warranted. The City will be engaging with a property tax revenue consultant to better estimate these revenues in the upcoming year.

The median sale price of Pittsburg detached single-family homes from January through November 2023 was $602,500, a decrease of $32,500 (-5.1%) from 2022' While the average home in Pittsburg is on the market for less than three weeks, new homes are regularly selling for over $1 million.

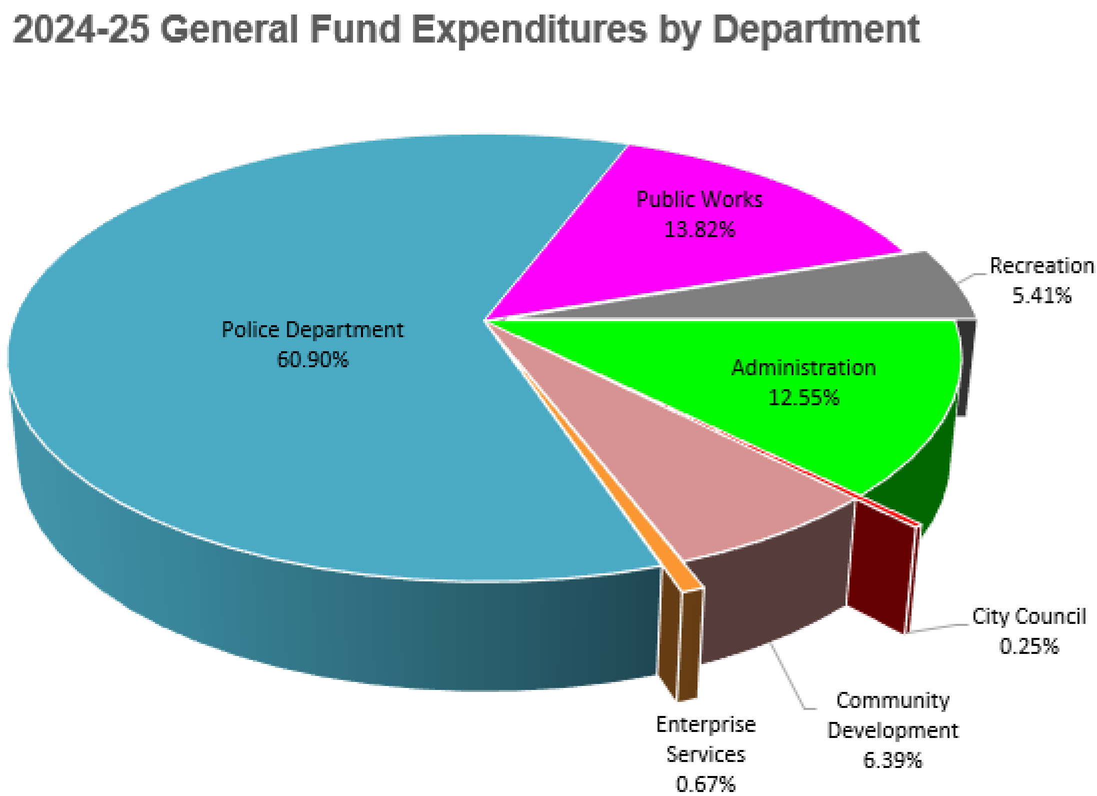


For FY 2024-25, Sales Tax revenue projections have decreased significantly compared to the FY 2023-24 year-end estimates, a 6.56 percent decrease. This is in line with sales tax trends throughout the Bay Area, and reflects the loss of several Pittsburg businesses. Staff anticipates sales taxes to grow very slowly over the course of the next several years.



Expenditures

General Fund projected expenditures have decreased by 7.7 million in FY 2024-25 over FY 2023-24, primarily due to additional appropriation of General Fund reserves for various City Council approved projects in 2023-24. Other increases are related to scheduled salary increases as well as increasing fringe benefits, such as pension and medical costs. This budget continues to see additional resources dedicated to fund the City's pension obligation, with higher contribution rates and additional funding requirements to cover the unfunded actuarial liabilities (UAL) and changes initiated by the California Public Employees' Retirement System (CalPERS) Board. These increases are the result of changes in CalPERS policies to proactively fund the current UAL over the next 15 years.



Fiscal Sustainability Ordinance

The City continues to develop the annual budget under the guidelines of the City's Fiscal Sustainability Ordinance. The Budget Stabilization Fund projected balance at the end of FY 2024-25 is over the lesser of $2 million or five percent of the General Fund operating expenditures as required by the Ordinance. While the City Council amended the Fiscal Sustainability Ordinance to allow up to ten percent of the required minimum 30 percent General Fund reserve level to be held in real estate, no expected utilization of real estate is projected for the current year to maintain the minimum requirements as set forth in the Ordinance.

20-year General Fund Forecast

The City budgets annually for the upcoming year; however, a longer-range 20-year forecast is used to project future fiscal measures necessary for operations. This forecast incorporates anticipated revenues from development, assessed market value and economic projections, as well as a systematically structured expenditure plan to cover current operational costs, post retirement liabilities (Contra Costa County Employees' Retirement Association (CCCERA), California Public Employees Retirement System (CalPERS), and Other Post-Employment Benefits (OPEB).

Pensions

One of the benefits offered to City employees is participation in the CalPERS pension program. Following significant losses during the great recession and lower than projected returns on assets held for the past several years, CalPERS changed the assumptions it applied to the funding requirements of the program. These assumptions changed the term of recovery from 30 years to 15 years, lowering the discount rate (projected annual earnings rate) from 7.375 percent to 6.8 percent and a shortening of the amortization life from 30 years to 20 years. The resulting financial impacts of these changes will significantly increase future pension obligations, possibly resulting in reduced service levels throughout the City.

Assembly Bill 340 (AB 340) created the Public Employees' Pension Reform Act (PEPRA) that implemented new benefit formulas and the final compensation period for employees hired on or after January 1, 2013. As of June 30, 2021, 51% of non-safety employees and 52% percent of safety employees were covered by PEPRA. The impacts of AB 340 will be realized as the City experiences employee attrition. The City is working on reducing this liability through employee attrition, negotiated employee contributions, and additional City contributions toward the pension obligation.

Looking Forward

Staff will continue to streamline the City's organization and strive to optimize the existing workforce to meet the needs of residents throughout the City. By continuing to improve efficiency and focusing on the longer-term 20-year forecast for the City's General Fund, staff feels the City, residents, business leaders and community partners will continue to invest in and strengthen the community.

Development

Pittsburg is a great place to live and work, filled with many talented people with a diversity of interests. The business community and the City are both committed to maintaining the tradition of working together to build a stronger City. The City Council and staff work with businesses and developers to ensure the community grows at a pace that is healthy for all parties involved. Staff's objective is to encourage expansion from existing businesses and attract new businesses that would improve the quality of life in Pittsburg.

The FY 2024-25 Capital Projects budget will be presented to the City Council for approval at a later date and incorporated into the 2024-25 budget.

Conclusion

The FY 2024-25 Annual Budget reflects the short and long-term financial capacity of the City. It balances a variety of wants against needs, while reflecting the goals, strategic direction and plans prioritized by the City Council as the community moves forward.

I would like to thank the City Council for their guidance and support throughout the development of the budget. In addition, I would like to thank the Finance Department Budget staff and staff in all other City Departments that contributed to the Fiscal Year 2024-25 budget. I would like to give special thanks to Paul Rodrigues, Finance Director, Andy Wang, Assistant Finance Director, Deana Cardona, Finance Manager. and Tracy Story , Financial Analyst for their work and expertise throughout this year's budget process.

Garrett Evans
City Manager

OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR
65 Civic Avenue
Pittsburg, CA 94565

TO: Mayor and Council Members

FROM: Garrett Evans, City Manager

SUBJECT: Adoption of a GHAD II Resolution for Approval of the Budget for Fiscal Year 2024/25 for the Southwest Pittsburg Geologic Hazard Abatement District II (GHAD II) and Appropriation of Funds for Fiscal Year 2024/25

MEETING DATE: June 17, 2024

EXECUTIVE SUMMARY

The City Council's Finance Management Subcommittee met on April 19, 2024, City Council budgets workshops were held on May 6, 2024, and June 3, 2024, to review and receive public input and discussion regarding the Draft Operating Budget for Fiscal Year 2024/25. The Fiscal Year 2024/25 budget must be appropriated by July 1, 2024, to provide on-going funding for the Southwest GHAD II activities during the next fiscal year.

FISCAL IMPACT

The Southwest GHAD II budget for Fiscal Year 2024/25 estimates revenues in the amount of $1,970,118 and a spending plan of $1,885,376.

RECOMMENDATION

GHAD II approve the Operating Budget for Fiscal Year 2024/25 and adopt the budget for the Southwest GHAD II, for the Fiscal Year 2024/25.

BACKGROUND

The Preliminary Operating Budget for Fiscal Year 2024/25 for the City of Pittsburg, including the Southwest GHAD II, was presented at budget workshop meetings held on May 6, 2024, and June 3, 2024.

SUBCOMMITTEE FINDINGS

The City of Pittsburg Preliminary Operating Budget for the Fiscal Year 2024/25 was presented to the Finance Management Subcommittee on April 19, 2024. The Subcommittee members did not express any changes related to the GHAD II Fiscal Year 2024/25 budget.

STAFF ANALYSIS

A complete copy of the detailed Preliminary Operating Budget document for Fiscal Year 2024/25 will be placed on the City of Pittsburg's website before the June 17, 2024, City Council/GHAD Board Meeting and can be located by navigating to City Services/Finance/Budget and Other Financial Documents/2024-25 Proposed Budget.

The Southwest GHAD II will see an increase in fund balance of $84,742.

ATTACHMENTS: Resolution

Report Prepared By: Paul L. Rodrigues, Director of Finance

BEFORE THE SOUTHWEST PITTSBURG GEOLOGIC HAZARD ABATEMENT DISTRICT II BOARD

In the Matter of:

Approval of the Budget Plan for Fiscal Year 2024/25 for the Southwest Pittsburg Geologic Hazard Abatement District II (GHAD II) and Appropriation Of Funds for Fiscal Year 2024/25	)))))	RESOLUTION NO. 24-

WHEREAS, the Executive Director has prepared, transmitted, and presented the one-year Preliminary Operating Budget for Fiscal Year 2024/25 to the GHAD II Board for its consideration; and

WHEREAS, the District prepares and adopts the Southwest Pittsburg Geologic Hazard Abatement District II (GHAD II) Budget with the intent of providing a planned program for services and a financial system to carry out the planned program of services; and

WHEREAS, the GHAD II Board held a meeting on June 17, 2024, for the purpose of reviewing and discussing the Southwest Pittsburg GHAD II budget for the Fiscal Year 2024/25 and recommend estimated revenues in the amount of $1,970,118 and a spending plan of $1,885,376.

NOW, THEREFORE, BE IT RESOLVED that the Southwest Pittsburg GHAD II Board hereby approves the Budget for Fiscal Year 2024/25 as set forth in the budget summary on file with the City of Pittsburg and incorporated by reference herein and authorizes the preparation of the final Budget Review document for Fiscal Year 2024/25.

BE IT FURTHER RESOLVED that the Board hereby appropriates funds in the estimated revenue amount of $1,970,118 and a spending plan of $1,885,376.

BE IT FURTHER RESOLVED that the Board hereby authorizes the Finance Director or his/her designee to approve payment of goods and services received by the Southwest Pittsburg GHAD II in accordance with the City's approved budget, programs and policies.

BE IT FURTHER RESOLVED that the Board authorizes changes to be made to the annual budget as follows:

Items Requiring GHAD Board of Directors Action:

- Appropriation of fund balance reserves.
- Transfers of appropriations between funds.
- New interfund loans or advances.
- Creation of new capital projects.
- Transactions which increase total fund budgets.

Items Delegated to the GHAD II Executive Director:

- Items in excess of $5,000.00.
- Transfers between departments and divisions so that the total fund budget remains the same.
- Approval of transfers within funds which increase salary and benefit appropriations so that the total fund budget remains the same.

Items Delegated to the General Manager:

- Allocation of departmental appropriations to line item except for salary and benefit appropriations.
- Changes which exceed current funds disbursement authorizations must be approved by the Executive Director. These changes cannot increase the department budget.

PASSED AND ADOPTED by the Southwest Pittsburg GHAD II Board at a regular meeting held on the 17th day of June 2024, by the following vote:

AYES:
NOES:
ABSTAINED:
ABSENT:

____
Juan Antonio Banales, Chair

ATTEST:

____
Alice E. Evenson, Agency Secretary

OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR
65 Civic Avenue
Pittsburg, CA 94565

TO: Mayor and Council Members

FROM: Garrett Evans, City Manager

SUBJECT: Adoption of a Pittsburg Power Company Resolution for Approval of the Budget for Fiscal Year 2024/25 for the Pittsburg Power Company and Appropriation of Funds for Fiscal Year 2024/25

MEETING DATE: June 17, 2024

EXECUTIVE SUMMARY

The Pittsburg Power Company (PPC) has prepared its Operating Budget Plan for Fiscal Year 2024/25. The Fiscal Year 2024/25 budget must be appropriated by July 1, 2024, to provide on-going funding for the PPC activities during the next fiscal year.

FISCAL IMPACT

The PPC budget for Fiscal Year 2024/25 estimates revenues in the amount of $4,527,430 and a spending plan of $2,678,856 for the PPC Fund. In addition, the budget estimates revenues in the amount of $10,049,196 and a spending plan of $9,937,108 for the Island Energy Fund.

RECOMMENDATION

The Governing Board of the PPC approve the Operating Budget Plan for Fiscal Year 2024/25 and adopt the budget for the PPC for the Fiscal Year 2024/25.

BACKGROUND

The Preliminary Operating Budget for Fiscal Year 2024/25 for the City was presented to the Finance Management Subcommittee on April 19, 2024. Budget workshops were held on May 6, 2024, and June 3, 2024, to review and receive public input and discuss the Draft Operating Budget for Fiscal Year 2024/25. Copies of the proposed budget and supporting documentation were submitted to interested parties prior to the meetings. A complete copy of the detailed Preliminary Operating Budget document for Fiscal Year 2024/25 will be on the City's website before the June 17, 2024, City Council meeting and can be located by navigating to City Services/Finance/Budget and Other Financial Documents/2024-25 Proposed Budget.

SUBCOMMITTEE FINDINGS

The City Council's Finance Management Subcommittee met on April 19, 2024, to review the proposed budget. They did not have any changes to the PPC's Fiscal Year 2024/25 Proposed Budget.

STAFF ANALYSIS

The PPC anticipates an increase in fund balance of $1.848,574. Island Energy anticipates an increase in fund balance of $112,088 according to the Fiscal Year 2024/25 proposed budget. Both PPC and Island Energy are and will continue to follow the City's Fiscal Sustainability Ordinance.

ATTACHMENTS: Resolution

Report Prepared By: Paul L. Rodrigues, Director of Finance

BEFORE THE GOVERNING BOARD OF THE PITTSBURG POWER COMPANY

In the Matter of:

Approval of the Budget for Fiscal	)	
Year 2024/25 for the Pittsburg Power	)	RESOLUTION NO. 24-
Company and Appropriation of Funds	)	
For Fiscal Year 2024/25	)	

WHEREAS, the Executive Director has prepared, transmitted, and presented the one-year Preliminary Operating Budget for Fiscal Year 2024/25 to the Governing Board of the Pittsburg Power Company (Governing Board) for its consideration; and

WHEREAS, staff prepares and adopts the Pittsburg Power Company (PPC) Budget with the intent of providing a planned program for services and a financial system to carry out the planned program of services; and

WHEREAS, the Governing Board held budget workshops on May 6, 2024, and June 3, 2024 for the purpose of reviewing and discussing the Preliminary Operating Budget for Fiscal Year 2024/25, and for providing opportunities for public input and discussion on said Preliminary PPC Budget; and

WHEREAS, the Governing Board, having fully reviewed the Preliminary PPC Budget for Fiscal Year 2024/25 and being fully advised, found and determined that the said Preliminary PPC Budget should be adopted and prepared in final form.

NOW, THEREFORE, BE IT RESOLVED that the Governing Board of the Pittsburg Power Company hereby approves the Budget for Fiscal Year 2024/25 as set forth in the budget summary on file with the PPC at City Hall and incorporated by reference herein, and authorizes the preparation of the final Budget Review document for Fiscal Year 2024/25.

BE IT FURTHER RESOLVED that the Board hereby appropriates funds in the estimated revenue amount of $4,527,430 and a spending plan of $2,678,856 for the PPC Fund.

BE IT FURTHER RESOLVED that the Board hereby appropriates funds in the estimated revenue amount of $10,049,196 and a spending plan of $9,937,108 for the Island Energy Fund for Fiscal Year 2024/25.

BE IT FURTHER RESOLVED that the Board hereby authorizes the Finance Director or his/her designee to approve payment of goods and services received by the PPC in accordance with its approved budgets, programs, and policies.

BE IT FURTHER RESOLVED that the Board authorizes changes to be made to the annual budget as follows:

Items Requiring Governing Board/Agency Action:

- Appropriation of fund balance reserves.
- Transfers of appropriations between funds.
- New interfund loans or advances.
- Creation of new capital projects.
- Transactions which increase total fund budgets.

Items Delegated to the Executive Director:

- Items more than $5,000.
- Transfers between departments and divisions so that the total fund budget remains the same.
- Approval of transfers within funds which increase salary and benefit appropriations so that the total fund budget remains the same.

Items Delegated to Department Heads:

- Allocation of departmental appropriations to line item except for salary and benefit appropriations.
- Changes which exceed current funds disbursement authorizations must be approved by the Executive Director. These changes cannot increase the department budget.

PASSED AND ADOPTED by the Governing Board of the Pittsburg Power Company at a regular meeting held on the 17th day of June 2024, by the following vote:

AYES:
NOES:
ABSTAINED:
ABSENT:

____
Juan Antonio Banales, Chair

ATTEST:

____
Garrett Evans, Executive Secretary

OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR
65 Civic Avenue
Pittsburg, CA 94565

TO: Mayor and Council Members

FROM: Garrett Evans, City Manager

SUBJECT: Adoption of a Successor Agency for the Redevelopment Agency of the City of Pittsburg Resolution for Approval of the Budget for Fiscal Year 2024/25 for the Successor Agency for the Redevelopment Agency of the City of Pittsburg and Appropriation of Funds for Fiscal Year 2024/25

MEETING DATE: June 17, 2024

EXECUTIVE SUMMARY

The Successor Agency for the Redevelopment Agency of the City of Pittsburg (Successor Agency) has prepared its Operating Budget Plan for Fiscal Year 2024/25. The Fiscal Year 2024/25 budget must be appropriated by July 1, 2024, to provide on-going funding for the Successor Agency activities during the next fiscal year.

FISCAL IMPACT

The Successor Agency budget for Fiscal Year 2024/25, including the Successor Agency Housing Fund estimates revenues in the amount of $66,250,726 and a spending plan of $65,348,444 for the Successor Agency.

RECOMMENDATION

The Governing Board of the Successor Agency approve the Operating Budget Plan for Fiscal Year 2024/25 and adopt the budget for the Successor Agency for the Fiscal Year 2024/25.

BACKGROUND

The Preliminary Operating Budget for Fiscal Year 2024/25 for the City, including the Successor Agency, was presented to the Finance Management Subcommittee on April 19, 2024. Budget workshops were held on May 6, 2024, and June 3, 2024, to review and receive public input and discuss the Draft Operating Budget for Fiscal Year 2024/25. Copies of the proposed budget and supporting documentation were submitted to interested parties prior to the meetings.

A complete copy of the detailed Preliminary Operating Budget document for Fiscal Year 2024/25 will be on the City's website before the June 17, 2024, City Council meeting and can be located by navigating to City Services/Finance/Budget and Other Financial Documents/2024-25 Proposed Budget.

SUBCOMMITTEE FINDINGS

The City Council's Finance Management Subcommittee met on April 19, 2024, to review the proposed budget. They did not have any changes to the Successor Agency's Fiscal Year 2024/25 Proposed Budget.

STAFF ANALYSIS

The Successor Agency anticipates an increase in fund balance of $902,282, with a projected June 30, 2025, ending fund balance of $30,513,713.

ATTACHMENTS: Resolution

Report Prepared By: Paul L. Rodrigues, Director of Finance

BEFORE THE GOVERNING BOARD OF THE SUCCESSOR AGENCY FOR THE REDEVELOPMENT AGENCY OF THE CITY OF PITTSBURG

In the Matter of:

Approval of the Budget for Fiscal Year 2024/25 for the Successor Agency for the Redevelopment Agency of the City of Pittsburg and Appropriation of Fund for Fiscal Year 2024/25	)))))	RESOLUTION NO. 24-

WHEREAS, the Executive Director has prepared, transmitted, and presented the one-year Preliminary Operating Budget for Fiscal Year 2024/25 to the Governing Board of the Successor Agency for the Redevelopment Agency of the City of Pittsburg (Successor Agency) for its consideration; and

WHEREAS, staff prepares and adopts the Successor Agency Budget with the intent of providing a planned program for services and a financial system to carry out the planned program of services; and

WHEREAS, the Governing Board of the Successor Agency held budget workshops on May 6, 2024 and June 3, 2004 for the purpose of reviewing and discussing the Preliminary Operating Budget for Fiscal Year 2024/25, and for providing opportunities for public input and discussion on said Preliminary Successor Agency Budget; and

WHEREAS, the Governing Board, having fully reviewed the Preliminary Successor Agency Budget for Fiscal Year 2024/25 and being fully advised, found and determined that the said Preliminary Successor Agency Budget should be adopted and prepared in final form.

NOW, THEREFORE, BE IT RESOLVED that the Governing Board of the Successor Agency hereby approves Budget for Fiscal Year 2024/25 as set forth in the budget summary on file with the Successor Agency at City Hall and incorporated by reference herein and authorizes the preparation of the final Adopted Operating Budget for Fiscal Year 2024/25; and

BE IT FURTHER RESOLVED that the Board hereby appropriates the funds in the estimated revenue amount of $66,250,726 and a spending plan of $65,348,444 for the Successor Agency, including the Successor Agency Housing Fund for Fiscal Year 2024/25.

BE IT FURTHER RESOLVED that the Governing Board of the Successor Agency authorizes the Finance Director or his/her designee to approve payment of goods and services received by the City of Pittsburg in accordance with the City’s approved budget, programs, and policies.

BE IT FURTHER RESOLVED that the Governing Board of the Successor Agency authorizes changes to be made to the annual budget of the Governing Board of the Successor Agency as follows:

Items Requiring Council/Agency Action:

- Appropriation of fund balance reserves.
- Transfers of appropriations between funds.
- New interfund loans or advances.
- Creation of new capital projects.
- Transactions which increase total fund budgets.

Items Delegated to the City Manager:

- Items in excess of $5,000.00
- Transfers between departments and divisions so that the total fund budget remains the same.
- Approval of transfers within funds which increase salary and benefit appropriations so that the total fund budget remains the same.

Items Delegated to Department Heads:

- Allocation of departmental appropriations to line items except for salary and benefit appropriations.
- Changes which exceed current funds disbursement authorizations must be approved by the City Manager. These changes cannot increase the department budget.

PASSED AND ADOPTED by the Governing Board of the Successor Agency for the Development Agency of the City of Pittsburg at a regular meeting on the 17th day of June 2024, by the following vote:

AYES:
NOES:
ABSTAINED:
ABSENT:

____
Juan Antonio Banales, Chair

ATTEST:

____
Alice E. Evenson, Agency Secretary

CITY OF PITTSBURG
CITY COUNCIL/AGENCY CONCURRENT MEETING MINUTES

DATE: May 20, 2024

LOCATION: Council Chamber, City Hall, 65 Civic Avenue, Pittsburg, CA 94565

CITY COUNCIL/AGENCY MEMBERS
Juan Antonio Banales, Mayor/Chair
Jelani Killings, Vice-Mayor/Chair
Dionne Adams, Council/Agency Member
Angelica Lopez, Council/Agency Member
Shanelle Scales-Preston, Council/Agency Member
S.L. Floyd, Agency Member
Annie Hill Herring, Agency Member

APPOINTED OFFICIALS
Garrett Evans, City Manager/Executive Director
Donna Mooney, City Attorney/Legal Counsel
Alice E. Evenson, City Clerk/Agency Secretary (elected)
Nancy Parent, City Treasurer (elected)

Mayor Banales called the regular meeting to order at 7:29 P.M. in the Council Chamber at City Hall, 65 Civic Avenue Pittsburg, CA after having convened at 6:05 P.M. for the following Closed Session:

1. CONFERENCE WITH REAL PROPERTY NEGOTIATORS pursuant to Section 54956.8 Property: 401 W. 9th Street (APN 085-231-031); Housing Authority negotiators: Garrett Evans, Maria Aliotti; Negotiating party: Leonel and Alma Diaz; Under negotiation: Price and terms of payment

2. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION: Initiation of litigation pursuant to Section 54956.9(d)(4)
Number of cases: one

3. PUBLIC EMPLOYEE PERFORMANCE EVALUATION pursuant to Section 54957: City Manager

City Attorney Mooney reported the following action for Closed Session:

For Item 1, there was no reportable action.

For Item 2, the City Council voted unanimously (5-0) to direct the initiation of litigation. Pursuant to the Brown Act, the action, defendants, and other particulars shall once commenced be disclosed to any person on inquiry, unless doing so would jeopardize the City's ability to effectuate service of process on one or more parties.

For Item 3, the City Attorney stated she did not participate and asked Mayor Banales to report on that.

Mayor Banales stated there was no reportable action for Item 3.

ROLL CALL

Member Lopez was absent and excused.

PLEDGE OF ALLEGIANCE

Mayor Banales led the Pledge of Allegiance.

PROCLAMATIONS

4. Public Works Week

CITY MANAGER REPORTS/REMARKS

Assistant City Manager Aliotti gave an update on Community events.

PUBLIC COMMENTS

Adrian Badger, Pittsburg, commented on the City's marketing and branding efforts. He also asked that members of the public be notified when meetings will start late due to Closed Session running past the time allocated.

Eddie Hart, Pittsburg, gave an update on the Olympian event he hosted and thanked Chief Albanese for attending.

Nicole Arrington, Pittsburg, gave an update on a rent control petition that was filed with the City Clerk's Office on May 09, 2024. She also commented on the plan to move the Pittsburg/Antioch Train Station to Oakley.

COMMITTEE REPORTS

Member Adams attended the Life Enrichment subcommittee.

Vice Mayor Killings attended the Community and Economic Development subcommittee, as well as the School District Committee (2x2).

CONSIDERATION

5. Adoption of a City Council Resolution Authorizing the City Manager to Execute the Consultant Services Agreement with Craft Community Care Center, Inc. and Allocation of Funds

Jim Craft, Pittsburg, spoke in favor of this agreement and gave an update on the program's success.

Theresa Miller, Pittsburg, spoke in favor of the agreement and gave an update on the program's background.

Adrian Badger, Pittsburg, spoke in favor of good quality before and after care programming. However, he questioned the relationship between former Councilmember Merl Craft and this entity. He also questioned what impact the input received from the Director of Employer Engagement of Opportunity Junction had on the outcome of the proposal received as he believes that Opportunity Junction is also a Craft organization.

Motion by Member Adams, seconded by Member Scales-Preston and adopted by the following vote:

AYES: Adams, Killings, Scales-Preston, Banales
ABSENT: Lopez

6. Adoption of a City Council Resolution Accepting Plans and Specifications, Allocating Additional Funds, and Awarding Project 2040 - 2023/24 Pavement Management Project

Bruce Ohlson, Pittsburg, spoke in favor of the project.

Motion by Vice Mayor Killings, seconded by Member Scales-Preston and adopted by the following vote:

AYES: Adams, Killings, Scales-Preston, Banales
ABSENT: Lopez

7. Adoption of a City Council Resolution Allocating Additional Funds, Accepting the Plans and Specifications, and Awarding Project 5067 - Water Treatment Plant Filter Improvements and Hypochlorite Conversion

Bruce Ohlson, Pittsburg, spoke about the security measures being used and recommended the review of current firewalls.

Motion by Member Scales-Preston, seconded by Member Adams and adopted by the following vote:

AYES: Adams, Killings, Scales-Preston, Banales
ABSENT: Lopez

8. Consideration of a City Council Request for a Future Agenda Item and by Minute Order Establishing a Facilities Rental and Usage Ad Hoc Subcommittee and Appointing Two Subcommittee Members

Per City Attorney Mooney, this subcommittee is an ad hoc established by the City Manager and no vote was needed on this item.

CONFLICT OF INTEREST STATEMENT

There were no conflicts of interest statements.

COMBINED CITY COUNCIL, PITTSBURG ARTS AND COMMUNITY FOUNDATION, PITTSBURG POWER COMPANY, SOUTHWEST PITTSBURG GHAD II AND SUCCESSOR AGENCY CONSENT CALENDAR

Addressing Item 12 on the Consent Calendar, Adrian Badger commented on whether the Pittsburg Municipal Code (PMC) would be reviewed as part of this agreement, he felt PMC should be reviewed for compliance and accuracy.

On Motion by Member Scales-Preston, seconded by Member Adams and adopted by the following vote:

AYES: Adams, Killings, Scales-Preston, Banales
ABSENT: Lopez

9. Minutes of March 18, 2024, April 2, 2024 and April 15, 2024

10. Receive and File the Treasurer's Report for the Quarter Ending March 31, 2024

11. Adoption of a City Council Resolution to Amend the Master Pay Schedule as Required by California Public Employees' Retirement System

12. Adoption of a City Council Resolution Authorizing a Consultant Service Agreement with Placeworks Inc. for Preparation of the Pittsburg Municipal Code Title 18 and Zoning Map Updates

13. Adoption of a City Council Resolution Authorizing the City Manager to Execute a Second Amendment to the Agreement with De Novo Planning Group for the City's Housing Element Update

14. Adoption of a City Council Resolution to Accept Grant Funds from Los Medanos Health Advisory Committee for FY 23/24 Senior Programs

15. Adoption of a City Council Resolution to Accept Grant Funds from Los Medanos Health Advisory Committee for FY 23/24 Aquatic Programs

COUNCIL REQUEST FOR FUTURE AGENDA ITEMS

There were no requests for Future Agenda Items.

COUNCIL MEMBER REMARKS

Council Members Scales-Preston attended the Eddie Hart Olympian event and the Healthy Hearts Institute Health & Wellness Fair.

ADJOURNMENT

The meeting was adjourned at 9:18 P.M. to June 3, 2024.

Respectfully submitted,

Alice E. Evenson, City Clerk

CITY OF PITTSBURG
CITY COUNCIL/AGENCY CONCURRENT MEETING MINUTES

DATE: June 03, 2024

LOCATION: Council Chamber, City Hall, 65 Civic Avenue, Pittsburg, CA 94565

CITY COUNCIL/AGENCY MEMBERS
Juan Antonio Banales, Mayor/Chair
Jelani Killings, Vice-Mayor/Chair
Dionne Adams, Council/Agency Member
Angelica Lopez, Council/Agency Member
Shanelle Scales-Preston, Council/Agency Member
S.L. Floyd, Agency Member
Annie Hill Herring, Agency Member

APPOINTED OFFICIALS
Garrett Evans, City Manager/Executive Director
Donna Mooney, City Attorney/Legal Counsel
Alice E. Evenson, City Clerk/Agency Secretary (elected)
Nancy Parent, City Treasurer (elected)

Vice Mayor Killings called the regular meeting to order at 7:03 P.M. in the Council Chamber at City Hall, 65 Civic Avenue Pittsburg, CA after having convened at 6:02 P.M. for a Special Meeting for Fiscal Year 2024-2025 Budget Workshop.

ROLL CALL

Mayor Banales was absent and excused.

PLEDGE OF ALLEGIANCE

Vice Mayor Killings led the Pledge of Allegiance.

PROCLAMATIONS

2. Pride Month

3. Relay for Life

4. Juneteenth

CITY MANAGER REPORTS/REMARKS

Assistant City Manager Aliotti gave an update on Community events.

PUBLIC COMMENTS

Kerry Hillis, Principal Government and Community Relations Representative for BART gave an update on construction taking place in June that will cause delays. For more information and updates he asked those interested to visit BART.gov/news

COMMITTEE REPORTS

There were no Committee reports.

CONSIDERATION

5. Adoption of a City Council Minute Order to Appoint a Representative and Alternate Representative to the Green Empowerment Zone Board of Directors

Motion by Vice Mayor Killings, seconded by Member Scales-Preston to appoint Member Adams as the Representative to the Green Empowerment Zone Board of Directors and appointing Vice Mayor Killings as the Alternate to the Board and adopted by the following vote:

AYES: Adams, Killings, Lopez, Scales-Preston
ABSENT: Banales

6. Adoption of a City Council Resolution to Accept Grant Funds from Los Medanos Health Advisory Committee for FY 23/24 Youth Basketball Program

Bruce Ohlson, Pittsburg, spoke in favor of the great things that are being done by the Recreation Department. However, as the funds being used by Los Medanos Health Advisory Committee are part of a Tax Measure passed by voters for a hospital, he believes the District should be dissolved.

Motion by Member Scales-Preston, seconded Member Lopez and adopted by the following vote:
AYES: Adams, Killings, Lopez, Scales-Preston
ABSENT: Banales

CONFLICT OF INTEREST STATEMENT

There were no conflict of interest statements.

COMBINED CITY COUNCIL, PITTSBURG ARTS AND COMMUNITY FOUNDATION, PITTSBURG POWER COMPANY, SOUTHWEST PITTSBURG GHAD II AND SUCCESSOR AGENCY CONSENT CALENDAR

On Motion by Member Scales-Preston, seconded by Member Adams and adopted by the following vote:

AYES: Adams, Killings, Lopez, Scales-Preston
ABSENT: Banales

7. Minutes of May 6, 2024

8. Adoption of a City Council Resolution Approving the Fiscal Year 2024/25 Preliminary Engineer's Report for Citywide Landscaping and Lighting Assessment District 1988-01, Declaring Intent to Levy and Collect Assessments, and Setting a Date to Conduct a Public Hearing

9. Adoption of a City Council Resolution Approving the Fiscal Year 2024/25 Preliminary

Engineer’s Report for Oak Hills Landscaping and Lighting Assessment District 1988-02, Declaring Intent to Levy and Collect Assessments, and Setting a Date to Conduct a Public Hearing

10. Adoption of a City Council Resolution Approving a List of Projects to be Funded by SB 1, the Road Repair and Accountability Act of 2017, for Fiscal Year 2024/25

11. Adoption of a City Council Resolution Authorizing an Application to the California Department of Forestry and Fire Protection Urban Forest Improvement Grant Program

12. Adoption of a City Council Resolution Authorizing the City Manager to Execute a First Amendment to the Consulting Services Agreement between the City of Pittsburg and Earth Island Institute for Edible Food Recovery Services

13. Adoption of a City Council Resolution Authorizing the City Manager to Negotiate and Execute a Second Amendment to the Professional Services Agreement for a Community Survey with the Strategy Research Institute and a Pittsburg Power Company Resolution Allocating the Funds to pay for the Second Amendment

COUNCIL REQUEST FOR FUTURE AGENDA ITEMS

There were no requests for future agenda items.

COUNCIL MEMBER REMARKS

Council Members Scales-Preston acknowledged Ms. Curlie B. Jackson and Mr. Willie Mims as two pillars of the community who recently passed. She asked for a Proclamation to be prepared for Ms. Jackson and noted that one had already been presented to Mr. Mims’ family.

ADJOURNMENT

Vice Mayor Killings closed the meeting in honor of both Ms. Jackson and Mr. Mims.

The meeting was adjourned at 7:39 P.M. to June 17, 2024.

Respectfully submitted,

Alice E. Evenson, City Clerk

OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR
65 Civic Avenue
Pittsburg, CA 94565

TO: Mayor and Council Members

FROM: Garrett Evans, City Manager

SUBJECT: Adoption of a City Council Minute Order to Direct Review of the City's Conflict of Interest Code

MEETING DATE: June 17, 2024

EXECUTIVE SUMMARY

The Political Reform Act requires every local government agency to review its Conflict of Interest Code biennially to determine if it is accurate or, alternatively, that the code must be amended. Once the determination has been made, a notice must be submitted to the code reviewing body no later than October 1 of even-numbered years.

FISCAL IMPACT

There is no fiscal impact.

RECOMMENDATION

Direct the City Attorney and City Clerk to prepare revisions to the City's Conflict of Interest Code.

BACKGROUND

The City Council is the code reviewing body for City agencies. The City Council must, no later than July 1, 2024, notify each City agency to review its code and submit a notice to the City Council that either amendments are required or that no amendments are necessary.

SUBCOMMITTEE FINDINGS

This item was not reviewed by a subcommittee.

STAFF ANALYSIS

Revisions to the Conflict of Interest Code are necessary. The revised Code must be forwarded to the City Council for approval within 90 days.

ATTACHMENTS: Local Agency Biennial Notice Instructions
Local Agency Biennial Notice

Report Prepared By: Melaine Venenciano, Director of City Clerk Services

FAIR POLITICAL PRACTICES COMMISSION

2024 Conflict of Interest Code
Biennial Notice Instructions for Local Agencies

The Political Reform Act requires every local government agency to review its conflict of interest code biennially. A conflict of interest code tells public officials, governmental employees, and consultants what financial interests they must disclose on their Statement of Economic Interests (Form 700).

By **July 1, 2024:** The code reviewing body must notify agencies and special districts within its jurisdiction to review their conflict of interest codes.

By **October 1, 2024:** The biennial notice must be filed with the agency's code reviewing body.

The FPPC has prepared a 2024 Local Agency Biennial Notice form for local agencies to complete or send to agencies within its jurisdiction to complete before submitting to the code reviewing body. The City Council is the code reviewing body for city agencies. The County Board of Supervisors is the code reviewing body for county agencies and any other local government agency whose jurisdiction is determined to be solely within the county (e.g., school districts, including certain charter schools). The FPPC is the code reviewing body for any agency with jurisdiction in ***more than one county*** and will contact them.

The Local Agency Biennial Notice is not forwarded to the FPPC.

If amendments to an agency's conflict of interest code are necessary, the amended code must be forwarded to the code reviewing body for approval within 90 days. An agency's amended code is not effective until it has been approved by the code reviewing body.

If you answer yes, to any of the questions below, your agency's code probably needs to be amended.

- Is the current code more than five years old?
- Have there been any substantial changes to the agency's organizational structure since the last code was approved?
- Have any positions been eliminated or re-named since the last code was approved?
- Have any new positions been added since the last code was approved?
- Have there been any substantial changes in duties or responsibilities for any positions since the last code was approved?

If you have any questions or are still not sure if you should amend your agency's conflict of interest code, please contact the FPPC. Additional information including an online webinar regarding how to amend a conflict of interest code is available on FPPC's website.

2024 Local Agency Biennial Notice

Name of Agency: City of Pittsburg

Mailing Address: 65 Civic Avenue

Contact Person: Melaine Venenciano Phone No. 925-252-4804

Email: mvenenciano@pittsburgca.gov Alternate Email: cityclerk@pittsburgca.gov

Accurate disclosure is essential to monitor whether officials have conflicts of interest and to help ensure public trust in government. The biennial review examines current programs to ensure that the agency's code includes disclosure by those agency officials who make or participate in making governmental decisions.

This agency has reviewed its conflict of interest code and has determined that *(check one BOX):*

■ **An amendment is required. The following amendments are necessary:**

(Check all that apply.)

- ■ Include new positions
- ■ Revise disclosure categories
- ■ Revise the titles of existing positions
- ■ Delete titles of positions that have been abolished and/or positions that no longer make or participate in making governmental decisions
- ■ Other *(describe)* ______________________

■ **The code is currently under review by the code reviewing body.**

■ **No amendment is required.** (If your code is over five years old, amendments may be necessary.)

Verification **(to be completed if no amendment is required)**

This agency's code accurately designates all positions that make or participate in the making of governmental decisions. The disclosure assigned to those positions accurately requires that all investments, business positions, interests in real property, and sources of income that may foreseeably be affected materially by the decisions made by those holding designated positions are reported. The code includes all other provisions required by Government Code Section 87302.

______________________________ ______________________

Signature of Chief Executive Officer *Date*

All agencies must complete and return this notice regardless of how recently your code was approved or amended. Please return this notice no later than **October 1, 2024**, or by the date specified by your agency, if earlier, to:

(PLACE RETURN ADDRESS OF CODE REVIEWING BODY HERE)

PLEASE DO NOT RETURN THIS FORM TO THE FPPC.

OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR
65 Civic Avenue
Pittsburg, CA 94565

TO: Mayor and Council Members

FROM: Alice E. Evenson, City Clerk

SUBJECT: Adoption of a City Council Resolution Requesting the Consolidation of the Municipal Election with Other Elections to be Held on Tuesday, November 5, 2024 General Election Date for the Election of Certain Officers as Required by the Provisions of the Laws of the State of California Relating to General Law Cities and Levying a Charge and Establishing Word Limitation for Candidates' Statements

MEETING DATE: June 17, 2024

EXECUTIVE SUMMARY

Pursuant to Elections Code Section 10400, et. seq., the City must, at least 88 days prior to the date of the election, file with the Board of Supervisors a Resolution of its governing board requesting the consolidation of elections and setting forth the exact form of any office to be voted upon at the election and establishing the word limitation for candidates' statements.

FISCAL IMPACT

There is no fiscal impact.

RECOMMENDATION

Adopt the attached Resolution requesting the Board of Supervisors to consolidate the municipal elections with other elections on November 5, 2024 and establishing the word limit and fee for the candidates' statement. The candidate statement will be directly paid for by the respective candidates wishing to submit statements.

BACKGROUND

In accordance with Elections Code Section 10400, et seq. the City Council is authorized to request consolidation of special elections with other elections to be held at the same time.

SUBCOMMITTEE FINDINGS

This item was not presented to a subcommittee.

STAFF ANALYSIS

On November 5, 2024, the offices up for election are two (2) City Council seats.

The recommended word limit for the candidates is 250 words and the fee, as established by the County Elections Office, for printing of the statement, is $948.00, which includes the state mandated dual language translations. Candidate statements over 250 words will double in price. The fee for the candidate statement will be directly paid for by the respective candidates wishing to submit statements at the time of filing.

ATTACHMENTS: Resolution

Report Prepared By: Alice E. Evenson, City Clerk

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Requesting and Consenting to Consolidation	)	
Of Elections; and Setting Specifications of the	)	RESOLUTION NO. 24-
Election Order	)	

WHEREAS, the City Council has ordered a Municipal Election to be held on Tuesday, November 5, 2024, to fill certain municipal offices; and

WHEREAS, other elections may be held in whole or in part of the territory of the City and it is to the advantage of the City to consolidate pursuant to Elections Code Section 10400; and

WHEREAS, Elections Code Section 10242 provides that the governing body shall determine the hours of opening and closing the polls; and

WHEREAS, Elections Code Section 10002 requires the City to reimburse the county in full for the services performed upon presentation of an invoice to the City by the County Elections Official; and

WHEREAS, Elections Code Section 13307 requires that before the nominating period opens the governing body must determine whether a charge shall be levied against each candidate submitting a candidate's statement to be sent to the voters; and may establish the cost; and determine whether the cost must be paid in advance; and

WHEREAS, Elections Code Section 13307 allows establishment of a word limitation for candidates' statements; and

WHEREAS, Elections Code Section 12101 requires the publication of a notice of the election once in a newspaper of general circulation in the City; and

WHEREAS, tie votes shall be determined by lot unless the City Council adopts the provisions of Elections Code 15651(b) prior to the conduct of the election resulting in the tie vote.

NOW, THEREFORE, IT IS ORDERED that an election be held in accordance with the following specifications:

1. The Election shall be held on Tuesday, the 5th day of November, 2024. The purpose of the election is to choose successors for the following offices whose terms expire November 2024:

Two (2) City Council Members	4 Year Term

2. The City Council hereby requests and consents to the consolidation of this election with other elections which may be held in whole or in part of the territory of the City, as provided in Elections Code Section 10400.

3. The City will reimburse the County for the actual cost incurred in conducting the election upon receipt of an invoice stating the amount due as determined by the elections official.

4. The Candidate Statements will be limited to 250 words. As a condition of having the Candidate's Statements published, the candidate shall pay the cost of $948 at the time of filing. Candidate Statements past 250 words will double in price.

5. The City of Pittsburg is to publish the Notice of Election in the *East County Times*, which is a newspaper of general circulation that is published daily in the City.

6. The City Council hereby determines that in the event of a tie vote the winner shall be determined by lot.

7. The City Council directs that a certified copy of this Resolution be forwarded to the Registrar of Voters and to the Board of Supervisors of Contra Costa County.

PASSED AND ADOPTED by the City Council of the City of Pittsburg at a regular meeting on the 17th day of June 2024, by the following vote:

AYES:

NOES:

ABSTAINED:

ABSENT:

____
Juan Antonio Banales, Mayor

ATTEST:

____
Alice E. Evenson, City Clerk

OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR
65 Civic Avenue
Pittsburg, CA 94565

TO: Mayor and Council Members

FROM: Garrett Evans, City Manager

SUBJECT: A City Council Resolution Approving Revisions to the City's Investment Policy

MEETING DATE: June 17, 2024

EXECUTIVE SUMMARY

The City of Pittsburg's Investment Policy provides guidelines for the prudent investment of the City's idle funds and outlines the policies for maximizing the efficiency of the City's cash management system. The goal of the City's Investment Policy is to enhance the economic status of the City while protecting its funds.

FISCAL IMPACT

There is no direct fiscal impact to approving revisions to the City's Investment Policy.

RECOMMENDATION

City Council adopt the attached Resolution approving the revisions to the City's Investment Policy.

BACKGROUND

Through Government Code Section 53600 et. seq., the State of California identifies permitted investments for the state and municipalities that minimize the risk to public funds. The overall objective of the City's Investment Policy is optimizing yields on investments while protecting the principal. The City's portfolio has been designed in a manner responsive to public trust and consistent with State law.

On July 1, 2018, the City changed investment advisors to Chandler Asset Management and like previous financial advisors, reviewed the City's investment policy and made various suggestions for clarification and recent governmental code changes since the last update to the City's Investment Policy in 2015. While there are no major fundamental changes to the existing policy structure, below is a list of significant changes that took effect in July 2018.

- Throughout the Investment Policy, the nationally recognized statistical rating agency was shortened to NRSRO
- Clarification of the Prudence and Risk Tolerance (Section V)
- Clarification of Eligible Investments and their acceptable investment grades (Section VIII)
- Section IX was changed to Diversification and Risk Management to augment the City's risk management policies and approach of investing.
- Additional Terms were added to the Glossary of Terms

On June 19, 2023, by Resolution 23-14321, the City Council reviewed and approved the last revision to the City's Investment Policy which included a change to Code Section 53601.

SUBCOMMITTEE FINDINGS

This item was not presented to the subcommittee.

STAFF ANALYSIS

There are no structural changes to the current City Council approved Investment Policy. However, there are changes to the California Government code, specifically, Code Section 53601 in 2024. The code specifies the purchase of any security not listed in a City's investment policy, but permitted by the California Government Code, is prohibited unless the City Council approves the investment specifically or as a part of an investment program. Senate Bill 1489 placed a limit of 45 days for settlement periods for securities. Securities with trade settlement periods longer than 45 days are prohibited.

The proposed revisions will clarify, streamline, and further strengthen the City's Investment Policy.

ATTACHMENTS: Resolution
City of Pittsburg Investment Policy Dated June 17, 2024

Report Prepared By: Laura Mendez, Senior Financial Reporting Analyst

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Approving Revisions to the City of	)	
Pittsburg's Investment Policy	)	RESOLUTION NO. 24-
Effective June 17, 2024	)	

WHEREAS, the State of California passed legislation during the 1995 session requiring all public agencies to adopt a Statement of Investment Policy which, pursuant to AB 2853, is now encouraged, but not mandated; and

WHEREAS, pursuant to Government Code Section 53600 et. seq., the State identifies permitted investments for the state and municipalities that minimize the risk to public funds; and

WHEREAS, the purpose of the Investment Policy is to provide guidelines for the prudent investment of the City's idle funds and to outline the policies for maximizing the efficiency of the City's cash management system; and

WHEREAS, on June 19, 2023, by Resolution 23-14321, the City Council reviewed and approved the last revision to the City's Investment Policy which included a change to Code Section 53601; and

WHEREAS, the Finance Department is recommending revisions to the City's current Investment Policy, a copy of which is attached to the Staff Report.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Pittsburg hereby finds the Investment Policy for Fiscal Year 2024/25 a thorough and complete document and approves the Investment policy.

BE IT FURTHER RESOLVED that the Director of Finance is hereby authorized to manage the investment functions for the City of Pittsburg in accordance with the most current adopted Statement of Investment Policy.

PASSED AND ADOPTED by the City Council of the City of Pittsburg at a regular meeting held on the 17th day of June 2024 by the following vote:

AYES:

NOES:

ABSTAINED:

ABSENT:

____

Juan Antonio Banales, Mayor

ATTEST:

____

Alice E. Evenson, City Clerk

CITY OF PITTSBURGINVESTMENT POLICY
(June 17, 2024)

I. Statement of Purpose and Adoption of Policy

It shall be the investment policy of the City of Pittsburg (the "City") that all funds not required for immediate expenditures are invested in compliance with this statement, as well as applicable federal, state and local legislation governing the investment of public funds. Funds shall be invested in a manner that will provide the highest investment return with the appropriate level of security, while meeting the daily cash flow demands of the City.

Safeguards will be set into place to ensure that adequate operating reserves are established and maintained to provide that cash in enough amounts will be available to pay for immediate expenditures as authorized by the City's budget. Funds so maintained will be deposited in a manner best serving the City.

The City has a responsibility to monitor the security of its assets and always maintain a level of quality so that the public at large will have the highest confidence that its best interests are being served.

The purpose of this document is to identify various policies and procedures that enhance opportunities for a systemic investment process. The initial step toward a prudent investment policy is to organize and formalize investment related activities. Related activities, which comprise good cash management, include accurate cash projection, the expeditious collection of revenue, the control of disbursements, cost effective banking relations and a short-term borrowing program, which coordinates working capital requirements and investment opportunities.

The City's Investment Policy shall be adopted by resolution of City Council. The policy shall be reviewed at least annually by the City Treasurer, City Manager and the Finance Director, and any modification must be approved by City Council.

II. SCOPE

It is intended that this policy covers all operating funds and investment activities under the direct authority of the City. These funds are described in the City's Annual Comprehensive Financial Report and include its General Fund, Special Revenue Funds, Enterprise Funds, Trust and Agency Funds, Capital Project Funds and Successor Agency Trust Funds.

The Investment Policy applies to all transactions involving the financial assets and related activities of the foregoing funds. Except for cash held in separate restricted funds, the City will pool cash balances from all funds for investments to maximize earnings and efficiencies concerning investment pricing, safekeeping and administration. Investment income will be allocated to the City's funds based upon their respective average monthly balances and in accordance with Generally Accepted Accounting Principles (GAAP).

The employee's retirement and deferred compensation funds are not included. Bond proceeds are not covered under this policy and shall be governed by their applicable bond documents. However, if the bond documents are silent in regard to the investment of bond proceeds and reserves, the terms set forth in this policy shall govern the respective investment of bond proceeds.

III. OBJECTIVES AND PERFORMANCE STANDARDS

The overall program shall be designed and managed with a degree of professionalism worthy of the public trust. The City's primary investment objectives, in priority order, shall be:

1. **Safety:** Safety of principal is the foremost objective the City's investment program, followed by liquidity and yield. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the City's portfolio. To obtain this objective, the City will diversify its investment by investing funds among a variety of securities offering independent returns and financial institutions. Each investment transaction shall seek to first ensure that capital losses are avoided, whether they are from securities default or erosion of market value. Investment decisions should not incur unreasonable investment risks in order to obtain current investment income.

2. **Liquidity:** The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements, which might be reasonably anticipated. This need for investment liquidity may be tempered to the extent that the City is able to issue short-term notes to meet its operating requirements. Emphasis will be on marketable securities with low sensitivity to market risk. Maturities of investments for which there is limited opportunity for resale shall be staggered to maximize liquidity.

3. **Yield**: The City maintains an active investment strategy and its investment portfolio shall be designed to attain a rate of return which approximates benchmarks to be selected by the City's investment advisory committee throughout budgetary and economic cycles, taking into account the City's investment risk constraints, the cash flow characteristics of the portfolio, and state and local laws, ordinances or resolutions that restricts the investment of funds.

IV. DELEGATION OF AUTHORITY

Pursuant to California Government Code 53607 and the City's Municipal Code, the City Council's management responsibility for the investment program is hereby delegated for a one-year period to the Finance Director who shall be responsible for the investment of idle funds consistent with this investment policy. Subject to review, the City Council may renew the delegation of authority pursuant to this section each year. The Finance Director may delegate these duties to his/her designee upon approval of the City Council. The day-to-day investment decision-making and execution authority may also be delegated to an investment advisor under the supervision of the Finance Director. The investment advisor shall follow this Policy and such other written instructions as are provided.

V. PRUDENCE AND RISK TOLERANCE

The City recognizes that investment risks of the following can result from issuer defaults, market price changes or various technical complications leading to temporary liquidity:

1. Credit risk is the possibility that deterioration of an issuer's creditworthiness will adversely affect the value of its bonds or that an issuer will not make timely payments of interest or principal on its bonds (default). A decline in a bond issuer's credit rating, or creditworthiness, may cause prices for its outstanding bonds to decline. This shall be mitigated by limiting investments to those allowed under this policy and by diversification.

2. Market or Interest Rate risk, defined as market value fluctuations due to overall changes in market price, shall be mitigated by eliminating the need to sell securities prior to maturity and investing operating funds needed for short-term liquidity primarily in short-term securities, money market funds or similar investment pools, thereby limiting the average maturity of the portfolio. Investment shall be made with that degree of judgment and care, under circumstances then prevailing, which persons or prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation but for investment, considering the safety of their capital as well as the income to be derived.

The standard of prudence to be used by investment officers shall be the "prudent investor standard" and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the City's investment policy and exercising due diligence shall be relieved of personal liability for an individual security credit risk or market price changes, if deviations from expectations are reported on a timely fashion, and appropriate action is taken to control adverse developments.

VI. INTERNAL CONTROLS

A system of internal controls will be maintained to assure compliance with Federal and State regulations, City Council direction, and prudent cash management procedures.

The controls shall be designed to prevent losses of public funds arising from fraud, employee error, and misrepresentation by third parties, unanticipated changes in financial markets or imprudent actions by employees and officers of the City. Controls deemed most important include: control of collusion, segregation of duties, separating transaction authority from accounting and recordkeeping, custodial safekeeping, clear delegation of authority, specific limitations regarding securities losses and remedial action, written confirmation of telephone transactions, minimizing the number of authorized investment officials, documentation of transactions and strategies, and code of ethical standards. In addition, whenever possible, pre-formatted wire transfers will be used to transfer funds to pre-authorized accounts.

1. The City Treasurer shall audit and examine all investments made by the City, or its duly authorized personnel, at those times deemed necessary by him/her and shall in his/her discretion report his/her audit and examination to the City Council.

2. Investment Oversight Committee: Quarterly review of procedures and adherence to this Investment Policy is conducted by the Investment Oversight Committee. The Committee, established by the City Council, is comprised of the City Manager, Finance Director, and City Treasurer.

3. Annual Audit: The City's portfolio is included in the annual review of the City's financial management performed by an outside audit firm.

VII. ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall not participate in personal business activity that could conflict with proper execution of the investment program or which could impair the ability to make impartial investment decisions. Such employees and investment officials shall disclose any material financial interests in financial institutions that conduct business with the City, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the City's portfolio.

VIII. ELIGIBLE INVESTMENTS

California Government Code Sections 53600 et. seq. provides basic investment limits and guidelines for government entities. Within the investments permitted by the Government Code, the City seeks to further restrict eligible investment to the investments listed below. In the event an apparent discrepancy is found between this policy and the Government Code, the more restrictive parameters will take precedence.

Rating requirements and percentage limitations, where indicated, apply *at the time of purchase*. In the event a security held by the City is subject to a rating change that brings it below the minimum specified rating requirement, the Finance Director shall notify the City Council of the change. The course of action to be followed will then be decided on a case-by-case basis, considering such factors as the reason for the rate drop, prognosis for recovery or further rate drops, and the market price of the security.

Eligible Investments

1. **Securities of the U.S. Government**:

United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest. There is no limitation as to the percentage of the City's portfolio that may be invested in this category.

2. **Securities of U.S. Government Agencies**
   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. There is no limitation as to the percentage of the City's portfolio that may be invested in this category, provided that no more than 30% of the portfolio may be invested in any single Agency/GSE issuer, the maximum maturity may not exceed five (5) years, and the maximum percent of agency callable securities in the portfolio will be 20%.

3. **California State and Local Agency Obligations**

   Obligations of the City, the State of California or any local agency within the state that are general obligation bonds or essential service bonds secured with revenue from a water, sewer, power or electric system, provided that such obligations are rated in a rating category of "A" or its equivalent or better by at least one nationally recognized statistical rating organization (NRSRO.) No more than 5 percent of the portfolio may be invested in any single issuer. No more than 30 percent of the portfolio may be invested in California State and Local Agency Obligations and other state obligations in the aggregate. The maximum maturity may not exceed five years.

4. **Other State Obligations**

   Registered treasury notes or bonds of any of the other 49 United States in addition to California, including general obligation bonds or 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 the other 49 United States, in addition to California, provided that such obligations are rated in a rating category of "A" or its equivalent or better by at least one NRSRO. No more than 5 percent of the portfolio may be invested in any single issuer. No more than 30 percent of the portfolio may be invested in other state obligations and California State and Local Agency Obligations in the aggregate. The maximum maturity may not exceed five years.

5. **Bankers Acceptances**

   Time drafts or bills of exchange that are drawn on and accepted by a commercial bank and brokered to investors in the secondary market. Purchasers are limited to issuers whose short-term debt is rated in the highest short-term rating category by a NRSRO. Banker's acceptances cannot exceed a maturity of 180 days. A maximum of 40% of the City's portfolio may be invested in this category.

6. **Commercial paper**

The City may purchase commercial paper with short-term ratings of "A-1" or the equivalent or higher by a NRSRO. Long-term ratings, if any, must be "A" category or its equivalent or higher by a NRSRO. The entity that issues the commercial paper shall meet all the following conditions in either paragraph (A) or paragraph (B):

(A) The entity meets the following criteria: (i) Is organized and operating in the United States as a general corporation. (ii) Has total assets of more than five hundred million dollars ($500,000,000). (iii) Has debt other than commercial paper, if any, that is rated in the "A" category or its equivalent or higher by a NRSRO

(B) The entity meets the following criteria: (i) Is organized within the United States as a special purpose corporation, trust, or limited liability company. (ii) Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond. (iii) Has commercial paper that is rated "A-1" or higher, or the equivalent, by a NRSRO.

Eligible commercial paper shall have a maximum maturity of 270 days or less and not represent more than 10 percent of the outstanding paper of an issuing corporation. A maximum of 25 percent of the City's portfolio may be invested in this category. Under a provision sunsetting on January 1, 2026, no more than 40 percent of the portfolio may be invested in Commercial Paper if the City's investment assets under management are greater than $100,000,000.

7. **Negotiable Certificates of Deposit (NCDs)**

Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a state or federally licensed branch of a foreign bank. Amounts of the NCD insured up to the FDIC limit do not require any credit rating. Any amount above the FDIC insured limit which has short-term ratings of "A-1" or its equivalent or higher by a NRSRO; or long-term obligations rated in a category of "A" or its equivalent or higher by a NRSRO may be purchased. A maximum of 30 percent of the City's portfolio may be invested in this category. No more than 5 percent of the portfolio may be invested in any single issuer.

8. **Time Deposits**

The City may invest in non-negotiable time deposits (CDs) that are FDIC insured or fully collateralized in financial institutions located in California, including United States branches of foreign banks licensed to do business in California.

To be eligible for purchase, the financial institution must have received a minimum overall satisfactory rating for meeting the credit needs of California Communities in its most recent evaluation, as provided Government Code Section 53635.2. Purchases are further limited to financial institutions meeting all capital requirements and rated in one of the three highest rating categories by an NRSRO organization. All time deposits must be collateralized in accordance with California Government Code sections 53650 et. seq. The City, at its discretion, may waive the collateralization requirements for any portion of the deposit that is covered by federal insurance. The maximum maturity of a time certificate of deposit shall not exceed 1 year. A maximum of 30 percent of the City's portfolio may be invested in this category.

9. **Repurchase Agreements**

The City may enter into repurchase agreements with primary government securities dealers rated in one of the three highest categories by two NRSROs. Counterparties should also have (i) a short-term credit rating in the highest category; (ii) minimum assets and capital size of $25 billion in assets and $350 million in capital; (iii) five years of acceptable audited financial results; and (iv) a strong reputation among market participants.

The following collateral restrictions will be observed: Only U.S. Treasury securities or Federal Agency securities will be acceptable collateral. All securities underlying repurchase agreements must be delivered to the City's custodian bank delivery versus payment or be handled under a properly executed tri-party repurchase agreement. The total market value of all collateral for each repurchase agreement must equal or exceed 102 percent of the total dollar value of the money invested by the City for the term of the investment. For any repurchase agreement with a term of more than one day, the value of the underlying securities must be reviewed on a weekly basis according to market conditions. Since the market value of the underlying securities is subject to daily market fluctuations, the investment in repurchase agreements shall comply if the value of the underlying securities is brought back up to 102 percent no later than the next business day. Market value must also be calculated each time there is a substitution of collateral.

The City or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to repurchase agreement. The City shall have properly executed a master repurchase agreement with each counter party with which it enters into repurchase agreements. Repurchase agreements are to be used solely as short-term investments not to exceed 90 days. A maximum of 15 percent of the City's portfolio may be invested in this category.

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. Purchases are limited to securities rated in a rating category of "A" or its equivalent or better by at least one NRSRO. A maximum of 30 percent of the City's portfolio may be invested in this category. No more than 5% of the portfolio may be invested in any single issuer.

11. **Asset-Backed Securities**

A mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond from issuers not defined in subsections 1 and 2 of the Eligible Investments Section, of a legal final maturity not exceeding five years. Securities eligible for investment under this subdivision must be rated in in a rating category of “AA” or its equivalent or better by a NRSRO. A maximum of 20 percent of the City’s portfolio may be invested in this category. No more than 5% of the portfolio may be invested in any single Asset-Backed or Commercial Mortgage security issuer.

12. **Supranational Securities**

United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Securities eligible for investment under this subdivision must be rated in a rating category of “AA” or its equivalent or better by a NRSRO. A maximum of 30 percent of the City’s portfolio may be invested in this category. No more than 10% of the portfolio may be invested in any single issuer.

13. **Money Market Funds**

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.). To be eligible for purchase, the company shall have met either of the following criteria:

(A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs.

(B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of $500,000,000.

A maximum of 20 percent of the City’s portfolio may be invested in this category (10 percent limit per fund).

14. **State of California’s Local Agency Investment Fund (LAIF)**

The Local Agency Investment Fund was established by the State to enable local agency treasurers to place funds in a pool for investment (California Government Code Section 16429.1 et seq.). The City uses this investment vehicle for short-term liquidity, investment, and yield when rates are declining.

Funds are available on demand and interest is paid quarterly. The City may invest up to the maximum permitted by LAIF.

15. **Local Government Investment Pools**

Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code Section 6509.7 that invests the securities and obligations authorized in subdivisions (a) to (n), inclusive, of Government Code Section 53601.

IX. Investment Pools/Mutual Funds

The City shall conduct a thorough investigation of any pool or mutual fund prior to making an investment, and on a continual basis thereafter. The Finance Director shall develop a questionnaire which will answer the following general questions:

- A description of eligible investment securities, and a written statement of investment policy and objectives.
- A description of interest calculations and how it is distributed, and how gains and losses are treated.
- A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
- A description of who may invest in the program, how often, and what size deposit and withdrawal are allowed.
- A schedule for receiving statements and portfolio listings.
- Are reserves, retained earnings, etc. utilized by the pool/fund?
- A fee schedule, and when and how it is assessed.
- Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

X. DIVERSIFICATION AND RISK MANAGEMENT

Mitigating Credit Risk in the Portfolio

Credit risk is the risk that a security or a portfolio will lose some or all its value due to a real or perceived change in the ability of the issuer to repay its debt. The City will mitigate credit risk by adopting the following strategies:

- The diversification requirements included in the “Authorized Investments” section of this policy are designed to mitigate credit risk in the portfolio.

- No more than 5% of the total portfolio may be deposited with or invested in securities issued by any single issuer unless otherwise specified in this policy.

- The City may elect to sell a security prior to its maturity and record a capital gain or loss in order to manage the quality, liquidity or yield of the portfolio in response to market conditions or Agency’s risk preferences.

- If a security owned by the City is downgraded to a level below the requirements of this policy, making the security ineligible for additional purchases, the following steps will be taken:

  - Any actions taken related to the downgrade by the investment manager will be communicated to the Finance Director in a timely manner.

  - If a decision is made to retain the security, the credit situation will be monitored and reported to the City Council.

Mitigating Market Risk in the Portfolio

Market risk is the risk that the portfolio value will fluctuate due to changes in the general level of interest rates. The City recognizes that, over time, longer-term portfolios have the potential to achieve higher returns. On the other hand, longer-term portfolios have higher volatility of return. The City will mitigate market risk by providing adequate liquidity for short-term cash needs, and by making longer-term investments only with funds that are not needed for current cash flow purposes.

The City further recognizes that certain types of securities, including variable rate securities, securities with principal paydowns prior to maturity, and securities with embedded options, will affect the market risk profile of the portfolio differently in different interest rate environments. The Agency, therefore, adopts the following strategies to control and mitigate its exposure to market risk:

- The City will maintain a minimum of six months of budgeted operating expenditures in short-term investments to provide sufficient liquidity for expected disbursements.

- The maximum stated final maturity of individual securities in the portfolio will be five (5) years as measured from date of trade settlement, except as otherwise stated in this policy.

- The duration of the portfolio will generally be approximately equal to the duration (typically, plus or minus 20%) of a Market Benchmark, an index selected by the City based on the City's investment objectives, constraints and risk tolerances. Maximum maturities may not exceed five years.

XI. MAXIMUM MATURITY

The City's cash management system is fully designed to accurately monitor and forecast revenues and expenditures thus enabling the City to invest funds possible. To the extent possible, the City will attempt to match investments with anticipated cash flow requirements. Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds.

Where this Policy does not specify a maximum remaining maturity at the time of the investment, no investment shall be made in any security, other than a security underlying a repurchase agreement, that at the time of the investment has a term remaining to maturity in excess of five years as measured from date of trade settlement, unless the City Council has granted express authority to make that investment either specifically or as a part of an investment program approved by the City Council no less than three months prior to the investment.

XII. INELIGIBLE INVESTMENTS

Investments not described herein, including but not limited to common stocks and financial futures contracts and options, are prohibited in this fund. The City shall not invest any funds in inverse floaters, range notes, mortgage derived interest-only strips or in any security that could result in zero interest accrual if held to maturity. The purchase of any security not listed in Section 8 above, but permitted by the California Government Code, is prohibited unless the City Council approves the investment specifically or as a part of an investment program approved by the City Council. Securities with a trade settlement period longer than 45 days are prohibited.

XIII. BANKS AND SECURITIES DEALERS

The Finance Director shall maintain a list of authorized broker/dealers and financial institutions, which are approved for investment purposes. It shall be the City's policy to purchase securities only from those authorized institutions and firms. The City shall annually send a copy of the current investment policy to all dealers approved to do business with the City. Each broker dealer or financial institution that has been authorized by the City shall be required to submit the firm's most recent financial statement. If an investment advisor is used, they may use their own list of approved broker/dealers and financial institutions for investment purposes.

XIV. SAFEKEEPING AND CUSTODY

All security transactions entered by the City shall be conducted on a delivery-versus-payment (DVP) basis. All cash and securities in the City's portfolio, including those that are managed by an investment advisor, shall be held in safekeeping in the City's name by a third-party bank trust department, acting as agent for the City under the terms of a custody agreement executed by the bank and the City. The only exception to the foregoing shall be depository accounts and securities purchases made with: (i) local government investment pools; (ii) time certificates of deposit, and, (iii) money market mutual funds, since the purchased securities are not deliverable. Evidence of each of these investments will be held in the Treasury vault. The safekeeping institution shall annually provide a copy of their most recent report on internal controls (Statement of Auditing Standards No. 70, or SAS 70).

XV. PERFORMANCE STANDARDS

The investment portfolio will be designed to obtain a market-average rate of return during budgetary and economic cycles, considering the City's investment risk constraints and cash flow needs.

XVI. REPORTING REQUIREMENTS

A Quarterly Investment report shall be provided to the City Council, City Manager, and Finance Director.

1. A quarterly investment report will be submitted within 60 days following the period being reported to the City Council. Reports of the investment of bond proceeds are issued monthly by the Trustee and are included in the quarterly report of the pooled investment fund. The quarterly investment report shall include information on the following:
   - Type of Investment
   - Issuer
   - Date of Maturity
   - Par and dollar amount invested on all securities
   - Current market value of each security and the source of the valuation
   - Credit quality of each investment, as determined by one or more nationally recognized credit rating services
   - Listing of investment transactions for the quarter being reported upon.
   - Statement that portfolio follows investment policy, or the way the portfolio is not in compliance
   - Statement denoting ability of City to meet its expenditure requirements for the next six months, or provide enough explanation why money is not available

XVII. INVESTMENT POLICY REVIEW

The Finance Director shall periodically submit to the City Council a statement of investment policy outlining any proposed changes, which the City Council must consider at a public meeting.

Glossary of Terms

Accrued Interest: Interest earned but not yet received.

Active Deposits: Funds which are immediately required for disbursement.

Amortization: An accounting practice of gradually decreasing (increasing) an asset's book value by spreading its depreciation (accretion) over a period.

Annual Comprehensive Financial Report (ACFR): The official annual financial report for public sector entities/companies. It includes five combined statements and basic financial statements for each individual fund and account group prepared in conformity with Generally Accepted Accounting Principles (GAAP).

Arbitrage: Transactions by which securities are bought and sold in different markets at the same time for the sake of the profit arising from a yield difference in the two markets.

Asked Price: The price a broker/dealer offers to sell securities.

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

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

Basis Point: One basis point is one hundredth of one percent (.01).

Bid Price: The price a broker/dealer offers to purchase securities.

Bond: A financial obligation for which the issuer promises to pay the bondholder a specified stream of future cash flows, including periodic interest payments and a principal repayment.

Book Entry: The system maintained by the Federal Reserve, by which most money market securities are delivered to an investor's custodial bank. The Federal Reserve maintains a computerized record of the ownership of these securities and records any changes in ownership corresponding to payments made over the Federal Reserve wire (delivery versus payment.)

Book Value: The value at which a debt security is shown on the holder's balance sheet. Book value is acquisition cost less amortization of premium or accretion of discount.

Broker: A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides; he does not take a position. In the money market, brokers are active in markets in which banks buy and sell money and in interdealer markets.

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.

Certificate of Deposit (CD): A time deposit with a specific maturity evidenced by a Certificate. Large-denomination CDs are typically negotiable.

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

Commercial Paper: A short-term, unsecured, and negotiable promissory note with a fixed maturity of no more than 270 days. By statute, these issues are exempt from registration with the U.S. Securities and Exchange Commission.

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: The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value.

Credit Analysis: A critical review and appraisal of the economic and financial conditions or of the ability to meet debt obligations.

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

Current Yield: The interest paid on an investment expressed as a percentage of the current price of the security.

Custodian: A bank or other financial institution that keeps custody of stock certificates and other assets.

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

Debenture: A bond secured only by the general credit of the issuer.

Defeased Bond Issues: Issues that have sufficient money to retire outstanding debt when due so that the agency is released from the contracts and covenants in the bond document.

Delivery versus Payment: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt (also called free delivery). Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

Derivative: Securities that are based on, or derived from, some underlying asset, reference date, or index.

Discount: The difference between the cost of a security and its value at maturity when quoted at lower than face value.

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

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.

Face Value: The principal amount owed on a debt instrument. It is the amount on which interest is computed and represents the amount that the issuer promises to pay at maturity.

Fair Value: The amount at which a security could be exchanged between willing parties, other than in a forced or liquidation sale. If a market price is available, the fair value is equal to the market value.

Federal Farm Credit Bank (FFCB): Government-sponsored institution that consolidates the financing activities of the Federal Land Banks, the Federal Intermediate Credit Banks and the Banks for Cooperatives. Its securities do not carry direct U. S. Government guarantees.

Federal Funds Rate: The rate of interest at which Federal funds are traded. This rate is considered the most sensitive indicator of the direction of interest rates, as it is currently pegged by the Federal Reserve through open-market operations.

Federal Home Loan Banks (FHLB): Government sponsored wholesale banks, which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac): Established in 1970 to help maintain the availability of mortgage credit for residential housing. FHLMC finances these operations by marketing guaranteed mortgage certificates and mortgage participation certificates. Its discount notes and bonds do not carry direct U.S. Government guarantees.

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

Federal Open Market Committee (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

Federal Reserve System: The central bank of the U.S., which consists of seven-member Board of Governors, 12 regional banks, and about 5,700 commercial banks that are members.

Fitch IBCA, Inc. (Fitch): One of the three best-known rating agencies in the United States, the others being Moody's Investment Service, Inc. and Standard and Poor's Corporation.

Government Accounting Standards Board (GASB): A standard-setting body, associated with the Financial Accounting Foundation, which prescribes standard accounting practices for governmental units.

Government National Mortgage Association (GNMA or Ginnie Mae): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by FHA or VA mortgages. The term pass-through is often used to describe Ginnie Maes.

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."

Guaranteed Investment Contracts (GICS): An agreement acknowledging receipt of funds, for deposit, specifying terms for withdrawal, and guaranteeing a rate of interest to be paid.

Inactive Deposits (Idle Funds): Funds not immediately needed for disbursement.

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.

Interest Rate Risk: The risk of gain or loss in market values of securities due to changes in interest-rate levels. For example, rising interest rates will cause the market value of portfolio securities to decline.

Inverse Floating Rate Note: A debt security with an interest rate stated as a fixed rate minus an index. This calculation causes the rate on the inverse floater to move in the opposite direction of general interest rates. This instrument generally performs well in a declining interest rate environment but will lose value if rates rise.

Liquidity: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between the bid and asked prices is narrow and reasonable size can be done at those quotes.

Local Agency: County, City, City and County, including a chartered city or county, school district, community college district, public district, or any public or municipal corporation.

Local Agency Investment Fund (LAIF): An investment pool managed by the California State Treasurer. Local government units, with consent of the governing body of that agency, may voluntarily deposit surplus funds for the purpose of investment. Interest earned is distributed by the State Controller to the participating governmental agencies on a quarterly basis.

Make whole call: A type of call provision on a bond that allows the issuer to pay off the remaining debt early. Unlike a call option, with a make whole call provision, the issuer makes a lump sum payment that equals the net present value (NPV) of future coupon payments that will not be paid because of the call. With this type of call, an investor is compensated, or "made whole."

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: Systematic risk of a security that is common to all securities of the same general class (stocks, bonds, notes, money market instruments) and cannot be eliminated by diversification (which may be used to eliminate non-systematic risk).

Market Value: The price at which a security is trading and could presumably be sold.

Master Repurchase Agreement: A written contract covering all future transactions between the parties to repurchase agreements and reverse repurchase agreements that establish each person's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

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

Medium Term Notes: Instruments 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.

Modified Duration: A measure of exposure to market risk of a security or a portfolio. It is the percent change in the price of a security (portfolio) or a 100-basis point change in the security's (portfolio's) yield.

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

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).

Moody's: Moody's Investment Service, Inc. One of the three best-known rating agencies in the United States, the others being Standard and Poor's Corporation (S&P) and Fitch IBCA, Inc. (Fitch).

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.

National Recognized Statistical Rating Organization (NRSRO)::
A rating organization designated by the SEC as being nationally recognized, such as Moody's Investor Service, Inc. (Moody's), Standard & Poor's (S&P), and Fitch Ratings (Fitch).

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. [(Total assets) - (Liabilities)] / (Number of shares outstanding)

Negotiable Certificate of Deposit: A large denomination certificate of deposit, which can be sold in the open market prior to maturity.

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."

New Issue: Term used when a security is originally "brought" to market.

Note: A written promise to pay a specified amount to a certain entity on demand or on a specified date.

Open Market Operations: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the Federal Open Market Committee, (FOMC), to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit: Sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

Par Value: The amount of principal that must be paid at maturity. Also referred to as the face amount of a bond, normally quoted in $1,000 increments per bond.

Portfolio: Collection of securities held by an investor.

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

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

Principal: The face value or par value of a debt instrument, or 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 that typically includes 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 (also known as an "official statement").

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

Purchase Date: The date in which a security is purchased for settlement on that or a later date.

Range Note: A debt security with a varied interest payment that depends on the number of days the designated index falls within (or in some cases outside) an established range of interest rates. Should rates move beyond the range on either end, the investor faces the risk of a reduced or zero interest payment for the applicable interest period.

Rate of Return: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

Rating Agency: Nationally recognized credit rating agency such as Fitch, Moody's or S&P.

Rating Category: A credit rating assignment by a Rating Agency shall mean (a) with respect to any long-term rating category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier, and (b) with respect to any short-term or commercial paper rating category, all ratings designated by a particular letter or combination of letters and taking into account any numerical modifier, but not any plus or minus sign or other modifier.

Repurchase Agreement (RP or Repo): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement and the terms of the agreement are structured to compensate the buyer for this. Dealers use RP extensively to finance their positions. Exception: when the Fed is said to be doing RP, it is lending money, which is increasing bank reserves.

Reverse Repurchase Agreement (Reverse Repo): A counter party (e.g. investment dealer) buys the securities from the holder of securities (e.g. the Agency) with an agreement to sell them back at a fixed date. The counter party in effect lends the seller, (e.g. the Agency) money for the period of the agreement with terms of the agreement structured to compensate buyer.

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

Secondary Market: A market for the repurchase and resale of outstanding issues following the initial distribution.

Securities: Investment instruments such as notes, bonds, stocks, money market instruments and other instruments of indebtedness of equity.

Sec Rule 15C3:1: See Uniform Net Capital Rule.

Securities and Exchange Commission: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

Settlement Date: The date on which a trade is cleared by delivery of securities against funds.

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.

Spread: The difference between two figures or percentages. It may be the difference between the bid (price at which a prospective buyer offers to pay) and asked (price at which an owner offers to sell) prices of a quote, or between the amount paid when bought and the amount received when sold.

Standard and Poor's Corporation (S&P): One of the three best-known rating agencies in the United States, the others being Moody's Investment Service, Inc. and Fitch IBCA, Inc. (Fitch).

Strip (Bonds): Brokerage-house practice of separating a bond into its principal and interest, which are then sold as zero-coupon bonds.

Supranationals: Multi-national organizations whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in member countries.

Swap: An agreement between two parties (known as counterparties) where one stream of future interest payments is exchanged for another based on a specified principal amount.

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.

Time Certificate of Deposit: A non-negotiable certificate of deposit, which cannot be sold prior to 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. (Price Appreciation) + (Dividends paid) + (Capital gains) = Total Return

Treasury Bills: A noninterest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months or one year.

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

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

Trustee or trust company or trust department of a bank: A financial institution with trust powers which acts in a fiduciary capacity for the benefit of the bondholders in enforcing the terms of the bond contract.

Underwriter: A dealer which purchases a new issue of municipal securities for resale.

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

U.S. Government Agencies: Instruments issued by various U.S. Government Agencies most of which are secured only by the credit worthiness of the agency.

U.S. Treasury Obligations: Debt obligations of the United States Government sold by the Treasury Department in the forms of Bills, Notes, and Bonds. Bills are short-term obligations that mature in 1 year or less and are sold based on a rate of discount. Notes are obligations that mature between 1 year and 10 years. Bonds are long-term obligations that generally mature in 10 years or more.

Weighted Average Maturity (WAM): The average maturity of all the securities that comprise a portfolio that is typically expressed in days or years.

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

Yield to Maturity: The rate of income returns on an investment, minus any premium or plus any discount, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond, expressed as a percentage.

Yield Curve: A graphic representation that shows the relationship at a given point in time between yields and maturity for bonds that are identical in every way except maturity.

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.

CITY OF PITTSBURGINVESTMENT POLICY
(June 17~~9~~, 2024~~3~~)

I. Statement of Purpose and Adoption of Policy

It shall be the investment policy of the City of Pittsburg (the "City") that all funds not required for immediate expenditures are invested in compliance with this statement, as well as applicable federal, state and local legislation governing the investment of public funds. Funds shall be invested in a manner that will provide the highest investment return with the appropriate level of security, while meeting the daily cash flow demands of the City.

Safeguards will be set into place to ensure that adequate operating reserves are established and maintained to provide that cash in enough amounts will be available to pay for immediate expenditures as authorized by the City's budget. Funds so maintained will be deposited in a manner best serving the City.

The City has a responsibility to monitor the security of its assets and always maintain a level of quality so that the public at large will have the highest confidence that its best interests are being served.

The purpose of this document is to identify various policies and procedures that enhance opportunities for a systemic investment process. The initial step toward a prudent investment policy is to organize and formalize investment related activities. Related activities, which comprise good cash management, include accurate cash projection, the expeditious collection of revenue, the control of disbursements, cost effective banking relations and a short-term borrowing program, which coordinates working capital requirements and investment opportunities.

The City's Investment Policy shall be adopted by resolution of City Council. The policy shall be reviewed at least annually by the City Treasurer, City Manager and the Finance Director, and any modification must be approved by City Council.

II. SCOPE

It is intended that this policy covers all operating funds and investment activities under the direct authority of the City. These funds are described in the City's Annual Comprehensive Financial Report and include its General Fund, Special Revenue Funds, Enterprise Funds, Trust and Agency Funds, Capital Project Funds and Successor Agency Trust Funds.

The Investment Policy applies to all transactions involving the financial assets and related activities of the foregoing funds. Except for cash held in separate restricted funds, the City will pool cash balances from all funds for investments to maximize earnings and efficiencies concerning investment pricing, safekeeping and administration. Investment income will be allocated to the City's funds based upon their respective average monthly balances and in accordance with Generally Accepted Accounting Principles (GAAP).

The employee's retirement and deferred compensation funds are not included. Bond proceeds are not covered under this policy and shall be governed by their applicable bond documents. However, if the bond documents are silent in regard to the investment of bond proceeds and reserves, the terms set forth in this policy shall govern the respective investment of bond proceeds.

III. OBJECTIVES AND PERFORMANCE STANDARDS

The overall program shall be designed and managed with a degree of professionalism worthy of the public trust. The City's primary investment objectives, in priority order, shall be:

1. **Safety:** Safety of principal is the foremost objective the City's investment program, followed by liquidity and yield. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the City's portfolio. To obtain this objective, the City will diversify its investment by investing funds among a variety of securities offering independent returns and financial institutions. Each investment transaction shall seek to first ensure that capital losses are avoided, whether they are from securities default or erosion of market value. Investment decisions should not incur unreasonable investment risks in order to obtain current investment income.

2. **Liquidity:** The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements, which might be reasonably anticipated. This need for investment liquidity may be tempered to the extent that the City is able to issue short-term notes to meet its operating requirements. Emphasis will be on marketable securities with low sensitivity to market risk. Maturities of investments for which there is limited opportunity for resale shall be staggered to maximize liquidity.

3. **Yield**: The City maintains an active investment strategy and its investment portfolio shall be designed to attain a rate of return which approximates benchmarks to be selected by the City's investment advisory committee throughout budgetary and economic cycles, taking into account the City's investment risk constraints, the cash flow characteristics of the portfolio, and state and local laws, ordinances or resolutions that restricts the investment of funds.

IV. DELEGATION OF AUTHORITY

Pursuant to California Government Code 53607 and the City's Municipal Code, the City Council's management responsibility for the investment program is hereby delegated for a one-year period to the Finance Director who shall be responsible for the investment of idle funds consistent with this investment policy. Subject to review, the City Council may renew the delegation of authority pursuant to this section each year. The Finance Director may delegate these duties to his/her designee upon approval of the City Council. The day-to-day investment decision-making and execution authority may also be delegated to an investment advisor under the supervision of the Finance Director. The investment advisor shall follow this Policy and such other written instructions as are provided.

V. PRUDENCE AND RISK TOLERANCE

The City recognizes that investment risks of the following can result from issuer defaults, market price changes or various technical complications leading to temporary liquidity:

1. Credit risk is the possibility that deterioration of an issuer's creditworthiness will adversely affect the value of its bonds or that an issuer will not make timely payments of interest or principal on its bonds (default). A decline in a bond issuer's credit rating, or creditworthiness, may cause prices for its outstanding bonds to decline. This shall be mitigated by limiting investments to those allowed under this policy and by diversification.

2. Market or Interest Rate risk, defined as market value fluctuations due to overall changes in market price, shall be mitigated by eliminating the need to sell securities prior to maturity and investing operating funds needed for short-term liquidity primarily in short-term securities, money market funds or similar investment pools, thereby limiting the average maturity of the portfolio. Investment shall be made with that degree of judgment and care, under circumstances then prevailing, which persons or prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation but for investment, considering the safety of their capital as well as the income to be derived.

The standard of prudence to be used by investment officers shall be the "prudent investor standard" and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the City's investment policy and exercising due diligence shall be relieved of personal liability for an individual security credit risk or market price changes, if deviations from expectations are reported on a timely fashion, and appropriate action is taken to control adverse developments.

VI. INTERNAL CONTROLS

A system of internal controls will be maintained to assure compliance with Federal and State regulations, City Council direction, and prudent cash management procedures.

The controls shall be designed to prevent losses of public funds arising from fraud, employee error, and misrepresentation by third parties, unanticipated changes in financial markets or imprudent actions by employees and officers of the City. Controls deemed most important include: control of collusion, segregation of duties, separating transaction authority from accounting and recordkeeping, custodial safekeeping, clear delegation of authority, specific limitations regarding securities losses and remedial action, written confirmation of telephone transactions, minimizing the number of authorized investment officials, documentation of transactions and strategies, and code of ethical standards. In addition, whenever possible, pre-formatted wire transfers will be used to transfer funds to pre-authorized accounts.

1. The City Treasurer shall audit and examine all investments made by the City, or its duly authorized personnel, at those times deemed necessary by him/her and shall in his/her discretion report his/her audit and examination to the City Council.

2. Investment Oversight Committee: Quarterly review of procedures and adherence to this Investment Policy is conducted by the Investment Oversight Committee. The Committee, established by the City Council, is comprised of the City Manager, Finance Director, and City Treasurer.

3. Annual Audit: The City's portfolio is included in the annual review of the City's financial management performed by an outside audit firm.

VII. ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall not participate in personal business activity that could conflict with proper execution of the investment program or which could impair the ability to make impartial investment decisions. Such employees and investment officials shall disclose any material financial interests in financial institutions that conduct business with the City, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the City's portfolio.

VIII. ELIGIBLE INVESTMENTS

California Government Code Sections 53600 et. seq. provides basic investment limits and guidelines for government entities. Within the investments permitted by the Government Code, the City seeks to further restrict eligible investment to the investments listed below. In the event an apparent discrepancy is found between this policy and the Government Code, the more restrictive parameters will take precedence.

Rating requirements and percentage limitations, where indicated, apply *at the time of purchase*. In the event a security held by the City is subject to a rating change that brings it below the minimum specified rating requirement, the Finance Director shall notify the City Council of the change. The course of action to be followed will then be decided on a case-by-case basis, considering such factors as the reason for the rate drop, prognosis for recovery or further rate drops, and the market price of the security.

Eligible Investments

1. **Securities of the U.S. Government**:

United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest. There is no limitation as to the percentage of the City's portfolio that may be invested in this category.

2. **Securities of U.S. Government Agencies**
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. There is no limitation as to the percentage of the City's portfolio that may be invested in this category, provided that no more than 30% of the portfolio may be invested in any single Agency/GSE issuer, the maximum maturity may not exceed five (5) years, and the maximum percent of agency callable securities in the portfolio will be 20%.

3. **California State and Local Agency Obligations**

   Obligations of the City, the State of California or any local agency within the state that are general obligation bonds or essential service bonds secured with revenue from a water, sewer, power or electric system, provided that such obligations are rated in a rating category of "A" or its equivalent or better by at least one nationally recognized statistical rating organization (NRSRO.) No more than 5 percent of the portfolio may be invested in any single issuer. No more than 30 percent of the portfolio may be invested in California State and Local Agency Obligations and other state obligations in the aggregate. The maximum maturity may not exceed five years.

4. **Other State Obligations**

   Registered treasury notes or bonds of any of the other 49 United States in addition to California, including general obligation bonds or 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 the other 49 United States, in addition to California, provided that such obligations are rated in a rating category of "A" or its equivalent or better by at least one NRSRO. No more than 5 percent of the portfolio may be invested in any single issuer. No more than 30 percent of the portfolio may be invested in other state obligations and California State and Local Agency Obligations in the aggregate. The maximum maturity may not exceed five years.

5. **Bankers Acceptances**

   Time drafts or bills of exchange that are drawn on and accepted by a commercial bank and brokered to investors in the secondary market. Purchasers are limited to issuers whose short-term debt is rated in the highest short-term rating category by a NRSRO. Banker's acceptances cannot exceed a maturity of 180 days. A maximum of 40% of the City's portfolio may be invested in this category.

6. **Commercial paper**

The City may purchase commercial paper with short-term ratings of "A-1" or the equivalent or higher by a NRSRO. Long-term ratings, if any, must be "A" category or its equivalent or higher by a NRSRO. The entity that issues the commercial paper shall meet all the following conditions in either paragraph (A) or paragraph (B):

(A) The entity meets the following criteria: (i) Is organized and operating in the United States as a general corporation. (ii) Has total assets of more than five hundred million dollars ($500,000,000). (iii) Has debt other than commercial paper, if any, that is rated in the "A" category or its equivalent or higher by a NRSRO

(B) The entity meets the following criteria: (i) Is organized within the United States as a special purpose corporation, trust, or limited liability company. (ii) Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond. (iii) Has commercial paper that is rated "A-1" or higher, or the equivalent, by a NRSRO.

Eligible commercial paper shall have a maximum maturity of 270 days or less and not represent more than 10 percent of the outstanding paper of an issuing corporation. A maximum of 25 percent of the City's portfolio may be invested in this category. Under a provision sunsetting on January 1, 2026, no more than 40 percent of the portfolio may be invested in Commercial Paper if the City's investment assets under management are greater than $100,000,000.

7. **Negotiable Certificates of Deposit (NCDs)**

Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a state or federally licensed branch of a foreign bank. Amounts of the NCD insured up to the FDIC limit do not require any credit rating. Any amount above the FDIC insured limit which has short-term ratings of "A-1" or its equivalent or higher by a NRSRO; or long-term obligations rated in a category of "A" or its equivalent or higher by a NRSRO may be purchased. A maximum of 30 percent of the City's portfolio may be invested in this category. No more than 5 percent of the portfolio may be invested in any single issuer.

8. **Time Deposits**

The City may invest in non-negotiable time deposits (CDs) that are FDIC insured or fully collateralized in financial institutions located in California, including United States branches of foreign banks licensed to do business in California.

To be eligible for purchase, the financial institution must have received a minimum overall satisfactory rating for meeting the credit needs of California Communities in its most recent evaluation, as provided Government Code Section 53635.2. Purchases are further limited to financial institutions meeting all capital requirements and rated in one of the three highest rating categories by an NRSRO organization. All time deposits must be collateralized in accordance with California Government Code sections 53650 et. seq. The City, at its discretion, may waive the collateralization requirements for any portion of the deposit that is covered by federal insurance. The maximum maturity of a time certificate of deposit shall not exceed 1 year. A maximum of 30 percent of the City's portfolio may be invested in this category.

9. **Repurchase Agreements**

The City may enter into repurchase agreements with primary government securities dealers rated in one of the three highest categories by two NRSROs. Counterparties should also have (i) a short-term credit rating in the highest category; (ii) minimum assets and capital size of $25 billion in assets and $350 million in capital; (iii) five years of acceptable audited financial results; and (iv) a strong reputation among market participants.

The following collateral restrictions will be observed: Only U.S. Treasury securities or Federal Agency securities will be acceptable collateral. All securities underlying repurchase agreements must be delivered to the City's custodian bank delivery versus payment or be handled under a properly executed tri-party repurchase agreement. The total market value of all collateral for each repurchase agreement must equal or exceed 102 percent of the total dollar value of the money invested by the City for the term of the investment. For any repurchase agreement with a term of more than one day, the value of the underlying securities must be reviewed on a weekly basis according to market conditions. Since the market value of the underlying securities is subject to daily market fluctuations, the investment in repurchase agreements shall comply if the value of the underlying securities is brought back up to 102 percent no later than the next business day. Market value must also be calculated each time there is a substitution of collateral.

The City or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to repurchase agreement. The City shall have properly executed a master repurchase agreement with each counter party with which it enters into repurchase agreements. Repurchase agreements are to be used solely as short-term investments not to exceed 90 days. A maximum of 15 percent of the City's portfolio may be invested in this category.

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. Purchases are limited to securities rated in a rating category of "A" or its equivalent or better by at least one NRSRO. A maximum of 30 percent of the City's portfolio may be invested in this category. No more than 5% of the portfolio may be invested in any single issuer.

11. Asset-Backed Securities

A mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond from issuers not defined in subsections 1 and 2 of the Eligible Investments Section, of a legal final maturity not exceeding five years. Securities eligible for investment under this subdivision must be rated in in a rating category of “AA” or its equivalent or better by a NRSRO. A maximum of 20 percent of the City’s portfolio may be invested in this category. No more than 5% of the portfolio may be invested in any single Asset-Backed or Commercial Mortgage security issuer.

12. Supranational Securities

United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Securities eligible for investment under this subdivision must be rated in a rating category of “AA” or its equivalent or better by a NRSRO. A maximum of 30 percent of the City’s portfolio may be invested in this category. No more than 10% of the portfolio may be invested in any single issuer.

13. Money Market Funds

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.). To be eligible for purchase, the company shall have met either of the following criteria:

(A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs.

(B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of $500,000,000.

A maximum of 20 percent of the City’s portfolio may be invested in this category (10 percent limit per fund).

14. State of California’s Local Agency Investment Fund (LAIF)

The Local Agency Investment Fund was established by the State to enable local agency treasurers to place funds in a pool for investment (California Government Code Section 16429.1 et seq.). The City uses this investment vehicle for short-term liquidity, investment, and yield when rates are declining.

Funds are available on demand and interest is paid quarterly. The City may invest up to the maximum permitted by LAIF.

15. ~~**California Asset Management Program (CAMP)**~~**Local Government Investment Pools**

Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code Section 6509.7 that invests the securities and obligations authorized in subdivisions (a) to (n), inclusive, of Government Code Section 53601.

IX. Investment Pools/Mutual Funds

The City shall conduct a thorough investigation of any pool or mutual fund prior to making an investment, and on a continual basis thereafter. The Finance Director shall develop a questionnaire which will answer the following general questions:

- A description of eligible investment securities, and a written statement of investment policy and objectives.
- A description of interest calculations and how it is distributed, and how gains and losses are treated.
- A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
- A description of who may invest in the program, how often, and what size deposit and withdrawal are allowed.
- A schedule for receiving statements and portfolio listings.
- Are reserves, retained earnings, etc. utilized by the pool/fund?
- A fee schedule, and when and how it is assessed.
- Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

X. DIVERSIFICATION AND RISK MANAGEMENT

Mitigating Credit Risk in the Portfolio

Credit risk is the risk that a security or a portfolio will lose some or all its value due to a real or perceived change in the ability of the issuer to repay its debt. The City will mitigate credit risk by adopting the following strategies:

- The diversification requirements included in the "Authorized Investments" section of this policy are designed to mitigate credit risk in the portfolio.

- No more than 5% of the total portfolio may be deposited with or invested in securities issued by any single issuer unless otherwise specified in this policy.

- The City may elect to sell a security prior to its maturity and record a capital gain or loss in order to manage the quality, liquidity or yield of the portfolio in response to market conditions or Agency's risk preferences.

- If a security owned by the City is downgraded to a level below the requirements of this policy, making the security ineligible for additional purchases, the following steps will be taken:
  - Any actions taken related to the downgrade by the investment manager will be communicated to the Finance Director in a timely manner.
  - If a decision is made to retain the security, the credit situation will be monitored and reported to the City Council.

Mitigating Market Risk in the Portfolio

Market risk is the risk that the portfolio value will fluctuate due to changes in the general level of interest rates. The City recognizes that, over time, longer-term portfolios have the potential to achieve higher returns. On the other hand, longer-term portfolios have higher volatility of return. The City will mitigate market risk by providing adequate liquidity for short-term cash needs, and by making longer-term investments only with funds that are not needed for current cash flow purposes.

The City further recognizes that certain types of securities, including variable rate securities, securities with principal paydowns prior to maturity, and securities with embedded options, will affect the market risk profile of the portfolio differently in different interest rate environments. The Agency, therefore, adopts the following strategies to control and mitigate its exposure to market risk:

- The City will maintain a minimum of six months of budgeted operating expenditures in short-term investments to provide sufficient liquidity for expected disbursements.
- The maximum stated final maturity of individual securities in the portfolio will be five (5) years as measured from date of trade settlement, except as otherwise stated in this policy.
- The duration of the portfolio will generally be approximately equal to the duration (typically, plus or minus 20%) of a Market Benchmark, an index selected by the City based on the City's investment objectives, constraints and risk tolerances. Maximum maturities may not exceed five years.

XI. MAXIMUM MATURITY

The City's cash management system is fully designed to accurately monitor and forecast revenues and expenditures thus enabling the City to invest funds possible. To the extent possible, the City will attempt to match investments with anticipated cash flow requirements. Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds.

Where this Policy does not specify a maximum remaining maturity at the time of the investment, no investment shall be made in any security, other than a security underlying a repurchase agreement, that at the time of the investment has a term remaining to maturity in excess of five years as measured from date of trade settlement, unless the City Council has granted express authority to make that investment either specifically or as a part of an investment program approved by the City Council no less than three months prior to the investment.

XII. INELIGIBLE INVESTMENTS

Investments not described herein, including but not limited to common stocks and financial futures contracts and options, are prohibited in this fund. The City shall not invest any funds in inverse floaters, range notes, mortgage derived interest-only strips or in any security that could result in zero interest accrual if held to maturity. The purchase of any security not listed in Section 8 above, but permitted by the California Government Code, is prohibited unless the City Council approves the investment specifically or as a part of an investment program approved by the City Council. Securities with a trade settlement period longer than 45 days are prohibited.

XIII. BANKS AND SECURITIES DEALERS

The Finance Director shall maintain a list of authorized broker/dealers and financial institutions, which are approved for investment purposes. It shall be the City's policy to purchase securities only from those authorized institutions and firms. The City shall annually send a copy of the current investment policy to all dealers approved to do business with the City. Each broker dealer or financial institution that has been authorized by the City shall be required to submit the firm's most recent financial statement. If an investment advisor is used, they may use their own list of approved broker/dealers and financial institutions for investment purposes.

XIV. SAFEKEEPING AND CUSTODY

All security transactions entered by the City shall be conducted on a delivery-versus-payment (DVP) basis. All cash and securities in the City's portfolio, including those that are managed by an investment advisor, shall be held in safekeeping in the City's name by a third-party bank trust department, acting as agent for the City under the terms of a custody agreement executed by the bank and the City. The only exception to the foregoing shall be depository accounts and securities purchases made with: (i) local government investment pools; (ii) time certificates of deposit, and, (iii) money market mutual funds, since the purchased securities are not deliverable. Evidence of each of these investments will be held in the Treasury vault. The safekeeping institution shall annually provide a copy of their most recent report on internal controls (Statement of Auditing Standards No. 70, or SAS 70).

XV. PERFORMANCE STANDARDS

The investment portfolio will be designed to obtain a market-average rate of return during budgetary and economic cycles, considering the City's investment risk constraints and cash flow needs.

XVI. REPORTING REQUIREMENTS

A Quarterly Investment report shall be provided to the City Council, City Manager, and Finance Director.

1. A quarterly investment report will be submitted within 60 days following the period being reported to the City Council. Reports of the investment of bond proceeds are issued monthly by the Trustee and are included in the quarterly report of the pooled investment fund. The quarterly investment report shall include information on the following:
   - Type of Investment
   - Issuer
   - Date of Maturity
   - Par and dollar amount invested on all securities
   - Current market value of each security and the source of the valuation
   - Credit quality of each investment, as determined by one or more nationally recognized credit rating services
   - Listing of investment transactions for the quarter being reported upon.
   - Statement that portfolio follows investment policy, or the way the portfolio is not in compliance
   - Statement denoting ability of City to meet its expenditure requirements for the next six months, or provide enough explanation why money is not available

XVII. INVESTMENT POLICY REVIEW

The Finance Director shall periodically submit to the City Council a statement of investment policy outlining any proposed changes, which the City Council must consider at a public meeting.

Glossary of Terms

Accrued Interest: Interest earned but not yet received.

Active Deposits: Funds which are immediately required for disbursement.

Amortization: An accounting practice of gradually decreasing (increasing) an asset's book value by spreading its depreciation (accretion) over a period.

Annual Comprehensive Financial Report (ACFR): The official annual financial report for public sector entities/companies. It includes five combined statements and basic financial statements for each individual fund and account group prepared in conformity with Generally Accepted Accounting Principles (GAAP).

Arbitrage: Transactions by which securities are bought and sold in different markets at the same time for the sake of the profit arising from a yield difference in the two markets.

Asked Price: The price a broker/dealer offers to sell securities.

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

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

Basis Point: One basis point is one hundredth of one percent (.01).

Bid Price: The price a broker/dealer offers to purchase securities.

Bond: A financial obligation for which the issuer promises to pay the bondholder a specified stream of future cash flows, including periodic interest payments and a principal repayment.

Book Entry: The system maintained by the Federal Reserve, by which most money market securities are delivered to an investor's custodial bank. The Federal Reserve maintains a computerized record of the ownership of these securities and records any changes in ownership corresponding to payments made over the Federal Reserve wire (delivery versus payment.)

Book Value: The value at which a debt security is shown on the holder's balance sheet. Book value is acquisition cost less amortization of premium or accretion of discount.

Broker: A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides; he does not take a position. In the money market, brokers are active in markets in which banks buy and sell money and in interdealer markets.

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.

Certificate of Deposit (CD): A time deposit with a specific maturity evidenced by a Certificate. Large-denomination CDs are typically negotiable.

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

Commercial Paper: A short-term, unsecured, and negotiable promissory note with a fixed maturity of no more than 270 days. By statute, these issues are exempt from registration with the U.S. Securities and Exchange Commission.

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: The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value.

Credit Analysis: A critical review and appraisal of the economic and financial conditions or of the ability to meet debt obligations.

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

Current Yield: The interest paid on an investment expressed as a percentage of the current price of the security.

Custodian: A bank or other financial institution that keeps custody of stock certificates and other assets.

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

Debenture: A bond secured only by the general credit of the issuer.

Defeased Bond Issues: Issues that have sufficient money to retire outstanding debt when due so that the agency is released from the contracts and covenants in the bond document.

Delivery versus Payment: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt (also called free delivery). Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

Derivative: Securities that are based on, or derived from, some underlying asset, reference date, or index.

Discount: The difference between the cost of a security and its value at maturity when quoted at lower than face value.

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

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.

Face Value: The principal amount owed on a debt instrument. It is the amount on which interest is computed and represents the amount that the issuer promises to pay at maturity.

Fair Value: The amount at which a security could be exchanged between willing parties, other than in a forced or liquidation sale. If a market price is available, the fair value is equal to the market value.

Federal Farm Credit Bank (FFCB): Government-sponsored institution that consolidates the financing activities of the Federal Land Banks, the Federal Intermediate Credit Banks and the Banks for Cooperatives. Its securities do not carry direct U. S. Government guarantees.

Federal Funds Rate: The rate of interest at which Federal funds are traded. This rate is considered the most sensitive indicator of the direction of interest rates, as it is currently pegged by the Federal Reserve through open-market operations.

Federal Home Loan Banks (FHLB): Government sponsored wholesale banks, which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac): Established in 1970 to help maintain the availability of mortgage credit for residential housing. FHLMC finances these operations by marketing guaranteed mortgage certificates and mortgage participation certificates. Its discount notes and bonds do not carry direct U.S. Government guarantees.

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

Federal Open Market Committee (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

Federal Reserve System: The central bank of the U.S., which consists of seven-member Board of Governors, 12 regional banks, and about 5,700 commercial banks that are members.

Fitch IBCA, Inc. (Fitch): One of the three best-known rating agencies in the United States, the others being Moody's Investment Service, Inc. and Standard and Poor's Corporation.

Government Accounting Standards Board (GASB): A standard-setting body, associated with the Financial Accounting Foundation, which prescribes standard accounting practices for governmental units.

Government National Mortgage Association (GNMA or Ginnie Mae): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by FHA or VA mortgages. The term pass-through is often used to describe Ginnie Maes.

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."

Guaranteed Investment Contracts (GICS): An agreement acknowledging receipt of funds, for deposit, specifying terms for withdrawal, and guaranteeing a rate of interest to be paid.

Inactive Deposits (Idle Funds): Funds not immediately needed for disbursement.

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.

Interest Rate Risk: The risk of gain or loss in market values of securities due to changes in interest-rate levels. For example, rising interest rates will cause the market value of portfolio securities to decline.

Inverse Floating Rate Note: A debt security with an interest rate stated as a fixed rate minus an index. This calculation causes the rate on the inverse floater to move in the opposite direction of general interest rates. This instrument generally performs well in a declining interest rate environment but will lose value if rates rise.

Liquidity: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between the bid and asked prices is narrow and reasonable size can be done at those quotes.

Local Agency: County, City, City and County, including a chartered city or county, school district, community college district, public district, or any public or municipal corporation.

Local Agency Investment Fund (LAIF): An investment pool managed by the California State Treasurer. Local government units, with consent of the governing body of that agency, may voluntarily deposit surplus funds for the purpose of investment. Interest earned is distributed by the State Controller to the participating governmental agencies on a quarterly basis.

Make whole call: A type of call provision on a bond that allows the issuer to pay off the remaining debt early. Unlike a call option, with a make whole call provision, the issuer makes a lump sum payment that equals the net present value (NPV) of future coupon payments that will not be paid because of the call. With this type of call, an investor is compensated, or "made whole."

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: Systematic risk of a security that is common to all securities of the same general class (stocks, bonds, notes, money market instruments) and cannot be eliminated by diversification (which may be used to eliminate non-systematic risk).

Market Value: The price at which a security is trading and could presumably be sold.

Master Repurchase Agreement: A written contract covering all future transactions between the parties to repurchase agreements and reverse repurchase agreements that establish each person's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

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

Medium Term Notes: Instruments 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.

Modified Duration: A measure of exposure to market risk of a security or a portfolio. It is the percent change in the price of a security (portfolio) or a 100-basis point change in the security's (portfolio's) yield.

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

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).

Moody's: Moody's Investment Service, Inc. One of the three best-known rating agencies in the United States, the others being Standard and Poor's Corporation (S&P) and Fitch IBCA, Inc. (Fitch).

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.

National Recognized Statistical Rating Organization (NRSRO)::
A rating organization designated by the SEC as being nationally recognized, such as Moody's Investor Service, Inc. (Moody's), Standard & Poor's (S&P), and Fitch Ratings (Fitch).

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. [(Total assets) - (Liabilities)] / (Number of shares outstanding)

Negotiable Certificate of Deposit: A large denomination certificate of deposit, which can be sold in the open market prior to maturity.

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."

New Issue: Term used when a security is originally "brought" to market.

Note: A written promise to pay a specified amount to a certain entity on demand or on a specified date.

Open Market Operations: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the Federal Open Market Committee, (FOMC), to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit: Sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

Par Value: The amount of principal that must be paid at maturity. Also referred to as the face amount of a bond, normally quoted in $1,000 increments per bond.

Portfolio: Collection of securities held by an investor.

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

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

Principal: The face value or par value of a debt instrument, or 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 that typically includes 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 (also known as an "official statement").

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

Purchase Date: The date in which a security is purchased for settlement on that or a later date.

Range Note: A debt security with a varied interest payment that depends on the number of days the designated index falls within (or in some cases outside) an established range of interest rates. Should rates move beyond the range on either end, the investor faces the risk of a reduced or zero interest payment for the applicable interest period.

Rate of Return: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

Rating Agency: Nationally recognized credit rating agency such as Fitch, Moody's or S&P.

Rating Category: A credit rating assignment by a Rating Agency shall mean (a) with respect to any long-term rating category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier, and (b) with respect to any short-term or commercial paper rating category, all ratings designated by a particular letter or combination of letters and taking into account any numerical modifier, but not any plus or minus sign or other modifier.

Repurchase Agreement (RP or Repo): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement and the terms of the agreement are structured to compensate the buyer for this. Dealers use RP extensively to finance their positions. Exception: when the Fed is said to be doing RP, it is lending money, which is increasing bank reserves.

Reverse Repurchase Agreement (Reverse Repo): A counter party (e.g. investment dealer) buys the securities from the holder of securities (e.g. the Agency) with an agreement to sell them back at a fixed date. The counter party in effect lends the seller, (e.g. the Agency) money for the period of the agreement with terms of the agreement structured to compensate buyer.

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

Secondary Market: A market for the repurchase and resale of outstanding issues following the initial distribution.

Securities: Investment instruments such as notes, bonds, stocks, money market instruments and other instruments of indebtedness of equity.

Sec Rule 15C3:1: See Uniform Net Capital Rule.

Securities and Exchange Commission: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

Settlement Date: The date on which a trade is cleared by delivery of securities against funds.

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.

Spread: The difference between two figures or percentages. It may be the difference between the bid (price at which a prospective buyer offers to pay) and asked (price at which an owner offers to sell) prices of a quote, or between the amount paid when bought and the amount received when sold.

Standard and Poor's Corporation (S&P): One of the three best-known rating agencies in the United States, the others being Moody's Investment Service, Inc. and Fitch IBCA, Inc. (Fitch).

Strip (Bonds): Brokerage-house practice of separating a bond into its principal and interest, which are then sold as zero-coupon bonds.

Supranationals: Multi-national organizations whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in member countries.

Swap: An agreement between two parties (known as counterparties) where one stream of future interest payments is exchanged for another based on a specified principal amount.

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.

Time Certificate of Deposit: A non-negotiable certificate of deposit, which cannot be sold prior to 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. (Price Appreciation) + (Dividends paid) + (Capital gains) = Total Return

Treasury Bills: A noninterest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months or one year.

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

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

Trustee or trust company or trust department of a bank: A financial institution with trust powers which acts in a fiduciary capacity for the benefit of the bondholders in enforcing the terms of the bond contract.

Underwriter: A dealer which purchases a new issue of municipal securities for resale.

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

U.S. Government Agencies: Instruments issued by various U.S. Government Agencies most of which are secured only by the credit worthiness of the agency.

U.S. Treasury Obligations: Debt obligations of the United States Government sold by the Treasury Department in the forms of Bills, Notes, and Bonds. Bills are short-term obligations that mature in 1 year or less and are sold based on a rate of discount. Notes are obligations that mature between 1 year and 10 years. Bonds are long-term obligations that generally mature in 10 years or more.

Weighted Average Maturity (WAM): The average maturity of all the securities that comprise a portfolio that is typically expressed in days or years.

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

Yield to Maturity: The rate of income returns on an investment, minus any premium or plus any discount, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond, expressed as a percentage.

Yield Curve: A graphic representation that shows the relationship at a given point in time between yields and maturity for bonds that are identical in every way except maturity.

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.

OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR
65 Civic Avenue
Pittsburg, CA 94565

TO: Mayor and Council Members

FROM: Garrett Evans, City Manager

SUBJECT: Adoption of a City Council Resolution Approving the Appropriations Limit for Fiscal Year 2024/25 in Accordance the Gann Initiative

MEETING DATE: June 17, 2024

EXECUTIVE SUMMARY

In November 1979, the voters of California approved Proposition 4, commonly known as the Gann Initiative, which created Article XIII B of the State Constitution, placing limits on the amount of revenue which can be appropriated by all government entities in any fiscal year (FY). This legislation mandates all governing bodies, including the City of Pittsburg, to annually establish the appropriations limit.

FISCAL IMPACT

Approval of the FY 2024/25 Appropriations Limit has no impact to the City of Pittsburg's budget. The FY 2024/25 Appropriations Limit is $218,697,177 and will exceed the General Fund estimated spending plan of $67,286,866.

RECOMMENDATION

City Council adopt the Resolution approving the FY 2024/25 Appropriations Limit in Accordance with the Gann Initiative.

BACKGROUND

Article XIII B of the State Constitution (Government Code Section 7910 (a)) was enacted and it requires that each year, the governing body of each local jurisdiction shall, by resolution, establish its appropriations limit for the following fiscal year. The determination of the appropriations limit is considered to be a legislative act and should be adopted at a regular City Council meeting.

Proposition 111, approved by California voters in 1990, amended Article XIII B, specifying that the annual adjustment factors in calculating the appropriations limit will be increased by:

- The change in population growth for the City or County (whichever is higher)
- The change in California Per Capita Personal Income (cost-of-living)

SUBCOMMITTEE FINDINGS

This item was not presented to the Finance Management Subcommittee.

STAFF ANALYSIS

The population growth factor from FY 2023/24 to FY 2024/25 are 1.0012 for the County Population and 1.0047 for the City Population, which happens to be the larger of the two. The cost-of-living growth factor from FY 2023/24 to FY 2024/25 is 1.0362. To determine the increase in the appropriations limit for FY 2024/25, the larger population growth factor is multiplied by the cost-of-living growth factor and the product is multiplied by the FY 2023/24's Appropriation Limit. Exhibit A to this staff report demonstrates how the calculation is made.

The Appropriations subject to limitation for FY 2024/25 is $67,286,866 against the calculated limit of $218,697,177.

ATTACHMENTS: Resolution
California Department of Finance Letter Dated April 30, 2024
GANN Calculation

Report Prepared By: Laura Mendez, Senior Financial Reporting Analyst

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Approving the Appropriations Limit for)
the Fiscal Year 2024/25 in Accordance) RESOLUTION NO. 24-
with California Constitution Article XIII B)

WHEREAS, in November 1979, the voters of California approved Proposition 4, creating Article XIII B of the California Constitution and establishing expenditure limits for local jurisdictions; and

WHEREAS, Government Code Section 7910 (a) requires the City of Pittsburg to annually adopt a resolution establishing its appropriations limit for the following fiscal year; and

WHEREAS, Proposition 111 amended Article XIII B in 1990, specifying that the annual adjustment factors in calculating the appropriations limit will be increased by: (1) the change in population growth for the City or County (whichever is higher) and the change in California Per Capita Personal Income; and

WHEREAS, the Senior Financial Analyst – Reporting has made the calculations pursuant to the law and concludes that the appropriations subject to limitation is $218,697,177; and

WHEREAS, pursuant to the law, the calculations have been made available to the public for two (2) weeks prior to the date of the adoption of this resolution. A copy of the calculation has been and is on file in the City of Pittsburg Finance Department.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Pittsburg hereby establishes the Fiscal Year 2024/25 Appropriations Limit at $218,697,177 using the City's Population Change and the change in the California per Capita Personal Income factors.

PASSED AND ADOPTED by the City Council of the City of Pittsburg at a regular meeting on the 17th of June 2024, by the following vote:

AYES:
NOES:
ABSTAINED:
ABSENT:

____
Juan Antonio Banales, Mayor

ATTEST:

____
Alice E. Evenson, City Clerk

DEPARTMENT OF
FINANCE
OFFICE OF THE DIRECTOR

Gavin Newsom ■ Governor
1021 O Street, Suite 3110 ■ Sacramento CA 95814 ■ www.dof.ca.gov

April 30, 2024

Dear Fiscal Officer:

Price Factor and Population Information

Appropriations Limit
California Revenue and Taxation Code section 2227 requires the Department of Finance to transmit an estimate of the percentage change in population to local governments. Each local jurisdiction must use their percentage change in population factor for January 1, 2024, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2024-25. Attachment A provides the change in California's per capita personal income and an example for utilizing the factors to calculate the 2024-25 appropriations limit. Attachment B provides the city and unincorporated county population percentage change. Attachment C provides the population percentage change for counties and their summed incorporated areas. The population percentage change data excludes federal and state institutionalized populations and military populations.

Population Percent Change for Special Districts
Some special districts must establish an annual appropriations limit. California Revenue and Taxation Code section 2228 provides additional information regarding the appropriations limit. Article XIII B, section 9(C) of the California Constitution exempts certain special districts from the appropriations limit calculation mandate. Special districts required by law to calculate their appropriations limit must present the calculation as part of their annual audit. Any questions special districts have on this requirement should be directed to their county, district legal counsel, or the law itself. No state agency reviews the local appropriations limits.

Population Certification
The population certification program applies only to cities and counties. California Revenue and Taxation Code section 11005.6 mandates Finance to automatically certify any population estimate that exceeds the current certified population with the State Controller's Office. **Finance will certify the higher estimate to the State Controller by June 1, 2024.** Please note: The prior year's city population estimates may be revised. The per capita personal income change is based on historical data.

If you have any questions regarding this data, please contact the Demographic Research Unit at (916) 323-4086.

/s Richard Gillihan

RICHARD GILLIHAN
Chief Operating Officer

Attachment

A. **Price Factor**: Article XIII B specifies that local jurisdictions select their cost of living factor to compute their appropriation limit by a vote of their governing body. The cost of living factor provided here is per capita personal income. If the percentage change in per capita personal income is selected, the percentage change to be used in setting the fiscal year 2024-25 appropriation limit is:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2024-25	3.62

B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2024-25 appropriation limit.

2024-25:

Per Capita Cost of Living Change = 3.62 percent
Population Change = 0.17 percent

Per Capita Cost of Living converted to a ratio: $\frac{3.62 + 100}{100} = 1.0362$

Population converted to a ratio: $\frac{0.17 + 100}{100} = 1.0017$

Calculation of factor for FY 2024-25: 1.0362 x 1.0017 = 1.0379

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
Contra Costa				
Antioch	0.30	115,282	115,632	115,632
Brentwood	0.49	64,496	64,811	64,811
Clayton	-0.04	10,687	10,683	10,683
Concord	-0.12	121,663	121,513	121,513
Danville	-0.40	42,736	42,567	42,567
El Cerrito	1.15	25,409	25,700	25,700
Hercules	-0.53	26,202	26,063	26,063
Lafayette	-0.06	24,823	24,808	24,808
Martinez	0.04	36,425	36,439	36,439
Moraga	-0.44	16,858	16,784	16,784
Oakley	1.80	44,929	45,736	45,736
Orinda	-0.21	19,231	19,191	19,191
Pinole	-0.47	18,278	18,192	18,192
Pittsburg	0.47	74,736	75,085	75,085
Pleasant Hill	-0.28	33,447	33,352	33,352
Richmond	-0.34	113,122	112,735	112,735
San Pablo	-0.24	31,163	31,088	31,088
San Ramon	-0.28	82,754	82,525	82,525
Walnut Creek	0.61	69,010	69,433	69,433
Unincorporated	0.15	174,023	174,289	174,289
County Total	0.12	1,145,274	1,146,626	1,146,626

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

Attachment C

Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024

County	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	1-1-24
Alameda			
Incorporated	-0.48	1,500,626	1,493,403
County Total	-0.54	1,648,369	1,639,409
Alpine			
Incorporated	0.00	0	0
County Total	-0.34	1,183	1,179
Amador			
Incorporated	-0.80	13,813	13,703
County Total	-0.89	36,091	35,770
Butte			
Incorporated	1.61	144,871	147,197
County Total	-0.32	206,579	205,928
Calaveras			
Incorporated	-0.47	3,604	3,587
County Total	-0.15	44,853	44,786
Colusa			
Incorporated	-0.18	11,997	11,975
County Total	-0.40	21,831	21,743
Contra Costa			
Incorporated	0.11	971,251	972,337
County Total	0.12	1,145,274	1,146,626
Del Norte			
Incorporated	0.52	4,019	4,040
County Total	-0.08	24,787	24,768
El Dorado			
Incorporated	0.32	31,220	31,320
County Total	0.26	187,974	188,463

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

City of Pittsburg Fiscal Year 2024-25
Gann Appropriations Limit Calculations

		City Population Change	County Population Change
Population Change as of January 1, 2024		1.0047 [1]	1.0012 [1]

		Per Capita Change
Cost of Living FY 2024-25		1.0362 [1]
FY 24-25 Gann Limit Growth Factor		
-Larger of County and City Population		1.0047
-Per Capita Cost of Living Change	x	1.0362
INCREASE in City's Appropriations Limit for FY 2024-25		**1.041070**
FY 2023-24 Appropriations Limit		$ 210,069,618
Growth Factor	x	1.041070
FY 2024-25 APPROPRIATIONS LIMIT		**$ 218,697,177**

NOTE:
(1) California Department of Finance Letter Dated April 30. 2024

OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR
65 Civic Avenue
Pittsburg, CA 94565

TO: Mayor and Council Members

FROM: Garrett Evans, City Manager

SUBJECT: Adoption of a City Council Resolution Authorizing the City Manager to Execute a Contract with Thatcher Company of California, Inc. for Water Treatment Plant Chemical Supply – Liquid Chlorine

MEETING DATE: June 17, 2024

EXECUTIVE SUMMARY

The Public Works Department is responsible for the maintenance and operation of the City's Water Treatment Plant and each year solicits bids for necessary chemical supplies. If approved, the resolution will authorize a purchase contract with vendor Thatcher Company of California, Inc. (Thatcher) as the only responsive bidder for Liquid Chlorine in the amount of $125,000.

FISCAL IMPACT

These funds are scheduled to be approved in the Fiscal Year 2024/25 budget for the purchase of liquid chlorine chemical supplies for the water treatment plant (501-44111).

RECOMMENDATION

Staff recommends the City Council adopt the attached Resolution authorizing the City Manager to execute a contract with Thatcher in the amount of $125,000 for Water Treatment Plant (WTP) Chemical Supply – Liquid Chlorine.

BACKGROUND

The Public Works Department manages, operates, and maintains the City's 32 million gallon per day water treatment plant, eight distribution reservoirs, nine pumping stations and two wells, to reliably provide quality drinking water that meets or exceeds all federal and state requirements. Chemicals such as Liquid Chlorine are needed in the water treatment process.

The Bay Area Chemical Consortium (BACC) is a group of water and wastewater agencies in the Bay Area working together to purchase chemicals by combining bid solicitations. Combined bid solicitations offer vendors an opportunity to sell greater quantities of their products. As a result, the 50 participating agencies, including the City, can usually obtain lower prices as a group than by bidding alone. The City has received significant savings for chemical purchases through its participation with BACC.

SUBCOMMITTEE FINDINGS

This item was not presented to a subcommittee.

STAFF ANALYSIS

Bids for the supply and delivery of Liquid Chlorine in the North Bay region were received by the BACC in February for the period of July 1, 2024, through June 30, 2025. The cost is $2,490.00 per one-ton cylinder. From past use of Liquid Chlorine at the WTP, staff estimates the cost of this chemical will total about $125,000 for the year. Pursuant to the bid request, Thatcher is the only responsive bidder.

Staff recommends the City Council authorize the City Manager to execute a contract for purchase of Liquid Chlorine in the amount of $125,000 with Thatcher.

ATTACHMENTS: Resolution
Bid Tabulation

Report Prepared By: Alexandria Augustine, Public Works Administrative Assistant

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Authorizing the City Manager to Execute a)
Contract for the Water Treatment)
Chemical Supply- Liquid Chlorine)

RESOLUTION NO. 24-

WHEREAS, the Public Works Department is responsible to operate and maintain the City's Water Treatment Plant; and,

WHEREAS, Liquid Chlorine is an essential chemical to treat and provide drinking water to the residents of Pittsburg; and

WHEREAS, the Public Works Department solicits bids through the Bay Area Chemical Consortium for Water Treatment Plant Chemical Liquid Chlorine each Fiscal Year; and

WHEREAS, Thatcher Company of California, Inc., was the only responsive bidder for all local regions; and

WHEREAS, funding is scheduled to be approved in the Fiscal Year 2024/25 budget for the purchase of Liquid Chlorine for the Water Treatment Plant.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Pittsburg hereby authorizes the City Manager to execute a purchase contract with Thatcher Company of California, Inc. in the amount of $125,000 for Liquid Chlorine Chemical Supply for Fiscal Year 2024/25.

PASSED AND ADOPTED by the City Council of the City of Pittsburg at a regular meeting on the 17th day of June 2024, by the following vote:

AYES:
NOES:
ABSTAINED:
ABSENT:

____
Juan Antonio Banales, Mayor

ATTEST:

____
Alice E. Evenson, City Clerk

Bay Area Clean Water Agencies
Bid Results for Project 10-2024 LIQUID CHLORINE
Bid Due on February 22, 2024 4:00 PM (PT)
Addendum Issue: None
SINGLE BID AWARD

Item #		Thatcher Company of California, Inc.
	BACC RECOMMENDATION	Lowest Responsive Responsible Bidder
1	Received via bid platform by bid deadline above	x
2	Bids submitted on forms provided	x
3	Must include a base unit price for each geographic area	x
4	Additional charges for "short load" deliveries shown as a standard deviation on bid form	n
5	References: minimum of 3	x
6	Product Specification Deviations - if any, proposed specification must be attached	n
7	Fully Executed Standard Agreement	x
8	Fully Executed Non-Collusion Affidavit	x
9	For potable application only: Affidavit of Compliance to AWWA and/or NSF standard or Statement by chemical manufacturer, signed on letterhead attesting to the affidavit's validity or current printout from NSF.org	x
10	Representative lab analysis of the chemical prepared by reputable outside laboratory or ISO Certified	x
11	Name /Address of chemical manufacturer	ChemTrade (see below)
12	Product Bulletin and Typical Properties	x
13	Safety Data Sheet (SDS)	x
14	Addendum/Addenda Acknowledgement	N/A
15	Third Party Hauler? If applicable, name, address, Affidavit signed by Bidder	n
16	Specific Deviations Noted	NOT NOTED ON STANDARD AGREEMENT AS REQUIRED, BUT NOTED ON EXHIBIT "A" OF BID FORM: ADDITION TO TERMS AND CONDITIONS SECTION 4.1 INDEMNIFICATION (SEE SCREENSHOT BELOW)

11

11. Chemical Manufacturer's name and address (if different from Bidder):
Chemtrade Electrochem, Inc.
100 Amherst Avenue
No. Vancouver, BC V7H 1T9

16

SPECIFIC DEVIATIONS:

☐ This box must be checked if bidder has any proposed specific deviations. Per Section 2.12 Proposed Deviations from the Specifications by the Bidder, the absence of a proposed changed in the specifications will hold the bidder strictly accountable to the specifications as described in the bid document, including any addendum.

Describe the specific deviations below. A copy of the proposed specifications must be attached to this Standard Agreement at the time of submission, with bidder's name clearly shown on each document.

ADDITION TO TERMS AND CONDITIONS, SECTION 4, 4.1 INDEMNIFICATION: In no event shall either party be liable to the other for incidental, consequential, indirect, special, exemplary, or punitive damages (including, but not limited to, loss of profits) arising out of any breach of this Agreement or any of the obligations under this Agreement.

OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR
65 Civic Avenue
Pittsburg, CA 94565

TO: Mayor and Council Members

FROM: Garrett Evans, City Manager

SUBJECT: Adoption of a City Council Resolution Authorizing the City Manager to Execute a Contract with Chemtrade Chemicals for Water Treatment Chemical Supply – Aluminum Sulfate

MEETING DATE: June 17, 2024

EXECUTIVE SUMMARY

The Public Works Department is responsible for the maintenance and operation of the City's Water Treatment Plant (WTP) and each year solicits bids for necessary chemical supplies. If approved, the resolution will authorize a contract with vendor Chemtrade Chemicals US LLC as the responsive bidder for Aluminum Sulfate in the amount of $84,000.

FISCAL IMPACT

These funds are scheduled to be approved in the Fiscal Year 2024/25 budget for the purchase of Aluminum Sulfate chemical supplies for the water treatment plant (501-44111).

RECOMMENDATION

Staff recommends the City Council adopt the attached Resolution authorizing the City Manager to execute a contract with Chemtrade Chemicals US LLC in the amount of $84,000 for WTP Chemical Supply – Aluminum Sulfate.

BACKGROUND

The Public Works Department manages, operates and maintains the City's 32 million gallon per day WTP, eight distribution reservoirs, nine pumping stations and two wells, to reliably provide quality drinking water that meets or exceeds all federal and state requirements. Chemicals such as Aluminum Sulfate are needed in the water treatment process.

SUBCOMMITTEE FINDINGS

This item was not presented to a subcommittee.

STAFF ANALYSIS

The City's Public Works Department is part of the BACC. BACC is a group of water and wastewater agencies in the Bay Area working together to purchase chemicals by combining bid solicitations. Combined bid solicitations offer vendors an opportunity to sell greater quantities of their products. As a result, the 50 participating agencies, including the City, can usually obtain lower prices as a group than by bidding alone. The City has received significant savings for chemical purchases through its participation with BACC.

Bids for the supply and delivery of Aluminum Sulfate in the East Bay region were received by the BACC in February for the period of July 1, 2024 through June 30, 2025. Chemtrade Chemicals US LLC is the responsive bidder for Aluminum Sulfate. Based on past usage of Aluminum Sulfate at the WTP, staff estimates the cost of this chemical will total about $84,000 for the year.

Staff recommends the City Council authorize the City Manager to execute a contract for purchase of Aluminum Sulfate in the amount of $84,000 with Chemtrade Chemicals.

ATTACHMENTS: Resolution
Bid Results

Report Prepared By: Alexandria Augustine, Administrative Assistant

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Authorizing the City Manager to Execute a)
Contract for Water Treatment Chemical)
Supply - Aluminum Sulfate)

RESOLUTION NO. 24-

WHEREAS, the Public Works Department is responsible to operate and maintain the City's Water Treatment Plant; and,

WHEREAS, Aluminum Sulfate is an essential chemical to treat and provide drinking water to the residents of Pittsburg; and

WHEREAS, the Public Works Department solicits bids through the Bay Area Chemical Consortium for Water Treatment Plant Chemical Aluminum Sulfate each Fiscal Year; and

WHEREAS, Chemtrade Chemicals, Inc., was the most responsive bidder for all local regions; and

WHEREAS, funding is scheduled to be approved in the Fiscal Year 2024/25 budget for the purchase of Aluminum Sulfate chemical supplies for the Water Treatment Plant.

NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Pittsburg hereby authorizes the City Manager to execute a purchase contract with Chemtrade Chemicals, Inc. in the amount of $84,000 for Aluminum Sulfate Chemical Supply for FY 2024/25.

PASSED AND ADOPTED by the City Council of the City of Pittsburg at a regular meeting on the 17th day of June 2024, by the following vote:

AYES:

NOES:

ABSTAINED:

ABSENT:

____
Juan Antonio Banales, Mayor

ATTEST:

____

Alice E. Evenson, City Clerk

Bay Area Clean Water Agencies

Bay Area Clean Water Agencies
Bid Results for Project 01-2024 ALUMINUM SULFATE
Bid Due on February 22, 2024 4:00 PM (PDT)
SINGLE BID AWARD

Section	ALUMINUM SULFATE 44%-49% Liquid Solution					
Description	**Central Valley**	**East Bay**	**North Bay**	**Sacramento**	**South Bay**	**Tri Valley**
Unit of Measure	**gal**	**gal**	**gal**	**gal**	**gal**	**gal**
Univar Solutions USA Inc.	no bid		no bid	no bid	no bid	no bid
Chemtrade Chemicals, LLC US	0.8403	0.8403	0.8403	0.8403	0.8403	0.8403
Thatcher Company of California, Inc.	0.9100	0.9100	0.9100	0.8500	1.1100	0.9100

2.16 Method of Award
Bids may be awarded to the lowest responsive and responsible bidder meeting the specifications for bulk loads for the chemical. The lowest responsive bidder will be determined by multiplying the estimated annual quantity for each participating BACC agency by the bid price for their region and adding up the aggregate cost to all of the participating agencies in the regions. The single bid that results in the lowest overall cost to the participating agencies as a group will be determined by BACC to be the low bid,
assuming the bid is determined by BACC to be complete and in compliance with the bid requirements. BACC has the right to delete terms or options from the bid contract documents and reserves the right to reject any and all bids and to waive irregularities in said bids.

Single Bid Award	44% - 49% Liquid Solution							
Aggregate Cost Calculation:	**Central Valley**	**East Bay**	**North Bay**	**Sacramento**	**South Bay**	**Tri Valley**		
Estimated annual quantity	**210,788**	**160,000**	**1,215,900**	**1,231,000**	**750,000**	**902,000**		
Univar Solutions USA Inc.	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**		
Chemtrade Chemicals, LLC US	$177,125.16	$134,448.00	$1,021,720.77	$1,034,409.30	$630,225.00	$757,950.60	$3,755,878.83	overall lowest
Thatcher Company of California, Inc.	$191,817.08	$145,600.00	$1,106,469.00	$1,046,350.00	$832,500.00	$820,820.00	$3,951,739.00	

OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR
65 Civic Avenue
Pittsburg, CA 94565

TO: Mayor and Council Members

FROM: Garrett Evans, City Manager

SUBJECT: Adoption of a City Council Resolution to Authorize City Manager to Execute a Contract with Univar USA, Inc. for Water Treatment Plant Chemical Supply – Sodium Hydroxide

MEETING DATE: June 17, 2024

EXECUTIVE SUMMARY

The Public Works Department is responsible for the maintenance and operation of the City's Water Treatment Plant (WTP) and each year solicits bids for necessary chemical supplies. If approved, the resolution will authorize a purchase contract with vendor Univar USA, Inc. as the lowest responsible, responsive bidder for Sodium Hydroxide (Caustic Soda) in the amount of $225,000.

FISCAL IMPACT

These funds are scheduled to be approved in the Fiscal Year 2024/25 budget for the purchase of Sodium Hydroxide chemical supplies for the water treatment plant (501-44111).

RECOMMENDATION

Staff recommends the City Council adopt the attached Resolution authorizing the City Manager to execute a contract with Univar USA Inc. in the amount of $225,000 for WTP Chemical Supply – Sodium Hydroxide.

BACKGROUND

The Public Works Department manages, operates, and maintains the City's 32 million gallon per day WTP, eight distribution reservoirs, nine pumping stations and two wells, to reliably provide quality drinking water that meets or exceeds all federal and state requirements. Chemicals such as Sodium Hydroxide (Caustic Soda) are needed in the water treatment process.

SUBCOMMITTEE FINDINGS

This item was not presented to a subcommittee.

STAFF ANALYSIS

The City's Public Works Department is part of the BACC. BACC is a group of water and wastewater agencies in the Bay Area working together to purchase chemicals by combining bid solicitations. Combined bid solicitations offer vendors an opportunity to sell greater quantities of their products. As a result, the 50 participating agencies, including the City, can usually obtain lower prices as a group than by bidding alone. The City has received significant savings for chemical purchases through its participation with BACC.

Bids for the supply and delivery of Sodium Hydroxide in the East Bay region were received by the BACC in February for the period of July 1, 2024, through June 30, 2025. Based on past usage of Sodium Hydroxide at the WTP, staff estimates the cost of this chemical will total about $225,000 for the year.

Staff recommends the City Council authorize the City Manager to execute a contract for purchase of Sodium Hydroxide in the amount of $225,000 with Univar USA Inc.

ATTACHMENTS: Bid Response Table
Resolution

Report Prepared By: John Samuelson, Public Works Director

Bay Area Clean Water Agencies
Bid Results for Project 12-2024 SODIUM HYDROXIDE
Bid Due on February 22, 2024 4:00 PM (PT)
Number of Addendum Issued: One (1)

Item #	REGIONAL AWARD	Univar	Brenntag
	BACC RECOMMENDATION	**Sodium Hydroxide 20% Sacramento; Sodium Hydroxide 25% Sacramento, Central Valley; Sodium Hydroxide 30% North Bay, Sacramento; Sodium Hydroxide 50% Central Valley, East Bay, North Bay, Sacramento**	**Napa; Sodium Hydroxide 25% Marin Sonoma Napa,Peninsula, South Bay, Tri Valley; Sodium Hydroxide 30% Marin Sonoma Napa, South Bay; Sodium Hydroxide 50% Marin Sonoma Napa, Tri Valley**
1	Received via bid platform by bid deadline above	y	y
2	Bids submitted on forms provided	y	y
3	Must include a base unit price for each geographic area	y	y
4	Additional charges for "short load" deliveries shown as a standard deviation on bid form	yes - see below	n
5	References: minimum of 3	y	y
6	Product Specification Deviations - if any, proposed specification must be attached	yes - see below	n
7	Fully Executed Standard Agreement	y	y
8	Fully Executed Non-Collusion Affidavit	y	y
9	For potable application only: Affidavit of Compliance to AWWA and/or NSF standard or Statement by chemical manufacturer, signed on letterhead attesting to the	y	y
10	Representative lab analysis of the chemical prepared by reputable outside laboratory or ISO Certified	y	y
11	Name /Address of chemical manufacturer	K2 950 and Univar - see below	Same
12	Product Bulletin and Typical Properties	y	y
13	Safety Data Sheet (SDS)	y	y
14	Addendum/Addenda Acknowledgement	no	y
15	Third Party Hauler? If applicable, name, address,	y	n
16	Specific Deviations Noted	yes - see below	n

#4, 6 & 16 Univar

WE ACKNOWLEDGE RECEIVING ADDENDUM/ADDENDA NUMBER _____ THROUGH _____.

SPECIFIC DEVIATIONS:

[x] This box must be checked if bidder has any proposed specific deviations. Per Section 2.12 Proposed Deviations from the Specifications by the Bidder, the absence of a proposed changed in the specifications will hold the bidder strictly accountable to the specifications as described in the bid document, including any addendum.

Describe the specific deviations below. A copy of the proposed specifications must be attached to this Standard Agreement at the time of submission, with bidder's name clearly shown on each document.

Any order less than 2,000 gal will be charged an LTL fee of $475.00 per delivery.

If split loads, the first order will be charged the LTL fee.

Please see the attached 2 pages that list the Sodium Hydroxide deviations

Date: February 16, 2024

Re: **BACC Bid No. 12-2024: Deviation from BACC NaOH Specifications**

In accordance with BACC Bid No. 12-2024, Section 2.12, Proposed Deviations from the Specifications by the Bidder, Univar Solutions intends to supply sodium hydroxide solution to BACC meeting the following technical specifications:

UNIVAR SOLUTIONS PRODUCT TECHNICAL SPECIFICATIONS
SODIUM HYDROXIDE, 20% Solution

Characteristics	Units	Minimum	Maximum
Sodium Hydroxide, NaOH	Wt. %	18	22
Sodium Oxide, Na_2O	Wt. %	13.6	17.4
Sodium Chloride, NaCl	PPM	0	100
Sodium Carbonate, Na_2CO_3	Wt. %	0	0.15
Sodium Chlorate, $NaClO_3$	PPM	0	33
Sodium Sulfate, Na_2SO_4	PPM	0	67
Nickel, Ni	PPM	0	0.5 *
Iron, Fe	PPM	0	5 *
Mercury, Hg	PPM	0	2
Specific Gravity		1.21	1.23

* Sodium hydroxide for wastewater treatment applications may contain up to 9 mg/L iron (Fe) and 3 mg/L nickel (Ni)

UNIVAR SOLUTIONS PRODUCT TECHNICAL SPECIFICATIONS
SODIUM HYDROXIDE, 25% Solution

Characteristics	Units	Minimum	Maximum
Sodium Hydroxide, NaOH	Wt. %	23	27
Sodium Oxide, Na_2O	Wt. %	17.4	21.3
Sodium Chloride, NaCl	PPM	0	100
Sodium Carbonate, Na_2CO_3	Wt. %	0	0.15
Sodium Chlorate, $NaClO_3$	PPM	0	42
Sodium Sulfate, Na_2SO_4	PPM	0	83
Nickel, Ni	PPM	0	0.5 *
Iron, Fe	PPM	0	5 *
Mercury, Hg	PPM	0	2
Specific Gravity		1.20	1.35

* Sodium hydroxide for wastewater treatment applications may contain up to 9 mg/L iron (Fe) and 3 mg/L nickel (Ni)

UNIVAR SOLUTIONS PRODUCT TECHNICAL SPECIFICATIONS
SODIUM HYDROXIDE, 30% Solution

Characteristics	Units	Minimum	Maximum
Sodium Hydroxide, NaOH	Wt. %	28	32
Sodium Oxide, Na_2O	Wt. %	22.3	25.2
Sodium Chloride, NaCl	PPM	0	100
Sodium Carbonate, Na_2CO_3	Wt. %	0	0.15
Sodium Chlorate, $NaClO_3$	PPM	0	31
Sodium Sulfate, Na_2SO_4	PPM	0	80
Nickel, Ni	PPM	0	0.5 *
Iron, Fe	PPM	0	5 *
Mercury, Hg	PPM	0	2
Specific Gravity		1.25	1.40

* Sodium hydroxide for wastewater treatment applications may contain up to 9 mg/L iron (Fe) and 3 mg/L nickel (Ni)

UNIVAR PRODUCT TECHNICAL SPECIFICATIONS
SODIUM HYDROXIDE, 50% Solution

Characteristics	Units	Minimum	Maximum
Sodium Hydroxide, NaOH	Wt. %	48	52
Sodium Oxide, Na_2O	Wt. %	36.8	40.7
Sodium Chloride, NaCl	PPM	0	100
Sodium Carbonate, Na_2CO_3	Wt. %	0	0.30
Sodium Chlorate, $NaClO_3$	PPM	0	50
Sodium Sulfate, Na_2SO_4	PPM	0	100
Nickel, Ni	PPM	0	0.5 *
Iron, Fe	PPM	0	5 *
Mercury, Hg	PPM	0	2
Specific Gravity		1.45	1.60

* Sodium hydroxide for wastewater treatment applications may contain up to 9 mg/L iron (Fe) and 3 mg/L nickel (Ni)

Sincerely,

Tom Edman
Sr. Product Manager- Alkali

#11 Univar

11. Chemical Manufacturer's name and address (if different from Bidder):

K2-950 Loveridge Rd., Pittsburg, CA 94565

Univar-12522 Los Neitos Rd., Santa Fe Springs, CA 90670

Univar-525 Seaport Blvd, Redwood City, CA 94063

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Authorizing the City Manager to Execute a) Contract for the Water Treatment) Chemical Supply- Sodium Hydroxide)	RESOLUTION NO. 24-

WHEREAS, the Public Works Department is responsible to operate and maintain the City's Water Treatment Plant; and,

WHEREAS, Sodium Hydroxide is an essential chemical to treat and provide drinking water to the residents of Pittsburg; and

WHEREAS, the Public Works Department solicits bids through the Bay Area Chemical Consortium for Water Treatment Plant Chemical Sodium Hydroxide (Caustic Soda) each Fiscal Year; and

WHEREAS, Univar Solutions USA, Inc., was determined to be the lowest responsive, responsible bidder for all local regions; and

WHEREAS, funding is available in the Fiscal Year 2024/25 Water Operations budget.

NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Pittsburg hereby authorizes the City Manager to execute a purchase contract with Univar Solutions USA, Inc. in the amount of $225,000 for Sodium Hydroxide Chemical Supply for FY 2024-2025.

PASSED AND ADOPTED by the City Council of the City of Pittsburg at a regular meeting on the 17th day of June 2024, by the following vote:

AYES:

NOES:

ABSTAINED:

ABSENT:

____
Juan Antonio Banales, Mayor

ATTEST:

____

Alice E. Evenson, City Clerk

OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR
65 Civic Avenue
Pittsburg, CA 94565

TO: Mayor and Council Members

FROM: Garrett Evans, City Manager

SUBJECT: Adoption of a City Council Resolution Authorizing the City Manager to Execute a Contract with Neo Solutions, Inc. for Water Treatment Plant Chemical Supply – Cationic Polymer

MEETING DATE: June 17, 2024

EXECUTIVE SUMMARY

The Public Works Department is responsible for the maintenance and operation of the City's Water Treatment Plant (WTP) and each year solicits bids for necessary chemical supplies. If approved, the resolution will authorize a purchase contract with vendor Neo Solutions, Inc. in an amount up to $170,000 for Cationic Polymer.

FISCAL IMPACT

These funds are scheduled to be approved in the Fiscal Year 2024/25 budget for the purchase of Cationic Polymer chemical supplies for the water treatment plant (501-44111).

RECOMMENDATION

City Council adopt the attached Resolution authorizing the City Manager to execute a contract with Neo Solutions, Inc. in the amount of $170,000 for Cationic Polymer.

BACKGROUND

The Public Works Department manages the operation and maintenance for the City's 32 million gallon per day WTP, eight distribution reservoirs, nine pumping stations and two wells, to reliably provide adequate supplies of highest quality drinking water that meet or exceed all federal and state requirements. Chemicals such as Cationic Polymer are necessary for the water treatment process.

The current contract with Neo Solutions, Inc. for Cationic Polymer expires on June 30, 2024.

SUBCOMMITTEE FINDINGS

This item was not presented to a subcommittee.

STAFF ANALYSIS

Water Treatment Plant staff developed and solicited bids from potential vendors for various chemicals necessary for the processes at the Water Treatment Plant. Bids were opened on April 25, 2024, and Neo Solutions, Inc. was the only responsive bidder for Cationic Polymer.

Staff recommends the City Council accept the bid submitted by Neo Solutions, Inc. as the only responsive bid submitted and authorize the City Manager to execute a contract with Neo Solutions, Inc. in the amount of $170,000 for purchase of Cationic Polymer.

ATTACHMENTS: Resolution
Bid Response Table

Report Prepared By: Alexandria Augustine, Public Works Administrative Assistant

BID TABULATION
City of Pittsburg
WTP CHEMICALS (WTC42524)
2024-2025

Bids opened - April 25, 2024 at 11:00 am by City of Pittsburg

COMPANY	Cationic Polymer	Sodium Chlorite
Bid Quantity - Total	*up to 80 tons*	*up to 90 tons*
	$/ton	*$/ton*
International Dioxcide, Inc.	No Bid	**$1,652.000**
Neo Solutions, Inc.	**$2,120.00**	No Bid
Univar USA	No Bid	No Bid

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Authorizing the City Manager to Execute a)
Contract for Water Treatment Chemical)
Supply - Cationic Polymer)

RESOLUTION NO. 24-

WHEREAS, the Public Works Department is responsible to operate and maintain the City's Water Treatment Plant; and,

WHEREAS, Cationic Polymer is an essential chemical to treat and provide drinking water to the residents of Pittsburg; and

WHEREAS, the Public Works Department solicited bids from potential vendors for Cationic Polymer; and

WHEREAS, Neo Solutions, Inc., was the only responsible, responsive bidder; and

WHEREAS, funding is scheduled to be approved in the Fiscal Year 2024/25 budget for the purchase of Cationic Polymer chemical supplies for the water treatment plant (501-44111).

NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Pittsburg hereby authorizes the City Manager to execute a purchase contract with Neo Solutions, Inc. in the amount of $170,000 for Cationic Polymer Chemical Supply for FY 2024/25.

PASSED AND ADOPTED by the City Council of the City of Pittsburg at a regular meeting on the 17th day of June 2024, by the following vote:

AYES:

NOES:

ABSTAINED:

ABSENT:

____
Juan Antonio Banales, Mayor

ATTEST:

____
Alice E. Evenson, City Clerk

OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR
65 Civic Avenue
Pittsburg, CA 94565

TO: Mayor and Council Members

FROM: Garrett Evans, City Manager

SUBJECT: Adoption of a City Council Resolution Authorizing the City Manager to Execute a Contract with International Dioxcide for Water Treatment Plant Chemical Supply – Sodium Chlorite

MEETING DATE: June 17, 2024

EXECUTIVE SUMMARY

The Public Works Department is responsible for the maintenance and operation of the City's Water Treatment Plant (WTP) and solicits bids for necessary chemical supplies. If approved, the resolution will authorize a purchase contract with vendor International Dioxcide, Inc. in an amount up to $150,000 for Sodium Chlorite.

FISCAL IMPACT

Funds are scheduled to be approved in the Fiscal Year 2024/25 budget for the purchase of Sodium Chlorite chemical supplies for the Water Treatment Plant (501-44111).

RECOMMENDATION

Staff recommends the City Council adopt the attached Resolution authorizing the City Manager to execute a contract with International Dioxcide, Inc. in the amount of $150,000 for purchase of Sodium Chlorite.

BACKGROUND

The Public Works Department manages the operation and maintenance of the City's 32 million gallon per day WTP, eight distribution reservoirs, nine pumping stations and two wells, to reliably provide adequate supplies of highest quality drinking water that meet or exceed all federal and state requirements. Chemicals such as Sodium Chlorite are necessary for the water treatment process.

The current contract with International Dioxcide, Inc. for Sodium Chlorite expires on June 30, 2024.

SUBCOMMITTEE FINDINGS

This item was not presented to a subcommittee.

STAFF ANALYSIS

Water Treatment Plant staff developed and solicited bids from potential vendors for various chemicals necessary for the processes at the WTP. On April 25, 2024, bids were opened, and International Dioxcide, Inc. was the only responsive bidder for Sodium Chlorite.

Staff recommends the City Council accept the bid submitted by International Dioxcide, Inc. as the only responsive bid submitted and authorize the City Manager to execute a contract with International Dioxcide, Inc. in the amount of $150,000 for purchase of Sodium Chlorite.

ATTACHMENTS: Resolution
Bid Tabulation

Report Prepared By: Alexandria Augustine, Administrative Assistant

BID TABULATION
City of Pittsburg
WTP CHEMICALS (WTC42524)
2024-2025

Bids opened - April 25, 2024 at 11:00 am by City of Pittsburg

COMPANY	Cationic Polymer	Sodium Chlorite
Bid Quantity - Total	*up to 80 tons*	*up to 90 tons*
	$/ton	*$/ton*
International Dioxcide, Inc.	No Bid	**$1,652.000**
Neo Solutions, Inc.	**$2,120.00**	No Bid
Univar USA	No Bid	No Bid

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Authorizing the City Manager to Execute a	)	
Contract for the Water Treatment	)	RESOLUTION NO. 24-
Chemical Supply – Sodium Chlorite	)	

WHEREAS, the Public Works Department is responsible to operate and maintain the City's Water Treatment Plant; and,

WHEREAS, Sodium Chlorite is an essential chemical to treat and provide drinking water to the residents of Pittsburg; and

WHEREAS, the Public Works Department solicited bids from potential vendors for Sodium Chlorite; and

WHEREAS, International Dioxide, Inc., was the only responsible, responsive bidder; and

WHEREAS, funding is available in the Fiscal Year 2024/25 Water Operations budget.

NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Pittsburg hereby authorizes the City Manager to execute a purchase contract with International Dioxide, Inc. in the amount of $150,000 for Sodium Chlorite Chemical Supply for FY 2024/25.

PASSED AND ADOPTED by the City Council of the City of Pittsburg at a regular meeting on the 17th day of June 2024, by the following vote:

AYES:

NOES:

ABSTAINED:

ABSENT:

____
Juan Antonio Banales, Mayor

ATTEST:

____
Alice E. Evenson, City Clerk

OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR
65 Civic Avenue
Pittsburg, CA 94565

TO: Mayor/Chair and Council/Governing Board Members

FROM: Garrett Evans, Executive Director/City Manager

SUBJECT: Adoption of a City Council Resolution to Authorize the City Manager to Negotiate and Execute a Loan Agreement for Energy Efficiency Improvements and Adoption of a Pittsburg Power Company Resolution Allocating Funds

MEETING DATE: June 17, 2024

EXECUTIVE SUMMARY

Approval of the proposed City Council resolution would authorize the City Manager to negotiate and execute a loan agreement with Sean McCauley Investments (SMI) to facilitate energy efficiency improvements to Assessor's Parcel Number (APN) 085-390-077, commonly known as Vidrio Commercial. Approval of the proposed Pittsburg Power Company (PPC) resolution would allocate $300,000 to fund the loan.

FISCAL IMPACT

The proposed adoption of the PPC resolution would allocate $300,000 from PPC fund balance (Fund 590) to fund the loan. The principal would be paid back over the course of the loan term through sales taxes recouped via the businesses in Vidrio Commercial with any remaining principal due payable no later than December 31, 2034.

RECOMMENDATION

Staff recommends the City Council adopt the attached resolution authorizing the City Manager to negotiate and execute a loan agreement with SMI for an amount not-to-exceed $300,000.

Staff further recommends the Governing Board of PPC adopt the attached resolution allocating funds in an amount not-to-exceed $300,000 to fund the City-backed loan.

BACKGROUND

In 2022, SMI purchased Vidrio Commercial from the Successor Agency to the Redevelopment Agency of the City of Pittsburg. Since then, SMI has invested significant funding to convert a portion of the commercial space to the Luxe Salon Suites, and is seeking to convert the southernmost space (690 Railroad Avenue) to a restaurant. As part of these renovations, the City and PPC have identified an opportunity to partner with SMI to bring energy enhancements to Vidrio Commercial, consistent with multiple goals of the PPC, City Sustainability Plan, and recently adopted General Plan.

SUBCOMMITTEE FINDINGS

This item was not presented to a subcommittee.

STAFF ANALYSIS

Funding of the proposed loan would help the City meet several city-wide goals ranging from Economic Development to sustainability to job creation. The loan would assist SMI in establishing a second restaurant space in the Vidrio Commercial area, as well as energy efficiency upgrades that would allow tenants to increase revenues while reducing operating expenses.

The draft term sheet attached as Exhibit A to this Staff Report provides general terms agreed upon in principle between the City and SMI. These terms include:

- City will provide a loan of $300,000 to complete energy efficiency upgrades.
- SMI shall be required to construct, cause the construction of, or lease space to at least two (2) restaurants at APN 085-390-077.
- Restaurant(s) shall be categorized as “Full-Service Restaurant” as defined by Pittsburg Municipal Code (PMC) section 18.08.080(13)(b); however, this shall not preclude the full-service restaurant from serving alcohol, providing to-go orders, or including a self-service component.
- Restaurant(s) shall be operational no later than March 1, 2025.

The loan terms are further specified in Exhibit A. Notably, the loan principal will be repayable December 31, 2034; however, the loan principal shall be reduced each year by the collective sales taxes generated by the businesses located within APN 085-390-077. For example, if the businesses within APN: 085-390-077 generate $30,000 in Year 1 and $35,000 in Year 2, the loan principal due payable shall be $235,000. ($300,000 - $65,000 = $235,000).

ATTACHMENTS:
1. Proposed City Council Resolution
2. Proposed Pittsburg Power Company Resolution
3. Draft Term Sheet

Report Prepared By: Jordan Davis, Director of Community and Economic Development

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Authorizing the City Manager to Negotiate And Execute a Loan Agreement for Energy Efficiency Improvements	)))	RESOLUTION NO. 24-

WHEREAS, in 2022, Sean McCauley Investments (SMI) purchased the Vidrio Commercial area (APN: 085-390-077) from the Successor Agency to the Redevelopment Agency of the City of Pittsburg; and

WHEREAS, since then, SMI has invested significant funding to convert a portion of the commercial space to the Luxe Salon Suites, and is seeking to convert the southernmost space (690 Railroad Avenue) to a restaurant; and

WHEREAS, as part of these renovations, the City and PPC have identified an opportunity to partner with SMI to bring energy efficiency enhancements to Vidrio Commercial, consistent with multiple goals of the Pittsburg Power Company (PPC), City Sustainability Plan, and recently adopted General Plan; and

WHEREAS, funding of the proposed loan would help the City meet several city-wide goals ranging from Economic Development to sustainability to job creation; and

WHEREAS, the loan would assist SMI is establishing a second restaurant space in Vidrio Commercial, as well an energy efficiency upgrades that would allow tenants to increase revenues while reducing operating expenses; and

WHEREAS, the City and SMI have mutually agreed to a draft term sheet that will guide the City's negotiations for the final loan.

NOW, THEREFORE BE IT RESOLVED that the City Council of the City of Pittsburg hereby authorizes the City Manager to negotiate and execute a loan agreement with SMI in an amount not-to-exceed $300,000 for energy efficiency upgrades.

PASSED AND ADOPTED by the City Council of the City of Pittsburg at a regular meeting on the 17th day of June 2024, by the following vote:

AYES:
NOES:
ABSTAINED:
ABSENT:

____
Juan Antonio Banales, Mayor

ATTEST:

____
Alice E. Evenson, City Clerk

BEFORE THE GOVERNING BOARD OF THE PITTSBURG POWER COMPANY

In the Matter of:

Allocating Funds in the Amount of	)	RESOLUTION NO. 24-
$300,000 to Fund a Loan Agreement for	)	
Energy Efficiency Improvements	)	

WHEREAS, in 2022, Sean McCauley Investments (SM)I purchased the Vidrio Commercial area (APN: 085-390-077) from the Successor Agency to the Redevelopment Agency of the City of Pittsburg; and

WHEREAS, since then, SMI has invested significant funding to convert a portion of the commercial space to the Luxe Salon Suites, and is seeking to convert the southernmost space (690 Railroad Avenue) to a restaurant; and

WHEREAS, it is a stated goal of the Pittsburg Power Company to seek and support opportunities to enact energy efficiency improvements in commercial areas.

NOW, THEREFORE, BE IT RESOLVED that the Governing Board of the Pittsburg Power Company hereby allocates $300,000 to fund a loan for energy efficiency upgrades.

PASSED AND ADOPTED by the Governing Board of the Pittsburg Power Company at a regular meeting on the 17th day of June 2024, by the following vote:

AYES:
NOES:
ABSTAINED:
ABSENT:

____
Juan Antonio Banales, Chair

ATTEST:

____
Garrett Evans, Executive Secretary

Railroad Restaurant Term Sheet

Objective.

The Pittsburg Power Company (PPC) is proposing to fund a City issued loan to Sean McCauley Investments (SMI) with a loan of $300,000 to complete energy efficiency improvements to the commercial space at 690 Railroad Avenue. The Space at 690 Railroad Avenue is intended to be used as a restaurant.

Proposed Terms.

Obligations of City:

- City will provide a loan of $300,000 to complete energy efficiency upgrades.

Obligations of SMI:

- SMI shall be required to construct, cause the construction of, or lease space to at least two (2) restaurants at APN 085-390-077.
    - Restaurant(s) shall be categorized as "Full-Service Restaurant" as defined by Pittsburg Municipal Code (PMC) section 18.08.080(13)(b); however, this shall not preclude the full-service restaurant from serving alcohol, providing to-go orders, or including a self-service component.
    - Restaurant Shall be operational no later than March 1, 2025.

Loan Terms:

- Loan will carry no interest rate.
- Loan principal will be repayable December 31, 2034.
- Loan principal shall be reduced each year by the sales tax generated by the businesses located within APN 085-390-077.
    - For example, if the businesses within APN: 085-390-077 collectively generate $30,000 in Year 1 and $35,000 in Year 2, the loan principal due payable shall be $235,000. ($300,000 - $65,000 = $235,000).
- Loan Principal shall be due payable upon:
    - The sale of SMI-owned property (APN 085-390-077).
    - The closure of a restaurant that is not replaced by another restaurant within twelve (12) consecutive months (may be extended by up to 12 additional months at the sole discretion of the City Manager).
    - The occupancy of a non-restaurant tenant in a restaurant space.
    - The condominium conversion of APN 085-390-077 without the City Manager approval.
- The loan may be assigned to another party with City Manager approval. Assignment will only be considered after potential assignee has been vetted by the City.

OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR
65 Civic Avenue
Pittsburg, CA 94565

TO: Mayor and Council Members

FROM: Garrett Evans, Executive Director

SUBJECT: Adoption of a City Council Resolution Reallocating Funds, Establishing a Measure M Reserve, and Establishing a Youth Fund

MEETING DATE: June 17, 2024

EXECUTIVE SUMMARY

The City Council previously allocated $18.4 million in ARPA, Measure M Surplus, General Fund, General Fund Surplus, and Park Dedication Funds (PDF) to various projects. Due to increased project costs, changing project scopes, the evolution of the State and Local Fiscal Recovery Funds Final Rule, and required General Fund reserves, this item proposes reallocation of these funds to other revenue sources. The City Council also directed staff to utilize Measure M Surplus funds to establish an annual Measure M Reserve and a Youth Fund. This item will reallocate project funds and formally establish the Measure M Reserve and Youth Fund as directed.

FISCAL IMPACT

This item will divert $6,828,288 in General Fund and $1,250,000 in General Fund Surplus expenditures to other funding sources such as ARPA.

RECOMMENDATION

City Council adopt the Resolution to:

- Reallocate $8,206,000 from the Pittsburg Premier Fields Project (Project 3080) to source funds including $6,078,288 to the General Fund, $1,152,712 to the Park Dedication Fund, $150,000 to Fiscal Year 2022/23 Measure M Surplus, and $825,000 to Fiscal Year 2023/24 Measure M Surplus
- Reallocate $500,000 from the Buchanan Park Restrooms Project (Project 1753) to the General Fund
- Reallocate $750,000 from the City Park Restrooms Project (Project 1754) to the General Fund
- Reallocate $400,000 from the California Avenue Full Trash Capture Device Project to the General Fund

- Reallocate $750,000 from the Police Camera Servers Replacement Project (Project 3090) to the General Fund

This Resolution will also allocate:

- $9,792,811 from ARPA Revenue Replacement (Fund 298) to create a Sports Tourism project
- $1.25 million to Project 1754 for the City Park Restrooms Project
- $120,000 ARPA funds to Project 1803 for Pittsburg Eats!
- $750,000 ARPA funds to Project 3090 for replacement of the Police camera server
- $2,068,227 ARPA funds to Project for the Enterprise Resource Planning software replacement
- $200,000 Fiscal Year 2022/23 Measure M Surplus funds to the Measure M Reserve
- $200,000 Fiscal Year 2022/23 Measure M Surplus funds to create a Youth Fund

BACKGROUND

On May 9, 2022, as part of the Fiscal Year 2022/23 budget workshop, the City Council developed spending priorities for three unique revenue sources: American Rescue Plan Act (ARPA), Measure M Surplus and General Fund Surplus. The funding priorities included Youth, Public Safety, Non-profit Assistance, Public Art, Economic Development, Parks/Landscape, Tourism, and Infrastructure.

ARPA: The City received $16,290,477 in American Rescue Plan Act funding to address public health, economic impacts, community services, infrastructure, and lost revenues due to the COVID-19 pandemic. These funds must be obligated by the end of 2024 and spent by the end of 2026.

Measure M Surplus: Measure M is an extension of Measure P passed by Pittsburg voters in June 2012 as a limited one-half percent sale and use tax. The City Council annually assigns $4.9 million to fund economic development, senior, youth, streets, and public safety initiatives. Above this $4.9 million, the City experiences approximately $1.2 million in annual Measure M surplus revenues eligible for expenditure across the same five priority areas.

General Fund Surplus: In Fiscal Year 2020/21, largely due to the COVID-19 pandemic, the City's General Fund experienced an uncharacteristically large surplus at $7,851,300, and has experienced smaller surpluses in Fiscal Years 2021/22 and FY 2022/23.

SUBCOMMITTEE FINDINGS

This item was supported by the Budget Sustainability Ad-Hoc Subcommittee on June 7, 2024.

STAFF ANALYSIS

The City's General Fund has and will continue to experience a reduction in revenues due to the relocation of Bombardier, UPI, and closing of several big box retail and restaurant locations. In addition, winter storms, evolving ARPA expenditure rules, hikes in project costs, increased staffing since the COVID-19 pandemic, and other impacts to the General

Fund have increased costs. The City Council has refined funding priorities identified at the May 9, 2022 workshop as needed, and found a diversion of one-time expenses from General Fund to the special funds identified above as a fiscally responsible method for maintaining a balanced budget. The following reflects updated priorities and diversion of General Fund expenses to special funding sources and is summarized in Attachment 2.

Youth

On June 30, 2022 and July 18, 2022 through Resolutions 22-14042 and 22-14132, the City Council allocated $600,000 and $215,000 Park Dedication Funds to the Pittsburg Premier Fields Project (Project 3080) for design. On August 7, 2023, through Resolution 23-14356, the City Council also allocated the following funds to the Project 3080.

Funding Source	**Allocation**
General Fund	$6,078,288
FY 2020-2021 General Fund Surplus	$1,615,000
Park Dedication Fund	$337,712
FY 2022-2023 Measure M Surplus	$150,000
FY 2023-2024 Measure M Surplus	$825,000
Total	$9,000,000

This project proposes several outdoor multi-use sports fields, accompanying amenities, and traffic calming measures at the former golf course to connect the project to the Dream Courts across Leland Road. City Council's allocation provided matching funds for a $6 million Land and Water Conservation Fund (LWCF) grant opportunity.

The City did not receive the LWCF grant and as a result has reduced the Pittsburg Premier Fields Project scope and identified ARPA as an appropriate source of funding for this project. When combined with the $6,750,000 ARPA dollars funding the Dream Courts Project, the Council is committing nearly $9,500,000 in ARPA funds to sports tourism projects that benefit local youth and families currently traveling to sports tournaments while acting as an economic development driver for many supporting businesses. With the exception of $1,615,000 Fiscal Year 2020/21 General Fund Surplus dollars for design of the project, all funds allocated to Project 3080 through Resolutions 22-14042, 22-14132, and 23-14356 will be returned to their respective funding sources shown in the table above for use on another qualifying project.

Additionally, members of the City Council have expressed interest in programming Fiscal Year 2022/23 Measure M Surplus fund to establish a Youth Fund for implementation of youth programs not already budgeted in the Recreation Department. The $200,000 Youth Fund would support youth programming beyond the Department of Recreation's typical services benefiting Pittsburg Youth as directed by the City Council. This item was included in the Fiscal Year 2022/23 Measure M Surplus budget but not allocated.

Parks/Landscape

On June 19, 2023 through Resolution 23-14318 City Council adopted the 5-year Capital Improvements Program which included $750,000 for new restrooms at City Park (Project 1754) and $500,000 for new restrooms at Buchanan Park (Project 1753) funded by the General Fund Surplus. Project costs have increased, and City Park restrooms alone have an estimated cost of $1.25 million. Staff considers ARPA a feasible funding source for park restroom projects as cities like Detroit and Tucson have used ARPA to fund $5 million and

$3.45 million parks improvement projects impacting disadvantaged communities similar to the neighborhoods directly adjacent to City Park. General Fund Surplus dollars allocated to Projects 1753 and 1754 through Resolution 23-14318 will be returned to the Fiscal Year 2022/23 General Fund Surplus and $1.25 million in ARPA funds will be allocated to the City Park Restroom Project (Project 1754).

Infrastructure

On June 19, 2023 through Resolution 23-14318, the City Council allocated $400,000 to the California Avenue Full Trash Capture Device Project to treat a drainage area of 819 acres of City public and private properties and 20 acres of Caltrans right of way, the southeastern corner of Loveridge Road and California Avenue. This project is funded in part by Caltrans whose portion of the funding is not expected until 2026. ARPA funds are required to be obligated by December 2024 and spent by December 2026, rendering this an infeasible funding source for the project. The funds will be returned to ARPA for use on another qualifying project, and a new funding source will be identified.

Economic Development

On May 1, 2023 through Resolution 23-14294, the City Council allocated $200,000 ARPA funds for a contract with Cal Poly Humboldt Sponsored Programs Foundation's Northern California Small Business Development Center (NorCal SBDC) for administration of the Pittsburg Eats! Program (Project 1803). Pittsburg Eats! is a local business coaching program focused on assisting restaurants in rebounding from the COVID-19 pandemic through a small business training program, one-on-one expert advising sessions, and grants of up to $10,000. This program has been impactful for 13 participants including La Veranda, Nick's Sandwiches, DiDi Coco's, Lady J's Soul Food, New Mecca Café, Fiya Spice, Oysters Ooh LaLa, Ube Area, Lunahuana, Little J's and more. In alignment with the Council's May 9, 2022 earmark, staff recommends an additional $120,000 allocation to this program from ARPA to continue its expansion and impact on the local business community and economy.

Efficiency

On July 17, 2023 through Resolution 23-14339, the City Council awarded a $750,000 contract with Weaver Technologies to replace end of life VMWare infrastructure supporting the Police Department (Project 3090). Funding for this project included Fiscal Year 2022/23 and Fiscal Year 2023/24 General Fund dollars.

Staff considers ARPA a feasible funding source for IT-driven efficiency solutions as cities like Atlanta and Chicago that have spent several million dollars on one-time investments in technology that better allows their jurisdiction to purvey essential government services. Therefore $750,000 General Fund dollars allocated to the project through Resolution 23-14339 will be returned to the General Fund and $750,000 ARPA funds will be allocated to Project 3090.

Similarly, due to discontinuation of the City's current Enterprise Resource Planning (ERP) software, Eden, the City is replacing its ERP technology with Tyler and NEOGOV. In December 2022, the City released a request for proposals for and ERP system and worked with the Government Finance Officers Association over the course of a year to refine the City's needs and prioritize a vendor and product. Staff recommends allocation of $2,068,227 from ARPA to this project.

Lastly, the Finance Management Subcommittee recommended that staff create a $200,000 Measure M Reserve for emergency expenditures in line with the priority areas. The $200,000 Measure M Reserve would be for emergency or unexpected high priority expenditures that align with the five Measure M expense categories. This item was included in the Fiscal Year 2022/23 Measure M Surplus budget but not designated as Reserve funds separate from Surplus funds.

ATTACHMENTS: Resolution
Projects Funding Summary

Report prepared by: Sara Bellafronte, Assistant to the City Manager

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter Of:

Reallocating Funds, Establishing a Measure M Reserve, and Establishing a Youth Fund	)))	RESOLUTION NO. 24-

WHEREAS, on May 9, 2022, as part of the Fiscal Year 2022/23 budget workshop, the City Council developed spending priorities for three unique revenue sources: American Rescue Plan Act (ARPA), Measure M Surplus and General Fund Surplus; and

WHEREAS, in alignment with these priorities, the City Council has allocated $18.4 million in ARPA, Measure M Surplus, General Fund, General Fund Surplus, and Park Dedication Funds to various projects; and

WHEREAS, the City's General Fund has and will continue to experience a reduction in revenues due to the relocation of Bombardier, UPI, and closing of several big box retail and restaurant locations. In addition, winter storms, evolving ARPA expenditure rules, hikes in project costs, increased staffing since the COVID-19 pandemic, and other impacts to the General Fund have increased costs; and

WHEREAS, the City Council has since refined funding priorities identified at the May 9, 2022 workshop as needed, and a diversion of one-time expenses from General Fund to ARPA, Measure M Surplus, and General Fund Surplus is a fiscally responsible method for maintaining a balanced budget; and

WHEREAS, the Finance Management Subcommittee recommended that staff create a $200,000 Measure M Reserve for emergency expenditures in line with Measure M's priorities of Youth, Seniors, Public Safety, Economic Development, and Streets; and

WHEREAS, members of the City Council have expressed interest in programming Fiscal Year 2022/23 Measure M Surplus fund to establish a Youth Fund for implementation of youth programs not already budgeted in the Recreation Department; and

WHEREAS, both the $200,000 for a Measure M Reserve and $200,000 for a Youth Fund were included in the Fiscal Year 2022/23 budget but not allocated.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Pittsburg hereby reallocates:

- $8,206,000 from the Pittsburg Premier Fields Project (Project 3080) to source funds including $6,078,288 to the General Fund, $1,152,712 to the Park Dedication Fund, $150,000 to Fiscal Year 2022/23 Measure M Surplus, and $825,000 to Fiscal Year 2023/24 Measure M Surplus
- $500,000 from the Buchanan Park Restrooms Project (Project 1753) to the General Fund
- $750,000 from the City Park Restrooms Project (Project 1754) to the General Fund
- $400,000 from the California Avenue Full Trash Capture Device Project to the General Fund

- $750,000 from the Police Camera Servers Replacement Project (Project 3090) to the General Fund

BE IT FUTHER RESOLVED that the City Council of the City of Pittsburg hereby allocates:

- $9,792,811 from ARPA Revenue Replacement (Fund 298) to create a Sports Tourism project
- $1.25 million to Project 1754 for the City Park Restrooms Project
- $120,000 ARPA funds to Project 1803 for Pittsburg Eats!
- $750,000 ARPA funds to Project 3090 for replacement of the Police camera server
- $2,068,227 ARPA funds to Project for the Enterprise Resource Planning software replacement

BE IT FURTHER RESOLVED that the City Council of the City of Pittsburg hereby allocates $200,000 from Fiscal Year 2022/23 Measure M Surplus to establish a Measure M Reserve and $200,000 from Fiscal Year 2022/23 Measure M Surplus to establish a Youth Fund.

PASSED AND ADOPTED by the City Council of the City of Pittsburg at a regular meeting on the 17th day of June 2024, by the following vote:

AYES:
NOES:
ABSTAINED:
ABSENT:

____
Juan Antonio Banales, Mayor

ATTEST:

____
Alice E. Evenson, City Clerk

Attachment 2

American Rescue Plan Act (ARPA) Current			Status
Total ARPA Funding		**$16,290,477**	
	Revenue Replacement (Max. $10MM; **Reported)**	**$10,000,000**	Designated as RR, Reso. No. 23-14296
	Projects	**$6,290,477**	N/A
	Total ARPA Funding	***$16,290,477***	

Revenue Replacement			
	Sports Tourism	$9,250,000	Allocated, Reso. No. 23-14341
	Police EV Chargers at City Hall	$90,300	Allocated, Reso. No. 23-14272
	Fleet Study	$116,889	Allocated, Reso. No. 23-14229
	Unassigned	$542,811	Assignment before 12/31/24
	Revenue Replacement Subtotal	***$ 10,000,000***	
Non-Revenue Replacement			
	Frontage Road Trail	$812,250	
	Hotel Grant (Courtyard)	$599,000	Allocated, Reso No. 23-14315
	Local Business Coaching ("Pittsburg Eats!")	$200,000	Allocated, Reso No. 23-14315
	Reviving the Heart of Pittsburg Pride	$388,000	Allocated, Reso No. 23-14313
	Trash Capture Devices	$400,000	Allocated, Reso. No 23-14318
	Americana Park Bypass Channel	$103,000	Allocated, Reso No. 24-14453
	Non-Revenue Replacement Subtotal	***$2,502,250***	
	ARPA Balance	***$3,788,227***	

American Rescue Plan Act (ARPA) Proposed			Status
Total ARPA Funding		**$16,290,477**	
	Revenue Replacement (Max. $10MM; **Reported)**	**$10,000,000**	Designated as RR, Reso. No. 23-14296
	Projects	**$6,290,477**	N/A
	Total ARPA Funding	***$16,290,477***	

Revenue Replacement			
	Sports Tourism	$9,250,000	Allocated, Reso. No. 23-14341
	Police EV Chargers at City Hall	$90,300	Allocated, Reso. No. 23-14272
	Fleet Study	$116,889	Allocated, Reso. No. 23-14229
	Unassigned	$542,811	Assign before 12/31/24
	Revenue Replacement Subtotal	***$10,000,000***	
Non-Revenue Replacement			
	Frontage Road Trail	$812,250	
	Hotel Grant (Courtyard)	$599,000	Allocated, Reso No. 23-14315
	Local Business Coaching ("Pittsburg Eats!")	$200,000	Allocated, Reso No. 23-14315
	Additional Local Business Coaching ("Pittsburg Eats!")	**$120,000**	**Allocate to ARPA 6/17/24**
	Reviving the Heart of Pittsburg Pride	$388,000	Allocated, Reso No. 23-14313
	~~Trash Capture Devices~~	**~~$400,000~~**	**Allocated, Reso. No 23-14318**
	Americana Park Bypass Channel	$103,000	Allocated, Reso No. 24-14453
	City Park Restroom	**$1,250,000**	**Reallocate to ARPA 6/17/24**
	PD servers	**$750,000**	**Reallocate to ARPA 6/17/24**
	Enterprise Allocated, Resource Planning/Server	**$2,068,227**	**Reallocate to ARPA 6/17/24**
	Non-Revenue Replacement Subtotal	***$6,290,477***	
	ARPA Balance	***$ -***	

General Fund Surplus Current					
	FY 2021-2022	**FY 2022-2023**	**FY 2023-2024**		**FY 2024-2025 (Est)**
Starting Balance (Previous Remaining Surplus)	*$7,851,300*	*$8,201,300*	*$5,389,113*		*$1,137,813*
Revenues Applied					
Use of FY 21/22 Surplus	$1,183,000	$0	$0		$0
Use of FY 22/23 Surplus	$0	$146,000	$0		$0
Use of FY 23/24 Surplus	$0	$0	$0		$0
Use of FY 24/25 Surplus	$0	$0	$0		$0
Subtotal	*$1,183,000*	*$146,000*	*$0*		*$0*
Total	***$9,034,300***	***$8,347,300***	***$5,389,113***		***$1,137,813***
EXPENDITURES					
Expenditures Allocated	**FY 2021-2022**	**FY 2022-2023**	**FY 2023-2024**		**FY 2024-2025 (Pln)**
Pavement	$0	$0	$1,251,300		$0
Skate Park	$0	$435,187	$0		$0
Public Art	$0	$200,000	$0		$0
Streetlight LED Replacement	$0	$500,000	$0		$0
Heart of Pittsburg Pride Trees	$0	$62,000	$0		$0
Police Activities League	$0	$0	$0		$250,000
Buchanan Park RR	$0	$0	$500,000		$0
City Park RR	$0	$0	$750,000		$0
City Entrances	$0	$0	$250,000		$0
Utility Box Art	$0	$0	$0		$20,000
Premier Fields	$0	$1,615,000	$0		$0
Landscape Master Plan	$0	$0	$1,500,000		$0
Uncommitted	$0	$0	$0		$0
Subtotal Expenditures Allocated	*$0*	*$2,812,187*	*$4,251,300*		*$270,000*
Additional Draws on General Fund Surplus					-
Kirker Pass Rd Resurfacing	$233,000	$0	$0		$0
Park Patrol Contract	$250,000	$0	$0		$0
Police Fencing	$0	$0	$0		$0
Police Evidence Room	$350,000	$0	$0		$0
Police Servers	$0	$0	$0		$0
Park Safety Trees	$0	$30,000	$0		$0
Library Hours	$0	$116,000	$0		$0
Subtotal Additional Draws	***$833,000***	*$146,000*	*$0*		*$0*
Total Expenditures	***$833,000***	***$2,958,187***	***$4,251,300***		***$270,000***
Balance	*$8,201,300*	*$5,389,113*	*$1,137,813*		*$867,813*

General Fund Surplus Proposed					
	FY 2021-2022	**FY 2022-2023**	**FY 2023-2024**		**FY 2024-2025 (Est)**
Starting Balance (Previous Remaining Surplus)	*$7,851,300*	*$8,201,300*	*$7,004,113*		*$4,002,813*
Revenues Applied					
Use of FY 21/22 Surplus	$1,183,000	$0	$0		$0
Use of FY 22/23 Surplus	$0	$146,000	$0		$0
Use of FY 23/24 Surplus	$0	$0	$0		$0
Use of FY 24/25 Surplus	$0	$0	$0		$0
Subtotal	*$1,183,000*	*$146,000*	*$0*		*$0*
Total	***$9,034,300***	***$8,347,300***	***$7,004,113***		***$4,002,813***
EXPENDITURES					
Expenditures Allocated	**FY 2021-2022**	**FY 2022-2023**	**FY 2023-2024**		**FY 2024-2025 (Pln)**
Pavement	$0	$0	$1,251,300		$0
Skate Park	$0	$435,187	$0		$0
Public Art	$0	$200,000	$0		$0
Streetlight LED Replacement	$0	$500,000	$0		$0
Heart of Pittsburg Pride Trees	$0	$62,000	$0		$0
Police Activities League	$0	$0	$0		$250,000
~~Buchanan Park RR~~	~~$0~~	~~$0~~	~~$500,000~~	-	~~$0~~
~~City Park RR~~	~~$0~~	~~$0~~	~~$750,000~~	-	~~$0~~
City Entrances	$0	$0	$250,000		
Utility Box Art	$0	$0	$0		$20,000
~~Premier Fields~~	~~$0~~	~~$1,615,000~~	~~$0~~	-	~~$0~~
Landscape Master Plan	$0	$0	$1,500,000		$0
Uncommitted	$0	$0	$0		$0
Subtotal Expenditures Allocated	*$0*	*$1,197,187*	*$3,001,300*		*$270,000*
Additional Draws on General Fund Surplus					-
Kirker Pass Rd Resurfacing	$233,000	$0	$0		$0
Park Patrol Contract	$250,000	$0	$0		$0
Police Fencing	$0	$0	$0		$0
Police Evidence Room	$350,000	$0	$0		$0
Police Servers	$0	$0	$0		$0
Park Safety Trees	$0	$30,000	$0		$0
Library Hours	$0	$116,000	$0		$0
Subtotal Additional Draws	***$833,000***	*$146,000*	*$0*		*$0*
Total Expenditures	***$833,000***	***$1,343,187***	***$3,001,300***		***$270,000***
Balance	*$8,201,300*	*$7,004,113*	*$4,002,813*		*$3,732,813*

Measure M Surplus Current						
				Current Yr		Future Yrs
Annual Measure M Revenue						
	2021-2022 Revenues Available in 2022-2023	**2022-2023 Revenues Available in 2023-2024**		**2023-2024 Received, Available in 2024-2025**		**2024-2025 Projected, Available in 2025-2026**
Budgeted Revenue	$6,648,700	$6,446,244		$6,567,495		$6,340,000
Carryover from Previous Year Surplus	$0	$0		$258,774		$879,602
Subtotal Revenue	*$6,648,700*	*$6,446,244*		*$6,826,269*		*$7,219,602*
Base Allocations						
Economic Development Revenue Base	$450,000	$450,000		$450,000		$450,000
Police Revenue Base	$2,850,000	$2,850,000		$2,850,000		$2,850,000
Public Works Revenue Base	$750,000	$750,000		$750,000		$750,000
Recreation - Senior Center Revenue Base	$425,000	$425,000		$425,000		$425,000
Recreation - Youth Revenue Base	$425,000	$425,000		$425,000		$425,000
Reserves	$0	**$0**		$0		$0
Subtotal Revenue Base Allocations	*$4,900,000*	*$4,900,000*		*$4,900,000*		*$4,900,000*
Measure M Annual Surplus	$1,748,700	$1,546,244		$1,926,269		$2,319,602
Economic Dev: W Leland Traffic Signal	$850,000	$0		$0		$0
Economic Dev: 3rd Party Park Patrol	$0	$200,000		$0		
Public Works: Sidewalk Repair	$0	$170,803		$100,000		$0
Public Works: Skate Park Tree Removal	$63,700	$0		$0		$0
Public Works: Streetlight Data w CCTA	$85,000	$0		$0		$0
Public Works: BART Connectivity	$0	$25,000		$0		$0
Public Works: Loveridge Road Pavement	$0	$25,000		$0		$0
Public Works: Pittsburg Premier Fields		$150,000		$825,000		$0
Public Works: Security Cameras	$0	$300,000		$0		$0
Recreation: - Marina Center	$750,000	$0		$0		$0
Recreation: Library Hours	$0	$121,667		$121,667		$121,667
Recreation: Small World Park Train and Carousel	$0	$295,000		$0		$0
Subtotal	*$1,748,700*	*$1,287,470*		*$1,046,667*		*$121,667*
Balance	*$0*	*$258,774*		*$879,602*		*$2,197,935*

Measure M Surplus Proposed						
				Current Yr		Future Yrs
Annual Measure M Revenue						
	2021-2022 Revenues Available in 2022-2023	**2022-2023 Revenues Available in 2023-2024**		**2023-2024 Received, Available in 2024-2025**		**2024-2025 Projected, Available in 2025-2026**
Budgeted Revenue	$6,648,700	$6,446,244		$6,567,495		$6,340,000
Carryover from Previous Year Surplus	$0	$0		$8,774		$1,454,602
Subtotal Revenue	*$6,648,700*	*$6,446,244*		*$6,576,269*		*$7,794,602*
Base Allocations						
Economic Development Revenue Base	$450,000	$450,000		$450,000		$450,000
Police Revenue Base	$2,850,000	$2,850,000		$2,850,000		$2,850,000
Public Works Revenue Base	$750,000	$750,000		$750,000		$750,000
Recreation - Senior Center Revenue Base	$425,000	$425,000		$425,000		$425,000
Recreation - Youth Revenue Base	$425,000	$425,000		$425,000		$425,000
Reserves	$0	**$200,000**		$0		$0
Subtotal Revenue Base Allocations	*$4,900,000*	*$5,100,000*		*$4,900,000*		*$4,900,000*
Measure M Annual Surplus	$1,748,700	$1,346,244		$1,676,269		$2,894,602
Economic Dev: W Leland Traffic Signal	$850,000	$0		$0		$0
Economic Dev: 3rd Party Park Patrol	$0	$200,000		$0		
Public Works: Sidewalk Repair	$0	$170,803		$100,000		$0
Public Works: Skate Park Tree Removal	$63,700	$0		$0		$0
Public Works: Streetlight Data w CCTA	$85,000	$0		$0		$0
Public Works: BART Connectivity	$0	$25,000		$0		$0
Public Works: Loveridge Road Pavement	$0	$25,000		$0		$0
~~**Public Works: Pittsburg Premier Fields**~~		~~**$150,000**~~	-	~~**$825,000**~~	-	~~$0~~
Public Works: Security Cameras	$0	$300,000		$0		$0
Recreation: - Marina Center	$750,000	$0		$0		$0
Recreation: Library Hours	$0	$121,667		$121,667		$121,667
Recreation: Project 1751 - Youth Fund	$0	**$200,000**		$0		$0
Recreation: Small World Park Train and Carousel	$0	$295,000		$0		$0
Subtotal	*$1,748,700*	*$1,487,470*		*$1,046,667*		*$121,667*
Balance	*$0*	*$8,774*		*$1,454,602*		*$2,772,935*