



**CITY OF PITTSBURG
AGENDA**

OCTOBER 21, 2019

**CITY HALL COUNCIL CHAMBER
65 CIVIC AVENUE, PITTSBURG, CA**

**PLANNING COMMISSION APPLICANT INTERVIEWS
5:45 P.M.**

**CLOSED SESSION
6:00 P.M.**

**REGULAR MEETINGS
7:00 P.M.**

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

PRESIDING

**Juan Antonio Banales, Mayor/Chair
Jelani Killings, Vice-Mayor/Chair
Marilyn “Merl” Craft, Council Member/Board Member
Holland Barrett White, 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 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.ci.pittsburg.ca.us. 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.

5:45 P.M. - PLANNING COMMISSION APPLICANT INTERVIEWS

AUDIENCE REMARKS

The Audience Remarks period is for the public to comment on any items scheduled to be heard during the Closed Session portion of the meeting, if applicable.

6:00 P.M. - CONVENE IN CLOSED SESSION

1. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION:
Significant exposure to litigation pursuant to Section 54956.9(d)(2)

Number of cases: three

7:00 P.M. - CONVENE IN OPEN SESSION FOR REGULAR MEETING

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

PROCLAMATION

2. Arbor Day
3. National Breast Cancer Awareness Month
4. National Filipino-American History Month
5. National Italian-American Heritage Month

PRESENTATIONS

6. PG&E Presentation on Wildfire Safety
7. Capital Improvement Program

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)

CITIZENS REMARKS

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)

HOUSING AUTHORITY

CONSENT CALENDAR

8. Minutes of September 16, 2019
9. Disbursement List of September 30, 2019

HOUSING AUTHORITY MEMBER REMARKS

ADJOURNMENT OF THE HOUSING AUTHORITY to November 18, 2019

COMBINED CITY COUNCIL AND SOUTHWEST GHAD II CONSIDERATION

10. Adoption of City Council and Southwest Pittsburg Geologic Hazard Abatement District II Resolutions Accepting Contract 2015-03, San Marco Boulevard Class I Trail Project as Complete and Authorizing the City Engineer to File a Notice of Completion

Contract 2015-03, San Marco Boulevard Class I Trail Project (the "Project"), was for the construction of a pedestrian bridge and widening of the sidewalk to continue the Class I pedestrian/bicycle trail adjacent to San Marco Boulevard. The resolutions will accept the construction contract as complete and authorize the City Engineer to file a Notice of Completion.

CITY COUNCIL MEETING

CONSIDERATION

11. Adoption of a City Council Resolution Approving a Rate Increase Requested by Mt. Diablo Resource Recovery for the Operation of Refuse and Recycling Collection

Pittsburg Disposal and Debris Box Service, Inc. DBA Mt. Diablo Resource Recovery (MDRR-Pittsburg) collects the refuse and recycling materials curbside per the Franchise Agreement with the City of Pittsburg. MDRR-Pittsburg has requested a cost of living rate increase matching the Consumer Price Index (CPI) and a discretionary rate adjustment. The Franchise Agreement requires that MDRR-Pittsburg obtain City approval prior to increasing rates above the CPI. City staff recommends approval of the proposed rate increase, service level additions, and pilot program study.

12. Introduction and Waive First Reading of an Ordinance Amending the Pittsburg Municipal Code by Repealing Chapter 9.98 Tow Car Regulation

The City's adopted Purchasing Policy provides procedures for the contracting of outside services. For consistency, the Pittsburg Police Department is seeking City Council action to repeal Pittsburg Municipal Code 9.98, Tow Car Regulation, and will follow City contracting procedures for these services.

13. Adoption of a City Council Resolution to Authorize Application and Receipt of Senate Bill 2 (SB 2) Planning Grant Funding

In 2017, the Governor of California signed Senate Bill 2 (SB 2), referred to as the “Building Homes and Jobs Act,” which established a permanent, on-going source of non-competitive grant funding for local agencies to prepare, adopt, and implement plans and process improvements intended to streamline housing approvals and accelerate housing production. Staff has prepared three draft program recommendations that would qualify as eligible activities and is requesting City Council authorization to apply and receive the State designated funding of \$310,000 for Year 1 of the program.

14. Adoption of a City Council Resolution Declaring October Italian-American Heritage Month and Filipino-American History Month and Directing Staff to Fly the Italian and Filipino Flags Throughout the Month of October at City Hall

Consistent with the City’s adopted Outdoor Flag Display Policy, a request has been brought forward by a member of the Pittsburg City Council to fly the Italian and Filipino Flags at City Hall during the Month of October in recognition of Italian-American Heritage Month and Filipino-American History Month.

15. By Minute Order Appoint Two Committee Members to an Ad Hoc Committee on Flag Protocols

In accordance with the City of Pittsburg “Policies and Procedures for the City Council” adopted by the City Council on September 4, 2001 by Resolution No. 01-9475, the Mayor and Vice-Mayor shall appoint individual Council Members to standing and ad hoc committees. A need currently exists to create an ad hoc committee to review the protocol for raising flags for various causes.

CONFLICT OF INTEREST STATEMENT

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

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

16. Minutes of October 7, 2019
17. Adoption of a City Council Resolution Authorizing the City Manager to Execute Contract Automatic Meter Reading Products

The City’s Public Works Department operates a Water System that distributes potable water to approximately 18,750 residential, commercial, industrial, and institutional customers. National Meter and Automation (National Meter) is the sole distributor for Badger Meter Products for Automatic Meter Reading for the City’s Water System.

18. Adoption of a City Council Resolution to Amend the Pittsburg Police Managers Group Bargaining Agreement

The City of Pittsburg and the Pittsburg Police Managers Group have met and conferred. The proposed Side Letter of Agreement amends the existing collective bargaining agreement by providing a \$20 per month reimbursement to Police Lieutenants for member-paid PORAC long-term and short-term group disability insurance premiums.

19. Adoption of a City Council Resolution to Amend the Pittsburg Police Officers' Association Bargaining Agreement

The City of Pittsburg and the Pittsburg Police Officers' Association have met and conferred. The proposed Side Letter of Agreement amends the existing collective bargaining agreement by providing a \$20 per month reimbursement to unit members for member-paid PORAC long-term and short-term group disability insurance premiums.

20. Adoption of a City Council Resolution to Approve the Staff Response to the Contra Costa County Civil Grand Jury FY 2018-2019 Report

The Contra Costa County Civil Grand Jury issued one report for Fiscal Year 2018-2019 that required the City of Pittsburg's response. The report and response are attached herewith. They are: Grand Jury Report No. 1907, "Stormwater Trash Reduction."

21. Adoption of an Ordinance Amending Title 5 of the Pittsburg Municipal Code Related to Cannabis Regulations

On September 16, 2019, the City Council considered and voted 3-2 to introduce and waive first reading of a text amendment to Pittsburg Municipal Code (PMC) Title 5, Chapter 5.70, sections 5.70.051 and 5.70.160 in order to: 1) specify how required distances between cannabis businesses and potentially sensitive uses are measured; 2) clarify definitions of specific potentially sensitive uses; and 3) establish a minimum distance of 1,000 feet between cannabis dispensaries and potentially sensitive uses, in the event cannabis dispensaries are allowed in the future. The Ordinance is being brought back before the City Council for adoption.

22. Adoption of a City Council Resolution Approving the Establishment of a Public Agencies Post-Employment Benefits Trust Administered by Public Agency Retirement Services (PARS)

To help manage the City's unfunded pension obligation, the City issued a Request for Proposal ("RFP") to administer a Section 115 Pension Prefunding Trust. Based upon the results of this process, Staff recommends that the City Council authorize the City Manager to enter into a contract to establish a 115 Pension Trust to be administered by PARS.

23. Adoption of a City Council Resolution Approving the Contra Costa Transportation Authority 2020 Transportation Expenditure Plan (TEP) and Supporting the Countywide Imposition of One-Half of One Percent Sales Tax to

Fund Transportation Improvements in Contra Costa County; Adoption of the Proposed 2020 TEP; and Conditionally Amending the Growth Management Program

The Contra Costa Transportation Authority (Authority) is responsible for maintaining and improving Contra Costa County's transportation system by planning, funding, and delivering transportation infrastructure projects and programs. The Authority is proposing the imposition of a countywide one-half of one percent sales tax for transportation purposes for a period of 35 years starting July 1, 2020, through June 30, 2055, as well as a proposed Transportation Expenditure Plan (TEP) to guide the use of the proposed sales tax revenues, and an amendment to the Growth Management Program (GMP) in the Measure J TEP to Match that Found in the 2020 TEP.

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 REPORTS/REMARKS

Council Members may make brief announcements or informal comments at this time. Council members may ask questions for clarification from City staff, and make a report on their activities, including reports on committee assignments (see attached list of ad hoc committees and other public agencies in which Council members participate). (No Action Required)

ADJOURNMENT to November 4, 2019

NOTICE TO PUBLIC

GENERAL INFORMATION

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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 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 take 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 citizens. 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 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.ci.pittsburg.ca.us on the Streaming Media page. Past meetings are also archived on that webpage. City Council meetings are also broadcast live on CCTV, Channel 24 also re-run at a later date. For more information, please contact the City Clerk's office at 252-4850.

City Council Outside Agency / Liaison / Sub-Committees Assignments - 2019

Updated February 4, 2019

<u>OUTSIDE AGENCY BOARDS</u>	<u>COUNCIL MEMBER(S)</u>	<u>TYPE</u>	<u>MEETS</u>	<u>STAFF</u>
ABAG	Jelani Killings / Merl Craft Alternate	Standing	Annual	G. Evans
Delta Diablo**	Juan Banales / Shanelle Scales-Preston Alt.	Standing	2 nd Wednesday	F. McKinley
East Co. Co. County Habitat Conservancy	Juan Banales / Holland White Alternate	Standing	Monthly	K. Pollot
East County Water Management	Merl Craft / Holland White Alternate	Standing	Annual	F. McKinley
MCE Clean Energy Board	Shanelle Scales-Preston / Juan Banales Alt.	Standing	4 Per Year	D. Buchanan
TRANSPLAN / ECCRFFA	Juan Banales / Holland White Alternate	Standing	2 nd Thursday	J. Hecht
Tri-Delta Transit (2 reps)***	S. Scales-Preston & Merl Craft / Jelani Killings Alt.	Standing	Last Wednesday	J. Hecht
<u>LIAISON TO</u>	<u>COUNCIL MEMBER(S)</u>	<u>TYPE</u>	<u>MEETS</u>	<u>STAFF</u>
East Bay League of Calif. Cities	Jelani Killings / Juan Banales Alt.	Standing	3 rd Thursday	*Rotational
Mayor's Conference	Juan Banales / Jelani Killings Alt.	Standing	1 st Thursday	G. Evans
School Districts Committee (2x2)	Holland White & Jelani Killings / Merl Craft Alt.	Standing	4 th Thursday even months	G. Evans
<u>SUBCOMMITTEES</u>	<u>COUNCIL MEMBER(S)</u>	<u>TYPE</u>	<u>MEETS</u>	<u>STAFF</u>
CAC CDBG Subcommittee	S. Scales-Preston & Jelani Killings / Holland White Alt.	Standing	As needed	M. Aliotti
Camp Stoneman Anniversary Celebration	Merl Craft & Shanelle Scales-Preston	Ad Hoc	As needed	Evans/Simonton
CIP	Juan Banales & Jelani Killings	Ad Hoc	As needed	G. Evans
Community Services Subcommittee	Juan Banales & Holland White	Ad Hoc	As needed	G. Evans/M. Aliotti
Hills Committee	Juan Banales & Holland White / Merl Craft Alt.	Ad Hoc	As needed	G. Evans
Pittsburg Recognition Committee	Merl Craft / Juan Banales Alt.	Ad Hoc	As needed	J. Hecht
Economic Develop/Waterfront Subcommittee	Jelani Killings & Holland White / Juan Banales Alt.	Standing	Quarterly	K. Simonton
Finance Subcommittee	Jelani Killings & Juan Banales / Merl Craft Alt.	Standing	As needed	B. Farmer
Land Use Subcommittee	Juan Banales & Holland White / Merl Craft Alt.	Ad Hoc	As needed	K. Pollot
Pittsburg Arts & Community Foundation	Merl Craft & S. Scales-Preston / Jelani Killings Alt.	Standing	As needed	G. Evans
Pittsburg Police Activities League (PAL)	S. Scales-Preston & Holland White / Juan Banales Alt.	Standing	Monthly	B. Addington
Power Company Advisory	S. Scales-Preston & Holland White / Merl Craft Alt.	Standing	As needed	D. Buchanan
Sister City Committee	Holland White & Merl Craft / Jelani Killings Alt.	Ad Hoc	As needed	K. Simonton
Successor Agency Subcommittee	Merl Craft & Jelani Killings / S. Scales-Preston Alt.	Standing	As needed	M. Aliotti

*Rotational Staff as assigned by City Manager

**Stipend of \$209 per month

***Stipend of \$100 per month

COMMISSION/SUBCOMMITTEE MEETING SCHEDULE

Following is a tentative list of currently scheduled Commission meetings for the upcoming month. For further information, please visit our website at www.ci.pittsburg.ca.us and click on the CALENDAR link for meetings, dates, times and locations.

Commission	Tentative Meeting Dates
Planning Commission	2 nd and 4 th Tuesdays
Community Advisory Commission	1 st Wednesday

Planning Commission meetings are regularly held the second and fourth Tuesdays of the month in the Pittsburg City Hall Council Chambers.

Community Advisory Commission meetings are regularly held the first Wednesday of the month in the Pittsburg City Hall Council Chambers.

In addition to the Commission Meetings listed above, there are several Council Member Subcommittees that meet on an “as needed basis”. For a list of subcommittees that Council Members and staff are assigned to, please see the “Council Committee List” attached to the agenda.

Subcommittee Meetings that are anticipated to occur in the coming month vary. The meeting dates, times and locations for these meetings are yet to be determined. This information will be posted on the City’s website, www.ci.pittsburg.ca.us, as soon as it is determined. Please check the Calendar on the City’s website for information.

For further information, contact the City staff member assigned to that Commission or Subcommittee.

**CITY OF PITTSBURG
HOUSING AUTHORITY MEETING MINUTES**

DATE: September 16, 2019

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 Council/Agency Member
Marilyn Craft, Council/Agency Member
Holland Barrett White, 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)

CALL TO ORDER

Chair Banales called the meeting of the Housing Authority to order at 7:56 P.M. in the City Council Chamber at City Hall, 65 Civic Avenue, Pittsburg, California.

ROLL CALL

All Members were present.

CONSENT CALENDAR

On motion by Member Craft, seconded by Member Scales-Preston to adopt and carried unanimously.

6. Minutes of August 19, 2019
7. Housing Disbursement List of August 31, 2019
8. Adoption of a Housing Authority Resolution Approving a Loan Agreement of Up to \$780,000 Between the Housing Authority of the City of Pittsburg and Satellite Affordable Housing Associates and Authorizing the Executive Director to Execute the Loan Agreement, Promissory Note, Deed of Trust, and Regulatory Agreement

HOUSING AUTHORITY MEMBER REMARKS

There were no Housing Authority Member remarks.

ADJOURNMENT

The Housing Authority was adjourned at 7:58 P.M. to October 21, 2019.

Respectfully submitted,

Alice E. Evenson, Secretary

PITTSBURG HOUSING AUTHORITY

Disbursement List Summary For the month of September 2019

	Ck#	Amount	HAP ¹	VASH ²	UR ³	Portability	Admin. Fee	TOTAL
VOUCHERS	149461-149602	1,604,449.54	1,204,011.59	131,135.28	10,942.41	253,986.80	4,373.46	1,604,449.54
	90119001-90119485	-	-	-	-	-	-	-
	149603-149607	35,775.33	14,590.92	1,673.00	246.00	18,833.00	432.41	35,775.33
	91519001-91519015	-	-	-	-	-	-	-
	TOTAL	1,640,224.87	1,218,602.51	132,808.28	11,188.41	272,819.80	4,805.87	\$ 1,640,224.87

¹Housing Assistance Payment ²Veterans Affairs Supportive Housing ³Utility Reimbursement

		Amount	Description	TOTAL
ADMINISTRATIVE EXPENSES	Paid to	\$ 37,810.30	Full Time salaries	\$ 37,810.30
	City of Pittsburgh	\$ -	Stipend	-
	(9/19 Operating	-	Part Time salaries	-
		184.96	Overtime salaries	184.96
		2,659.57	Retirement	2,659.57
		7,257.25	Retirement-Pension bonds	7,257.25
		9,979.74	Health Insurance	9,979.74
		-	CalPERS Unfunded Liability - Non Sworn	-
		365.13	Additional CalPERS Pension Contribution	365.13
		117.24	Life Insurance	117.24
		976.74	Dental Insurance	976.74
		1,982.15	Workers Comp	1,982.15
		231.64	Unemployment Insurance	231.64
		154.16	Disability Ins.	154.16
		2,943.84	FICA	2,943.84
		831.24	Deferred Compensation	831.24
		930.92	Allocated Retiree/Med/Vac Buy-Bk/Empl Term	930.92
		595.58	Pension 115 Trust	595.58
		2,675.33	Retiree OPEB Costs	2,675.33
		303.50	Office Supplies	303.50
		-	Computer Software	-
		-	Textbooks	-
		63.00	Postage	63.00
		-	Misc Equip & Furniture < \$5,000	-
		-	Other Special Departmental Supplies	-
		1,408.68	Utilities (Gas, Electric & Water)	1,408.68
		976.81	Telephone - Regular	976.81
		-	Telephone - Other	-
		-	Membership Dues & Subscriptions	-
		45.90	Travel, Training, & Conference	45.90
		2,454.75	Insurance - Alloc Chgs	2,454.75
		-	Legal Fees	-
		-	Auditing Expense	-
		-	Settlement Hearing	-
		2,066.40	Other Contractual & Professional Service	2,066.40
		-	Advertising & Promotion	-
		2,546.68	Maintenance Agreements	2,546.68
		388.32	Maintenance & Repairs	388.32
		156.00	Equipment Rental	156.00
		2,375.00	Building Rental	2,375.00
		565.25	Fleet Maintenance Alloc Chgs	565.25
		1,734.75	Building Maintenance Alloc Chgs	1,734.75
		1,721.25	Information Systems Alloc Chgs	1,721.25
		-	Bad Debt Expense	-
		-	Other Fees	-
		4,735.58	Admin overhead paid to city	4,735.58
		-	Legal - Non Retainer/Non Reimbursable	-
		-	Capital Equipment & Furniture	-
		-	Misc Equip & Furniture < \$5,000	-
		-	Other Special Departmental Supplies - Rental	-
	-	Utilities (Gas, Electric, & Water) - Rental	-	
	-	Advertising & Promotion - Rental	-	
	-	Other Contractual & Professional Service - Rental	-	
	629.00	Maintenance & Repairs - Rental	629.00	
	-	Property Tax payment - Rental	-	
	213.59	Other fees - Rental	213.59	
	-	Lighting & Landscape Assessment - Rental	-	
	-	CCCERA Interfund Loan Payback	-	
	1,556.67	Transfer-Out to OPEB (Unfunded Liabilities)	1,556.67	
	TOTAL	93,636.92		93,636.92

	Ck#	Amount	Reason	TOTAL
VOIDED CHECKS & ADJUSTMENTS	149489	(200.00)	Lost check - reissued on 10/1/19	(200.00)
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	TOTAL	(200.00)		\$ (200.00)

NET of Issued and Voided **\$ 1,733,661.79**

Laura Meier 10/3/19

Check Summary

September 1, 2019

Check Number	Check Date	Payee Tax ID	Payee	Amount
Housing Choice Voucher				
* 149461	9/1/19	*****6316	Alina D Arana	23.00
149462	9/1/19	*****2494	Amana K Cornish	27.00
149463	9/1/19	*****0079	Angel E Smith	32.00
149464	9/1/19	*****1508	Angela N Taylor	125.00
149466	9/1/19	*****8406	Ashley C Jackson	140.00
149467	9/1/19	*****2017	Ashley Davis	189.00
149469	9/1/19	*****0898	Burhan Nawabi	65.00
149471	9/1/19	*****7655	Ciara Fagin	78.00
149472	9/1/19	*****5232	Danielle M Thomas	52.00
149473	9/1/19	*****2319	Delfonse A Lewis	149.00
149474	9/1/19	*****1747	Dorothy T Paige	79.00
149475	9/1/19	*****2521	Erica W Kelley	34.00
149476	9/1/19	*****3840	Eva L Mangum	94.00
149478	9/1/19	*****2764	Jonathan D Bell	246.00
149479	9/1/19	*****4091	Joshua C Perez	80.00
149480	9/1/19	*****7294	Khadijah Jackson	71.00
149481	9/1/19	*****7295	Kimberly Hardy	37.00
149482	9/1/19	*****7253	Laneava S Blanks	217.00
149483	9/1/19	*****5201	Laquita Dillon	133.00
149484	9/1/19	*****8123	Lashonda Crockett	9.00
149485	9/1/19	*****3960	Lyniece N Eddins	190.00
149486	9/1/19	*****6385	Marcia Price	144.00
149487	9/1/19	*****7280	Mareece M Harrison	23.00
149488	9/1/19	*****5133	Mary P Grigsby	3.00
149489	9/1/19	*****8042	Melissa J Perkins	200.00
149491	9/1/19	*****1697	Mieka L Bratton	49.00
149492	9/1/19	*****8275	Mildred G Botello	99.00
149493	9/1/19	*****6104	Monae J Coleman	117.00
149494	9/1/19	*****2674	Monika Smith	8.00
149495	9/1/19	*****3086	Montalabra T Perea	67.00
149496	9/1/19	*****9905	Nakisha Fountain	225.00
149497	9/1/19	*****8665	Nieza M Burrus	133.00
149498	9/1/19	*****4119	Pashenia D Sanders	168.00
149499	9/1/19	*****8671	Patricia M Ingram	24.00

149501	9/1/19	*****6935	Samaiyah A Warren	140.00
149502	9/1/19	*****3403	Shanae V Washington	103.00
149503	9/1/19	*****1512	Shawn A Prince	37.00
149504	9/1/19	*****5981	Sherri L Pitts	87.00
149506	9/1/19	*****3542	Starr C Bronson	12.00
149508	9/1/19	*****4760	Totiona B Richardson	9.00
149510	9/1/19	*****5715	Latisha M Williams	168.00
149511	9/1/19	*****9283	Latoya C Roper	43.00
149512	9/1/19	*****7435	Mary L Parker	233.00
149513	9/1/19	*****2890	Raquel E Miller	41.00
149514	9/1/19	*****8147	Willa Gohegan	33.00
149515	9/1/19	*****8623	Kimberly A Limas	201.00
149516	9/1/19	*****0164	Bobbie J Royston	109.00
149517	9/1/19	*****4208	Ono c Rothschild	296.00
149518	9/1/19	*****2184	Evelyn Smith	53.00
149519	9/1/19	*****5175	Mary C Johnson	48.00
149520	9/1/19	*****9858	Livis J Sanders	122.00
149521	9/1/19	*****8612	Regina D Tucker	68.00
149522	9/1/19	*****0261	Verline Mason	18.00
149523	9/1/19	*****6527	Brandi N Davis	26.00
149524	9/1/19	*****6015	Sherron A Camp	194.00
149525	9/1/19	*****9122	Nancy M Parrish	78.00
149526	9/1/19	*****1482	Tahira M Edwards	14.00
149527	9/1/19	*****5492	Michelle m Williams	14.00
149528	9/1/19	*****0046	Letta D Christian	95.00
149529	9/1/19	*****4842	Tyisha C Paulk	203.00
149530	9/1/19	*****7135	Michele N Nichols	92.00
149531	9/1/19	*****2879	Tieshia S Jones	136.00
149532	9/1/19	*****5626	Lashawn P Fields	65.00
149533	9/1/19	*****1903	Ebony D Loud	4.00
149534	9/1/19	*****5232	Kristina M Greer	16.00
149535	9/1/19	*****3113	Mannah S Parrott	233.00
149536	9/1/19	*****9728	Shelleda F Jackson	44.00
149537	9/1/19	*****0248	Abdul A Wardak	51.00
149538	9/1/19	*****1015	Jessica D Parker	126.00
149539	9/1/19	*****2695	Monique Thompson	1.00
149540	9/1/19	*****4776	Birdie D Ajaebo	2.00
149541	9/1/19	*****5844	Daarina a Bey	38.00
149542	9/1/19	*****8122	Mikesha R Harp	67.00
149543	9/1/19	*****5298	Gloria F Nelson	23.00
149544	9/1/19	*****0903	Virgie r Gray	78.00

149545	9/1/19	*****3803	Katina M Easiley	76.00
149546	9/1/19	*****2822	Meo T Tran	7.00
149547	9/1/19	*****6507	Melissa R Griffin	23.00
149548	9/1/19	*****2140	Leslee r Rockett	52.00
149549	9/1/19	*****3869	Charlene M Best	95.00
149550	9/1/19	*****1062	Lateefah S Camacho	203.00
149551	9/1/19	*****4721	Ebony N Manning	83.00
149552	9/1/19	*****2217	Camille A Lascano	203.00
149553	9/1/19	*****6571	Tasha S Sargent	76.00
149554	9/1/19	*****9229	Sonia M Guevara	124.00
149555	9/1/19	*****8078	Lisa E Gordon	15.00
149556	9/1/19	*****5288	Nicole m Magnus	19.00
149557	9/1/19	*****1606	Tamika Brown	94.00
149558	9/1/19	*****8511	Tantasha Y Dutye	165.00
149559	9/1/19	*****5083	Crystal j Houston	185.00
149560	9/1/19	*****1696	Angela M Varela	81.00
149561	9/1/19	*****1885	Lakisha Mitchell	18.00
149562	9/1/19	*****8818	Lisa n Macpheators	197.00
149563	9/1/19	*****6573	Hermajo L Hoskins	38.00
149564	9/1/19	*****5304	Tina M Nolen	218.00
149565	9/1/19	*****9996	Crystal A Wyrick	74.00
149566	9/1/19	*****2542	Sau C Ly	11.00
149567	9/1/19	*****0840	Dalisha L Bernstine	101.00
149568	9/1/19	*****6622	Dekima R Dotson	7.00
149569	9/1/19	*****6953	Nathan Banks JR	25.00
149570	9/1/19	*****3841	Hangama Karimi	141.00
149571	9/1/19	*****2730	Jolene L Carlos	205.00
149572	9/1/19	*****6995	Graciela Arroyo	49.00
149573	9/1/19	*****0195	Shanoria s Sasser	75.00
149574	9/1/19	*****7390	Masuda Nawabi	35.00
149575	9/1/19	*****1951	Vinisha D Thornton	76.00
149576	9/1/19	*****0849	Briana I Edwards	115.00
149577	9/1/19	*****7822	Daudi K Edmond	48.00
149578	9/1/19	*****5758	Monique c Chaves	119.00
149579	9/1/19	*****7134	Gwendolyn T Banks	52.00
149580	9/1/19	*****1164	Michelle M Balestrieri	155.00
149582	9/1/19	*****9326	Western Addition Apartments, LLC	1,821.00
149583	9/1/19	*****9810	Housing Authority of the County of Alameda	5,305.12
149584	9/1/19	*****0339	Shanda Arnold	1,805.00
149585	9/1/19	*****2979	Mr. Donald Rhodes C/O Paul Shatswell Estate	1,493.00

149586	9/1/19	*****7079	Federal D Glover		2,519.00
149587	9/1/19	*****0849	Praveen Gupta		1,793.00
149588	9/1/19	*****0348	Hartz Property Management		1,471.00
149589	9/1/19	*****1057	Diamond Hillside Apartments		1,279.00
149590	9/1/19	*****0051	Dan Ho		2,582.80
149591	9/1/19	*****0978	King County Housing Authority		1,543.35
149592	9/1/19	*****4593	Miaogen Lu		2,955.00
149593	9/1/19	*****3848	Leticia Carasi Malasig		679.00
149594	9/1/19	*****4697	Elisa Aurora Martinez		2,776.00
149595	9/1/19	*****3124	Dante McDonald		1,222.00
149596	9/1/19	*****2593	Ba Nguyen Thu Thi Ngo		3,476.00
149597	9/1/19	*****9182	Lorene Paysinger		1,791.00
149598	9/1/19	*****7243	Linda Phon		945.00
149599	9/1/19	*****8651	Zaoxin Rong		1,862.00
149600	9/1/19	*****1357	Mohammad Shekib		1,946.00
149601	9/1/19	*****8191	Albert S Tam		1,376.00
149602	9/1/19	*****0668	Guangyu Zhang		3,141.00
* 90119001	9/1/19	*****2626	9th Street Associates, LP	DD - ES	3,004.00
90119002	9/1/19	*****0229	Meerwais Abdiani	DD - ES	899.00
90119003	9/1/19	*****8167	ABJ Enterprises, Inc. dba Blue Line Property Management	DD - ES	8,073.00
90119004	9/1/19	*****6825	A Classey Corp. DBA: ACL Property Management	DD - ES	2,071.00
90119005	9/1/19	*****6232	Rosario Aguilar	DD - ES	783.00
90119006	9/1/19	*****5759	Rosa Aguirre	DD - ES	2,116.00
90119007	9/1/19	*****9530	Demetrius Alexander	DD - ES	1,761.00
90119008	9/1/19	*****9681	Dale Alvarez	DD - ES	1,675.00
90119010	9/1/19	*****0104	Cecilia Anderson	DD - ES	2,643.00
90119011	9/1/19	*****5255	Linda S Anderson	DD - ES	2,741.00
90119012	9/1/19	*****9111	Shawn Anderson	DD - ES	1,681.00
90119013	9/1/19	*****5951	Stoneman Apartments	DD - ES	29,618.00
90119014	9/1/19	*****5951	Stoneman Apartments	DD - ES	19,340.00
90119015	9/1/19	*****8701	Mariteresa Arenson c/o Select 1 Realty	DD - ES	1,735.00
90119016	9/1/19	*****0707	Sergeant or Sima Austin	DD - ES	1,754.00
90119017	9/1/19	*****4941	Shruti Motilal Ba-Harani	DD - ES	2,004.00
90119018	9/1/19	*****2764	Mel L. Banagan	DD - ES	1,719.00
90119019	9/1/19	*****4138	Carlos G. Barraza	DD - ES	808.00
90119020	9/1/19	*****3909	Ken Bartlett	DD - ES	2,257.00

90119021	9/1/19	*****5979	John Bedford	DD - ES	1,083.00
90119022	9/1/19	*****9093	Holly Beech	DD - ES	4,319.00
90119024	9/1/19	*****8614	Charles Bell and Camino Johnson-Bell	DD - ES	1,662.00
90119025	9/1/19	*****2521	Belmont Apartments	DD - ES	30,450.00
90119026	9/1/19	*****2521	Belmont Apartments	DD - ES	28,312.00
90119027	9/1/19	*****2521	Belmont Apartments	DD - ES	31,209.00
90119028	9/1/19	*****2521	Belmont Apartments	DD - ES	13,437.00
90119029	9/1/19	*****5996	Alex Benjamin	DD - ES	1,572.00
90119030	9/1/19	*****6465	Tennyson Berry	DD - ES	1,695.00
90119031	9/1/19	*****8634	Bethel Global Development LLC	DD - ES	1,742.00
90119032	9/1/19	*****2209	Gina Bhatia	DD - ES	2,891.00
90119033	9/1/19	*****7075	Som N Bhatia	DD - ES	3,624.00
90119034	9/1/19	*****0602	Pinakin Bhatt	DD - ES	2,386.00
90119035	9/1/19	*****8470	Joseph B. Bachir	DD - ES	1,626.00
90119036	9/1/19	*****5924	Steven Booras	DD - ES	2,265.00
90119037	9/1/19	*****1438	2018-2 IH Borrower LP	DD - ES	2,085.00
90119038	9/1/19	*****3037	Kelly Ann Bradford	DD - ES	1,451.00
90119039	9/1/19	*****6215	Janet Brown	DD - ES	1,389.00
90119040	9/1/19	*****7469	Jessica G. Platt	DD - ES	1,737.00
90119041	9/1/19	*****9783	Lauren H Brown	DD - ES	1,884.00
90119042	9/1/19	*****9954	Blue Sapphire Homes, Inc.	DD - ES	2,273.00
90119043	9/1/19	*****2142	Huong T. Bui	DD - ES	3,566.00
90119044	9/1/19	*****3187	Burga Family California Trust	DD - ES	1,946.00
90119047	9/1/19	*****3026	Jerome Busby	DD - ES	1,806.00
90119048	9/1/19	*****7349	Xuelong Cao	DD - ES	658.00
90119050	9/1/19	*****4042	Donnell I. Carson	DD - ES	1,875.00
90119051	9/1/19	*****9316	Caribe Partners	DD - ES	2,890.00
90119052	9/1/19	*****5079	Castle Creek Company, Inc.	DD - ES	1,557.00
			Trust Account		
90119053	9/1/19	*****6869	Cora Ann Chambers	DD - ES	2,000.00
90119054	9/1/19	*****6228	Gayle Chamberlain	DD - ES	856.00
90119055	9/1/19	*****0398	Kan Chuen Chan	DD - ES	2,050.00
90119056	9/1/19	*****5571	P. M. Chaobal	DD - ES	2,499.00
90119057	9/1/19	*****9661	Chao Chen	DD - ES	1,702.00
90119058	9/1/19	*****1853	Hong Chen	DD - ES	4,625.00
90119059	9/1/19	*****8946	Jienlin Chen	DD - ES	2,293.00
90119060	9/1/19	*****0128	Ping Chen	DD - ES	2,209.00
90119061	9/1/19	*****2680	Sherry Chen	DD - ES	1,501.00
90119062	9/1/19	*****4714	Wenhua Chen	DD - ES	2,413.00
90119063	9/1/19	*****5473	Hwa-Yoong Chiu	DD - ES	2,400.00

90119064	9/1/19	*****3211	Ada Choi	DD - ES	2,176.00
90119065	9/1/19	*****2454	Chun Ok Choi	DD - ES	6,076.00
90119066	9/1/19	*****0310	City of Pittsburg Housing Authority	DD - ES	5,224.00
90119067	9/1/19	*****3591	Juan F. Clara	DD - ES	1,088.00
90119068	9/1/19	*****7054	Ping Cao	DD - ES	1,394.00
90119069	9/1/19	*****1362	College Park Housing Authority	DD - ES	851.28
90119070	9/1/19	*****9873	Angel Contreras	DD - ES	2,860.00
90119071	9/1/19	*****8060	Betty Conner	DD - ES	1,136.00
90119072	9/1/19	*****1814	Tonette Sharice Cooper	DD - ES	2,689.00
90119073	9/1/19	*****0855	Adolph Rudolph Cortesi III	DD - ES	1,580.00
90119074	9/1/19	*****5708	David Elmer Cortesi	DD - ES	1,541.00
90119078	9/1/19	*****0746	Contra Costa County Housing Authority	DD - ES	1,533.35
90119079	9/1/19	*****0746	Contra Costa County Housing Authority	DD - ES	5,263.81
90119081	9/1/19	*****7194	Maria G. Costa	DD - ES	771.00
90119082	9/1/19	*****1944	Melonie C. Miles - Trustee Phillip Cotton and Freddie Cotton 2005 Trust	DD - ES	2,007.00
90119083	9/1/19	*****3772	Creekside Apartment Investors LLC DBA Creekside Village	DD - ES	21,962.00
90119084	9/1/19	*****3772	Creekside Apartment Investors LLC DBA Creekside Village	DD - ES	25,320.00
90119085	9/1/19	*****3772	Creekside Apartment Investors LLC DBA Creekside Village	DD - ES	24,174.00
90119086	9/1/19	*****3772	Creekside Apartment Investors LLC DBA Creekside Village	DD - ES	3,061.00
90119087	9/1/19	*****6569	Jeannette D. Crespo	DD - ES	2,443.00
90119088	9/1/19	*****7900	Patricia Crosby	DD - ES	1,400.00
90119089	9/1/19	*****3327	Jorge Robert Dagys Delevan Catty Leticia Pajoluk	DD - ES	1,899.00
90119090	9/1/19	*****6248	Justin Dailey	DD - ES	1,529.00
90119091	9/1/19	*****1622	Dam Quang To	DD - ES	19.00
90119092	9/1/19	*****8853	Antoinette Davis	DD - ES	963.00
90119093	9/1/19	*****2963	Audrey Davis	DD - ES	953.00
90119094	9/1/19	*****0396	Kesha E. Davis	DD - ES	1,286.00
90119095	9/1/19	*****8929	Kevin Davidson	DD - ES	1,200.00
90119096	9/1/19	*****4961	Paulette Davis	DD - ES	1,651.00
90119097	9/1/19	*****6115	Roshan M. Davis	DD - ES	1,438.00
90119098	9/1/19	*****9068	Jagdeep or Shashi Dayal	DD - ES	4,143.00
90119099	9/1/19	*****2031	Wayman Dea	DD - ES	2,274.00
90119100	9/1/19	*****8370	Charles Dellamore	DD - ES	1,328.00
90119101	9/1/19	*****5882	David De La Torre	DD - ES	1,353.00
90119103	9/1/19	*****1004	Brigitte P. Doan	DD - ES	7,223.00
90119104	9/1/19	*****3531	Anna Phuongnam Thi Do	DD - ES	2,066.00

90119105	9/1/19	*****9716	JoAnn or Larry Domina	DD - ES	1,137.00
90119106	9/1/19	*****6538	Linda Duong	DD - ES	1,048.00
90119107	9/1/19	*****3406	Mercy Housing California XXXVIII East Leland Court Apartments	DD - ES	4,906.00
90119108	9/1/19	*****0372	Doris Engle Family Ltd Partnership c/o Select 1 Realty	DD - ES	1,318.00
90119109	9/1/19	*****3757	Alma B Espiritu	DD - ES	1,705.00
90119110	9/1/19	*****6095	Rosario Espejo	DD - ES	1,825.00
90119111	9/1/19	*****8122	Gerardo M. Esquivel	DD - ES	1,348.00
90119112	9/1/19	*****6027	Jianxin Fang Jia Liu	DD - ES	4,399.00
90119113	9/1/19	*****3835	Michael Mao C/O Jing Feng	DD - ES	2,307.00
90119114	9/1/19	*****8236	Anthony Ferrell	DD - ES	1,749.00
90119115	9/1/19	*****3881	FFAH Marina Heights LLC	DD - ES	20,260.00
90119116	9/1/19	*****3881	FFAH Marina Heights LLC	DD - ES	18,070.00
90119117	9/1/19	*****3881	FFAH Marina Heights LLC	DD - ES	19,053.00
90119118	9/1/19	*****2790	Barbara J. Fierner	DD - ES	1,675.00
90119119	9/1/19	*****9447	Joseph Field	DD - ES	1,118.00
90119120	9/1/19	*****7691	Hernan Roberto Figueroa	DD - ES	1,362.00
90119122	9/1/19	*****0962	Tochia D. Brewster Fleeton	DD - ES	1,437.00
90119123	9/1/19	*****5773	Alexander Flowers	DD - ES	1,342.00
90119124	9/1/19	*****1547	HomeForward (Housing Authority of Portland)	DD - ES	1,737.55
90119125	9/1/19	*****4032	Fox Creek Apartments	DD - ES	23,374.00
90119126	9/1/19	*****4032	Fox Creek Apartments	DD - ES	12,089.00
90119127	9/1/19	*****0284	Monica Fraga	DD - ES	846.00
90119128	9/1/19	*****6894	Rejois O. Frazier or Leroy Myers	DD - ES	1,722.00
90119129	9/1/19	*****6265	Mr. Darren Fuller	DD - ES	1,384.00
90119130	9/1/19	*****8997	Fan Fuller	DD - ES	450.00
90119131	9/1/19	*****7132	Cathy Fung	DD - ES	3,924.00
90119132	9/1/19	*****9634	Gialene Gaines	DD - ES	1,750.00
90119133	9/1/19	*****8306	Bao Wen Gao	DD - ES	2,681.00
90119134	9/1/19	*****6981	Adraine Gardner	DD - ES	1,916.00
90119135	9/1/19	*****4278	Antoinette L Garcia	DD - ES	1,345.00
90119136	9/1/19	*****7036	David Gardner	DD - ES	2,095.00
90119137	9/1/19	*****0785	Rupesh Garg Samantha Garg	DD - ES	2,091.00
90119138	9/1/19	*****2931	William H. Gardiner	DD - ES	2,051.00
90119139	9/1/19	*****5111	Gateway Apartments	DD - ES	4,592.00
90119140	9/1/19	*****5298	Parvindokht Ghaboulidashti	DD - ES	1,103.00
90119141	9/1/19	*****2770	Eva Gholson	DD - ES	2,900.00
90119142	9/1/19	*****1145	Vernon or Eva Gholson	DD - ES	2,627.00

90119143	9/1/19	*****5958	Jacqueline Gill	DD - ES	1,695.00
90119144	9/1/19	*****8187	Sukpran Gill	DD - ES	1,493.00
90119145	9/1/19	*****6084	Gold A and S LLC	DD - ES	2,507.00
90119146	9/1/19	*****3032	Jesse Gonzaga	DD - ES	2,184.00
90119147	9/1/19	*****2367	Ting Gong	DD - ES	2,251.00
90119148	9/1/19	*****6940	Frances Greene	DD - ES	2,107.00
90119149	9/1/19	*****4872	Rodney Green	DD - ES	1,176.00
90119150	9/1/19	*****3361	Rupinder Grewal	DD - ES	1,996.00
90119151	9/1/19	*****7325	Patricia Gridley	DD - ES	1,025.00
90119152	9/1/19	*****6305	Italo Grossi	DD - ES	1,570.00
90119153	9/1/19	*****6721	Amparo Guardado Cesar Q. Guardado	DD - ES	930.00
90119154	9/1/19	*****0940	Krystle Guan	DD - ES	4,372.00
90119155	9/1/19	*****5987	Bob Gunson Real Estate C/O Julie Hang	DD - ES	1,307.00
90119156	9/1/19	*****5267	Abhilash Gupta	DD - ES	3,122.00
90119157	9/1/19	*****2314	Nicole Hackett	DD - ES	1,758.00
90119158	9/1/19	*****6176	Asharfun Nisha Hafiz	DD - ES	1,720.00
90119159	9/1/19	*****0457	Jeffrey Paul Hagler	DD - ES	3,612.00
90119160	9/1/19	*****9827	Delores Jane Hall	DD - ES	1,532.00
90119161	9/1/19	*****4299	Clarence Jerome Hardison	DD - ES	1,658.00
90119162	9/1/19	*****6228	David L Hart	DD - ES	1,779.00
90119163	9/1/19	*****1769	Lawrence Harrold	DD - ES	7,286.00
90119164	9/1/19	*****7423	Delta Hawaii Garden Apartments LLC	DD - ES	4,237.00
90119165	9/1/19	*****5859	Chuanhu He	DD - ES	1,810.00
90119166	9/1/19	*****6728	David T. Hennigan	DD - ES	15,965.00
90119167	9/1/19	*****3097	Silvester C. Henderson	DD - ES	3,943.00
90119168	9/1/19	*****5221	Anna Hernandez	DD - ES	1,512.00
90119169	9/1/19	*****3423	Sally Lea Hickman	DD - ES	1,493.00
90119170	9/1/19	*****1603	Marva Hill	DD - ES	632.00
90119171	9/1/19	*****6255	Carl E. Hoard II	DD - ES	515.00
90119172	9/1/19	*****7386	Hanh Huu Hoang	DD - ES	2,789.00
90119173	9/1/19	*****5654	Havy S Hoag	DD - ES	2,585.00
90119174	9/1/19	*****4106	Albert Ho	DD - ES	1,784.00
90119175	9/1/19	*****2084	Annie Ho The Annie Ho Living Trust	DD - ES	1,161.00
90119176	9/1/19	*****8576	Joyce Ann Hoffman	DD - ES	1,452.00
90119177	9/1/19	*****7451	Gloria H. Holbrook	DD - ES	1,521.00
90119178	9/1/19	*****4543	Ronald G. Holmes	DD - ES	950.00
90119179	9/1/19	*****2768	Invitation Homes	DD - ES	2,521.00
90119180	9/1/19	*****5700	Tony Ho	DD - ES	1,261.00
90119181	9/1/19	*****9956	Cheng Huang	DD - ES	2,899.00

90119182	9/1/19	*****1535	Fanny Kao Huang	DD - ES	2,223.00
90119183	9/1/19	*****8816	Ming Zin Huang	DD - ES	2,755.00
90119184	9/1/19	*****7984	Tao Huang	DD - ES	6,409.00
90119185	9/1/19	*****9084	Nancy Xiu Zhen Hu	DD - ES	2,327.00
90119186	9/1/19	*****6229	Thinh Trieu Huynh	DD - ES	2,000.00
90119187	9/1/19	*****0778	IGreen House Inc.	DD - ES	1,189.00
90119188	9/1/19	*****4320	IH2 Property West, L.P.	DD - ES	1,361.00
90119189	9/1/19	*****7951	IH5 Property West LP	DD - ES	2,904.00
90119190	9/1/19	*****7013	Eugene G. Imperato	DD - ES	1,468.00
90119191	9/1/19	*****8323	Keyee Investment LLC	DD - ES	808.00
90119192	9/1/19	*****1017	LaShon D Irving	DD - ES	1,951.00
90119193	9/1/19	*****0911	Mario Isidro	DD - ES	1,955.00
90119194	9/1/19	*****6821	Michael or Kay Isola	DD - ES	1,110.00
90119195	9/1/19	*****4913	Jabbarr Love	DD - ES	1,321.00
90119196	9/1/19	*****2036	Brandi Jackson C/O Perry Realty Team	DD - ES	2,120.00
90119197	9/1/19	*****5120	Deepika Sameer Jain	DD - ES	5,993.00
90119198	9/1/19	*****4910	Sameer Jain	DD - ES	1,931.00
90119199	9/1/19	*****3307	Vishal S. Jain	DD - ES	2,034.00
90119200	9/1/19	*****1349	Jason Le	DD - ES	2,441.00
90119201	9/1/19	*****6917	Jian Xing Zhang	DD - ES	1,493.00
90119202	9/1/19	*****5506	Jason K. Johnson	DD - ES	2,951.00
90119203	9/1/19	*****8569	Ronita Johnson	DD - ES	1,487.00
90119204	9/1/19	*****8867	James Jones	DD - ES	1,963.00
90119205	9/1/19	*****2434	Sharon Jones	DD - ES	1,756.00
90119206	9/1/19	*****4905	Mostaeen B Jouya	DD - ES	2,219.00
90119207	9/1/19	*****3526	JPH Investment Trust	DD - ES	2,493.00
90119208	9/1/19	*****5647	Om Parkash Kalra	DD - ES	3,183.00
90119209	9/1/19	*****8425	Wei Kang	DD - ES	4,097.00
90119210	9/1/19	*****1731	Deepinder Kaur	DD - ES	2,282.00
90119211	9/1/19	*****7429	Navkirandeep Kaur	DD - ES	2,436.00
90119212	9/1/19	*****6180	K. E. M. Group LLC	DD - ES	1,899.00
90119213	9/1/19	*****9411	Anthony Keslinke	DD - ES	1,502.00
90119214	9/1/19	*****2578	Faraz Ali Khan	DD - ES	1,627.00
90119215	9/1/19	*****0839	Alan T. Kilpatrick	DD - ES	441.00
90119216	9/1/19	*****0888	KW Kirker Creek, LLC	DD - ES	2,992.00
90119217	9/1/19	*****7475	Qi Yun Kuang	DD - ES	6,510.00
90119218	9/1/19	*****8506	Simon Kailiang Kuang	DD - ES	1,658.00
90119219	9/1/19	*****9316	Zdzislaw Kujawa	DD - ES	1,337.00
90119220	9/1/19	*****2585	Daniel Kwan	DD - ES	3,525.00
90119221	9/1/19	*****6229	Simon Chuen-Sang Kwong	DD - ES	980.00

90119222	9/1/19	*****8326	Thomas LaFleur	DD - ES	1,487.00
90119223	9/1/19	*****7845	Chow Kang Lam	DD - ES	3,662.00
90119224	9/1/19	*****6520	Shirley Manly-Lampkin	DD - ES	1,032.00
90119225	9/1/19	*****6102	Maria Lara	DD - ES	4,824.00
90119226	9/1/19	*****7975	Peter C. Larsen	DD - ES	1,449.00
90119227	9/1/19	*****2401	Kevin Lassair Terrilyn Lassair	DD - ES	1,954.00
90119228	9/1/19	*****4732	Latif, LLC	DD - ES	2,917.00
90119229	9/1/19	*****8107	Marnita G. Lawson	DD - ES	1,093.00
90119230	9/1/19	*****2293	LCSTAR, LLC	DD - ES	4,628.00
90119231	9/1/19	*****0984	Dao Tran Le	DD - ES	550.00
90119232	9/1/19	*****8548	Jack Wai Lee	DD - ES	2,046.00
90119233	9/1/19	*****1755	Siu Wan Windytiti Lee	DD - ES	1,985.00
90119234	9/1/19	*****2527	Steven Lee	DD - ES	1,131.00
90119235	9/1/19	*****5289	Yuhjen Juang Lee	DD - ES	1,790.00
90119236	9/1/19	*****7087	Huy Nguyen Le	DD - ES	2,700.00
90119237	9/1/19	*****1860	Lena Le	DD - ES	989.00
90119238	9/1/19	*****3782	Joseph C. Lerma	DD - ES	1,016.00
90119239	9/1/19	*****3555	Yiping I. and Frederic Leroudier	DD - ES	2,100.00
90119240	9/1/19	*****3410	John M. Leung	DD - ES	7,292.00
90119241	9/1/19	*****3743	May Leung or Rodney Chen	DD - ES	3,476.00
90119242	9/1/19	*****2110	Peter Leung	DD - ES	2,551.00
90119243	9/1/19	*****5185	Fortunee Lichaa	DD - ES	936.00
90119244	9/1/19	*****3386	James J. Busby and Irvin Deutcher a Partnership DBA Crestview Apartments	DD - ES	10,926.00
90119245	9/1/19	*****0416	Faqiang Li	DD - ES	681.00
90119246	9/1/19	*****8871	Jie Li	DD - ES	1,984.00
90119247	9/1/19	*****7827	Jinhuan Li	DD - ES	1,524.00
90119248	9/1/19	*****9346	Joshua Li	DD - ES	1,486.00
90119249	9/1/19	*****5495	Jian S Lin	DD - ES	1,669.00
90119250	9/1/19	*****2649	Tim Lindstrom c/o AAA Property Management	DD - ES	1,133.00
90119251	9/1/19	*****3881	Vivian Y Li	DD - ES	989.00
90119253	9/1/19	*****0050	Wei Min Li	DD - ES	1,712.00
90119254	9/1/19	*****9003	Ying Hong Li	DD - ES	1,490.00
90119255	9/1/19	*****0198	Belkis Zhong Li	DD - ES	2,894.00
90119256	9/1/19	*****1646	Paul Long	DD - ES	1,952.00
90119257	9/1/19	*****1474	Los Medanos Village Apartments	DD - ES	18,541.00
90119258	9/1/19	*****7531	Tony or Yvonne Louie	DD - ES	1,393.00
90119259	9/1/19	*****1790	Valerie Love	DD - ES	544.00
90119260	9/1/19	*****5602	Marshall & Sonya Lowe	DD - ES	1,116.00
90119261	9/1/19	*****3708	Anthony Charles Loyola	DD - ES	1,074.00

90119262	9/1/19	*****7720	Jose Loza	DD - ES	693.00
90119263	9/1/19	*****2354	Andrew Kin Lui	DD - ES	2,710.00
90119264	9/1/19	*****4658	Wei Liu Guangxin Frank Liu	DD - ES	1,871.00
90119265	9/1/19	*****7843	The Entrust Group, Inc. FBO Theodore Lum IRA (acct #34892)	DD - ES	756.00
90119266	9/1/19	*****1821	Curtis H. Lundberg	DD - ES	571.00
90119267	9/1/19	*****1596	Kenneth Luong	DD - ES	1,581.00
90119268	9/1/19	*****1494	Xiangwen Lu	DD - ES	2,767.00
90119269	9/1/19	*****2147	Chi Vien Ly	DD - ES	1,607.00
90119270	9/1/19	*****5430	Kiet A. Ly	DD - ES	1,794.00
90119271	9/1/19	*****4009	Yolanda McDonald	DD - ES	854.00
90119272	9/1/19	*****6525	Madelyn Ann Massey Trustee of the 2017 Massey Family Trust	DD - ES	1,640.00
90119273	9/1/19	*****5865	Rakesh Madra	DD - ES	4,822.00
90119274	9/1/19	*****2191	Radha Mahesram	DD - ES	1,939.00
90119275	9/1/19	*****7358	Mahnoor Tariq	DD - ES	2,670.00
90119276	9/1/19	*****4372	Jennifer Leung Ma	DD - ES	3,256.00
90119277	9/1/19	*****1989	Jeff Mann	DD - ES	5,901.00
90119278	9/1/19	*****5378	Glenn Marshall	DD - ES	2,500.00
90119279	9/1/19	*****2875	Marla Y Harrison	DD - ES	537.00
90119280	9/1/19	*****9317	Ramey J Marquez	DD - ES	2,434.00
90119281	9/1/19	*****9206	Demetria d Mason	DD - ES	1,850.00
90119282	9/1/19	*****6768	Matrixone Realty	DD - ES	1,032.00
90119283	9/1/19	*****5255	Helen McCarthy	DD - ES	1,946.00
90119284	9/1/19	*****7174	Samuel McCree	DD - ES	1,239.00
90119285	9/1/19	*****6494	Dorothy McDonald	DD - ES	2,055.00
90119287	9/1/19	*****1152	Janice K McLean	DD - ES	1,700.00
90119288	9/1/19	*****4675	Meadow Glen Apartments	DD - ES	1,907.00
90119289	9/1/19	*****9866	Tatung Mei	DD - ES	3,564.00
90119290	9/1/19	*****4316	Joel Mejia	DD - ES	899.00
90119291	9/1/19	*****5245	Jinyu Meng	DD - ES	2,239.00
90119292	9/1/19	*****4885	Sabine Menzel	DD - ES	5,250.00
90119293	9/1/19	*****0133	Mercedes P. Johnson	DD - ES	614.00
90119294	9/1/19	*****7793	Dennis Meyer Kinetic Real Estate/ Marelise Navaroo	DD - ES	1,487.00
90119295	9/1/19	*****8272	Hector Meza	DD - ES	1,650.00
90119296	9/1/19	*****9885	Andrew S Miloslavich	DD - ES	1,681.00
90119297	9/1/19	*****7437	Perchak Properties for Carol Miller	DD - ES	1,940.00
90119298	9/1/19	*****9782	Maryann Miller	DD - ES	1,194.00
90119299	9/1/19	*****2618	Carlos J Miranda	DD - ES	764.00
90119300	9/1/19	*****0772	Hassan Mirabedi	DD - ES	7,612.00

90119301	9/1/19	*****6741	Gwendolyn Mitchell	DD - ES	3,798.00
90119302	9/1/19	*****7083	Ronnie Eric Moffett Estate	DD - ES	2,018.00
90119303	9/1/19	*****6340	Moe Mojaddidi	DD - ES	3,000.00
90119304	9/1/19	*****0985	Rodney Montgomery or Sharon Montgomery	DD - ES	1,647.00
90119305	9/1/19	*****4676	Erik L Morris	DD - ES	2,131.00
90119306	9/1/19	*****3624	Diane Morin	DD - ES	1,790.00
90119307	9/1/19	*****3642	Eva Munn	DD - ES	952.00
90119308	9/1/19	*****8820	Brien Brothers, LLC C/O Mynd Management, IC.	DD - ES	1,618.00
90119309	9/1/19	*****0105	Ehsan Nabkel	DD - ES	2,911.00
90119310	9/1/19	*****9276	Fariba Naji	DD - ES	1,861.00
90119311	9/1/19	*****6234	Shinder Paul Narabut	DD - ES	7,135.00
90119312	9/1/19	*****0054	NC Associates, Inc.	DD - ES	17,844.00
90119313	9/1/19	*****9180	Michael Nelson	DD - ES	2,600.00
90119314	9/1/19	*****5257	Guy Nesbeth	DD - ES	2,953.00
90119315	9/1/19	*****1072	Dominic Y Ng	DD - ES	3,300.00
90119316	9/1/19	*****3604	Knowland Ging Ng	DD - ES	4,749.00
90119317	9/1/19	*****8594	Patrick Ng Mike Perry, Property Manager	DD - ES	1,716.00
90119318	9/1/19	*****0738	Hieu Nguyen	DD - ES	2,033.00
90119319	9/1/19	*****7154	Huy Quang Nguyen	DD - ES	2,419.00
90119320	9/1/19	*****8307	Mai Thi Thanh Nguyen	DD - ES	1,925.00
90119321	9/1/19	*****4366	Quyen Nguyen	DD - ES	1,900.00
90119322	9/1/19	*****8241	Tieu Nguyen	DD - ES	1,358.00
90119323	9/1/19	*****2660	Nichole Nicholson	DD - ES	2,303.00
90119324	9/1/19	*****7265	Ernest Nichols III	DD - ES	4,164.00
90119325	9/1/19	*****6497	Peter Niloufari	DD - ES	5,105.00
90119327	9/1/19	*****8129	Kevin Nord Nord Investment Real Estate	DD - ES	1,350.00
90119328	9/1/19	*****0056	Richard A Norte	DD - ES	2,603.00
90119329	9/1/19	*****2286	North State Financial, Inc.	DD - ES	1,501.00
90119330	9/1/19	*****7171	New Way Management Services, Inc.	DD - ES	18,240.00
90119331	9/1/19	*****1194	Jennifer Odei	DD - ES	1,448.00
90119332	9/1/19	*****5572	Dwight J Owens	DD - ES	652.00
90119333	9/1/19	*****4543	Esosa A. Omokaro	DD - ES	2,186.00
90119334	9/1/19	*****0588	Orange County Housing Authority	DD - ES	2,304.27
90119335	9/1/19	*****3741	Sandra L Ortiz	DD - ES	1,822.00
90119336	9/1/19	*****1081	Chinenye Osuagwu	DD - ES	2,582.00
90119337	9/1/19	*****9139	Olubukola Amoke Oyebade	DD - ES	2,462.00
90119338	9/1/19	*****3324	Mutlu Ozer	DD - ES	1,807.00
90119339	9/1/19	*****4083	Pacific Living, LLC	DD - ES	2,769.00

90119340	9/1/19	*****7811	Hemangini & Vijendra Patel	DD - ES	2,106.00
90119341	9/1/19	*****0885	Kokila Patel	DD - ES	1,023.00
90119342	9/1/19	*****8684	Virendra M. Patel	DD - ES	1,105.00
90119343	9/1/19	*****8047	Jason Pauline	DD - ES	1,351.00
90119344	9/1/19	*****1939	Paula D. Williams	DD - ES	2,207.00
90119345	9/1/19	*****5165	Scott Pease	DD - ES	1,262.00
90119346	9/1/19	*****3278	Maria Del Carmen Perez	DD - ES	263.00
90119347	9/1/19	*****6784	Lowde Y. Perkins	DD - ES	919.00
90119348	9/1/19	*****8225	Shiv Pertab	DD - ES	2,805.00
90119349	9/1/19	*****4893	Cong Thi Pham	DD - ES	2,575.00
90119350	9/1/19	*****0958	Pittsburg Park Apartments	DD - ES	3,759.00
90119351	9/1/19	*****1097	Marianne Head Bay Point Orphans Fund, LLC	DD - ES	3,219.00
90119352	9/1/19	*****7605	Portofino Apartments	DD - ES	7,894.00
90119353	9/1/19	*****8826	Prime Metropolis Properties, Inc.	DD - ES	4,223.00
90119354	9/1/19	*****2849	IH5 Property West LP	DD - ES	2,381.00
90119355	9/1/19	*****3398	Marples Property Management	DD - ES	3,321.00
90119356	9/1/19	*****4650	A. Meadows Property Management	DD - ES	1,209.00
90119357	9/1/19	*****6551	Parks Properties	DD - ES	1,765.00
90119358	9/1/19	*****7789	Stokley Properties LLC Harbor	DD - ES	2,268.00
90119359	9/1/19	*****8055	Property Upsurge, Inc.	DD - ES	11,254.00
90119360	9/1/19	*****0782	Amjad Qaqish	DD - ES	783.00
90119361	9/1/19	*****9542	Sam or Sonia Quinones	DD - ES	1,798.00
90119362	9/1/19	*****4029	Amos Radford	DD - ES	1,451.00
90119363	9/1/19	*****1034	Kuljit P Raju	DD - ES	1,302.00
90119364	9/1/19	*****2261	Paramjit K. Raju	DD - ES	3,030.00
90119365	9/1/19	*****3452	Christopher Ramirez	DD - ES	1,837.00
90119366	9/1/19	*****8489	Enrique or Stacy Ramirez	DD - ES	548.00
90119368	9/1/19	*****6068	David Raughton	DD - ES	1,772.00
90119369	9/1/19	*****8337	RayCaro Inc.	DD - ES	3,026.00
90119370	9/1/19	*****8227	Croskey Real Estate, Inc.	DD - ES	1,855.00
90119371	9/1/19	*****6703	Amerasia Real Estate Fund LLC	DD - ES	4,728.00
90119372	9/1/19	*****7083	Reliant - Woods Grove, LP	DD - ES	15,526.00
90119373	9/1/19	*****7349	Eric Franklin Remson	DD - ES	1,090.00
90119374	9/1/19	*****9215	Kameryn Victoria Ray	DD - ES	6,346.00
90119375	9/1/19	*****9321	Roger Riley	DD - ES	1,901.00
90119376	9/1/19	*****4562	Rising Investments LLC	DD - ES	3,270.00
90119377	9/1/19	*****4809	Robert W. Daniels	DD - ES	2,416.00
90119378	9/1/19	*****0694	Jason Ruffin	DD - ES	2,862.00
90119379	9/1/19	*****4579	Elvira Ruiz	DD - ES	1,578.00
90119380	9/1/19	*****5248	Constance Russell	DD - ES	1,087.00

90119381	9/1/19	*****3871	Maridel P Santos	DD - ES	1,597.00
90119382	9/1/19	*****3011	Alicia Saucedo	DD - ES	1,218.00
90119383	9/1/19	*****7615	Gregory Paul Schulz	DD - ES	1,091.00
90119384	9/1/19	*****9954	Richard M. Sciortino	DD - ES	2,358.00
90119385	9/1/19	*****7031	Jacqueline Selinger	DD - ES	1,534.00
90119386	9/1/19	*****5346	Young Sook Seroy	DD - ES	1,724.00
90119387	9/1/19	*****1446	Mohinder Sharma	DD - ES	999.00
90119388	9/1/19	*****7239	Shailesh & Bela Patel	DD - ES	3,498.00
90119389	9/1/19	*****1370	James Shipe, c/o Richard Grijalva, East Cty Brokers	DD - ES	1,946.00
90119390	9/1/19	*****5981	Yihui Shi	DD - ES	1,721.00
90119391	9/1/19	*****7789	Siena Court Apartments	DD - ES	9,986.00
90119392	9/1/19	*****7396	Sierra Pacific Properties Peppertree Apartments	DD - ES	4,313.00
90119393	9/1/19	*****7396	Sierra Pacific Properties Woodland Hills Apartments	DD - ES	11,479.00
90119394	9/1/19	*****6650	Frank M. Siino	DD - ES	896.00
90119395	9/1/19	*****8035	Joseph Michael Siino	DD - ES	1,525.00
90119396	9/1/19	*****5399	Gloria Silva	DD - ES	834.00
90119397	9/1/19	*****8407	Marc J. Simpson	DD - ES	1,937.00
90119398	9/1/19	*****3639	Raman Singh	DD - ES	2,121.00
90119399	9/1/19	*****6058	Son Singh	DD - ES	1,469.00
90119400	9/1/19	*****0700	Crystal Situ	DD - ES	1,505.00
90119401	9/1/19	*****3853	Lakesha Michelle Smith Lionel R Smith	DD - ES	1,975.00
90119402	9/1/19	*****4970	Molly Smith	DD - ES	1,870.00
90119403	9/1/19	*****9092	Sherritta M Smith	DD - ES	1,004.00
90119404	9/1/19	*****2032	Cinthia Sosa	DD - ES	2,165.00
90119405	9/1/19	*****6977	Angela E. Robinson-Spencer	DD - ES	2,000.00
90119407	9/1/19	*****5343	Deborah Steppe	DD - ES	1,390.00
90119408	9/1/19	*****1601	George W. Stephens	DD - ES	1,661.00
90119409	9/1/19	*****5308	R R Rentals	DD - ES	1,700.00
90119411	9/1/19	*****1808	Jezzy Sukaemi	DD - ES	2,518.00
90119412	9/1/19	*****7479	Ms. Li Su	DD - ES	2,571.00
90119413	9/1/19	*****8534	Suma Aryaei	DD - ES	2,702.00
90119414	9/1/19	*****1235	Summit Venture Group, LLC	DD - ES	2,418.00
90119415	9/1/19	*****6168	Kamaljeet Surila	DD - ES	1,570.00
90119416	9/1/19	*****0399	Joyce Hui Sy	DD - ES	6,251.00
90119417	9/1/19	*****1242	Hamed Tafaghodi Alexis Tafaghodi	DD - ES	1,367.00
90119418	9/1/19	*****3190	Sha Sha Teng	DD - ES	2,456.00

90119419	9/1/19	*****6283	Yun Teng Weijie Zhang	DD - ES	2,008.00
90119420	9/1/19	*****9166	Ms. Natasha Terry	DD - ES	2,282.00
90119421	9/1/19	*****2164	Quyen Minh Thai	DD - ES	1,800.00
90119422	9/1/19	*****9314	Silvia Thein and Ada Choi	DD - ES	1,779.00
90119423	9/1/19	*****7191	Tequila Nashannon Thornton	DD - ES	1,161.00
90119424	9/1/19	*****4049	ChingJen Tong	DD - ES	1,703.00
90119425	9/1/19	*****1714	Yoway Wilson Tong	DD - ES	1,671.00
90119426	9/1/19	*****1405	Lourdes or Raymond Tovar	DD - ES	1,787.00
90119427	9/1/19	*****2094	Raphael Minhtuyen Tran	DD - ES	2,825.00
90119428	9/1/19	*****1327	Thuy Tran	DD - ES	1,250.00
90119429	9/1/19	*****6165	Thanh Van Trinh	DD - ES	1,506.00
90119430	9/1/19	*****1650	Ms. Wendie Hue Trinh	DD - ES	2,493.00
90119431	9/1/19	*****3572	Nhan Chi Truong	DD - ES	978.00
90119432	9/1/19	*****5313	Sean Thuyet Truong	DD - ES	1,290.00
90119433	9/1/19	*****9321	Van Truong	DD - ES	1,658.00
90119434	9/1/19	*****8392	Xavier Van Truong	DD - ES	5,922.00
90119435	9/1/19	*****5553	David Tseng	DD - ES	3,207.00
90119436	9/1/19	*****2907	Frank Lokeni Uu Martha Jauregui Morales	DD - ES	2,181.00
90119437	9/1/19	*****4582	Lidia Valladares	DD - ES	2,165.00
90119438	9/1/19	*****0250	Victor D Valenzuela	DD - ES	1,635.00
90119439	9/1/19	*****3371	Gary D. Vasconcellos	DD - ES	1,056.00
90119440	9/1/19	*****8457	Sareena Lata Velu	DD - ES	2,223.00
90119441	9/1/19	*****9682	Nuno G Vieira	DD - ES	3,684.00
90119442	9/1/19	*****2720	Stephen Cordell Wafer	DD - ES	1,071.00
90119443	9/1/19	*****2768	Huan Rong Wang	DD - ES	1,366.00
90119444	9/1/19	*****6924	Lining Wan	DD - ES	1,863.00
90119445	9/1/19	*****6945	Wei Wang	DD - ES	1,980.00
90119446	9/1/19	*****1634	Yu Ruo Wang	DD - ES	2,165.00
90119447	9/1/19	*****7593	Ms. Brigitte Warren C/O Perry Realty Team	DD - ES	2,450.00
90119448	9/1/19	*****5502	Mildred Lucille Washington	DD - ES	1,996.00
90119450	9/1/19	*****4384	Wenying Chang	DD - ES	2,162.00
90119451	9/1/19	*****5295	Holly Wen	DD - ES	1,205.00
90119452	9/1/19	*****4908	Lewis White & Ruth White Elma Ruth White	DD - ES	4,895.00
90119454	9/1/19	*****7867	Ms Adrienne Wilson C/O Gabe Essoe	DD - ES	1,758.00
90119455	9/1/19	*****5057	Kathleen and John Wilson	DD - ES	1,275.00
90119456	9/1/19	*****8702	Kathy D. Williams	DD - ES	2,796.00

90119457	9/1/19	*****5480	Tasia La Vonda Williams	DD - ES	2,378.00
90119458	9/1/19	*****5026	Windeler Development Group, Inc.	DD - ES	1,245.00
90119459	9/1/19	*****1862	Danny Ching-Yam Wong	DD - ES	1,979.00
90119460	9/1/19	*****1157	Har Pan Wong	DD - ES	7,961.00
90119461	9/1/19	*****6356	Joanne Wong	DD - ES	1,825.00
90119462	9/1/19	*****1060	Kinney Ming Wong	DD - ES	1,300.00
90119463	9/1/19	*****2784	Vincent Wong	DD - ES	2,600.00
90119464	9/1/19	*****1853	WR Properties, Inc.	DD - ES	4,571.00
90119465	9/1/19	*****3962	Hong Wu	DD - ES	3,580.00
90119466	9/1/19	*****3698	Zhang Jin Wu	DD - ES	3,240.00
90119468	9/1/19	*****2651	Sheree Wynn	DD - ES	2,094.00
90119469	9/1/19	*****5388	Jian Ai Xuan	DD - ES	1,940.00
90119470	9/1/19	*****3880	Ping Ping Xu Keming Wang	DD - ES	3,585.00
90119471	9/1/19	*****4383	Yifan Ye Mike Perry, Property Manager	DD - ES	2,561.00
90119472	9/1/19	*****2366	Karl Yick C/O Teresita D. Pereira	DD - ES	1,864.00
90119473	9/1/19	*****6779	Sally Yip	DD - ES	1,449.00
90119474	9/1/19	*****6210	Yong Qiang Lu	DD - ES	1,777.00
90119475	9/1/19	*****6178	Chris Kui You	DD - ES	2,381.00
90119476	9/1/19	*****7622	Yee Yue Cheung	DD - ES	1,256.00
90119477	9/1/19	*****8664	Mohammad Zalmaiyyar	DD - ES	2,154.00
90119478	9/1/19	*****7638	Jielu Zhao	DD - ES	1,156.00
90119479	9/1/19	*****2940	Wei Bin Zhang or Gao Wei	DD - ES	1,731.00
90119480	9/1/19	*****3259	Xirong Zhao	DD - ES	1,804.00
90119481	9/1/19	*****4367	Xiang Yang Zheng	DD - ES	2,400.00
90119482	9/1/19	*****3830	Joy Yi Zhou	DD - ES	2,489.00
90119483	9/1/19	*****7805	Shengguo Zhu	DD - ES	4,456.00
90119484	9/1/19	*****6132	Ying Zhu	DD - ES	4,996.00
90119485	9/1/19	*****4651	Weijie Zhang	DD - ES	1,247.00

Housing Choice Voucher

HAP	1,457,998.39
UR	10,414.41
Damage Claim	0.00
Vacancy Claim	0.00
Administrative Fee	799.73
FSS Escrow Account	0.00
Shelter Plus Security Deposit	0.00
Other	0.00
All Payments	\$1,469,212.53

Check Summary

September 1, 2019

Check Number	Check Date	Payee Tax ID	Payee	Amount
VASH				
149465	9/1/19	*****6041	Anthony L Johnson	20.00
149468	9/1/19	*****0064	Ayaanna R Ireland	85.00
149470	9/1/19	*****5756	Christopher Smith	107.00
149477	9/1/19	*****8461	Irvin Brown	18.00
149490	9/1/19	*****5735	Michael Wimmer	170.00
149500	9/1/19	*****7726	Quamie Golliday	83.00
149505	9/1/19	*****2665	Stacy Smith	13.00
149507	9/1/19	*****2982	Timothy P Harrington	1.00
149509	9/1/19	*****7845	Troy Mills	31.00
149581	9/1/19	*****9325	JOW & AAW, LLC	2,710.00
149583	9/1/19	*****9810	Housing Authority of the County of Alameda	1,604.42
90119009	9/1/19	*****4636	Felipe Amarante	DD - ES 1,479.00
90119020	9/1/19	*****3909	Ken Bartlett	DD - ES 916.00
90119023	9/1/19	*****7492	Adrienne Kelly Belton	DD - ES 1,060.00
90119045	9/1/19	*****8860	Joe Burns	DD - ES 1,069.00
90119046	9/1/19	*****8764	William Joseph Burgoyne	DD - ES 746.00
90119049	9/1/19	*****2513	Clara Beatriz Cardenas	DD - ES 1,550.00
90119075	9/1/19	*****0746	Contra Costa County Housing Authority	DD - ES 14,672.46
90119076	9/1/19	*****0746	Contra Costa County Housing Authority	DD - ES 10,706.67
90119077	9/1/19	*****0746	Contra Costa County Housing Authority	DD - ES 11,405.91
90119078	9/1/19	*****0746	Contra Costa County Housing Authority	DD - ES 8,320.22
90119079	9/1/19	*****0746	Contra Costa County Housing Authority	DD - ES 8,047.07
90119080	9/1/19	*****0746	Contra Costa County Housing Authority	DD - ES 2,894.84
90119083	9/1/19	*****3772	Creekside Apartment Investors LLC DBA Creekside Village	DD - ES 5,676.00
90119084	9/1/19	*****3772	Creekside Apartment Investors LLC DBA Creekside Village	DD - ES 4,326.00
90119085	9/1/19	*****3772	Creekside Apartment Investors LLC DBA Creekside Village	DD - ES 5,737.00
90119086	9/1/19	*****3772	Creekside Apartment Investors LLC DBA Creekside Village	DD - ES 2,709.00
90119102	9/1/19	*****9507	Olga M. Disney	DD - ES 1,169.00
90119107	9/1/19	*****3406	Mercy Housing California XXXVIII East Leland Court Apartments	DD - ES 603.00
90119115	9/1/19	*****3881	FFAH Marina Heights LLC	DD - ES 890.00
90119116	9/1/19	*****3881	FFAH Marina Heights LLC	DD - ES 3,136.00

90119117	9/1/19	*****3881	FFAH Marina Heights LLC	DD - ES	1,932.00
90119121	9/1/19	*****8096	Robert Fitzstephens Rob Fitzstephens	DD - ES	1,602.00
90119126	9/1/19	*****4032	Fox Creek Apartments	DD - ES	545.00
90119139	9/1/19	*****5111	Gateway Apartments	DD - ES	3,685.00
90119156	9/1/19	*****5267	Abhilash Gupta	DD - ES	1,730.00
90119166	9/1/19	*****6728	David T. Hennigan	DD - ES	2,120.00
90119252	9/1/19	*****1547	Paul Livson	DD - ES	3,126.00
90119286	9/1/19	*****6342	James & Diana Gail McDonald c/o Yolanda McDonald	DD - ES	1,500.00
90119326	9/1/19	*****9886	Northstar Financial Group, LLC	DD - ES	2,866.00
90119356	9/1/19	*****4650	A. Meadows Property Management	DD - ES	446.00
90119367	9/1/19	*****7228	Ramsey Horton	DD - ES	1,265.00
90119370	9/1/19	*****8227	Croskey Real Estate, Inc.	DD - ES	1,780.00
90119371	9/1/19	*****6703	Amerasia Real Estate Fund LLC	DD - ES	5,145.00
90119372	9/1/19	*****7083	Reliant - Woods Grove, LP	DD - ES	3,488.00
90119391	9/1/19	*****7789	Siena Court Apartments	DD - ES	818.00
90119406	9/1/19	*****3465	Ramzi D Srouji	DD - ES	1,661.00
90119410	9/1/19	*****0437	Suisun City Housing Authority	DD - ES	867.42
90119427	9/1/19	*****2094	Raphael Minhtuyen Tran	DD - ES	1,776.00
90119449	9/1/19	*****4563	Isidoro Weitzman	DD - ES	2,045.00
90119452	9/1/19	*****4908	Lewis White & Ruth White Elma Ruth White	DD - ES	1,663.00
90119453	9/1/19	*****9380	Tracy J. Whitehead	DD - ES	282.00
90119464	9/1/19	*****1853	WR Properties, Inc.	DD - ES	1,700.00
90119467	9/1/19	*****2556	Drewcillia Wyatt	DD - ES	1,239.00

VASH

HAP	131,135.28
UR	528.00
Damage Claim	0.00
Vacancy Claim	0.00
Administrative Fee	3,573.73
FSS Escrow Account	0.00
Shelter Plus Security Deposit	0.00
Other	0.00
All Payments	\$135,237.01

Grand Total

HAP	1,589,133.67
UR	10,942.41
Damage Claim	0.00
Vacancy Claim	0.00
Administrative Fee	4,373.46
FSS Escrow Account	0.00
Shelter Plus Security Deposit	0.00
Other	0.00
All Payments	\$1,604,449.54

HAP (Regular)	\$ 1,204,011.59
HAP (VASH)	131,135.28
HAP (Port-In)	236,247.80
HAP (Port-Out)	17,739.00
Utility Reimbursement	10,942.41
Admin Fee	4,373.46
Total	<u><u>\$ 1,604,449.54</u></u>

DD-1,545,814.85+
CKS-58,634.69+
1,604,449.54*+

Prank 8/27/19
W 8/28/19

Check Summary

September 15, 2019

Check Number	Check Date	Payee Tax ID	Payee	Amount
Housing Choice Voucher				
* 149603	9/15/19	*****2309	Kawanda M Dotson	23.00
149604	9/15/19	*****2132	Tameka L Turner	53.00
149605	9/15/19	*****0531	Akilah Z Parker	80.00
149606	9/15/19	*****5844	Daarina a Bey	90.00
149607	9/15/19	*****9322	Western Upper Haight Street Apartments, LLC	2,215.66
* 91519001	9/15/19	*****8167	ABJ Enterprises, Inc. dba Blue Line Property Management	DD - ES 3,055.00
91519002	9/15/19	*****5951	Stoneman Apartments	DD - ES 2,063.00
91519003	9/15/19	*****2439	Rosie M Boyd	DD - ES 2,740.00
91519004	9/15/19	*****0746	Contra Costa County Housing Authority	DD - ES 12,883.84
91519005	9/15/19	*****3772	Creekside Apartment Investors LLC DBA Creekside Village	DD - ES 1,508.00
91519006	9/15/19	*****7930	Donald R. Watson, Sr.	DD - ES 442.00
91519007	9/15/19	*****1474	Los Medanos Village Apartments	DD - ES 1,261.00
91519009	9/15/19	*****1780	Diane Oles	DD - ES 1,772.00
91519010	9/15/19	*****3189	Loycell Peacock	DD - ES 1,284.00
91519011	9/15/19	*****8055	Property Upsurge, Inc.	DD - ES 459.26
91519012	9/15/19	*****6058	Son Singh	DD - ES 52.00
91519013	9/15/19	*****0670	Southern Nevada Regional Housing Authority	DD - ES 2,737.22
91519014	9/15/19	*****5343	Deborah Steppe	DD - ES 656.00
91519015	9/15/19	*****9682	Nuno G Vieira	DD - ES 654.00
Housing Choice Voucher				
HAP				33,423.92
UR				246.00
Damage Claim				0.00
Vacancy Claim				0.00
Administrative Fee				359.06
FSS Escrow Account				0.00
Shelter Plus Security Deposit				0.00
Other				0.00
All Payments				\$34,028.98

Check Summary

September 15, 2019

Check Number	Check Date	Payee Tax ID	Payee		Amount
VASH					
91519004	9/15/19	*****0746	Contra Costa County Housing Authority	DD - ES	2,465.35
91519005	9/15/19	*****3772	Creekside Apartment Investors LLC DBA Creekside Village	DD - ES	-1,433.00
91519008	9/15/19	*****9886	Northstar Financial Group, LLC	DD - ES	714.00

VASH		HAP	1,673.00
		UR	0.00
		Damage Claim	0.00
		Vacancy Claim	0.00
		Administrative Fee	73.35
		FSS Escrow Account	0.00
		Shelter Plus Security Deposit	0.00
		Other	0.00
		All Payments	\$1,746.35

Grand Total

		HAP	35,096.92
		UR	246.00
		Damage Claim	0.00
		Vacancy Claim	0.00
		Administrative Fee	432.41
		FSS Escrow Account	0.00
		Shelter Plus Security Deposit	0.00
		Other	0.00
		All Payments	\$35,775.33
HAP (Regular)	\$ 14,590.92		
HAP (VASH)	1,673.00		
HAP (Port-In)	3,571.00		
HAP (Port-Out)	15,262.00		
Utility Reimbursement	246.00		
Admin Fee	432.41		
Total	<u>\$ 35,775.33</u>		

0. *

DD - 33,313.67+
CKS - 2,461.66+
35,775.33*

2m 9/11/19

pwo 9/10/19

Payment History List

September 25, 2019

		Payee		Tenant	Agcy	Prgm	Type	VMS Date	Amount	Voided	Cleared
Check Date	Check #	Account #	Payee								
09/01/2019	149489	***-**-8042	Melissa J	Perkins,	1	3	UR	09/01/2019	\$200.00	☐	☐
09/01/2019	149489	***-**-8042	Melissa J	Perkins,	1	3	UR	09/01/2019	-\$200.00	☐	☐

\$0.00

*Lost ck
reissued @ 10/1/1 ck run*



**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 City Council and Southwest Pittsburg Geologic Hazard Abatement District II Resolutions Accepting Contract 2015-03, San Marco Boulevard Class I Trail Project as Complete and Authorizing the City Engineer to File a Notice of Completion

MEETING DATE: October 21, 2019

EXECUTIVE SUMMARY

Contract 2015-03, San Marco Boulevard Class I Trail Project (the "Project"), was for the construction of a pedestrian bridge and widening of the sidewalk to continue the Class I pedestrian/bicycle trail adjacent to San Marco Boulevard. The resolutions will accept the construction contract as complete and authorize the City Engineer to file a Notice of Completion.

FISCAL IMPACT

Funding for the Project came from a \$132,500 Transportation Development Act (TDA) Grant, \$132,500 from Measure J (Fund 204), \$50,000 from Park Dedication In Lieu Fees (PDF)(Fund 304) and \$223,000 from the Southwest Pittsburg Geological Hazard Abatement District II (GHAD II)(Fund 208) for a total Project budget of \$538,000.

The Project was completed within the approved budget. After payment of all expenditures for design, construction, and the release of retention, staff estimates a remaining balance of approximately \$10,161 is available for use on other projects.

A budget summary is attached to this staff report

RECOMMENDATION

City Council and GHAD II Board adopt the attached resolutions accepting the contract as complete and authorizing the City Engineer to execute a Notice of Completion. Staff recommends that all unspent funds be returned to the source funds for use on other projects.

BACKGROUND

The Project constructed a Class I pedestrian/bicycle facility along San Marco Boulevard to provide an alternative route for bicyclists to use instead of sharing vehicle travel lanes on San Marco Boulevard. This new bridge also allows bicyclists and pedestrians to cross a drainage channel owned by GHAD II and connects the San Marco subdivision to San Marco Boulevard, West Leland Road and Ray Giacomelli Community Park.

On July 18, 2016, the City Council approved Resolution 16-13214, adopting the Five-Year Capital Improvement Program (CIP) for FY 2016/17 through 2020/21, including Project ST-20, San Marco Boulevard Class I Trail. The resolution also authorized the allocation of \$132,500 from Measure J and a \$132,500 TDA grant for a total Project budget of \$265,000.

On October 1, 2018, the GHAD II Board approved Resolution 18-062, the GHAD II Board of Directors approved Resolution 18-062, allocating \$223,000 for design and construction of the Project.

On October 1, 2018, the City Council approved Resolution 18-13533, that authorized award of a construction contract to F. Loduca Company of Stockton, California in the amount of \$354,335 and allocated an additional \$50,000 of Park Dedication In Lieu Fees (PDF) (Fund 304) to the Project. The authorized contingency amount was \$48,000 (15% of the contract amount).

SUBCOMMITTEE FINDINGS

This item was not presented to a subcommittee.

STAFF ANALYSIS

During construction there was one contract change order in the amount of \$5,000 for installation of a retaining wall instead of grading the hill behind the trail. The final construction contract amount was \$359,335.

Contract work by F. Loduca Company was completed on June 14, 2019. The one-year warranty period began on June 14, 2019.

ATTACHMENTS: Resolution
 Budget Summary
 Notice of Completion
 GHAD Resolution

Report Prepared By: Mahta Khalatbari, Civil Engineer II

BEFORE THE SOUTHWEST PITTSBURG GEOLOGIC HAZARD ABATEMENT
DISTRICT II

In the Matter of:

A Resolution Accepting Contract 2015-03) San Marco Boulevard Class I Trail Project) as Complete and Authorizing the City) <u>Engineer to File a Notice of Completion)</u>	RESOLUTION NO. 19-
--	--------------------

The Board of Directors of the Southwest Pittsburg Geologic Hazard Abatement District II (GHAD II) DOES RESOLVE as follows:

WHEREAS, Contract 2015-03, San Marco Boulevard Class I Trail Project (the "Project"), is for the construction of a pedestrian bridge and widening of the sidewalk to continue the Class I pedestrian/bicycle trail adjacent to San Marco Boulevard; and

WHEREAS, On July 18, 2016, the Pittsburg City Council approved Resolution 16-13214, adopting the Five-Year Capital Improvement Program for FY 2016/17 through 2020/21, including Project ST-20, San Marco Boulevard Class I Trail. The resolution also authorized the allocation of \$132,500 from Measure J and \$132,500 TDA grant for a total project budget of \$265,000; and

WHEREAS, on October 1, 2018, the GHAD II Board approved Resolution 18-062, allocating \$223,000 for design and construction of the Project; and,

WHEREAS, on October 1, 2018, the Pittsburg City Council approved Resolution 18-13533, authorizing award of a construction contract to F. Loduca Company of Stockton, California in the amount of \$354,335 and allocated an additional \$50,000 of Park Dedication In Lieu Fees (PDF) (Fund 304) to the Project; and

WHEREAS, the authorized contingency amount was \$48,000 (15% of the contract amount); and

WHEREAS, the Project constructed a Class I pedestrian/bicycle facility along San Marco Boulevard which allows bicyclists an alternative route on a Class I pedestrian/bicycle trail instead of sharing the vehicle travel lanes along San Marco Boulevard; and

WHEREAS, there was one contract change order in the amount of \$5,000 for installation of a retaining wall instead of grading the hill behind the trail; and

WHEREAS, contract work by F. Loduca Company was completed on June 14, 2019 and the final construction contract amount was \$359,335; and

WHEREAS, the one-year warranty period began on June 14, 2019; and

WHEREAS, after payment of all expenditures for design, construction, and the release of retention, approximately \$10,161 remains in the Project budget and shall be

returned to source funds for use on other projects.

NOW, THEREFORE BE IT RESOLVED by the GHAD II Board of Directors as follows:

Section 1. The GHAD II Board hereby finds and determines that the above recitals are true and correct and have served as the basis, in part, for the findings and actions of the GHAD II Board set forth below.

Section 2.
The contract with F. Loduca Company is hereby accepted as complete.

Section 3.
The City Engineer is hereby authorized and directed to execute a Notice of Completion.

Section 4.
Clerk of the Board shall attach a certified copy of this Resolution to the executed Notice of Completion.

Section 5.
The City Engineer is directed to file said document with the Office of the Recorder of the County of Contra Costa, State of California, within ten (10) days from the date hereof.

Section 6.
The Clerk of the Board shall certify to the adoption of this Resolution.

Section 7.
This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED by the Board of Directors of the Southwest Pittsburg Geologic Hazard Abatement District II at a regular meeting on the 21st day of October 2019, by the following vote:

AYES:
NOES:
ABSTAINED:
ABSENT:

Juan Antonio Banales, Chair

ATTEST:

Alice Evenson, Clerk of the Board

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

A Resolution Accepting Contract 2015-03,)
San Marco Boulevard Class I Trail Project) RESOLUTION NO. 19-
As Complete and Authorizing the City)
Engineer to File a Notice of Completion)

The Pittsburgh City Council DOES RESOLVE as follows:

WHEREAS, Contract 2015-03, San Marco Boulevard Class I Trail Project (the "Project"), was for the construction of a pedestrian bridge and widening of the sidewalk to continue the Class I pedestrian/bicycle trail adjacent to San Marco Boulevard; and

WHEREAS, on July 18, 2016, the City Council approved Resolution 16-13214, adopting the Five-Year Capital Improvement Program for FY 2016/17 through 2020/21, including Project ST-20, San Marco Boulevard Class I Trail. The resolution also authorized the allocation of \$132,500 from Measure J and \$132,500 TDA grant for a total project budget of \$265,000; and

WHEREAS, on October 1, 2018, the GHAD II Board approved Resolution 18-062, allocating \$223,000 for design and construction of the Project; and,

WHEREAS, on October 1, 2018, the City Council approved Resolution 18-13533, that authorized award of a construction contract to F. Loduca Company of Stockton, California in the amount of \$354,335 and allocated an additional \$50,000 of Park Dedication In Lieu Fees (PDF) (Fund 304) to the Project; and

WHEREAS, the authorized contingency amount was \$48,000 (15% of the contract amount); and

WHEREAS, the Project constructed a Class I pedestrian/bicycle facility along San Marco Boulevard which allows bicyclists an alternative route on a Class I pedestrian/bicycle trail instead of sharing the vehicle travel lanes along San Marco Boulevard; and

WHEREAS, there was one contract change order in the amount of \$5,000 for installation of a retaining wall instead of grading the hill behind the trail; and

WHEREAS, contract work by F. Loduca Company was completed on June 14, 2019 and the final construction contract amount was \$359,335; and

WHEREAS, the one-year warranty period began on June 14, 2019; and

WHEREAS, after payment of all expenditures for design, construction, and the release of retention, approximately \$10,161 remains in the Project budget and shall be returned to source funds for use on other projects.

NOW, THEREFORE, the City Council finds and determines as follows:

Section 1.

The City Council hereby finds and determines that the above recitals are true and correct and have served as the basis, in part, for the findings and actions of the City Council set forth below.

Section 2.

The contract with F. Loduca Company is hereby accepted as complete.

Section 3.

The City Engineer is hereby authorized and directed to execute a Notice of Completion.

Section 4.

The City Clerk shall attach a certified copy of this Resolution to the executed Notice of Completion.

Section 5.

The City Engineer is directed to file said document with the Office of the Recorder of the County of Contra Costa, State of California, within ten (10) days from the date hereof.

Section 6.

The City Clerk shall certify to the adoption of this Resolution.

Section 7.

This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED by the City Council of the City of Pittsburg at a regular meeting on the 21st day of October 2019, by the following vote:

AYES:

NOES:

ABSTAINED:

ABSENT:

Juan Antonio Banales, Mayor

ATTEST:

Alice E. Evenson, City Clerk

Contract 2015-03, San Marco Boulevard Class I Trail
Project (2014)

Project Funding

TDA Grant	\$132,500
GHAD II (Fund 208)	\$223,000
Measure J (Fund 204)	\$50,000
Park Dedication Fee (Fund 304)	\$132,500
Current Funding Total	\$538,000

Project Expenditures:

Design: (Code 2122)	Consultant Design	\$52,788
	Subtotal	\$52,788
Miscellaneous: (Code 1399)	Advertising	\$740
	Reproduction	\$1,723
	Landscaping & Irrigation Supplies	\$2,662
	Subtotal	\$5,124
Construction: (Code 2281)	Construction	\$354,335
	Contract Change Orders	\$5,000
	Misc. Construction	\$1,982
	Subtotal	\$361,317
Staff Time: (Code 1101)	Staff Costs During Design Phase	\$19,305
	Staff Costs During Construction Phase	\$35,000
	Subtotal	\$54,305
Administrative Overhead (Code 2372)	Overhead Costs During Design Phase	\$19,305
	Overhead Costs During Construction Phase	\$35,000
	Subtotal	\$54,305
Estimated Total Expenditures		\$527,839
Unspent Funds		\$10,161



**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 a Rate Increase Requested by Mt. Diablo Resource Recovery for the Operation of Refuse and Recycling Collection

MEETING DATE: October 21, 2019

EXECUTIVE SUMMARY

Pittsburg Disposal and Debris Box Service, Inc. DBA Mt. Diablo Resource Recovery (MDRR-Pittsburg) collects the refuse and recycling materials curbside per the Franchise Agreement with the City of Pittsburg. MDRR-Pittsburg has requested a cost of living rate increase matching the Consumer Price Index (CPI) and a discretionary rate adjustment. The Franchise Agreement requires that MDRR-Pittsburg obtain City approval prior to increasing rates above the CPI. City staff recommends approval of the proposed rate increase, service level additions, and pilot program study.

FISCAL IMPACT

Approval of this Resolution will have no direct fiscal impact on the City's general fund.

RECOMMENDATION

City Council adopt the attached Resolution approving an 8.99 percent increase requested by MDRR-Pittsburg, an amendment to the Franchise Agreement for materials collected in the Residential Recycling Program and Single Family Dwelling On-Call Cleanup and participation in the Brown Cart Pilot Program.

BACKGROUND

MDRR-Pittsburg is the local franchise operator that provides residential, commercial and industrial solid waste and recycling collection services within the City of Pittsburg. In 2009, the City and MDRR-Pittsburg revamped the curbside collection of solid waste and recycling with different toter sizes and increased collection and added on call service in 2010. The program changes were designed to increase recycling, similar to many other cities and counties, as well as a rate structure to encourage residents to downsize their garbage cart and increase recycling. The first State mandated reduction goal was 50 percent diversion

by 2010 which the City achieved. Subsequently, the State has increased the mandate to 75 percent diversion by 2020.

Per the City's Franchise Agreement with MDRR-Pittsburg, a Cost of Living Adjustment based on the Consumer Price Index rate is allowed annually and at the discretion of the City Manager for approval. The Franchise Agreement allows for a Rate Discretionary Adjustment which is subject to City Council approval. CPI adjustments have occurred annually, but the discretionary adjustment has not been enacted upon since 2012. The discretionary adjustment or Recycling Fee is being sought by MDRR-Pittsburg is for the additional sorting and processing of recyclables required to remove contaminants in order to meet new requirements by commodity processing facilities.

The majority of recycled materials from the United States and countries around the world are sent to China for processing. The volumes of materials to China increased over the last decade with countries trying to reduce materials going to landfill and sending feedstock to be recycled into new products. However, contamination of the recyclables with garbage and intermixing of recyclable materials also increased.

By 2017, China announced a policy to halt to smuggling operations, increased bale inspections and implemented stricter contamination standards. This received international attention bringing to the forefront an impending recycling crisis. In 2018, China announced a ban on various materials such as types of plastic and papers from entering the country as did other Asian Pacific countries.

Reports indicate that by 2020 China may ban all imports of recyclable materials because of continued contamination, the volume of materials still stockpiled and China's own consumer-generated recyclable materials. This shift in the recycling marketplace has caused the value of the materials to plummet. To salvage these markets, additional sorting and processing is now required and recycling facilities internationally are considering new equipment such as infrared optical sorters and other state of the art technologies being developed to improved output quality and purity to secure contracts with processing facilities.

SUBCOMMITTEE FINDINGS

This item was not presented to a Subcommittee.

STAFF ANALYSIS

The City received an application letter from MDRR-Pittsburg on September 10, 2019 requesting a residential rate adjustment of 12.92 percent increase. The rate adjustment encompasses a CPI request of 4.36 percent and an 8.56 percent proposed Recycling Fee (4.63 percent Recycling Fee and 3.93 percent Retroactive Recycling Fee) for the additional handling of the City's recyclables to meet the new requirements of contaminate free and pure recycling feedstock by the various processing plants foreign and domestic due to the China recycling crisis.

The City has been following the policy in China and understands the complexity of this international situation and the impacts locally. The City responded to the application letter on September 26, 2019 notifying MDRR-Pittsburg that staff would recommend to the City Council the rate increase matching the CPI, and the Recycling Fee increase but not the Retroactive Recycling Fee. The additional labor required to produce a clean product to sell

into foreign or domestic markets is time intensive and now required to secure an outlet for these materials. The proposed rate increase of 8.99 percent would be effective January 1, 2020.

As part of the rate increase request, the City requested additional services be incorporated as well as pilot programs noted in the September 26th response to MDRR-Pittsburg. The City has been receiving consistent complaints about the need to have residential bulky item pick service to potentially decrease illegal dumping. The City proposed an amendment to the Franchise Agreement, to expand the acceptance of additional materials in two programs. The City proposed the Single Family Dwelling On-Call Cleanup (Section IV, Section 2), included one curbside pickup and one drop off at the local transfer station of a bulky item which consists of appliances, large furniture and electronics. In addition, the City requested the on-call Residential Recycling Program (Article VII), the pickup of used oil and filters, household batteries, and CFLs, be expanded to include the collection of small scrap items and cast aluminum.

The purpose of the requested pilot program is to review the correlation of rate increases to cart size downsizing and the impact to contamination of recyclables. A second pilot program to lease High Capacity Big Belly stations at five locations in the City has also been requested.

MDRR-Pittsburg responded on October 3, 2019 accepting staff recommendation of the 8.99 percent rate increase and the addition of the small scrap and cast aluminum as an amendment to the Franchise Agreement. In addition, MDRR-Pittsburg recommended that both bulky item pickup items be curbside instead of any transfer station drop-off obligation and accepted inclusion of appliances, large furniture and electronics as allowable as an amendment to the Franchise Agreement.

MDRR-Pittsburg agreed to one pilot program, the "Brown Cart Pilot", to monitor a Study Route and a Controlled Route. The Study Route would have a cart size modification, replacing the smaller brown (waste) carts with a larger one, and conduct a waste characterization study on all three carts to determine if contamination levels decreased. In addition, staff would meet and confer on a blue (recycle) cart "Back to Basics" education program to be integrated into the pilot on recycling. MDRR-Pittsburg rejected the City's request for the pilot program regarding the Big Belly stations, stating there are mixed reviews on cost/benefit and long-term performance.

MDRR-Pittsburg has proposed that the additional services requested above, and the one pilot program be considered for one year to determine viability and analyze the study data. The analysis will be shared with the City to determine re-calculations of rates overall and amendments to the Franchise Agreement. The study data of all three carts will be beneficial in assessing the implementation of the new State regulation pertaining to organics, SB 1383 of 2019 Short-lived Climate Pollutants: Organic Waste Methane Emission Reduction.

Cities in Contra Costa and California are all experiencing impacts from the China policy. However, cities and counties are still required to meet diversion requirements. The processing of these materials from curbside programs, which was only designed for the collection of bottles, cans, paper and cardboard, are now impacted with the placement of product residues, garbage, small pieces of furniture, sporting equipment, clothing, and many other items, contaminating these commodities. Rate increases to process recyclables to meet the commodity brokers standards are being experienced by almost every city and county in California.

Staff recommends that the City Council adopt the attached Resolution approving: 1) a rate increase of 4.36 percent equal to the Consumer Price Index and a processing fee rate increase of 4.63 percent, for a total of an 8.99 percent increase requested by MDRR-Pittsburg for collection services of refuse and recycling materials effective January 1, 2020; 2) an amendment to the Franchise Agreement expanding materials collected in the on-call Residential Recycling Program to include scrap metal and cast aluminum and expand materials collected in the on-call Single Family Dwelling On-Call Cleanup to include appliances, large furniture, and electronics; and 3) implementation of the Brown Cart Pilot Program, a study and waste characterization to determine if cart size and costs effect contamination of recycling.

ATTACHMENTS: Resolution 19-

Exhibit A – Mt. Diablo Resource Recovery Letter, September 10, 2019, “Application for a Residential rate adjustment due to significant changes regarding the City’s Recycling Program.” w/ attachments

Exhibit B – Mt. Diablo Resource Recovery Letter, October 3, 2019, “Application for a Residential rate adjustment due to significant changes regarding the City’s Recycling Program.” w/ attachments

ATTACHMENTS:

Report Prepared By:

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Adoption of a Resolution Approving a Rate)
Increase Requested by Mt. Diablo Resource)
Recovery for the Operation of Refuse and)
Recycling Collection)

RESOLUTION NO. 19-

The Pittsburgh City Council DOES RESOLVE as follows:

WHEREAS, the City of Pittsburgh has granted Pittsburgh Disposal and Debris Box Service dba Mt Diablo Resource Recovery (MDRR-Pittsburg) the exclusive right and privilege to provide Residential and Multi-family Dwelling Solid Waste Collection Service, Residential and Multi-Family Recycling Collection Service and Commercial and Industrial Solid Waste Collection Service within the Service Area; and

WHEREAS, MDRR-Pittsburg has requested a Cost of Living rate increase equal to the Consumer Price Index (CPI) and a Rate Discretionary Adjustment or Recycling Fee for the additional sorting and processing of recyclables to meet new contaminate free standards at foreign and domestic processing facilities and has not requested a Rate Discretionary Adjustment increase since 2012; and

WHEREAS, China has adopted a policy with stricter contamination standards and inspections requirements as well as restricting the acceptance of types of recyclables, has interrupted recycling markets internationally; and

WHEREAS, the City has proposed an amendment to the Franchise Agreement to expand the acceptance of additional materials in the Single Family Dwelling On-Call Cleanup and Residential Recycling Program; and

WHEREAS, the City requested a pilot program to determine the correlation of rate increases to cart size downsizing and the impact to contamination of recyclables; and

WHEREAS; the City has negotiated the residential rate adjustment with the additional services and pilot program as described in the staff report which is hereby incorporated by this reference; and

WHEREAS, the City Council has the authority to review and approve the new residential rate system per the Franchise Agreement and amendments to the Franchise Agreement, and add pilot programs.

NOW, THEREFORE, the City Council finds and determines as follows:

Section 1. Findings

A. The recitals set forth are true and correct statements.

- B. Adoption of this Resolution is in the best interests of the City's public health, safety and welfare and compliance with AB939 and SB1016 laws.

Section 2. Authorization.

- A. The City Council hereby approves and authorizes the City Manager or his designee to execute the following on behalf of the City:
- a. A Consumer Price Index (CPI) rate increase of 4.36 percent and a Discretionary Rate Adjustment increase of 4.63 percent for an 8.99 percent increase requested by MDRR-Pittsburg for collection services of refuse and recycling materials effective January 1, 2020 with the Discretionary Rate Adjustment to sunset after 24 months.
 - b. A modification to the Franchise Agreement expanding materials collected in the on-call Residential Recycling Program to include scrap metal and cast aluminum and expand materials collected in the on-call Single Family Dwelling On-Call Cleanup to include appliances, large furniture, and electronics, and to implement the Brown Cart Pilot Program, a study and waste characterization to determine if cart size and costs effect contamination of recycling.
- B. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED by the City Council of the City of Pittsburg, at a regular meeting on the twenty-first day of October 2019, by the following vote:

AYES:
NOES:
ABSTAINED:
ABSENT:

Juan Antonio Banales, Mayor

ATTEST:

Alice E. Evenson, City Clerk



September 10, 2019

Mr. Garrett Evans
City of Pittsburg
City Manager
65 Civic Ave
Pittsburg, CA 94565

VIA EMAIL

**Re: APPLICATION FOR A RESIDENTIAL RATE ADJUSTMENT DUE TO
SIGNIFICANT CHANGES REGARDING THE CITY'S RECYCLING PROGRAM**

Dear Mr. Evans,

Pittsburg Disposal & Debris Box Service, Inc., *DBA Mt. Diablo Resource Recovery – Pittsburg* (MDRR), respectfully requests consideration of a residential rate adjustment due to significant changes regarding the City's Recycling Program. This request is largely the consequence of dramatic action taken by the government of China, known as "China National Sword", and the resulting effects on the global recycling markets.

The National Sword sets forth new highly restrictive policies and regulations which greatly restrict the amount, types, and purity requirements of recyclable material that China will now accept from foreign consumers, including the United States. In turn, the entire recycling marketplace within the United States has been fundamentally and dramatically impacted.

The consequences within the United States recycling marketplace have been swift and substantial. The value of recyclable materials has plummeted resulting in a significant financial hardship to MDRR. Further, the value of these commodities no longer covers the necessary costs to operate the City's Recycling Program as currently required by both our Franchise Agreement as well as State Law.

As a result of the aforementioned circumstances, at this time we are respectfully requesting consideration of a residential rate adjustment in the total amount of 12.92% pursuant to the provisions and requirements contained within our Franchise Agreement and as set forth in the attached tables. Please note that this request also reflects and includes our customary annual Cost of Living Adjustment

which is usually submitted each year in October and becomes effective January 1st of each year.

We appreciate the time you and your staff have spent with our team discussing this situation and appreciate your consideration of this rate application. Please do not hesitate to contact me, Kish Rajan, or Salvatore Evola should you have any questions or need additional information.

Sincerely,



Patrick Dolim
Chief Financial Officer

Enclosures: Attachment A: Proposed residential rates
Attachment B: Cost of living methodology
Attachment C: Breakdown by jurisdiction
Attachment D: Temporary Recycling Fee analysis

Cc: Laura Wright – Environmental Affairs Manager, City of Pittsburg
Ronald J. Proto – CEO, Pittsburg Disposal & Debris Box Service, Inc.
Kish Rajan – CAO, Pittsburg Disposal & Debris Box Service, Inc.



Attachment A: Proposed Rates (Effective as of January 1st, 2020)

City of Pittsburg								
TOTAL Requested Residential Rate Change 12.92% (4.36% Annual CPI + Temporary 8.56% Recycling Fee)								
Rate Schedule	Current Rates ¹	Proposed 2019	Proposed - Temporary, 24 Month:			New Total Proposed Residential Rate ⁴	12.92% Total Proposed Change	# of Customers
		4.36% Annual CPI Adjustment ²	4.63% Recycling Fee	3.93% Retroactive Recycling Fee ³	8.56% Total Proposed Recycling Fee			
Senior 32 Gal Container	\$ 27.90	\$ 1.22	\$ 1.29	\$ 1.14	\$ 2.44	\$ 31.55	\$ 3.65	215
32 Gal Container	\$ 39.80	\$ 1.74	\$ 1.84	\$ 1.63	\$ 3.47	\$ 45.01	\$ 5.21	6,714
64 Gal Container	\$ 48.66	\$ 2.12	\$ 2.25	\$ 1.99	\$ 4.25	\$ 55.03	\$ 6.37	5,095
96 Gal Container	\$ 54.58	\$ 2.38	\$ 2.53	\$ 2.24	\$ 4.77	\$ 61.73	\$ 7.15	4,349
Extra Recycling	\$ 11.51	\$ 0.50	\$ 0.53	\$ 0.47	\$ 1.00	\$ 13.02	\$ 1.51	35
Averages:	\$ 42.74	\$ 1.86	\$ 1.98	\$ 1.75	\$ 3.73	\$ 48.33	\$ 5.59	16,373

1) Previous rate adjustment was 3.69% effective as of January 1, 2019 (Only Cost of Living Adjustment)

2) Cost of Living Normally Adjusts Annually per The Franchise Agreement and shall continue to adjust as customary

3) Retro Recycling Fee Effective as of April 22, 2018 & Spread Out Over 24 Months (Date notice of the problem sent to City)

4) Proposed Effective as of January 1, 2020



Attachment B: Cost of Living Methodology

Pittsburg Disposal Service
Residential Rates
CPI Rate Adjustment
January 1, 2020

CPI Calculation

October 31, 2017
(index at last rate adjustment)

277.57

Consumer Price Index as of October 31, 2018

289.673

Change in CPI
% change in the CPI

12.103

4.36%

Rate Change

Percent Residential Rate Change Requested

4.36%

Attachment C: Breakdown by Jurisdiction

Mt. Diablo Resource Recovery 2018 Surcharge Analysis							
Commodity Description	%	Concord	CCC	Oakley	Pittsburg	Rio Vista	Total
1-7 FOOD CONTAINERS OUTBO	0.7%	11,463	1,430	3,380	3,895	357	20,525
ALUM OUT	0.4%	6,205	928	1,206	3,123	672	12,134
HDPE COLORED OUT	0.8%	14,675	832	3,122	6,251	641	25,522
MIXED-GLASS SCRAP OUT	22.6%	356,525	74,607	89,407	161,472	28,143	710,154
LDPE-MIXED PLASTIC BAGS	1.0%	17,096	2,722	4,377	5,762	517	30,474
OUTBOUND METAL	3.3%	42,228	15,901	14,832	29,528	1,729	104,218
MIXED PAPER BALES OUT	44.0%	739,059	177,321	187,397	235,210	44,992	1,383,979
HDPE NATURAL OUTBOUND	0.5%	8,483	999	2,599	4,166	878	17,124
OCC OUTBOUND	22.0%	369,764	57,653	76,992	169,958	17,305	691,670
OFFICE PACK #2 OUTBOUND	0.4%	6,943	1,666	1,761	2,210	423	13,002
PET OUTBOUND	1.6%	25,320	4,437	6,646	13,184	1,917	51,504
RIGID PLASTIC OUTBOUND	1.1%	18,336	3,120	4,399	7,138	1,028	34,020
TIN OUTBOUND	1.7%	33,694	3,084	6,193	8,284	1,966	53,221
Surcharge Allocation by Jurisdiction	100%	\$ 1,649,790	\$ 344,700	\$ 402,310	\$ 650,182	\$ 100,566	\$ 3,147,547
COMMERCIAL							
2017 Commercial Revenue		\$ 17,143,790	\$ 1,390,941	\$ 1,337,359	\$ 4,662,283	\$ 328,312	\$ 24,862,684
Commercial Customer Surcharge Percentage	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Commercial Customer Surcharge @ 5% of revenue		\$ 857,189	\$ 69,547	\$ 66,868	\$ 233,114	\$ 16,416	\$ 1,243,134
RESIDENTIAL							
Residential Customer's portion of surcharge		\$ 792,600	\$ 275,152	\$ 335,442	\$ 417,067	\$ 84,150	\$ 1,904,413
Number of Customers		29,085	10,019	11,291	16,091	4,157	70,643
Residential Customer - Annual Surcharge		\$ 27.25	\$ 27.46	\$ 29.71	\$ 25.92	\$ 20.24	\$ 26.96
Residential Customer - Monthly Surcharge		\$ 2.27	\$ 2.29	\$ 2.48	\$ 2.16	\$ 1.69	\$ 2.25
Total							
Total Commercial Customer Surcharge		857,189	69,547	66,868	233,114	16,416	1,243,134
Total Residential Customer Surcharge		792,600	275,152	335,442	417,067	84,150	1,904,413
Total		\$ 1,649,790	\$ 344,700	\$ 402,310	\$ 650,182	\$ 100,566	\$ 3,147,547
Percentage by Jurisdiction		52.4%	11.0%	12.8%	20.7%	3.2%	100.0%



Attachment D: Temporary Recycling Fee Analysis

Analysis and Calculation of City of Pittsburg Temporary Recycling Fee					Effective:
					1/1/20
	FY 16	RY 17	RY 18	RY19	
Rate Adjustment				0.00%	
Residential Revenues	\$ 7,839,926	\$ 8,172,020	\$ 8,467,921	\$ 8,467,921	
Commercial Revenues	\$ 4,321,164	\$ 4,662,283	\$ 5,158,793	\$ 5,158,793	
Total	\$ 12,161,090	\$ 12,834,303	\$ 13,626,714	\$ 13,626,714	
Recycling Revenue Loss (See Attachment C: Breakdown by Jurisdiction)			\$ (650,182)	\$ (650,182)	
Percentage of Revenues			4.77%	4.77%	
Commercial Recycling Fee			\$ 257,940	\$ 257,940	
Residential Recycling Fee - Revenue Target			\$ 392,242	\$ 392,242	
Total			\$ 650,182	\$ 650,182	
Percentage Increase in Residential Rates for Temporary Recycling Fee :			4.63%	4.63%	
Date notice of the problem sent to City	# of days post letter	% of year retro			
4/22/18	619	169.59%			
Commercial Recycling Fee			\$ 437,437		
Residential Recycling Fee Revenue Target			\$ 665,200		
Total			\$ 1,102,637		
Commercial Retro:			8.5%		
Residential Retro:			7.86%		
			8.09%		
Residential Retroactive Recycling Fee spread over 24 Months :			3.93%		





October 3, 2019

Mr. Garrett Evans
City of Pittsburg
City Manager
65 Civic Ave
Pittsburg, CA 94565

VIA EMAIL & HAND DELIVERY

**Re: APPLICATION FOR A RESIDENTIAL RATE ADJUSTMENT DUE TO
SIGNIFICANT CHANGES REGARDING THE CITY'S RECYCLING PROGRAM**

Dear Mr. Evans,

Thank you for your September 26th email (attached), responding to our recent residential rate adjustment application. As we have explained, The China National Sword has fundamentally changed and created a "new normal" to curbside recycling programs throughout the world. This new normal has continued to get worse, especially here in California where the State mandated diversion requirements have not changed to reflect the economic realities of recycling. We must reiterate that the economic value of these commodities no longer covers the necessary costs to operate the City's Recycling Program as currently required by both our Franchise Agreement as well as State Law.

We sincerely appreciate our long-standing partnership with the City and in that spirit are willing to generally accept most of the proposed Staff recommendations as you have set forth, subject to the following clarifications & suggested modifications:

1. We will accept the Staff recommended 8.99% residential rate adjustment that is proposed to become effective January 1, 2020. The Recycling Fee component of the proposed adjustment would sunset after 24 months.
2. Regarding the bulky item pick up service: We propose a temporary modification to Article IV C, Section 2 of the Franchise Agreement (attached). The temporary modification would change the provisions of "Unacceptable Bulky waste material" and would be broader in order to help achieve the goals of the City in regard to illegal dumping. We feel

that the existing, on call pick-up / twice a year, versus the suggested annual one drop-off and one pick-up, will have a higher rate payer utilization and will be much more efficient from an operational standpoint. As mentioned, we would broaden the categories to now include: appliances, large furniture & electronics. There would still however be the exclusion of tree stumps & trunks, rocks, dirt, concrete and hazardous wastes.

3. Regarding the on-call collection of small scrap and cast aluminum: We agree and would simply propose a temporary modification to add these items in the same manner in which we preform the current obligations as set forth under Article VII, Section 7 of the Franchise Agreement (Batteries, cell phones & Fluorescent light bulbs).
4. Regarding the “Brown Cart Pilot”: We agree and would propose the following outline of the study:

(A) One “Study Route”

- Beginning in January 1, 2020
- Any customer that has a 32-gallon garbage cart, gets a 64-gallon cart
- Any customer that has a 64-gallon garbage cart, gets a 96-gallon cart
- November - waste characterization on all 3 carts
- June - second waste characterization - report on difference
- Timeline:
 - Education month of December: hit hard with pilot program
 - Last week in December, replace the carts
 - Start the pilot: January 6th
 - Week of June 15th: Do second waste characterization
 - Month of July: report to City

(B) One “Control Route”

- Same as the “Study Route” with a “Controlled (non-changing cart size) Route”

5. At this time, we do not agree to pay for the lease of the Big Belly stations. Various members of our team have had mixed reviews of the cost / benefit and long-term performance associated with these units.



Items 2, 3 & 4 as listed above, are proposed as one-year pilot programs. The viability & utilization of these aforementioned programs will be further discussed with Staff to determine future inclusion within Base Year rate re-calculations & Franchise Agreement Amendments. It is our expectation that these contractual discussions will occur over the next eighteen months mainly due to the new organic diversion requirements within the SB1383 regulations.

We appreciate the continued discussions and appreciate your consideration of this response to your Staff recommendation. Please do not hesitate to contact me, Kish Rajan, or Salvatore Evola should you have any questions or need additional information.

Sincerely,

Patrick Dolim
Chief Financial Officer

Enclosures: Attachment A: September 26th email from City Staff
Attachment B: Copy of Third Amendment to Franchise Agreement

Cc: Laura Wright – Environmental Affairs Manager, City of Pittsburg
Ronald J. Proto – CEO, Pittsburg Disposal & Debris Box Service, Inc.
Gary Lazdowski – COO, Pittsburg Disposal & Debris Box Service, Inc.
Kish Rajan – CAO, Pittsburg Disposal & Debris Box Service, Inc.

From: Garrett Evans GEvans@ci.pittsburg.ca.us 
Subject: RE: PDS Application for Residential Rate Adjustment
Date: September 26, 2019 at 10:31 AM
To: Sal Evola Sal.Evola@mdrr.com
Cc: Laura Wright LWright@ci.pittsburg.ca.us, Ron Proto Ron.Proto@mdrr.com, Kish Rajan Kish.Rajan@mdrr.com, Patrick Dolim Patrick.Dolim@mdrr.com



Mr. Evola,

Thank you for your email. The City of Pittsburg appreciates its long standing partnership with Mt. Diablo Resource Recovery.

The City received your request for a 12.92% increase comprised of an Annual CPI Increase of 4.36%, a Recycling Fee of 4.63% and Retroactive Recycling Fee of 3.93%. In reviewing the Letter and Attachments, City staff is prepared to present a recommendation to the City Council for consideration of the Annual CPI increase and Recycling Fee but will not recommend to the City Council a Retroactive Recycling Fee. In addition, the Recycling Fee may be referenced differently. This 8.99% rate increase would take effect January 1, 2020.

The increase proposed may prompt the City Council and community on the need to add bulky item pick up service since the City has received multiple requests at various meetings and through letters identifying this need of this service in attempts to prevent illegal dumping. City staff will make a recommendation to the City Council that a bulky item and one drop off item, per year per household, to the transfer station at no cost be included in this increase. In addition to the present curbside collection of household batteries, CFLs, and used oil/used oil filters, which the City uses its Oil Grant Funds to pay for, it will be recommended to the City Council to include the collection of small scrap and cast aluminum, items that presently going into the blue recycling container that can damage equipment at Mt. Diablo Recycling.

Lastly, the City is highly concerned with high contamination levels in recycling containers and the subsequent processing. The City would like to request and recommend to the City Council two pilot programs be conducted as part of the rate increase. First to see how many people switch to smaller cans as part of the rate increase, and then conduct a waste study on the blue containers to see how much contamination occurs with the can modification. This study might also reveal the need to have a route person inspecting containers as noted in the Recycling Partnership campaign and already being conducted in other communities in the United States. The second pilot program to increase diversion in City waste receptacles will be for MDRR to pay for the lease of 5 sets of 3 High Capacity Big Belly stations (waste, recycling, and compost) for high usage areas (Buchanan Park, Buckley Square, City Park, BART multimodal, and Small World Park). MDRR can advertise on the graffiti wrap around the stations.

Again, I thank you for your continued partnership and commitment to meeting the City's waste challenges into the future.

Regards,

Garrett Evans
City Manager

**THIRD AMENDMENT TO FRANCHISE AGREEMENT
FOR REFUSE AND RECYCLING COLLECTION AND DISPOSAL**

This Third Amendment ("Third Amendment") to the Franchise for Refuse and Recycling Collection and Disposal is entered into as of January 19, 2011, between Pittsburgh Disposal and Debris Box Service, Inc. ("Pittsburg Disposal") and the City of Pittsburgh ("City").

RECITALS

A. Effective July 1, 1999, Pittsburg Disposal and City entered into that certain Franchise Agreement for Refuse and Recycling Collection and Disposal ("Franchise Agreement"), as amended pursuant to which City granted Pittsburg Disposal the exclusive right, privilege and franchise to provide Residential and Multi-family Dwelling Solid Waste Collection Service, Residential and Multi-family Recycling Collection Service and Commercial and Industrial Solid Waste Collection Service within the Service Area.

B. The purpose of this Third Amendment is to amend the Franchise Agreement to enhance the Franchise Agreement by adding additional services, programs and changing the term.

C. This Third Amendment has been negotiated between Parties and is consistent with Article XVII, Section 7 of the Franchise Agreement which requires any modification of, or amendment or additions to, the Franchise Agreement to be in writing and signed by both Parties.

NOW THEREFORE, in consideration of the premises, covenants and provisions set forth herein, the receipt and adequacy of which consideration is hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. RECITALS.

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

2. DEFINED TERMS.

All capitalized terms not defined herein shall have the meanings ascribed to them in the Franchise Agreement. For purposes of this Third Amendment, the phrase "Commercial/Industrial Customer" shall mean any Customer who receives services pursuant to the Franchise Agreement, as amended, to a Commercial and/or Industrial Property.

3. ARTICLE I, SECTION 2.

Article I – “Grant and Acceptance of Franchise, Section 2 – “Contract Period and Renewal Option,” is deleted in its entirety and the following new Article I, Section shall be substituted in its place as follows:

SECTION 2- CONTRACT PERIOD AND AUTOMATIC RENEWAL

“The term of this Franchise Agreement, as amended, which was originally effective July 1, 1999, is extended and will terminate in fifteen (15) years on June 30, 2025. The term of this Franchise Agreement, as amended, shall, upon the termination of each twelve (12) month period, shall automatically extended for an additional twelve (12) months so that, upon each anniversary date of this Agreement, the term shall always be fifteen (15) years. Either Party may terminate this automatic renewal by giving at least one hundred and twenty (120) days prior written notice to the other of such termination and thereafter, the automatic renewal shall terminate and the Franchise Agreement, as amended, shall terminate on the expiration of the remaining term, of the Franchise Agreement.”

4. ARTICLE II – SECTION 1.

Article II, “Franchise Fee” – Section 1 – “Residential Solid Waste Franchise Fee”, is amended to read as follows:

“The service charge and franchise fees are to be paid to the City by the Franchise Holder for the granting of this franchise and the services rendered. The Franchise Holder shall pay to the City a franchise fee of ten percent (10%) of the total gross fees collected, including special collections and mandatory recycling service charges as provided herein, billed to all Residential Customers within the City, effective February 1, 2011. The franchise fee shall increase to twelve percent (12%) effective February 1, 2012.”

5. ARTICLE II - SECTION 2.

Article II “Franchise Fee” Section 2 – “Multi-Family Dwelling, Commercial and Industrial Solid Waste Franchise Fee”, is amended to read as follows:

“A franchise fee shall be paid to the City by the Franchise Holder, for the exclusive right to furnish Multi-Family, Commercial and Industrial Customers Solid Waste Collection service, of ten percent (10%), effective February 1, 2011, of the total fees collected, including special collection fees as provided in the Franchise Agreement, as amended, charged to Multi-Family, Commercial and Industrial Customers. The franchise fee shall increase to twelve percent (12%) effective February 1, 2012.

6. ARTICLE IV C, SECTION 2.

Article IV, “Collection Services, Subdivision C -“General Services, “Section 2 – “Residential Annual Clean-ups,” is deleted in its entirety and the following new Section 2 shall be substituted in its place as follows:

SECTION 2 – SINGLE FAMILY DWELLING ON-CALL CLEANUP

"Franchise Holder shall provide Single Family Dwelling bulky waste collection service to all Single Family Dwelling Customers whose bulky items or extra residential Solid Waste have been placed in a disposal bag or container, or bundled, and placed within three (3) feet of the curb, sidewalk or paved surface of the public roadway, closest accessible roadway, or other such location agreed to by Franchise Holder, that will provide safe and efficient accessibility to Franchise Holder's collection crew and vehicles. The bulky waste collection service is limited to a maximum two (2) cubic yards per cleanup or the equivalent of fourteen (14) thirty two (32) gallon bags. Franchise Holder shall provide on-call recycle clean up service to each Single Family Dwelling Customer whose green waste or corrugated cardboard has been placed in a manner set forth in Franchise Holder's customer guide prepared and distributed by Franchise Holder to all Single Family Dwelling Customers. Each Single Family Dwelling Customer is entitled to receive Single Family bulky waste collection service and/or recycle cleanup service up to two (2) times a year. The collections shall be on call. Contractor shall maintain adequate vehicles and personnel to meet demand of on-call pick ups within two (2) weeks of request. Pick up will be on the same day as regularly scheduled garbage service.

Guidelines for collection of Single Family Dwelling bulky waste clean up are as follows:

- Place items at the curb by 5:00 a.m. preferably the night before the clean up day.
- All items must be stacked in one place.
- Bag or tie items with rope, cord, tape or string strong enough to keep the bundle intact or place in disposable containers. All containers will be taken including metal and plastic trash cans.
- Place cleanup items in a single pile at a distance of 4 feet or more from all carts.

Unacceptable Bulky waste material:

- No item may weigh more than 150 lbs. or be longer than 4 feet. Bags cannot weight more than 50 pounds/
- No televisions or computer monitors.
- No household hazardous wastes including paint, motor oil, car batteries, antifreeze, solvents, pesticides, cleaners.
- No large car parts (tires, transmission blocks, engines, etc.) or large furniture.
- No rocks, dirt or concrete.
- No refrigerators, freezers, air conditioners, or other appliances with Freon.
- No tree stumps or large tree trunks.
- Do not place cleanup items near or in front of refuse or recycling carts.
- No loose piles.

Guidelines for collection of Single Family on call recycling cleanups areas follows:

- After filling Green waste cart, place extra clippings in containers that are 32-gallons or less in volume. Containers will not be taken away. Do not use plastic bags.
- Tree branches and prunings must be 3 feet or less in length and 6 inches or less in diameter.
- Trim cardboard to 3 feet or less on each side, flatten and bundle with string.
- For pickups, place bundled cardboard or Green waste containers at the curb by 5:30 a.m. or, preferably, the night before.
- Keep extra material at least 4 feet away from carts.

7. ARTICLE VII

Article VII, "Residential Recycling Collection," is amended to add Section 6 – "Motor Oil and Oil Filters" as follows:

SECTION 6 – MOTOR OIL AND FILTERS

"Single Family Dwelling Customers will be able to recycle by calling Franchise Holder's Customer Service to schedule a pick up. Franchise Holder will provide a prepackaged kit to the requesting customer to place and store the motor oil and oil filter for collection. Customers are allowed a maximum of three (3) gallons of oil per pick up. Used motor oil and filters will not be collected as part of or during the Single Family Dwelling On-call Clean-ups allowed under Section 2. The City shall cooperate with Franchise Holder in securing any grant money that may be available to offset the costs of this program.

8. ARTICLE VII

Article VII, "Residential Recycling Collection," is amended to add Section 7 – "Batteries, Cell Phones and Compact Fluorescent Light Bulbs" as follows:

SECTION 7 – BATTERIES, CELL PHONES AND FLUORESCENT LIGHT BULBS

"Single Family Dwelling Customers will be able to recycle batteries, cell phones and compact fluorescent light bulbs ("CFLs") by calling Franchise Holder's Customer Service to schedule a pick up. Collection will be subject to the materials being properly packaged. Franchise Holder will provide City a recommendation for packaging requirements which shall be implemented upon approval by the City Manager.

9. ARTICLE VII A "COMMERCIAL AND INDUSTRIAL RECYCLING SERVICE

The Franchise Agreement is amended to add, a new Article VII A "Commercial Recycling and Industrial Service" as follows:

SECTION 1 – COMMERCIAL / INDUSTRIAL DIVERSION REQUIREMENTS

“Franchise Holder will use all commercially reasonable efforts to implement a comprehensive Commercial/Industrial Recycling, reuse and reversion program to maximize the amount of Solid Waste that can be diverted from this segment of the City's waste stream. Franchise Holder will provide City with an implementation timeline with benchmarks for Commercial/Industrial Recycling and Green Waste implementation within sixty (60) days of execution of this Third Amendment. The timeline shall include a commencement date for mandatory Commercial/Industrial Recycling. The implementation timeline will include diversion rate benchmarks which may be used to evaluate the effectiveness of the program. After program implementation, progress reports will be submitted to the City Manager upon his request. This report will include, but not be limited to, the name of each Commercial/Industrial Customer, current Solid Waste and Recycling service level, new service level, potential diversion and customer cost savings, if any, and the names of any Customer who refuses to participate.

SECTION 2 – CONDITIONS OF SERVICE

“Franchise Holder shall provide Commercial and Industrial Recycling service to all Commercial and Industrial Customers whose Recyclable Materials are properly containerized and set out. Franchise Holder is not required to collect Recyclable Materials, if the Customer does not segregate the Recyclable Materials from Solid Waste. If Recyclable Materials are contaminated through commingling with Solid Waste, the Franchise Holder shall, if practicable, separate the Solid Waste from the Recyclable Materials. The Recyclable Materials shall then be collected and the Solid Waste shall be left in the container along with a non-collection notice. However, if the Recyclable Materials and Solid Waste are commingled to the extent that they cannot easily be separated by the Franchise Holder or the nature of the Solid Waste renders the entire Recycling container contaminated, the Franchise Holder may leave the container un-emptied along with a non-collection notice.

SECTION 3 - SIZE AND FREQUENCY OF SERVICE

The Franchise Holder shall provide this service as deemed necessary and as determined between the Franchise Holder and the Commercial/Industrial Customer. Service may be provided by bin, cart or drop box at the option of the Customer. The size of the container and the frequency of collection shall be determined between the Customer and the Franchise Holder. Franchise Holder shall provide containers as part of the Commercial and Industrial Collection service rates.

SECTION 4 - RANGE OF RECYCLING SERVICES TO COMMERCIAL / INDUSTRIAL CUSTOMERS

Franchise Holder will offer a range of Recycling services to Commercial/Industrial Customers including, but not limited to, the following:

- a. Develop and send a waste assessment survey and Commercial/Industrial Recycling mailer outlining the new services to all Commercial/Industrial Customers;
- b. Meet with large waste generators to identify potential Recycling waste streams and source reduction opportunities;
- c. Conduct on-site Waste Assessments upon request for all Commercial/Industrial Customers and make Recycling and source reduction recommendations;
- d. Attend and speak with and to business organizations such as the Chamber of Commerce;
- e. Review current levels of all Commercial/Industrial Customers and determine potential for Recycling and contact the Commercial/Industrial Customer to review and discuss;
- f. Work with all Commercial/Industrial Customers to maximize Recycling services and minimize the additional overall cost service.

10. ARTICLE IX. SECTION 2.

Article IX, Education and Public Awareness, Section 2 – Community Events and School Education Promotion is amended to read as follows:

"At the direction of the City, the Franchise Holder shall participate in and promote recycling and other diversion techniques at community events and local activities. Such participation would normally include providing, without cost, educational and publicity information promoting the goals for the City's Franchised Solid Waste, Recyclable Materials, and Green Waste program. Franchise Holder shall also provide information regarding collection services, collection guidelines, Recycling assistance and service policies and procedures.

Earth Day
 America Recycles Day
 School Programs
 City Community Programs and Festivals
 Tours of Mt. Diablo Recycling Center and the Transfer Station

Additional programs and events may arise over the term of this agreement and may be added or replaced to the list above. In establishing these programs and events, the Franchise Holder shall provide the City assistance with coordinating these events and programs as necessary."

11. BINDING AGREEMENT.

This Third Amendment shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors in interest, and assigns of each of the Parties hereto. Any reference in this Third Amendment to a specifically named Party shall be deemed to apply to any successor, administrator, executor, or assign of such Party who has acquired an interest in compliance with the terms of this Third Amendment or under law.

12. COUNTERPARTS.

This Third Amendment may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, when taken together, shall constitute the same document.

13. CALIFORNIA LAW.

The Third Amendment shall be governed by and interpreted in accordance with the laws of the State of California.

14. INVALIDITY.

Any provision of this Third Amendment that is determined by a court of competent jurisdiction to be invalid or unenforceable shall be deemed severed from this Third Amendment, and the remaining provisions shall remain in full force and effect as if the invalid or unenforceable provision had not been a part hereof.

15. HEADINGS.

The headings used in this Third Amendment are for convenience only and shall be disregarded in interpreting the substantive provisions of this Third Amendment.

IN WITNESS WHEREOF, this Third Amendment has been entered into by and between Pittsburg Disposal and City as of the date and year first above written.

CITY:

CITY OF PITTSBURG,
a California Municipal Corporation

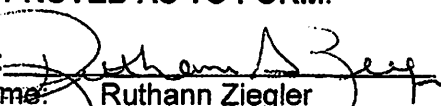
By: 
Name: Marc S. Grisham
Title: City Manager

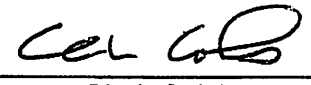
PITTSBURG DISPOSAL:

**PITTSBURG DISPOSAL & DEBRIS BOX
SERVICE, INC.**

By: 
Name: Joseph Garaventa
Title: Chief Executive Officer

APPROVED AS TO FORM:

By: 
Name: Ruthann Ziegler
Title: City Attorney

By: 
Name: Clark Colvis
Title: Chief Financial Officer



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

TO: Mayor and Council Members

FROM: Garrett Evans, City Manager

SUBJECT: Introduction and Waive First Reading of an Ordinance Amending the Pittsburg Municipal Code by Repealing Chapter 9.98 Tow Car Regulation

MEETING DATE: October 21, 2019

EXECUTIVE SUMMARY

The City's adopted Purchasing Policy provides procedures for the contracting of outside services. For consistency, the Pittsburg Police Department is seeking City Council action to repeal Pittsburg Municipal Code 9.98, Tow Car Regulation, and will follow City contracting procedures for these services.

FISCAL IMPACT

None from this action.

RECOMMENDATION

City Council introduce, waive further reading and pass to second reading the attached Ordinance repealing Pittsburg Municipal Code Chapter 9.98 Tow Car Regulation.

BACKGROUND

On October 5, 1981, the City Council adopted Ordinance 81-820 adding Chapter 9.98 "Tow Car Regulation" to Title 9 of the Pittsburg Municipal Code (PMC). The City Council has amended the Chapter from time to time, including on February 18, 1992 with adoption of Ordinance 92-1030 to revise language regarding a rotation tow list.

On February 3, 1992, the City Council approved Resolution 92-7767 to establish the number of tow operators operating in the City. The City Council most recently amended the Chapter on September 3, 1996 with adoption of Ordinance 96-1119.

The City seeks consistency in its contractual services across all City departments, including the Police Department. The policy, method and procedures for contractual services for tow companies are appropriately addressed in the City's Purchasing Policy.

SUBCOMMITTEE FINDINGS

This item was not presented to a subcommittee.

STAFF ANALYSIS

PMC Chapter 9.98 “Tow Car Regulation” sets regulations for how tow companies operate in the City, including hours of operation and responsibility, and outlines the City’s selection process to enter into contracts for these services. Pittsburg Police Department needs these services as part of its routine operations.

Staff seeks consistency in its contractual procedures across City departments, and the City’s Purchasing Policy provides procedures for entering into contracts for services.

If approved, the ordinance will repeal PMC Chapter 9.98 regarding tow services. Staff will thereafter follow the City’s Purchasing Policy to establish and contract for these services as needed.

ATTACHMENTS: PMC Chapter 9.98 Revision

Report Prepared By: Brian Addington, Chief of Police

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Ordinance Repealing)
Chapter 9.98 of Municipal Code)
Relating to Tow Service Regulation)

ORDINANCE NO. 19-

The City Council of the City of Pittsburgh DOES ORDAIN as follows:

SECTION 1. Background. The City seeks to update the municipal code to eliminate outdated provisions regarding tow service.

SECTION 2. Repeal. Chapter 9.98 of the Pittsburgh Municipal Code is hereby repealed as follows:

Chapter 9.98
TOW CAR
REGULATION
[Repealed]

Sections:

~~9.98.010 Purpose and intent.~~

~~9.98.020 Regulation.~~

~~9.98.030 Unlawful solicitation.~~

~~9.98.040 Selection and designation.~~

~~9.98.050 Application fee.~~

~~9.98.060 Minimum standards for equipment and drivers.~~

~~9.98.070 Storage facilities.~~

~~9.98.080 Rotation procedure for towing vehicles other than abandoned vehicles.~~

~~9.98.090 Rotation procedure for towing abandoned vehicles.~~

~~9.98.100 Hours of availability and response time.~~

~~9.98.110 City vehicles.~~

~~9.98.120 Impounded vehicles.~~

~~9.98.130 Removal of hazards.~~

~~9.98.140 Release of vehicles.~~

~~9.98.150 Release of impounded vehicles.~~

~~9.98.160 Damage appraisals.~~

~~9.98.170 Schedule of fees and rates.~~

~~9.98.180 Vehicles stored over 30 days.~~

~~9.98.190 Collecting fees.~~

~~9.98.200 Abandoned vehicles on private property.~~

~~9.98.210 Records.~~

~~9.98.220 Supervision checks.~~

~~9.98.230 Responsibility.~~

~~9.98.240 Insurance.~~

~~9.98.250 Indemnity.~~

~~9.98.260 Termination of services and appeal.~~

~~9.98.270 Compliance with law.~~

~~9.98.280 Period to comply.~~

~~9.98.010 Purpose and intent.~~

~~The public health, safety and welfare require the timely removal of wrecked, disabled, abandoned or certain illegally parked motor vehicles. Such vehicles create hazards, especially to traffic safety, and must be removed as quickly as possible. In order to ensure the efficient removal of impediments from the city's roadways and to provide dependable service to the public, it is necessary to establish regulations for the operation of vehicle towing services.~~

~~9.98.020 Regulation.~~

~~A. The provisions of this chapter shall apply to all participating tow operators responding to requests for tow services made by the city regardless of whether the request was originated by the city or a private citizen.~~

~~A. It is unlawful for any tow service or operator to tow any vehicles subject to the provisions of this chapter unless such operator or service is either on the city's current rotational tow list or has entered into a written agreement with the city to provide towing services.~~

~~B. Nothing in this chapter prevents a private citizen from requesting any towing service to remove and tow away that citizen's vehicle.~~

~~9.98.030 Unlawful solicitation.~~

~~It is unlawful for any operator or his agent or employee to solicit any work which is within the scope of this chapter. An operator shall only tow vehicles when requested~~

~~to do so by the city or the owner or driver of a vehicle. A violation of this section shall be cause for the operator to be immediately terminated from the rotational tow list.~~

~~9.98.040 Selection and designation.~~

~~A. There shall be two rotational tow lists in the city: (1) a list for towing abandoned vehicles; and (2) a list for towing all other vehicles. The city manager or his designee shall have general supervision and control over the rotational tow lists. The city manager may, in his sole discretion, delegate all or a portion of his authority under this chapter to one or more designees, and a reference to the city manager in this chapter shall also include his designee. In lieu of a rotational list for the towing of abandoned vehicles, the city manager may enter into an agreement with a qualified tow operator to provide abandoned vehicle towing and/or storage services per the city's purchasing policy (PMC 2.85). Prior to entering into such agreement, the city shall solicit proposals by eligible operators, as directed by the city manager.~~

~~B. An operator may only apply for inclusion on one list. For abandoned vehicle tows, the city manager shall select qualified tow operators from applications received and place their names on the abandoned vehicle rotational tow list per the city's purchasing policy (PMC 2.85).~~

~~C. An operator who wishes to be included on one of the city's rotational lists shall complete an application provided by the city. An operator is eligible to apply if he possesses a valid city business license, his towing service has its principal place of business within city limits, and he meets the requirements of this chapter. For purposes of this section, "principal place of business" shall mean that the primary business office and primary storage facility shall be located within city limits. The city manager or his designee shall make the final decision as to whether or not an operator's principal place of business is located within city limits and such decision may not be appealed. The operator's primary storage facility shall be the same location as the operator's primary business office, absent prior approval from the city. The operator shall submit such additional information as the city manager may~~

~~request to demonstrate the operator's ability to comply with this chapter.~~

~~D. The city manager may, in his sole discretion, approve or deny the application if in his judgment the~~

~~operator is unable to comply with the provisions of this chapter; the operator has made or caused to be made a false statement on his application; or the operator has been convicted of any crime punishable as a felony or any crime involving stolen or embezzled vehicles, stolen property, fraud, driving while intoxicated, sale or use of illegal drugs, or moral turpitude.~~

~~E. If the operator's application is denied, the operator may appeal the denial in the manner provided in PMC 9.98.260.~~

~~9.98.050 Application fee.~~

~~An operator who applies for inclusion on the rotation lists shall pay a processing fee as established by the chief of police.~~

~~9.98.060 Minimum standards for equipment and drivers.~~

~~Minimum standards for equipment and drivers of tow operators who perform services under this chapter are as follows:~~

~~A. Truck Chassis. A truck chassis shall have a capacity of at least one ton and have rear dual wheels or their equivalent.~~

~~B. Company Name. A sign showing the name of the towing company or the owner or operator of the tow car and the business address and telephone number of the owner or driver shall be displayed on both doors of the tow vehicle cab. These signs shall comply with the provisions of Vehicle Code Section 27907.~~

~~C. Lights. Tow trucks must be equipped with all lights required by state law, such as headlights, taillights, red reflectors, stoplights and warning lights. Tow trucks must also be equipped with one adjustable or portable white utility light. Tow trucks may be equipped with other lights the owner or operator may desire which are not forbidden by law.~~

~~D. Winch. Each tow truck must have one power-driven winch operated from a transmission equipped with safety dogs or equivalent braking devices.~~

~~E. Additional Equipment. Trucks must be equipped with red flares, lanterns or reflectors, portable warning signs, hand tools, crowbar, rope, broom, shovel, dustpan, fire extinguisher (dry chemical type), portable red taillight and stoplight for towed vehicles, dry sand or other material for absorbing gas and oil from streets, equipment for opening locked vehicles and safety snubber chain. Each truck shall have at least one set of dollies readily available at all times. Drivers. Tow truck drivers shall display reasonable competence in their work and possess a valid California driver's license of the proper class as provided in Vehicle Code Section 12520. The chief of police may remove an operator from the rotation lists if he finds that the operator employs a driver who, within the preceding 36 months of the date of his service with the operator, has been convicted of one or more of the following crimes:~~

- ~~1. Auto theft, burglary, possession of stolen property, grand or petty theft;~~
- ~~2. A crime involving violence of the person of another;~~
- ~~3. A violation of the Health and Safety Code relating to narcotics or dangerous drugs;~~
- ~~4. A violation of Sections 4461, 4462(b), 4463, 4464, or 5017 of Division 3 of the California Vehicle Code;~~
- ~~5. A violation of any provision of Division 4 of the California Vehicle Code; or~~
- ~~6. A crime relating to illegal acquisition of a vehicle or vehicle parts or documents relating to vehicle registration or ownership.~~

~~G. Communications. An operator shall provide equipment to allow two-way radio communication capability between the operator's dispatcher and each tow truck.~~

9.98.070 Storage facilities.

~~A. Each operator of a towing service on the rotational list or under agreement with the city shall maintain a storage lot within city limits in an appropriately zoned district with adequate and secure storage space to accommodate towed vehicles. Storage lots, buildings and any fences shall be approved in writing by the city. An operator shall have access to a secured building in an approved location with the~~

~~capacity to store at least 10 vehicles. Storage lots and secured building shall be designed so that stored vehicles are reasonably screened from public view.~~

~~B. The operator shall be responsible for the reasonable care, custody and control of any property contained in towed and/or stored vehicles and shall take all appropriate action to ensure that stored vehicles and their contents are safe from tampering or vandalism.~~

~~C. Notwithstanding subsection (A) of this section, abandoned vehicles may be stored outside city limits if the storage location has been approved in writing by the city.~~

~~9.98.080 Rotation procedure for towing vehicles other than abandoned vehicles.~~

~~The police department shall evenly rotate its requests for towing vehicles other than abandoned vehicles between the operators on the rotational list for such vehicles.~~

~~A. When an operator is given and completes a call, that operator moves to the bottom of the list.~~

~~B. Whenever more than one tow truck is needed to respond to a call for service, a separate operator shall be called for each truck. Each operator called shall be credited with a call and moved to the bottom of the list in the order called~~

~~C. Whenever the owner of a vehicle or the owners representative requests a tow operator by name, the tow operator's position on the rotation lists shall not be changed. This practice shall also be followed if the owner or his representative requests a tow operator authorized to tow on behalf of a named insurance company.~~

~~D. If the department is unable to reach the operator in first position for a call, or if the operator accepts a call and is subsequently unable to respond as required, that operator shall be credited with a call and moved to the bottom of the list.~~

~~E. If the department in its judgment determines that the operator in first position is improperly equipped or otherwise incapable of adequately responding to a specific call, the department may pass over that operator and continue down the list until it reaches an operator it considers capable of adequately responding to the call. If no operator on the list has the necessary skills or equipment to adequately respond,~~

~~the department may request service from an operator not on the list. A change from the normal rotation procedure under these circumstances does not alter any operator's position on the list except that the operator actually chosen shall be credited with a call and moved to the bottom of the list.~~

~~F. The department shall maintain rotation records and make them available for inspection to tow operators and the public upon request.~~

~~9.98.090 Rotation procedure for towing abandoned vehicles.~~

~~With respect to the towing of abandoned vehicles, the city manager may either enter into an agreement with one tow operator on such terms and conditions as may be negotiated or create a rotational tow list and follow the rotational process described in PMC 9.98.080. If the city manager elects to have an agreement with a tow operator for removal of abandoned vehicles, the city shall undertake a solicitation for proposals as directed by the city manager prior to entering into any such agreement.~~

~~9.98.100 Hours of availability and response time.~~

~~A. Each tow operator shall have at least one driver on call at all times (24 hours per day, seven days per week including Sundays and holidays) capable of responding to a police request for towing.~~

~~B. Once an operator is called by the department for service, the operator must respond to the scene within 20 minutes, unless the department has specifically requested an expedited tow, in which case the operator must respond to the scene within 10 minutes. If an operator accepts a call and subsequently cannot respond, he must notify the department of his inability to respond within five minutes of initially receiving the call. If the operator gives this required notice, he shall be moved to the bottom of the appropriate rotation list. If the operator fails to give this required notice, he shall be moved to the bottom of the rotation list and be subject to a 30-day suspension from the rotation lists by the chief of police. There is no recourse or appeal from this suspension.~~

~~C. An operator is also subject to a 30-day suspension by the chief of police without~~

~~recourse if the operator accepts a call and then fails to respond within the required time.~~

~~9.98.110 City vehicles.~~

~~The chief of police is authorized to enter into an agreement with any tow operator on the rotation lists to tow disabled city vehicles as needed. An operator shall not be credited with a call or moved to the bottom of a rotation list when called to tow a disabled city vehicle.~~

~~9.98.120 Impounded vehicles.~~

~~The chief of police is authorized to enter into an agreement with a tow operator to tow and store vehicles which the department requires to be impounded for special investigative or evidentiary reasons. Vehicles towed under this section shall be stored in a place of maximum security. The chief shall select an operator from among those operators on the rotation lists and may in his discretion call for sealed bids and any additional information he requires. An operator selected by the chief to tow vehicles under this section shall not be credited with a call or moved to the bottom of a rotation list when called to tow a vehicle under this section.~~

~~9.98.130 Removal of hazards.~~

~~Once an operator arrives at the location to which he has been dispatched, he shall cooperate with police officers on the scene in removing hazards and illegally parked vehicles as requested and shall remove all other debris and perform the duties required by Vehicle Code Section 27700.~~

~~9.98.140 Release of vehicles.~~

~~A. Towed vehicles shall be available for release at all times (24 hours per day, seven days per week, including Sundays and holidays). The operator shall ensure that an attendant is available for the purpose of releasing vehicles.~~

~~B. The operator may charge a reasonable fee in addition to ordinary charges when he releases a vehicle outside ordinary business hours if he must reopen the~~

~~business to release the vehicle. When a vehicle's owner or the owner's representative requests the release of a vehicle outside ordinary business hours, the operator shall advise him if this additional fee is to be charged.~~

~~c. Stored vehicles shall be released on request to their owners or the owner's representative unless the vehicle has been impounded. Personal property within a vehicle shall be given to the owner or operator on request, even though the vehicle is being retained in storage, unless the vehicle has been impounded. The operator or attendant shall determine whether the vehicle has been impounded by checking the relevant CHP Form 180. If the box on the form labelled "impounded" is checked, the operator or attendant shall not release the vehicle or its contents but shall advise the owner or representative to obtain a release from the Pittsburgh police department.~~

~~9.98.150 Release of impounded vehicles.~~

~~An operator shall release an impounded vehicle or its contents only upon the written authorization of the police department. The department shall authorize the release of impounded vehicles within 24 hours after impounding unless it requires additional time for specific investigative or evidentiary purposes.~~

~~9.98.160 Damage appraisals.~~

~~A. An operator shall make all vehicles except impounded vehicles available to the vehicle's owner or the owner's representative, or a car dealer or body shop representative designated by the owner, or any insurance agent or insurance adjuster for the purpose of appraising damages to the vehicle.~~

~~B. An operator shall make vehicles to be appraised accessible to police department personnel and to anyone authorized by the department and upon request shall assist department personnel conducting inspections of vehicles.~~

~~9.98.170 Schedule of fees and rates.~~

~~A. The maximum chargeable fees and rates for normal rotation requests shall be~~

~~established and maintained by the chief of police. These rates shall be determined after a review of rates allowed in other neighboring communities and operating data supplied by operators on rotation lists. This schedule shall be reviewed annually and adjusted if necessary. Rates for road service calls and for towing to points other than the operator's regular storage facilities at the request of the vehicle owner shall be negotiated between the tow operator and the vehicle owner.~~

~~B. No additional fees may be charged for towing services subject to this chapter except as provided in PMC 9.98.140 for release of vehicles outside ordinary business hours and Civil Code Section 3074 and Vehicle Code Section 22851.12 for lien sale processing fees.~~

~~9.98.180 Vehicles stored over 30 days.~~

~~When an operator is required to report the storage of a vehicle for over 30 days under Vehicle Code Section 10652, the operator shall provide a copy of his report to the chief of police. Storage fees for these vehicles shall be set in accordance with Vehicle Code Section 10652.5.~~

~~9.98.190 Collecting fees.~~

~~The operator is responsible for collecting all fees and charges for towing and storing vehicles under this chapter and shall conduct any necessary lien sales, except that the police department shall manage the disposition of low-valued vehicles as described in Vehicle Code Section 22851.2.~~

~~9.98.200 Abandoned vehicles on private property.~~

~~For an operator to be qualified to tow an abandoned vehicle under this chapter, the operator shall have a current, valid dismantler's license as described in Vehicle Code Section 11500.~~

~~9.98.210 Records.~~

~~The operator shall maintain records of all tow services furnished, including the license number and description of vehicles; nature of service; date and time; name of any police officers requesting the tow and whether the vehicle was ordered~~

~~impounded or towed at the owner's request; location of calls; and total itemized costs of towing and storage. Records shall be maintained and available for inspection for a period of at least two years. The city manager may inspect all operator records without notice to the operator during normal business hours.~~

~~9.98.220 Supervision checks.~~

~~The records, equipment and storage facilities of the operator shall be subject to periodic checks by the police and fire departments.~~

~~9.98.230 Responsibility.~~

~~An operator is responsible for the acts of his agents and employees while on duty. An operator is responsible for any damage to a vehicle or loss of its contents while the vehicle is in the operator's possession.~~

~~9.98.240 Insurance.~~

~~A. The operator shall maintain in full force and effect, at all times while providing towing and/or storage services under this chapter, a comprehensive general liability insurance policy in an amount specified by the city manager, but not less than \$500,000 combined single limit per occurrence for bodily injury, personal injury or property damage. The operator shall name the city of Pittsburg, its agents, officers, employees and volunteers (hereafter collectively referred to as "city and its employees") as an additional insured on the policy with respect to any liability arising out of or in any way related to the operator's performance of towing and/or storage services.~~

~~B. In addition to the requirements of subsection (A) of this section, the operator shall also maintain in full force and effect, at all times while providing towing and/or storage services under this chapter, the following insurance coverage naming the city and its employees as an additional insured, in amounts specified by the city manager but not less than the amounts specified below:~~

- ~~1. On-hook insurance coverage insuring the operator's tow vehicle in an amount not less than~~

~~\$25,000;~~

- ~~2. Uninsured motorist insurance in the minimum amount established by law;~~
- ~~3. Garage liability including the towing and/or storage premises and operations in an amount not less than \$500,000 combined single limit per occurrence for bodily injury, personal injury or property damage; and~~
- ~~4. Garage keepers liability coverage to protect vehicles in the storage yard and under the operator's care, custody and control, in an amount not less than \$25,000.~~

~~C. The operator's insurance policy(ies) shall contain no limitations on the scope of protection afforded to city and its employees. The operator's insurance coverage shall be primary insurance with respect to the city and its employees and said policy(ies) shall state that the operator's insurance shall apply separately to city and each of its employees against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability. Any failure by city and its employees to comply with the reporting provisions of the policy(ies) shall not affect coverage provided to city and its employees.~~

~~D. The operator's insurance is to be placed with insurance companies with A.M. Best & Co.'s rating of no less than A-VII, or such other rating approved by the city. Any deductibles or self-insured retentions shall be declared to and approved by the city. At the sole discretion of the city, the operator shall either reduce or eliminate such deductibles or self-insured retentions with respect to city and its employees or the operator shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.~~

~~E. A copy of the operator's policy(ies) or evidence thereof shall be deposited with the city clerk. Each insurance policy required by this chapter shall be endorsed to state that coverage shall not be suspended, voided, cancelled, reduced in coverage or in limits except after 30 days' prior written notice by certified mail, return receipt requested, has been given to the city.~~

~~9.98.250 Indemnity.~~

~~Any operator who performs towing and/or storage services under this chapter shall defend, indemnify and hold the city, its employees, agents, officers and volunteers harmless from and against any and all liability, demands, claims, damages, costs, losses, recoveries, settlements and expenses (including interest, penalties, attorney's fees, accounting fees, expert witness fees, costs and expenses) incurred by city, known or unknown, contingent or otherwise, directly or indirectly arising from or in any way related to operator's performance of towing and/or storage services.~~

~~9.98.260 Termination of services and appeal.~~

~~A. An operator may voluntarily request removal from a rotational list by giving two weeks' prior written notice to the city manager. The city manager may waive this notice requirement in his sole discretion.~~

~~8. The city manager or his designee may, after a noticed hearing conducted as set forth in Chapter 1.08 PMC, remove an operator from a rotational list if he finds that:~~

- ~~1. The operator has failed to comply with the requirements of this chapter, local, state or federal laws;~~
- ~~2. The operator has made or caused to be made a false statement on his application; or~~
- ~~3. The operator has been convicted of any crime punishable as a felony or any crime involving stolen or embezzled vehicles, stolen property, fraud, driving while intoxicated, sale or use of illegal drugs, or moral turpitude.~~

~~C. An operator may appeal a decision to remove him from the rotational list by filing a written notice of appeal in accordance with the requirements of Chapter 1.08 PMC. An appeal from the decision of the city manager's designee shall be heard by the city manager. An operator may appeal the city manager's decision or to the city council by filing a written notice of appeal in accordance with the requirements of Chapter 1.08 PMC.~~

~~9.98.270 Compliance with law.~~

~~The operator shall at all times comply with federal, state and local laws applicable to the towing and/or storage of vehicles.~~

~~9.98.280 Period to comply.~~

~~If a tow operator is on the city's rotational tow list, as of the effective date of the ordinance codified in this section, but does not meet a new requirement imposed by this chapter, the operator shall have two years from the effective date of the ordinance codified in this section to comply with such new requirement. If at the end of such period the operator is not in compliance, he shall be removed from the city's rotational lists in the manner set forth in this chapter as amended herein.~~

SECTION 3. Severability

If any section, subsection, sentence, clause, phrase or word of this Ordinance is for any reason held to be invalid by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have passed and adopted this Ordinance, and each and all provisions hereof, irrespective of the fact one or more provisions may be declared invalid.

SECTION 4. Effective Date

This Ordinance shall take effect and be in full force and effect thirty (30) days from and after its final passage.

SECTION 5. Publication.

The City Clerk shall either (a) have this ordinance published once within 15 days after adoption in a newspaper of general circulation or (b) have a summary of the ordinance published twice in a newspaper of general circulation, once 5 days before its adoption and again 20 days after its adoption.

The foregoing Ordinance was introduced at a meeting of the City Council of the City of Pittsburg held on October 21, 2019, and was adopted and ordered published at a meeting of the City Council held on _____, 2019, 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 to Authorize Application and Receipt of Senate Bill 2 (SB 2) Planning Grant Funding

MEETING DATE: October 21, 2019

EXECUTIVE SUMMARY

In 2017, the Governor of California signed Senate Bill 2 (SB 2) into law, establishing a grant that encourages local agencies to develop programs that streamline housing approvals and accelerate housing production. Staff is requesting authorization to apply for \$310,000 in program funds designated for the City.

FISCAL IMPACT

None from this action. Staff costs for the grant application and administration of programs would be offset by the grant and would have no negative impact to the City's General Fund.

RECOMMENDATION

City Council adopt the attached resolution authorizing application and receipt of Senate Bill 2 (SB 2) Planning Grant Funding.

BACKGROUND

In 2017, the Governor signed Senate Bill 2 (SB 2), the "Building Homes and Jobs Act." This law established a permanent, ongoing source of funding to promote and facilitate housing development. The funds come from a fee paid at the time of recordation of each single real estate transaction on a parcel of property.

Under the law, the revenue is split evenly between a fund for the Department of Housing and Community Development (HCD) to assist people experiencing or at risk of homelessness, and a fund made available to local governments for planning grants.

On March 28, 2019, HCD released a Notice of Funding Availability (NOFA) for approximately \$123 million for local government grants. Communities with a population

between 60,000 and 200,000, including Pittsburg, are classified as a “medium city” and are eligible for a maximum award of \$310,000 for Year 1 of the grant program.

Overall, the SB 2 planning grant program can help the City establish new policy tools to encourage the creation of additional housing. Additionally, this program will further the goals and policies of the City’s Housing Element, which strongly encourages providing a diversity of housing types, costs and locations to serve the variety of needs and wants of residents.

SUBCOMMITTEE FINDINGS

On September 24, 2019, the Land Use Subcommittee reviewed the staff-proposed planning policy programs that could be executed during the Year 1 term of the grant. The subcommittee was generally supportive of the application and the three policy programs suggested by staff; however, a request was made to incorporate several prototype accessory dwelling unit plans, (i.e. detached, attached, over-the garage), if feasible.

STAFF ANALYSIS

Staff is recommending the City submit an SB2 application for the following programs:

Development of Objective Design Standards for Multi-family Projects. In 2017, Senate Bill 35 (SB 35) established a mandated, streamlined ministerial review process for multi-family residential projects that pay prevailing wage for construction labor. The intent of this law is to exempt qualifying projects from environmental review under the California Environmental Quality Act (CEQA) and limit the local government agency’s project review to compliance with locally adopted “objective design and development standards.” The grant would cover the cost of a professional design consultant to develop the objective design standards from Pittsburg’s existing Development Design Standards and specific plans. A percentage of the grant would also cover staff costs for management of the consultants. Estimated program cost: \$103,333.

Accessory Dwelling Unit (ADU) Ordinance Updates and Permit-Ready Prototype Designs. ADU’s have been identified by the State as a moderately affordable housing prototype. One of the barriers to constructing an ADU can be the cost of designing an ADU to meet California Building Code and Municipal Code zoning requirements. The City of Santa Cruz is one of several local jurisdictions that provide permit-ready plans to residents in order to reduce construction costs and building permit review time. Creation of ADU prototype plans would require consultation with a licensed architect and may require revisions to the Pittsburg Municipal Code to address the review process using the prototype designs. Estimated program cost (including staff time): \$103,334.

Application of Vehicle Miles Travelled (VMT) as a CEQA impact threshold. In 2013, Senate Bill 743 (SB 743) changed how the transportation impacts of land use development projects are analyzed under CEQA. Before SB 743, transportation impacts under CEQA were evaluated using a measure called Level of Service (LoS), which measures congestion and vehicle delay. As a CEQA metric, concerns have grown that LoS may exacerbate sprawl and discourage infill housing in areas that already have significant congestion.

In 2018, the Governor’s Office of Planning and Research (OPR) released a technical advisory guide for a different metric, Vehicle Miles Traveled (VMT). Compliance with SB 743 would set thresholds of significance, which for review of multifamily projects could exempt a project from further CEQA review. The grant would cover the cost of a consultant to develop

transportation impact thresholds to meet the requirements of SB 743 and create citywide mapping tools to encourage reduction in VMT for new project proposals citywide.

Additionally, a portion of the grant would go toward the City's comprehensive General Plan update, which includes the City's transportation analysis thresholds, and staff costs for coordinating policy efforts with the Contra Costa Transportation Authority and revisions to the City's Transportation Demand Management/Systems ordinance. Estimated program cost: \$103,333.

ATTACHMENTS:

Resolution
SB2 Notice of Funding Availability (NOFA)

Report Prepared By: Trishia Caguiat, Associate Planner

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Adoption of a City Council Resolution to)
Authorize Application and Receipt of)
Senate Bill 2 (SB 2) Planning Grant)
Funding)

RESOLUTION NO. 19-

The Pittsburg City Council DOES RESOLVE as follows:

WHEREAS, in 2017, the Governor of California signed Senate Bill 2 (SB 2), referred to as the “Building Homes and Jobs Act,” which established a permanent, on-going source of non-competitive grant funding for local agencies to prepare, adopt, and implement plans and process improvements intended to streamline housing approvals and accelerate housing production; and

WHEREAS, the State of California, Department of Housing and Community Development (HCD) has issued a Notice of Funding Availability (“NOFA”) dated March 28, 2019, for its Planning Grants Program (“PGP”); and

WHEREAS, the City Council of the City of Pittsburg desires to accelerate the production of housing consistent with HCD goals, and as such will submit a 2019 PGP grant application as described in the PGP NOFA and SB 2 PGP Guidelines released by HCD; and

WHEREAS, HCD is authorized to provide up to \$123 million under the SB 2 PGP from the Building Homes and Jobs Fund for assistance to Counties (as described in Health and Safety Code section 50470 et. seq. (Chapter 364, statutes of 2017 (SB2)) related to the PGP; and

WHEREAS, given the current State housing crisis and the City’s goals and policies that strongly encourage diversity of housing types, costs and locations to serve the variety of needs and wants of local residents, the SB 2 PGP is opportune. Further, the PGP does not require a financial commitment by the City that would negatively impact the City’s General Fund.

NOW, THEREFORE, the City Council finds and determines as follows:

Section 1. The City Manager or his/her designee is hereby authorized and directed to apply for and submit to HCD the 2019 SB 2 Planning Grants Program (“PGP”) application in an amount not to exceed \$310,000.

Section 2. In connection with the PGP, if the application is approved by HCD, the City Manager or his/her designee is authorized to enter into, execute, and deliver a State of California Agreement (Standard Agreement) for the amount \$310,000, and any and all other documents required or deemed necessary or appropriate to evidence and secure the SB 2 PGP funding, the City’s obligations related thereto, and all amendments thereto (collectively, the “PGP Grant Documents”).

Section 3. The City of Pittsburg shall be subject to the terms and conditions as specified in the Standard Agreement, the SB 2 PGP Guidelines, and any applicable PGP guidelines published by HCD. Funds are to be used for allowable expenditures as specifically identified in the Standard Agreement. The application in full is incorporated as part of the Standard Agreement. Any and all activities funded, information provided, and timelines represented in the application will be enforceable through the executed Standard Agreement.

Section 4. The City of Pittsburg hereby agrees to use the funds for eligible uses in the manner presented in the application as approved by HCD and in accordance with the PGP NOFA, the PGP Guidelines, and 2019 SB 2 PGP Application.

Section 5. The City Manager or his/her designee is authorized to execute the City of Pittsburg SB 2 PGP application, the PGP Grant Documents, and any amendments thereto, on behalf of the City as required by HCD for receipt of the PGP Grant.

Section 6. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED by the City Council of the City of Pittsburg at a regular meeting on the 21st day of October, 2019, by the following vote:

AYES:

NOES:

ABSTAINED:

ABSENT:

Juan Antonio Banales, Mayor

ATTEST:

Alice E. Evenson, City Clerk

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF FINANCIAL ASSISTANCE**

2020 W. El Camino Avenue, Suite 500
Sacramento, CA 95833
(916) 263-2771 / FAX (916) 263-2763
www.hcd.ca.gov



March 28, 2019

MEMORANDUM FOR: All Potential Applicants

**FROM: Zachary Olmstead, Deputy Director
Division of Housing Policy Development**

**SUBJECT: NOTICE OF FUNDING AVAILABILITY -
SB 2 PLANNING GRANTS PROGRAM**

The Department of Housing and Community Development (Department) is pleased to announce the release of this Notice of Funding Availability (NOFA) for approximately \$123 million under the Senate Bill 2 (SB 2, 2017) Planning Grants Program (PGP). SB 2 established a permanent source of funding intended to increase the affordable housing stock in California. The legislation directs the Department to use 50 percent of the first year's revenue to establish a program that provides financial and technical assistance to local governments to update planning documents and land-use ordinances. The PGP is intended for the preparation, adoption, and implementation of plans that streamline housing approvals and accelerate housing production.

In order to be eligible for grant funding, an applicant must submit a complete, signed original application and an electronic copy on CD or USB flash drive. OTC applications will be accepted for an eight-month period ending on **November 30, 2019**. The Department will only accept applications through a postal carrier service that provides date stamp verification confirming delivery to the Department's office, such as the U.S. Postal Service, UPS, FedEx, or other carrier services. No facsimiles, late applications, incomplete applications, application revisions, electronic submittals, or walk-in application packages will be accepted. All applications must be submitted to the Department at the following address:

**Department of Housing and Community Development
Division of Housing Policy Development
2020 West El Camino Ave, Suite 500
Sacramento, CA 95833**

PGP applications and forms are available on the Department's [website](#). Please refer to the [Planning Grants Program Guidelines](#) for detailed information on eligible activities, applicants, and awards. If you have questions regarding this NOFA, please email the Department at sb2planninggrant@hcd.ca.gov.

Attachment

PLANNING GRANTS PROGRAM (SB 2, 2017) 2019 NOTICE OF FUNDING AVAILABILITY



**State of California
Governor Gavin Newsom**

**Alexis Podesta, Secretary
Business, Consumer Services and Housing Agency**

**Ben Metcalf, Director
Department of Housing and Community Development**

**Zachary Olmstead, Deputy Director
Department of Housing and Community Development
Division of Housing Policy Development**

2020 West El Camino Avenue, Suite 500
Sacramento, CA 95833
Telephone: (916) 263-2771

Website: <http://www.hcd.ca.gov/grants-funding/active-funding/planning-grants.shtml>

Email: sb2planninggrant@hcd.ca.gov

March 29, 2019

Table of Contents

I.	Introduction	1
II.	Program Summary.....	1
III.	Program Timeline	2
IV.	Funding Available	2
V.	Eligible Applicants.....	3
VI.	Eligible Activities	3
VII.	Eligible Uses	4
VIII.	Threshold Requirements.....	5
IX.	NOFA Application Workshops	7
X.	Application Submission Requirements.....	7
XI.	Application Review Process.....	7
XII.	Applicant Notification	8
XIII.	Award Letter and Standard Agreement.....	8
XIV.	Appeals.....	8
XV.	Right to Modify or Suspend.....	9

2019 NOTICE OF FUNDING AVAILABILITY

SB 2 PLANNING GRANTS PROGRAM

I. Introduction

The Department is releasing this Notice of Funding Availability (NOFA) for approximately \$123 million to make funding available to all local governments in California under the Senate Bill 2 (SB 2) Planning Grants Program (PGP). The PGP program is intended for the preparation, adoption, and implementation of plans that streamline housing approvals and accelerate housing production.

The PGP is authorized by Health and Safety Code sections [50470 et seq.](#) (Chapter 364, Statutes of 2017, ([SB 2](#))). Funding is subject to the December 2018 [Planning Grants Program Guidelines](#) (hereinafter referred to as the “Guidelines”), which includes detailed information on eligibility requirements, conditions, and procedures for awarding funds.

II. Program Summary

SB 2 (2017) is part of a [15 bill housing package](#) aimed at addressing the state’s housing shortage and high housing costs. Specifically, SB 2 established a permanent source of revenue intended to increase the affordable housing stock in California.

PGP grants are funded through 50 percent of the revenues collected during the first calendar year (January through December, 2018). The PGP program is a one-time component of SB 2 that, among other provisions, provides financial and technical assistance to local governments to update planning documents in order to:

- Accelerate housing production;
- Streamline the approval of housing development affordable to owner and renter households at all income levels;
- Facilitate housing affordability, particularly for all income groups;
- Promote development consistent with the State Planning Priorities; and
- Ensure geographic equity in the distribution and expenditure of allocated funds

The Department, in conjunction with the Governor’s Office of Planning and Research, will provide technical assistance to localities pursuant to the provisions set forth in Article VII, Section 700(a) through (e) of the Guidelines. For further information, contact the Department at sb2planninggrant@hcd.ca.gov for details regarding local technical assistance.

Please refer to the Guidelines for other administrative provisions not summarized in this NOFA.

III. Program Timeline

Pursuant to Section 500(a) of the Guidelines, funds will be initially available to eligible applicants on a noncompetitive, over-the-counter (OTC) basis. Applications will be accepted over an eight-month period, commencing from the date of the release of this NOFA (Section 500(b) of the Guidelines). See Table 1 below for the projected timeline for awards for the initial OTC period.

Table 1: *Projected Timeline for Awards for OTC Applications*

Event	Date(s)
NOFA release	March 28, 2019
NOFA-Application Workshops / Webinar Period	April 1 - May 1, 2019
Final due date for OTC applications	November 30, 2019
Supplemental round	TBD
Anticipated end of grant term	June 30, 2022

The Department anticipates awards in 2-3 month intervals, depending on the volume of applications, and reserves the right to make adjustments to the projected timeline at any time. If OTC funds are not fully awarded at the end of the eight-month period, the Department may extend the final OTC application due date or consider a supplemental funding round (Section 500(g) of the Guidelines). During any supplemental round, top priority will be given to localities that have not submitted a previous request for funding. All other applicants may be subject to competitive scoring criteria during any supplemental round (Section 500(g)(2) of the Guidelines).

IV. Funding Available

The Department determined maximum award amounts for large, medium, and small localities, based on population estimates from the Department of Finance (DOF). Table 2 below shows the minimum and maximum awards available pursuant to Article IV, Section 400 of the Guidelines. Applicants can view maximum award amounts for all jurisdictions [here](#).

Table 2: *Minimum and Maximum Award Amounts*

All Localities	Large Localities – Defined as ≥ 200,000 people	Medium Localities – Defined as 60,000 to 200,000 people	Small Localities – Defined as ≤ 60,000 people
Minimum award amount:	Maximum award amount:	Maximum award amount:	Maximum award amount:
\$25,000	\$625,000	\$310,000	\$160,000

For a link to the 2018 DOF Population Estimates, E-5, see:
<http://www.dof.ca.gov/Forecasting/Demographics/Estimates/E-5/>

Applicants seeking partnerships with other local governments will be additive. For example, two large localities could submit a proposal for up to \$1.25 million; three small localities up to \$480,000, etc. Note: All applicants, including those who are forming partnerships, must submit separate, complete and signed application packages, pursuant to section X of this NOFA, to the Department in order to be awarded funds.

V. Eligible Applicants

Pursuant to Article II, Section 200 of the Guidelines, eligible applicants are limited to local governments, i.e., cities and counties. However, local governments may partner through legally binding agreements with other forms of governments or entities where the proposal will have a direct effect on land-use or development within the locality. This includes, but is not limited to, partnerships with other localities, regional governments, housing authorities, school districts, special districts, community based organizations, or any duly constituted governing body of an Indian Reservation or Rancheria.

Multi-jurisdictional partnerships between local governments are encouraged in order to coordinate with regional governments, leverage regional and state investment, promote consistency with the sustainable communities strategy, and affirmatively further fair housing.

Note: All localities must pass the Threshold Criteria as stated in section VIII of this NOFA. To ensure compliance with section VIII, all applicants, including those who are forming partnerships, must submit separate, complete and signed application packages, including resolutions, to the Department in order to be awarded funds.

VI. Eligible Activities

Applicants proposing Priority Policy Areas, as defined in section VIII of this NOFA, are automatically deemed to accelerate housing production without any documentation or demonstration to the Department.

Pursuant to Article III, Section 300 of the Guidelines, a variety of planning documents, planning activities and strategies, are considered eligible activities and must demonstrate a nexus to accelerating housing production, which may include:

- (1) Updates to general plans, community plans, specific plans, local planning related to implementation of sustainable communities strategies, or local coastal plans;
- (2) Updates to zoning ordinances;
- (3) Environmental analyses that eliminate the need for project-specific review;
- (4) Local process improvements that improve and expedite local planning;
- (5) A smaller geography with a significant impact on housing production including an overlay district, project level specific plan, or development standards modifications proposed for significant areas of a locality, such as corridors, downtown or priority growth areas;
- (6) The creation or enhancement of a housing sustainability district pursuant to AB 73 (Chapter 371, Statutes of 2017);
- (7) Workforce housing opportunity zone pursuant to SB 540 (Chapter 369, Statutes of 2017);

- (8) Zoning for by-right supportive housing, pursuant to Government Code section 65651 (Chapter 753, Statutes of 2018);
- (9) Zoning incentives for housing for persons with special needs, including persons with developmental disabilities;
- (10) Rezoning to meet requirements pursuant to Government Code Section 65583.2(c) and other rezoning efforts to facilitate supply and affordability;
- (11) Rezoning for multifamily housing in high resource areas (according to Tax Credit Allocation Committee/Housing Community Development Opportunity Area Maps);
- (12) Pre-approved architectural and site plans;
- (13) Regional housing trust fund plans;
- (14) SB 2 funding plans;
- (15) Infrastructure financing plans;
- (16) Environmental hazard assessments; data collection on permit tracking; feasibility studies, site analysis, or other background studies that are ancillary and part of a proposed activity with a nexus to accelerating housing production; and
- (17) Other planning activities demonstrating a nexus to accelerating housing production.

Eligible activities may be part of a larger planning effort (e.g., a comprehensive zoning code update) if proposed activities have not been completed prior to the NOFA date, are distinct, and demonstrate a nexus to accelerating housing production.

As part of the PGP program, HCD, in coordination with the Governor's Office of Planning and Research (OPR), will work with a team led by Placeworks to provide technical assistance (TA) to applicants throughout the application period. The TA team will work closely with regions, sub-regions, and counties to help jurisdictions identify activities and provide tools that will accelerate housing production. For further information, contact the Department at sb2planninggrant@hcd.ca.gov for details regarding local technical assistance.

VII. Eligible Uses

Pursuant to Article III, Section 302 of the Guidelines, grant funds shall be used for the costs of preparing and adopting the proposed activity. Subcontracting is allowable under conditions set forth in Section 302(c) of the Guidelines. Pursuant to Section 302(b) of the Guidelines, grant funds may not be used for administrative costs of persons employed by the grantee for activities not directly related to the proposed activity. No more than 5 percent of the grant amount may be used for administrative costs for any proposed use, to be approved by the Department upon disbursement.

Only approved and eligible costs incurred for work after the NOFA date, continued past the date of the Standard Agreement, and completed during the grant term, will be reimbursable. Approved and eligible costs incurred prior to the NOFA date are ineligible.

(Section 601(c) of the Guidelines).

Refer to Section 301 of the Guidelines for a list of all ineligible activities.

VIII. Threshold Requirements

In accordance with Article II, Section 201 of the Guidelines, all applicants must meet the following threshold requirements:

- (1) **Housing element compliance:** The applicant must have a housing element that has been adopted by the jurisdiction's governing body by the date the applicant submits the application package, and is subsequently determined to be in substantial compliance with state housing element law pursuant to Gov. Code Section 65585 by the time of award. A jurisdiction's current housing element compliance status can be obtained by referencing the Department's website at <http://www.hcd.ca.gov/community-development/housing-element/index.shtml> or emailing the Department at sb2planninggrant@hcd.ca.gov. For more information on housing element requirements, please contact Paul McDougall at paul.mcdougall@hcd.ca.gov.

Pursuant to Section 201(a)(2) of the Guidelines, applicants not meeting housing element requirements may be considered to meet this threshold requirement at the discretion of the Department on a case by case basis by applying factors such as significant progress in meeting housing element requirements (e.g., a draft found to meet statute, rezoning near completion), proposing activities to meet housing element requirements (e.g., rezoning to accommodate housing needs pursuant to Gov. Code Section 65583(c)(1)) and adoption of a compliant element prior to the award of funds.

- (2) **Annual Progress Report (APR) on the housing element:** The applicant must submit the APR to the Department, as required by Gov. Code section 65400, for the current or prior year by the date the applicant submits the application package.
- (3) **Nexus to accelerating housing production:** The applicant must propose and document plans or processes that accelerate housing production. The application must demonstrate a significant positive effect on accelerating housing production through timing, cost, approval certainty, entitlement streamlining, feasibility, infrastructure capacity, or impact on housing supply and affordability. An application not utilizing Priority Policy Areas must include an explanation and documentation of the nexus plans or processes impact on accelerating housing production based on a reasonable and verifiable methodology and must utilize the Department's form (see Attachment 2 in the Application). A verifiable methodology may include a statement of support from a non-profit or for-profit developer that is active in the locality.

Applicants proposing Priority Policy Areas do not require a nexus demonstration and are automatically deemed to accelerate housing production without any documentation. Pursuant to Section 102(q) of the Guidelines, Priority Policy Areas means any of the following:

- (a) Rezone to Permit By-right: Rezoning for significant additional housing capacity without, or lesser, discretionary review, or establishing zoning to permit residential development by-right, particularly multifamily, without discretionary action pursuant to Government Code Section 65583.2(h) and (i).
- (b) Objective Design and Development Standards: Developing objective design standards or pre-approved site and architectural plans that facilitate non-discretionary permitting.
- (c) Specific Plans or Form based Codes Coupled with CEQA Streamlining: Designating and rezoning for additional housing capacity or preparing specific plans or form codes that include zoning and development standards and plan-level environmental analysis that can be used to streamline future housing projects and facilitate affordability.
- (d) Accessory Dwelling Units (ADU) or Other Low-Cost Building Strategies: Encouraging ADUs and other low-cost building types through actions above state law such as, outreach, fee waivers, pre-approved plans, website zoning clearance assistance, and other homeowner tools or finance tools. Also, establishing other approaches to intensify existing lower density residential areas and “missing model” typologies to encourage significantly more residential development (e.g., duplexes, triplexes) in lower density residential areas.
- (e) Expedited Processing: Speeding up approvals and permit processing, including instituting programs that streamline or consolidate the review process or create a separate process for expedited review of housing projects.
- (f) Housing Related Infrastructure Financing and Fee Reduction Strategies: Develop and implement approaches to local, regional or sub-regional housing related infrastructure financing. Create plans and programs to finance and increase infrastructure with accompanying enhanced housing capacity, such as enhanced infrastructure financing districts. Fee reduction and rationalization approaches, such as reassessing fees to adhere to best practices in reducing costs, deferrals, sliding scales or proportionate impacts fees (e.g., ADUs, transit oriented, and infill development, special needs housing), or fee transparency measures including publically available fee calculators.

Note: HCD will be rolling out best practice toolkits and technical assistance in these topic areas over the course of 2019.

Note: If the applicant is proposing only Priority Policy Areas ((PPA), as defined in section VIII, subsection (3) of the NOFA), do not fill out Attachment 2. However, if the applicant is proposing to fund PPAs AND other activities that are not considered PPAs, the application must demonstrate how these other activities have a nexus to accelerating housing production by filling out Attachment 2 of the application.

- (4) **State Planning and Other Planning Priorities:** Applicants must demonstrate that the locality is consistent with State Planning or Other Planning Priorities.

Consistency may be demonstrated through activities (not necessarily proposed for SB 2 funding) that were completed within the last five years. Applicants must self-certify utilizing the Department's form (see Attachment 1 in the Application).

IX. NOFA Application Workshops

The Department will hold workshops and a webinar to review the PGP NOFA and application, and will be conducting technical assistance to aid applicants throughout the OTC period. For a list of dates, times, and locations for the workshops as well as information on technical assistance, please visit the Department's [SB 2 Planning Grants webpage](#), or [register here](#).

X. Application Submission Requirements

In order to be eligible for grant funding, an applicant must submit a complete, signed original application and an electronic copy on CD or USB flash drive. Applications will be accepted on an OTC basis for an eight-month period anticipated to end **November 30, 2019**. Note: All localities must pass the threshold criteria as stated in section VIII of this NOFA. To ensure compliance with section VIII, all applicants, including those who are forming or have formed partnerships, must submit separate, complete and signed application packages, including resolutions, to the Department in order to be awarded funds.

The Department will only accept applications through a postal carrier service that provides date stamp verification confirming delivery to the Department's office, such as the U.S. Postal Service, UPS, FedEx, or other carrier services. No facsimiles, late applications, incomplete applications, application revisions, electronically submitted, or walk-in application packages will be accepted. All applications must be submitted to the Department at the following address:

**Department of Housing and Community Development
Division of Housing Policy Development / Land Use Planning Unit
2020 West El Camino Ave, Suite 500
Sacramento, CA 95833**

Applications must be on Department forms and cannot be altered or modified by the applicant. Program applications and forms are available on the Department's website located at <http://www.hcd.ca.gov/grants-funding/active-funding/planning-grants.shtml#forms>.

XI. Application Review Process

Each application will first be reviewed for completeness, threshold eligibility requirements, and accuracy. In order to be considered complete, an application must contain all requested information and supporting documentation. All applications must also meet the eligibility and threshold requirements as specified in this NOFA and the

Guidelines. If the application is ineligible, it will not be considered for funding. Applicants may resubmit their applications prior to the November 30, 2019 deadline. All applicants not meeting the eligibility and threshold requirements will be informed within 60 days from the date the Department receives the application.

XII. Applicant Notification

Applicants will be notified within 60 days of the Department's receipt of their application regarding the status of their application and/or if any additional information is required (Section 500(e)) of the Guidelines). Applicants will receive an official letter of award after the Department approves funding recommendations (Section 500(f) of the Guidelines).

XIII. Award Letter and Standard Agreement

Successful applicants will receive an Award Letter from the Department and will be awarded funds through the Standard Agreement process that will specify, among other things, the amount of funds granted, timeline for expenditure of funds, and the approved use of funds. Expenditure report dates and other requirements will also be identified in the SB 2 Planning Grants Program Standard Agreement.

XIV. Appeals

(1) Basis of Appeals:

- (a) Upon receipt of the Department's notice deeming an application incomplete or ineligible, applicants under this NOFA may appeal such decision(s) to the Director pursuant to this Section.
- (b) No applicant shall have the right to appeal a decision of the Department relating to another applicant's eligibility, point score, award, denial of award, or any other related matter.

(2) Appeals Process and Deadlines:

- (a) Process. In order to lodge an appeal, applicants must submit to the Director by the deadline set forth in subsection (b) below, a written appeal which states all relevant facts, arguments, and evidence upon which the appeal is based. No new or additional information will be accepted. Once the written appeal is submitted to the Director, no further information or materials will be accepted or considered thereafter. Appeals are to be submitted to the Director at following address:

Department of Housing and Community Development
Division of Housing Policy Development
2020 W. El Camino Avenue, Suite 500
Sacramento, California 95833
sb2planninggrant@hcd.ca.gov

The Director will accept appeals delivered through a carrier service such as

the U.S. Postal Service, UPS, Fed Ex, or other carrier services that provide date stamp verification of delivery. Deliveries must be received during the Department's weekday (non-state holiday) business hours of 9:00 a.m. to 5:00 p.m. Pacific Standard Time. Additionally, emails to the email address listed above will be accepted if the email time stamp is prior to the appeal deadline.

- (b) Filing Deadline. Appeals must be received by the Director no later than (5) five business days from the date of the Department's determination.

(3) Decision:

Any request to amend the Department's decision shall be reviewed for compliance with the December 2018 Guidelines and the March 29, 2019 NOFA. The Director shall render his/her decision in writing within fifteen (15) business days of receipt of the applicant's written appeal. The decision of the Director shall be the Department's final decision, and shall not be appealable to any court or tribunal.

(4) Effectiveness:

In the event that the statute and/or guidelines governing the PGP program contain an existing process for appealing decisions of the Department with respect to NOFA awards made under such programs, this Section shall be inapplicable and all appeals shall be governed by such existing authority.

XV. Right to Modify or Suspend

The Department reserves the right, at its sole discretion, to suspend, amend, or modify the provisions of this NOFA at any time, including, without limitation, the amount of funds available hereunder. If such an action occurs, the Department will notify all interested parties and will post the revisions to the Department's website. You may subscribe to the Department's email list here: http://www.hcd.ca.gov/HCD_SSI/subscribe-form.html.



**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 Declaring October Italian-American Heritage Month and Filipino-American History Month and Directing Staff to Fly the Italian and Filipino Flags Throughout the Month of October at City Hall

MEETING DATE: October 21, 2019

EXECUTIVE SUMMARY

Consistent with the City's adopted Outdoor Flag Display Policy, a request has been brought forward by a member of the Pittsburg City Council to fly the Italian and Filipino Flags at City Hall during the Month of October in recognition of Italian-American Heritage Month and Filipino-American History Month.

FISCAL IMPACT

Staff estimates the purchase of one Italian Flag and one Filipino Flag to be less than \$100, which will be paid for by the General Fund.

RECOMMENDATION

Move to adopt a resolution declaring the month of October as Italian-American Heritage Month and Filipino-American History Month and directing staff to fly the Italian and Filipino Flags throughout the month of October at Pittsburg City Hall.

BACKGROUND

Italian-American Heritage Month is celebrated by proclamation of the President and Congress in the United States to honor the achievements and contributions of Italian immigrants and their descendants living in the United States, particularly in the arts, science, and culture.

Filipino-American History Month is also celebrated in the United States during the month of October to commemorate the arrival of the first Filipinos who landed in California on October 18, 1587.

SUBCOMMITTEE FINDINGS

This item was not presented to a subcommittee.

STAFF ANALYSIS

Under the government speech doctrine, the City may advance its own speech without requiring viewpoint neutrality when the government itself is the speaker, so long as the City does not show religious preference or encourage a certain vote in an election. As this request has originated from a request made by a seated Councilmember, and not by a third-party request, staff has determined that the request is consistent with the City's adopted Outdoor Flagpole Display Policy.

ATTACHMENTS: Resolution

Report Prepared By: Jordan Davis, Assistant to the City Manager

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Declaring October Italian-American	)	RESOLUTION NO. 19-_____
Heritage Month and Filipino-American	)	
History Month and Directing Staff to Fly	)	
the Italian and Filipino Flags Throughout	)	
<u>the Month of October at City Hall</u>	)	

The Pittsburgh City Council DOES RESOLVE as follows:

WHEREAS, the Italian-American and Filipino-American communities have played an important role in the history of the City of Pittsburgh; and

WHEREAS, the City of Pittsburgh wishes to commemorate the Italian-American and Filipino-American Communities during the Month of October, in recognition of the their contribution to the enrichment of our City.

NOW, THEREFORE, the City Council does resolve as follows:

Section 1.

The City Council hereby declares the month of October as Italian-American Heritage Month and Filipino-American History Month and directs staff to fly the Italian and Filipino Flags throughout the month of October at Pittsburgh City Hall.

Section 2.

This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the City Council of the City of Pittsburgh at a regular meeting on the 21st day of October 2019, 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: By Minute Order Appoint Two Committee Members to an Ad Hoc Committee on Flag Protocols

MEETING DATE:

EXECUTIVE SUMMARY

In accordance with the City of Pittsburg "Policies and Procedures for the City Council" adopted by the City Council on September 4, 2001 by Resolution No. 01-9475, the Mayor and Vice-Mayor shall appoint individual Council Members to standing and ad hoc committees. A need currently exists to create an ad hoc committee to review the protocol for raising flags for various causes.

FISCAL IMPACT

There is no fiscal impact.

RECOMMENDATION

By Minute Order, appoint two committee members to the Ad Hoc Committee on Flag Protocols.

BACKGROUND

Staff has been asked for formation of an ad hoc committee to review protocols for raising flags in honor of nationally proclaimed monthly observances.

SUBCOMMITTEE FINDINGS

This was not presented before a subcommittee.

STAFF ANALYSIS

An ad hoc committee can review protocols for requests to raise flags in honor of nationally proclaimed monthly observances. The goal is to create a guideline for these requests in

anticipation of requests for both proclamations and flag raising to take effect in January 2020.

Report Prepared By:
Alice E. Evenson, City Clerk

**CITY OF PITTSBURG
CITY COUNCIL/AGENCY CONCURRENT MEETING MINUTES**

DATE: October 7, 2019

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 Council/Agency Member
Marilyn Craft, Council/Agency Member
Holland Barrett White, 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 meeting of the City Council to order at 7:00 P.M. in the City Council Chamber at City Hall, 65 Civic Avenue, Pittsburg, CA after convening at 6:30 P.M. for the following items:

1. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION for City Council: Initiation of litigation pursuant to Section 54956.9(d)(4)

Number of cases: one

2. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION for Pittsburg Power Company Governing Board: Initiation of litigation pursuant to Section 54956.9(d)(4)

Number of cases: one

Vice-Mayor Killings stated the City Council and the Board of Directors of Pittsburg Power Company met in Closed Session and authorized the initiation of litigation by a vote of 4-0. The action and details shall, once filed, be disclosed on enquiry consistent with the Brown Act.

ROLL CALL

Mayor Banales was absent and excused.

PLEDGE OF ALLEGIANCE

Chief Addington led the Pledge of Allegiance.

PROCLAMATIONS

3. National Arts and Humanities Month

A proclamation was read proclaiming National Arts and Humanities Month.

4. National Hispanic Heritage Month

Eugenia Rodriguez accepted the proclamation declaring National Hispanic Heritage Month.

PRESENTATIONS

5. Sister City Student Delegation

The students and chaperones that travelled to Shimonoseki, Japan shared their experiences and thanked the City Council for supporting the program.

6. CCTA Draft Transportation Expenditure Plan (TEP)

Tim Hale, Contra Costa Transit Authority's presented the Transportation Expenditure Plan and hoped the Council would approve the Measure to be placed on the ballot.

Bruce Ohlson, Pittsburg, stated he was in support of the Plan.

CITY MANAGER'S REMARKS

Assistant City Manager McKinley announced upcoming events.

CITIZENS REMARKS

Durie Foster, Pittsburg, stated he was not in favor of CCTA's proposed tax for the transportation expenditure plan. He also noted comments at the last Council Meeting made by Council Member Craft which he deemed inappropriate.

CONSIDERATION

7. Adoption of a City Council Resolution Approving General Agreement Terms and Authorizing the City Manager to Negotiate and Execute Agreements with Property Upsurge LLC and Carol Gallagher

Wolfgang Croskey, Pittsburg, noted the proposed area contained a trash compactor and the odors emanating from it were problematic. He hoped this situation would be resolved if a public area were to be created.

On Motion by Member White, seconded by Member Scales-Preston to adopt and carried by the following vote:

AYES: Craft, Scales-Preston, White, Killings

ABSENT: Banales

8. Adoption of a City Council Resolution to Authorize Allocation of U.S. Department of Justice – Bureau of Justice Assistance Edward Byrne Memorial Justice Assistance Grant (J.A.G.)

On Motion by Member Craft, seconded by Member White to adopt and carried by the following vote:

AYES: Craft, Scales-Preston, White, Killings

ABSENT: Banales

CONFLICT OF INTEREST STATEMENT

There were no conflict of interest statements.

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

On Motion by Member Craft, seconded by Vice-Mayor/Chair Killings to adopt and carried by the following vote:

AYES: Craft, Scales-Preston, White, Killings

ABSENT: Banales

9. Minutes of September 16, 2019

10. Adoption of a City Council and Power Company Resolution Approving the Carryover of Fiscal Year 2018-19 Designated Operating Budget Balances into the Fiscal Year 2019-20 Budget

11. Adoption of City Council and Power Company Resolutions Approving the Carryover of Fiscal Year 2018-19 Capital Improvement Project Budget Balances into the Current Fiscal Year 2019-20 Budget

12. Adoption of a City Council Resolution Approving the First and Second Project Development Agreement Operating Memoranda, Second Amendment to the Exclusive Negotiating Rights Agreement, and First Amendment to the Option Agreement Between the City of Pittsburgh, Pittsburgh Power Company, and Energy Delivery Solutions LLC, and Adoption of a Pittsburgh Power Company Resolution Approving the First and Second Project Development Agreement Operating Memoranda and Second Amendment to the Exclusive Negotiating Rights Agreement Between the City of Pittsburgh, Pittsburgh Power Company, and Energy Delivery Solutions LLC

13. Adoption of a City Council Resolution Approving the Transfer of Prior Year Grant and Special Revenue Fund Balances as of June 30, 2019 into the Fiscal Year 2019-20 Budget

14. Adoption of a City Council Resolution Awarding the City Manager to Execute a Contract for Bulk Gasoline Services

15. Adoption of a City Council Resolution to Authorize the City Manager to Negotiate and Execute a Lease Agreement for Fleet Equipment Financing

COUNCIL REQUEST FOR FUTURE AGENDA ITEMS

16. Consideration of a City Council Request for a Future Agenda Item Related to Exploring the Feasibility of a Grocery Store Cooperative

Carolyn Phinney, Orinda, said the City needs to create a vision for what is fair and just and healthy for the residents.

Eliacin Velazquez, Pittsburg, stated he was in favor of a co-op.

Sarah Foster, Pittsburg, supports the idea of local control and was in favor of a co-op study.

Durie Foster, Pittsburg, objected to taxpayer money being spent on a study and stated that those interested should start a co-op on their own. He noted theft was the issue causing stores to close.

Jack Cortis, Walnut Creek, owner of Family Harvest Farm in Pittsburg stated he was in favor of a co-op.

A motion by Member White to approve funding for a feasibility study for a grocery store cooperative died for lack of a second.

COUNCIL MEMBER REPORTS AND REMARKS

Member Scales-Preston stated she would like staff to look at existing studies regarding a co-op. She attended a community meeting for community leaders and county leaders enhancing equity and immigration inclusion in Contra Costa County. She was proud of Pittsburg for being forward thinking in creating the New Americans Office here while the County continues to explore the idea.

Member Craft commented on the Farmers Market and its demise and would like to see more robust conversation about why this is happening. She met with the new Family Harvest Farm on Power Avenue that was recently approved. She was in favor of more conversation regarding enhancing the Farmers Market and the Family Harvest Farm to make them successful. She attended the Elected Women's Luncheon where one of the topics discussed was encouraging people to vote.

Member White thanked all the speakers that came to the meeting to speak about the co-op. He looked forward to continuing the conversation.

Vice-Mayor Killings congratulated Mayor Banales on his recent marriage. He attended the Economic Development Subcommittee and the Mayors Conference in Antioch.

ADJOURNMENT

The City Council meeting was adjourned at 9:38 P.M. to October 21, 2019 ***in memory of William Glynn.***

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 Resolution Authorizing the City Manager to Execute Contract Automatic Meter Reading Products

MEETING DATE: October 7, 2019

EXECUTIVE SUMMARY

The City's Public Works Department operates a Water System that distributes potable water to approximately 18,750 residential, commercial, industrial, and institutional customers. National Meter and Automation (National Meter) is the sole distributor for Badger Meter Products for Automatic Meter Reading for the City's Water System.

FISCAL IMPACT

Funding for Automatic Water Reading Meter Supplies was allocated by City Council in the Capital Improvement Program in the amount of \$300,000 for Fiscal Year 2019-20 in the Automatic Meter Reading (AMR) Project (Project 5030).

RECOMMENDATION

City Council adopt the attached Resolution authorizing the City Manager to execute a contract with National Meter and Automation for Badger Products for Automatic Meter Reading.

BACKGROUND

The City's Public Works Department operates a Water System that distributes potable water to approximately 18,750 residential, commercial, industrial, and institutional customers. Part of the Water System includes a Badger Automatic Meter Reading system that improves the ability to identify water accounts where there are leaks. The AMR system also offers the benefits of assisting customers with water conservation.

The City Council has approved funding in the Capital Improvement Program in the amount of \$300,000 for Fiscal Year 2019-20 for the AMR Project. The Project involves the conversion of approximately 18,750 existing meters to the Badger AMR radio read system

with approximately 1500 to 1700 Badger AMR meters installed each Fiscal Year. Approximately 76% of the existing meter system has been converted.

SUBCOMMITTEE FINDINGS

The item was not presented to a subcommittee.

STAFF ANALYSIS

The Public Works Department will continue to install Badger AMR meters and products as part of the water system to help identify the detection of water customer leaks sooner and to provide a better tool for water conservation.

National Meter and Automation is the sole Badger Product distributor for the City's AMR system. With an AMR system, the meter reading and event data is transmitted via radio frequency to a mobile receiver or transceiver when the device is within range of the meter's signal during drive-by or walk-by reading. Mobile reading software collects data and synchronizes with the City's billing system.

ATTACHMENTS: Resolution
 Proposal

Report Prepared By: Hilario Mata, Assistant Director of Public Works

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Adoption of a Resolution Authorizing)
The City Manager to Execute a Contract)
For Automatic Meter Reading Products)

RESOLUTION NO. 19-

The Pittsburgh City Council DOES RESOLVE as follows:

WHEREAS, the Public Works Department operates a Water System that distributes potable water to approximately 18,750 residential, commercial, industrial, and institutional customers; and

WHEREAS, City Council has approved funding in the Capital Improvement Program in the amount of \$300,000 for Fiscal Year 2019-20 for Automatic Meter Reading (AMR) Project (Project 5030); and

WHEREAS, an AMR system offers the benefits of assisting customers with water conservation and improving system efficiency and customer service; and

WHEREAS, the Project is for the conversion of existing meters to AMR radio read system with approximately 1500 to 1700 Badger AMR meters installed each Fiscal Year through this project; and

WHEREAS, approximately 75% of the water meter system has been replaced with AMR's; and

WHEREAS, National Meter and Automation is the sole distributor for Badger AMR's for the City.

NOW, THEREFORE, the City Council finds and determines as follows:

- Section 1. The City Council hereby finds and determines that the above recitals set forth above are true and correct statements and are hereby incorporated.
- Section 2. The City Council hereby authorizes the City Manager to execute a contract with National Meter and Automation in the amount of \$300,000 for Badger Automatic Meter Reading supplies.
- Section 3. The City Clerk shall certify to the adoption of this Resolution.
- Section 4. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED by the City Council of the City of Pittsburg at a regular meeting on the 21st day of October, 2019, by the following vote:

AYES:

NOES:

ABSTAINED:

ABSENT:

Juan Antonio Banales, Mayor

ATTEST:

Alice E. Evenson, City Clerk



7220 South Fraser Street | Centennial, Colorado 80112 | 303-339-9100

May 7, 2019

Ralph Cones
City of Pittsburg
65 Civic Avenue
Pittsburg, CA 94565

RE: AMR/AMI 2012 Extension 7 of 7

Dear Mr. Cones:

In response to your request for an extension of the afore-mentioned contract, please be advised that National Meter & Automation (National Meter) will extend said contract for Badger Meter product for an additional one year period subject to a price increase of 4.83 percent. Please note that this increase is in accordance with the increase in the Producers Price Index for "Totalizing fluid meters and counting devices" as reported by the U.S. Bureau of Labor Statistics of the U.S. Department of Labor from March 2018 to March 2019.

The terms and conditions remain the same.

Your new pricing will be as such:

Product Description	2019 Price
Model 25 5/8" x 3/4" low lead meter with Bronze bottom, less connections, 6-dial HRE encoder registering in cubic feet, plastic lid/plastic shroud, ORION SE2 endpoint, traditional pre-wired with 3' breakaway wire	\$ 170.46
Model 55 1" low lead meter with Bronze bottom, less connections, 6-dial HRE encoder registering in cubic feet, plastic lid/plastic shroud, ORION SE2 endpoint, traditional pre-wired with 3' breakaway wire	\$ 216.69
Model 120 1.5" low lead meter elliptical long, drilled, less connections, 6-dial HRE encoder registering in cubic feet, plastic lid/plastic shroud, ORION SE2 endpoint, traditional pre-wired with 3' breakaway wire	\$ 381.38
Model 170 2" low lead meter, elliptical long, drilled, less connections, 6-dial HRE encoder registering in cubic feet, plastic lid/plastic shroud, ORION SE2 endpoint, traditional pre-wired with 3' breakaway wire	\$ 505.32
Turbo Series meter 1.5" elliptical with test plug, without integral strainer, less connections, 6-dial HRE encoder registering in cubic feet, plastic lid/plastic shroud, ORION SE2 endpoint, traditional pre-wired with 3' breakaway wire	\$ 623.52

Turbo Series meter 2" elliptical with test plug, without integral strainer, less connections, 6-dial HRE encoder registering in cubic feet, plastic lid/plastic shroud, ORION SE2 endpoint, traditional pre-wired with 3' breakaway wire	\$ 704.29
Turbo Series meter 3" round with test plug, without integral strainer, less connections, 6-dial HRE encoder registering in cubic feet, plastic lid/plastic shroud, ORION SE2 endpoint, traditional pre-wired with 3' breakaway wire	\$ 814.19
Turbo Series meter 4" round with test plug, without integral strainer, less connections, 6-dial HRE encoder registering in cubic feet, plastic lid/plastic shroud, ORION SE2 endpoint, traditional pre-wired with 3' breakaway wire	\$ 1,155.44
Turbo Series meter 6" round with test plug, without integral strainer, less connections, 6-dial HRE encoder registering in cubic feet, plastic lid/plastic shroud, ORION SE2 endpoint, traditional pre-wired with 3' breakaway wire	\$ 2,624.99
Turbo Series meter 8" round with test plug, without integral strainer, less connections, 6-dial HRE encoder registering in cubic feet, plastic lid/plastic shroud, ORION SE2 endpoint, traditional pre-wired with 3' breakaway wire	\$ 2,833.66
Turbo Series meter 10" round with test plug, without integral strainer, less connections, 6-dial HRE encoder registering in cubic feet, plastic lid/plastic shroud, ORION SE2 endpoint, traditional pre-wired with 3' breakaway wire	\$ 3,852.87
M2000 Flanged Mag meter 12" with hard rubber liner, 150lb cast steel flanges, standard lay length, 316SS Grounding rings, meter mounted amplifier	\$ 5,861.80
External Plate Strainer 2" Elliptical Strainer with drain plug	\$ 293.98
External Plate Strainer 3" Round Strainer with drain plug	\$ 440.96
External Plate Strainer 4" Round Strainer with drain plug	\$ 587.94
External Plate Strainer 6" Round Strainer with drain plug	\$ 808.42
External Plate Strainer 8" Round Strainer with drain plug, Zinc plated bolts, nuts and & std black gaskets	\$ 1,371.87
External Plate Strainer 10" Round Strainer with drain plug, Zinc plated bolts, nuts and & std black gaskets	\$ 2,596.75
Model 25 5/8" x 3/4" low lead meter with Bronze bottom, less connections, Local Register in cubic feet, plastic lid/plastic shroud, no AMR	\$ 50.33
Model 55 1" low lead meter with Bronze bottom, less connections, Local Register in cubic feet, plastic lid/plastic shroud, no AMR	\$ 97.21
Model 120 1.5" low lead meter elliptical long, drilled, less connections, local register in cubic feet, plastic lid/plastic shroud, No AMR	\$ 258.56
Model 170 2" low lead meter elliptical long, drilled, less connections, local register in cubic feet, plastic lid/plastic shroud, No AMR	\$ 382.17
Model 170 2" low lead meter elliptical long, drilled with test plug, less connections, local register in cubic feet, plastic lid/plastic shroud, No AMR	\$ 382.17

Due to continuous improvements and redesign of our products and technology solutions, we reserve the right to provide our newest product solutions as an alternative to the proposed products provided they are in conformance with the requirements of the specifications and do not exceed the prices quoted.

Badger Meter provides certification files to help manage meter and endpoint inventory and to maintain meter accuracy data. The standard method of delivery for this format is via electronic

Mr. Ralph Cones
Page 3
May 7, 2019

mail. Any deviations from our standard format or any custom file formats will be considered on a time and material basis.

In the event you have any questions regarding this correspondence, we can be reached by telephone at 720-531-9678 or via email at bids@nationalmeter.com. Additionally, you may contact your Account Manager, Brian Helphand, via email at bhelphand@nationalmeter.com or by phone at 916-521-0390.

We appreciate the opportunity to continue to support your metering needs.

Sincerely,

NATIONAL METER & AUTOMATION



Charla D Dury
Assistant Secretary

CC: Brian Helphand, Account Manager
Nick Bogen, Regional 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 City Council Resolution to Amend the Pittsburg Police Managers Group Bargaining Agreement

MEETING DATE: October 21, 2019

EXECUTIVE SUMMARY

The City of Pittsburg and the Pittsburg Police Managers Group have met and conferred. The proposed Side Letter of Agreement amends the existing collective bargaining agreement by providing a \$20 per month reimbursement to Police Lieutenants for member-paid PORAC long-term and short-term group disability insurance premiums.

FISCAL IMPACT

The fiscal impact for the remainder of the fiscal year is \$1,000, which will be absorbed in the current budget. No additional funds are being requested.

RECOMMENDATION

The City Council adopt a resolution to amend the Memorandum of Understanding between the City of Pittsburg and the Pittsburg Police Managers Group and reimburse Police Lieutenants \$20 per month for member-paid PORAC long-term and short-term group disability insurance premiums.

BACKGROUND

In July 1, 2002, the City of Pittsburg and Police Managers Group (PMG) entered into a Memorandum of Understanding (MOU) that provided long term disability insurance to Police Lieutenants under an existing PORAC group long-term disability insurance policy and the Police Lieutenants paid the insurance premium through an after-tax payroll deduction. In the 2002 Memorandum of Understanding, it was agreed to increase the top salary step for Police Lieutenants by twenty dollars (\$20) per month for the reimbursement of the member-paid group long-term disability insurance premium, and agreed that the other steps within the salary range would be five percent (5%) less than the next higher step. The increases were over and above the monthly salaries specified in the salary schedule in Appendix A of the MOU.

In July 2003, upon the implementation of a three percent (3%) cost of living adjustment applied to the Police Lieutenant salary schedule, the City incorporated the \$20 monthly reimbursement into the base salaries specified in the salary schedule in Appendix A of the MOU and applied all future cost of living adjustments to the higher base salaries.

In July 1, 2007, the City of Pittsburg and the Police Managers Group entered into a Memorandum of Understanding that omitted the language that referenced the members' payment of insurance premiums and the City's monthly reimbursement of \$20 to Police Lieutenants. In August 2019, the Police Managers Group brought the error to the attention of the City. The City and the POA met and agreed to resolve the matter.

SUBCOMMITTEE FINDINGS

This item was not presented to a subcommittee.

STAFF ANALYSIS

Staff met and conferred with the Police Managers Group regarding the group disability insurance premium reimbursement. The attached Side Letter of Agreement between the City of Pittsburg and the Police Managers Group agrees that the City will reimburse Police Lieutenants twenty dollars (\$20) per month for member-paid PORAC long-term and short-term group disability insurance premiums effective September 1, 2019.

In accordance with the Meyers-Milius-Brown Act, the City Council is asked to adopt the signed Side Letter Agreement between the City of Pittsburg and the Pittsburg Police Managers Group to modify the group disability insurance language of the MOU.

ATTACHMENTS

Resolution
Side Letter of Agreement

Report Prepared By: Griselda Clift, Senior Human Resources Analyst

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Adoption of a City Council Resolution to)
Amend the Pittsburgh Police Managers) RESOLUTION NO. 19-
Group Bargaining Agreement)

The Pittsburgh City Council DOES RESOLVE as follows:

WHEREAS, the Pittsburgh Police Managers Group is the Exclusively Recognized Representative for certain job classifications within the City of Pittsburgh; and

WHEREAS, the City of Pittsburgh and the Pittsburgh Police Managers Group have entered into a collective bargaining agreement for the term on July 1, 2017 through June 30, 2020; and

WHEREAS, the City of Pittsburgh and the Pittsburgh Police Managers Group have met and conferred in good faith; and

WHEREAS, the City of Pittsburgh and the Pittsburgh Police Managers Group have reached a settlement agreement and memorialized the tentative agreement into a Side Letter of Agreement, effective September 1, 2019, through which the City will provide a reimbursement of \$20 per month to Police Lieutenants for member-paid group disability insurance premiums; and

WHEREAS, the Police Managers Group has ratified the proposed Side Letter of Agreement; and

WHEREAS, the City Council is asked to adopt the proposed Side Letter of Agreement for it to become effective.

NOW, THEREFORE, the City Council finds and determines as follows:

Section 1.

The recitals set forth above are true and correct statements and are hereby incorporated in conjunction with the staff report.

Section 2.

The City Council adopt this Resolution approving the proposed Side Letter of Agreement.

Section 3.

This Resolution shall take effect immediately.

PASSED AND ADOPTED by the City Council of the City of Pittsburg at a regular meeting on the 21st day of October 2019, by the following vote:

AYES:

NOES:

ABSTAINED:

ABSENT:

Juan Antonio Banales, Mayor

ATTEST:

Alice E. Evenson, City Clerk

**Side Letter of Agreement
Between the City of Pittsburgh and Pittsburgh Police Managers Group**

This will confirm that the representatives of the City of Pittsburgh ("City") and the Pittsburgh Police Managers Group ("PMG") have met and conferred and have agreed to the provisions of a settlement agreement on this matter and the following modifications of their memorandum of understanding ("MOU") covering the term July 1, 2017 through June 30, 2020 as follows:

The parties agree to modify the following paragraph under Section 6.6 – Long-Term Disability Insurance:

6.6 Long-Term and/or Short-Term Disability Insurance

A regular Police Lieutenant shall be insured under the existing PORAC long-term and short-term group disability insurance policy paid by the ~~employee~~ City.

A regular Police Lieutenant shall pay the monthly PORAC group disability insurance premium through a bi-weekly, after-tax payroll deduction.

Effective September 1, 2019, the City shall issue insured Police Lieutenants with a group disability insurance premium reimbursement of twenty dollars (\$20) per month.

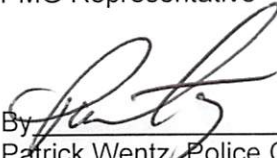
A regular Police Captain shall be insured, at the City's expense, under the long-term disability insurance plan as is provided to the City's other management employees.

There shall be no change to any other portion of Section 6.6 or to any section(s) of the existing agreement other than those identified in this and any preceding Side Letter of Agreements.

Dated: 10/2/19

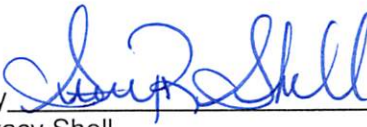
POLICE MANAGERS GROUP

By 
Steve Albanese, Police Captain
PMG Representative

By 
Patrick Wentz, Police Captain
PMG Representative

CITY OF PITTSBURGH

By 
Garrett Evans
City Manager

By 
Stacy Shell
Director of Human Resources



**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 Amend the Pittsburg Police Officers' Association Bargaining Agreement

MEETING DATE: October 21, 2019

EXECUTIVE SUMMARY

The City of Pittsburg and the Pittsburg Police Officers' Association have met and conferred. The proposed Side Letter of Agreement amends the existing collective bargaining agreement by providing a \$20 per month reimbursement to unit members for member-paid PORAC long-term and short-term group disability insurance premiums.

FISCAL IMPACT

The fiscal impact for the remainder of the fiscal year is \$15,000, which will be absorbed in the current budget. No additional funds are being requested.

RECOMMENDATION

The City Council adopt a resolution to amend the Memorandum of Understanding between the City of Pittsburg and the Pittsburg Police Officers' Association and reimburse unit members \$20 per month for member-paid PORAC long-term and short-term group disability insurance premiums.

BACKGROUND

In July 1, 2002, the City of Pittsburg and Police Officers' Association (POA) entered into a Memorandum of Understanding (MOU) that provided long term disability insurance to members under an existing PORAC group long-term disability insurance policy and members paid the insurance premium through an after-tax payroll deduction. In the 2002 Memorandum of Understanding, it was agreed to increase the top salary step for Police Officer and Police Sergeant positions by twenty dollars (\$20) per month for the reimbursement of the member-paid group long-term disability insurance premium, and agreed that the other steps within the salary range would be five percent (5%) less than the

next higher step. The increases were over and above the monthly salaries specified in the salary schedule in Appendix A of the MOU.

In July 2003, upon the implementation of a three percent (3%) cost of living adjustment applied to the Police Officer and Police Sergeant salary schedules, the City incorporated the \$20 monthly reimbursement into the base salaries specified in the salary schedule in Appendix A of the MOU and applied all future cost of living adjustments to the higher base salaries.

In July 1, 2017, the City of Pittsburgh and the Police Officers' Association entered into a Memorandum of Understanding that inadvertently omitted the language that referenced the members' payment of insurance premiums and the City's monthly reimbursement of \$20 to unit members. In August 2019, the Police Officers' Association brought the error to the attention of the City. The City and the POA met and agreed to resolve the matter.

SUBCOMMITTEE FINDINGS

This item was not presented to a subcommittee.

STAFF ANALYSIS

Staff met and conferred with the Police Officers' Association regarding the group disability insurance premium reimbursement. The attached Side Letter of Agreement between the City of Pittsburgh and the Police Officers' Association agrees that the City will reimburse insured members represented by the unit twenty dollars (\$20) per month for member-paid PORAC long-term and short-term group disability insurance premiums effective September 1, 2019.

In accordance with the Meyers-Milius-Brown Act, the City Council is asked to adopt the signed Side Letter Agreement between the City of Pittsburgh and the Pittsburgh Police Officer's Association to modify the group disability insurance language of the MOU.

ATTACHMENTS:

Resolution
Side Letter of Agreement

Report Prepared By: Griselda Clift, Senior Human Resources Analyst

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Adoption of a City Council Resolution to)
Amend the Pittsburgh Police Officers') RESOLUTION NO. 19-
Association Bargaining Agreement)

The Pittsburgh City Council DOES RESOLVE as follows:

WHEREAS, the Pittsburgh Police Officers' Association is the Exclusively Recognized Representative for certain job classifications within the City of Pittsburgh; and

WHEREAS, the City of Pittsburgh and the Pittsburgh Police Officers' Association have entered into a collective bargaining agreement for the term on July 1, 2017 through June 30, 2020; and

WHEREAS, the City of Pittsburgh and the Pittsburgh Police Officers' Association have met and conferred in good faith; and

WHEREAS, the City of Pittsburgh and the Pittsburgh Police Officers' Association have reached a settlement agreement and memorialized the tentative agreement into a Side Letter of Agreement, effective September 1, 2019, through which the City will provide a reimbursement of \$20 per month to each represented member for member-paid group disability insurance premiums; and

WHEREAS, the Police Officers' Association has ratified the proposed Side Letter of Agreement; and

WHEREAS, the City Council is asked to adopt the proposed Side Letter of Agreement for it to become effective.

NOW, THEREFORE, the City Council finds and determines as follows:

Section 1.

The recitals set forth above are true and correct statements and are hereby incorporated in conjunction with the staff report.

Section 2.

The City Council adopt this Resolution approving the proposed Side Letter of Agreement.

Section 3.

This Resolution shall take effect immediately.

PASSED AND ADOPTED by the City Council of the City of Pittsburg at a regular meeting on the 21st day of October 2019, by the following vote:

AYES:

NOES:

ABSTAINED:

ABSENT:

Juan Antonio Banales, Mayor

ATTEST:

Alice E. Evenson, City Clerk

**Side Letter of Agreement
Between the City of Pittsburg and Pittsburg Police Officers Association**

This will confirm that the representatives of the City of Pittsburg ("City") and the Pittsburg Police Officers Association ("POA") have met and conferred and have agreed to the provisions of a settlement agreement on this matter and the following modifications of their memorandum of understanding ("MOU") covering the term July 1, 2017 through June 30, 2020 as follows:

The parties agree to modify the following paragraph under Section 6.6 – Long-Term Disability Insurance:

6.6 Long-Term and Short-Term Disability Insurance

A regular employee represented by the bargaining unit shall be insured under the existing PORAC long-term and short-term group disability insurance policy paid by the City.

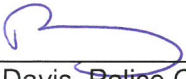
A regular employee represented by the bargaining unit shall pay the monthly PORAC group disability insurance premium through a bi-weekly, after-tax payroll deduction.

Effective September 1, 2019, the City shall issue insured employees represented by the bargaining unit with a group disability insurance premium reimbursement of twenty dollars (\$20) per month.

There shall be no change to any other portion of Section 6.6 or to any section(s) of the existing agreement other than those identified in this and any preceding Side Letter of Agreements.

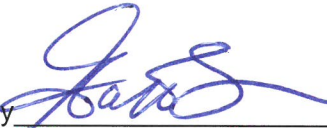
Dated: 10/8/19

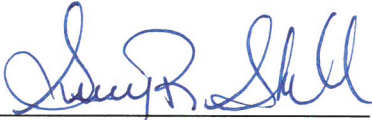
POLICE OFFICERS ASSOCIATION

By 
Ryan Davis, Police Officer
POA President

By 
Will Hatcher, Police Sergeant
POA Vice President

CITY OF PITTSBURG

By 
Garrett Evans
City Manager

By 
Stacy Shell
Director of Human Resources



**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 Approve the Staff Response to the Contra Costa County Civil Grand Jury FY 2018-2019 Report

MEETING DATE:

EXECUTIVE SUMMARY

The Contra Costa County Civil Grand Jury issued one report for Fiscal Year 2018-2019 that required the City of Pittsburg's response. The report and response are attached herewith. They are: Grand Jury Report No. 1907, "Stormwater Trash Reduction."

FISCAL IMPACT

There is no fiscal impact to approve the City's response to the FY 2018-2019 Grand Jury Report.

RECOMMENDATION

The City Council adopt the resolution approving the attached response to the Contra Costa County Civil Grand Jury FY 2018-2019 Report.

BACKGROUND

Contra Costa County's Grand Jury consists of 19 citizens. A new Grand Jury is impaneled each year. Grand Jurors are officers of the court, and function as an independent body under the guidance of a Superior Court judge.

Apart from the investigations mandated by the California Penal Code, each county's Grand Jury decides what it will investigate. Investigations may be initiated in response to letters from citizens, newspaper articles and personal knowledge.

The Grand Jury issues its findings and recommendations in written reports. At least 12 members of the Grand Jury must approve each report. Within 60 to 90 days following the issuance of a report, officials responsible for matters addressed in the report must respond in writing to the supervising Judge.

SUBCOMMITTEE FINDINGS

The Grand Jury report did not require subcommittee review.

STAFF ANALYSIS

The Contra Costa County Civil Grand Jury prepares and issues reports throughout their tenure on a Fiscal Year basis. The reports often, but not always, require responses from the City. The Grand Jury issued nine reports for Fiscal Year 2018-2019, one of which required a response from the City of Pittsburg.

ATTACHMENTS:

Resolution

Contra Costa County Civil Grand Jury Report No. 1907

Response to Report No. 1907

Report Prepared By:

Alice E. Evenson, City Clerk

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Approving the City of Pittsburg's Response)
to the Contra Costa County Civil Grand Jury)
Fiscal Year 2018-2019 Report No. 1907 –)
"Stormwater Trash Reduction")

RESOLUTION NO. 19-

The Pittsburg City Council DOES RESOLVE as follows:

WHEREAS, the major function of the Contra Costa Grand Jury is to examine county and city government and special districts to determine if their duties are being lawfully carried out; and

WHEREAS, the Contra Costa County Civil Grand Jury prepares and issues reports throughout their tenure on a Fiscal Year basis. The reports often, but not always, require responses from the City. The Grand Jury issued nine reports for Fiscal Year 2018-2019, one of which required a response from the City of Pittsburg.

WHEREAS, on June 4, 2019, the Contra costa Grand Jury issued Report No. 1907 – "Stormwater Trash Reduction," with a list of findings and recommendations related to compliance with the National Pollution Discharge Elimination System Municipal Regional Permit; and

WHEREAS, on September 5, 2019 the City of Pittsburg responded to the Contra Costa Grand Jury outlining staff's findings.

NOW, THEREFORE, the City Council finds and determines as follows:

Section 1. The City Council finds and determines that the above recitals are true and correct and are incorporated herein.

Section 2. The City's response to the Contra Costa County Civil Grand Jury Report No. 1907 – "Stormwater Trash Reduction" accepted as complete.

Section 3. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED by the City Council of the City of Pittsburg at a regular meeting on the 21st day of October 2019, by the following vote:

AYES:

NOES:

ABSTAINED:

ABSENT:

Juan Antonio Banales, Mayor

ATTEST:

Alice E. Evenson, City Clerk

June 4, 2019



City of Pittsburg
65 Civic Ave
Pittsburg, CA 94565

Dear City of Pittsburg:

Attached is a copy of Grand Jury Report No. 1907, "Stormwater Trash Reduction" by the 2018-2019 Contra Costa Grand Jury.

In accordance with California Penal Code Section 933 et seq., we are submitting this report to you as the officer, agency or department responsible for responding to the report. As the responding person or person responding on behalf of an entity, you shall report one of the following actions in respect to each finding:

- (1) You agree with the finding.
- (2) You disagree with the finding.
- (3) You partially disagree with the finding.

(Pen. Code, § 933.05(a).) In the cases of both (2) and (3) above, you shall specify the portion of the finding that is disputed, and shall include an explanation of the reasons thereof.

In addition, Section 933.05(b) requires you to reply to each recommendation by stating one of the following actions:

1. The recommendation has been implemented, with a summary describing the implemented action.
2. The recommendation has not yet been implemented, but will be implemented in the future, with a time frame for implementation.
3. The recommendation requires further analysis. This response should explain the scope and parameters of the analysis or study, and a time frame for the matter to be prepared for discussion. This time frame shall not exceed six months from the date of the publication of the Grand Jury Report.
4. The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation thereof.

After reviewing your response to ensure that it includes the above-noted mandated items, please send (1) a hard copy of the response to the Grand Jury at P.O. Box 431, Martinez, CA 94553; and (2) a copy in Word by e-mail to ctadmin@contracosta.courts.ca.gov. Your response must be submitted to the Grand Jury, in the form described by the above-quoted Government Code, no later than **September 6, 2019**.

Finally, please note that this report is being provided to you at least two working days before it is released publicly. Section 933.05 specifies that no officer, agency, department or governing body of a public agency shall disclose any contents of the report prior to its public release.

Please immediately confirm receipt of this letter and the attached report by responding via e-mail to ctadmin@contracosta.courts.ca.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard S. Nakano".

Richard S Nakano, Foreperson
2018-2019 Contra Costa County Civil Grand Jury

cc: Garrett Evans, City Manager

A REPORT BY
THE 2018-2019 CONTRA COSTA COUNTY GRAND JURY
725 Court Street
Martinez, California 94553

Report 1907

Stormwater Trash Reduction

Are We Doing All That We Can?

APPROVED BY THE GRAND JURY

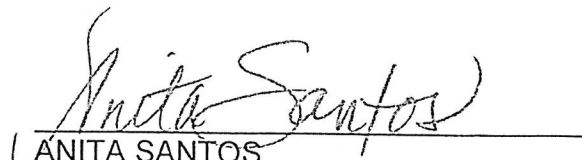
Date MAY 22, 2019



RICHARD S. NAKANO
GRAND JURY FOREPERSON

ACCEPTED FOR FILING

Date MAY 23 2019



ANITA SANTOS
JUDGE OF THE SUPERIOR COURT

Contact: Richard S. Nakano
Foreperson
925-522-6941

Contra Costa County Grand Jury Report 1907

Stormwater Trash Reduction

Are We Doing All That We Can?

**TO: Contra Costa County Board of Supervisors;
City/Town Councils of: Antioch, Brentwood, Clayton, Concord,
Danville, El Cerrito, Hercules, Lafayette, Martinez, Moraga,
Oakley, Orinda, Pinole, Pittsburg, Pleasant Hill, Richmond,
San Pablo, San Ramon, Walnut Creek**

SUMMARY

What is being done about the discarded paper, plastics, and other unwanted junk that ends up along our local streets, freeways, and public areas? This trash is polluting our local creeks, rivers, the San Francisco Bay, and the ocean itself. Is anything being done to fix this regional problem that has global implications? What more can we do as citizens, cities, and Contra Costa County (the County) to help keep our waterways clean?

The federal Clean Water Act, as amended by the Water Quality Act of 1987, requires permits for stormwater discharges from municipal systems to prevent stormwater from washing harmful pollutants into waterways. Under the Clean Water Act, these discharges are considered to be significant contributors of pollutants to waters of the United States. Discharges from stormwater systems operated by the County and each of its 19 cities and towns are also subject to the requirements of the Clean Water Act.

The Clean Water Act is enforced locally by the San Francisco Regional Water Quality Control Board (Water Board) through a Municipal Regional Stormwater Permit (Permit), issued in 2015. This Permit requires Contra Costa County and its cities and towns, along with other cities and the counties of Alameda, San Mateo, and Santa Clara, to reduce trash discharged from their storm sewers. Under the Permit, cities, towns, and counties are required to reduce their trash discharged by storm sewers by 80% from 2009 base levels by July 1, 2019. Cities and counties are required to prepare detailed

annual reports that document their trash abatement performance.

Cities, towns, and the County get credit toward their percent trash reduction by reducing the amount of trash discharged from their storm sewer systems. They accomplish this primarily by installing and maintaining trash capture devices which separate trash from entering a stormwater system and waterways. They can also take steps to control trash at its source by limiting businesses from providing plastic straws, plastic bags, and/or Styrofoam cups, bowls, plates, takeout containers, and serving trays. For these source control programs, there is a maximum of 10% credit available under the Permit.

The California Department of Transportation (Caltrans) also owns, operates, and maintains significant storm sewer systems within the County. Under a separate permit, Caltrans is also required to implement control measures in all of its high-trash-generating areas. These include freeways and ramps in high density residential, commercial, and industrial areas. The Water Board recently issued an enforcement order against Caltrans to increase its trash cleanup efforts on Bay Area highways, or face heavy fines.

This report examines how the County, its cities, and towns are performing with regard to the Permit's trash reduction goals. Our investigation revealed that most of the cities and towns in the County are on target to achieve the 80% trash reduction goal.

The cities of Hercules and Pinole are underperforming toward achieving this 80% goal. The Grand Jury recommends that the cities of Hercules and Pinole consider taking steps to improve performance to comply with required trash reduction goals by installing trash capture devices and instituting source control programs.

The Grand Jury also recommends that cities, towns, and the County consider publishing annual reports in summary form, citing accomplishments and challenges, including the costs and funds needed to comply with the Permit requirements. One solution is to prevent the generation of pollution at its source. This includes limiting the use of Styrofoam cups, bowls, plates, and takeout containers.

Cities, towns, and the County should consider identifying additional revenue sources to fully fund Permit requirements in order to comply with the Permit and avoid potential liability.

METHODOLOGY

In the course of its investigation, the Grand Jury:

- Examined how the County and its cities and towns are performing with regard to their trash reduction mandates
- Explored how Permit compliance information is communicated to the citizens and elected officials in Contra Costa County

- Interviewed staff from: Contra Costa Clean Water Program, Contra Costa County Public Works, and selected cities
- Interviewed representatives from an environmental Non-governmental Organization, and the Water Board
- Reviewed stormwater permits, reports, and documents
- Reviewed information available on the Contra Costa Clean Water Program website (www.cccleanwater.org)
- Reviewed media reports

BACKGROUND

Federal and State Stormwater Regulations

The 1972 Federal Water Pollution Control Act (the Clean Water Act) regulates water quality standards for all public and private wastewater discharges into waterways. These water quality standards are set using National Pollutant Discharge Elimination System (NPDES) permits which regulate waste discharges into waters of the United States. In 1987, the Clean Water Act was amended and expanded to include stormwater discharges from municipal-owned/operated storm drains. In 1990, NPDES stormwater permit application requirements for municipal stormwater discharges were established by the U.S. Environmental Protection Agency.

In California, the federal NPDES permit program is administered and enforced by the State Water Resources Control Board through nine Regional Water Quality Control Boards. These water boards issue permits to prevent stormwater from washing harmful pollutants into waterways. Permits are updated and reissued approximately every five years. The first county-wide stormwater permits were issued in the early 1990s.

Contra Costa Clean Water Program

In 1991, in response to the expanded Federal and State stormwater regulations, the County, its cities, and towns established the Contra Costa Clean Water Program (CCCWP). Its purpose is to provide a uniform approach to address Water Board permit requirements and implement activities jointly carried out by the cities, towns, and the County.

The CCCWP comprises Contra Costa County, 19 cities and towns, and the Contra Costa County Flood Control and Water Conservation District. These are:

- Contra Costa County Flood Control and Water Conservation District
- Clayton
- Hercules
- Orinda
- Pleasant Hill
- San Ramon
- Town of Moraga
- Oakley
- Concord
- Lafayette
- Pinole
- Richmond
- Walnut Creek
- Antioch
- Contra Costa County unincorporated areas
- El Cerrito
- Martinez
- Pittsburg
- San Pablo
- Town of Danville
- Brentwood

Current Stormwater Permit

According to the Water Board, stormwater is a significant source of certain pollutants that cause or contribute to water quality pollution in the region. To address this problem the Water Board issued county-wide municipal stormwater permits in the early 1990s.

In 2015, the Water Board re-issued these county-wide municipal stormwater permits as one Municipal Regional Stormwater NPDES Permit (Permit) to regulate stormwater discharges from municipalities and local agencies in Alameda, central and western Contra Costa, San Mateo, and Santa Clara counties, and the cities of Fairfield, Suisun City, and Vallejo. In February, 2019, the cities of Antioch, Brentwood, and Oakley and the eastern portion of Contra Costa County were formally added to the Permit.

Under the Permit, cities, towns, and counties are required to prohibit the discharge of materials other than stormwater into storm drain systems and watercourses. Each city, town, and county is individually responsible for complying with the Permit requirements to meet their pollution reduction goals. The Permit allows cities, towns, and counties to collaborate in designing, developing, and implementing new solutions to reduce stormwater pollution.

The Permit includes stormwater management regulations for the following: trash reduction, new real estate development and redevelopment, illicit discharge, and public information and outreach. The Permit also regulates stormwater from industrial and commercial sites, construction sites, pesticides, mercury, PCB's, and copper.

According to the Water Board, the sources of trash include discharges from the storm drain system, windblown trash, and other discharges such as direct dumping and homeless encampments. This trash washes into San Francisco Bay and the ocean, where it becomes part of a global problem. It is unsightly, can cause storm drain blockage, decreases property values, and impacts recreational use and wildlife habitat in waterways. Trash such as plastic bags may harm wildlife through entanglement or ingestion. Trash may also contain hazardous materials such as heavy metals, toxic chemicals, oil and grease products, and other pollutants that are unhealthy and harmful to people and the environment.

Failure to comply with the discharge requirements constitutes a violation of the

California Water Code and the Clean Water Act. If there is a violation, the Water Board may impose fines and other civil liabilities. The Water Board may also refer violators to the State Attorney General who can seek civil monetary penalties and injunctive relief, or take other appropriate enforcement actions.

Preventing Trash at its Source

A key element in any trash reduction program is to stop pollution before it harms the environment. Programs that prevent trash at its source (commonly referred to as "source control") include banning businesses from providing plastic bags, plastic straws, and Styrofoam cups, bowls, plates, and takeout containers.

Plastic bags are not biodegradable and take hundreds of years to decompose. This results in plastics littering the environment, degrading creeks and waterways, and adversely effecting wildlife. When bags decompose, toxins are released into the soil and water, harming land and marine wildlife. Plastic straws are hazardous to the environment because they settle in the landfills, clog storm drains, and collect in the ocean. Styrofoam is a plastic commonly found in packing and food packaging. It is rarely reused, is an abundant form of litter hazardous to land and marine life and can take 500 years to decompose.

On November 8, 2016, California voters approved Proposition 67 which bans the use of carry-out plastic bags that once were given at grocery stores and food marts. They now offer customers the option to purchase either recycled paper or reusable plastic bags. As an example, the City of San Jose implemented a successful source control program. Its 2011 plastic bag ban resulted in a litter reduction of approximately 89% in the storm drain system, 60% in the creeks and rivers, and 59% in city streets and neighborhoods. A state law (AB1884) limiting full-service restaurants in the state from handing out single-use plastic straws became effective on January 1, 2019.

DISCUSSION

This report focuses on the trash reduction requirement of the Permit. The report examines how the County, cities, and towns are performing regarding reducing trash in creeks and waterways. It also explores how information can be better communicated to citizens in the County.

Trash Reduction Requirements

Cities, towns, and the County are required to implement trash control actions in accordance with procedures and the schedule outlined in the Permit.

The trash reduction schedule in the Permit requires that each city, town, and the County reduce trash from their 2009 baseline levels, using requirements and accounting

procedures contained in the Permit. The trash reduction goals and schedule are as follows:

- 70% by July 1, 2017
- 80% by July 1, 2019
- 100% by July 1, 2022

The cities of Antioch, Oakley, Brentwood, and the eastern unincorporated areas of the County were added to the Permit in February, 2019. They have a modified goal to reduce trash by 70% from their 2016 baseline trash levels by December 31, 2019.

Cities, towns, and the County receive credit toward their trash reduction goal by reducing the amount of trash discharged from their storm sewer systems. They accomplish this by installing and maintaining trash capture devices which prevent trash from entering stormwater systems and waterways. The percent reduction in trash is calculated by applying a formula that compares current levels with 2009 baseline amounts.

Cities, towns, and the County can take additional steps to control trash at its source by limiting businesses from providing Styrofoam cups, bowls, plates, takeout containers, and serving trays. For these source control programs there is a maximum of 10% credit toward the trash reduction goal available in the Permit.

As explained below, some cities and towns have already instituted source control programs, which they expect will reduce the amount of trash released into the environment. Most have also implemented trash management actions, such as increased street sweeping; land, creek and shoreline cleanups; and homeless encampment cleanups.

Table 1 illustrates:

- The percent reduction in trash, from 2009 baseline levels, that each city, town, and the County unincorporated areas achieved in Fiscal Year (FY) 2017-18
- The number of trash capture devices installed
- Cities that have implemented a source control program

Table 1
FY 2017-18 Trash Reduction Achieved

City/Town/County	FY 2017-18 Total % Trash Reduction	Full Trash Capture Devices Installed	Source Control Programs
Antioch	NA	1	NA
Brentwood	83.3 %	91	No
Clayton	99.5%	195	No
Concord	83.0%	451	No
Danville	100.0%	74	Yes
El Cerrito	84.5%	122	Yes
Hercules	69.0%	41	Yes
Lafayette	91.7%	38	No
Martinez	91.2%	118	Yes
Moraga	82.0%	121	No
Oakley	67.0%	68	No
Orinda	85.6%	5	No
Pinole	31.0%	113	Yes
Pittsburg	83.4%	127	Yes
Pleasant Hill	78.0%	123	Yes
Richmond	83.4%	170	Yes
San Pablo	87.7%	128	Yes
San Ramon	100.0%	81	No
Walnut Creek	95.9%	202	Yes
County unincorporated areas	75.0%	286	pending

Source: CCCWP Website <https://www.cccleanwater.org/resources/reports>

NA: data not available

Note: Antioch, Oakley, Brentwood and the eastern unincorporated areas of the County are required to achieve a trash reduction goal of 70% by December 31, 2019. All others are required to achieve a trash reduction goal of 80% by July 1, 2019.

Brentwood, Clayton, Concord, Danville, El Cerrito, Lafayette, Martinez, Moraga, Orinda, Pittsburg, Richmond, San Pablo, San Ramon, and Walnut Creek indicate that they have already reached their July 1, 2019 trash reduction goal of 80% from 2009 levels.

The cities of Hercules, Oakley, and Pinole report achieving less than 70% trash reduction in their latest annual reports. In June, 2018, Hercules and Pinole were issued Cease and Desist Orders by the Water Board requiring them to improve their

performance in meeting the required trash reduction goals. The Orders set deadlines for implementing trash controls that will bring the cities into compliance with the 80% trash load reduction relative to 2009 baseline conditions, by July 1, 2019.

Source Control Programs

One way for the County, cities, and towns to help achieve their trash reduction goals is to focus on source control programs. These programs can reduce the amount of litter that enters the stormwater system.

Danville, Pittsburg, Pleasant Hill, Richmond, San Pablo, and Walnut Creek implemented ordinances banning single-use plastic bags prior to the ban becoming law in California.

Ten cities also have established ordinances banning Styrofoam food packaging. They are: Concord, El Cerrito, Hercules, Lafayette, Martinez, Pinole, Pittsburg, Richmond, San Pablo, and Walnut Creek. The County is proposing an ordinance to ban Styrofoam container use by companies selling food and beverages, private care facilities, and County establishments in the unincorporated areas.

Brentwood, Clayton, Concord, Lafayette, Moraga, Oakley, Orinda, and San Ramon have not reported source control programs as part of their trash reduction goals.

Trash Reduction along Caltrans Freeways and Ramps

Caltrans owns, operates, and maintains freeways and ramps within the County. In a separate permit issued by the State Water Resources Control Board in 2012, and amended in 2014 and 2015, Caltrans is required to implement control measures in all high trash generating areas. These areas include freeways and ramps in high density residential, commercial, and industrial areas in Contra Costa County.

Caltrans is a state agency outside the Grand Jury's jurisdiction. However, it acknowledges that its freeways and ramps are collectors of trash and debris. Caltrans developed a work plan in 2016 to "ensure maximum environmental benefit while also achieving mobility and safety benefits to the traveling public." (Caltrans, Trash Load Reduction Workplan for the San Francisco Bay Region, 2016). In the County, the Workplan indicated that high trash level stretches include portions of Highways 4 and 24, and Interstate 80.

Table 2 shows the ramps with high trash levels:

Table 2
Highway Ramps with High Trash Levels

Highway	Ramps
HWY4	Loveridge Rd, Railroad Ave., Morello Ave., McEwen Ave., and Willow Ave.
I-80	Cutting Blvd, Potrero Ave., Carlson Blvd, Central Ave., Appian Way, Richmond Parkway, San Pablo Dam Road, San Pablo Ave., MacDonald Ave., and Buchanan St.
I-580	Regatta Blvd., Bayview Ave., and Central Ave.
I-680	Willow Pass Road

On November 7, 2018, a letter urging the Water Board to take enforcement action against Caltrans was signed by two Contra Costa County Supervisors, elected officials from the cities of Antioch, El Cerrito, and Richmond, and over 60 elected officials from Alameda, San Mateo, and Santa Clara counties. The letter urged the Water Board to order Caltrans to:

- Install trash capture devices in “very high” and “high” trash generation areas wherever feasible;
- Increase frequency of trash removal; and
- Collaborate with municipalities and local agencies to implement these solutions.

According to the Water Board, Caltrans has identified portions of its highways and ramps “that generate significant amounts of trash but has not identified an acceptable schedule for timely implementation of trash controls to meet [p]ermit” requirements. (Water Board, Cease and Desist Order No. R2-2019-0007). In February, 2019, the Water Board ordered Caltrans to install devices to capture roadway debris or otherwise clean up all 8,820 acres of land under its jurisdiction in the Bay Area identified as “significant trash generating areas” by 2026. Failure to comply with the directive could result in fines of up to \$25,000 a day.

Trash from Homeless Encampments

Waste from homeless encampments close to creeks present an environmental hazard. The Contra Costa County Coordinated Outreach and Engagement Team (CORE) collects and removes over 6,000 pounds of trash each month at homeless sites. CORE regularly visits homeless encampments to identify needs of the homeless. CORE encourages the homeless to clean up after themselves by providing trash bags.

Permit Compliance Costs

Stormwater permit compliance activities in most Contra Costa County cities, towns, and the County are funded by a Stormwater Utility Assessment (SUA) authorized in 1993. Rates range from \$25 to \$45 a year for single-family homes. In FY 2017-18 the revenues collected countywide totaled \$15.1 million. These funds are used to support the Permit compliance activities undertaken by each of the cities, towns, the County, and CCCWP.

The cities of Richmond and Brentwood do not have a stormwater utility assessment. Their stormwater pollution prevention activities are funded from other revenue sources, and the cities' general funds.

The authority to raise taxes or assessment fees to pay for governmental services, including stormwater related activities, is limited by voter initiatives such as Proposition 13 and Proposition 218. Stormwater assessment rates have maximum limits, established by each city, town, and the County in 1993. They all reached their maximum rates by FY 2009-10. Since then, cities, towns, and the County have been supplementing their SUA revenues with funding from other sources, including their general funds.

The County is responsible for complying with the Permit provisions only in the unincorporated areas. The County estimates its compliance costs to be \$5 million per year. Of that amount, \$2.2 million per year is budgeted for trash reduction related activities.

The County receives about \$3.8 million per year in SUA revenue, road, and flood control funding. The County estimates that it will need an additional \$1.2 million per year to meet all the Permit requirements.

Revenue shortfalls may prevent the County from meeting its stormwater trash reduction goals. Failure to comply with the Permit would leave the County liable for substantial fines from the Water Board. In order to achieve a trash reduction goal of 100%, the County may need to consider seeking additional sources of funding.

Both the CCCWP and the Contra Costa Local Agency Formation Commission (LAFCO) report that unfunded federal and state mandated stormwater permit compliance programs are a challenge for cities, towns, and the County. In its 2019 Municipal Service Review, LAFCO reports, "[s]tormwater control requirements mandated by regional and state agencies are increasing the cost of treating stormwater without providing compensating new revenue sources." To address this funding shortfall, the Grand Jury recommends that cities, towns, and the County consider undertaking efforts to identify additional funding sources to fully fund Permit requirements in order to comply with the Permit and avoid potential liability.

Public Awareness

The required Annual Reports provide a detailed breakdown of performance toward complying with all the Permit provisions by the CCCWP, each city, town, and the County. The CCCWP 2017-18 Annual Report documenting permit compliance activities it conducted during the year totals 564 pages. Each city, town, and the County also prepared a similar report documenting its permit compliance performance. These reports each range in length from 58 to 177 pages. They are filled with forms and tables supplied by the Water Board, which document accomplishments for the year. No narrative summary is provided identifying accomplishments, challenges, costs, and funds needed to fully comply with the Permit. The Grand Jury recommends that to enable the public to understand these issues, CCCWP, each city, town, and the County should consider providing a narrative summary of their efforts to achieve Permit requirements.

FINDINGS

- F1. The 2015 Municipal Regional Stormwater Permit requires most of the cities, towns, and the County to take action to reduce trash discharges by 80%, from 2009 baseline levels, by July 1, 2019
- F2. Antioch, Brentwood, Oakley, and the eastern portion of the County were added to the Permit in February, 2019 and have a requirement to reduce trash discharges by 70%, from their 2016 baseline trash levels, by December 31, 2019.
- F3. Using the formula prescribed in the Permit, Brentwood, Clayton, Concord, Danville, El Cerrito, Lafayette, Martinez, Moraga, Orinda, Pittsburg, Richmond, San Pablo, San Ramon, and Walnut Creek report that they have already reached their July 1, 2019 trash reduction goals.
- F4. In June, 2018, Hercules and Pinole were issued Cease and Desist Orders by the Water Board requiring them to improve their performance in meeting their trash reduction goals.
- F5. The County estimates that it will need an additional \$1.2 million per year to meet all the Permit requirements.
- F6. Both the CCCWP and LAFCO report that unfunded federal and state mandated stormwater permit compliance programs are a challenge for cities, towns, and the County.
- F7. Concord, El Cerrito, Hercules, Lafayette, Martinez, Pinole, Pittsburg, Richmond, San Pablo, and Walnut Creek have established ordinances banning Styrofoam food packaging in their communities.

- F8. Caltrans reports that highways and ramps along portions of Highways 4 and 24, Interstates 80, 580, and 680 in Antioch, El Cerrito, Richmond, and in the unincorporated areas of the County are high trash generation areas.
- F9. No narrative summary of the accomplishments, challenges, costs, and funds needed to fully comply with the Permit is provided in the required annual reports prepared by CCCWP, the County, and each city and town.

RECOMMENDATIONS

- R1. The City Councils of Hercules and Pinole should each consider directing their city manager to implement trash controls to bring them into compliance with the 80% trash reduction goal by December 31, 2019.
- R2. The City/Town Councils of Antioch, Brentwood, Clayton, Danville, Moraga, Oakley, Orinda, Pleasant Hill, and San Ramon should consider limiting the use of Styrofoam containers in their communities by June 30, 2020.
- R3. The Board of Supervisors and all City/Town Councils should consider directing staff to provide a concise summary of their Annual Reports, citing their accomplishments, challenges, costs, and funds needed to fully comply with the Permit, by December 31, 2019.
- R4. The Board of Supervisors and all City/Town Councils should consider identifying additional revenue sources to fully fund Permit requirements in order to comply with the Permit and avoid potential liability, by June 30, 2020.

REQUIRED RESPONSES

	Findings	Recommendations
Contra Costa County Board of Supervisors	F1, F2, F5, F6, F8, and F9	R3 and R4
City of Antioch	F2, F6, F8, and F9	R2, R3, and R4
City of Brentwood	F2, F3, F6, and F9	R2, R3, and R4
City of Clayton	F1, F3, F6, and F9	R2, R3, and R4
City of Concord	F1, F3, F6, F7, and F9	R3 and R4
Town of Danville	F1, F3, F6, and F9	R2, R3, and R4
City of El Cerrito	F1, F3, F6, F7, F8, and F9	R3 and R4
City of Hercules	F1, F4, F6, F7, and F9	R1, R3, and R4
City of Lafayette	F1, F3, F6, F7, and F9	R3 and R4
City of Martinez	F1, F3, F6, F7, and F9	R3 and R4
Town of Moraga	F1, F3, F6, and F9	R2, R3, and R4
City of Oakley	F2, F6, and F9	R2, R3, and R4
City of Orinda	F1, F3, F6, and F9	R2, R3, and R4
City of Pinole	F1, F4, F6, F7, and F9	R1, R3, and R4
City of Pittsburg	F1, F3, F6, F7, and F9	R3 and R4
City of Pleasant Hill	F1, F6, and F9	R2, R3, and R4
City of Richmond	F1, F3, F6, F7, F8, and F9	R3 and R4
City of San Pablo	F1, F3, F6, F7, and F9	R3 and R4
City of San Ramon	F1, F3, F6, and F9	R2, R3, and R4
City of Walnut Creek	F1, F3, F6, F7, and F9	R3 and R4

These responses must be provided in the format and by the date set forth in the cover letter that accompanies this report. An electronic copy of these responses in the form of a Word document should be sent by e-mail to ctadmin@contracosta.courts.ca.gov and a hard (paper) copy should be sent to:

Civil Grand Jury – Foreperson
 725 Court Street
 P.O. Box 431
 Martinez, CA 94553-0091



City of Pittsburg

65 Civic Avenue • Pittsburg, California 94565

September 5, 2019

Richard S. Nakano, Foreperson
Contra Costa County Grand Jury
725 Court Street
P.O. Box 431
Martinez, CA 94553-0091

Also, via email to ctadmin@contracosta.courts.ca.gov

Re: City of Pittsburg's Response to Grand Jury Report No. 1907, "Stormwater Trash Reduction" by the 2018-2019 Contra Costa Grand Jury

Dear Foreperson Nakano,

Pursuant to California Penal Code Section 933 et seq., the City of Pittsburg is submitting responses to Findings F1, F3, F6, F7, and F9 and Recommendations R3 and R4 of Grand Jury Report No. 1907 "Stormwater Trash Reduction".

Grand Jury Findings

Finding 1: The 2015 Municipal Regional Stormwater permit requires most of the cities, towns, and the County to take action to reduce trash discharges by 80%, from 2009 baseline levels, by July 1, 2019.

Response: The City of Pittsburg agrees with the finding.

Finding 3: Using the formula prescribed in the permit, Brentwood, Clayton, Concord, Danville, El Cerrito, Lafayette, Martinez, Moraga, Orinda, Pittsburg, Richmond, San Pablo, San Ramon, and Walnut Creek report that they have already reached their July 1, 2019 trash reduction goals.

Response: The City of Pittsburg agrees with the finding.

Finding 6: Both the CCCWP and LAFCO report that unfunded federal and state mandated stormwater permit compliance programs are a challenge for cities, towns, and the County.

Response: The City of Pittsburg agrees with the finding.

Finding 7: Concord, El Cerrito, Hercules, Lafayette, Martinez, Pinole, Pittsburg,

Richmond, San Pablo, and Walnut Creek have established ordinances banning Styrofoam food packaging in their communities.

Response: The City of Pittsburg agrees with this finding. However, to clarify, the City of Pittsburg has a "Sustainable Food Packaging; Polystyrene Products Regulation" Ordinance. "Styrofoam" is a trademarked brand for a type of plastic foam, also commonly called expanded polystyrene.

Finding 9: No narrative summary of the accomplishments, challenges, costs, and funds needed to fully comply with the Permit is provided in the required annual reports prepared by CCCWP, the County, and each city and town.

Response: The City of Pittsburg partially disagrees with this finding. Through BASMAA, the annual report form is developed for all 76 regional permittees and does not require a narrative summary. The Contra Costa County Grand Jury's request would require a unique report form that is unlikely to be supported by the San Francisco Bay Regional Water Quality Control Board. This approved reporting form does not require a narrative summary.

Grand Jury Recommendations

Recommendation 3: The Board of Supervisors and all City / Town Councils should consider directing staff to provide a concise summary of their Annual Reports, citing their accomplishments, challenges, costs, and funds needed to fully comply with the Permit, by December 31, 2019.

Response: This recommendation has not yet been implemented but will be implemented in the future prior to the end of the 2019/2020 Fiscal Year. City Council will be provided a summary with the required information for this permit term regarding trash load reduction compliance.

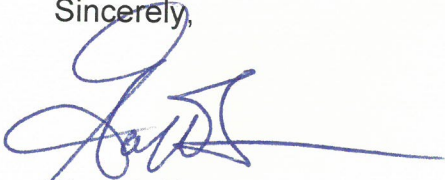
Recommendation 4: The Board of Supervisors and all City / Town Councils should consider identifying additional revenue sources to fully fund Permit requirements in order to comply with the Permit and avoid potential liability, by June 30, 2020.

Response: This recommendation will not be implemented because it is not warranted. The City of Pittsburg is already compliant with the San Francisco Bay Regional Water Quality Control Board's permit

(Order No. R2-2015-0049) requirement for stormwater trash reductions by June 30, 2020. Therefore, the City of Pittsburg does not need to identify additional revenue sources in order to comply and avoid potential liability by June 30, 2020.

The City of Pittsburg thanks the Contra Costa County Civil Grand Jury for the opportunity to respond to its concerns. Please feel free to contact Jolan Longway at (925) 252-4803 should you need additional information.

Sincerely,



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 an Ordinance Amending Title 5 of the Pittsburg Municipal Code Related to Cannabis Regulations

MEETING DATE: October 21, 2019

EXECUTIVE SUMMARY

On September 16, 2019, the City Council considered and voted 3-2 to introduce and waive first reading of a text amendment to Pittsburg Municipal Code (PMC) Title 5, Chapter 5.70, sections 5.70.051 and 5.70.160 in order to: 1) specify how required distances between cannabis businesses and potentially sensitive uses are measured; 2) clarify definitions of specific potentially sensitive uses; and 3) establish a minimum distance of 1,000 feet between cannabis dispensaries and potentially sensitive uses, in the event cannabis dispensaries are allowed in the future. The Ordinance is being brought back before the City Council for adoption.

FISCAL IMPACT

Adoption of the proposed ordinance would not have any direct fiscal impact. However, adoption of the proposed ordinance would facilitate the potential operation of multiple commercial cannabis businesses within zoning districts in which these uses are allowed, subject to City Council approval, and could potentially result in general fund revenues in excess of \$100,000 per year, from each business.

RECOMMENDATION

City Council move to adopt Ordinance No. 19-1465 amending PMC Title 5, Chapter 5.70, related to commercial medical and/or nonmedical cannabis businesses and potentially sensitive uses.

BACKGROUND

The City Council considered this item on September 16, 2019. After receiving public comment and deliberating, the Council moved to introduce and waive further reading of Ordinance No. 19-1465, amending PMC Title 5, Chapter 5.70 regarding medical and non-medical cannabis.

SUBCOMMITTEE FINDINGS

On June 28, 2019, and again on July 30, 2019, this item was presented to and discussed by the Land Use Subcommittee. During both meetings, staff presented multiple options for the Subcommittee's consideration, including reducing the buffer distance and specifying how the adopted distance could potentially be measured, noting that three pending applications were affected by the existing regulation, and thus any proposed changes. Staff indicated that all three proposed applications would far exceed a distance of 600 feet if measured along a public path of travel.

During both meetings, the Subcommittee generally favored amending the PMC to provide more clarity on how the distance is to be measured, as is being proposed in this report. Subcommittee members, as well as the public in attendance, stressed that all applications should continue to be reviewed on a case-by-case basis.

STAFF ANALYSIS

After introducing an ordinance, the City Council must approve the action by adopting the ordinance by a majority vote at a subsequent meeting. The ordinance becomes effective 30 days after the date of its adoption.

ATTACHMENTS: Ordinance No. 19-1465

Report Prepared By: Jordan Davis, Assistant to the City Manager

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Ordinance Amending Title 5 of the)
Pittsburg Municipal Code Related to)
Cannabis Regulations)

ORDINANCE NO. 19-1465

The City Council of the City of Pittsburg DOES ORDAIN as follows:

SECTION 1. Recitals

- A. Several prospective businesses have indicated an interest in locating within the City of Pittsburg but have encountered difficulty identifying sites compliant with the City's existing regulations requiring commercial cannabis uses be located a minimum of 600 feet away from potentially sensitive uses.
- B. On October 3, 2016, the City Council amended Titles 5 and 18 of the Pittsburg Municipal Code (PMC) to further regulate and ban cannabis activities. The changes regulated the delivery of cannabis for medical purposes, and banned the utilization, delivery, and other cannabis activities including testing, manufacturing, and cultivation.
- C. In 2015, the state legislature enacted the Medical Marijuana Regulation and Safety Act (MMRSA) to regulate the medical cannabis industry.
- D. In 2016, the voters of the State of California passed Proposition 64, the Control, Regulate and Tax Adult Use of Marijuana Act ("Prop 64").
- E. In 2016, the voters of the City of Pittsburg approved Measure J, allowing for implementation of a Marijuana Business Tax on all commercial marijuana businesses that may operate within the City, should future land use regulations and applicable provisions of the PMC be amended to allow for such businesses and/or if local control over such businesses is removed by the courts, the Legislature, or statewide initiative in the future. Measure J passed with 13,693 (68.3%) "yes" votes and 6,364 (31.7%) "no" votes. As approved by the voters, the maximum marijuana business tax rate is 10% on all marijuana related transactions.
- F. In 2017, the State Legislature adopted the Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA"), which combined and harmonized MMRSA and Prop. 64 for the regulation of medicinal and recreational cannabis industries. Later that same year, the state's licensing authorities adopted emergency regulations to implement MAUCRSA. The state licensing authorities readopted the emergency regulations in 2018, and final regulations went into effect in 2019.
- G. On March 19, 2018, the City Council adopted Ordinance No. 18-1442, amending PMC Title 5 to allow for use of cannabis within medical and nonmedical product manufacturing, and establishing procedures for issuing medical and nonmedical

commercial cannabis permits. These amendments limited the types of commercial cannabis businesses to those designated as Type 6 (Manufacturers), Type 7 (Manufacturers), Type 8 (Testing Laboratories), and Type 11 (Distributors). Commercial entities seeking to manufacture cannabis-related products are required to obtain a commercial cannabis permit, which is subject to City Council approval. The permit is conditioned on the applicant submitting: 1) a Business Operating Agreement, which would set forth the terms and conditions under which the commercial cannabis business would operate; 2) a Business Operating Plan; and 3) a Business Security Plan approved by the Chief of Police. Cultivation and retail of cannabis in the City of Pittsburgh remain prohibited.

- H. MAUCRSA provides, at California Business and Professions Code Section 26054, that a local jurisdiction may specify a radius different than 600 feet. Implicit in the statute is the authorization to specify how the distance is measured.
- I. On September 16, 2019, the City Council considered the proposed PMC amendments, at which time oral and/or written testimony was considered.

SECTION 2. Findings

- A. Based on the City Council Staff Report entitled, "Introduction and Waive First Reading of an Ordinance Amending Title 5 of the Pittsburgh Municipal Code Related to Cannabis Regulations," dated September 16, 2019, and based on all the information contained in the City's files, incorporated herein by reference and available for review in the Planning Division located at 65 Civic Avenue in Pittsburgh, and based on all written and oral testimony presented at the meeting, the City Council finds that:
 - 1. All recitals above are true and correct and are incorporated herein by reference.
 - 2. This project is exempt from the requirements of the California Environmental Quality Act under the general rule of applicability of the state CEQA Guidelines, section 15061, in that there is no possibility that the activity in question would have a significant negative physical impact on the environment. The amendments proposed are procedural in nature and would not result in any new impacts beyond those that could exist without the change, specifically as they may relate to air quality, transportation, noise, hazards and hazardous materials, utilities, and/or public services. The future establishment of commercial cannabis businesses within the City would be subject to the City Council approval of a commercial cannabis permit, at which time impacts resulting from the establishment of any potential use would be further reviewed once more details are made available.
 - 3. The California Constitution grants cities the broad power to enact local, police, sanitary, and other ordinances and regulations not in conflict with the general laws, as long as they are reasonably related to promoting public health, safety, comfort and welfare of the City's residents.

4. In enacting this article, it is the intent of the City Council of the City of Pittsburgh to protect the safety and welfare of the general public. The Federal Controlled Substances Act, 21 U.S.C. Section 841, prohibits the possession, sale and distribution of cannabis, and the City Council finds that sanctioning the opening or establishment of medical cannabis collectives, cooperatives and dispensaries, or allowing the delivery of medical cannabis within the city, would be inconsistent with federal law. However, the City acknowledges that state law allows commercial cannabis businesses, and that certain commercial cannabis businesses that operate in accordance with state law and are properly vetted, regulated, and monitored, can have positive economic impacts in the communities in which they operate.
 5. In order to protect the integrity of the City and the goals upon which this City was founded, the City Council finds that it is in the best interest of the residents of the City to only allow certain commercial medical and nonmedical cannabis businesses to operate, subject to specific permitting requirements and execution of an operating agreement, and continue to prohibit medical and nonmedical cannabis collectives, cooperatives and dispensaries, and deliveries.
- B. The Staff Report entitled, "Introduction and Waive First Reading of an Ordinance Amending Title 5 of the Pittsburgh Municipal Code Related to Cannabis Regulations," dated September 16, 2019," is referenced hereto as additional support for findings.

SECTION 3. Amendment to Pittsburgh Municipal Code Title 5

Based on the findings and the authority set forth above, the City Council hereby amends PMC Title 5, Chapter 5.70, as follows (new text shown in ***bold italic*** font, and text proposed for deletion is shown in ~~strike through~~ font):

5.70.051 Commercial medical cannabis permit.

D. ~~No commercial medical cannabis business shall be located within 600 feet of an existing school, daycare, youth center, park or library.~~ ***an existing school (as defined by PMC section 18.08.060[V]), general day care (as defined by PMC section 18.08.060[F]), club or lodge (as defined by PMC section 18.08.060[B]) used exclusively as a youth center, City-owned park space which is open to the public, or library, as measured from the main entrance of the business to the nearest access point of the other use, following the shortest publicly accessible path of travel, including but not limited to streets, alleys, sidewalks, pathways, or trails. However, in no event shall a commercial medical cannabis dispensary providing cannabis products to the end user be located less than 1,000 feet from any of the uses described above, as measured by the shortest direct line distance between the subject parcel lines.*** The city council, by ordinance, may amend this restriction or adopt additional restrictions.

5.70.160 Commercial nonmedical cannabis permit.

D. No commercial nonmedical cannabis business shall be located within 600 feet of an existing school, daycare, youth center, park or library. ***an existing school (as defined by PMC section 18.08.060[V]), general day care (as defined by PMC section 18.08.060[F]), club or lodge (as defined by PMC section 18.08.060[B]) used exclusively as a youth center, City-owned park space which is open to the public, or library, as measured from the main entrance of the business to the nearest access point of the other use, following the shortest publicly accessible path of travel, including but not limited to streets, alleys, sidewalks, pathways, or trails. However, in no event shall a commercial nonmedical cannabis dispensary providing cannabis products to the end user be located less than 1,000 feet from any of the uses described above, as measured by the shortest direct line distance between the subject parcel lines.*** The city council, by ordinance, may amend this restriction or adopt additional restrictions.

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 thereof.

SECTION 5. Effective Date

This Ordinance shall be in full force and effective thirty (30) days after its adoption.

SECTION 6. Publication

The City Clerk shall either (a) have this ordinance published once within 15 days after adoption in a newspaper of general circulation or (b) have a summary of the ordinance published twice in a newspaper of general circulation, once 5 days before its adoption and again 20 days after its adoption.

The foregoing ordinance was introduced at a meeting of the City Council of the City of Pittsburg held on September 16, 2019, and was adopted and ordered published at a meeting of the City Council held on _____, 2019, by the following vote:

AYES:

NAYES:

ABSTAIN:

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 Approving the Establishment of a Public Agencies Post-Employment Benefits Trust Administered by Public Agency Retirement Services (PARS)

MEETING DATE: October 21, 2019

EXECUTIVE SUMMARY

To help manage the City's unfunded pension obligation, the City issued a Request for Proposal ("RFP") to administer a Section 115 Pension Prefunding Trust. Based upon the results of this process, staff recommends that the City Council authorize the City Manager to enter into a contract to establish a Section 115 Pension Trust to be administered by PARS.

FISCAL IMPACT

There is no startup cost to establish and administer the Trust beyond staff time that is already accounted for under the current authorized budget. The cost to administer the plan by PARS is projected to be 1.03 percent of the funds invested and should be covered by expected interest earning resulting in no additional out of pocket expenses. As with all investments, there will be risk associated with the investments of the Trust and market value fluctuations.

RECOMMENDATION

City Council approve a resolution establishing the Public Agencies Post-Employment Benefits Section 115 Trust; appointing the City Manager as the City's Plan Administrator and authorizing the City Manager to negotiate and execute the documents to implement the plan.

BACKGROUND

Changes in the rate of return and other actuarial assumptions by CalPERS will result in dramatically increasing levels of employer contribution costs for pensions. The seven-year phase-in of these higher rates started in Fiscal Year 2018-19. Based upon this knowledge prior to adopting the Fiscal Year 2018-19 budget, the City Council recommended and later approved the budget setting aside \$500,000 to start prefunding a Section 115 Pension

Trust. Again, for the Fiscal Year 2019-20 budget, staff included, and Council approved setting aside an additional \$500,000 to prefund the Section 115 Pension Trust. Formally establishment of the Section 115 Pension Trust will fulfill a goal of the City Council in Fiscal Year 2019-20.

The investment options offered by PARS is either an active or passive portfolio for the Section 115 Pension Trust assets. The active portfolio includes five options from Conservative to Capital Appreciation (aggressive), while the passive portfolio offers four options from Conservative to Balanced (aggressive). Based upon the recommendation by the City's current investment advisor, the City Treasurer, and the Finance Director, the City is proposing to initially invest into the Moderate passive investment portfolio.

Once the contract is signed and prior to investing into the PARS Section 115 Pension Trust, the finance department will bring back to the City Council a separate investment policy for the assets held in the Section 115 Pension Trust. This plan will allow for the plan to invest into securities outside of the City's normal investment policy, but within the allowed investments as required by the taxing authorities, State of California and Federal Government.

SUBCOMMITTEE FINDINGS

On August 23, 2019, the Finance Subcommittee was provided the details of the RFP process and recommendations that are provided in this report. The Finance Subcommittee supported the recommendations presented in this staff report.

STAFF ANALYSIS

On June 24, 2019, staff posted the Request for Proposals to administer a Section 115 pension prefunding trust on the City's website, announced the proposal through the California Society of Municipal Financial Officers (CSMFO) list serve and called known Section 115 Trust administrators and financial advisors to ensure they were made aware of the RFP request. The deadline to submit proposals was August 2, 2019 at 2:00 p.m.

There were three proposals received (Keenan, PARS and CalPERS) and one notice of non-response, due to the limited initial funding amount. All responses were received timely by the deadline. All three submitted proposals included the formal establishment of a Section 115 Pension Prefunding Trust. The submitted responses were reviewed based upon the grading criteria outline in the RFP. In addition to the initial grading as outlined in the RFP, the Finance Director, all three Finance Managers and City Treasurer rank ordered the proposals. Based upon the final ranking, the recommendation was brought to the Finance Subcommittee.

Below is a summary of the proposals received to administer a Section 115 Pension Prefunding Trust:

	Keenan	Public Agency Retirement Services (PARS)	CalPERS - CEPPT
Experience	45 years, 7 years section 115 Plans	35 Years, 7 years section 115 Plans	87 years, 12 years OPEB, 7/1/19 for Pension
Headquarters	Torrance, CA	Newport Beach, CA	Sacramento, CA
Core Business	Full-range of insurance and financial services.	Administration of 115 Trust for per-funding OPEB and Pensions	Pension Administration, Section 115 Trusts for both OPEB and Pensions
Programs	Employee Benefits and financial advising services which include both OPEB and Pension Plan Trusts	Sections 115 Trust for OPEB and Pension Supplemental defined benefit program Alternative retirement programs for P/T Customized defined contribution programs	CalPERS Retirement, Section 115 Trust Administration for both CERBT (OPEB) and CEPPT (Pension)
IRS Private Letter Ruling	Yes - but not 115 specific	Yes, with Pension specific letter	Yes - but not 115 specific
Investment Manager	Morgan Stanley	Highmark Capital Management	State Street Global Advisors
Trustee	Benefit Trust Company	US Bank (Los Angeles)	Northwest Retirement Services
Plans Under Administration	64 agencies	1,900+ plans for 900+ public agencies only, 750 in CA	565 CERBT, 0 CEPPT (just started 7/1/19)
Section 115 Pension & OPEB Trust Clients	11 - Pension 56 - OPEB	400+ including 200+ for pension prefunding in CA	565 CERBT, 0 CEPPT (just started 7/1/19)
Annual Admin. Fees for Assets under \$5 million	\$ 15,000	\$ 27,500	\$ 12,500
Total Annual Cost for Assets under \$5 million	\$ 49,500	\$ 51,500	\$ 12,500
Net Interest after costs (5-year rate)	\$ 249,000	\$ 268,500	\$ 212,500
Investment Assets Under 115 Trust Administration	Approx. \$1 billion	Approx. \$2 billion	Approx. \$10 billion
Investment Options	6 risk tolerance levels with option to customize investment option	5 risk-tolerance levels (active or passive) and customize investment option	3 risk tolerance levels, same as the CERBT Plan
Performance Returns	See separate table	See separate table	See separate table
Minimums	No minimum contribution; No minimum fee No start up fees	No minimum contribution; No minimum fee No start up fees	No minimum contribution; No minimum fee No start up fees

Below is a table showing the investment options offered by the responders and their investment returns and expense ratios:

	Investment Returns					Expense Ratio
Keenan	3-Mo	1-yr	3-yr	5-yr	10-yr	
Fixed Income	2.75%	6.11%	3.63%	3.11%	5.49%	0.59%
Conservative	3.06%	6.11%	4.84%	3.44%	6.11%	0.59%
Moderate	3.34%	5.98%	6.18%	4.16%	7.04%	0.63%
Moderate Growth	3.52%	5.94%	7.23%	4.72%	7.71%	0.65%
Growth	3.66%	5.46%	8.43%	5.28%	8.49%	0.69%
Aggressive Growth	3.88%	5.43%	9.91%	5.98%	9.42%	0.70%
PARS						
Active Portfolios		1-yr	3-yr	5-yr		
Conservative		7.22%	4.20%	3.60%		0.41%
Mod. Conservative		7.01%	5.82%	4.34%		0.43%
Moderate		6.94%	7.95%	5.43%		0.47%
Balanced		6.82%	9.11%	5.92%		0.48%
Capital Appreciation		6.61%	10.10%	6.62%		0.50%
Passive Portfolios		1-yr	3-yr	5-yr		
Conservative		6.76%	3.57%	3.21%		0.08%
Mod. Conservative		6.99%	5.10%	4.16%		0.10%
Moderate		6.77%	7.14%	5.18%		0.11%
Balanced		6.55%	8.09%	5.65%		0.12%
CalPERS - CEPPT Plan						
The City user CalPERS for our OPEB Plan utilizing Stragety 1						
		1-yr	3-yr	5-yr	10-yr	
Stragety 3 - Conservative		7.15%	5.27%	3.93%		Inc in Admin. Fees
Stragety 2 - Moderate		6.98%	6.77%	4.50%		Inc in Admin. Fees
Strategy 1 - Aggressive		6.13%	8.17%	4.98%	9.33%	Inc in Admin. Fees

Based on the panel members combined scores, PARS received the best score of those submitting proposals and staff concludes the proposal will provide the best services relative to cost.

ATTACHMENTS: Resolution
PARS proposal to Administer a Section 115 Pension Prefunding Trust

Report Prepared By: Brad Farmer, Finance Director

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter Of:

Resolution of the City Council	)	
Approving the Establishment of a	)	
Public Agencies Post-Employment	)	RESOLUTION NO. 19-
Benefits Trust Administered by Public	)	
<u>Agency Retirement Services (PARS)</u>	)	

The Pittsburg City Council DOES RESOLVE as follows:

WHEREAS, PARS has made available the PARS Public Agencies Post-Employment Benefits Trust (the "Program") for the purposes of pre-funding pension obligations and/or OPEB obligations; and

WHEREAS, the City of Pittsburg is eligible to participate in the Program, a tax-exempt trust performing an essential governmental function within the meaning of Section 115 of the Internal Revenue Code, as amended, and the Regulations issued there under, and is a tax-exempt trust under the relevant statutory provision of the State of California; and

WHEREAS, the City's adoption and operation of post-employment benefit entitlement, if any, are governed by contracts separate from and independent of the Program; and

WHEREAS, the City's funding of the Program does not, and is not intended to, create any new vested right to any benefit nor strengthen any existing vested right; and

WHEREAS, the City reserves the right to make contributions, if any, to the Program.

NOW, THEREFORE, the City Council finds and determines as follows:

Section 1. The City Council hereby adopts PARS Public Agencies Post-Employment Benefits Trust, effective September 16, 2019; and

Section 2. The City Council hereby appoints the City Manager, or his/her successor or his/her designee as the City's Plan Administrator for the Program; and

Section 3. The City's Plan Administrator is hereby authorized to execute the PARS legal and administrative documents on behalf of the City and to take whatever additional actions are necessary to maintain the City's participation in the Program and to maintain compliance of any relevant regulation issued or as may be issued; therefore, authorizing him/her to take whatever additional actions are required to administer the City's Program.

Section 4. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED by the City Council of the City of Pittsburg at a regular meeting on the 21st day of October 2019, by the following vote:

AYES:

NOES:

ABSTAINED:

ABSENT:

Juan Antonio Banales, Mayor

ATTEST:

Alice E. Evenson, City Clerk



CITY OF PITTSBURG

Request for Proposals to Administer a Section 115 Pension Prefunding Trust

Date Due: August 2, 2019, 2:00m

Proposer: PARS (Public Agency Retirement Services)

July 29, 2019

Brad Farmer, Director of Finance
City of Pittsburg
65 Civic Avenue
Pittsburg, CA 94501

Request for Proposals to Administer a Section 115 Pension Prefunding Trust

Dear Mr. Farmer,

Public Agency Retirement Services (PARS) is proud to submit the enclosed proposal to provide Section 115 Pension Prefunding Trust Services for the City of Pittsburg. Our "IRS-approved," Pension Rate Stabilization Program (PRSP) will provide the City with comprehensive administration, trustee, fiduciary investment management & advisory, compliance monitoring and reporting services to help prefund its net pension liability.

PARS, the pioneer of pension prefunding, will serve as the program's consultant and trust administrator, U.S. Bank will serve as trustee, and HighMark Capital Management (HighMark) will serve as investment advisor/manager. Together, our firms are the best qualified to perform the requested services due to the following key features:

- **Experienced, Industry Leading Trust Administrator** – With over 400 Section 115 Trust accounts under administration, including over 200 for pension prefunding, PARS is both the pioneer and #1 provider of Section 115 pension prefunding trust administration in California and the nation.
- **Strong, Secure Trustee** – The City's assets will be safeguarded by U.S. Bank, the 5th largest bank in the nation. U.S. Bank holds over \$3.5 billion in Section 115 Trust assets, making it one of the largest trustees for these type of assets in the country.
- **Successful, Highly-Respected Investment Management** – As a sub-advisor to U.S. Bank, HighMark will provide hands-on investment management/advisory services for the City. The firm, which has 100 years of experience and manages over \$15 billion in assets (including \$1+ billion in Section 115 Trust assets), provides the highest levels of investment fiduciary protection and offers multiple investment options to fit the City's current and changing needs.
- **Innovative Trust Design** – The PARS PRSP is structured as a unique, industry-leading "combination" trust approach which allows both pension and/or OPEB to be prefunded within one single trust. This structure helps to bring economies of scale and cost efficiencies to the City, while still allowing for local control and customization.

4350 Von Karman Ave., Ste. 100
Newport Beach, CA 92660-2080
800.540.6369
fax 800.660.8057
www.pars.org

PARS is committed to meeting the needs of the City and will provide a full team of highly experienced personnel to manage your account. This team will be led by:

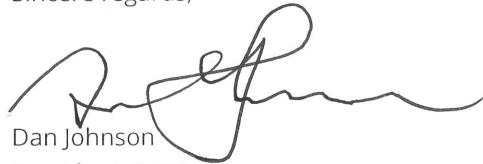
Rachael Sanders, PARS Senior Manager, Consulting

Phone: (800) 540-6369 Ext. 121

Email: rsanders@pars.org

As President of PARS, I have the authority to legally bind the proposing firm. Thank you for your thoughtful consideration of our proposal.

Sincere regards,

A handwritten signature in black ink, appearing to read 'Dan Johnson', with a stylized, flowing script.

Dan Johnson
President, PARS

TABLE OF CONTENTS

Executive Summary	1
Questionnaire	
A. Proposing Firm & General Information	3
B. Qualifications & Experience	4
C. Program Team & Relationship Services	6
D. Trust Products and Services	12
E. Trustee and Trust Administration Services for Section 115 Trust	15
F. Investment Services	18
G. Fees	23
H. References	25
I. Certificate of Insurance	26

Appendix:

- Exceptions to Services Agreement
- Key Program Advantages
- Client List
- IRS PLR
- Investment Portfolios
- Reporting
- Certificates of Insurance
- Sample Implementation Documents

EXECUTIVE SUMMARY

Public Agency Retirement Services (PARS), in collaboration with U.S. Bank and HighMark Capital Management (HighMark) propose a comprehensive solution for the City of Pittsburgh's Section 115 Pension Prefunding Trust services needs. Utilizing PARS' industry-leading Pension Rate Stabilization Program (PRSP), the City can prefund its pension liabilities in an IRS-approved Section 115 trust which provides economies of scale for investment, administrative, and trustee services while at the same time minimizing staff burdens and costs.

With many years of experience and **over 400 Section 115 Trust clients, including over 200 in CA for pension prefunding**, we have developed a unique, comprehensive program that combines the following services:

- Trust administration & recordkeeping
- Signature-ready trust documents
- Trustee & custodial services
- Fiduciary investment management/advisory services
- Consulting & advisory
- Comprehensive reporting & performance monitoring
- Annual audits & GASB 67/68 reporting assistance

Who are the providers of the PARS PRSP?

The turn-key, PARS Section 115 PRSP operates as a collaboration of the following three industry leaders:



PARS – Trust Administrator

Dedicated to the retirement plan and trust needs of California public agencies since 1984, PARS administers over 400 Section 115 trust plans with \$2.6 billion in assets. As pioneer and administrator of the **largest and fastest growing pension prefunding trust in the nation**, PARS will handle all recordkeeping, reporting, servicing, compliance monitoring and program coordination for the City's account.



U.S. Bank – Trustee/Custodian

The **largest trustee for pension and OPEB prefunding in the nation**, U.S. Bank will serve as trustee and custodian. The Bank, which serves all of PARS' 1,000+ public agency plans, has over \$3.5 billion in Section 115 trust assets under administration, and will act in a fiduciary role to safeguard the City's assets.



HighMark – Investment Manager

Operating as a discretionary investment manager and sub-advisor to U.S. Bank, HighMark will provide active portfolio management for your account. Serving **over 500 PARS clients, including all of our city, county, and special district Section 115 Pension prefunding clients**, HighMark understands your unique investment needs.

Why is the PARS PRSP Section 115 Trust the best solution for the City of Pittsburgh?

PARS has continually fine-tuned its Section 115 Trust Program to meet the distinct needs of California public agencies. Today, our program is comprised of the following key features:

- **Ready-to-use, simply-organized** irrevocable Section on 115 multiple employer trust and investment program that is compliant with California and federal law, as well as GASB 67/68 rules
- **First-of-its-kind, multiple-employer trust approach** that allows **pension and OPEB** liabilities to be prefunded within the same trust, but with assets accounted for separately (per GASB rules)
- **Market leading provider with over 200 pension prefunding clients** in California
- **Robust, well-established fiduciary investment structure** that aims to minimize/downside investment risk while providing strong investment performance long-term
- **IRS-approved** trust that provides immediate tax-exempt status to client agencies
- **Flexible, discretionary investment options** designed by HighMark specifically for prefunding pension liabilities - The City can select from 5 model portfolios as well as a customized option, all of which can be either actively or passively managed
- **Investment policy development, asset allocation assistance and ongoing portfolio analysis** to meet the City's objectives
- **Hands-on, individualized attention** from highly experienced PARS/HighMark services team that has a long, successful track record working with California cities
- Regular reporting that includes **monthly/annual statements, quarterly reports, and periodic in-person reviews**
- **Streamlined implementation process** with signature-ready documents and technical guidance
- **Strong, historical investment returns** - We provide true, historical 1, 3, 5 and 10 year return information, not hypothetical what-if scenarios
- **No startup costs, minimum contribution requirements, transaction fees, trading fees or ongoing compliance costs**
- **Agent Multiple Employer Trust** designation to simplify GASB reporting and auditing requirements
- **Fees that decrease** as assets accumulate
- **Assistance with the new GASB 67/68 (pension) reporting requirements** including certified trust-wide audit performed by White Nelson Diehl Evans with accompanying SOC-1 Type II audit
- Simple and financially **sound process for contribution and disbursement** of funds
- **Ongoing consulting and technical guidance** led by the City's assigned Consultant and PARS Senior Manager, Rachael Sanders
- **No red tape or fees** to enter or leave the trust in addition to a no-cost 30-day termination option
- **Local control** that enables the City to determine its own target rate of return assumptions, distribution frequencies, and risk tolerance levels
- **Fiduciary protection** from the 5th largest bank and one of the largest Section 115 trustees in the nation, U.S. Bank
- **Experience from PARS, a 35 year veteran** in the administration of retirement plans and trusts for public agencies and #1 provider of Section 115 Pension prefunding trust accounts in CA and the nation

QUESTIONNAIRE

A. PROPOSING FIRM & GENERAL INFORMATION

Question 1: Company name and address.

Public Agency Retirement Services (PARS)
4350 Von Karman Ave, Suite 100
Newport Beach, CA 92660

Question 2: RFP contact/phone/fax/email

RFP Contact: Rachael Sanders, CEBS, PARS Senior Manager, Consulting
Phone: (844) 540-6369 Ext. 121
Fax: (800) 600-8057
Email: rsanders@pars.org

B. QUALIFICATIONS AND EXPERIENCE

Question 1: Describe your firm's history and primary business functions.

PARS History

Since 1984, PARS has provided niche retirement plans and trusts to public agencies, primarily in California. The following is a timeline which shows some of our key milestones:

- 1984** · PARS begins to design and administer niche retirement plans for public agencies.
- 1990** · PARS creates the Public Agency Retirement System Trust, an IRC Section 401(a) multiple employer retirement trust program. PARS has since developed several other multiple employer trusts for public agencies based on this initial model.
- 1996** · PARS developed its first trust (VEBA) for prefunding retiree medical benefits in CA.
- 2001** · PARS begins consulting with public agencies on projects related to retiree health care liabilities.
- 2003** · PARS begins developing an innovative Section 115 irrevocable trust based on its already established multiple employer trust model.
- 2004** · A school board association hires PARS to develop and implement a Section 115 multiple employer trust to prefund retiree health care.
- 2006** · PARS receives the first ever IRS PLR (Private Letter Ruling) given on a multiple employer Section 115 trust for post-retirement health care funding. The IRS requests publication of the trust's details as an example for other OPEB multiple employer trusts.
- 2015** · PARS establishes a new Section 115 trust that allows prefunding of both pension and/or OPEB costs. This trust subsequently receives a favorable private letter ruling from the IRS, the first of its kind in the nation.
- 2016** · PARS has record year adding over 60 clients to its pension prefunding trust, making the firm the clear market leader and program expert.
- 2019** · The PARS PRSP continues to grow in client numbers and assets. Another 120+ agencies join the program to prefund pension obligations in the last 2 years and PARS now administers over \$2.6 billion in Section 115 trust assets.

Primary Business Functions

Since 1984, PARS has designed and administered customized retirement plan and trust solutions solely for public agencies. Founded and headquartered in California, our firm offers local government agencies control and flexibility to meet each agency's individual needs while administering programs that have saved millions of dollars in public resources. PARS has consulted with thousands of public agencies since we were first established, all while aiming to provide superior employee benefits increased management effectiveness, reduced operating costs, and lower administration burdens.

Question 2: Describe your firm's experience serving public agency clients and providing governmental retirement plan services.

Public Agency Retirement Services (PARS) has been designing and administering niche retirement plan and trust solutions exclusively for public agencies for the last 35 years. Since we were first established, we have built up a record of service which includes the following:

- Administration of over 1,900 plans for more than 900 public entities, including 750 in California
- Development of the nation's first multiple-employer Section 115 Trust Program for Pension prefunding (2015) and first multiple-employer Section 115 Trust for OPEB prefunding (2006)
- First provider to obtain an IRS Private Letter Ruling on a multiple-employer, Section 115 OPEB Combination (Pension and/or OPEB) trust (2015) and Section 115 OPEB trust (2006)
- Nation's largest and fastest growing Pension prefunding trust provider and combination OPEB/Pension prefunding trust provider with 400 member agencies
- Development and administration of multiple employer Section 115 Trust Programs for numerous associations and group entities including the Community College League of California and California School Boards Association
- Ongoing servicing for over 500,000 public employees
- Primary pension provider for numerous public agency clients

Question 3: How long has your firm been providing Section 115 trust services?

PARS has been providing multiple-employer Section 115 irrevocable trust services to public agencies since 2006, and is now one of the largest providers in the nation, with **400+ participating members and over \$2.6 billion in assets.** In addition, a full list of agencies in our Section 115 Trust can be viewed in the Appendix under "*Client List.*"

C. PROGRAM TEAM & RELATIONSHIP SERVICES

Question 1: Provide the resume of the person (account executive) who will be assigned to coordinate services to the City.

The following PARS employee will serve as the account executive and primary point of contact for the City's PRSP account:

Rachael Sanders, CEBS, Senior Manager, Consulting, PARS



Role

Rachael will serve as the designated representative and primary point of contact to facilitate services to the City - from program initiation to ongoing administration. She will provide a full scope of consulting services to assist the City with the prefunding of its pension liabilities, and will also take responsibility for coordinating services between PARS, U.S. Bank, and HighMark. City staff will have direct access to Rachael on all matters, and she will be available to meet both in-person and over the phone as often as requested.

Experience

Rachael has 13 years of customer service experience in various private sector industries including 10 years in the retirement plan industry. She joined PARS in 2009 and during her tenure has worked closely with hundreds of public sector entities, including many municipalities in California. She is experienced in the nuances of pension prefunding trusts, post-employment benefits trusts, defined benefit and defined contribution plan design, and early retirement incentives. Rachael has served in PARS' consulting department since 2012, working hand-in-hand with California municipalities since this time.

Education

Rachael has a BA in Communications and Spanish from the University of California, Santa Barbara, where she graduated with High Honors. Additionally, she completed a Certified Employee Benefits Specialist (CEBS) designation through the Wharton School at the University of Pennsylvania.

Question 2: Identify the members of the plan service team including their tenure with your firm, background, and the role they will play in managing the City's trust account.

The following is a list of key service team members that will be assigned to the City's account and work alongside the account executive, Rachael Sanders. Please note that these individuals will be supported by a full team working behind the scenes at both PARS and HighMark's California headquarters.



Nik Weigand, Senior Client Services Coordinator, PARS

Role

Nik will be directly involved with ongoing client services related to the City's pension prefunding Trust account. After implementation, he will be the internal point of contact for staff and will work alongside Rachael to manage any administrative issues that arise. Nik's primary role is to ensure that the City's needs are met and he will provide ongoing technical support regarding reporting, contributions, distributions, and other trust account activities.

Experience

Nik has more than 10 years of experience in various client relations positions within the public and private sectors. He joined PARS' Client Services Department in 2017 after spending 4 years in Plan Support.

Education

Nik is a graduate of the University of Nebraska-Lincoln and holds a B.S. in Business Administration with a marketing and management focus.

Andrew Brown, CFA, Director & Senior Portfolio Manager, HighMark



Role

As a Senior Portfolio Manager, Andrew is responsible for managing investment portfolios on behalf of Section 115 OPEB and pension trust clients, retirement plans, foundations, not-for-profit organizations, and high net worth investors. On plan inception, he will meet with staff to discuss the City's investment needs, and will craft an Investment Policy Statement that will serve as the underlying investment guide to your account. The City will have direct access to Andrew at all times, and he will be available to provide ongoing investment advice at the City's request.

Background

Andrew joined HighMark in November 1997 and he has been working with PARS clients for over a decade. Prior to joining HighMark, Andrew's work experience includes three years as a Japanese Equity Specialist at Wako Securities (America). His duties there included designing and implementing a marketing program to sell Japanese stocks to institutional investors. He also performed securities analysis for Japanese equities and made buy/sell recommendations on Nikkei 225 and OTC equities. Andrew has more than 20 years' experience in the investment industry.

Education

Andrew received a BA in International Relations, concentrating in Asia-Politics/Economy (1984-1989), and an MBA with an emphasis in Finance/Marketing (1993-1997), both from the University of Southern California. In addition, Andrew is also a Chartered Financial Analyst (CFA) charter-holder.

Faith Hermann, Senior Manager, Implementation, PARS



Role

Faith will manage implementation of the City's plan, as well as monitor document compliance on an ongoing basis. If legal, legislative, and regulatory changes are identified that impact the PARS trust or the City's account, Faith will coordinate with our legal counsel in providing updated drafts/required amendments of the trust and plan documents for review by your legal counsel. Faith has served PARS clients in this role since 2013.

Experience

Faith brought over 13 years of experience from prior positions in project management, client services and sales with local and international clients. She joined PARS in February of 2009 as a Plan Support Specialist. In 2010, Faith was promoted to the Client Services Department where she provided superior client service to over 200 clients in California, Nevada and Texas as a Senior Client Services Coordinator. In January 2013, Faith joined the Implementation Department. She currently serves as Senior Manager where she oversees the implementation and ongoing compliance of all PARS trust programs in coordination with the PARS Trustee.

Education

Faith attended California State University, Fullerton majoring in English. She is currently pursuing her Certified Employee Benefits Specialist (CEBS) designation from the International Foundation of Employee Benefits and the Wharton School of Business.

Phillip Muschetto, Vice President, Plan Accounting, PARS

Role

As Vice President of Plan Accounting, Phillip is responsible for monitoring all contributions and distributions. He will perform periodic accounting and reporting for the City's PRSP account, and also oversees the annual trust wide audit performed on the PARS Trust.

Experience

Phillip joined PARS 15 years ago. Working his way up through the Accounting Department, Phillip is now responsible for updating and allocating monthly transactions within the PARS database to more than 1,000 plans. He also oversees the reconciliation of all contributions, distributions, earnings, and expenses.

Education

Phillip has a BA in Finance from California State University, Long Beach, and earned an MBA in Accounting from National University.

Question 3: Who will provide trust administration, trustee and investment management services for the Trust Program? Detail the background and experience of all service providers.

The PARS PRSP operates as a collaboration of 3 industry leaders, with PARS serving as trust administrator, U.S. Bank as trustee, and HighMark as discretionary investment manager. Below is more detail on the background and experience these firms.

PARS

Public Agency Retirement Services (PARS) has been designing and administering niche retirement plan and trust solutions exclusively for public agencies for the last 35 years. Founded and headquartered in California, our firm offers local government agencies control and flexibility to meet each agency's individual needs while administering programs that have saved millions of dollars in public resources. PARS has consulted with thousands of public agencies since we were first established, all while aiming to provide superior employee benefits increased management effectiveness, reduced operating costs, and lower administration burdens.

PARS' record of service includes the following:

- Administration of over 1,900 plans for more than 900 public entities, including 750 in California
- Development of the nation's first multiple-employer Section 115 Trust Program for OPEB prefunding in 2006 and pension prefunding in 2015
- Development of nation's first combination multiple-employer trust that allows for combined pension and/or OPEB prefunding
- First provider to obtain an IRS Private Letter Ruling on a multiple-employer, Section 115 OPEB trust (2006) and Section 115 Combination trust (2015)
- Nation's largest and fastest growing Section 115 Pension prefunding trust provider with over 200 member agencies adopting the plan since 2015
- Implementation and ongoing management of over 400 Section 115 trust accounts
- Development and administration of multiple employer Section 115 Trust Programs for numerous associations and group entities including the Community College League of California and the California School Boards Association
- Administration and management of the City's supplemental Retirement Enhancement Plan from 2002-2010
- Ongoing servicing for over 500,000 public employees
- Primary pension provider for numerous public agency clients in California

As trust administer, PARS will provide all plan development, consulting, compliance monitoring, reporting, accounting, education, contribution/disbursement processing, document management, actuarial coordination, and program oversight services for the City's account.

U.S. Bank (Trustee/Custodian)

Established in 1863, U.S. Bank is the fifth largest bank and highest rated in the country. U.S. Bank has offices throughout the U.S., including many in California, and has over \$5 trillion in assets under administration. The Bank's Institutional Trust & Custody division, which is responsible for Section 115 Retirement Trust services, manages more than 2,600 clients in 27 locations.

U.S. Bank is consistently recognized for its fiscal conservativeness and sound business model which has enabled investments in core business lines such as Institutional Trust and Custody. This division that provides advisory, trustee, and investment management services to PARS PRSP clients prides itself on the following qualifications:

- Sixth largest custodian in the United States with more than **2,600** clients in **27** locations
- Manages over **\$450 million** in client assets
- Provides trust and investment services to over **1,400** government clients
- One hundred years in institutional trust and custody business
- Has provided investment management and advisory services since 1914
- One of the largest trustee of Section 115 trust assets in the country with **\$3.5 billion** and growing

U.S. Bank has been acting as trustee and investment manager for health funding programs similar to pension and OPEB pre-funding trusts, including VEBAs and HRAs, for the last **70+ years**. The Bank first began providing trustee/investment services for Section 115 trusts in 2004 when it took on a large school board association trust with PARS as the administrator. In 2012, U.S. Bank became trustee to all of PARS' 1,000+ clients, and is now the largest trustee for pension pre-funding in the nation.

HighMark Capital Management (Investment Manager)

Fiduciary investment advisory/management services for clients in the PARS PRSP are provided by HighMark Capital Management (HighMark). Originally established in 1919, HighMark manages over \$15 billion in U.S equity and fixed income investment strategies for a variety of individual and institutional clients including public agencies, corporate retirement plans, corporate cash portfolios, Taft-Hartley plans, hospital funds, insurance companies, foundations and endowments.

Since the firm's founding 100 years ago, HighMark has continued to provide innovative investment solutions to its clients and remains committed to outstanding research, disciplined investment processes, and comprehensive risk management. This three pronged approach enables HighMark to deliver insightful investment guidance and superior service while at the same time striving to exceed client expectations and deliver value at every level of the investment relationship.

HighMark has provided fiduciary investment advisory and management services to PARS' clients, including those in our retirement trust programs since 1992. Today, HighMark serves over 300 of PARS' Section 115 Trust clients, including over 150 in the PARS PRSP, managing in excess of \$1 billion in assets.

Question 4: How long have the trust administrator, trustee and investment manager worked in collaboration? Describe all relationship changes since your firm first developed its Section 115 trust program and explain why these changes occurred.

HighMark has worked in conjunction with PARS since 1992 and U.S. Bank since 2004. The three firms have worked in collaboration on PARS Section 115 trust programs since 2012.

The only relationship change that has occurred since PARS developed its first Section 115 trust was a switch from Union Bank to U.S. Bank as trustee in 2012. This change was due to Union Bank selling off all of its institutional trustee business in 2012. There have been no relationship changes since PARS' Section 115 pension prefunding trust was set up in 2015.

Question 5: Will you use any subcontractors for the servicing of this plan? If yes, please describe.

PARS will handle all day-to-day administration of the program in-house as we have done since we first began administering retirement healthcare trusts in 1996. PARS does not contract out administrative tasks to other companies, however, PARS does retain the following professionals for legal and audit work:

- PARS legal counsel for its PRSP is Pillsbury Winthrop Shaw Pittman LLP, one of the largest law firms in the nation. The firm provides ongoing legal and compliance support related to federal law and was involved both with the development of our trust agreements/documents, as well as with coordination of obtaining the IRS PLR. PARS has worked with Pillsbury since 2013.
- The PARS Trust auditor is White Nelson Diehl Evans LLP. White Nelson Diehl Evans LLP is built upon over 75 years of knowledge and expertise in business practices, economic trends, and the ever-changing tax scene. They also have a strong base of clients among governmental agencies, in both the auditing and consulting arenas and have served as the auditor of the PARS Trust programs since 1997.

As mentioned above, U.S. Bank will provide trustee services for the City's trust account and HighMark will serve as investment manager. However, both of these firms operate independently and are not subcontractors of PARS.

Question 6: Please provide sample copies of contract documents you would expect to require the City to sign to enter into an agreement.

Copies of sample documents can be viewed in the Appendix under "Sample Implementation Documents."

D. TRUST PRODUCTS & SERVICES

Question 1: Explain the structure of your Section 115 trust solution(s) including whether you can provide a multiple employer trust for economies of scale.

PARS Program Structure

PARS' proposed trust solution to meet the services requested by the City of Pittsburgh is a Section 115, IRS-approved irrevocable multiple-employer trust which brings investment and administrative economies of scale to the program's member agencies. The program is formulated as an aggregation of individual employer plans which means there is no sharing of assets or risks. This model follows the same concept that PARS has utilized successfully for its pension/OPEB prefunding clients since 1990 and is currently being used by some the largest cities, counties, and school districts in the country.

Our program is structured with the following characteristics:

- **Separate Accounts**

Separate accounts (or sub-trusts) are maintained for each employer and assets are segregated by individual agency. In addition, agencies can create separate sub-accounts by CalPERS plan (e.g., Misc., Safety, etc.) or bargaining group, if required.

- **Separate Liabilities**

Employer contributions provide benefits only for employees of that employer. This means there is **no cross-liability or joint liability** among participating public agencies.

- **Economies of Scale**

By using a multiple employer trust approach, the City benefits from the cost and administrative efficiencies associated with joining other public entities.

- **Local Control**

There is no central authority placing mandates on the trust that may not be in the best interests of the City. The City ultimately maintains complete discretionary oversight of the Trust.

- **Tailored Investments**

Assets can be pooled for investment purposes based on asset allocation risk models to fit with the City's actuarial and discount rate needs.

- **Combination Trust**

PARS' trust approach allows both Pension and/or OPEB obligations to be funded in one single trust. Assets are held in separate sub-accounts but aggregated for fee reduction purposes.

Multiple-Employer Trust Approach

PARS recommends the use of its “turn-key,” innovative Section 115 multiple employer trust approach because this structure is simpler and lower in cost than a single-employer trust, and also brings the following key features:

	Multiple Employer	Single Employer
Set-Up	No set up is required as trust already exists	Set up of new trust takes time and would require costly legal review
IRS Private Ruling	Already obtained and covers entire trust	IRS no longer issuing PLRs for single employer trusts
Documents	Existing master plan/trust documents are used which have already been vetted by every joining agency	Must be developed/created by attorney or a prototype used
Ongoing Workload of City	Little. Significant economies of scale and administrative efficiencies are gained through a multiple employer trust approach	Cost and effort to administer and audit – stand-alone trust can create significant work and additional costs
Compliance	Assistance provided by Trust Administrator, PARS	Responsibility of employer and its attorney and auditors
Investments	Both pooled and customized options available with active and passive strategies	Only customized options available
Economies Of Scale	Yes	No
Fees	Lower due to economies of scale and can decrease with asset growth	Higher due to limited scale

Question 2: Does your Section 115 trust program have approval from the IRS in the form of a Private Letter Ruling (PLR)? If so, please provide a copy.

Yes. PARS received a “first of its kind” Private Letter Ruling (PLR) from the IRS in June 2015 for its innovative “combination” trust vehicle which allows local government agencies to set aside funds to prefund Pension and/or OPEB obligations. This PLR, which is not a “Revenue Ruling,” and cannot be applied to other trusts, confirms the tax-exempt treatment of the PARS PRSP for each participating agency.

The PLR is a major advantage of the PARS program as these rulings are no longer being issued by the IRS. Therefore, if the City were to create its own Section 115 pension prefunding trust, or join a multiple employer trust through a company who has not received a private letter ruling, it would not benefit from the added layer of protection that an IRS PLR provides.

A copy of PARS’ PLR can be viewed in the Appendix under “IRS PLR.”

Question 3: Describe the full scope of consulting services you can provide in analyzing funding options and designing a funding program.

PARS will work closely with staff from the outset to analyze and implement a trust program that will help the City address its rising pension liabilities. Lead Consultant Rachael Sanders will oversee implementation, design and administration of the City's trust account and can provide the following consulting services from the initial program development phase onwards:

- Discussion of plan and trust design options
- Analysis and review of various funding options
- Assistance with developing and modifying funding policies
- Analysis and discussion of actuarial issues and valuations
- Monitoring/updates of legislation, laws, and regulations impacting pension pre-funding
- Development of materials and presentations to assist the City, its Council, and relevant committees in understanding pension pre-funding/trust services
- On-site reviews to discuss modifications to funding and investment strategies based on changing program, and/or budgetary circumstances

Question 4: Can the trust be used to fund both pension and OPEB obligations in one combined approach? If yes, how are fees calculated?

Yes, a key advantage of the PARS program is that our Section 115 trust allows for the combined prefunding of both Pension and OPEB obligations, if desired. Under this approach, assets are held in separate sub-accounts (per IRS rules), but aggregated for fee reduction purposes.

E. TRUSTEE & TRUST ADMINISTRATION SERVICES FOR A SECTION 115 TRUST

Question 1: Please provide a comprehensive list of trust administration and trustee services you will provide. Please note if there are additional costs for any of these services.

Below is a list of trust administration and trustee services that we will provide to City as part of the PARS PRSP. Please note there are no additional costs for any of these services.

Trust Administration (PARS)

- Initial meeting(s) with City staff to establish comprehensive trust, determine implementation schedule, review investment goals, and finalize specific plan and funding provisions
- Signature-ready implementation documents which enable implementation to be completed within 3-4 business days of executed plan documents being received by PARS
- Maintenance of detailed accounting records, including any sub-accounting, which includes individual recordkeeping of the City's contributions, earnings, and assets
- Reconciliation of contributions to the trust account
- Coordination of distributions from the City's trust account, which includes receiving distribution documentation and directing the trustee to make distributions
- Monthly and annual statements to the City as well as any customized reports as requested
- All necessary forms, handbooks, training, and technical support
- Administrative training meeting at implementation as well as ongoing training as necessary
- Onsite client service reviews to ensure the City's ongoing satisfaction with the trust program
- Participation at meetings and assistance in education/presentation preparation for City Council, staff, or employee groups, if requested
- Coordination of annual trust-wide audit
- Preparation and submission of documents as required by the City's auditors based on GASB 67/68 (pension) reporting
- Periodic publications and resources on legislative regulatory developments related to pension prefunding
- Ongoing consulting/analytical services as needed

Trustee Services (U.S. Bank)

- Safeguarding of assets for the exclusive benefit of City employees, retirees, and beneficiaries
- Receipt and investment of the City's contributions according to selected investment strategy
- Electronic interface and reporting to the trust administrator
- Reimbursements for pension related costs made to either CalPERS or the City

Question 2: Describe how contributions and distributions are handled.

Following plan adoption, PARS will provide the City with an Administrator's Handbook to instruct and assist staff with ongoing administration of the plan. The document includes information on contribution and distribution procedures, as well as form completion, reporting requirements, and timelines.

Contributions

With the PARS PRSP, the City has full discretion as to the amounts, timing, and frequency of contributions it makes into the trust. Funds can be sent either electronically or by check, and should be accompanied by a signed Contribution Form. Once the funds are received they are invested in accordance with the selected investment portfolio and will be denoted on the City's subsequent monthly statement.

Distributions

Like contributions, the City will have full control over the withdrawal of its funds, providing the legal restrictions imposed by the trust and plan are adhered to. For instance, disbursements can only be used to pay for pension plan or administrative expenses (e.g. CalPERS plan costs or actuarial valuation services). As long as these basic requirements are met however, there are no restrictions on the timing or frequency of disbursements. Our program also allows expenses to be reimbursed for the last two years of CalPERS Employer contributions (current and prior plan year).

The City will make reimbursement requests using a form provided by PARS that indicates pension costs for a particular period. In order to keep the process secure, every form submitted must be signed by the designated Plan Administrator or his/her designee. The City can request that any reimbursements be made: (a) directly to the City, or (b) to pension plan providers (e.g. CalPERS) directly.

Question 3: What reporting will you provide to the City?

Both PARS and HighMark place a key focus on regular, detailed, and fully transparent reporting and will provide the following reports from plan inception onwards:

- **Monthly account statements**

Produced by PARS, these will be mailed directly to the City and can be sent electronically upon request. The statements summarize the City's opening balance, contributions, distributions, earnings, fees, closing balance, and also provide monthly return information.

- **Quarterly investment reports**

Quarterly performance reports will be provided to the City by HighMark. These provide an analysis of the City's selected portfolio by including information such as asset allocation ranges, investment returns, portfolio holdings, and capital market outlooks.

- **Annual statements**

PARS will provide the City with an annual statement at the plan's year-end. These reports provide a full overview of account activity and performance comparisons for the previous year.

- **Client reviews**

In addition to producing statements, PARS and HighMark will meet with the City at least annually (or more often if requested) to conduct onsite client service reviews. These meetings will provide a full breakdown of the City's plan/investment activity and are intended to ensure staff's full satisfaction with the program.

- **GASB Reporting Documents**

To assist with GASB 67/68 reporting and compliance, PARS will provide the City with the following:

- An individual trust statement of the City's plan assets that shows a reconciliation of assets held at the beginning of the fiscal year through the end of the fiscal year, breaking out the appropriate plan contributions, benefit payments, expenses, and investment earnings
- Year-end audited financial statements of the Trust as a whole including Schedule of Changes in Fiduciary Net Position by Employer completed by White Nelson Diehl Evans that are intended to be compliant with GASB 74 requirements.
- Supporting SOC 1-Type 2 report on the controls over the calculation and allocation of additions and deductions to employer accounts within the Trust
- Investment allocation data and information on investment policies including target asset allocations and allowable asset class allocation ranges

- **Ad hoc reports**

If the City requires additional or customized reports, PARS can work with staff to produce these at no additional cost.

- **Audit**

A trust-wide audit of PARS' Section 115 trust is performed annually and will be provided to the City. Our current auditor is White Nelson Diehl Evans.

A sample statement and sample investment reports can be viewed in the Appendix under *"Reporting."*

F. INVESTMENT SERVICES

Question 1: Describe the investment advisory services that you offer with respect to the Section 115 trust.

The PARS PRSP utilizes HighMark, a sub-advisor to the trustee U.S. Bank, to provide discretionary investment services for clients in the trust. The following investment services are provided by HighMark from plan inception onwards:

- Initial meeting conducted with City staff to review investment needs/goals, and finalize specific plan and funding provisions
- Development of investment policy statement, investment allocation strategy and asset management plan based on City's actuarial, risk tolerance, funding, and other considerations
- Evaluation, development, and recommendation of discretionary investment options to address the City's objectives
- Preparation of an investment strategy implementation timeline
- Professional investment advisory and/or management services through discretionary trustee approach
- Regular monitoring of risk and returns to ensure they are in line with investment guidelines
- Ongoing consultation with City staff regarding the selection of investment managers, changes to investments, and rebalancing
- Detailed investment reports showing portfolio holdings, transactions, and performance
- Periodic in-person meetings with staff to review and evaluate investment policies, objectives, asset allocation and portfolio structure
- Customized reports generated on request

Question 2: Do you provide for discretionary management of assets? If so, please confirm and acknowledge your role as a fiduciary.

Yes. The PARS PRSP offers discretionary management of assets whereby U.S. Bank serves as trustee, and HighMark as the investment sub-advisor. This approach allows the City to mitigate investment fiduciary risk by designating a professional investment advisor/manager to have discretion of strategic and tactical investment decisions. Under this approach, the City's only responsibilities for the management of its investments are to: (a) agree to investment goals and objectives formulated in the investment policy statement developed by HighMark and (b) monitor and evaluate the reports, statements, and quarterly reviews to confirm that HighMark's portfolio is compliant with the investment policy statement. Ultimately, this approach leaves investment decisions in the hands of professionals, and it typically results in stronger returns in the long run.

Fiduciary Protection

U.S. Bank will serve as a fiduciary to the trust acting as discretionary trustee. U.S. Bank takes its fiduciary responsibilities with the utmost seriousness and is dedicated to fulfilling its fiduciary responsibilities in line with the following core principles:

- Act in the sole interest of participants and beneficiaries
- Act prudently and manage risk

- Follow the terms of plan documents
- Avoid conflicts of interest
- Avoid engaging in transactions that benefit interested parties as a conflict of interest
- Treat beneficiaries with impartiality

As the program's investment sub-advisor, HighMark is also considered a fiduciary to the trust. HighMark will ensure that the City's fiduciary obligations are met by maintaining investment of assets according to the parameters established in California and federal law. Ultimately, the combined delivery of discretionary trustee and investment management services means that the City benefits from significant fiduciary protection.

Question 3: Do you offer assistance with investment strategy selection and investment policy development? Will you provide specific asset allocation recommendations? If so, please explain.

Yes. As the program's investment manager, HighMark will assist the City with the investment of its assets by providing asset allocation recommendations and investment policy development assistance prior to program inception.

Prior to making any asset allocation recommendations, designated Portfolio Manager Andrew Brown, will gain an in-depth understanding of the City's circumstances. Andrew will focus on determining a diversified, multi-asset portfolio structure that represents an optimal asset mix based on your time horizon, risk tolerance level, and liquidity needs. Primary consideration for asset allocation is given to the following:

- **Investable Cash Flow:** How does the City plan to prefund its pension liabilities?
- **Return Expectations:** What are the target rate of return assumptions for the plan?
- **Risk Tolerance:** What is the comfort level with investments and varying risk?
- **Income and Liquidity Needs:** What are needs for income to pay current liabilities?
- **Investable Cash Flow:** How does the City plan to prefund its pension liabilities?
- **Investment Restrictions:** What type of investments would be not permitted by the City?

After receiving input from staff, Andrew will develop an investment policy statement (IPS) unique to the City, which will serve as the foundation for all investment decisions moving forward. Once the IPS has been completed, it must be reviewed and approved by the designated Plan Administrator before going into effect.

Question 4: Describe the investment options available.

The PARS PRSP was designed to give client agencies maximum investment flexibility. Utilizing HighMark as discretionary investment manager, the City has the following choices related to the investment of its funds.

1. Five Risk Tolerance Levels

The City can participate in one of five risk tolerance levels that have been developed specifically for clients in PARS' Section 115 Trust Programs. The five portfolios include: (a) actively-managed underlying mutual funds intended to outperform benchmarks or (b) low-cost Index/Exchange-Traded Funds (ETFs) which are baskets of stocks tracking the composition and performance of most leading market indices.

The following table provides shows the tactical asset allocation targets for each of the five portfolios:

Strategy	Equity (%)	Fixed Income (%)	Cash (%)
Capital Appreciation	76%	22%	2%
Balanced	61%	36%	3%
Moderate	51%	46%	3%
Mod. Conservative	31%	66%	3%
Conservative	16%	78%	6%

A full breakdown of the funds within the pre-established portfolios can be viewed in the Appendix under *"Investment Portfolios."*

2. Customized Approach

Using a discretionary trustee approach, the City can customize its own portfolio under the investment and fiduciary advice of HighMark to include: (a) any funds available under an open architecture trading platform, (b) any combination of active and index funds in the pre-established portfolios, or (c) individual securities/bonds to reduce costs. This customized option, which requires \$5 million in assets or more, gives the City full flexibility of its investments.

Question 5: Please provide actual 1, 3, and 5-year return history and expense ratios for each fund/portfolio.

The annualized investment returns and expense ratios for the 5 pre-established portfolio options (as of 6/30/19) are listed below. Please note that these are true historical returns, and not hypothetical composites that some investment firms provide.

Active Portfolios			
Strategy	1-Year	3-Year	5-Year
Capital Appreciation	6.61%	10.10%	6.62%
Balanced	6.82%	9.11%	5.92%
Moderate	6.94%	7.95%	5.43%
Mod. Conservative	7.01%	5.82%	4.34%
Conservative	7.22%	4.29%	3.60%

Passive (Index) Portfolios			
Strategy	1-Year	3-Year	5-Year
Balanced	6.55%	8.09%	5.65%
Moderate	6.77%	7.14%	5.18%
Mod. Conservative	6.99%	5.10%	4.16%
Conservative	6.76%	3.57%	3.21%

Expense Ratios

Listed below are the embedded fund fees for the pre-established portfolio options as of June 2019. *Please note that these fund level fees are already netted out of reported performance returns and are not additional fees charged on top of the asset based fees listed in the next section:*

Strategy	Active Portfolios	Passive (Index) Portfolios
Capital Appreciation	0.50%	0.14%
Balanced	0.48%	0.12%
Moderate	0.47%	0.11%
Mod. Conservative	0.43%	0.10%
Conservative	0.41%	0.08%

Question 6: Will the City receive reviews of its investments? If so, please explain.

Yes. At a minimum, PARS recommends annual in-person reviews, but can also conduct in-person or over the phone meetings more frequently if requested. Client/investment reviews are attended by the City's assigned services team which is comprised of Account Executive Rachael Sanders, HighMark Senior Portfolio Manager, Andrew Brown, and

PARS Client Services Coordinator, Nik Weigand. These meetings are designed to provide a full investment and administrative review of your account, and to ensure the City's ongoing satisfaction with the program.

PARS prides itself on our strong customer service and will provide a direct line of communication to all service team members that are assigned to your account. If a question or concern arises, we encourage clients to reach out to their services team so that we can help to ensure a prompt answer and/or resolution.

G. FEES

Question 1: Provide all fees for the proposed services, including administration, trustee and investment management services. Fees for consulting, trustee and investment services should be all broken down separately.

Fees for the PARS PRSP are broken down into trust administration (paid to PARS), and discretionary trustee/investment management costs (paid to U.S. Bank/HighMark). A full breakdown of these program fees are listed below. **Please note there are no start-up or termination costs associated with our program, in addition to no minimum annual fees or transaction/trading fees.**

Trust Administration/Consulting Fees

Trust administration fees provide for all plan administration services, including compliance monitoring, consulting, recordkeeping, funding analysis, and reporting.

Company	Ongoing Fee
PARS	0.25% for assets under \$10 million
	0.20% for assets \$10-15 million
	0.15% for assets \$15-50 million
	0.10% for assets over \$50 million

Discretionary Trustee/Investment Management Fees

With HighMark serving as the program's investment manager, trustee and investment management fees are comprehensive and include investment policy development, asset allocation recommendations, asset management, and all custodial services.

Company	Ongoing Fee
U.S. Bank/HighMark	0.35% for assets under \$5 million*
	0.25% for assets \$5—\$10 million
	0.20% for assets \$10—\$15 million
	0.15% for assets \$15—\$50 million
	0.10% for assets over \$50 million

**Please note that all fees are waived on the portfolio's money market fund. The 0.35% fee represents the highest weighted investment management fee that can be charged, but as of 6/30/19 actual fees for the 5 pre-established portfolio options ranged from 0.33% - 0.34%.*

Question 2: Please detail any start-up fees.

There are no start-up fees associated with the PARS PRSP.

Question 3: What kind of expense structure do the investments in your investment platform include (i.e., no load, low-load, proprietary funds, institutional shares, etc.)? Describe any additional fees to be netted from investment performance.

The PARS PRSP investments platforms may include mutual funds, ETFs, index funds, separately managed accounts, individual stocks and bonds, or other investment vehicles permitted by the trust agreement. These investments use the following types of expense structure:

- Institutional share class funds
- No loads or commissions
- No revenue sharing, 12(b) fees

The expenses of the underlying fund fee in each portfolio are netted out of investment performance. There are no additional fees netted from investment performance such as securities lending, directed brokerage, sub-administration fees, shareholder servicing fees, or commissions.

Question 4: Describe in detail any surrender, withdrawal, or deferred sales charges within your products.

There are no surrender, withdrawal or deferred sales charges within the products offered as part of the PARS PRSP.

Question 5: Describe any fee related to transfer of assets and restrictions or costs related to termination of a contract with your firm.

There is no fee associated with the transfer of assets or termination of contract from the PARS PRSP. PARS simply requires 30 days' notice in order to transfer your assets to a like Section 115 trust (in accordance with IRS rules).

H. REFERENCES

Question 1: Please list the name, address, contact name, telephone number, and email address of five (5) public agency clients that you currently provide Section 115 Pension Prefunding Trust services for.

Reference	Contact Information
City of Oakley	Debby Sultan, Director, Finance 3231 Main St Oakley, CA 94561 Phone: 925-625-2010 Email: sultan@ci.oakley.ca.us
City of Pleasanton	Tina Olson, Director, Finance 123 Main St, Pleasanton, CA 94566 Phone: 925-931-5400 Email: toolson@cityofpleasantonca.gov
City of Hercules	David Biggs, City Manager 111 Civic Dr Hercules, CA 94547 Phone: 510-799-8200 Email: David.Biggs@ci.hercules.ca.us
City of San Ramon	Eva Howard-Phelps, Administrative Services Director 7000 Bollinger Canyon Rd San Ramon, CA 94583 Phone: 925-973-2514 Email: ephelps@sanramon.ca.gov
City of Pinole	Michelle Fitzer, City Manager 2131 Pear St Pinole, CA 94564 Phone: 510-724-9000 Email: mfitzer@ci.pinole.ca.us

A full PARS Section 115 Trust client list can be viewed in the Appendix under “Client List.”

I. CERTIFICATE OF INSURANCE

Question 1: Please provide a completed sample Certificate of Insurance

Sample insurance certificates can be viewed in the Appendix under "*Sample Insurance Certificates.*"

APPENDIX: EXCEPTIONS TO SERVICES AGREEMENT

EXCEPTIONS TO ATTACHMENT B: SAMPLE AGREEMENT CONTRACT FOR SERVICES

PARS recommends the use of its standard Agreement for Administrative Services, a copy of which is included in the Appendix under "Sample Implementation Documents."

This proposal is submitted contingent on the City of Pittsburgh's consideration of the following exceptions to certain terms and conditions set forth in Attachment B: Sample Agreement Contract for Services.

Section 4. Insurance Requirements

4.2 Commercial General and Automobile Liability Insurance

4.2.1. General requirements – PARS' Commercial General Liability policy is written on a per occurrence form. Please refer to the Evidence of Insurance certificate for further details.

4.2.2. Minimum scope of coverage – PARS' insurance provider requests that the following sentence be stricken as most policies include some type of endorsement limiting or excluding certain conditions:

"No endorsement shall be attached limiting the coverage."

4.2.3. Additional requirements – The requested additional insureds and primary/non-contributory endorsements will be provided in accordance with policy provisions.

e. With respect to the notice requirement, PARS' policies provide for a thirty (30) day written notice of policy lapse or cancellation, or of a material change in policy terms; however, a ten (10) day notice of cancellation for non-payment of premium applies.

4.4.3. Deductibles and Self-Insured Retentions – PARS' professional liability insurance has a current SIR of \$250,000.

4.4.4. Wasting Policies – PARS' insurance provider requests that this section be stricken as professional liability defense costs are within the limits of liability.

Section 5. Indemnification and Consultant's Responsibilities

5.1 General Requirement

PARS requests that the first paragraph in Section 5.1, General Requirement, be replaced with the following mutual indemnification:

"Consultant and the City hereby indemnify each other and hold the other harmless, including their respective officers, directors, employees, agents and attorneys from any claim, loss, demand, liability, or expense, including reasonable attorneys' fees and costs, incurred by the other as a consequence of, to the extent, Consultant's or the City's, as the case may be, negligent acts, errors or omissions with respect to the performance of their respective duties hereunder."

Section 8. Termination & Modification

8.1. Termination

PARS requests that written notice to terminate the Agreement without cause be not less than thirty (30) days to align with the termination provisions of our standard Agreement for Administrative Services and Trust Agreement, copies of which are included with the sample contracts and documents.

APPENDIX: KEY PROGRAM ADVANTAGES

KEY PROGRAM ADVANTAGES

Below is a list of **10 key reasons** why the PARS Pension Rate Stabilization Program is the best solution for the City of Pittsburgh:

1. IRS-approved trust structure which will protect the City from day one of funding
2. Market leading provider with over 200 client agencies prefunding pension liabilities with PARS in California
3. Rapidly growing Section 115 trust program with 400+ client agencies nationwide
4. Low cost prefunding solution with economies of scale and low investment fees
5. No start-up costs
6. No minimum fees
7. No trading fees
8. No termination fees or restrictions
9. True, historical return information over 1, 3, 5 and 10 year periods – not hypothetical what-if scenarios
10. Five (5) risk tolerance portfolios that can be either actively or passively managed in addition to a customized portfolio option

APPENDIX: CLIENT LIST

PARS CLIENT LIST – PRSP (201)

Updated July 2019

CITIES & TOWNS (97)

Alameda	Corcoran	Fairfax	La Quinta	Novato	Rohnert Park	Tiburon	Calaveras	Sutter
Atherton	Coronado	Fairfield	La Verne	Oakley	Rolling Hills	Tustin	Colusa	Tulare
Atwater	Cudahy	Fountain Valley	Lake Forest	Oroville	Ross	Union City	Humboldt	Yolo
Bell Gardens	Cupertino	Fullerton	Lemon Grove	Palmdale	San Anselmo	Upland	Kings	Yuba
Benicia	Cypress	Glendale	Lodi	Palo Alto	San Ramon	Vallejo	Lake	
Beverly Hills	Daly City	Grass Valley	Los Altos Hills	Pasadena	Santa Ana	Villa Park	Lassen	
Brea	Del Rey Oaks	Half Moon Bay	Los Alamitos	Perris	Santa Clara	West Covina	Napa	
Brisbane	Dinuba	Healdsburg	Los Gatos	Pico Rivera	Sausalito	West Sacramento	Nevada	
Burlingame	Duarte	Hercules	Manhattan Beach	Piedmont	Solana Beach	Westminster	Placer	
Camarillo	Dublin	Huntington Beach	Merced	Pinole	Stanton	Woodside	Plumas	
Capitola	El Centro	Indian Wells	Morgan Hill	Pleasanton	Stockton	Yountville	Riverside	
Chino Hills	El Segundo	Indio	Napa	Port Hueneme	Taft	Yuba City	San Benito	
Colma	Emeryville	La Habra	National City	Rancho Cucamonga	Temecula	Yucca Valley	Siskiyou	
Commerce	Escondido	La Mesa	Norwalk	Redwood City	Thousand Oaks		Solano	

COUNTIES (18)

EDUCATION DISTRICTS (40)

Citrus CCD	Rancho Santiago CCD	Yosemite CCD	Corning Union ESD	Lakeside Union SD	Placer Union HSD
Coast CCD	Rio Hondo CCD	Alisal Union SD	Coronado USD	Lemon Grove SD	River Delta USD
Grossmont-Cuyamaca CCD	San Bernardino CCD	Alta Loma USD	Cotati-Rohnert Park USD	Lindsay USD	San Marino USD
Hartnell CCD	San Luis Obispo CCD	Bass Lake Joint Union ESD	El Monte Union HSD	Madera Unified SD	Santa Rita Union SD
Imperial CCD	(Cuesta College)	Beverly Hills USD	Fontana USD	Natomas USD	Visalia USD
Marin CCD	Victor Valley CCD	Calistoga Joint USD	Hermosa Beach City SD	Ocean View SD	Whittier City SD
Pasadena CCD	West Valley-Mission CCD	Campbell Union HSD	Hesperia Unified SD	Ontario-Montclair SD	

SPECIAL DISTRICTS (46)

Alameda County Mosquito Abatement District	Goleta West Sanitary District	Moraga-Orinda Fire Protection District	Shasta Valley Cemetery District
Beach Cities Health District	Great Basin Unified Air Pollution Control District	Municipal Water District of Orange County	South Coast Water District
Central Contra Costa Sanitary District	Hesperia Fire Protection District	Napa County MAD	Southern Marin Fire Protection District
Conejo Recreation & Park District	Housing Authority of the County of Butte	Nevada County Consolidated Fire Department	Superior Court of CA, County of Inyo
Delta Diablo (Sanitation District)	Housing Authority of the County of Santa Cruz	Novato Sanitary District	Superior Court of CA, County of Kern
East Bay Regional Park District	Humboldt Bay Municipal Water District	Orange County Fire Authority	Sweetwater Springs Water District
East Contra Costa Fire Protection District	Mesa Water District	Orange County Mosquito & Vector District	Three Valleys Municipal Water District
East Orange County Water District	Midpeninsula Regional Open Space District	Pebble Beach Community Services District	Twentynine Palms Water District
El Dorado Hills County Water District	Midpeninsula Water District	Rancho Cucamonga Fire Protection Department	West Bay Sanitary District
Fallbrook Public Utility District	Mojave Desert Air Quality Management District	Sacramento Area Flood Control Agency	Yorba Linda Water District
Fort Ord Reuse Authority	Montecito Fire Protection District	San Elijo Joint Powers Authority	
Goleta Cemetery District	Monterey Bay Unified Air Pollution Control District	San Mateo Mosquito and Vector Control District	

OPEB/PENSION CLIENT LIST

Updated July 2019

CITIES & TOWNS (114)

Alameda
Alhambra
Atherton
Atwater
Bakersfield
Bell Gardens
Beverly Hills
Brea*
Brisbane
Burlingame*
Camarillo
Capitola*
Chino Hills
Colma
Commerce
Corcoran*
Coronado
Covina
Crescent City
Cudahy
Cupertino
Cypress*
Daly City
Del Rey Oaks
Dinuba
Duarte
Dublin
El Centro*
El Segundo*
Elk Grove
Emeryville
Escondido
Fairfax
Fairfield
Fountain Valley

Fullerton
Galt
Glendale
Grass Valley
Half Moon Bay
Healdsburg*
Hemet
Hercules
Hermosa Beach
Huntington Beach
Indian Wells
Indio
La Habra
La Mesa*
La Verne
La Quinta
Lake Forest
Lakewood
Lemon Grove
Livermore
Lodi
Los Alamitos
Los Altos Hills
Los Gatos
Mammoth Lakes
Manhattan Beach
Merced
Morgan Hill
Napa
National City
Norwalk
Novato
Oakley
Oroville
Palo Alto

Palmdale
Pasadena
Perris
Pico Rivera
Piedmont
Pinole
Pleasanton
Port Hueneme
Rancho Cucamonga*
Redding
Redwood City
Rialto
Richmond
Rohnert Park
Rolling Hills
Rosemead
Ross
San Anselmo
San Leandro
San Ramon
Santa Ana
Santa Clara
Santa Clarita
Sausalito
Solana Beach
Stanton
Stockton
Taft
Temecula
Temple City
Thousand Oaks*
Tiburon
Tustin
Union City
Upland

Vallejo
Villa Park
West Covina
West Sacramento
Westminster*
Woodland
Yountville
Yuba City
Yucca Valley

COUNTIES (28)

Amador
Calaveras
Colusa
Contra Costa
Humboldt
Imperial
Inyo
Kern
Kings
Lake
Lassen
Merced
Mono
Napa
Nevada
Placer
Plumas
Riverside
San Benito
Shasta
Siskiyou
Solano
Sonoma
Sutter
Trinity
Tulare
Yolo
Yuba

Bolded agencies have adopted PRSP

* PRSP only

OPEB/PENSION CLIENT LIST (CONT.)

Updated July 2019

SPECIAL DISTRICTS (93)

Alameda County MAD

Beach Cities Heath District

Bodega Bay Public Utility District

Calaveras County Water District

California JPIA

California Joint Powers RMA

Central Contra Costa Sanitary District

Central Contra Costa Transit Authority

Coastside Fire Protection District

Conejo Recreation & Park District

Contra Costa Employees' Retirement Association

Contra Costa MVCD

Crestline Village Water District

Delta Diablo (Sanitation District)

Desert Recreation District

East Bay Regional Park District

East Contra Costa Fire Protection District

East Orange County Water District

Eastern Sierra Community Services District

El Dorado Hills County Water District

Fallbrook Public Utility District

Fort Ord Reuse Authority

Fresno Irrigation District

Fresno Metropolitan Flood Control District

Glenn-Colusa Irrigation District

Goleta Cemetery District

Goleta West Sanitary District

Great Basin Unified APCD

Hayward Area Recreation & Park District

Hesperia Fire Protection District

Housing Authority of the County of Butte

Housing Authority of the County of Contra Costa

Housing Authority of the County of San Bernardino

Housing Authority of the County of Santa Cruz

Humboldt Bay Municipal Water District

Humboldt No. 1 Fire Protection District

Menlo Park Fire Protection District

Mesa Water District

Metropolitan Transportation Commission

Mid-Peninsula Regional Open Space District

Mid-Peninsula Water District

Mojave Desert AQMD

Montecito Fire Protection District

Monterey Bay UAPCD

Moraga-Orinda Fire Protection District

Municipal Water District of Orange County

Napa County Mosquito Abatement District

Nevada County Consolidated Fire District*

Novato Sanitary District

Orange County

Mosquito and Vector Control District

Orange County Fire Authority*

Orange County Water District

Pebble Beach Community Services District

Placer County Resource Conservation District

Rancho Cucamonga Fire Protection District*

Rancho Murrieta Community Services District

Rowland Water District

Sacramento Area Flood Control Agency

San Andreas Sanitary District

San Elijo Joint Powers Authority

San Mateo County MVCD

Santa Barbara County Law Library

Sewer Authority Mid Coastside

Shasta Valley Cemetery District

Santa Cruz Regional 9-1-1

South Montebello Irrigation District

South Coast Water District

South Orange County Wastewater Authority

South Placer Fire Protection District

Southern Marin Fire Protection District

Superior Court of CA, County of Contra Costa

Superior Court of CA, County of Imperial

Superior Court of CA, County of Inyo

Superior Court of CA, County of Kern

Superior Court of CA, County of Marin

Superior Court of CA, County of Merced

Superior Court of CA, County of Orange

Superior Court of CA, County of San Mateo

Superior Court of CA, County of Shasta

Superior Court of CA, County of Siskiyou

Superior Court of CA, County of Sonoma

Sweetwater Springs Water District*

Three Valleys Municipal Water District

Twentynine Palms Water District*

Ventura Regional Sanitation District

Walnut Valley Water District

West Bay Sanitary District

West County Wastewater District

Western Riverside Council of Governments

Yorba Linda Water District

EDUCATION DISTRICTS (2)

Sonoma County Office of Education

Intelecom

Bolded agencies have adopted PRSP

* PRSP only

OPEB/PENSION CLIENT LIST (CONT.)

Updated July 2019

SCHOOL DISTRICTS (47)

Alisal Union School District

Auburn Union School District

Alta Loma School District

Bass Lake Joint Union Elementary School District

Bellflower Unified School District

Beverly Hills Unified School District

Calistoga Joint Unified School District

Campbell Union High School District

Compton Unified School District

Corning Union Elementary School District

Coronado Unified School District

Cotati-Rohnert Park Unified School District

El Dorado Union High School District

El Monte Union High School District

Fontana Unified School District*

Fowler Unified School District

Hermosa Beach City School District

Hesperia Unified School District

John Swett Unified School District

Lakeside Union School District

Lemon Grove School District

Lindsay Unified School District

Madera Unified School District

Manteca Unified School District

Moreno Valley Unified School District

Napa Valley Unified School District

Natomas Unified School District

Ocean View School District

Ontario-Montclair School District

Orcutt Unified School District

Palmdale School District

Placer Union High School District

Poway Unified School District

Red Bluff Joint Union High School District

Red Bluff Union Elementary School District

River Delta Unified School District

Riverdale Joint Union School District

San Bruno Park School District

San Marino Unified School District

Santa Barbara Unified School District

Santa Rita Union School District

Trona Joint Unified School District

Twin Rivers Unified School District

Visalia Unified School District

Westside Union School District

Whittier City School District

Wilsona School District

COMMUNITY COLLEGE DISTRICTS (16)

Citrus CCD*

Coast CCD*

Grossmont-Cuyamaca CCD

Hartnell CCD*

Imperial CCD

Marin CCD

Pasadena CCD

Rancho Santiago CCD

Rio Hondo CCD

San Bernardino CCD

San Luis Obispo CCD

(Cuesta College)*

State Center CCD

Victor Valley CCD*

West-Valley Mission CCD*

Yosemite CCD

Bolded agencies have adopted PRSP

* PRSP only

APPENDIX: IRS PLR

Internal Revenue Service

Department of the Treasury
Washington, DC 20224

Index Number: 115.00-00

Third Party Communication: None
Date of Communication: Not Applicable

U.S. Bank National Association
c/o Susan Hughes, Vice President
3121 Michelson Drive (Suite 300)
Irvine, CA 92612

Person To Contact:
Robin J. Ehrenberg, ID No. 1000219292
Telephone Number:
(202) 317-5800
Refer Reply To:
CC:TEGE:EOEG:EO3
PLR-146796-14
Date: June 5, 2015

Legend

Trust	=	Public Agencies Post-Employment Benefits Trust
Trust Agreement	=	Public Agencies Post-Employment Benefits Trust Agreement
Trustee	=	U.S. Bank National Association

Dear Ms. Hughes:

This letter responds to a letter from your authorized representative dated December 22, 2014, requesting rulings that (1) the Trust's income is excludable from gross income under section 115 of the Internal Revenue Code (IRC) and (2) the Trust is not required to file annual federal income tax returns under IRC section 6012(a)(4). The Trust represents the facts as follows:

FACTS

The Trust is a multiple employer trust established to enable public-agency employers to fund post-retirement employee benefits. Each participating employer must be a public agency that is a state, political subdivision of a state, or an entity the income of which is excludable from gross income under IRC section 115. The employer's governing body must authorize in writing the adoption of the Trust and the employer must execute the adoption agreement, which approves the Trust's administrator and provides that the agency adopts and agrees to be bound by the Trust Agreement. In the adoption agreement, the employer elects to fund obligations to provide benefits under a post-employment health care plan and contribute to a defined-benefit pension plan maintained by the employer that is qualified under IRC section 401(a). The employer may elect to fund either or both obligations.

The Trust Agreement provides that assets are held by the Trust for the exclusive purpose of funding participating employers' benefit obligations and defraying the reasonable expenses of the Trust. The Trust's assets may not be used for any other purpose. Each employer's contributions to the Trust, together with any allocable investment earnings and losses, are held in a separate account for that employer. Assets allocated to satisfy an employer's health and welfare benefit obligation or the employer's pension obligation may only be used for purposes of satisfying that particular obligation. The assets held in an employer's account are not available to pay any obligations incurred by any other employer.

The employers appoint the Trustee and the Trust's administrator and may remove the Trustee or the administrator by a two-thirds vote of all employers. The employers may amend the Trust Agreement with the approval of two-thirds of all employers then participating in the Trust. The employers may terminate the Trust by unanimous agreement of all employers.

Upon termination of the Trust, any assets remaining in an employer's account, after satisfaction of benefit and the Trust's obligations are returned to the employer to the extent permitted by law and consistent with the requirements of IRC section 115.

LAW AND ANALYSIS

Issue 1 - IRC section 115(1)

IRC section 115(1) provides that gross income does not include income derived from any public utility or the exercise of any essential governmental function and accruing to a state or any political subdivision thereof.

Rev. Rul. 77-261, 1977-2 C.B. 45, holds that income generated by an investment fund that is established by a state to hold revenues in excess of the amounts needed to meet current expenses is excludable from gross income under IRC section 115(1), because such investment constitutes an essential governmental function. The ruling explains that the statutory exclusion is intended to extend not to the income of a state or municipality resulting from its own participation in activities, but rather to the income of an entity engaged in the operation of a public utility or the performance of some governmental function that accrues to either a state or political subdivision of a state. The ruling points out that it may be assumed that Congress did not desire in any way to restrict a state's participation in enterprises that might be useful in carrying out projects that are desirable from the standpoint of a state government and that are within the ambit of a sovereign to conduct.

Rev. Rul. 90-74, 1990-2 C.B. 34, holds that the income of an organization formed, funded, and operated by political subdivisions to pool various risks (e.g., casualty, public liability, workers' compensation, and employees' health) is excludable from gross income under IRC section 115(1), because the organization is performing an essential governmental function. The revenue ruling states that the income of such an organization is excludable from gross income so long as private interests do not participate in the organization or benefit more than incidentally from the organization. The benefit to the employees of the insurance coverage obtained by the member political subdivisions was deemed incidental to the public benefit.

Through the Trust, participating public agency employers fund health and welfare and pension obligations for retired employees. Each of the Trust's participating employers is required to be a state, political subdivision of a state or an entity the income of which is excludable from gross income under IRC section 115. Providing health, welfare and pension benefits to current and former employees constitutes the performance of an essential government function within the meaning of IRC section 115(1). See Rev. Rul. 90-74 and Rev. Rul. 77-261.

The Trust's income accrues to its participating employers, all of which are political subdivisions of a state or entities the income of which is excludable from gross income under IRC section 115. No private interests will participate in, or benefit from, the operation of Trust, other than as providers of goods or services. The benefit to employees is incidental to the public benefit. See Rev. Rul. 90-74.

In no event, including dissolution, will the Trust's assets be distributed or revert to any entity that is not a state, a political subdivision of a state, or entity the income of which is excludable from its gross income by application of IRC section 115(1).

Issue 2- IRC section 6012(a)(4)

Section 301.7701-1(b) of the Procedure and Administration Regulations (Regulations) provides that the classification of organizations that are recognized as separate entities is determined under sections 301.7701-2, 301.7701-3, and 301.7701-4, unless a provision of the IRC provides for special treatment of that organization.

Section 301.7701-4(a) of the Regulations provides that, in general, an arrangement will be treated as if it can be shown that the purpose of the arrangement is to vest in trustees responsibility for the protection and conservation of property for beneficiaries who cannot share in the discharge of this responsibility and, therefore, are not associates in a joint enterprise for the conduct of business for profit.

The Trust enables public-agency employers to set aside funds to be used to satisfy each employer's separate pension and health and welfare benefit obligations. The

Trustee is charged with the responsibility of the protection and conservation of the Trust property for the benefit of the beneficiaries of the Trust. The beneficiaries of the Trust cannot share in the discharge of the Trustee's responsibility for the protection and conservation of property and, therefore, are not associates in a joint enterprise for the conduct of business for profit. IRC section 6012(a)(4) provides that every trust having for the taxable year any taxable income or having gross income of \$600 or more, regardless of the amount of taxable income, shall make returns with respect to income taxes under Subtitle A.

Based solely on the facts and representations submitted by the Trust, we conclude that:

1. Because the income of the Trust derives from the exercise of an essential governmental function and will accrue to a state or a political subdivision thereof, the Trust's income is excludable from gross income under IRC section 115(1).
2. The Trust is classified as a trust within the meaning of IRC section 7701(a) and section 301.7701-4(a) of the Regulations. Because Trust's income is excludable from gross income under IRC section 115, the Trust is not required by IRC section 6012(a)(4) to file an annual income tax return.

Except as expressly provided herein, no opinion is expressed or implied concerning the tax consequences of any aspect of any transaction or item discussed or referenced in this letter. This ruling concerns only the federal tax treatment of the Trust's income and may not be cited or relied upon by any taxpayer, including the Trust, employers participating in the Trust, and any recipients of benefits paid under the terms of the Trust, as to any matter relating to the taxation of accident or health contributions or benefits.

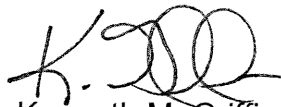
This ruling is directed only to the taxpayer who requested it. IRC section 6110(k)(3) provides that it may not be used or cited as precedent.

In accordance with the Power of Attorney on file with this office, a copy of this letter is being sent to your authorized representative.

A copy of this letter must be attached to any income tax return to which it is relevant. Alternatively, taxpayers filing their returns electronically may satisfy this requirement by attaching a statement to their return that provides the date and control number of the letter ruling.

The rulings contained in this letter are based upon information and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. While this office has not verified any of the material submitted in support of the request for rulings, it is subject to verification on examination.

Sincerely,

A handwritten signature in black ink, appearing to read 'K. Griffin', with a stylized flourish at the end.

Kenneth M. Griffin
Branch Chief, Exempt Organizations Branch 3
(Tax Exempt and Government Entities)

cc: Marcus Wu
Pillsbury Winthrop Shaw Pittman LLP
12255 El Camino Real, Suite 300
San Diego, CA 92130-4088

Paul Marmolejo
Director, Office of Federal, State and Local Governments
SE:T:GE:FSL

APPENDIX: INVESTMENT PORTFOLIOS

HIGHMARK ACTIVELY MANAGED PORTFOLIOS (AS OF JUNE 2019)

	PARS Conservative	PARS Moderately Conservative	PARS Moderate	PARS Balanced	PARS Capital Appreciation	Ticker	Actively Managed Mutual Funds Fund Name
Equity	<20% equity	<40% equity	<60% equity	50-70% equity	65-85% equity		
Large Cap Core	1.20%	2.50%	4.21%	5.05%	6.34%	COFYX	COLUMBIA CONTRARIAN CORE-I3
Large Cap Core	3.18%	6.45%	10.77%	13.15%	16.25%	VGIAx	VANGUARD GROWTH & INCOME-ADM
Large Cap Value	1.76%	3.50%	5.95%	7.14%	8.72%	DODGX	DODGE & COX STOCK
Large Cap Growth	0.88%	1.75%	2.98%	3.57%	4.36%	HNACX	HARBOR CAPITAL APPRECIA-RTR
Large Cap Growth	0.88%	1.75%	2.98%	3.57%	4.36%	PRUFx	T ROWE PR GROWTH STOCK-I
Mid Cap Blend	1.23%	2.49%	4.01%	4.90%	6.10%	IWR	ISHARES RUSSELL MID-CAP ETF
Real Estate	0.73%	1.44%	2.42%	2.80%	3.44%	VNQ	VANGUARD REAL ESTATE ETF
Small Cap Value	1.31%	2.30%	3.79%	4.50%	5.18%	UBVFX	UNDISC MGRS BEHAV VAL-R6
Small Cap Growth	1.31%	2.30%	3.79%	4.50%	5.18%	RSEJX	VICTORY RS SM CAP GROW-R6
International	0.78%	1.50%	2.37%	2.78%	4.13%	DFALX	DFA L/C INTERNATIONAL PORTF
International	0.53%	1.08%	1.71%	2.02%	2.90%	DODFX	DODGE & COX INTL STCK
International	0.53%	1.08%	1.71%	2.02%	2.90%	MGRDX	MFS INTERNATIONAL GROWTH-R6
Emerging Markets	<u>1.23%</u>	<u>2.52%</u>	<u>4.16%</u>	<u>5.00%</u>	<u>6.39%</u>	HHHYX	HRTFRD SCHR EM MRKT EQ-Y
	15.55%	30.66%	50.85%	61.00%	76.25%		
Fixed Income							
Short Term Bond	17.64%	14.67%	9.70%	7.25%	5.91%	VFSUX	VANGUARD S/T INVEST GRD-ADM
Interm Term Bond	20.30%	17.08%	12.12%	9.69%	5.43%	PTTRX	PIMCO TOTAL RETURN FUND-INST
Interm Term Bond	20.30%	17.08%	12.12%	9.69%	5.43%	PTRQX	PGIM TOTAL RETURN BOND-R6
Interm Term Bond	<u>20.30%</u>	<u>17.08%</u>	<u>12.12%</u>	<u>9.69%</u>	<u>5.43%</u>	DBLFX	DOUBLELINE CORE FIX INCOME-I
	78.54%	65.91%	46.06%	36.32%	22.20%		
Cash	5.91%	3.43%	3.09%	2.68%	1.55%	FGZXX	FIRST AM GOV OBLIG-Z
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%		
	0.41%	0.43%	0.47%	0.48%	0.50%	Weighted embedded expense ratio*	
	0.33%	0.34%	0.34%	0.34%	0.34%	Weighted investment management fee**	

*Represents the weighted embedded expense ratio for that fund (Source: Morningstar Direct)

**Represents the weighted investment management fee net of any waivers in place for assets invested in funds for which US Bank serves as advisor; assuming a \$5 million account

HIGHMARK PASSIVELY MANAGED (INDEX) PORTFOLIOS (AS OF JUNE 2019)

	PARS Conservative	PARS Moderately Conservative	PARS Moderate	PARS Balanced	PARS Capital Appreciation	Ticker	Passively Managed Mutual Funds Fund Name
Equity	<20% equity	<40% equity	<60% equity	50-70% equity	65-85% equity		
Large Cap Blend	4.38%	8.95%	14.98%	18.20%	22.59%	IVV	ISHARES CORE S&P 500 ETF
Large Cap Value	1.76%	3.50%	5.95%	7.14%	8.72%	IVE	ISHARES S&P 500 VALUE ETF
Large Cap Growth	1.76%	3.50%	5.95%	7.14%	8.72%	IVW	ISHARES S&P 500 GROWTH ETF
Mid Cap Blend	1.23%	2.49%	4.02%	4.90%	6.10%	IWR	ISHARES RUSSELL MID-CAP ETF
Real Estate	0.73%	1.44%	2.42%	2.80%	3.44%	VNQ	VANGUARD REAL ESTATE ETF
Small Cap Value	1.31%	2.30%	3.79%	4.50%	5.18%	IWN	ISHARES RUSSELL 2000 VALUE E
Small Cap Growth	1.31%	2.30%	3.79%	4.50%	5.18%	IWO	ISHARES RUSSELL 2000 GROWTH
International	1.84%	3.66%	5.79%	6.82%	9.93%	EFA	ISHARES MSCI EAFE ETF
Emerging Markets	<u>1.23%</u>	<u>2.52%</u>	<u>4.16%</u>	<u>5.00%</u>	<u>6.39%</u>	VWO	VANGUARD FTSE EMERGING MARKE
	15.55%	30.66%	50.85%	61.00%	76.25%		
Fixed Income							
Short Term Bond	17.64%	14.66%	9.71%	7.25%	5.91%	VFSUX	VANGUARD S/T INVEST GRD-ADM
Intermediate Term Bond	<u>60.90%</u>	<u>51.25%</u>	<u>36.35%</u>	<u>29.07%</u>	<u>16.29%</u>	AGG	ISHARES CORE U.S. AGGREGATE
	78.54%	65.91%	46.06%	36.32%	22.20%		
Cash	5.91%	3.43%	3.09%	2.68%	1.55%	FGZXX	FIRST AM GOV OBLIG-Z
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%		
	0.08%	0.10%	0.11%	0.12%	0.14%	Weighted embedded expense ratio*	
	0.33%	0.34%	0.34%	0.34%	0.34%	Weighted investment management fee**	

*Represents the weighted embedded expense ratio for that fund (Source: Morningstar Direct)

**Represents the weighted investment management fee net of any waivers in place for assets invested in funds for which US Bank serves as advisor; assuming a \$5 million account

APPENDIX: REPORTING

TRUSTED SOLUTIONS. LASTING RESULTS.

SAMPLE AGENCY**PARS Pension Rate Stabilization Trust Program****Monthly Account Report for the Period****mm/dd/yyyy to mm/dd/yyyy**

Plan Administrator

Title

Agency

Address

City, State Zip

Account Summary

Source	Beginning Balance as of mm/dd/yyyy	Contributions	Earnings	Expenses	Distributions	Transfers	Ending Balance as of mm/dd/yyyy
Employer Contribution	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Totals	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Investment Selection

Sample Investment Strategy

Investment Objective

Investment Description

Investment Return

Annualized Return							Inception Date
1-Month	3-Months	1-Year	3-Years	5-Years	10-Years	Inception	
1.00%	2.00%	3.00%	4.00%	5.00%	6.00%	7.00%	1/1/2009

Information as provided by U.S Bank, Trustee for PARS PRSP; Not FDIC Insured; No Bank Guarantee; May Lose Value

Past Performance does not guarantee future results. Performance returns may not reflect the deduction of applicable fees, which could reduce returns. Information is deemed reliable but may be subject to change.

Investment Return: Annualized rate of return is the return on an investment over a period other than one year multiplied or divided to give a comparable one-year return.

Inception Date: Plans inception date

PARS DIVERSIFIED PORTFOLIOS CONSERVATIVE

Q2 2019

WHY THE PARS DIVERSIFIED CONSERVATIVE PORTFOLIO?

Comprehensive Investment Solution

HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

Rigorous Manager Due Diligence

Our manager review committee utilizes a rigorous screening process that searches for investment managers and styles that have not only produced above-average returns within acceptable risk parameters, but have the resources and commitment to continue to deliver these results. We have set high standards for our investment managers and funds. This is a highly specialized, time consuming approach dedicated to one goal: competitive and consistent performance.

Flexible Investment Options

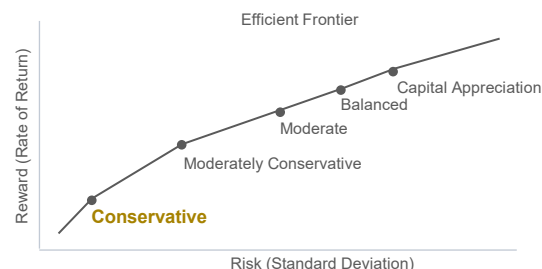
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation approach.

Risk Management

The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

INVESTMENT OBJECTIVE

To provide a consistent level of inflation-protected income over the long-term. The major portion of the assets will be fixed income related. Equity securities are utilized to provide inflation protection.



ASSET ALLOCATION — CONSERVATIVE PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	5 – 20%	15%	16%
Fixed Income	60 – 95%	80%	78%
Cash	0 – 20%	5%	6%

ANNUALIZED TOTAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

HighMark Plus Composite (Active)

Current Quarter*	2.98%
Blended Benchmark*, **	2.67%
Year To Date*	7.72%
Blended Benchmark*, **	6.80%
1 Year	7.22%
Blended Benchmark**	6.62%
3 Year	4.29%
Blended Benchmark**	3.77%
5 Year	3.60%
Blended Benchmark**	3.38%
10 Year	5.25%
Blended Benchmark**	4.39%

Index Plus Composite (Passive)

Current Quarter*	2.62%
Blended Benchmark*, **	2.67%
Year To Date*	7.01%
Blended Benchmark*, **	6.80%
1 Year	6.76%
Blended Benchmark**	6.62%
3 Year	3.57%
Blended Benchmark**	3.77%
5 Year	3.21%
Blended Benchmark**	3.38%
10 Year	4.75%
Blended Benchmark**	4.39%

* Returns less than one year are not annualized. **Breakdown for Blended Benchmark: From 10/1/2012 - Present: 7.5% S&P500, 1.5% Russell Mid Cap, 2.5% Russell 2000, 1% MSCI EM (net), 2% MSCI EAFE (net), 52.25% BBG Barclays US Agg, 25.75% ICE BofAML 1-3 Yr US Corp/Gov't, 2% ICE BofAML US High Yield Master II, 0.5% Wilshire REIT, and 5% FTSE 1 Mth T-Bill. From 4/1/2007 – 9/30/2012, the blended benchmark was 12% S&P 500; 1% Russell 2000, 2% MSCI EAFE (net), 40% ICE BofAML 1-3 Year Corp./Gov't, 40% BBG Barclays US Agg, 5% FTSE 1 Mth T-Bill. Prior to April 2007: the blended benchmark was 15% S&P 500, 40% ICE BofAML 1-3Yr Corp/Gov, 40% BBG Barclays US Agg, and 5% FTSE 1 Mth T-Bill.

ANNUAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

HighMark Plus Composite (Active)

2008	-9.04%
2009	15.59%
2010	8.68%
2011	2.19%
2012	8.45%
2013	3.69%
2014	3.88%
2015	0.29%
2016	4.18%
2017	6.73%
2018	-1.35%

Index Plus Composite (Passive)

2008	-6.70%
2009	10.49%
2010	7.67%
2011	3.70%
2012	6.22%
2013	3.40%
2014	4.32%
2015	0.06%
2016	3.75%
2017	5.52%
2018	-1.09%

PORTFOLIO FACTS

HighMark Plus (Active)

Composite Inception Date	07/2004
No of Holdings in Portfolio	18

Index Plus (Passive)

Composite Inception Date	07/2004
No of Holdings in Portfolio	12

HOLDINGS

HighMark Plus (Active)

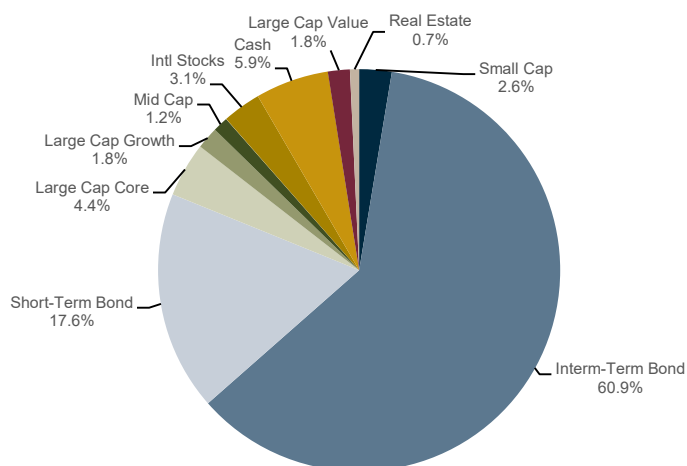
Columbia Contrarian Core I3
Vanguard Growth & Income Adm
Dodge & Cox Stock Fund
Harbor Capital Appreciation - Retirement
T. Rowe Price Growth Stock - I
iShares Russell Mid-Cap ETF
Vanguard Real Estate ETF
Undiscovered Managers Behavioral Value-R6
Victory RS Small Cap Growth - R6
DFA Large Cap International Portfolio
Dodge & Cox International Stock
MFS International Growth - R6
Hartford Schroders Emerging Markets Eq
Vanguard Short-Term Invest-Grade Adm
PIMCO Total Return Fund - Inst
PGIM Total Return Bond - R6
DoubleLine Core Fixed Income - I
First American Government Obligations Z

Index Plus (Passive)

iShares Core S&P 500 ETF
iShares S&P 500 Value ETF
iShares S&P 500 Growth ETF
iShares Russell Mid-Cap ETF
Vanguard Real Estate ETF
iShares Russell 2000 Value ETF
iShares Russell 2000 Growth ETF
iShares MSCI EAFE ETF
Vanguard FTSE Emerging Markets ETF
Vanguard Short-Term Invest-Grade Adm
iShares Core U.S. Aggregate
First American Government Obligations Z

Holdings are subject to change at the discretion of the investment manager.

STYLE



The performance records shown represent size-weighted composites of tax exempt accounts that meet the following criteria: Accounts are managed by HighMark's Portfolio Management Group (PMG) with full investment authority according to the PARS Conservative active and passive objectives.

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Blended benchmarks represent HighMark's strategic allocations between equity, fixed income, and cash and are rebalanced monthly. Benchmark returns do not reflect the deduction of advisory fees or other expenses of investing but assumes the reinvestment of dividends and other earnings. An investor cannot invest directly in an index. The unmanaged S&P 500 Index is representative of the performance of large companies in the U.S. stock market. The MSCI EAFE Index is a free float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The ICE BofAML US High Yield Master II Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market. Wilshire REIT index measures U.S. publicly traded Real Estate Investment Trusts. The unmanaged Bloomberg Barclays U.S. Aggregate Bond Index is generally representative of the U.S. taxable bond market as a whole. The ICE BofAML 1-3 Year U.S. Corporate & Government Index tracks the bond performance of the ICE BofAML U.S. Corporate & Government Index, with a remaining term to final maturity less than 3 years. The unmanaged FTSE 1-Month Treasury Bill Index tracks the yield of the 1-month U.S. Treasury Bill.

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Senior Portfolio Manager

Investment Experience: since 1994

HighMark Tenure: since 1997

Education: MBA, University of Southern California; BA, University of Southern California

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Asset Allocation Committee

Number of Members: 16

Average Years of Experience: 28

Average Tenure (Years): 15

Manager Review Group

Number of Members: 7

Average Years of Experience: 19

Average Tenure (Years): 7

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PARS DIVERSIFIED PORTFOLIOS MODERATELY CONSERVATIVE

Q2 2019

WHY THE PARS DIVERSIFIED MODERATELY CONSERVATIVE PORTFOLIO?

Comprehensive Investment Solution

HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

Rigorous Manager Due Diligence

Our manager review committee utilizes a rigorous screening process that searches for investment managers and styles that have not only produced above-average returns within acceptable risk parameters, but have the resources and commitment to continue to deliver these results. We have set high standards for our investment managers and funds. This is a highly specialized, time consuming approach dedicated to one goal: competitive and consistent performance.

Flexible Investment Options

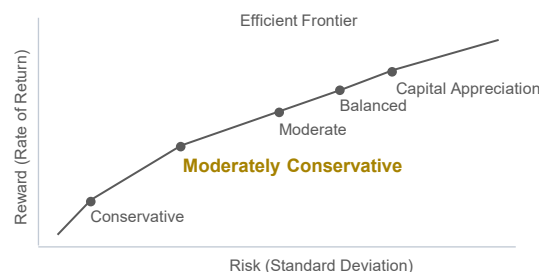
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation approach.

Risk Management

The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

INVESTMENT OBJECTIVE

To provide current income, with capital appreciation as a secondary objective. The major portion of the assets is committed to income-producing securities. Market fluctuations should be expected.



ASSET ALLOCATION — MODERATELY CONSERVATIVE PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	20 - 40%	30%	31%
Fixed Income	50 - 80%	65%	66%
Cash	0 - 20%	5%	3%

ANNUALIZED TOTAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

HighMark Plus Composite (Active)

Current Quarter*	3.10%
Blended Benchmark*, **	2.97%
Year To Date*	9.37%
Blended Benchmark*, **	8.90%
1 Year	7.01%
Blended Benchmark**	6.97%
3 Year	5.82%
Blended Benchmark**	5.40%
5 Year	4.34%
Blended Benchmark**	4.40%
10 Year	6.71%
Blended Benchmark**	6.11%

Index Plus Composite (Passive)

Current Quarter*	2.83%
Blended Benchmark*, **	2.97%
Year To Date*	8.98%
Blended Benchmark*, **	8.90%
1 Year	6.99%
Blended Benchmark**	6.97%
3 Year	5.10%
Blended Benchmark**	5.40%
5 Year	4.16%
Blended Benchmark**	4.40%
10 Year	6.24%
Blended Benchmark**	6.11%

* Returns less than one year are not annualized. **Breakdown for Blended Benchmark: From 10/1/2012 - Present: 15.5% S&P500, 3% Russell Mid Cap, 4.5% Russell 2000, 2% MSCI EM (net), 4% MSCI EAFE (net), 49.25% BBG Barclays US Agg, 14% ICE BofAML 1-3 Yr US Corp/Gov't, 1.75% ICE BofAML US High Yield Master II, 1% Wilshire REIT, and 5% FTSE 1 Mth T-Bill. From 4/1/2007 - 9/30/2012: the blended benchmark was 25% S&P 500; 1.5% Russell 2000, 3.5% MSCI EAFE (net), 25% ICE BofAML 1-3 Year Corp/Gov't, 40% BBG Barclays US Agg, 5% FTSE 1 Mth T-Bill. Prior to April 2007, the blended benchmark was 30% S&P 500, 25% ICE BofAML 1-3Yr Corp/Gov, 40% BBG Barclays US Agg, and 5% FTSE 1 Mth T-Bill.

ANNUAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

HighMark Plus Composite (Active)

2008	-15.37%
2009	18.71%
2010	10.46%
2011	1.75%
2012	10.88%
2013	7.30%
2014	4.41%
2015	0.32%
2016	4.94%
2017	9.56%
2018	-2.60%

Index Plus Composite (Passive)

2008	-12.40%
2009	11.92%
2010	9.72%
2011	3.24%
2012	8.24%
2013	6.78%
2014	5.40%
2015	-0.18%
2016	5.42%
2017	8.08%
2018	-2.33%

PORTFOLIO FACTS

HighMark Plus (Active)

Composite Inception Date	08/2004
No of Holdings in Portfolio	18

Index Plus (Passive)

Composite Inception Date	05/2005
No of Holdings in Portfolio	12

HOLDINGS

HighMark Plus (Active)

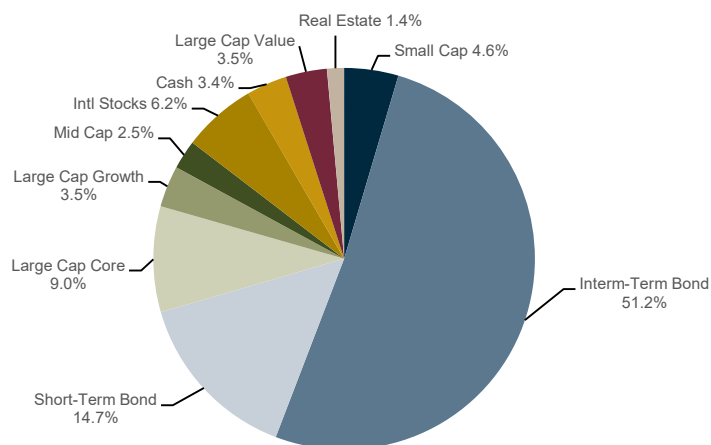
Columbia Contrarian Core I3
Vanguard Growth & Income Adm
Dodge & Cox Stock Fund
Harbor Capital Appreciation - Retirement
T. Rowe Price Growth Stock - I
iShares Russell Mid-Cap ETF
Vanguard Real Estate ETF
Undiscovered Managers Behavioral Value-R6
Victory RS Small Cap Growth - R6
DFA Large Cap International Portfolio
Dodge & Cox International Stock
MFS International Growth - R6
Hartford Schroders Emerging Markets Eq
Vanguard Short-Term Invest-Grade Adm
PIMCO Total Return Fund - Inst
PGIM Total Return Bond - R6
DoubleLine Core Fixed Income - I
First American Government Obligations Z

Index Plus (Passive)

iShares Core S&P 500 ETF
iShares S&P 500 Value ETF
iShares S&P 500 Growth ETF
iShares Russell Mid-Cap ETF
Vanguard Real Estate ETF
iShares Russell 2000 Value ETF
iShares Russell 2000 Growth ETF
iShares MSCI EAFE ETF
Vanguard FTSE Emerging Markets ETF
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Asset Allocation Committee

Number of Members: 16
Average Years of Experience: 28
Average Tenure (Years): 15

Manager Review Group

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PARS DIVERSIFIED PORTFOLIOS MODERATE

Q2 2019

WHY THE PARS DIVERSIFIED MODERATE PORTFOLIO?

Comprehensive Investment Solution

HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

Rigorous Manager Due Diligence

Our manager review committee utilizes a rigorous screening process that searches for investment managers and styles that have not only produced above-average returns within acceptable risk parameters, but have the resources and commitment to continue to deliver these results. We have set high standards for our investment managers and funds. This is a highly specialized, time consuming approach dedicated to one goal: competitive and consistent performance.

Flexible Investment Options

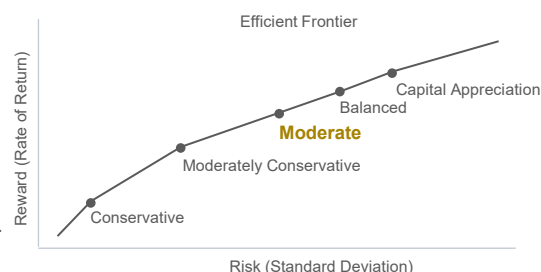
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Risk Management

The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

INVESTMENT OBJECTIVE

To provide current income and moderate capital appreciation. It is expected that dividend and interest income will comprise a significant portion of total return, although growth through capital appreciation is equally important.



ASSET ALLOCATION — MODERATE PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	40 - 60%	50%	51%
Fixed Income	40 - 60%	45%	46%
Cash	0 - 20%	5%	3%

ANNUALIZED TOTAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

HighMark Plus Composite (Active)

Current Quarter*	3.23%
Blended Benchmark*, **	3.16%
Year To Date*	11.74%
Blended Benchmark*, **	11.35%
1 Year	6.94%
Blended Benchmark**	6.95%
3 Year	7.95%
Blended Benchmark**	7.52%
5 Year	5.43%
Blended Benchmark**	5.62%
10 Year	8.35%
Blended Benchmark**	8.18%

Index Plus Composite (Passive)

Current Quarter*	2.95%
Blended Benchmark*, **	3.16%
Year To Date*	11.36%
Blended Benchmark*, **	11.35%
1 Year	6.77%
Blended Benchmark**	6.95%
3 Year	7.14%
Blended Benchmark**	7.52%
5 Year	5.18%
Blended Benchmark**	5.62%
10 Year	8.09%
Blended Benchmark**	8.18%

* Returns less than one year are not annualized. **Breakdown for Blended Benchmark: From 10/1/2012 – Present: 26.5% S&P500, 5% Russell Mid Cap, 7.5% Russell 2000, 3.25% MSCI EM (net), 6% MSCI EAFE (net), 33.50% BBG Barclays US Agg, 10% ICE BofAML 1-3 Yr US Corp/Gov't, 1.50% ICE BofAML US High Yield Master II, 1.75% Wilshire REIT, and 5% FTSE 1 Mth T-Bill. From 4/1/2007 – 9/30/2012: the blended benchmark was 43% S&P 500; 2% Russell 2000, 5% MSCI EAFE (net), 15% ICE BofAML 1-3 Year Corp./Gov't, 30% BBG Barclays US Agg, 5% FTSE 1 Mth T-Bill. Prior to April 2007: the blended benchmark was 50% S&P 500, 15% ICE BofAML 1-3Yr Corp/Gov, 30% BBG Barclays US Agg, and 5% FTSE 1 Mth T-Bill.

ANNUAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

HighMark Plus Composite (Active)

2008	-22.88%
2009	21.47%
2010	12.42%
2011	0.55%
2012	12.25%
2013	13.06%
2014	4.84%
2015	0.14%
2016	6.45%
2017	13.19%
2018	-4.03%

Index Plus Composite (Passive)

2008	-18.14%
2009	16.05%
2010	11.77%
2011	2.29%
2012	10.91%
2013	12.79%
2014	5.72%
2015	-0.52%
2016	7.23%
2017	11.59%
2018	-4.03%

PORTFOLIO FACTS

HighMark Plus (Active)

Composite Inception Date	10/2004
No of Holdings in Portfolio	18

Index Plus (Passive)

Composite Inception Date	05/2006
No of Holdings in Portfolio	12

HOLDINGS

HighMark Plus (Active)

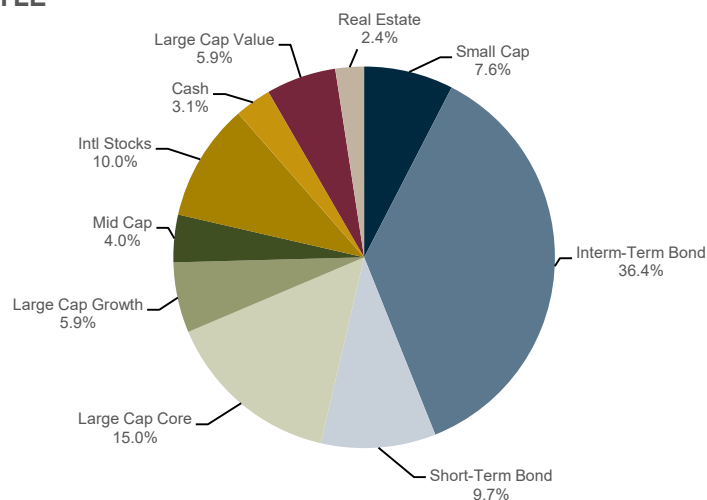
Columbia Contrarian Core I3
Vanguard Growth & Income Adm
Dodge & Cox Stock Fund
Harbor Capital Appreciation - Retirement
T. Rowe Price Growth Stock - I
iShares Russell Mid-Cap ETF
Vanguard Real Estate ETF
Undiscovered Managers Behavioral Value-R6
Victory RS Small Cap Growth - R6
DFA Large Cap International Portfolio
Dodge & Cox International Stock
MFS International Growth - R6
Hartford Schroders Emerging Markets Eq
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PIMCO Total Return Fund - Inst
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DoubleLine Core Fixed Income - I
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iShares S&P 500 Value ETF
iShares S&P 500 Growth ETF
iShares Russell Mid-Cap ETF
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iShares Russell 2000 Value ETF
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PARS DIVERSIFIED PORTFOLIOS BALANCED

Q2 2019

WHY THE PARS DIVERSIFIED BALANCED PORTFOLIO?

Comprehensive Investment Solution

HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

Rigorous Manager Due Diligence

Our manager review committee utilizes a rigorous screening process that searches for investment managers and styles that have not only produced above-average returns within acceptable risk parameters, but have the resources and commitment to continue to deliver these results. We have set high standards for our investment managers and funds. This is a highly specialized, time consuming approach dedicated to one goal: competitive and consistent performance.

Flexible Investment Options

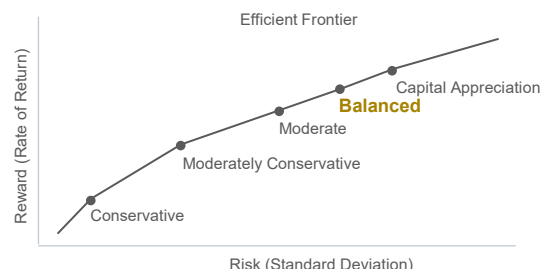
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation approach.

Risk Management

The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

INVESTMENT OBJECTIVE

To provide growth of principal and income. While dividend and interest income are an important component of the objective's total return, it is expected that capital appreciation will comprise a larger portion of the total return.



ASSET ALLOCATION — BALANCED PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	50 – 70%	60%	61%
Fixed Income	30 – 50%	35%	36%
Cash	0 – 20%	5%	3%

(Gross of Investment Management Fees, but Net of Embedded Fund Fees)

ANNUALIZED TOTAL RETURNS

HighMark Plus Composite (Active)

Current Quarter*	3.30%
Blended Benchmark*, **	3.26%
Year To Date*	13.04%
Blended Benchmark*, **	12.59%
1 Year	6.82%
Blended Benchmark**	6.90%
3 Year	9.11%
Blended Benchmark**	8.58%
5 Year	5.92%
Blended Benchmark**	6.22%
10 Year	9.07%
Blended Benchmark**	9.28%

Index Plus Composite (Passive)

Current Quarter*	3.04%
Blended Benchmark*, **	3.26%
Year To Date*	12.53%
Blended Benchmark*, **	12.59%
1 Year	6.55%
Blended Benchmark**	6.90%
3 Year	8.09%
Blended Benchmark**	8.58%
5 Year	5.65%
Blended Benchmark**	6.22%
10 Year	8.89%
Blended Benchmark**	9.28%

* Returns less than one year are not annualized. **Breakdown for Blended Benchmark: From 10/1/2012 – Present: 32% S&P500, 6% Russell Mid Cap, 9% Russell 2000, 4% MSCI EM (net), 7% MSCI EAFE (net), 27% BBG Barclays US Agg, 6.75% ICE BofAML 1-3 Yr US Corp/Gov't, 1.25% ICE BofAML US High Yield Master II, 2% Wilshire REIT, and 5% FTSE 1 Mth T-Bill. From 4/1/2007 – 9/30/2012: the blended benchmark was 51% S&P 500; 3% Russell 2000, 6% MSCI EAFE (net), 5% ICE BofAML 1-3 Year Corp/Gov't, 30% BBG Barclays US Agg, 5% FTSE 1 Mth T-Bill. Prior to April 2007: the blended benchmark was 60% S&P 500, 5% ICE BofAML 1-3Yr Corp/Gov't, 30% BBG Barclays US Agg, and 5% FTSE 1 Mth T-Bill.

ANNUAL RETURNS

(Gross of Investment Management Fees, but Net of Embedded Fund Fees)

HighMark Plus Composite (Active)

2008	-25.72%
2009	21.36%
2010	14.11%
2011	-0.46%
2012	13.25%
2013	16.61%
2014	4.70%
2015	0.04%
2016	6.81%
2017	15.46%
2018	-4.88%

Index Plus Composite (Passive)

2008	-23.22%
2009	17.62%
2010	12.76%
2011	1.60%
2012	11.93%
2013	15.63%
2014	6.08%
2015	-0.81%
2016	8.25%
2017	13.39%
2018	-5.05%

PORTFOLIO FACTS

HighMark Plus (Active)

Composite Inception Date	10/2006
No of Holdings in Portfolio	18

Index Plus (Passive)

Composite Inception Date	10/2007
No of Holdings in Portfolio	12

HOLDINGS

HighMark Plus (Active)

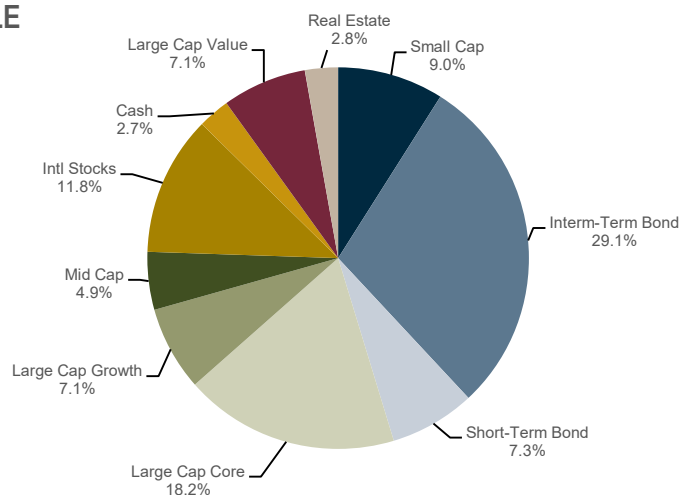
Columbia Contrarian Core I3
Vanguard Growth & Income Adm
Dodge & Cox Stock Fund
Harbor Capital Appreciation - Retirement
T. Rowe Price Growth Stock - I
iShares Russell Mid-Cap ETF
Vanguard Real Estate ETF
Undiscovered Managers Behavioral Value-R6
Victory RS Small Cap Growth - R6
DFA Large Cap International Portfolio
Dodge & Cox International Stock
MFS International Growth - R6
Hartford Schroders Emerging Markets Eq
Vanguard Short-Term Invest-Grade Adm
PIMCO Total Return Fund - Inst
PGIM Total Return Bond - R6
DoubleLine Core Fixed Income - I
First American Government Obligations Z

Index Plus (Passive)

iShares Core S&P 500 ETF
iShares S&P 500 Value ETF
iShares S&P 500 Growth ETF
iShares Russell Mid-Cap ETF
Vanguard Real Estate ETF
iShares Russell 2000 Value ETF
iShares Russell 2000 Growth ETF
iShares MSCI EAFE ETF
Vanguard FTSE Emerging Markets ETF
Vanguard Short-Term Invest-Grade Adm
iShares Core U.S. Aggregate
First American Government Obligations Z

Holdings are subject to change at the discretion of the investment manager.

STYLE



The performance records shown represent size-weighted composites of tax exempt accounts that meet the following criteria: Accounts are managed by HighMark's Portfolio Management Group (PMG) with full investment authority according to the PARS Balanced active and passive objectives.

The composite name has been changed from PARS Balanced/Moderately Aggressive to PARS Balanced on 5/1/2013. The adviser to the PARS portfolios is US Bank, and HighMark serves as sub-adviser to US Bank to manage these portfolios. US Bank may charge clients as much as 0.60% annual management fee based on a sliding scale. US Bank pays HighMark 60% of the annual management fee for assets sub-advised by HighMark under its sub-advisory agreement with US Bank. The 0.36% paid to HighMark, as well as other expenses that may be incurred in the management of the portfolio, will reduce the portfolio's returns. Assuming an investment for five years, a 5% annual total return, and an annual sub-advisory fee rate of 0.36% deducted from the assets at market at the end of each year, a \$10 million initial value would grow to \$12.53 million after fees (Net-of-Fees) and \$12.76 million before fees (Gross-of-Fees). Gross returns are presented before management and custodial fees but after all trading expenses and reflect the reinvestment of dividends and other income. A client's return will be reduced by the advisory fees and other expenses it may incur as a client. Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request. Performance results are calculated and presented in U.S. dollars and do not reflect the deduction of investment advisory fees, custody fees, or taxes but do reflect the deduction of trading expenses. Returns are calculated based on trade-date accounting.

Blended benchmarks represent HighMark's strategic allocations between equity, fixed income, and cash and are rebalanced monthly. Benchmark returns do not reflect the deduction of advisory fees or other expenses of investing but assumes the reinvestment of dividends and other earnings. An investor cannot invest directly in an index. The unmanaged S&P 500 Index is representative of the performance of large companies in the U.S. stock market. The MSCI EAFE Index is a free float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The ICE BofAML US High Yield Master II Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market. Wilshire REIT index measures U.S. publicly traded Real Estate Investment Trusts. The unmanaged Bloomberg Barclays U.S. Aggregate Bond Index is generally representative of the U.S. taxable bond market as a whole. The ICE BofAML 1-3 Year U.S. Corporate & Government Index tracks the bond performance of the ICE BofAML U.S. Corporate & Government Index, with a remaining term to final maturity less than 3 years. The unmanaged FTSE 1-Month Treasury Bill Index tracks the yield of the 1-month U.S. Treasury Bill.

HighMark Capital Management, Inc. (HighMark), an SEC-registered investment adviser, is a wholly owned subsidiary of MUFG Union Bank, N.A. (MUB). HighMark manages institutional separate account portfolios for a wide variety of for-profit and nonprofit organizations, public agencies, and public and private retirement plans. MUB, a subsidiary of MUFG Americas Holdings Corporation, provides certain services to HighMark and is compensated for these services. Past performance does not guarantee future results. Individual account management and construction will vary depending on each client's investment needs and objectives. Investments employing HighMark strategies are NOT insured by the FDIC or by any other Federal Government Agency, are NOT Bank deposits, are NOT guaranteed by the Bank or any Bank affiliate, and MAY lose value, including possible loss of principal.

HIGHMARK CAPITAL MANAGEMENT

350 California Street
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800-582-4734

ABOUT THE ADVISER

HighMark® Capital Management, Inc. (HighMark) has nearly 100 years (including predecessor organizations) of institutional money management experience with \$7.7 billion in assets under management and \$8.3 billion in assets under advisement*. HighMark has a long term disciplined approach to money management and currently manages assets for a wide array of clients.

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Senior Portfolio Manager
Investment Experience: since 1994
HighMark Tenure: since 1997
Education: MBA, University of Southern California; BA, University of Southern California

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Christiane Tsuda

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Investment Experience: since 1987
HighMark Tenure: since 2010
Education: BA, International Christian University, Tokyo

Anne Wimmer, CFA®

Senior Portfolio Manager
Investment Experience: since 1987
HighMark Tenure: since 2007
Education: BA, University of California, Santa Barbara

Randy Yurchak, CFA®

Senior Portfolio Manager
Investment Experience: since 2002
HighMark Tenure: since 2017
Education: MBA, Arizona State University; BS, University of Washington

Asset Allocation Committee

Number of Members: 16
Average Years of Experience: 28
Average Tenure (Years): 15

Manager Review Group

Number of Members: 7
Average Years of Experience: 19
Average Tenure (Years): 7

*Assets under management ("AUM") include assets for which HighMark provides continuous and regular supervisory and management services. Assets under advisement ("AUA") include assets for which HighMark provides certain investment advisory services (including, but not limited to, investment research and strategies) for client assets of its parent company, MUFG Union Bank, N.A.

PARS DIVERSIFIED PORTFOLIOS CAPITAL APPRECIATION

Q2 2019

WHY THE PARS DIVERSIFIED CAPITAL APPRECIATION PORTFOLIO?

Comprehensive Investment Solution

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Rigorous Manager Due Diligence

Our manager review committee utilizes a rigorous screening process that searches for investment managers and styles that have not only produced above-average returns within acceptable risk parameters, but have the resources and commitment to continue to deliver these results. We have set high standards for our investment managers and funds. This is a highly specialized, time consuming approach dedicated to one goal: competitive and consistent performance.

Flexible Investment Options

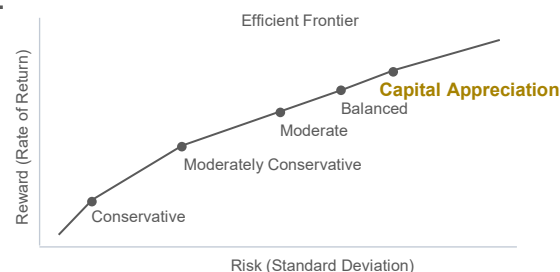
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation approach.

Risk Management

The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

INVESTMENT OBJECTIVE

To provide growth of principal. The major portion of the assets are invested in equity securities and market fluctuations are expected.



ASSET ALLOCATION — CAPITAL APPRECIATION PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	65 - 85%	75%	76%
Fixed Income	10 - 30%	20%	22%
Cash	0 - 20%	5%	2%

ANNUALIZED TOTAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

Consolidated Composite

Current Quarter*	3.32%
Blended Benchmark*, **	3.37%
Year To Date*	14.55%
Blended Benchmark*, **	14.34%
1 Year	6.61%
Blended Benchmark**	6.65%
3 Year	10.10%
Blended Benchmark**	10.10%
5 Year	6.62%
Blended Benchmark**	6.94%
10 Year	9.93%
Blended Benchmark**	10.66%

* Returns less than one year are not annualized. **Breakdown for Blended Benchmark: 39.5% S&P500, 7.5% Russell Mid Cap, 10.5% Russell 2000, 5.25% MSCI EM (net), 10.25% MSCI EAFE (net), 16% BBG Barclays US Agg, 3% ICE BofAML 1-3 Yr US Corp/Gov't, 1% ICE BofAML US High Yield Master II, 2% Wilshire REIT, and 5% FTSE 1 Mth T-Bill.

ANNUAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

Consolidated Composite

2008	N/A
2009	23.77%
2010	12.95%
2011	-1.35%
2012	13.87%
2013	20.33%
2014	6.05%
2015	-0.27%
2016	8.81%
2017	16.72%
2018	-5.82%

PORTFOLIO FACTS

Consolidated Composite

Composite Inception Date	01/2009
No of Holdings in Portfolio	18

HOLDINGS

HighMark Plus (Active)

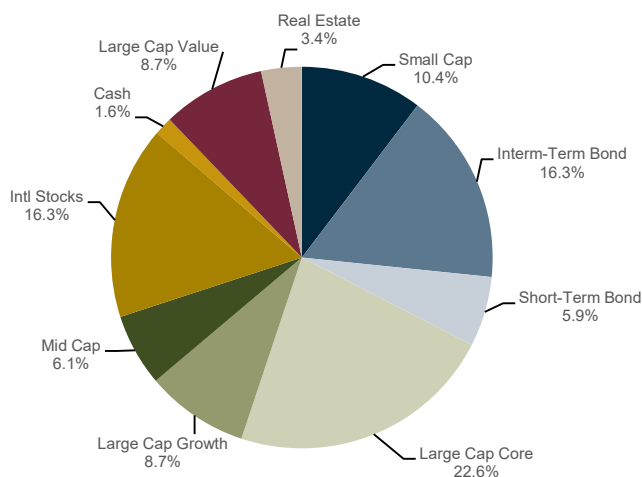
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Average Tenure (Years): 15

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Number of Members: 7
Average Years of Experience: 19
Average Tenure (Years): 7

*Assets under management ("AUM") include assets for which HighMark provides continuous and regular supervisory and management services. Assets under advisement ("AUA") include assets for which HighMark provides certain investment advisory services (including, but not limited to, investment research and strategies) for client assets of its parent company, MUFG Union Bank, N.A.



HighMark Capital Management, Inc.
Composite Performance Presentation
PARS Tax Exempt Conservative HighMark Plus Composite
January 1, 2009 through December 31, 2018

Year	Composite Gross Return (%)	Composite Net Return (%)	Benchmark Return (%)	Composite 3-Yr Std Dev (%)	Benchmark 3-Yr Std Dev (%)	Internal Dispersion (%)	As of December 31		
							Number of Portfolios	Composite Assets (\$M)	Firm Assets (\$B)
2018	-1.35	-1.71	-0.60	2.63	2.19	n/a	<6	44.96	7.41
2017	6.73	6.35	5.24	2.61	2.08	n/a	<6	43.27	14.00
2016	4.18	3.80	3.92	2.83	2.38	n/a	<6	36.84	15.25
2015	0.29	-0.07	0.31	2.78	2.42	n/a	<6	34.72	15.10
2014	3.88	3.51	4.76	2.79	2.22	n/a	<6	32.97	15.27
2013	3.69	3.32	3.18	3.59	2.30	n/a	<6	21.96	14.53
2012	8.45	8.06	4.93	3.81	2.22	n/a	<6	19.58	17.50
2011	2.19	1.83	3.86	4.88	3.37	n/a	<6	16.80	15.65
2010	8.68	8.30	6.18			n/a	<6	14.30	16.68
2009	15.59	15.18	8.05			n/a	<6	12.46	16.82

HighMark Capital Management, Inc. ("HighMark") claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. HighMark has been independently verified for the period January 1, 2003 through December 31, 2017. The verification report is available upon request.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

HighMark, a wholly owned subsidiary of MUFG Union Bank, N.A., is a registered investment adviser. The firm's list of composite descriptions is available upon request. All returns are expressed in U.S. dollars.

The PARS Tax Exempt Conservative HighMark Plus Composite includes all institutional portfolios invested in actively managed mutual funds. The strategy is to provide a consistent level of inflation-protected income over the long term. Under normal conditions, allocation ranges are: Equity 5%-20%, Fixed Income 60%-95%, and Cash 0%-20%. The composite was created in April 2009.

Effective 10/1/2012, the benchmark consists of: 7.5% S&P 500, 2.5% Russell 2000, 2% MSCI EAFE (net), 1.5% Russell MidCap, 1.0% MSCI EM (net), 52.25% Bloomberg Barclays US Aggregate Bond, 25.75% ICE BofAML 1-3 Year US Corporate/Government, 2.0% ICE BofAML US High Yield Master II, 0.5% Wilshire REIT, and 5% FTSE 1 Month T-Bill, rebalanced monthly. The benchmark was changed to reflect added strategy investments in mid cap and REITs. Prior to 9/30/2012, the benchmark consisted of: 12% S&P 500, 1% Russell 2000, 2% MSCI EAFE (net), 40% ICE BofAML 1-3 Year US Corporate/Government, 40% Bloomberg Barclays US Aggregate Bond, and 5% FTSE 1 Month T-Bill, rebalanced monthly. MSCI EAFE (net) and Russell 2000 were added due to enhancements in the investment process, which were designed to increase diversification through exposure to small cap and international equities. Benchmark returns do not reflect the deduction of advisory fees, custody fees, transaction costs, or other expenses of investing. Total benchmark returns assume the reinvestment of dividends and other earnings. An investor cannot invest directly in an index.

Gross returns are presented before management and custodial fees but after all trading expenses and reflect the reinvestment of dividends and other income. Net returns are net of model investment management fees in effect for the respective time period and are derived using the maximum fixed fee rate. A client's return will be reduced by the advisory fees and other expenses it may incur as a client. Fees charged are at the discretion of HighMark and U.S. Bank, N.A.

The standard management fee is 0.36%. Standard management fees do not include any platform, administration, or other distribution fees that client may pay in addition to the management fees.

The internal dispersion of annual returns is measured by the equal-weighted standard deviation of portfolio returns included in the composite for the full year. For those years with less than or equal to 5 portfolios, the calculation of internal dispersion is not a meaningful statistical measure. The three year annualized ex-post standard deviation measures the variability of the composite (using gross returns) and the benchmark returns over the preceding 36 month period. The standard deviation is not shown for periods prior to 2011 because it is not required. HighMark's policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

Past performance does not guarantee future results. Securities investments involve risk, including the possible loss of the principal amount invested. Investments are not deposits of the adviser's parent or any of the adviser's affiliates, and are not FDIC insured.



HighMark Capital Management, Inc.
Composite Performance Presentation
PARS Tax Exempt Conservative Index Plus Composite
January 1, 2009 through December 31, 2018

Year	Composite Gross Return (%)	Composite Net Return (%)	Benchmark Return (%)	Composite 3-Yr Std Dev (%)	Benchmark 3-Yr Std Dev (%)	Internal Dispersion (%)	As of December 31		
							Number of Portfolios	Composite Assets (\$M)	Firm Assets (\$B)
2018	-1.09	-1.45	-0.60	2.44	2.19	n/a	6	35.53	7.41
2017	5.52	5.14	5.24	2.31	2.08	n/a	<6	26.74	14.00
2016	3.75	3.38	3.92	2.52	2.38	n/a	<6	28.44	15.25
2015	0.06	-0.30	0.31	2.58	2.42	n/a	<6	23.70	15.10
2014	4.32	3.95	4.76	2.46	2.22	n/a	<6	17.75	15.27
2013	3.40	3.02	3.18	2.92	2.30	n/a	<6	12.49	14.53
2012	6.22	5.84	4.93	2.98	2.22	n/a	<6	9.39	17.50
2011	3.70	3.33	3.86	4.43	3.37	n/a	<6	8.64	15.65
2010	7.67	7.29	6.18			n/a	<6	15.22	16.68
2009	10.49	10.10	8.05			n/a	<6	13.16	16.82

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Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

HighMark, a wholly owned subsidiary of MUFG Union Bank, N.A., is a registered investment adviser. The firm's list of composite descriptions is available upon request. All returns are expressed in U.S. dollars.

The PARS Tax Exempt Conservative Index Plus Composite includes all institutional portfolios invested in index-based securities. The strategy is to provide a consistent level of inflation-protected income over the long term. Under normal conditions, allocation ranges are: Equity 5%-20%, Fixed Income 60%-95%, and Cash 0%-20%. The composite was created in April 2009.

Effective 10/1/2012, the benchmark consists of: 7.5% S&P 500, 2.5% Russell 2000, 2% MSCI EAFE (net), 1.5% Russell MidCap, 1.0% MSCI EM (net), 52.25% Bloomberg Barclays US Aggregate Bond, 25.75% ICE BofAML 1-3 Year US Corporate/Government, 2.0% ICE BofAML US High Yield Master II, 0.5% Wilshire REIT, and 5% FTSE 1 Month T-Bill, rebalanced monthly. The benchmark was changed to reflect added strategy investments in mid cap and REITs. Prior to 9/30/2012, the benchmark consisted of: 12% S&P 500, 1% Russell 2000, 2% MSCI EAFE (net), 40% ICE BofAML 1-3 Year US Corporate/Government, 40% Bloomberg Barclays US Aggregate Bond, and 5% FTSE 1 Month T-Bill, rebalanced monthly. MSCI EAFE (net) and Russell 2000 were added due to enhancements in the investment process, which were designed to increase diversification through exposure to small cap and international equities. Benchmark returns do not reflect the deduction of advisory fees, custody fees, transaction costs, or other expenses of investing. Total benchmark returns assume the reinvestment of dividends and other earnings. An investor cannot invest directly in an index.

Gross returns are presented before management and custodial fees but after all trading expenses and reflect the reinvestment of dividends and other income. Net returns are net of model investment management fees in effect for the respective time period and are derived using the maximum fixed fee rate. A client's return will be reduced by the advisory fees and other expenses it may incur as a client. Fees charged are at the discretion of HighMark and U.S. Bank, N.A.

The standard management fee is 0.36%. Standard management fees do not include any platform, administration, or other distribution fees that client may pay in addition to the management fees.

The internal dispersion of annual returns is measured by the equal-weighted standard deviation of portfolio returns included in the composite for the full year. For those years with less than or equal to 5 portfolios, the calculation of internal dispersion is not a meaningful statistical measure. The three year annualized ex-post standard deviation measures the variability of the composite (using gross returns) and the benchmark returns over the preceding 36 month period. The standard deviation is not shown for periods prior to 2011 because it is not required. HighMark's policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

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HighMark Capital Management, Inc.
Composite Performance Presentation
PARS Tax Exempt Moderately Conservative HighMark Plus Composite
January 1, 2009 through December 31, 2018

Year	Composite Gross Return (%)	Composite Net Return (%)	Benchmark Return (%)	Composite 3-Yr Std Dev (%)	Benchmark 3-Yr Std Dev (%)	Internal Dispersion (%)	As of December 31		
							Number of Portfolios	Composite Assets (\$M)	Firm Assets (\$B)
2018	-2.60	-2.95	-1.86	3.79	3.45	0.17	17	114.88	7.41
2017	9.56	9.17	8.11	3.64	3.20	n/a	9	82.48	14.00
2016	4.94	4.56	5.42	4.00	3.62	n/a	<6	57.74	15.25
2015	0.32	-0.04	0.14	3.99	3.63	n/a	6	51.73	15.10
2014	4.41	4.04	5.92	4.06	3.34	0.09	6	53.66	15.27
2013	7.30	6.91	7.13	5.55	3.88	n/a	6	44.39	14.53
2012	10.88	10.48	7.32	6.26	4.41	n/a	6	42.37	17.50
2011	1.75	1.38	3.79	7.68	6.06	n/a	<6	36.46	15.65
2010	10.46	10.07	8.12			n/a	<6	64.75	16.68
2009	18.71	18.29	11.56			n/a	<6	23.34	16.82

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HighMark, a wholly owned subsidiary of MUFG Union Bank, N.A., is a registered investment adviser. The firm's list of composite descriptions is available upon request. All returns are expressed in U.S. dollars.

The PARS Tax Exempt Moderately Conservative Highmark Plus Composite includes all institutional portfolios invested in actively managed mutual funds. The strategy is to provide current income, with capital appreciation as a secondary objective. Under normal conditions, allocation ranges are: Equity 20%-40%, Fixed Income 50%-80%, and Cash 0%-20%. The composite was created in April 2009.

Effective 10/1/2012, the benchmark consists of: 15.5% S&P 500, 4.5% Russell 2000, 4.0% MSCI EAFE (net), 3.0% Russell MidCap, 2.0% MSCI EM (net), 49.25% Bloomberg Barclays US Aggregate Bond, 14.0% ICE BofAML 1-3 Year US Corporate/Government, 1.75% ICE BofAML US High Yield Master II, 1.0% Wilshire REIT, and 5% FTSE 1 Month T-Bill, rebalanced monthly. The benchmark was changed to reflect added strategy investments in mid cap and REITs. Prior to 9/30/2012, the benchmark consisted of: 25% S&P 500, 1.5% Russell 2000, 3.5% MSCI EAFE (net), 25% ICE BofAML 1-3 Year US Corporate/Government, 40% Bloomberg Barclays US Aggregate Bond, and 5% FTSE 1 Month T-Bill, rebalanced monthly. MSCI EAFE (net) and Russell 2000 were added due to enhancements in the investment process, which were designed to increase diversification through exposure to small cap and international equities. Benchmark returns do not reflect the deduction of advisory fees, custody fees, transaction costs, or other expenses of investing. Total benchmark returns assume the reinvestment of dividends and other earnings. An investor cannot invest directly in an index.

Gross returns are presented before management and custodial fees but after all trading expenses and reflect the reinvestment of dividends and other income. Net returns are net of model investment management fees in effect for the respective time period and are derived using the maximum fixed fee rate. A client's return will be reduced by the advisory fees and other expenses it may incur as a client. Fees charged are at the discretion of HighMark and U.S. Bank, N.A.

The standard management fee is 0.36%. Standard management fees do not include any platform, administration, or other distribution fees that client may pay in addition to the management fees.

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HighMark Capital Management, Inc.
Composite Performance Presentation
PARS Tax Exempt Moderately Conservative Index Plus Composite
January 1, 2009 through December 31, 2018

Year	Composite Gross Return (%)	Composite Net Return (%)	Benchmark Return (%)	Composite 3-Yr Std Dev (%)	Benchmark 3-Yr Std Dev (%)	Internal Dispersion (%)	As of December 31		
							Number of Portfolios	Composite Assets (\$M)	Firm Assets (\$B)
2018	-2.33	-2.68	-1.86	3.46	3.45	0.14	16	226.16	7.41
2017	8.08	7.70	8.11	3.27	3.20	0.13	14	168.14	14.00
2016	5.42	5.05	5.42	3.64	3.62	0.17	10	188.96	15.25
2015	-0.18	-0.54	0.14	3.76	3.63	0.26	11	172.46	15.10
2014	5.40	5.02	5.92	3.62	3.34	1.09	11	151.84	15.27
2013	6.78	6.39	7.13	4.61	3.88	1.12	10	156.33	14.53
2012	8.24	7.85	7.32	5.33	4.41	0.25	9	113.65	17.50
2011	3.24	2.87	3.79	7.17	6.06	1.05	8	88.09	15.65
2010	9.72	9.33	8.12			n/a	7	117.08	16.68
2009	11.92	11.52	11.56			n/a	<6	85.16	16.82

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Effective 10/1/2012, the benchmark consists of: 15.5% S&P 500, 4.5% Russell 2000, 4.0% MSCI EAFE (net), 3.0% Russell MidCap, 2.0% MSCI EM (net), 49.25% Bloomberg Barclays US Aggregate Bond, 14.0% ICE BofAML 1-3 Year US Corporate/Government, 1.75% ICE BofAML US High Yield Master II, 1.0% Wilshire REIT, and 5% FTSE 1 Month T-Bill, rebalanced monthly. The benchmark was changed to reflect added strategy investments in mid cap and REITs. Prior to 9/30/2012, the benchmark consisted of: 25% S&P 500, 1.5% Russell 2000, 3.5% MSCI EAFE (net), 25% ICE BofAML 1-3 Year US Corporate/Government, 40% Bloomberg Barclays US Aggregate Bond, and 5% FTSE 1 Month T-Bill, rebalanced monthly. MSCI EAFE (net) and Russell 2000 were added due to enhancements in the investment process, which were designed to increase diversification through exposure to small cap and international equities. Benchmark returns do not reflect the deduction of advisory fees, custody fees, transaction costs, or other expenses of investing. Total benchmark returns assume the reinvestment of dividends and other earnings. An investor cannot invest directly in an index.

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HighMark Capital Management, Inc.
Composite Performance Presentation
PARS Tax Exempt Moderate HighMark Plus Composite
January 1, 2009 through December 31, 2018

Year	Composite Gross Return (%)	Composite Net Return (%)	Benchmark Return (%)	Composite 3-Yr Std Dev (%)	Benchmark 3-Yr Std Dev (%)	Internal Dispersion (%)	As of December 31		
							Number of Portfolios	Composite Assets (\$M)	Firm Assets (\$B)
2018	-4.03	-4.37	-3.37	5.68	5.47	0.30	29	330.82	7.41
2017	13.19	12.79	11.65	5.25	5.02	0.57	24	302.91	14.00
2016	6.45	6.07	7.41	5.73	5.57	0.47	22	294.11	15.25
2015	0.14	-0.22	-0.12	5.55	5.43	0.23	20	261.74	15.10
2014	4.84	4.46	6.95	5.47	4.99	0.23	20	253.18	15.27
2013	13.06	12.66	13.06	7.50	6.21	0.97	20	265.51	14.53
2012	12.25	11.85	10.26	9.21	7.57	0.79	18	226.43	17.50
2011	0.55	0.18	3.05	11.02	9.79	0.65	15	191.09	15.65
2010	12.42	12.02	10.23			1.14	12	127.66	16.68
2009	21.47	21.04	16.01			2.34	11	73.96	16.82

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Effective 10/1/2012, the benchmark consists of: 26.5% S&P 500, 7.5% Russell 2000, 6% MSCI EAFE (net), 5% Russell MidCap, 3.25% MSCI EM (net), 33.5% Bloomberg Barclays US Aggregate Bond, 10% ICE BofAML 1-3 Year US Corporate/Government, 1.5% ICE BofAML US High Yield Master II, 1.75% Wilshire REIT, and 5% FTSE 1 Month T-Bill, rebalanced monthly. The benchmark was changed to reflect added strategy investments in mid cap and REITs. Prior to 9/30/2012, the benchmark consisted of: 43% S&P 500, 2% Russell 2000, 5% MSCI EAFE (net), 15% ICE BofAML 1-3 Year US Corporate/Government, 30% Bloomberg Barclays US Aggregate Bond, and 5% FTSE 1 Month T-Bill, rebalanced monthly. MSCI EAFE (net) and Russell 2000 were added due to enhancements in the investment process, which were designed to increase diversification through exposure to small cap and international equities. Benchmark returns do not reflect the deduction of advisory fees, custody fees, transaction costs, or other expenses of investing. Total benchmark returns assume the reinvestment of dividends and other earnings. An investor cannot invest directly in an index.

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HighMark Capital Management, Inc.
Composite Performance Presentation
PARS Tax Exempt Moderate Index Plus Composite
January 1, 2009 through December 31, 2018

Year	Composite Gross Return (%)	Composite Net Return (%)	Benchmark Return (%)	Composite 3-Yr Std Dev (%)	Benchmark 3-Yr Std Dev (%)	Internal Dispersion (%)	As of December 31		
							Number of Portfolios	Composite Assets (\$M)	Firm Assets (\$B)
2018	-4.03	-4.38	-3.37	5.38	5.47	0.27	26	171.39	7.41
2017	11.59	11.19	11.65	4.96	5.02	0.13	20	137.75	14.00
2016	7.23	6.84	7.41	5.46	5.57	0.36	17	90.74	15.25
2015	-0.52	-0.87	-0.12	5.47	5.43	0.78	14	71.47	15.10
2014	5.72	5.35	6.95	5.17	4.99	1.33	12	64.82	15.27
2013	12.79	12.39	13.06	6.89	6.21	0.52	12	37.61	14.53
2012	10.91	10.51	10.26	8.49	7.57	n/a	11	28.86	17.50
2011	2.29	1.92	3.05	11.01	9.79	n/a	<6	22.55	15.65
2010	11.77	11.37	10.23			n/a	<6	14.76	16.68
2009	16.05	15.63	16.01			n/a	<6	10.78	16.82

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Composite Performance Presentation
PARS Tax Exempt Balanced HighMark Plus Composite
January 1, 2009 through December 31, 2018

Year	Composite Gross Return (%)	Composite Net Return (%)	Benchmark Return (%)	Composite 3-Yr Std Dev (%)	Benchmark 3-Yr Std Dev (%)	Internal Dispersion (%)	As of December 31		
							Number of Portfolios	Composite Assets (\$M)	Firm Assets (\$B)
2018	-4.88	-5.22	-4.18	6.81	6.56	0.31	27	273.95	7.41
2017	15.46	15.05	13.54	6.20	6.00	0.35	25	257.43	14.00
2016	6.81	6.42	8.38	6.75	6.62	0.44	24	211.15	15.25
2015	0.04	-0.32	-0.29	6.50	6.40	0.55	24	196.62	15.10
2014	4.70	4.33	7.52	6.34	5.87	0.68	21	159.33	15.27
2013	16.61	16.20	16.05	8.88	7.42	0.64	15	121.82	14.53
2012	13.25	12.85	11.90	10.90	9.16	0.25	12	88.73	17.50
2011	-0.46	-0.82	2.89	12.57	11.71	0.45	8	71.39	15.65
2010	14.11	13.71	11.49			n/a	6	54.05	16.68
2009	21.36	20.93	18.33			n/a	<6	36.57	16.82

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Effective 10/1/2012, the benchmark consists of: 32.0% S&P 500, 9.0% Russell 2000, 7.0% MSCI EAFE (net), 6.0% Russell MidCap, 4.0% MSCI EM (net), 27.0% Bloomberg Barclays US Aggregate Bond, 6.75% ICE BofAML 1-3 Year US Corporate/Government, 1.25% ICE BofAML US High Yield Master II, 2.0% Wilshire REIT, and 5% FTSE 1 Month T-Bill, rebalanced monthly. The benchmark was changed to reflect added strategy investments in mid cap and REITs. Prior to 9/30/2012, the benchmark consisted of: 51% S&P 500, 3% Russell 2000, 6% MSCI EAFE (net), 5% ICE BofAML 1-3 Year US Corporate/Government, 30% Bloomberg Barclays US Aggregate Bond, and 5% FTSE 1 Month T-Bill, rebalanced monthly. MSCI EAFE (net) and Russell 2000 were added due to enhancements in the investment process, which were designed to increase diversification through exposure to small cap and international equities. Benchmark returns do not reflect the deduction of advisory fees, custody fees, transaction costs, or other expenses of investing. Total benchmark returns assume the reinvestment of dividends and other earnings. An investor cannot invest directly in an index.

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Composite Performance Presentation
PARS Tax Exempt Balanced Index Plus Composite
January 1, 2009 through December 31, 2018

Year	Composite Gross Return (%)	Composite Net Return (%)	Benchmark Return (%)	Composite 3-Yr Std Dev (%)	Benchmark 3-Yr Std Dev (%)	Internal Dispersion (%)	As of December 31		
							Number of Portfolios	Composite Assets (\$M)	Firm Assets (\$B)
2018	-5.05	-5.39	-4.18	6.44	6.56	0.14	13	163.15	7.41
2017	13.39	12.98	13.54	5.88	6.00	0.09	11	149.71	14.00
2016	8.25	7.86	8.38	6.46	6.62	0.21	12	135.54	15.25
2015	-0.81	-1.17	-0.29	6.39	6.40	0.19	9	99.49	15.10
2014	6.08	5.70	7.52	6.04	5.87	0.32	10	90.62	15.27
2013	15.63	15.22	16.05	8.15	7.42	0.47	9	73.67	14.53
2012	11.93	11.53	11.90	10.12	9.16	0.85	8	57.98	17.50
2011	1.60	1.23	2.89	12.50	11.71	n/a	8	45.50	15.65
2010	12.76	12.36	11.49			n/a	<6	36.19	16.68
2009	17.62	17.21	18.33			n/a	<6	27.13	16.82

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Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

HighMark, a wholly owned subsidiary of MUFG Union Bank, N.A., is a registered investment adviser. The firm's list of composite descriptions is available upon request. All returns are expressed in U.S. dollars.

The PARS Tax Exempt Balanced Index Plus Composite includes all institutional portfolios invested in index-based securities. The strategy is to provide growth of principal and income. Under normal conditions, allocation ranges are: Equity 50%-70%, Fixed Income 30%-50%, and Cash 0%-20%. The composite was created in April 2009. The composite name was changed from PARS Tax Exempt Moderately Aggressive Index Plus to PARS Tax Exempt Balanced Index Plus in May 2013.

Effective 10/1/2012, the benchmark consists of: 32.0% S&P 500, 9.0% Russell 2000, 7.0% MSCI EAFE (net), 6.0% Russell MidCap, 4.0% MSCI EM (net), 27.0% Bloomberg Barclays US Aggregate Bond, 6.75% ICE BofAML 1-3 Year US Corporate/Government, 1.25% ICE BofAML US High Yield Master II, 2.0% Wilshire REIT, and 5% FTSE 1 Month T-Bill, rebalanced monthly. The benchmark was changed to reflect added strategy investments in mid cap and REITs. Prior to 9/30/2012, the benchmark consisted of: 51% S&P 500, 3% Russell 2000, 6% MSCI EAFE (net), 5% ICE BofAML 1-3 Year US Corporate/Government, 30% Bloomberg Barclays US Aggregate Bond, and 5% FTSE 1 Month T-Bill, rebalanced monthly. MSCI EAFE (net) and Russell 2000 were added due to enhancements in the investment process, which were designed to increase diversification through exposure to small cap and international equities. Benchmark returns do not reflect the deduction of advisory fees, custody fees, transaction costs, or other expenses of investing. Total benchmark returns assume the reinvestment of dividends and other earnings. An investor cannot invest directly in an index.

Gross returns are presented before management and custodial fees but after all trading expenses and reflect the reinvestment of dividends and other income. Net returns are net of model investment management fees in effect for the respective time period and are derived using the maximum fixed fee rate. A client's return will be reduced by the advisory fees and other expenses it may incur as a client. Fees charged are at the discretion of HighMark and U.S. Bank, N.A.

The standard management fee is 0.36%. Standard management fees do not include any platform, administration, or other distribution fees that client may pay in addition to the management fees.

The internal dispersion of annual returns is measured by the equal-weighted standard deviation of portfolio returns included in the composite for the full year. For those years with less than or equal to 5 portfolios, the calculation of internal dispersion is not a meaningful statistical measure. The three year annualized ex-post standard deviation measures the variability of the composite (using gross returns) and the benchmark returns over the preceding 36 month period. The standard deviation is not shown for periods prior to 2011 because it is not required. HighMark's policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

Past performance does not guarantee future results. Securities investments involve risk, including the possible loss of the principal amount invested. Investments are not deposits of the adviser's parent or any of the adviser's affiliates, and are NOT FDIC insured.



HighMark Capital Management, Inc.
Composite Performance Presentation
PARS Tax Exempt Capital Appreciation Consolidated Composite
January 1, 2009 through December 31, 2018

Year	Composite Gross Return (%)	Composite Net Return (%)	Benchmark Return (%)	Composite 3-Yr Std Dev (%)	Benchmark 3-Yr Std Dev (%)	Internal Dispersion (%)	As of December 31		
							Number of Portfolios	Composite Assets (\$M)	Firm Assets (\$B)
2018	-5.82	-6.16	-5.55	8.09	8.17	0.38	14	131.18	7.41
2017	16.72	16.31	16.55	7.39	7.53	n/a	9	81.31	14.00
2016	8.81	8.42	9.57	8.08	8.23	n/a	<6	4.44	15.25
2015	-0.27	-0.62	-0.62	7.80	7.90	n/a	<6	2.36	15.10
2014	6.05	5.67	7.89	7.41	7.48	n/a	<6	1.15	15.27
2013	20.33	19.90	20.62	10.21	10.11	n/a	<6	26.76	14.53
2012	13.87	13.46	13.38	12.60	12.47	n/a	<6	21.85	17.50
2011	-1.35	-1.70	-0.26	15.26	15.70	n/a	<6	17.87	15.65
2010	12.95	12.54	14.63			n/a	<6	14.36	16.68
2009	23.77	23.34	25.81			n/a	<6	11.30	16.82

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The PARS Tax Exempt Capital Appreciation Consolidated Composite includes all institutional portfolios invested in either actively managed mutual funds or index based securities. The strategy is to provide growth of principal. Under normal conditions, allocation ranges are: Equity 65%-85%, Fixed Income 10%-30%, and Cash 0%-20%. The composite was created in May 2013. As of March 31, 2017, the composite name was changed from PARS Tax Exempt Capital Appreciation HighMark Plus to PARS Tax Exempt Capital Appreciation Consolidated.

The benchmark consists of: 39.5% S&P 500, 10.5% Russell 2000, 10.25% MSCI EAFE (net), 7.5% Russell MidCap, 5.25% MSCI EM (net), 16% Bloomberg Barclays US Aggregate Bond, 3% ICE BofAML 1-3 Year US Corporate/Government, 1% ICE BofAML US High Yield Master II, 2% Wilshire REIT, 5% FTSE 1 Month T-Bill, rebalanced monthly. Benchmark returns do not reflect the deduction of advisory fees, custody fees, transaction costs, or other expenses of investing. Total benchmark returns assume the reinvestment of dividends and other earnings. An investor cannot invest directly in an index..

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HighMark Capital Management, Inc.
Composite Performance Presentation
PARS Short-to-Intermediate Fixed Income Composite
January 1, 2009 through December 31, 2018

Year	Composite Gross Return (%)	Composite Net Return (%)	Benchmark Return (%)	Composite 3-Yr Std Dev (%)	Benchmark 3-Yr Std Dev (%)	Internal Dispersion (%)	As of December 31		
							Number of Portfolios	Composite Assets (\$M)	Firm Assets (\$B)
2018	1.94	1.86	1.59	0.32	0.85	n/a	<6	147.05	7.41
2017	1.50	1.42	0.43	0.32	0.74	n/a	<6	140.62	14.00
2016	1.29	1.22	0.88	0.30	0.75	n/a	<6	140.60	15.25
2015	0.47	0.40	0.53	0.23	0.56	n/a	<6	141.40	15.10
2014	0.52	0.45	0.61	0.34	0.44	n/a	<6	147.06	15.27
2013	0.73	0.66	0.34	0.40	0.52	n/a	<6	152.10	14.53
2012	1.72	1.65	0.42	0.43	0.75	n/a	<6	153.38	17.50
2011	0.83	0.75	1.57	0.98	1.04	n/a	<6	151.66	15.65
2010	1.69	1.61	2.35			n/a	<6	154.90	16.68
2009	5.39	5.32	0.77			n/a	<6	153.23	16.82

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HighMark, a wholly owned subsidiary of MUFG Union Bank, N.A., is a registered investment adviser. The firm's list of composite descriptions is available upon request. All returns are expressed in U.S. dollars.

The PARS Short-to-Intermediate Fixed Income Composite includes all institutional portfolios that invest in U.S. short-term to intermediate-term securities that offer liquidity, stability of principal, and competitive yields. Portfolios in this composite are diversified with security maturities less and 8 years and primarily a weighted average maturity of between 1.5 and 3 years. The composite was created in April 2009.

The benchmark is the ICE BofAML 1-3 Year U.S. Treasury Index. Benchmark returns do not reflect the deduction of advisory fees, custody fees, transaction costs, or other expenses of investing. Total benchmark returns assume the reinvestment of dividends and other earnings. An investor cannot invest directly in an index.

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PARS Investment Program Q2 2019

Andrew Brown, CFA

Director & Senior Portfolio Manager



About HighMark Capital Management, Inc.

LONGEVITY

Managing assets for clients
since **1919***

TALENT

44 investment professionals
26 professionals hold the Chartered
Financial Analyst® (CFA) designation
23 years average industry experience

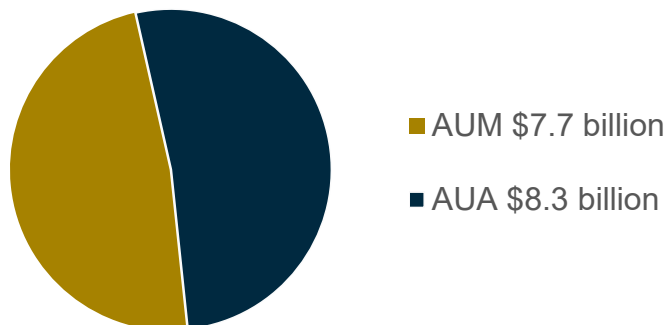
STABILITY

Investment boutique structure
headquartered in San Francisco
backed by global strength within
MUFG Union Bank, N.A.

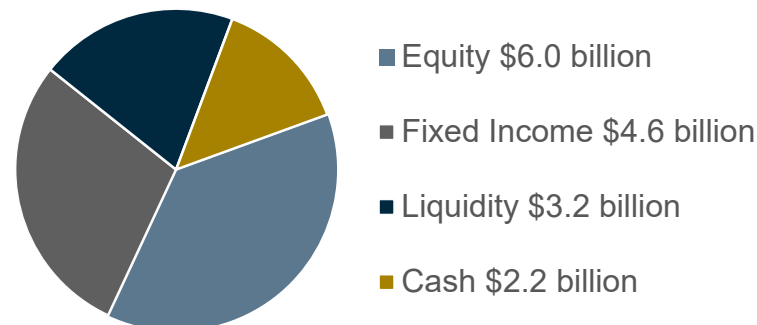
ASSETS UNDER MANAGEMENT AND ADVISEMENT**

\$16.0 billion as of 6/30/2019

Client Base



Asset Class



*Includes predecessor organizations. HighMark Capital Management, Inc. registered with the SEC as an investment adviser on August 7, 1998.

**Assets under management ("AUM") include assets for which HighMark provides continuous and regular supervisory and management services. Assets under advisement ("AUA") include assets for which HighMark provides certain investment advisory services (including, but not limited to, investment research and strategies) for client assets of its parent company, MUFG Union Bank, N.A.

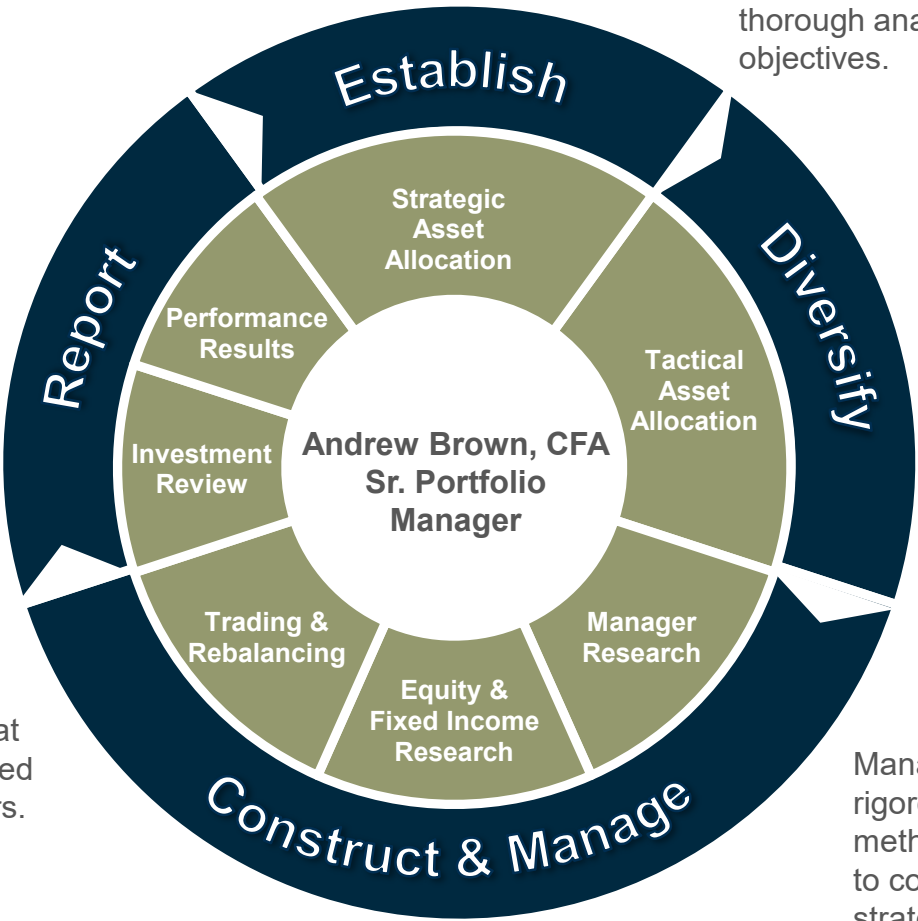
Disciplined Investment Process

Your Plan's Portfolio Manager is supported by deep investment resources and unique processes.

Your portfolio's strategic asset allocation policy is established in your Investment Guidelines Document (IGD) after a thorough analysis of your needs and objectives.

Regular investment & performance reports, as well as contact with your account portfolio manager, helps to keep you informed.

We typically invest in share classes that offer the lowest expense ratio available for that fund, which is typically reserved for larger institutional investors.



Asset Allocation Committee (AAC) employs a multi-factor approach to establish long-term strategic asset allocation ranges as well as provide tactical diversification guidelines in an effort to capitalize on short-term market opportunities.

Manager Research Group utilizes rigorous due diligence methodologies to provide access to competitive externally managed strategies and index-based funds.

Establish: Analyze Your Plan's Needs and Objectives

Your Plan's needs and objectives drive the selection of an investment strategy, which is governed by your Investment Guidelines Document.

Objectives

What is the primary purpose of the Plan's investment portfolio? How much growth is needed to meet the Plan's objectives?

Risk Tolerance

How much risk can the Plan accept in order to meet Plan objectives?

Liquidity and Cash Flows

How much of the portfolio should be made available to meet the Plan's cash flow requirements?

Time Horizon

How much time does the Plan have to meet objectives or what events may trigger a change to the Plan's investment portfolio?

Constraints

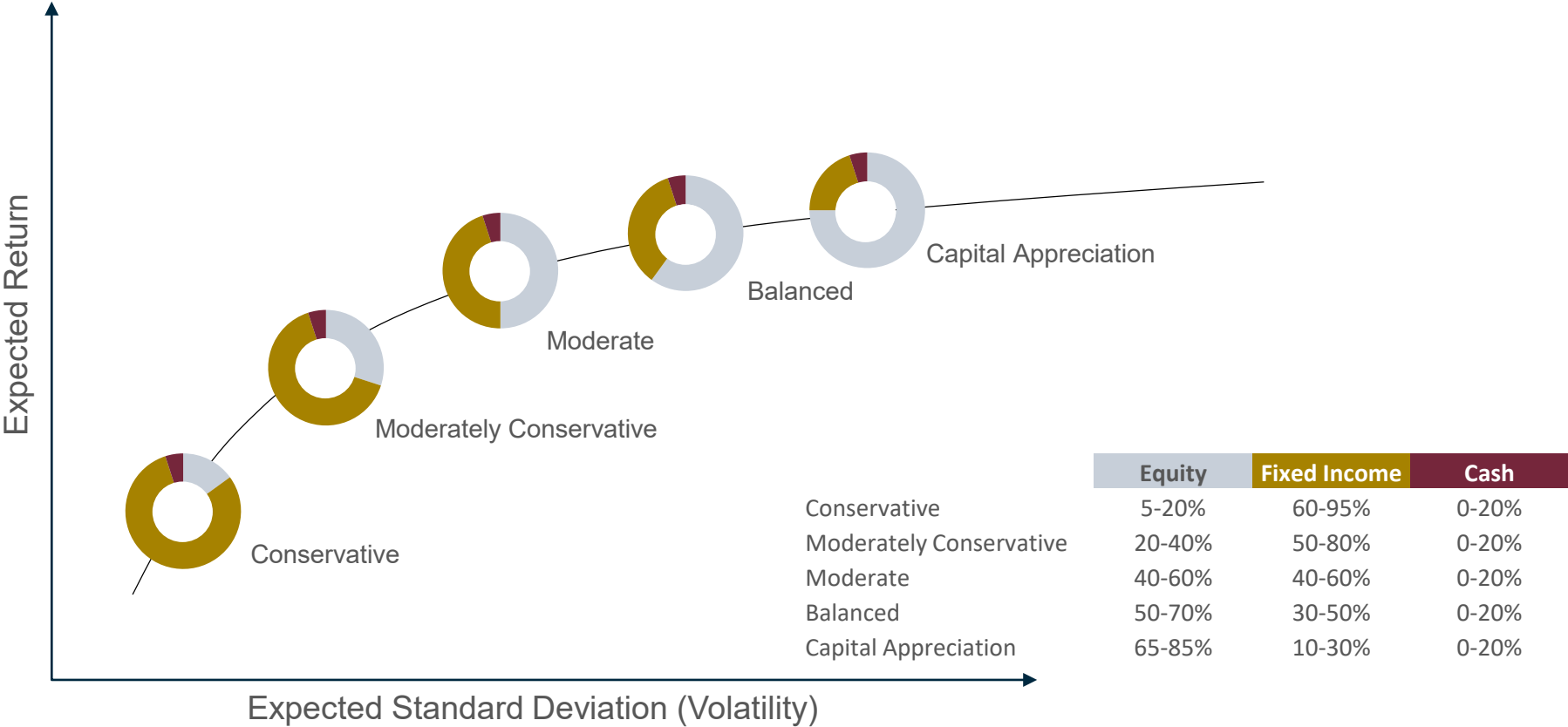
Are there any regulatory or other limitations as to how the Plan's assets can be invested?

Other Considerations

What is the current funding status of the Plan?

Establish: Determine your Strategic Asset Allocation Strategy

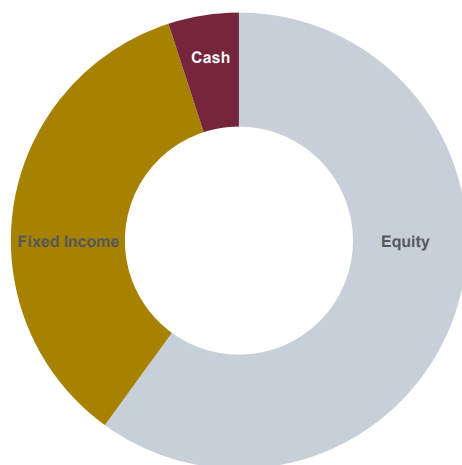
Efficient frontier of portfolios with varying ranges of equities and fixed income



Each Investment Objective reflects the associated PARS Diversified Portfolio as of 6/30/2019. A client's portfolio construction may vary depending on the client's investment needs, objectives, and restrictions as well as the prevailing market conditions at the time of investment.

Diversify: Tactical Asset Allocation

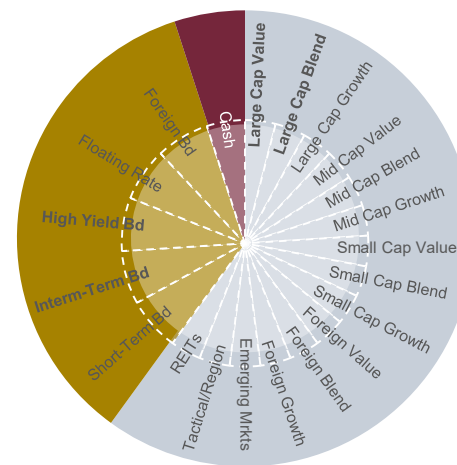
Strategic Asset Allocation



Strategic Asset Allocation is the foundation of portfolio management.

- Optimizes the long-term allocation of your portfolio across key asset classes;
- Aligned with your individual goals and objectives;
- Rooted in empirical observations supported by financial, economic, and investment theory.

Tactical Asset Allocation

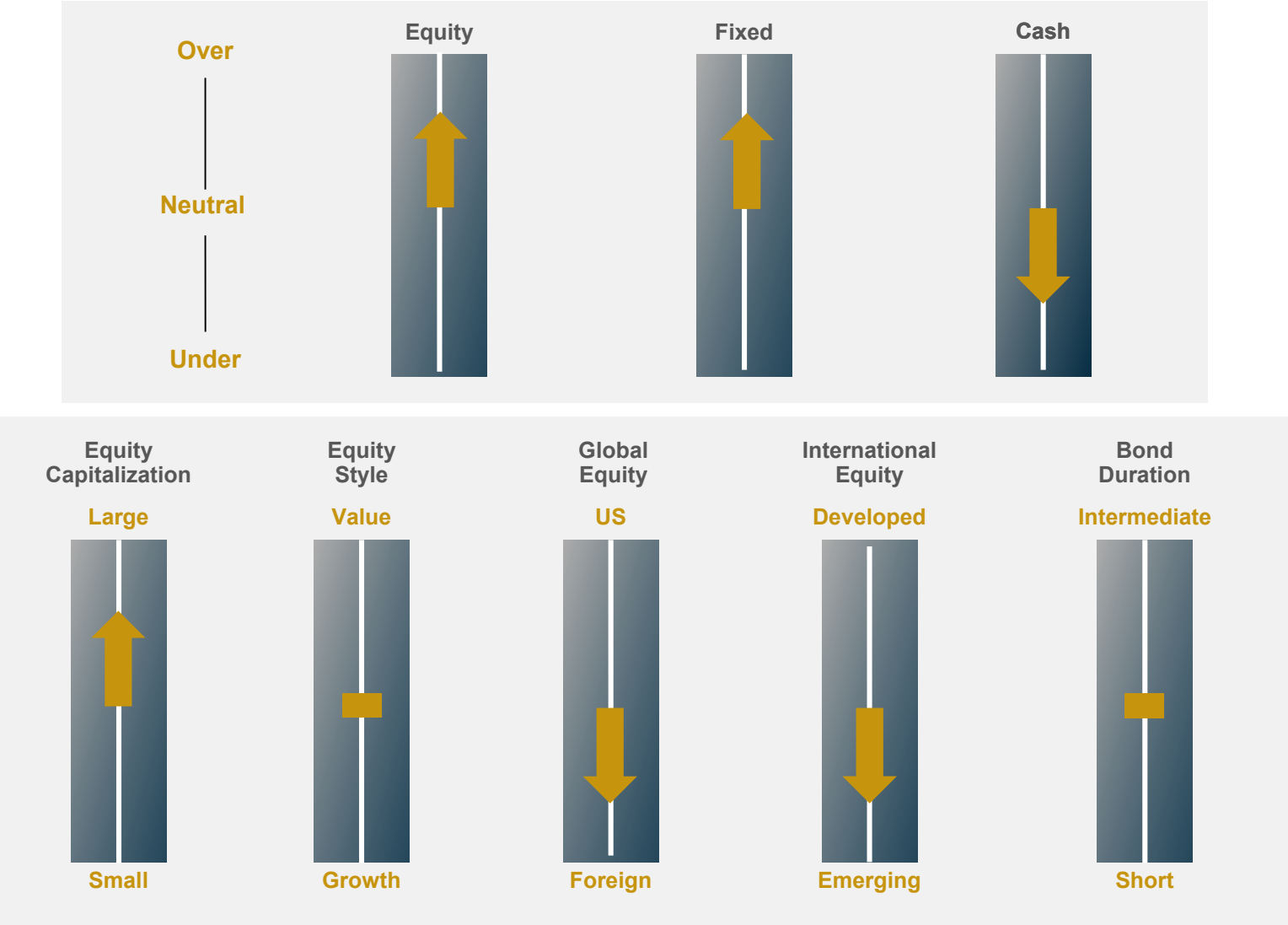


Tactical Asset Allocation exploits opportunities frequently overlooked as sources for excess return.

- Logical extension of Strategic Asset Allocation;
- Skews the direction, size, expected value, and duration of the portfolio;
- Sector selection, style rotation, and currency inputs identify opportunities to achieve additional return above strategic asset allocation.

Diversify: Tactical Asset Allocation

What are we favoring today in PARS Diversified Portfolios?



Updated June 2019 Asset Allocation Guidelines provided by HighMark Capital Management
A client's portfolio construction may vary depending on the client's investment needs, objectives, and restrictions as well as the prevailing market conditions at the time of investment.

Construct Your Plan's Portfolio: PARS Diversified Portfolios – Tactical Allocation



	Conservative	Moderately Conservative	Moderate	Balanced	Capital Appreciation
Equity	5-20%	20-40%	40-60%	50-70%	65-85%
<i>Current Tactical</i>	15.55%	30.66%	50.85%	61.00%	76.25%
Large Cap Blend	4.38%	8.95%	14.98%	18.20%	22.59%
Large Cap Value	1.76%	3.50%	5.95%	7.14%	8.72%
Large Cap Growth	1.76%	3.50%	5.95%	7.14%	8.72%
Mid Cap Blend	1.23%	2.49%	4.02%	4.90%	6.10%
Mid Cap Value	0.00%	0.00%	0.00%	0.00%	0.00%
Real Estate	0.73%	1.44%	2.42%	2.80%	3.44%
Small Cap Value	1.31%	2.30%	3.79%	4.50%	5.18%
Small Cap Growth	1.31%	2.30%	3.79%	4.50%	5.18%
International	1.84%	3.66%	5.79%	6.82%	9.93%
Tactical - Europe	0.00%	0.00%	0.00%	0.00%	0.00%
Emerging Markets	1.23%	2.52%	4.16%	5.00%	6.39%
Fixed Income	60-95%	50-80%	40-60%	30-50%	10-30%
<i>Current Tactical</i>	78.54%	65.91%	46.06%	36.32%	22.20%
Short Term Bond	17.64%	14.66%	9.71%	7.25%	5.91%
Intermediate Term Bond	60.90%	51.25%	36.35%	29.07%	16.29%
Floating Rate Note	0.00%	0.00%	0.00%	0.00%	0.00%
Cash	0-20%	0-20%	0-20%	0-20%	0-20%
<i>Current Tactical</i>	5.91%	3.43%	3.09%	2.68%	1.55%
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%

Each Investment Objective reflects the associated PARS Diversified Portfolio as of 6/30/2019. A client's portfolio construction may vary depending on the client's investment needs, objectives, and restrictions as well as the prevailing market conditions at the time of investment.

Construct Your Plan's Portfolio: PARS Diversified Portfolios – Active v. Passive

	HighMark Plus (Active)		Index Plus (Passive)	
Equity	Ticker	Fund Name	Ticker	Fund Name
Large Cap Blend	COFYX	Columbia Contrarian Core I3	IVV	iShares Core S&P 500 ETF
Large Cap Blend	VGIAX	Vanguard Growth & Income Adm		
Large Cap Value	DODGX	Dodge & Cox Stock	IVE	iShares S&P 500 Value ETF
Large Cap Growth	HNACX	Harbor Capital Appreciation Ret	IVW	iShares S&P 500 Growth ETF
Large Cap Growth	PRUFY	T. Rowe Price Growth Stock I		
Mid Cap Blend	IWR	iShares Russell Mid-Cap ETF	IWR	iShares Russell Mid-Cap ETF
Real Estate	VNQ	Vanguard Real Estate ETF	VNQ	Vanguard Real Estate ETF
Small Cap Value	UBVFX	Undiscovered Managers Behavioral Val R6	IWN	iShares Russell 2000 Value ETF
Small Cap Growth	RSEJX	Victory RS Small Cap Growth R6	IWO	iShares Russell 2000 Growth ETF
International	DFALX	DFA Large Cap International Portfolio		
International	DODFX	Dodge & Cox International Stock		
International	MGRDX	MFS International Growth R6	EFA	iShares MSCI EAFE ETF
Emerging Markets	HHHYX	Hartford Schroders Emerging Mkts Eq Y	VWO	Vanguard FTSE Emerging Markets ETF
Fixed Income	Ticker	Fund Name	Ticker	Fund Name
Short Term Bond	VFSUX	Vanguard Short-Term Investment-Grade Adm	VFSUX	Vanguard Short-Term Investment-Grade Adm
Intermediate Term Bond	PTTRX	PIMCO Total Return Instl	AGG	iShares Core U.S. Aggregate Bond
Intermediate Term Bond	PTRQX	PGIM Total Return Bond Q		
Intermediate Term Bond	DBLFX	DoubleLine Core Fixed Income I		
Cash				
Characteristics				
Fund Manager Dependency		Higher dependency on portfolio manager skill		Tracks index, thus little-to-no dependency on portfolio manager skill
Opportunity to Outperform Index		Opportunity to outperform index		Typically performs below index after fees
Costs		Higher expense ratios due to portfolio manager skill		Lower expense ratio due to little dependency on portfolio manager skill or opportunity for outperformance

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Report: Responsive and Proactive Client Communication

HighMark's dedicated investment team continuously seeks to add value to our relationship with your organization.

- Integrated client service program established with PARS over the last 23 years
- We have a tradition of interactive client service to maintain a strong relationship delivered by local portfolio managers
- You benefit from face-to-face meetings and scheduled conference calls with your client service team and portfolio management team
- You receive regular communications in a variety of formats
 - Account holdings and transactions
 - Quarterly performance evaluation reports
 - Investment outlook and economic updates



Andrew Brown, CFA
Director
Sr. Portfolio Manager
Northern California



Keith Stribling, CFA
Vice President
Sr. Portfolio Manager
Orange County



Hoddy Fritz
Director
Business
Development
Southern California



Christiane Tsuda
Vice President
Sr. Portfolio Manager
San Diego



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Director
Business
Development
Northern California



Anne Wimmer, CFA
Director
Sr. Portfolio Manager
Los Angeles



Tory Milazzo, CFA
Vice President
Sr. Portfolio Manager
Central Coast



Randy Yurchak, CFA
Vice President
Sr. Portfolio Manager
Northern California

Summary

Strength and Longevity

- After 100 years* of experience, we remain dedicated to helping our clients meet their investment goals and objectives;
- With more than 23 years of partnership with PARS, we remain firmly committed to investing in the business.
- Our unique market position and ownership structure provides the resources, talent, and product breadth of a large parent organization combined with the agility, flexibility, and responsiveness of a boutique investment advisor.

Disciplined Investment Process

- Proprietary strategic asset allocation process forms the foundation of portfolio;
- Tactical asset allocation exploits potential market opportunities;
- Rigorous manager due diligence provides access to competitive externally managed strategies;
- Rebalancing strategies helps to ensure the portfolio is aligned with goals and objectives.

Flexible Investment Options

5 Investment Objectives

- Conservative
- Moderately Conservative
- Moderate
- Balanced
- Capital Appreciation

2 Implementation Strategies

- HighMark Plus (Active)
- Index Plus (Passive)

* Includes predecessor organizations. HighMark Capital Management, Inc. registered with the SEC as an investment adviser on August 7, 1998.

Disclosures

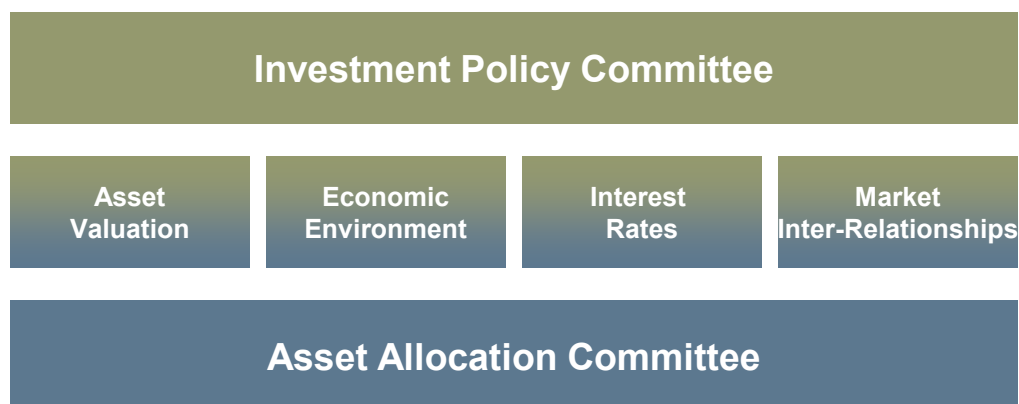
HighMark Capital Management, Inc. (HighMark), an SEC-registered investment adviser, is a wholly owned subsidiary of MUFG Union Bank, N.A. (MUB). HighMark manages institutional separate account portfolios for a wide variety of for-profit and nonprofit organizations, public agencies, and public and private retirement plans. MUB, a subsidiary of MUFG Americas Holdings Corporation, provides certain services to HighMark and is compensated for these services. MUB is an indirect subsidiary of Mitsubishi UFJ Financial Group. Past performance does not guarantee future results. Individual account management and construction will vary depending on each client's investment needs and objectives. Specific securities identified in this presentation do not represent all of the securities purchased, sold or recommended for advisory clients, and you should not assume that investments in the securities identified in this presentation were or will be profitable. **Investments employing HighMark strategies are NOT insured by the FDIC or by any other Federal Government Agency, are NOT Bank deposits, are NOT guaranteed by the Bank or any Bank affiliate, and MAY lose value, including possible loss of principal.**

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Additional Information

Asset Allocation Committee

Seek to identify investment opportunities using fundamental indicators to enhance returns over time through active asset allocation and investment selection without significantly increasing risk



Investment Professionals

16

Investment Experience

28 years average

Tenure with Firm

15 years average

Multi-disciplinary Group

Equity, Bond, Quantitative

Manager Research

Our manager due diligence process optimizes our diversification strategy while harnessing both internal and external investment expertise.

Research-Based	Manager / Vehicle Selection	Monitoring	Portfolio-Centric
• Manager Review Group (MRG) represents a team of experienced and highly qualified manager research professionals • 7 members • 19 years average experience • 7 years average tenure • MRG conducts proprietary due diligence and monitoring of managers, platforms, and independent research experts	• We go beyond performance and category ranking to assess sustainability of competitive advantages • In-depth quantitative and fundamental research focuses on people, philosophy, and process • Access to a broad universe of mutual funds and ETFs helps to select the most appropriate vehicle while assessing associated expenses and costs	• Ongoing monitoring of over 150 funds • Focus on spotting red flags that can threaten a successful manager's track record • Emphasize understanding the key drivers of returns and markets where they are most effective • Regular site visits and manager calls to monitor firm and process changes	• Select strategies best suited to portfolio's risk and return objectives • Careful review and regular affirmation of portfolio goals, objectives, risk tolerance, time horizon, and liquidity needs • Understand how the strategies within a portfolio can complement each other • Construct portfolios using strategies designed to help boost risk-adjusted returns

APPENDIX: CERTIFICATES OF INSURANCE



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

5/6/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION** IS **WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Risk Strategies Company 2040 Main Street, Suite 450 Irvine, CA 92614 www.risk-strategies.com CA DOI License No. 0F06675		CONTACT NAME: Risk Strategies Company PHONE (A/C, No, Ext): 949-242-9240 FAX (A/C, No): E-MAIL ADDRESS: syoung@risk-strategies.com	
INSURED Phase II Systems dba: PARS 4350 Von Karman Ave., Ste 100 Newport Beach CA 92660		INSURER(S) AFFORDING COVERAGE INSURER A: Sentinel Insurance Co. NAIC # 11000 INSURER B: Travelers Property Casualty Co of America 25674 INSURER C: Lloyds INSURER D: INSURER E: INSURER F:	

COVERAGES

CERTIFICATE NUMBER: 48536245

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☒ PRO-JECT ☐ LOC OTHER:			72SBAAC2429	5/8/2019	5/8/2020	EACH OCCURRENCE \$2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000 MED EXP (Any one person) \$10,000 PERSONAL & ADV INJURY \$2,000,000 GENERAL AGGREGATE \$4,000,000 PRODUCTS - COMP/OP AGG \$4,000,000 \$
A	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS ☒ HIRED AUTOS ONLY ☒ NON-OWNED AUTOS ONLY			72SBAAC2429	5/8/2019	5/8/2020	COMBINED SINGLE LIMIT (Ea accident) \$2,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	UMBRELLA LIAB ☐ OCCUR EXCESS LIAB ☐ CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y / N	N / A	UB2J193983	6/1/2019	6/1/2020	☒ PER STATUTE ☐ OTH-ER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000
C	Professional Liability			LDUSA1804508	7/30/2018	7/30/2019	Per Claim: \$2,000,000 Aggregate: \$2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

This certificate issued for Evidence of Insurance only.

CERTIFICATE HOLDER

CANCELLATION

Evidence of Insurance

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Michael Christian

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ACORD 25 (2016/03)

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247



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
07/03/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

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PRODUCER Hays Companies 80 South 8th Street Suite 700 Minneapolis, MN 55402	1-612-333-3323	CONTACT NAME: Dawn Heinemann and Melody Kronbach PHONE (A/C, No. Ext): 612-333-3323 FAX (A/C, No): 612-373-7270 E-MAIL ADDRESS: dheinemann@hayscompanies.com
INSURED U.S. Bancorp and its Subsidiaries 200 South 6th Street EP-MN-L20I Minneapolis, MN 55402		INSURER(S) AFFORDING COVERAGE INSURER A: OLD REPUBLIC INS CO INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:
		NAIC # 24147

COVERAGES**CERTIFICATE NUMBER: 56677509****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☒ POLICY ☐ PRO-JECT ☐ LOC ☐ OTHER:			MWZY313979	08/01/18	08/01/19	EACH OCCURRENCE \$ 5,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ N/A PERSONAL & ADV INJURY \$ 5,000,000 GENERAL AGGREGATE \$ 6,000,000 PRODUCTS - COMP/OP AGG \$ 6,000,000 \$
A	☒ AUTOMOBILE LIABILITY ☒ ANY AUTO ☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ONLY ☐ NON-OWNED AUTOS ONLY			MWTB313977	08/01/18	08/01/19	COMBINED SINGLE LIMIT (Ea accident) \$ 250,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	☐ UMBRELLA LIAB ☐ OCCUR ☐ EXCESS LIAB ☐ CLAIMS-MADE ☐ DED ☐ RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
A	☒ WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N ☒ N	N/A	MWC31397600	08/01/18	08/01/19	☒ PER STATUTE ☐ OTH-ER E.L. EACH ACCIDENT \$ 2,000,000 E.L. DISEASE - EA EMPLOYEE \$ 2,000,000 E.L. DISEASE - POLICY LIMIT \$ 2,000,000
A	☒ Excess Automobile Liab.			MWZX313981	08/01/18	08/01/19	LIMIT \$ 4,750,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

RE: RFP.
Evidence of Insurance.**CERTIFICATE HOLDER**

RFP City of Pittsburg 65 Civic Avenue Pittsburg, CA 94501 USA	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
--	--

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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
07/04/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

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PRODUCER Marsh USA Inc. 333 South 7th Street, Suite 1400 Minneapolis, MN 55402-2400 Attn: Minneapolis.CertRequest@marsh.com Fax 212-948-0114	CONTACT NAME:	
	PHONE (A/C, No. Ext):	FAX (A/C, No):
INSURED U.S. BANCORP AND ITS SUBSIDIARIES 200 S. 6th STREET EP-MN-L201 MINNEAPOLIS, MN 55402	E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE	
	INSURER A : Indian Harbor Insurance Company	
	INSURER B :	
	INSURER C :	
	INSURER D :	
INSURER E :		
INSURER F :		
NAIC #		
36940		

COVERAGES**CERTIFICATE NUMBER:**

CHI-009303257-01

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	COMMERCIAL GENERAL LIABILITY						
	☐ CLAIMS-MADE ☐ OCCUR						EACH OCCURRENCE \$
							DAMAGE TO RENTED PREMISES (Ea occurrence) \$
							MED EXP (Any one person) \$
							PERSONAL & ADV INJURY \$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE \$
	☐ POLICY ☐ PRO-JECT ☐ LOC						PRODUCTS - COMP/OP AGG \$
	OTHER:						\$
	AUTOMOBILE LIABILITY						
	☐ ANY AUTO						COMBINED SINGLE LIMIT (Ea accident) \$
	☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS NON-OWNED AUTOS ONLY						BODILY INJURY (Per person) \$
	☐ HIRED AUTOS ONLY						BODILY INJURY (Per accident) \$
							PROPERTY DAMAGE (Per accident) \$
							\$
	UMBRELLA LIAB						EACH OCCURRENCE \$
	☐ EXCESS LIAB ☐ CLAIMS-MADE						AGGREGATE \$
	DED ☐ RETENTION \$						\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	☐ Y ☒ N	N/A				PER STATUTE ☐ OTH-ER ☐
							E.L. EACH ACCIDENT \$
							E.L. DISEASE - EA EMPLOYEE \$
							E.L. DISEASE - POLICY LIMIT \$
A	ERRORS & OMISSIONS			ELU158668-18F	11/15/2018	11/15/2019	Limit: 10,000,000
A	FI BOND (CRIME)			ELU158668-18G	11/15/2018	11/15/2019	Limit: 10,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER**CANCELLATION**

City of Pittsburg, CA Attn: Mark Farmer 65 Civic Avenue Riverside, CA 94501	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE of Marsh USA Inc. Manashi Mukherjee <i>Manashi Mukherjee</i>

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CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY)
07/03/2019

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PRODUCER Aon Risk Insurance Services West, Inc. Denver CO Office 1900 16th Street, Suite 1000 Denver CO 80202 USA	CONTACT NAME:	
	PHONE (A/C. No. Ext): (866) 283-7122	FAX (A/C. No.): (800) 363-0105
	E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE	NAIC #
INSURED U.S. Bancorp EP-MN-L201 200 S. 6th Street Minneapolis MN 55402 USA	INSURER A: ACE American Insurance Company	22667
	INSURER B:	
	INSURER C:	
	INSURER D:	
	INSURER E:	
	INSURER F:	

COVERAGES**CERTIFICATE NUMBER:** 570077352521**REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

Limits shown are as requested

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE
	☐ CLAIMS-MADE ☐ OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)
							MED EXP (Any one person)
							PERSONAL & ADV INJURY
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE
	☐ POLICY ☐ PRO-JECT ☐ LOC						PRODUCTS - COMP/OP AGG
	OTHER:						
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)
	☐ ANY AUTO						BODILY INJURY (Per person)
	☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS						BODILY INJURY (Per accident)
	☐ HIRED AUTOS ONLY ☐ NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)
	UMBRELLA LIAB						EACH OCCURRENCE
	☐ EXCESS LIAB ☐ CLAIMS-MADE						AGGREGATE
	☐ DED ☐ RETENTION						
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						☐ PER STATUTE ☐ OTHER
	ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	☐ Y ☐ N	N/A				E.L. EACH ACCIDENT
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE-EA EMPLOYEE
							E.L. DISEASE-POLICY LIMIT
A	Cyber Liability			G25602894003 SIR applies per policy terms & conditions	11/15/2018	11/15/2019	Aggr Limit \$10,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER**CANCELLATION**

City of Pittsburg Attn: Brad Farmer 65 Civic Avenue Pittsburg CA 94501 USA	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE <i>Aon Risk Insurance Services West, Inc.</i>

Holder Identifier :

Certificate No : 570077352521

APPENDIX: SAMPLE IMPLEMENTATION DOCUMENTS

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF PITTSBURG
APPROVING THE ADOPTION OF THE
PUBLIC AGENCIES POST-EMPLOYMENT BENEFITS TRUST
ADMINISTERED BY PUBLIC AGENCY RETIREMENT SERVICES (PARS)

WHEREAS PARS has made available the PARS Public Agencies Post-Employment Benefits Trust (the "Program") for the purpose of pre-funding pension obligations and/or OPEB obligations; and

WHEREAS the City of Pittsburg ("City") is eligible to participate in the Program, a tax-exempt trust performing an essential governmental function within the meaning of Section 115 of the Internal Revenue Code, as amended, and the Regulations issued there under, and is a tax-exempt trust under the relevant statutory provisions of the State of California; and

WHEREAS the City's adoption and operation of the Program has no effect on any current or former employee's entitlement to post-employment benefits; and

WHEREAS the terms and conditions of post-employment benefit entitlement, if any, are governed by contracts separate from and independent of the Program; and

WHEREAS the City's funding of the Program does not, and is not intended to, create any new vested right to any benefit nor strengthen any existing vested right; and

WHEREAS the City reserves the right to make contributions, if any, to the Program.

NOW THEREFORE, BE IT RESOLVED THAT:

1. The City Council hereby adopts the PARS Public Agencies Post-Employment Benefits Trust, effective _____; and
2. The City Council hereby appoints the ____(POSITION OR TITLE)____, or his/her successor or his/her designee as the City's Plan Administrator for the Program; and
3. The City's Plan Administrator is hereby authorized to execute the PARS legal and administrative documents on behalf of the City and to take whatever additional actions are necessary to maintain the City's participation in the Program and to maintain compliance of any relevant regulation issued or as may be issued; therefore, authorizing him/her to take whatever additional actions are required to administer the City's Program.

AYES:

NOES:

ABSENT:

ABSTAIN:

STATE OF CALIFORNIA
COUNTY OF CONTRA COSTA

_____, the City Clerk of the City of Pittsburg, State of California, hereby certifies that the above foregoing resolution was duly and regularly adopted by said City at a regular meeting thereof held on the _____, and passed by a _____ vote of said Council.

IN WITNESS WHEREOF I have hereunto set my hand and seal this _____, 2019.

City Clerk

**ADOPTION AGREEMENT
for the
POST-EMPLOYMENT SECTION 115 TRUST**

A.1.1. Trust agreement with U.S. Bank National Association (the “Bank”) (the “Trust Agreement”):

Post-Employment Section 115 Trust. Public Agencies Post-Employment Benefits—Trust Agreement, effective November 5, 2014

A.1.2. OPEB Plan: Public Agencies Post-Employment Health Care Plan

The plan document for the OPEB Plan is the Public Agencies Post-Employment Health Care Plan—Master Plan Document, effective as of November 5, 2014 (the “Plan Document”).

A.1.3. Pension Plan: _____

A.1.4. Pension Plan’s effective date: _____

☐ (Check if applicable) Additional Pension Plans (and their respective effective dates) are listed on an exhibit attached hereto.

A.2.1. Employer:

Name: _____

U.S. mail address: _____

Phone number: _____

EIN: _____

Fiscal year end: _____

A.2.2. Plan Administrator:

Position at Employer: _____

Incumbent: _____

U.S. mail address: _____

Phone number: _____

Email address: _____

A.3.1 **Adoption.** The Employer hereby:

A.3.1.1. Adopts the Trust Agreement as part of the (*Check one or both of the following boxes.*):

- ☐ OPEB Plan
- ☐ Pension Plan

(each such plan separately, the “Plan”) and agrees to be bound by the Trust Agreement’s terms, effective as of the Employer’s signature date below and subject to the investment approach selected below.

A.3.1.2. *The following provisions apply if and only if the **OPEB Plan** box above is checked:* (i) Adopts the Plan Document and agrees to be bound by the Plan Document’s terms, effective as of the Employer’s signature date below and (ii) acknowledges that the determination of Eligible Employees and Eligible Beneficiaries is finally and conclusively made by the Employer according to the Employer’s applicable policies and collective bargaining agreements and without reference to the Trust Agreement.

A.3.1.3. Ratifies, affirms, and approves Employer’s appointment of Phase II Systems as Trust Administrator and represents and warrants that attached hereto is a fully-executed original of Employer’s Agreement for Administrative Services with Phase II Systems, d/b/a Public Agency Retirement Services (PARS).

A.3.1.4. Agrees that capitalized terms used herein but not defined herein shall have the same meaning attributed to them as in the Trust Agreement or Plan Document, as the case may be.

A.4.1. The Employer hereby represents and warrants that:

A.4.1.1. **Authorizing Law.** Employer has reviewed with its legal counsel and has determined that Employer is authorized to establish and maintain the Plan and to establish a financial-institution trust (separate and apart from the state) for the Plan, including the authority to adopt the Trust Agreement.

A.4.1.2. **Authorizing Resolution.** Attached hereto is a certified copy of a resolution of the Employer’s governing body authorizing the adoption of the Trust Agreement as part of the Plan and authorizing the appointment of the Plan Administrator designated by position of employment at the Employer to act on the Employer’s behalf in all matters relating to the trust.

A.4.1.3. **Tax Status.** The Plan is a “governmental plan” as defined in Section 414(d) of the Internal Revenue Code of 1986, as amended; is a “Section 401(a)(24) governmental plan” as defined in Revenue Ruling 2011-1; and is not subject to Federal income taxation. The Plan’s governing document expressly provides that it is irrevocably impossible for any part of the corpus or income of the Plan to be used for, or diverted to, purposes other than for the exclusive benefit of the Plan participants and their beneficiaries. The Pension Plan is a qualified plan under Code Section 401(a). (In addition, the Employer hereby acknowledges that the Plan is prohibited from assigning any part of its equity or interest in the trust.)

A.4.2. Investment Approach.

A.4.2.1. *The following provisions apply if and only if the **OPEB Plan** box above is checked:*
OPEB Account. OPEB Account assets are invested in the discretion of (*check one and only one of the following boxes*):

Discretionary investment approach:

- ☐ The Bank, subject to **Exhibit A (Investment Strategy Selection and Disclosure Form)** hereto.

Directed investment approach:

- ☐ The Plan Administrator.
- ☐ The following registered investment adviser, bank (other than the Bank), or insurance company (a "Third-Party Manager"): _____ . The Employer hereby represents and warrants that attached hereto is an executed copy of the agreement with the above appointed Third Party Manager.

A.4.2.2. *The following provisions apply if and only if the **Pension Plan** box above is checked:*
Pension Account. Pension Account assets are invested in the discretion of (*check one and only one of the following boxes*):

Discretionary investment approach:

- ☐ The Bank, subject to **Exhibit A (Investment Strategy Selection and Disclosure Form)** hereto.

Directed investment approach:

- ☐ The Plan Administrator.
- ☐ The following registered investment adviser, bank (other than the Bank), or insurance company (a "Third-Party Manager"): _____ . The Employer hereby represents and warrants that attached hereto is an executed copy of the agreement with the above appointed Third Party Manager.

A.4.3. It is intended that any references to GASB pronouncements and/or statements in the Public Agencies Post-Employment Health Care Plan and Trust Agreement shall incorporate any applicable successor pronouncements and/or statements.

[signature page follows]

EMPLOYER

By: _____

Its: _____

Date: _____

Accepted by:

**PHASE II SYSTEMS, DBA PUBLIC AGENCY
RETIREMENT SERVICES (PARS)**

By: _____
Daniel Johnson

Its: President

Date: _____

U.S. BANK NATIONAL ASSOCIATION

By: _____
Susan M. Hughes

Its: Vice President and Relationship Manager

Date: _____

AGREEMENT FOR ADMINISTRATIVE SERVICES

This agreement ("Agreement") is made this ____ day of _____, 2019, between Phase II Systems, a corporation organized and existing under the laws of the State of California, doing business as Public Agency Retirement Services and PARS (hereinafter "PARS") and the [Agency Name] ("Agency").

WHEREAS, the Agency has adopted the PARS Public Agencies Post-Employment Benefits Trust for the purpose of pre-funding pension obligations and/or OPEB obligations ("Plan"), and is desirous of retaining PARS as Trust Administrator to the Trust, to provide administrative services.

NOW THEREFORE, the parties agree:

1. **Services.** PARS will provide the services pertaining to the Plan as described in the exhibit attached hereto as "Exhibit 1A" ("Services") in a timely manner, subject to the further provisions of this Agreement.
2. **Fees for Services.** PARS will be compensated for performance of the Services as described in the exhibit attached hereto as "Exhibit 1B".
3. **Payment Terms.** Payment for the Services will be remitted directly from Plan assets unless the Agency chooses to make payment directly to PARS. In the event that the Agency chooses to make payment directly to PARS, it shall be the responsibility of the Agency to remit payment directly to PARS based upon an invoice prepared by PARS and delivered to the Agency. If payment is not received by PARS within thirty (30) days of the invoice delivery date, the balance due shall bear interest at the rate of 1.5% per month. If payment is not received from the Agency within sixty (60) days of the invoice delivery date, payment plus accrued interest will be remitted directly from Plan assets, unless PARS has previously received written communication disputing the subject invoice that is signed by a duly authorized representative of the Agency.
4. **Fees for Services Beyond Scope.** Fees for services beyond those specified in this Agreement will be billed to the Agency at the rates indicated in the PARS' standard fee schedule in effect at the time the services are provided and shall be payable as described in Section 3 of this Agreement. Before any such services are performed, PARS will provide the Agency with a detailed description of the services, terms, and applicable rates for such services. Such services, terms, and applicable rates shall be agreed upon in writing and executed by both parties.
5. **Information Furnished to PARS.** PARS will provide the Services contingent upon the Agency's providing PARS the information specified in the exhibit attached hereto as "Exhibit 1C" ("Data"). It shall be the responsibility of the Agency to certify the accuracy, content and completeness of the Data so that PARS may rely on such information without further audit. It shall further be the responsibility of the Agency to deliver the Data to PARS in such a manner that allows for a reasonable amount of time for the Services to be performed. Unless specified in Exhibit 1A, PARS shall be under no duty to question Data received from the Agency, to compute contributions made to the

Plan, to determine or inquire whether contributions are adequate to meet and discharge liabilities under the Plan, or to determine or inquire whether contributions made to the Plan are in compliance with the Plan or applicable law. In addition, PARS shall not be liable for non performance of Services to the extent such non performance is caused by or results from erroneous and/or late delivery of Data from the Agency. In the event that the Agency fails to provide Data in a complete, accurate and timely manner and pursuant to the specifications in Exhibit 1C, PARS reserves the right, notwithstanding the further provisions of this Agreement, to terminate this Agreement upon no less than ninety (90) days written notice to the Agency.

6. **Records.** Throughout the duration of this Agreement, and for a period of five (5) years after termination of this Agreement, PARS shall provide duly authorized representatives of Agency access to all records and material relating to calculation of PARS' fees under this Agreement. Such access shall include the right to inspect, audit and reproduce such records and material and to verify reports furnished in compliance with the provisions of this Agreement. All information so obtained shall be accorded confidential treatment as provided under applicable law.
7. **Confidentiality.** Without the Agency's consent, PARS shall not disclose any information relating to the Plan except to duly authorized officials of the Agency, subject to applicable law, and to parties retained by PARS to perform specific services within this Agreement. The Agency shall not disclose any information relating to the Plan to individuals not employed by the Agency without the prior written consent of PARS, except as such disclosures may be required by applicable law.
8. **Independent Contractor.** PARS is and at all times hereunder shall be an independent contractor. As such, neither the Agency nor any of its officers, employees or agents shall have the power to control the conduct of PARS, its officers, employees or agents, except as specifically set forth and provided for herein. PARS shall pay all wages, salaries and other amounts due its employees in connection with this Agreement and shall be responsible for all reports and obligations respecting them, such as social security, income tax withholding, unemployment compensation, workers' compensation and similar matters.
9. **Indemnification.** PARS and Agency hereby indemnify each other and hold the other harmless, including their respective officers, directors, employees, agents and attorneys, from any claim, loss, demand, liability, or expense, including reasonable attorneys' fees and costs, incurred by the other as a consequence of, to the extent, PARS' or Agency's, as the case may be, negligent acts, errors or omissions with respect to the performance of their respective duties hereunder.
10. **Compliance with Applicable Law.** The Agency shall observe and comply with federal, state and local laws in effect when this Agreement is executed, or which may come into effect during the term of this Agreement, regarding the administration of the Plan. PARS shall observe and comply with federal, state and local laws in effect when this Agreement is executed, or which may come into effect during the term of this Agreement, regarding Plan administrative services provided under this Agreement.

11. **Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California. In the event any party institutes legal proceedings to enforce or interpret this Agreement, venue and jurisdiction shall be in any state court of competent jurisdiction.
12. **Force Majeure.** When a party's nonperformance hereunder was beyond the control and not due to the fault of the party not performing, a party shall be excused from performing its obligations under this Agreement during the time and to the extent that it is prevented from performing by such cause, including but not limited to: any incidence of fire, flood, acts of God, acts of terrorism or war, commandeering of material, products, plants or facilities by the federal, state or local government, or a material act or omission by the other party.
13. **Ownership of Reports and Documents.** The originals of all letters, documents, reports, and data produced for the purposes of this Agreement shall be delivered to, and become the property of the Agency. Copies may be made for PARS but shall not be furnished to others without written authorization from Agency.
14. **Designees.** The Plan Administrator of the Agency, or their designee, shall have the authority to act for and exercise any of the rights of the Agency as set forth in this Agreement, subsequent to and in accordance with the written authority granted by the Governing Body of the Agency, a copy of which writing shall be delivered to PARS. Any officer of PARS, or his or her designees, shall have the authority to act for and exercise any of the rights of PARS as set forth in this Agreement.
15. **Notices.** All notices hereunder and communications regarding the interpretation of the terms of this Agreement, or changes thereto, shall be effected by delivery of the notices in person or by depositing the notices in the U.S. mail, registered or certified mail, return receipt requested, postage prepaid and addressed as follows:
- (A) To PARS: PARS; 4350 Von Karman Avenue, Suite 100, Newport Beach, CA 92660; Attention: President
- (B) To Agency: [Agency]; [Agency Address]; Attention: [Plan Administrator Title]
- Notices shall be deemed given on the date received by the addressee.
16. **Term of Agreement.** This Agreement shall remain in effect for the period beginning _____, 2019 and ending _____, 2022 ("Term"). This Agreement may be terminated at any time by giving thirty (30) days written notice to the other party of the intent to terminate. Absent a thirty (30) day written notice to the other party of the intent to terminate, this Agreement will continue unchanged for successive twelve month periods following the Term.
17. **Amendment.** This Agreement may not be amended orally, but only by a written instrument executed by the parties hereto.
18. **Entire Agreement.** This Agreement, including exhibits, contains the entire understanding of the parties with respect to the subject matter set forth in this Agreement. In the event a conflict arises between the parties with respect to any term, condition or

provision of this Agreement, the remaining terms, conditions and provisions shall remain in full force and legal effect. No waiver of any term or condition of this Agreement by any party shall be construed by the other as a continuing waiver of such term or condition.

19. **Attorneys Fees.** In the event any action is taken by a party hereto to enforce the terms of this Agreement the prevailing party herein shall be entitled to receive its reasonable attorney's fees.
20. **Counterparts.** This Agreement may be executed in any number of counterparts, and in that event, each counterpart shall be deemed a complete original and be enforceable without reference to any other counterpart.
21. **Headings.** Headings in this Agreement are for convenience only and shall not be used to interpret or construe its provisions.
22. **Effective Date.** This Agreement shall be effective on the date first above written, and also shall be the date the Agreement is executed.

AGENCY:

BY: _____

TITLE: _____

DATE: _____

PARS:

BY: _____
Tod Hammeras

TITLE: Chief Financial Officer

DATE: _____

EXHIBIT 1A
SERVICES

PARS will provide the following services for the [Agency Name] Public Agencies Post-Employment Benefits Trust:

1. Plan Installation Services:

- (A) Meeting with appropriate Agency personnel to discuss plan provisions, implementation timelines, actuarial valuation process, funding strategies, benefit communication strategies, data reporting, and submission requirements for contributions/reimbursements/distributions;
- (B) Providing the necessary analysis and advisory services to finalize these elements of the Plan;
- (C) Providing the documentation needed to establish the Plan to be reviewed and approved by Agency legal counsel. Resulting final Plan documentation must be approved by the Agency prior to the commencement of PARS Plan Administration Services outlined in Exhibit 1A, paragraph 2 below.

2. Plan Administration Services:

- (A) Monitoring the receipt of Plan contributions made by the Agency to the trustee of the PARS Public Agencies Post-Employment Benefits Trust ("Trustee"), based upon information received from the Agency and the Trustee;
- (B) Performing periodic accounting of Plan assets, reimbursements/distributions, and investment activity, based upon information received from the Agency and/or Trustee;
- (C) Coordinating the processing of distribution payments pursuant to authorized direction by the Agency, and the provisions of the Plan, and, to the extent possible, based upon Agency-provided Data;
- (D) Coordinating actions with the Trustee as directed by the Plan Administrator within the scope of this Agreement;
- (E) Preparing and submitting a monthly report of Plan activity to the Agency, unless directed by the Agency otherwise;
- (F) Preparing and submitting an annual report of Plan activity to the Agency;
- (G) Facilitating actuarial valuation updates and funding modifications for compliance with GASB 45/75, if prefunding OPEB obligations;
- (H) Coordinating periodic audits of the Trust;
- (I) Monitoring Plan and Trust compliance with federal and state laws.

3. PARS is not licensed to provide and does not offer tax, accounting, legal, investment or actuarial advice.

EXHIBIT 1B
FEES FOR SERVICES

PARS will be compensated for performance of Services, as described in Exhibit 1A based upon the following schedule:

An annual asset fee shall be paid from Plan assets based on the following schedule:

<u>For Plan Assets from:</u>			<u>Annual Rate:</u>
\$1	to	\$10,000,000	0.25%
\$10,000,001	to	\$15,000,000	0.20%
\$15,000,001	to	\$50,000,000	0.15%
\$50,000,001	and	above	0.10%

Annual rates are prorated and paid monthly. The annual asset fee shall be calculated by the following formula [Annual rate divided by 12 (months of the year) multiplied by the Plan asset balance at the end of the month]. Trustee and Investment Management Fees are not included.

EXHIBIT 1C
DATA REQUIREMENTS

PARS will provide the Services under this Agreement contingent upon receiving the following information:

1. Executed Legal Documents:
 - (A) Certified Resolution
 - (B) Adoption Agreement to the Public Agencies Post-Employment Benefits Trust
 - (C) Trustee Investment Forms
2. Contribution – completed Contribution Transmittal Form signed by the Plan Administrator (or authorized Designee) which contains the following information:
 - (A) Agency name
 - (B) Contribution amount
 - (C) Contribution date
 - (D) Contribution method (Check, ACH, Wire)
3. Distribution – completed Payment Reimbursement/Distribution Form signed by the Plan Administrator (or authorized Designee) which contains the following information:
 - (A) Agency name
 - (B) Payment reimbursement/distribution amount
 - (C) Applicable statement date
 - (D) Copy of applicable premium, claim, statement, warrant, and/or administrative expense evidencing payment
 - (E) Signed certification of reimbursement/distribution from the Plan Administrator (or authorized Designee)
4. Other information pertinent to the Services as reasonably requested by PARS and Actuarial Provider.

**PUBLIC AGENCIES
POST-EMPLOYMENT BENEFITS
TRUST AGREEMENT**

(Effective November 5, 2014)

ARTICLE I

DEFINITIONS

- 1.1 “**Adoption Agreement**” shall have the meaning given to such term in Section 2.3.
- 1.2 “**Agency Account**” shall have the meaning given to such term in Section 2.4.
- 1.3 “**Agreement for Administrative Services**” shall mean the agreement executed between the Employer and the Trust Administrator which authorizes the Trust Administrator to perform specific duties of administering the Agency Account of the Employer.
- 1.4 “**Assets**” shall have the meaning given to such term in Section 2.5.
- 1.5 “**Code**” shall mean the Internal Revenue Code of 1986 as amended from time to time.
- 1.6 “**Delegatee**” shall mean an individual or entity, appointed by the Plan Administrator or Employer to act in such matters as are specified in the appointment.
- 1.7 “**Effective Date**” shall mean the date first written above, the date the Trust was established, and with respect to each Employer, the Effective Date shall be the date on which the Employer executes the Adoption Agreement.
- 1.8 “**Eligible Beneficiary**” shall mean any person who, due to his or her relationship to an Eligible Employee, is entitled to post-employment benefits pursuant to the Employer’s Pension Plan or OPEB Plan, including but not limited to the Eligible Employee’s current or former spouse or domestic partner, child, dependent, or survivor.
- 1.9 “**Eligible Employee**” shall mean any employee of an Employer who is entitled to post-employment benefits pursuant to the Employer’s Pension Plan or OPEB Plan. Unless the context otherwise requires, the term “Eligible Employee” as used herein shall include any Eligible Beneficiaries.
- 1.10 “**Employer**” shall mean a public agency that executes the Adoption Agreement, thereby adopting the provisions of this Trust Agreement, provided that such agency is a state, a political subdivision of a state, or an entity the income of which is excludible from gross income under Section 115 of the Code.
- 1.11 “**GASB**” shall mean the Governmental Accounting Standards Board.
- 1.12 “**Omnibus Account**” shall mean an account, established for record keeping purposes only, to aggregate the balances of the Assets credited to the Agency Accounts. The Trust Administrator shall maintain and reconcile, at the Agency Account level (and subaccount level), the investments of the Agency Accounts

and will provide reports to the Plan Administrator with respect to such investments. The Trustee will maintain a record of the aggregate balance (principal and earnings) for all Agency Accounts. The Trust Administrator will in the ordinary course of business maintain a record of the name, address, taxpayer identification number, account number and amount of funds, including earnings, of each Employer. On periodic valuation dates (no less frequently than monthly) to be established by the Trust Administrator, the Trustee and Trust Administrator will reconcile the aggregate balance information maintained by the Trustee with the Agency Account level records maintained by the Trust Administrator pursuant to this Trust Agreement.

- 1.13 **“OPEB”** shall mean “other post-employment benefits,” such as medical, dental, vision, life insurance, long-term care and other similar benefits provided to retirees, other than pension benefits.
- 1.14 **“OPEB Obligation”** shall mean an Employer’s obligation to provide OPEB to its Eligible Employees in accordance with the Employer’s OPEB Plan.
- 1.15 **“OPEB Plan”** shall mean the Public Agencies Post-Employment Health Care Plan, as adopted by the Employer under the Adoption Agreement.
- 1.16 **“Pension Obligation”** shall mean an Employer’s obligation to contribute to the Pension Plan’s Qualified Trust and shall not, for example, mean an Employer’s Obligation to provide retirement benefits under the Pension Plan to the Employer’s Eligible Employees.
- 1.17 **“Pension Plan”** shall mean an Employer’s defined-benefit pension plan or plans, each of which is (i) qualified under Section 401(a) of the Code, (ii) sponsored by the Employer in order to provide retirement benefits to its Eligible Employees, and (iii) partly or wholly funded by the Employer’s contributions to a Qualified Trust.
- 1.18 **“Plan Administrator”** shall mean the individual designated by position of employment at the Employer to act on its behalf in all matters relating to the Employer's participation in the Trust.
- 1.19 **“Qualified Trust”** shall mean a trust which (i) is separate and apart from the Trust, (ii) constitutes a qualified trust under Code Section 401(a), and (iii) funds retirement benefits provided under an Employer’s Pension Plan to the Employer’s Eligible Employees.
- 1.20 **“Trust”** shall mean the Public Agencies Post-Employment Benefits trust arrangement.
- 1.21 **“Trust Administrator”** shall mean Public Agency Retirement Services or any successor trust administrator appointed by the Employers as provided herein. The Trust Administrator shall serve as trust administrator to the Trust established

pursuant to this Trust Agreement until such Trust Administrator resigns or is removed as provided in Article III.

- 1.22 **“Trust Agreement”** shall mean this Public Agencies Post-Employment Benefits trust document adopted by each Employer upon execution of an Adoption Agreement, as amended from time to time.
- 1.23 **“Trustee”** shall mean U.S. Bank National Association, or any successor trustee appointed by the Employers as provided herein. The Trustee shall serve as trustee of the Trust established pursuant to the provisions of this Trust Agreement until such Trustee resigns or is removed as provided in Article III.

ARTICLE II

THE TRUST

2.1 Multiple Employer Trust

The Trust is a multiple employer trust arrangement established to provide economies of scale and efficiency of administration to public agencies that adopt it to hold the assets used to fund the agency’s OPEB Obligation or Pension Obligation or both. The Trust is divided into Agency Accounts to hold the Assets of each Employer as described in Section 2.4.

2.2 Purpose

The Trust is established with the intention that it qualify as a tax-exempt trust performing an essential governmental function within the meaning of Section 115 of the Code and any regulations issued thereunder and as a tax-exempt trust under the provisions of the relevant state’s statutory provisions of each Employer. This Trust Agreement shall be construed and the Trust shall be administered in a manner consistent with such intention. The fundamental purpose of the Trust is to fund the Employer’s OPEB Obligation or Pension Obligation or both. It is intended that adopting Employers retain an interest in the underlying securities held in the Trust on their behalf, rather than in the Trust itself.

The Employer hereby represents and warrants that the assets held hereunder (including the Assets) are not assets of any qualified plan under Code Section 401(a), regardless of the character of such assets once distributed. The Employer hereby acknowledges that the Trust does not constitute a qualified trust under Code Section 401(a).

2.3 Employers

Any public agency may, by action of its governing body in writing accepted by the Trustee, adopt the provisions of the Trust Agreement. Executing an adoption instrument for the Trust (**“Adoption Agreement”**), in the form attached hereto as Exhibit "A" (or such other form as may be approved by the Trustee), shall

constitute such adoption, unless the Trustee requires additional evidence of adoption. In order for such adoption to be effective, the public agency must also execute an Agreement for Administrative Services with Public Agency Retirement Services, the Trust Administrator, pursuant to Section 3.6 of this Trust Agreement. Such adopting Employer shall then become an Employer of the Trust.

Each such Employer shall, at a minimum, furnish the Trust Administrator with the following documents to support its adoption of the Trust:

- (a) a certified copy of the resolution(s) of the governing body of the Employer authorizing the adoption of the Trust Agreement and the appointment of the Plan Administrator for such Employer;
- (b) an original of the Adoption Agreement executed by the Plan Administrator or other duly authorized Employer employee;
- (c) an original of the Agreement for Administrative Services with Public Agency Retirement Services executed by the Plan Administrator or other duly authorized Employer employee and Public Agency Retirement Services;
- (d) an address notice; and
- (e) such other documents as the Trustee may reasonably request.
- (f) Any action taken by the Plan Administrator for an Employer shall be deemed to have been taken by such Employer. Any notice given to or delivered by the Plan Administrator for an Employer shall be deemed to have been given to or delivered by such Employer.

2.4 Agency Accounts

- (a) Upon an Employer's adopting the Trust Agreement, as provided in Section 2.3, a separate "**Agency Account**" shall be established under the Trust for that Employer, and all Assets of the Trust attributable to that Employer shall be held in that Employer's Agency Account.
- (b) An Employer's Agency Account comprises three subaccounts: a "**Pension Account**", an "**OPEB Account**", and a "**Suspense Account**". The Assets of the Trust that are held in the Employer's Pension Account will be available only to fund the Employer's Pension Obligation and defray the reasonable expenses associated with the same. The Assets of the Trust that are held in the Employer's OPEB Account will be available only to fund the Employer's OPEB Obligation and defray the reasonable expenses associated with the same.
- (c) The Assets of the Trust that are held in an Employer's Agency Account shall not be available to pay any obligations incurred by any other Employer as provided in Section 2.8.

(d) All contributions and transfers received by the Trust on behalf of the Employer will be held in the Employer's Agency Account and will be allocated to the subaccounts under the Agency Account as follows:

(1) If the Employer maintains a Pension Account or OPEB Account (and not both a Pension Account and an OPEB Account), all contributions and transfers received by the Trust on the Employer's behalf will be allocated to that subaccount.

(2) If the Employer maintains both a Pension Account and an OPEB Account, contributions and transfers received by the Trust on the Employer's behalf will be allocated to either the Pension Account or OPEB Account, as directed by the Plan Administrator. To the extent the Plan Administrator does not provide such direction, the Employer hereby directs the Trustee to allocate such contributions and transfers to the Suspense Account and to use the assets of the Suspense Account to purchase a position in the sweep vehicle identified on an **exhibit** hereto or, if none is identified, to hold such assets un-invested. The Plan Administrator may at any time direct the reallocation of cash from the Suspense Account to either the Pension Account or the OPEB Account.

(3) Once allocated to the Pension Account or the OPEB Account, amounts under the Trust may not subsequently be transferred to the other subaccount.

2.5 Assets of Agency Account

The assets held in an Agency Account shall consist of all contributions and transfers received by the Trust on behalf of the Employer, together with the income and earnings from such contributions and transfers, and any increments accruing to the Agency Account, net of any investment losses, benefits, expenses or other costs ("**Assets**"). All contributions or transfers shall be received by the Trustee in cash or in other property acceptable to the Trustee. The Trustee shall manage and administer the Assets held in Agency Accounts without distinction between principal and income. The Trustee and the Trust Administrator shall have no duty to compute any amount to be transferred or paid to the Agency Account by the Employer, and the Trustee and the Trust Administrator shall not be responsible for the collection of any contributions or transfers to the Agency Account.

2.6 Aggregate Balance for Investment and Administration

The balances of the Assets of more than one Agency Account may be aggregated by the Trustee in one or more Omnibus Accounts for investment and administrative purposes, to provide economies of scale and efficiency of administration to the Agency Accounts. The responsibility for Agency Account level accounting (including subaccount-level accounting within each Agency Account) within this Omnibus Account(s) shall be that of the Trust Administrator.

2.7 Trustee Accounting

The Trustee shall be responsible only for maintaining records and maintaining accounts for the aggregate assets of the Trust. The responsibility for accounting and subaccounting for each Agency Account, based upon the Omnibus Account(s), shall be that of the Trust Administrator.

2.8 No Diversion of Assets

The Assets in each Employer's Agency Account shall be held in trust for the exclusive purpose of funding the Employer's OPEB Obligation or Pension Obligation or both and defraying the reasonable expenses associated with the same. The Assets in each Agency Account shall not be used for or diverted to, any other purpose, including, but not limited to, the satisfaction of any other Employer's Pension Obligation or OPEB Obligation.

2.9 Type and Nature of Trust

Neither the full faith and credit nor the taxing power of each Employer is pledged to the distribution of amounts hereunder. Except for contributions and other amounts hereunder, no other amounts are pledged to the distribution of benefits hereunder. Distributions of benefits are neither general nor special obligations of any Employer, but are payable solely from the Assets held in such Employer's Agency Account, as more fully described herein. No employee of any Employer or beneficiary may compel the exercise of the taxing power by any Employer.

Distributions of Assets from any Agency Account are not debts of any Employer within the meaning of any constitutional or statutory limitation or restriction. Such distributions are not legal or equitable pledges, charges, liens or encumbrances, upon any of an Employer's property, or upon any of its income, receipts, or revenues, except amounts in the accounts which are, under the terms of each Plan and the Trust set aside for distributions. Neither the members of the governing body of any Employer nor its officers, employees, agents or volunteers are liable hereunder.

2.10 Loss of Tax-Exempt Status as to Any Employer

If any Employer participating in the Trust receives notice from the Internal Revenue Service that the Trust as to such Employer fails to satisfy the requirements of Section 115 of the Code, or if any Employer consents to the Internal Revenue Service's determination that the Trust fails to meet such requirements, Assets having a value equal to the funds then held in such Employer's Agency Account shall be segregated and placed in a separate trust by the Trustee for the exclusive benefit of such Employer's Eligible Employees within a reasonable time after the Trust Administrator notifies the Trustee of the Internal Revenue Service's determination. Each Employer participating in the Trust agrees to immediately notify the Trust Administrator upon receiving such

notice or giving such consent. The separate trust provided for in this Section 2.10 shall thereafter be considered as a separate trust containing all of the provisions of this Trust Agreement until terminated as provided in this Trust Agreement.

ARTICLE III

ADMINISTRATIVE MATTERS

3.1 Appointment of Trustee

The Employers may, with the approval of two-thirds (2/3) or more of the Employers then participating in the Trust, act to appoint a bank, trust company, retirement board, insurer, committee or such other entity as permitted by law, to serve as the trustee of this Trust. Such action must be in writing. Upon the written acceptance of such entity it shall become the Trustee of the Trust. If the Trustee is removed or resigns pursuant to Section 3.2, the Employers shall appoint a successor Trustee in accordance with the voting requirements set forth in this Section 3.1.

3.2 Resignation or Removal of Trustee

The Employers may act to remove the Trustee, provided that such action must satisfy the voting requirements set forth in Section 3.1 and notice of such action must be promptly delivered to the Trust Administrator, the Trustee and each Plan Administrator. The Trustee may also resign at any time by giving at least ninety (90) days prior written notice to the Trust Administrator and to the Plan Administrator of each Employer that has adopted the Trust Agreement and not terminated its participation in the Trust; provided, however, that the Trustee may resign immediately upon the earlier of the approval date or the effective date of any amendment of the Trust Agreement by the Employers that would change or modify the duties, powers or liabilities of the Trustee hereunder without the Trustee's consent. The Trustee shall, upon the appointment and acceptance of a successor trustee, transfer and deliver the Assets and all records relating to the Trust to the successor, after reserving such reasonable amount as it shall deem necessary to provide for its fees and expenses and any sums chargeable against the Trust for which it may be liable. The Trustee shall do all acts necessary to vest title of record in the successor trustee.

3.3 Withdrawal of Employer

An Employer may elect to withdraw from the Trust by giving at least thirty (30) days prior written notice to the Trustee and the Trust Administrator. If an Employer so elects to withdraw, Assets having a value equal to the funds held in such Employer's Agency Account shall be segregated by the Trustee and, as soon as practicable, shall be transferred to one or more trusts maintained by the Employer, provided that (i) for Assets transferred from the OPEB Account, any such trust shall satisfy the requirements of Section 115 of the Code, (ii) for Assets

transferred from the Pension Account, any such trust shall satisfy the requirements of either Section 115 or 401(a) of the Code, and (iii) all assets held by any such trust and previously held in the Employer's Pension Account or OPEB Account shall qualify as "plan assets" within the meaning of GASB Statement No. 68 (Accounting and Financial Reporting for Pensions—An Amendment of GASB Statement No. 27) or GASB Statement No. 45 (Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions), respectively, in each case as reasonably determined by the Employer and certified in writing by the Employer to the Trust Administrator. The Employer shall appoint a trustee for such Employer's separate trust and, upon the trustee's acceptance of that appointment, the trustee will be vested with title to the transferred Assets.

3.4 The Plan Administrator

The governing body of each Employer shall have plenary authority for the administration and investment of such Employer's Agency Account pursuant to any applicable state laws and applicable federal laws and regulations. Each Employer shall by resolution designate a Plan Administrator. Unless otherwise specified in the instrument the Plan Administrator shall be deemed to have authority to act on behalf of the Employer in all matters pertaining to the Employer's participation in the Trust and in regard to the Agency Account of the Employer. Such appointment of a Plan Administrator shall be effective upon receipt and acknowledgment by the Trustee and the Trust Administrator and shall be effective until the Trustee and the Trust Administrator are furnished with a resolution of the Employer that the appointment has been modified or terminated.

3.5 Failure to Appoint Plan Administrator

If a Plan Administrator is not appointed, or such appointment lapses, the Employer shall be deemed to be the Plan Administrator. As used in this document the term "Plan Administrator" shall be deemed to mean "Employer" when a Plan Administrator has not been appointed for such Employer.

3.6 Delegatee

The Plan Administrator, acting on behalf of the Employer, may delegate certain authority, powers and duties to a Delegatee to act in those matters specified in the delegation. Any such delegation must be in a writing that names and identifies the Delegatee, states the effective date of the delegation, specifies the authority and duties delegated, is executed by the Plan Administrator, is acknowledged in writing by the Delegatee, and is certified as required in Section 3.7 to the Trust Administrator. Such delegation shall be effective until the Trustee and the Trust Administrator are directed in writing by the Plan Administrator that the delegation has been rescinded or modified.

3.7 Certification to Trustee

The governing body of each Employer, or other duly authorized official, shall certify in writing to the Trustee and the Trust Administrator the names and specimen signatures of the Plan Administrator and Delegatee, if any, and all others authorized to act on behalf of the Employer whose names and specimen signatures shall be kept accurate by the Employer acting through a duly authorized officer or governing body of the Employer. The Trustee and the Trust Administrator shall have no liability if they act upon the direction of a Plan Administrator or Delegatee that has been duly authorized, as provided in Section 3.6, if that Plan Administrator or Delegatee is no longer authorized to act, unless the Employer has informed the Trustee and the Trust Administrator of such change.

3.8 Directions to Trustee

All directions to the Trustee from the Plan Administrator or Delegatee must be in writing and must be signed by the Plan Administrator or Delegatee, as the case may be. For all purposes of this Trust Agreement, direction shall include any certification, notice, authorization, application or instruction of the Plan Administrator, Delegatee or Trustee appropriately communicated. The above notwithstanding, direction may be implied if the Plan Administrator or Delegatee has knowledge of the Trustee's intentions and fails to file written objection.

The Trustee shall have the power and duty to comply promptly with all proper directions of the Plan Administrator or Delegatee, appointed in accordance with the provisions of this Trust Agreement. In the case of any direction deemed by the Trustee to be unclear or ambiguous the Trustee may seek written instructions from the Plan Administrator, the Employer or the Delegatee on such matter and await their written instructions without incurring any liability. If at any time the Plan Administrator or the Delegatee should fail to give directions to the Trustee, the Trustee may act in the manner that in its discretion seems advisable under the circumstances for carrying out the purposes of the Trust and/or the applicable Agency Account which may include not taking any action. The Trustee may request directions or clarification of directions received and may delay acting until clarification is received. In the absence of timely direction or clarification, or if the Trustee considers any direction to be a violation of the Trust Agreement or any applicable law, the Trustee shall in its sole discretion take appropriate action, or refuse to act upon a direction.

3.9 Appointment of Trust Administrator

The Employers may, with the approval of two-thirds (2/3) or more of the Employers then participating in the Trust, act to appoint a bank, trust company, retirement board, insurer, committee or such other entity as permitted by law, to serve as Trust Administrator of the Trust. Such action must be in writing. Upon the written acceptance of such entity it shall become the Trust Administrator of

the Trust. If the Trust Administrator is removed or resigns pursuant to Section 3.13, the Employers shall appoint a successor Trust Administrator in accordance with the voting requirements set forth in this Section 3.9.

3.10 Trust Administrator

The Trust Administrator's duties involve the performance of the following services pursuant to the provisions of this Trust Agreement and the Agreement for Administrative Services:

- (a) Performing periodic accounting of each Agency Account (including subaccount-level accounting within each Agency Account) and reconciling such Agency Account balances with the Trust/Omnibus Account;
- (b) Directing the Trustee to make distributions from the appropriate subaccount under an Agency Account in accordance with Section 5.9.
- (c) Allocating contributions, earnings and expenses to each Agency Account and the underlying subaccounts;
- (d) Directing the Trustee to pay the fees of the Trust Administrator and to do such other acts as shall be appropriate to carry out the intent of the Trust;
- (e) Such other services as the Employer and the Trust Administrator may agree in the Agreement for Administrative Services pursuant to Section 2.3.

The Trust Administrator shall be entitled to rely on, and shall be under no duty to question, any direction and/or data received from the Plan Administrator, or other duly authorized entity, in order to perform its authorized duties under this Trust Agreement. The Trust Administrator shall not have any duty to compute contributions made to the Trust, determine or inquire whether contributions made to the Trust by the Plan Administrator or other duly authorized entity are adequate to meet an Employer's Pension Obligation or OPEB Obligation as may be determined under any applicable GASB pronouncement; or determine or inquire whether contributions made to the Trust are in compliance with the Employer's OPEB Plan or Pension Plan. The Trust Administrator shall not be liable for nonperformance of duties if such nonperformance is directly caused by erroneous, and/or late delivery of, directions or data from the Plan Administrator, or other duly authorized entity.

3.11 Additional Trust Administrator Services

The Plan Administrator may at any time retain the Trust Administrator as its agent to perform any act, keep any records or accounts and make any computations which are required of the Employer or the Plan Administrator by this Trust Agreement or by the Employer's policies and/or applicable collective bargaining agreements. The Trust Administrator shall be separately compensated

for such service and such services shall not be deemed to be contrary to the Trust Agreement.

3.12 Trust Administrator's Compensation

As may be agreed upon from time to time by the Employer and Trust Administrator, the Trust Administrator will be paid reasonable compensation for services rendered or reimbursed for expenses properly and actually incurred in the performance of duties with respect to such Employer's Agency Account and to the Trust.

3.13 Resignation or Removal of Trust Administrator

The Employers may act to remove the Trust Administrator, provided that such action must satisfy the voting requirements set forth in Section 3.9 and notice of such action must be promptly delivered to the Trust Administrator, the Trustee and each Plan Administrator. The Trust Administrator may also resign at any time by giving at least one hundred and twenty (120) days prior written notice to the Trustee and to the Plan Administrator of each Employer that has adopted the Trust Agreement and not terminated its participation in the Trust; provided, however, that the Trust Administrator may resign immediately upon the earlier of the approval date or the effective date of any amendment of the Trust Agreement by the Employers that would change or modify the duties, powers or liabilities of the Trust Administrator hereunder without the Trust Administrator's consent. The Trust Administrator shall, upon the appointment and acceptance of a successor trust administrator, transfer all records relating to the Trust to the successor.

ARTICLE IV

THE TRUSTEE

4.1 Powers and Duties of the Trustee

Except as otherwise provided in Article V and subject to Article VI, the Trustee shall have full power and authority with respect to property held in the Trust to do all such acts, take all proceedings, and exercise all such rights and privileges, whether specifically referred to or not in this document, as could be done, taken or exercised by the absolute owner, including, without limitation, the following:

(a) To invest and reinvest the Assets or any part hereof in any one or more kind, type, class, item or parcel of property, real, personal or mixed, tangible or intangible; or in any one or more kind, type, class, item or issue of investment or security; or in any one or more kind, type, class or item of obligation, secured or unsecured; or in any combination of them (including those issued by the Trustee of any of its affiliates, to the extent permitted by applicable law), and to retain the property for the period of time that the Trustee deems appropriate;

- (b) To acquire and sell options to buy securities ("call" options) and to acquire and sell options to sell securities ("put" options);
- (c) To buy, sell, assign, transfer, acquire, loan, lease (for any purpose, including mineral leases), exchange and in any other manner to acquire, manage, deal with and dispose of all or any part of the Trust property, for cash or credit and upon any reasonable terms and conditions;
- (d) To make deposits, with any bank or savings and loan institution, including any such facility of the Trustee or an affiliate thereof provided that the deposit bears a reasonable rate of interest;
- (e) To invest and reinvest the Assets, or any part thereof in any one or more collective investment trust funds, including common and group trust funds that consist exclusively of assets of exempt pension and profit sharing trusts and individual retirement accounts qualified and tax exempt under the Code, that are maintained by the Trustee or an affiliate thereof. The declaration of trust or plan of operations for any such common or collective fund is hereby incorporated herein and adopted into this Trust Agreement by this reference. The combining of money and other assets of the Trust with money and other assets of other non-qualified trusts in such fund or funds is specifically authorized. Notwithstanding anything to the contrary in this Trust Agreement, the Trustee shall have full investment responsibility over Assets of the Trust invested in such commingled funds. If the plan and trust for any reason lose their tax exempt status, and the Assets have been commingled with assets of other tax exempt trusts in Trustee's collective investment funds, the Trustee shall within 30 days of notice of such loss of tax exempt status, liquidate the Trust's units of the collective investment fund(s) and invest the proceeds in a money market fund pending investment or other instructions from the Plan Administrator. The Trustee shall not be liable for any loss or gain or taxes, if any, resulting from said liquidation;
- (f) To place uninvested cash and cash awaiting distribution in one or more mutual funds and/or commingled investment funds maintained by or made available by the Trustee or any of its affiliates, and to receive compensation from the sponsor of such fund(s) for services rendered, separate and apart from any Trustee's fees hereunder. The Trustee or its affiliate may also be compensated for providing investment advisory services to any mutual fund or commingled investment funds;
- (g) To borrow money for the purposes of the Trust from any source with or without giving security; to pay interest; to issue promissory notes and to secure the repayment thereof by pledging all or any part of the Assets;
- (h) To take all of the following actions: to vote proxies of any stocks, bonds or other securities; to give general or special proxies or powers of attorney with or

without power of substitution; to exercise any conversion privileges, subscription rights or other options, and to make any payments incidental thereto; to consent to or otherwise participate in corporate reorganizations or other changes affecting corporate securities and to delegate discretionary powers and to pay any assessments or charges in connection therewith; and generally to exercise any of the powers of an owner with respect to stocks, bonds, securities or other property held in the Trust;

(i) To make, execute, acknowledge and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

(j) To raze or move existing buildings; to make ordinary or extraordinary repairs, alterations or additions in and to buildings; to construct buildings and other structures and to install fixtures and equipment therein;

(k) To pay or cause to be paid from the Trust any and all real or personal property taxes, income taxes or other taxes or assessments of any or all kinds levied or assessed upon or with respect to the Trust;

(l) To exercise all the further rights, powers, options and privileges granted, provided for, or vested in trustees generally under applicable federal or state laws, as amended from time to time, it being intended that, except as herein otherwise provided, the powers conferred upon the Trustee herein shall not be construed as being in limitation of any authority conferred by law, but shall be construed as consistent or in addition thereto.

4.2 Additional Trustee Powers

In addition to the other powers enumerated above, the Trustee in any and all events is authorized and empowered:

(a) To invest funds pending required directions in any type of interest-bearing account, including, without limitation, time certificates of deposit or interest-bearing accounts issued by the Trustee, or any mutual fund or short term investment fund ("**Fund**"), whether sponsored or advised by the Trustee or any affiliate thereof); the Trustee or its affiliates may be compensated for providing such investment advice and providing other service to such Fund, in addition to any Trustee's fees received pursuant to this Trust Agreement;

(b) To cause all or any part of the Trust to be held in the name of the Trustee (which in such instance need not disclose its fiduciary capacity) or, as permitted by law, in the name of any nominee, and to acquire for the Trust any investment in bearer form, but the books and records of the Trust shall at all times show that all such investments are a part of the Trust and the Trustee shall hold evidences of title to all such investments;

- (c) To serve as custodian with respect to the Trust Assets;
- (d) To employ such custodians, agents and counsel as may be reasonably necessary in managing and protecting the Assets and to pay them reasonable compensation from the Trust; to employ any broker-dealer or other agent, including any broker-dealer or other agent affiliated with the Trustee, and pay to such broker-dealer or other agent, at the expense of the Trust, its standard commissions or compensation; to settle, compromise or abandon all claims and demands in favor of or against the Trust; and to charge any premium on bonds purchased at par value to the principal of the Trust without amortization from the Trust, regardless of any law relating thereto;
- (e) In addition to the powers listed herein, to do all other acts necessary or desirable for the proper administration of the Trust, as though the absolute owner thereof;
- (f) To prosecute, compromise and defend lawsuits, but without obligation to do so, all at the risk and expense of the Trust; and to tender its defense to the Employer in any legal proceeding where the interests of the Trustee and the Employer are not adverse;
- (g) To exercise and perform any and all of the other powers and duties specified in this Trust Agreement or the Plan;
- (h) To permit such inspections of documents at the principal office of the Trustee as are required by law, subpoena or demand by a United States agency;
- (i) To comply with all requirements imposed by applicable provisions of law;
- (j) To seek written instructions from the Plan Administrator or other fiduciary on any matter and await their written instructions without incurring any liability. If at any time the Plan Administrator or the fiduciary should fail to give directions to the Trustee, the Trustee may act in the manner that in its discretion seems advisable under the circumstances for carrying out the purposes of the Trust;
- (k) To compensate such executive, consultant, actuarial, accounting, investment, appraisal, administrative, clerical, secretarial, medical, custodial, depository and legal firms, personnel and other employees or assistants as are engaged by the Plan Administrator in connection with funding the Employer's OPEB Obligation or Pension Obligation or both and to pay from the Trust the necessary expenses of such firms, personnel and assistants, to the extent not paid by the Plan Administrator;

(l) To act upon proper written directions of the Plan Administrator or Delegatee, including directions given by photostatic transmissions using facsimile signature, and such other forms of directions as the parties shall agree;

(m) To pay from the Trust the expenses reasonably incurred in the administration of the Trust;

(n) To maintain insurance for such purposes, in such amounts and with such companies as the Plan Administrator shall elect, including insurance to cover liability or losses occurring by reason of the acts or omissions of fiduciaries but only if such insurance permits recourse by the insurer against the fiduciary in the case of a breach of a fiduciary obligation by such fiduciary.

ARTICLE V

INVESTMENTS

5.1 Discretionary Versus Directed Investment

For the Pension Account and the OPEB Account under the Agency Account, the Employer shall elect either a discretionary or directed investment approach. The Employer may elect the same or different investment approaches for those two subaccounts. The Employer hereby elects a directed approach for the Suspense Account. If the Employer elects a discretionary investment approach for a subaccount, the Employer shall further elect between the various investment strategies offered and the Trustee, in accordance with Article IV, shall have absolute discretion over the investment of the Assets held in such subaccount under the Employer's Agency Account. If the Employer elects a directed investment approach for a subaccount, the Trustee shall direct the investment of the Assets of such subaccount under the Employer's Agency Account in accordance with the direction provided by such Employer.

5.2 Trustee Fees

As may be agreed upon, in writing, between the Plan Administrator and Trustee, the Trustee will be paid reasonable compensation for services rendered or reimbursed for expenses properly and actually incurred in the performance of duties with respect to the applicable Agency Account or the Trust.

5.3 Contributions

Eligible Employees are not permitted to make contributions to the Trust. The Plan Administrator shall, on behalf of the Employer, make all contributions to the Trustee. Such contributions shall be in cash unless the Trustee agrees to accept a contribution that is not in cash. All contributions shall be paid to the Trustee for investment and reinvestment pursuant to the terms of this Trust Agreement. The Trustee shall not have any duty to determine or inquire whether any contributions

to the Trust made to the Trustee by any Plan Administrator are in compliance with the Employer's Pension Plan or OPEB Plan; nor shall the Trustee have any duty or authority to compute any amount to be paid to the Trustee by any Plan Administrator; nor shall the Trustee be responsible for the collection or adequacy of the contributions to meet an Employer's Pension Obligation or OPEB Obligation. The contributions received by the Trustee from each Employer shall be held and administered pursuant to the terms hereof without distinction between income and principal.

5.4 Records

(a) The Trustee shall maintain accurate records and detailed accounts of all investments, receipts, disbursements and other transactions hereunder at the Trust level. Such records shall be available at all reasonable times for inspection by the Trust Administrator. The Trustee shall, at the direction of the Trust Administrator, submit such valuations, reports or other information as the Trust Administrator may reasonably require.

(b) The Assets of the Trust shall be valued at their fair market value on the date of valuation, as determined by the Trustee based upon such sources of information as it may deem reliable; provided, however, that the Plan Administrator shall instruct the Trustee as to valuation of assets which are not readily determinable on an established market. The Trustee may rely conclusively on such valuations provided by the Plan Administrator and shall be indemnified and held harmless by the Employer with respect to such reliance. If the Plan Administrator fails to provide such values, the Trustee may take whatever action it deems reasonable, including employment of attorneys, appraisers or other professionals, the expense of which will be an expense of administration of the Trust. Transactions in the account involving such hard to value assets may be postponed until appropriate valuations have been received and Trustee shall have no liability therefore.

5.5 Statements

(a) Periodically as specified, and within sixty days after December 31, or the end of the Trust's fiscal year if different, Trustee shall render to the Trust Administrator as directed, a written account showing in reasonable summary the investments, receipts, disbursements and other transactions engaged in by the Trustee during the preceding fiscal year or period with respect to the Trust. Such account shall set forth the assets and liabilities of the Trust valued as of the end of the accounting period.

(b) The Trust Administrator may approve such statements either by written notice or by failure to express objections to such statements by written notice delivered to the Trustee within 90 days from the date the statement is delivered to the Trust Administrator. Upon approval, the Trustee shall be released and discharged as to all matters and items set forth in such statement as if such

account had been settled and allowed by a decree from a court of competent jurisdiction.

5.6 Wire Transfers

The Trustee shall follow the Plan Administrator's, Delegate's, or Trust Administrator's wire transfer instructions in compliance with the written security procedures provided by the party providing the wire transfers. The Trustee shall perform a telephonic verification to the Plan Administrator, Trust Administrator, or Delegate, or such other security procedure as selected by the party providing wire transfer directions, prior to wiring funds or following facsimile directions as Trustee may require. The Plan Administrator assumes the risk of delay of transfer if Trustee is unable to reach the Plan Administrator, or in the event of delay as a result of attempts to comply with any other security procedure selected by the directing party.

5.7 Exclusive Benefit

The Assets of an Employer's Agency Account shall be held in trust for the exclusive purpose of funding the Employer's OPEB Obligation or Pension Obligation or both and defraying the reasonable expenses associated with the same and shall not be used for or diverted to any other purpose. No party shall have authority to use or divert the Assets of an Agency Account of an Employer for the satisfaction of any other Employer's Pension Obligation or OPEB Obligation or any other Employer's expenses.

5.8 Delegation of Duties

The Plan Administrator, Delegate, or Trust Administrator, may at any time retain the Trustee as its agent to perform any act, keep any records or accounts and make any computations that are required of the Plan Administrator, Delegate or Trust Administrator by this Trust Agreement or by the Plan. The Trustee may be compensated for such retention and such retention shall not be deemed to be contrary to this Trust Agreement.

5.9 Distributions

(a) The Trustee shall, from time to time, upon the written direction of the Plan Administrator or Delegate, make distributions from the Assets of the Trust under the OPEB Account to the insurers, third party administrators, service providers or other entities providing benefits or services under the OPEB Plan, or to Eligible Employees and Eligible Beneficiaries for reimbursement of OPEB Plan premiums (or other payments for OPEB Plan benefits) paid by the Eligible Employee or Eligible Beneficiary, or to the Employer for reimbursement of OPEB Plan benefits and expenses paid by the Employer, in such manner in such form(s), in such amounts and for such purposes as may be specified in such directions.

(b) In addition, the Trustee shall, from time to time, upon the written direction of the Plan Administrator or Delegatee, make distributions from the Assets of the Trust under the Pension Account directly to (i) the Qualified Trust as employer contributions, (ii) any insurers, third party administrators, service providers or other entities providing services in connection with determining the Employer's Pension Obligation, or (iii) the Employer as reimbursement for the Employer's payment of amounts described in this Section 5.9(b)(i) and (ii).

(c) In no event shall the Trustee have any responsibility respecting the application of distributions from the Assets of the Trust, or for determining or inquiring into whether such distributions are in accordance with the Employer's OPEB Plan, Pension Plan, policies, or applicable collective bargaining agreements.

ARTICLE VI

FIDUCIARY RESPONSIBILITIES

6.1 More Than One Fiduciary Capacity

Any one or more of the fiduciaries with respect to the Trust Agreement or the Trust may, to the extent required thereby or as directed by the Plan Administrator pursuant to this Trust Agreement, serve in more than one fiduciary capacity with respect to the Trust Agreement and the Trust.

6.2 Fiduciary Discharge of Duties

Except as otherwise provided by applicable law, each fiduciary shall discharge such fiduciary's duties with respect to the Trust Agreement and the Trust:

(a) solely in the interest of the Eligible Employees and for the exclusive purpose of funding the Employer's OPEB Obligation or Pension Obligation or both and defraying the reasonable expenses associated with the same; and

(b) with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims.

6.3 Limitations on Fiduciary Responsibility

To the extent allowed by the laws of the state of each Employer:

No fiduciary shall be liable with respect to a breach of fiduciary duty by any other fiduciary if such breach was committed before such party became a fiduciary or after such party ceased to be a fiduciary.

No fiduciary shall be liable for a breach by another fiduciary except as provided by law.

No fiduciary shall be liable for carrying out a proper direction from another fiduciary, including refraining from taking an action in the absence of a proper direction from the other fiduciary possessing the authority and responsibility to make such a direction, which direction the fiduciary in good faith believes to be authorized and appropriate.

6.4 Indemnification of Trustee by Employer

The Trustee shall not be liable for, and Employer shall (to the extent allowed by the laws of the state of each Employer) indemnify, defend (as set out in Section 6.8 of this Trust Agreement), and hold the Trustee (including its officers, agents, employees and attorneys) and other Employers harmless from and against any claims, demands, loss, costs, expense or liability imposed on the indemnified party, including reasonable attorneys' fees and costs incurred by the indemnified party, arising as a result of Employer's active or passive negligent act or omission or willful misconduct in the execution or performance of its duties under this Trust Agreement.

6.5 Indemnification of Employer by Trustee

The Employer shall not be liable for, and Trustee shall (to the extent allowed by the laws of the state of each Employer) indemnify, defend (as set out in Section 6.8 of this Trust Agreement), and hold the Employer (including its officers, agents, employees and attorneys) and other Employers harmless from and against any claims, demands, loss, costs, expense or liability imposed on the indemnified party, including reasonable attorneys' fees and costs incurred by the indemnified party, arising as a result of Trustee's active or passive negligent act or omission or willful misconduct in the execution or performance of its duties under this Trust Agreement.

6.6 Indemnification of Trustee by Trust Administrator

The Trustee shall not be liable for, and Trust Administrator shall (to the extent allowed by the laws of the state of each Employer) indemnify and hold the Trustee (including its officers, agents, employees and attorneys) harmless from and against any claims, demands, loss, costs, expense or liability imposed on the indemnified party, including reasonable attorneys' fees and costs incurred by the indemnified party, arising as a result of Trust Administrator's active or passive negligent act or omission or willful misconduct in the execution or performance of its duties under this Trust Agreement.

6.7 Indemnification of Trust Administrator by Trustee

The Trust Administrator shall not be liable for, and Trustee shall (to the extent allowed by the laws of the state of each Employer) indemnify and hold the Trust

Administrator (including its officers, agents, employees and attorneys) harmless from and against any claims, demands, loss, costs, expense or liability imposed on the indemnified party, including reasonable attorneys' fees and costs incurred by the indemnified party, arising as a result of Trustee's active or passive negligent act or omission or willful misconduct in the execution or performance of its duties under this Trust Agreement.

6.8 Indemnification Procedures

Promptly after receipt by an indemnified party of notice or receipt of a claim or the commencement of any action for which indemnification may be sought, the indemnified party will notify the indemnifying party in writing of the receipt or commencement thereof. When the indemnifying party has agreed to provide a defense as set out above that party shall assume the defense of such action (including the employment of counsel, who shall be counsel reasonably satisfactory to such indemnitee) and the payment of expenses, insofar as such action shall relate to any alleged liability in respect of which indemnity may be sought against the indemnifying party. Any indemnified party shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall not be at the expense of the indemnifying party unless (i) the employment of such counsel has been specifically authorized by the indemnifying party or (ii) the named parties to any such action (including any impleaded parties) include both the indemnifying party and the indemnified party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interest between them. The indemnifying party shall not be liable to indemnify any person for any settlement of any such action effected without the indemnifying party's consent. The indemnification procedures of this Trust Agreement shall survive the termination of the Trust, any Employer's participation in the Trust and/or this Trust Agreement.

6.9 No Joint and Several Liability

This document is not intended to and does not create any joint powers agreement or any joint and several liability. No Employer shall be responsible for any contributions, costs or distributions of any other Employer.

ARTICLE VII

AMENDMENT, TERMINATION AND MERGER

7.1 No Contractual Obligation

An Employer's participation in the Trust does not create, and is not intended to create, any contractual obligation to Eligible Employees. Therefore, no Employer is contractually obligated to Eligible Employees solely due to its participation in

the Trust to continue providing benefits under its Pension Plan or OPEB Plan or to make contributions to the Trust.

7.2 Amendment of Trust

(a) The Trust Agreement may be amended only by the approval of two-thirds (2/3) or more of the Employers then participating in the Trust. Any such amendment by the Employers shall be set forth in an instrument in writing and shall be delivered to the Trustee, the Trust Administrator and all Plan Administrators not less than one hundred and eighty (180) days before the effective date of such amendment; provided, however, that any party may waive in writing such 180-day requirement with respect to any amendment (and such waiver shall not constitute a waiver with respect to any other amendment); and provided, further, that a waiver in writing of such 180-day requirement by two-thirds (2/3) or more of the Plan Administrators of the Employers participating in the Trust as of the date the amendment is adopted shall constitute a waiver of such 180-day requirement by all of the Employers then participating in the Trust. In addition, the Trust Administrator or the Trustee shall have the right to amend this Trust Agreement from time to time (without the requirement of a vote of Employers) solely for the purpose of keeping the Trust Agreement in compliance with the Code and applicable state law. Any such amendment by the Trust Administrator or the Trustee shall be set forth in an instrument in writing and shall be delivered to the Trustee, the Trust Administrator and all Plan Administrators promptly as each is made.

(b) Any amendment of the Trust Agreement may be current, retroactive or prospective, provided, however, that no amendment shall:

(1) Cause the Assets of any Agency Account to be used for or diverted to purposes other than for the exclusive purpose of funding the Employer's OPEB Obligation or Pension Obligation or both and defraying the reasonable expenses associated with the same.

(2) Permit the Assets of any Agency Account to be used for the benefit of any other Employer.

7.3 Termination of Employer's Obligation to Provide Pension Benefits or OPEB

A termination of the Employer's obligation to provide benefits under the Employer's Pension Plan or OPEB Plan for which the Employer's Agency Account was established shall not, in itself, effect a termination of the Agency Account. Upon a termination of the Employer's obligation to provide benefits under its Pension Plan or OPEB Plan, the Assets of the Employer's Pension Account or OPEB Account, as applicable, will be distributed by the Trustee when directed by the Plan Administrator in accordance with this Section 7.3. From and after the date of such termination and until final distribution of all Assets under the Employer's Agency Account, the Trustee shall continue to have all the powers

provided herein as are necessary or expedient for the orderly liquidation and distribution of such Assets, and the Agency Account shall continue until the Assets have been completely distributed. Any Assets remaining in the Pension Account or OPEB Account will be used first to satisfy any remaining Pension Obligation or OPEB Obligation, respectively, pursuant to the Employer's Pension Plan or OPEB Plan (to the extent that such distribution constitutes the exercise of an "essential governmental function" within the meaning of Section 115 of the Code) and to satisfy any of such Employer's obligations under this Trust Agreement. Any Assets remaining in the Employer's Pension Account or OPEB Account (as applicable) after giving effect to the preceding sentence will be paid to the Employer to the extent permitted by law and consistent with the requirements of Section 115 of the Code.

7.4 Fund Recovery Based on Mistake of Fact

Except as hereinafter provided or in accordance with Section 7.3, the Assets of the Trust shall never inure to the benefit of the Employer. The Assets shall be held for the exclusive purpose of funding the Employer's OPEB Obligation or Pension Obligation or both and defraying the reasonable expenses associated with the same. However, in the case of a contribution which is made by an Employer because of a mistake of fact, that portion of the contribution relating to the mistake of fact (exclusive of any earnings or losses attributable thereto) may be returned to the Employer, provided such return occurs within two (2) years after discovery by the Employer of the mistake. If any repayment is payable to the Employer, then, as a condition to such repayment, and only if requested by Trustee, the Employer shall execute, acknowledge and deliver to the Trustee its written undertaking, in a form satisfactory to the Trustee, to indemnify, defend and hold the Trustee harmless from all claims, actions, demands or liabilities arising in connection with such repayment.

7.5 Termination of Trust

(a) The Trust and this Trust Agreement may be terminated by the unanimous agreement of all Employers, which action must be in writing and delivered to the Trustee and Trust Administrator. Upon termination of the Trust under this Section 7.5(a), the Assets of each Employer's Pension Account or OPEB Account, as applicable, will be distributed by the Trustee when directed by the Plan Administrator in accordance with this Section 7.5(a). From and after the date of such termination and until final distribution of all Assets under each Employer's Agency Account, the Trustee shall continue to have all the powers provided herein as are necessary or expedient for the orderly liquidation and distribution of such Assets, and the Agency Account shall continue until the Assets have been completely distributed. Any Assets remaining in the Pension Account or OPEB Account will be used first to satisfy any remaining Pension Obligation or OPEB Obligation, respectively, pursuant to the Employer's Pension Plan and OPEB Plan (to the extent that such distribution constitutes the exercise of an "essential governmental function" within the meaning of Section 115 of the Code) and to

satisfy any of such Employer's obligations under this Trust Agreement. Any Assets remaining in the Employer's Pension Account or OPEB Account (as applicable) after giving effect to the preceding sentence will be paid to the Employer to the extent permitted by law and consistent with the requirements of Section 115 of the Code.

(b) Contributions to the Trust are conditioned on initial qualification of the Trust under Section 115 of the Code. If the Trust receives an adverse determination with respect to its initial qualification, then the Trust and this Trust Agreement will automatically terminate without any action by any Employer or other parties. After such termination, the Assets of each Employer's Pension Account or OPEB Account, as applicable, will be returned by the Trustee to the Employer as directed by the Plan Administrator in accordance with this Section 7.5(b) to the extent permitted by law and consistent with the requirements of Section 115 of the Code. This Section 7.5(b) will cease to apply upon the Trust's receipt of a favorable determination with respect to its initial qualification.

(c) The Trust and this Trust Agreement may be terminated only as described in this Section 7.5. In no case will the assets of the Trust be distributed on termination to an entity that is not a state, a political subdivision of a state or an entity the income of which is excluded from gross income under Section 115 of the Code.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

8.1 Nonalienation

Eligible Employees do not have an interest in the Trust. Accordingly, the Trust shall not in any way be liable to attachment, garnishment, assignment or other process, or be seized, taken, appropriated or applied by any legal or equitable process, to pay any debt or liability of an Eligible Employee or any other party. Trust Assets shall not be subject to the claims of any Employer or the claims of its creditors.

8.2 Saving Clause

In the event any provision of this Trust Agreement is held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts of the Trust Agreement, but this instrument shall be construed and enforced as if said provision had never been included.

8.3 Applicable Law

This Trust Agreement and the Trust shall be construed, administered and governed under the Code and the law of the State of California. To the extent any

of the provisions of this Trust Agreement are inconsistent with the Code or applicable state law, the provisions of the Code or state law shall control. In the event, however, that any provision is susceptible to more than one interpretation, such interpretation shall be given thereto as is consistent with the Trust Agreement being a tax-exempt trust within the meaning of the Code.

8.4 Joinder of Parties

In any action or other judicial proceedings affecting this Trust Agreement, it shall be necessary to join as parties only the Trustee, the Plan Administrator or Delegatee. No participant or other persons having an interest in the Trust or any Agency Account shall be entitled to any notice or service of process unless otherwise required by law. Any judgment entered in such a proceeding or action shall be binding on all persons claiming under this Trust Agreement; provided, however, that nothing in this Trust Agreement shall be construed as to deprive a participant of such participant's right to seek adjudication of such participant's rights under applicable law.

8.5 Employment of Counsel

The Trustee may consult with legal counsel (who may be counsel for the Trustee, the Trust Administrator or any Employer) with respect to the interpretation of this Agreement or the Trustee's duties hereunder or with respect to any legal proceedings or any questions of law and shall be entitled to take action or not to take action in good faith reliance on the advice of such counsel and charge the Trust and, as applicable, one or more Agency Accounts.

8.6 Gender and Number

Words used in the masculine, feminine or neuter gender shall each be deemed to refer to the other whenever the context so requires; and words used in the singular or plural number shall each be deemed to refer to the other whenever the context so requires.

8.7 Headings

Headings used in this Trust Agreement are inserted for convenience of reference only and any conflict between such headings and the text shall be resolved in favor of the text.

8.8 Counterparts

This Trust Agreement may be executed in an original and any number of counterparts by the Plan Administrator (executing an Adoption Agreement), the Trust Administrator and the Trustee, each of which shall be deemed to be an original of the one and the same instrument.

IN WITNESS WHEREOF, the Plan Administrator (by executing the Adoption Agreement), the Trustee and the Trust Administrator have executed this Trust Agreement by their duly authorized agents on the Effective Date.

U.S. BANK NATIONAL ASSOCIATION

"Trustee"

By: 
Signature

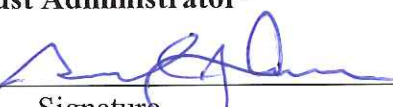
Susan M. Hughes

Typed or printed name

Its: Vice President & Relationship Manager

**PUBLIC AGENCY
RETIREMENT SERVICES**

"Trust Administrator"

By: 
Signature

Daniel Johnson

Typed or printed name

Its: President

PUBLIC AGENCIES
POST-EMPLOYMENT HEALTH CARE PLAN
MASTER PLAN DOCUMENT

(Effective as of November 5, 2014)

INTRODUCTION

The Employer specified in the Adoption Agreement has adopted this qualified governmental post-employment health care plan ("OPEB Plan") for the benefit of its Eligible Employees. The plan document for the OPEB Plan consists of this Master Plan Document plus the Adoption Agreement. Assets of the OPEB Plan are held under a trust (the "Trust") evidenced by a trust agreement (the "Trust Agreement"). Each Employer's separate portion of the Trust dedicated to funding the Employer's OPEB Obligation and defraying the reasonable expenses associated with the same is referred to as the Employer's "OPEB Account." Capitalized terms that are not defined herein shall have the meaning attributed to such terms in the Trust Agreement.

The Trust is established with the intention that it qualify as a tax-exempt trust performing an essential governmental function within the meaning of Section 115 of the Code and any regulations issued thereunder and as a tax-exempt trust under the provisions of the relevant state's statutory provisions of each Employer. It is intended that contributions to the Employer's OPEB Account shall qualify as "plan assets" within the meaning of GASB Statement No. 45 (Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions). At any time prior to the satisfaction of all liabilities with respect to Eligible Employees under an Employer's OPEB Account, the OPEB Account assets shall not be used for, or diverted to, any purpose other than funding the Employer's OPEB Obligation and defraying the reasonable expenses associated with the same.

ARTICLE I

PLAN AND TRUST INFORMATION

1.1 Plan Name.

The name of the OPEB Plan adopted by the Employer is the Public Agencies Post-Employment Health Care Plan.

1.2 Effective Date.

The OPEB Plan is effective as of the date set forth in Section A.3.1.2 of the Adoption Agreement. If this OPEB Plan is a restatement of an existing plan, that date is also the effective date of the restatement.

1.3 Plan Year.

The plan year for the OPEB Plan shall be the consecutive twelve-month period beginning on January 1 and ending on December 31.

ARTICLE II

EMPLOYER INFORMATION

2.1 Employer.

The name and address of the Employer sponsoring this OPEB Plan (the "Employer") are as set forth in Section A.2.1 of the Adoption Agreement. The Adoption Agreement can only be used by a governmental agency that is a state, a political subdivision of a state, or an entity the income of which is excludible from gross income under Section 115 of the Code to establish a plan.

ARTICLE III

ELIGIBLE EMPLOYEES

3.1 Eligible Persons

Each employee of the Employer who is or becomes eligible for post-employment health care and welfare benefits as specified in such Employer's applicable policies and/or applicable collective bargaining agreements is an Eligible Employee under this OPEB Plan. In addition, any person who, due to his or her relationship with the Eligible Employee, is entitled to post-employment health care and welfare benefits as specified in the Employer's applicable policies and/or collective bargaining agreement, is an Eligible Beneficiary under this OPEB Plan.

3.2 Termination of Eligible Status

An Eligible Employee or Eligible Beneficiary shall cease to be an Eligible Employee or Eligible Beneficiary as specified in the Employer's applicable policies and/or applicable collective bargaining agreements.

ARTICLE IV

CONTRIBUTIONS

4.1 Amount of Member Agency Contributions

Eligible Employees and Eligible Beneficiaries are not permitted to make contributions to the Trust, provided however, that nothing herein shall be deemed to (i) prevent the Employer from imposing a charge (including, without limitation, a payroll deduction) for coverage under the OPEB Plan, or (ii) prevent the Employer from depositing the proceeds of any such charge to the Trust (provided that such deposit shall be considered an Employer contribution and shall not be segregated within Employer's OPEB Account from any other Employer contributions). Each Employer shall from time-to-time contribute to its OPEB Account an amount determined by such Employer in its sole discretion. Such amount may, but need not, equal such Employer's "annual required contribution" ("ARC") as determined in accordance with GASB 45.

4.2 Administrative Expenses

The Employer may make contributions to its OPEB Account sufficient to defray all or part of the expenses of administering the OPEB Plan or may pay such expenses directly.

4.3 Allocation of Administrative Expenses

If the Employer chooses not to directly pay the expenses of administering this OPEB Plan, such expenses shall be charged against the OPEB Account for such Employer.

4.4 Reversions

The Employer shall have the right to a return of contributions from this OPEB Plan only if the conditions for such return set forth in the Trust Agreement are satisfied.

ARTICLE V

DISTRIBUTION OF BENEFITS

5.1 Payment of Distribution

Distribution shall only be made to the insurers, third party administrators, service providers, or other entities providing benefits or services under the OPEB Plan, or to Eligible Employees and Eligible Beneficiaries for reimbursement of OPEB Plan premiums (or other payments for OPEB Plan benefits) paid by the Eligible Employee or Eligible Beneficiary, or to the Employer for the reimbursement of OPEB Plan benefits and expenses paid by the Employer. The Plan Administrator or its Delegatee shall provide instructions to the Trustee regarding how distributions and reimbursements are to be made.

ARTICLE VI

FUNDING AND INVESTMENT

6.1 Funding and Investment

The assets of the OPEB Plan shall be held in the OPEB Account of each Employer. In Section A.4.2.1 of the Adoption Agreement, each Employer shall elect between a discretionary or directed investment approach. If the Employer elects a discretionary investment approach, the Employer shall further elect between the various investment strategies offered in the investment strategy selection and disclosure form. If the Employer elects a directed investment approach, the Employer, in accordance with the Trust Agreement, shall have absolute discretion over the investment of the assets of its OPEB Account.

6.2 Type and Nature of Plan and Trust

Neither the faith and credit nor the taxing power of each Employer is pledged to the distribution of benefits hereunder. Except for contributions, earnings and other amounts held in the Trust, no amounts are pledged to the distribution of benefits hereunder. Distributions of benefits are neither general nor special obligations of the Employer, but are payable solely from contributions, as more fully described herein. No employee of any Employer or any other person may compel the exercise of the taxing power by the Employer. Distributions of benefits are not a debt of the Employer within the meaning of any constitutional or statutory limitation or restriction. Distributions are not a legal or equitable pledge, charge, lien or encumbrance, upon any of the Employer's property, or upon any of its income, receipts or revenues.

ARTICLE VII

ADMINISTRATION, AMENDMENT AND TERMINATION OF PLAN

7.1 Designation of Plan Administrator

In Section A.2.2 of the Adoption Agreement, the Employer shall provide the name of the Plan Administrator that has been duly authorized and designated by the governing body of the Employer to act on its behalf in all matters pertaining to the OPEB Plan and the Trust pursuant to Section 3.4 of the Trust Agreement. If no name is provided, the Employer is the Plan Administrator. In addition to a Plan Administrator the Employer may designate a Delegatee to perform those activities relating to the OPEB Plan as specified in the written appointment of such Delegatee certified to the Trust Administrator. Except where the context requires otherwise, the term "Employer" as used in this Article shall mean the Plan Administrator or Delegatee where responsibility for administration of the OPEB Plan has been given to such parties.

7.2 Rules and Regulations

The Employer has full discretionary authority to supervise and control the operation of this OPEB Plan in accordance with its terms and may make rules and regulations for the administration of this OPEB Plan that are not inconsistent with the terms and provisions hereof. The Employer shall determine any questions arising in connection with the interpretation, application or administration of the OPEB Plan (including any question of fact relating to age, employment, compensation or eligibility of Eligible Employees or Eligible Beneficiaries) and its decisions or actions in respect thereof shall be conclusive and binding upon all persons and parties.

The Employer shall have all powers necessary to accomplish its purposes, including, but not by way of limitation, the following:

- (a) To determine all questions relating to an Eligible Employee's or Eligible Beneficiary's eligibility;
- (b) To construe and interpret the terms and provisions of the OPEB Plan;
- (c) To compute, certify to, and direct the Trustee with regard to the amount and kind of benefits payable to health care providers;
- (d) To authorize all disbursements from its OPEB Account;
- (e) To maintain all records that may be necessary for the administration of the OPEB Plan other than those maintained by the Trustee; and
- (f) To appoint a Plan Administrator or, any other agent, and to delegate to them or to the Trustee such powers and duties in connection with the administration of the OPEB Plan as it may from time to time prescribe.

Expenses and fees incurred in connection with the administration of the OPEB Plan and the Trust shall be paid from the Trust assets to the fullest extent permitted by law, unless the Employer determines otherwise. The Employer may elect to make contributions to its OPEB Account sufficient to defray the expenses of administering the OPEB Plan or may pay such expenses directly.

7.3 Amendment and Termination

The Employer shall have the right to amend, modify or terminate the OPEB Plan at any time. If an Employer terminates the OPEB Plan, the Assets held in its OPEB Account shall be distributed by the Trustee as provided in Section 7.3 of the Trust Agreement.

ARTICLE VIII

MISCELLANEOUS

8.1 Nonalienation

An Eligible Employee or Eligible Beneficiary does not have any interest in the OPEB Plan or the Assets held in the Trust. Accordingly, the Trust shall not in any way be liable to attachment, garnishment, assignment or other process, or be seized, taken, appropriated or applied by any legal or equitable process, to pay any debt or liability of an Eligible Employee, Eligible Beneficiary or any other party.

8.2 Investment

All contributions, interest earned, and any assets of the OPEB Plan shall at all times be invested and managed in accordance with the Trust Agreement and the requirements of applicable law.

8.3 Parties to the Plan

Eligible Employees, Eligible Beneficiaries and unions of each Employer are not parties to this OPEB Plan. The OPEB Plan is only a funding source for such Employer's post-employment health care and welfare benefits and does not increase the rights of any Eligible Employee, Eligible Beneficiary or union.

8.4 Confidential Medical Information

Each Employer and its health care providers or other service providers shall not share confidential medical information regarding employees of the Employer with the OPEB Plan, the Trustee, or the Trust Administrator.



**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 Contra Costa Transportation Authority 2020 Transportation Expenditure Plan (TEP) and Supporting the Countywide Imposition of One-Half of One Percent Sales Tax to Fund Transportation Improvements in Contra Costa County; Adoption of the Proposed 2020 TEP; and Conditionally Amending the Growth Management Program

MEETING DATE: October 21, 2019

EXECUTIVE SUMMARY

The Contra Costa Transportation Authority (Authority) is responsible for maintaining and improving Contra Costa County's transportation system by planning, funding, and delivering transportation infrastructure projects and programs. The Authority is proposing the imposition of a countywide one-half of one percent sales tax for transportation purposes for a period of 35 years starting July 1, 2020, through June 30, 2055, as well as a proposed Transportation Expenditure Plan (TEP) to guide the use of the proposed sales tax revenues, and an amendment to the Growth Management Program (GMP) in the Measure J TEP to match the growth policies found in the 2020 TEP.

FISCAL IMPACT

The Authority is proposing the imposition of a countywide one-half of one percent sales tax for transportation purposes for a period of 35 years starting July 1, 2020 through June 30, 2055.

The proposed sales tax measure is expected to generate \$3.6 billion (current dollars). The TEP consists of a set of transportation investments (funding categories), taxpayer safeguards and accountability measures, and pertinent policies. The transportation investments are split roughly equal between funding categories targeted at congestion relief on major commute corridors throughout Contra Costa County and funding categories intended to improve transportation in all our communities. Overall, approximately 54.6% of transportation investments are to be used for transit and alternative modes; 26.7% for local streets and roads; and 18.7% for Highways and Freeways.

RECOMMENDATION

City Council adopt the attached resolution approving the Contra Costa Transportation Authority 2020 Transportation Expenditure Plan and supporting the countywide imposition of one-half of one percent sales tax to fund transportation improvements in Contra Costa County; adoption of the proposed 2020 Transportation Expenditure Plan; and conditionally amending the Growth Management Program.

BACKGROUND

Contra Costa County passed its first transportation sales tax measure, Measure C, in 1988. Measure C created the Authority and provided critical transportation funding for projects throughout Contra Costa County. Recognizing the pending expiration of Measure C, voters overwhelmingly approved Measure J in 2004, extending funding to 2034. Measures C and J provided stable funding to cities, towns, and Contra Costa County to maintain local streets and roads and establish GMP and Urban Limit Line (ULL) Compliance Requirements to preserve and enhance quality of life and promote a strong economy.

Funding from these measures was allocated to public transportation and bus operators, to service providers that assisted students to go to school and seniors and people with disabilities to go where they needed to go. Marquee projects included the Bay Area Rapid Transit (BART) extensions to Pittsburg and Antioch, the Caldecott Tunnel Fourth Bore, Highway 4 widening, train stations and intermodal transit centers, and improvements to bicycle and pedestrian trails. Equally important, local funding from Measures C and J was able to attract \$4.1 billion in outside funding from state, federal and regional sources. These leveraged funds combined with sound financial management have enabled the Authority to complete the major projects in Measure J significantly ahead of schedule.

Pursuant to Public Utilities Code § 180206(b), a TEP may not be finally adopted and placed before the voters until it has received the approval of the County Board of Supervisors and city/town councils, which in aggregate represent both a majority of the cities/towns in Contra Costa County and a majority of the population residing in the incorporated areas of Contra Costa County. All jurisdictions will be asked to adopt the proposed TEP as presented.

Over the past year, the Authority conducted extensive consultations with local governments and outreach to a wide variety of interest groups and the public in order to develop a mix of projects and programs to be funded by the proposed sales tax.

On August 28, 2019, the Authority released a proposed 2020 TEP to guide the use of the proposed sales tax revenues. The proposed 2020 TEP also includes a revised GMP, a new Complete Streets Policy, a new Road Traffic Safety Policy, a new Transit Policy, and a new Advance Mitigation Program to help the Authority achieve its goals to reduce future congestion, manage the impacts of growth, and expand alternatives to the single-occupant vehicle.

On August 28, 2019, the Authority also adopted Ordinance 19-01 (Attachment 4) to conditionally amend the GMP in the Measure J TEP to match that found in the 2020 TEP. This amendment would only apply if the one-half of one percent local transportation sales tax is placed on the ballot and successfully approved by the electors on the March 3, 2020, ballot.

The Authority is seeking approval of the proposed TEP from all cities/towns and County Board of Supervisors by October 22, 2019. The Authority will consider approving the TEP and accompanying ordinance to impose the sales tax at a special meeting of the Authority Board on October 30, 2019.

SUBCOMMITTEE FINDINGS

This item was not presented to a subcommittee.

STAFF ANALYSIS

Despite the successes of projects funded by Measures C and J, the demand for transportation services and new funding continues to grow. As Contra Costa County's population increases, more people are using our highways, roads, and transit. New transportation technology is offering unprecedented opportunities to streamline travel, smooth traffic flow, and reduce emissions. At the same time, people are increasingly valuing alternative ways to get around, such as transit, walking and biking. The result of these factors is new demand on the transportation infrastructure and additional mobility needs.

Contra Costa County's population is also aging. Currently, about 14% of the population is age 65 or older; by 2035, this population is expected to double to about 30%. As the agency responsible to maintain and improve Contra Costa County's transportation system, the Authority envisions a future where all of our transportation systems work together for more streamlined, safe, efficient, and convenient travel.

Currently, transportation needs significantly exceed projected revenues, and the new sales tax measure is needed to keep Contra Costa County moving and to create livable and sustainable communities. The proposed sales tax measure is expected to generate \$3.6 billion (current dollars). The TEP consists of a set of transportation investments (funding categories), taxpayer safeguards and accountability measures, and pertinent policies (these are discussed in detail in Attachment 3).

The TEP proposes stable and reliable funding (17.4% of overall funding) to each city and town and Contra Costa County for maintenance and improvement of local roads. This is equivalent to 18% of the sales tax revenues for the Central, East, and Southwest subregions and 15.2% of sales tax revenues for the West subregion of Contra Costa County. Other community-based funding included bus and public transit, pedestrian and bicycle improvements on trails and streets, safe transportation for students, seniors and people with disabilities, and technology solutions to reduce emission and improve air quality.

The TEP also sets forward clear policies that ensure that while communities grow, the growth is kept within a clear ULL, allowing Contra Costa County to continue growing in a smart way, while protecting vital open space for parks and farmland. Furthermore, increased investments in bicycle and pedestrian facilities bring access to the outdoors to every community.

The plan, if enacted, will provide the following benefits:

- Smooth-flowing traffic along highways and roads;
- Quicker trips and less time sitting in traffic;
- Smoother pavement and fewer potholes;
- Transit, where and when it's needed;
- Easier ways to get from home or work to transit stops and back home again;
- Cleaner air due to reduced vehicle emissions;
- More bicycle lanes and walking paths to support an active lifestyle; and
- Free or reduced transit fares for students.

Projects that could be funded by the proposed sales tax measure include, but are not limited to:

- Widening and repair of Pittsburg-Antioch Highway and Loveridge Road to support existing businesses in the vicinity, and allow one of the key industrial areas in all of Contra Costa County to attract new businesses and jobs;
- Widening Bailey Road to help Contra Costa County residents access BART, and alleviate congestion along State Route 4;
- Construction of a pedestrian bridge and other security improvements to the Pittsburg Center Station to increase pedestrian safety and ridership;
- Implementation of an Operational Improvements Project (OIP) and Integrated Corridor Management (ICM) to reduce congestion along State Route 4;
- Completion of the connection of West Leland Road to Willow Pass Road, supporting economic opportunity development and congestion relief in an area expected to grow by tens of thousands of residents during the course of the TEP; and
- Development of additional public transportation modes in Pittsburg, such as ferry service, commuter rail, and driverless vehicles.

The conditional amendment to the GMP (Exhibit 1 to Attachment 4) is intended to harmonize the Measure J TEP and 2020 TEP, and would only apply if the one-half of one percent local transportation sales tax is placed on the ballot and successfully approved by the electors on the March 3, 2020 ballot.

ATTACHMENTS:

1. Proposed Resolution
2. Draft 2020 Transportation Expenditure Plan
3. 2020 Expenditure Plan Additional Information
4. CCTA Ordinance No. 19-01

Report Prepared By: Jordan Davis, Assistant to the City Manager

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Resolution Approving the Contra Costa	)	RESOLUTION NO. 19-_____
Transportation Authority 2020	)	
Transportation Expenditure Plan (TEP)	)	
and Supporting the Countywide Imposition	)	
of One-Half of One Percent Sales Tax to	)	
Fund Transportation Improvements in	)	
Contra Costa County; Adoption of the	)	
Proposed 2020 TEP; and Conditionally	)	
Amending the Growth Management	)	
Program	)	

The Pittsburg City Council DOES RESOLVE as follows:

WHEREAS, the Contra Costa Transportation Authority (hereinafter "Authority") proposes the countywide imposition of a one-half of one percent sales tax for transportation purposes for a period of 35 years effective July 1, 2020 through June 30, 2055; and

WHEREAS, the Authority has administered a one-half of one percent sales tax for transportation purposes since its inception on April 1, 1989; and

WHEREAS, the Authority conducted extensive consultations with local governments and conducted outreach to a wide variety of interest groups and the public in order to develop a Transportation Expenditure Plan ("2020 TEP") proposing a potential mix of projects and programs to be funded by the proposed sales tax; and

WHEREAS, on August 28, 2019, the Authority authorized the release of a proposed 2020 TEP reflecting the results of that consultation and outreach, and seeking concurrence on the proposed 2020 TEP from Contra Costa County and the cities/towns within Contra Costa County; and

WHEREAS, on August 28, 2019, the Authority adopted Ordinance 19-01 to conditionally amend the GMP to harmonize the Measure J Transportation Expenditure Plan ("Measure J TEP") to match that found in the 2020 TEP. This amendment would only apply if the one-half of one percent local transportation sales tax is placed on the ballot and successfully approved by the electors on the March 2020 ballot; and

WHEREAS, the proposed 2020 TEP includes measures that help reduce future congestion, manage the impacts of growth, and expand alternatives to the single-occupant vehicle; and

WHEREAS, if the proposed 2020 TEP is ultimately adopted by the Authority and

approved by the voters, the 2020 TEP would guide the use of the proposed sales tax revenues; and

WHEREAS, pursuant to Public Utilities Code § 180206(b), a Transportation Expenditure Plan may not be adopted by the Authority until and unless the proposed plan has received the approval of the County Board of Supervisors and city/town councils representing both a majority of the cities/towns in Contra Costa County and a majority of the population residing in the incorporated areas of Contra Costa County.

NOW, THEREFORE, the City Council finds and determines as follows:

Section 1. Findings

- A. The City Council hereby finds and determines that the above recitals and the staff report incorporated herewith are true and correct and have served as the basis, in part, for the findings and actions of the City Council set forth below.
- B. The City Council finds that the proposed 2020 TEP is not subject to the California Environmental Quality Act ("CEQA") because the proposed 2020 TEP is not a project within the meaning of CEQA, and the City Council's adoption of this resolution does not commit the Council to a definite course of action with regard to any specific transportation improvements set forth in the proposed 2020 TEP (14 California Code of Regulations (CCR), § 15378, 15352). Specifically, the City Council's adoption of this resolution does not constitute the approval of a CEQA project for reasons that include, but are not limited to: (1) the proposed 2020 TEP does not authorize the construction of any projects that may result in any direct or indirect physical change in the environment; (2) the proposed 2020 TEP is a mechanism for funding potential future transportation projects, the timing, approval, and construction of which may be modified or not implemented depending on a number of factors, including future site-specific CEQA environmental review; and (3) the proposed 2020 TEP is subject to further discretionary approvals insofar as it may not be adopted until and unless the pre-conditions set forth in the Public Utilities Code are satisfied. (14 CCR, § 15378, 15352; Public Utilities Code § 180206(b).)

Section 2. Decision

The City of Pittsburg hereby adopts this resolution in order to:

1. Approve, for the limited purpose identified in Public Utilities Code, § 180206(b), the proposed 2020 TEP released by the Authority on August 28, 2019; and
2. Support adoption of the proposed 2020 TEP by the Authority, consistent with the provisions of Public Utilities Code § 180206; and.

3. Support the approval of placement of the one-half of one percent local transportation sales tax on the March 3, 2020, ballot by the Contra Costa County Board of Supervisors; and
4. Support the Authority's approval of the conditional amendment to the GMP in order to harmonize the Measure J TEP and the proposed 2020 TEP, acknowledging that this amendment would only apply if the one-half of one percent local transportation sales tax is placed on the ballot and successfully approved by the electors on the March 3, 2020, ballot.

Section 3. Effective Date

This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the City Council of the City of Pittsburg at a regular meeting on the 21st day of October 2019, by the following vote:

AYES:

NOES:

ABSTAINED:

ABSENT:

Juan Antonio Banales, Mayor

ATTEST:

Alice E. Evenson, City Clerk

A TRANSFORMATIVE PLAN FOR CONTRA COSTA'S FUTURE

2020 Transportation Expenditure Plan



» TABLE OF CONTENTS

03.....A New Transportation Future for Contra Costa County

Transportation Expenditure Plan Funding Summary

07.....Decades of Transportation Improvements and Managed Growth

Who We Are and What We Do

Fulfilling Our Promise to Contra Costa County Voters

Transportation for the Next Three-and-a-Half Decades

Local Funding for Local Projects

11.....A Roadmap for the Future

What This Transportation Expenditure Plan Will Accomplish

Commitment to Performance

Achieving Intended Outcomes

Taxpayer Safeguards

Pertinent Policies

15.....Proposed Transit and Transportation Investments

Planning for the Future

Relieving Congestion on Highways, Interchanges, and Major Roads

Improve SR-242, Highway 4, Transit, and eBART Corridor

Modernize I-680, Highway 24, Transit, and BART Corridor

Enhance I-80, I-580, Transit, and BART Corridor

Improving Transit and Transportation Countywide in All Our Communities

29.....Policy Statements

The Growth Management Program (GMP)

Urban Limit Line (ULL) Compliance Requirements

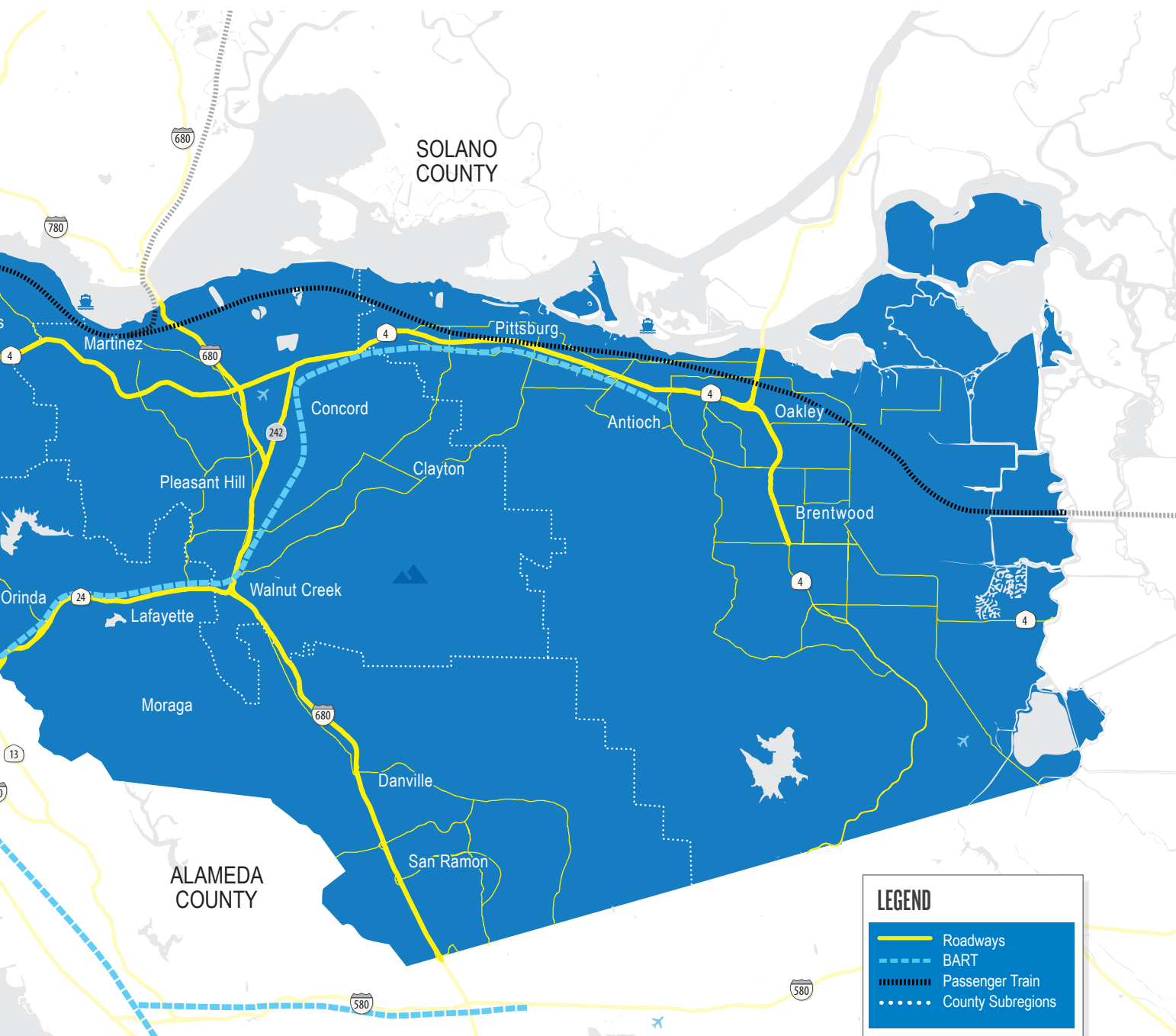
Transit Policy

Complete Streets Policy

Advance Mitigation Program

Taxpayer Safeguards and Accountability Policy

Road Traffic Safety Policy



» Contra Costa is a county as unique and diverse as its residents. Our communities stretch from the Richmond coastline to Discovery Bay, from Port Chicago to the San Ramon Valley, and from Mount Diablo to Crockett Hills.

» **ALL FUNDING AMOUNTS** presented in this Transportation Expenditure Plan are rounded.

GUIDING PRINCIPLES USED TO DEVELOP THE TEP

CCTA is committed to funding an outcomes-based program that includes thoughtful projects that will relieve congestion countywide, reduce greenhouse gasses, enhance transit operations, and improve accessibility to jobs and housing. The 2020 Transportation Expenditure Plan is a carefully curated set of solutions designed to bring Contra Costa's transportation system into the future by moving more people efficiently, encouraging mode shift, and promoting shared mobility options for all. The following set of principles will guide and inspire the planning, funding, and delivering of the 2020 TEP.



RELIEVE TRAFFIC CONGESTION

Funding will focus on making traveling through Contra Costa faster, more reliable, and more predictable by, for example, reducing travel times and moving more people with fewer cars.



ACCOUNTABILITY AND TRANSPARENCY

CCTA will ensure funding flows to opportunities that maximize and directly benefit your commute. CCTA strives for excellence in protecting the public's investments. We will routinely engage with partner organizations, advisory committees, and the County's residents and businesses to ensure full transparency. Our plans and results shall be easily available to the public, and we shall remain accessible to the public for questions and comments.



BALANCED AND EQUITABLE APPROACH

CCTA will balance the needs and benefits for all people and all areas of Contra Costa County to provide an equitable and sustainable transportation system that promotes transit options for all, social equity, and community stabilization.



ECONOMIC OPPORTUNITY

CCTA supports creating an economic environment that promotes job growth close to residents' homes or high-frequency public transit, thereby stabilizing communities, improving access for low-income populations and Communities of Concern, shortening commute times, reducing vehicle-miles traveled (VMTs), and improving air quality. CCTA will promote local contracting and good jobs in Contra Costa through funding of local infrastructure projects.



MAXIMIZE AVAILABLE FUNDING

CCTA will proactively seek regional, state, and federal funding, as well as private investments to supplement the County's local transportation sales tax revenue, thereby maximizing the total amount of funding for transportation projects in Contra Costa County.



PUBLIC PARTICIPATION

CCTA will meaningfully engage with county residents and respond to public priorities through a comprehensive public outreach program.



TRANSIT FIRST

CCTA commits to increasing transit use by funding solutions that reduce transit travel times, increase transit frequencies, and give transit vehicles priority in high-traffic periods. CCTA will enhance transit connectivity between modes to help promote car-free travel and the importance of providing adequate transit service to areas slated for significant employment and housing growth.



PERFORMANCE ORIENTATION

CCTA is committed to a performance-oriented approach with rigorous evaluation of transportation solutions that meet the goals of the TEP and state greenhouse gas (GHG) mandates. CCTA will use transportation sales tax funds to achieve defined outcomes and benefits most sought by residents and businesses. Funding will flow to the best opportunities consistent with other guiding principles and policies.



PROTECT THE ENVIRONMENT

CCTA commits to improving the air quality in our communities by funding projects and programs that relieve congestion, reduce vehicle-miles traveled (VMT) per capita, and reduce GHG.



COMMITMENT TO GROWTH MANAGEMENT

CCTA administers countywide policies that support thoughtful growth management to sustain Contra Costa's economy, preserve its environment, and support its communities. The advanced mitigation programs for environmental impacts and vehicle-miles traveled (VMTs) are some of the tools used to support the county's growth management policies.



COMMITMENT TO TECHNOLOGY AND INNOVATION

CCTA is committed to keeping Contra Costa County on the cutting edge of transportation technology by continuing to incorporate advanced technologies and emerging innovations pursuant to the goals of the TEP.

A NEW TRANSPORTATION FUTURE FOR CONTRA COSTA COUNTY

TRANSPORTATION EXPENDITURE PLAN FUNDING SUMMARY

The Contra Costa Transportation Authority (CCTA) envisions a future where all transportation systems work together for more streamlined, safe, efficient, and convenient travel. We've created a focused plan that ensures funds directly benefit your commute. CCTA is committed to outcomes-based delivery, where all projects meet performance targets for reduced traffic, shortened commute times, reduced greenhouse gas emissions (GHG), and other mandates and goals.

This 2020 Transportation Expenditure Plan (TEP) focuses on innovative strategies and new technologies that will relieve congestion, promote a strong economy, protect the environment, promote social equity, and enhance the quality of life for all of Contra Costa County's diverse communities. This plan outlines projects that will achieve a broad range of goals:

- **Relieve Traffic Congestion on Highways and Interchanges.** CCTA's goal is to smooth traffic flow and reduce congestion for people and goods through major corridors, to address bottlenecks and hot spots, and to make commutes smoother and more predictable.
- **Make Bus, Ferry, Passenger Train, and BART Rides Safer, Cleaner, and More Reliable.** Contra Costa County's residents and travelers value safe, clean, convenient, and affordable transit options. CCTA's goal is to support transit operators in providing more frequent and reliable transit services and to plan and build the infrastructure that improves connectivity countywide.
- **Provide Accessible and Safe Transportation for Children, Seniors, Veterans, and People with Disabilities.** CCTA will prioritize social equity and provide better mobility options for all, especially for those with the greatest transportation barriers such as youth, seniors, people of lower incomes, and people with disabilities.
- **Improve Transportation in Our Communities.** CCTA supports livable communities by providing local cities and towns with funding to fix and modernize local streets, offer safer places to walk and cycle, and improve air quality. We're committed to funding infrastructure that provides access to affordable housing and jobs. CCTA also helps manage urban sprawl through its advanced mitigation programs and the county's growth management program.

The TEP is intentionally designed to be equitable across the entire county, based on population. CCTA commits to delivering proportionally greater benefits to Communities of Concern (as defined by the Metropolitan Transportation Commission) and low-income residents. CCTA understands that access to quality transportation, jobs, housing, education, health care, and public safety contribute to residents' well-being.

All locally generated transportation revenue—plus any additional grant funding CCTA receives—will be spent on local projects in Contra Costa County.

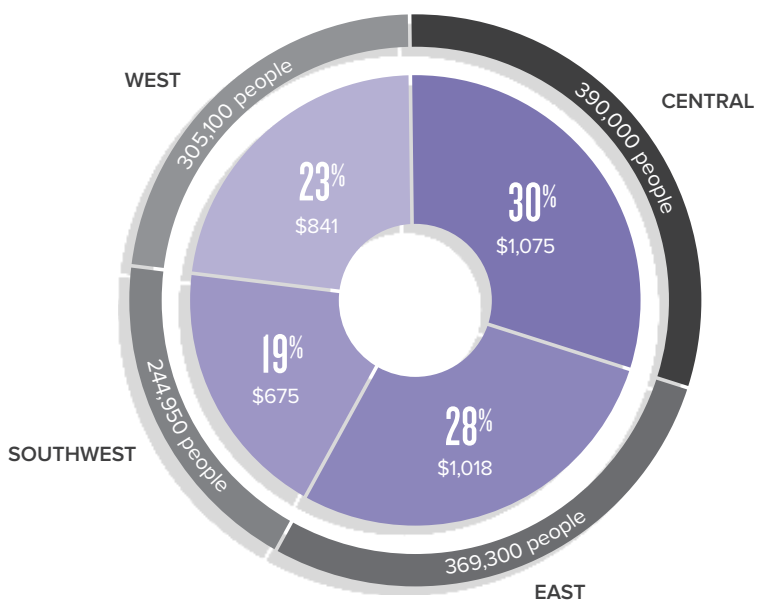
TRANSPORTATION EXPENDITURE PLAN FUNDING SUMMARY

FUNDING CATEGORIES	SUBTOTALS	
	\$ (millions)*	%
RELIEVING CONGESTION ON HIGHWAYS, INTERCHANGES, AND MAJOR ROADS	\$1,484	41.1
Improve State Route 242 (SR-242), Highway 4, Transit, and eBART Corridor	705	19.5
Relieve Congestion and Improve Access to Jobs Along Highway 4 and SR-242	200	5.5
Improve Local Access to Highway 4 and Byron Airport	150	4.2
East County Transit Extension to Brentwood and Connectivity to Transit, Rail, and Parking	100	2.8
Improve Traffic Flow on Major Roads in East County	107	3.0
Enhance Ferry Service and Commuter Rail in East and Central County	50	1.4
Improve Transit Reliability Along SR-242, Highway 4, and Vasco Road	50	1.4
Additional eBART Trains Cars	28	0.8
Seamless Connected Transportation Options	20	0.6
Modernize I-680, Highway 24, Transit, and BART Corridor	536	14.9
Relieve Congestion, Ease Bottlenecks, and Improve Local Access Along the I-680 Corridor	200	5.5
Improve Traffic Flow on Major Roads in the Central County and Lamorinda	145	4.0
Improve Transit Reliability along the I-680 and Highway 24 Corridors	50	1.4
Provide Greater Access to BART Stations Along I-680 and Highway 24	49	1.4
Improve Traffic Flow on Highway 24 and Modernize the Old Bores of Caldecott Tunnel	35	1.0
Improve Traffic Flow on Major Roads in San Ramon Valley	32	0.9
Seamless Connected Transportation Options	25	0.7
Enhance I-80, I-580 (Richmond-San Rafael Bridge), Transit, and BART Corridor	243	6.7
Improve Transit Reliability Along the I-80 Corridor	90	2.5
Relieve Congestion and Improve Local Access Along the I-80 Corridor	57	1.6
Improve Traffic Flow on Major Roads in West County	38	1.1
Enhance Ferry Service and Commuter Rail in West County	34	0.9
Improve Traffic Flow and Local Access to Richmond-San Rafael Bridge Along I-580 and Richmond Parkway	19	0.5
Seamless Connected Transportation Options	5	0.1
IMPROVING TRANSIT AND TRANSPORTATION COUNTYWIDE IN ALL OUR COMMUNITIES	\$1,980	54.9
Modernize Local Roads and Improve Access to Job Centers and Housing	628	17.4
Provide Convenient and Reliable Transit Services in Central, East, and Southwest Contra Costa	392	10.9
Increase Bus Services and Reliability in West Contra Costa	250	6.9
Improve Walking and Biking on Streets and Trails	215	6.0
Accessible Transportation for Seniors, Veterans, and People with Disabilities	180	5.0
Cleaner, Safer BART	120	3.3
Safe Transportation for Youth and Students	104	2.9
Reduce and Reverse Commutes	54	1.5
Reduce Emissions and Improve Air Quality	37	1.0
SUBTOTAL	\$3,464	96%
Transportation Planning, Facilities & Services	\$108	3.0
Administration	\$36	1.0
TOTAL	\$3,608	100%

*Funding amounts are rounded

Mode	Percentage
Local Roads & Streets	27%
Highways & Freeways	18%
Bicycle/Pedestrian	11%
Local Transit	38%
BART	6%
TRANSIT AND ALTERNATIVE MODES	44%

EXPENDITURES BY SUBREGION AND POPULATION



310



OUR NEW TRANSPORTATION FUTURE

Carefully crafted to offer a broad array of tangible benefits to all, this Plan will bring:

- » Smooth-flowing traffic along highways and roads
- » Quicker trips and less time sitting in traffic
- » Smoother pavement and fewer potholes
- » Transit, where and when it's needed
- » Easier ways to get from home or work to transit stops and back home again
- » Cleaner air due to reduced vehicle emissions
- » More bicycle lanes and walking paths to support an active lifestyle
- » Free or reduced transit fares for students

DECADES OF TRANSPORTATION IMPROVEMENTS AND MANAGED GROWTH

WHO WE ARE AND WHAT WE DO

The Contra Costa Transportation Authority (CCTA) is responsible for **maintaining and improving the county's transportation system by planning, funding, and delivering critical transportation projects that connect our communities**, foster a strong economy, increase sustainability, and safely and efficiently get people where they need to go. CCTA is also responsible for putting solutions in place to help manage traffic by providing and connecting a wide range of transportation options.

We are proud of our accomplishments and we recognize the immense transportation challenges still faced by county residents and businesses—particularly considering population growth, continued development, and threats to the environment. CCTA works to advance transportation solutions, ease congestion, and prepare Contra Costa County for safe, future mobility.

CCTA is leading the way and presenting innovative solutions while protecting the qualities that make Contra Costa a wonderful place to call home. We present this Transportation Expenditure Plan (TEP), which reflects where we are now and, more importantly, our commitment to pursuing transportation policies, planning, and investments that will get us to where we want to be in the future.

FULFILLING OUR PROMISE TO CONTRA COSTA COUNTY VOTERS

Contra Costa County voters passed **Measure C** in 1988, sending a clear message that recognized the immense need to improve the way people travel around Contra Costa County. Voters authorized a 20-year (1989-2009) half-cent transportation sales tax to finance improvements to the county's overburdened transportation infrastructure. In 1989, CCTA was born.

Measure C expired in 2009 but much was accomplished, including widening Highway 4 from Hercules to Martinez, the BART extension to Pittsburg/Bay Point, Richmond Parkway construction, and new transit programs for seniors and people with disabilities.

In 2004, Contra Costa County voters approved **Measure J**. The measure provided for the continuation of the county's half-cent transportation sales tax for twenty-five more years (2009-2034) beyond the Measure C expiration date. Without Measures C and J funding, CCTA would not have qualified to receive additional federal, state, or regional funds. With a total of \$1.4 billion in Measure C and J project funds, a total of more than \$5.5 billion will be invested in vital transportation projects in Contra Costa County through 2034, leveraging Measure C and J funding at about a three-to-one ratio.

CCTA has delivered most of the major infrastructure improvement projects in Measure J—such as the fourth bore of the Caldecott Tunnels, Highway 4 East widening, eBART extension from the Pittsburg/Bay Point BART station to Antioch, and I-680 and I-80 corridor improvements—on an accelerated timeline to deliver its promises to voters. CCTA periodically issues bonds to provide advance funding to design and build major infrastructure projects. Then, the revenue generated from the transportation sales tax is used to pay back the bonds. By turning future Measure J revenue into capital dollars and accelerating design and construction, transportation projects are put into place sooner to alleviate transportation challenges. Designing and building the projects earlier costs less money, because the added cost of future inflation is avoided.

As of 2018, about 80 percent of the Measure J project funds have been expended. Remaining revenues are now going toward repayment of bonds, fixing local streets, continuing programs, and supporting public transportation. **Without a new TEP, the CCTA will be unable to fund any new major projects to address pressing mobility needs.**

TRANSPORTATION FOR THE NEXT THREE-AND-A-HALF DECADES

While the existing Measure J will remain intact through 2034, this new TEP has been developed for several reasons:

- All of the planned major capital improvement projects funded by Measure J are either complete or in construction, ahead of schedule.
- New transportation technology is offering unprecedented opportunities to streamline travel and traffic and to reduce emissions.
- The gap between transportation needs and available funding is large and requires a bold solution. The new TEP will allow local funding to keep needed services in place and alleviate congestion by attracting other funding sources.



- The demand on Contra Costa County's roads, highways, BART stations, and buses is increasing. The county's population is growing and more people are using roads and transit. Investments are needed to maintain and improve the current transportation system to ensure it can effectively accommodate growth and prepare the system for the future.
- People are increasingly valuing alternative ways to get around, such as transit, walking, and biking. Our roads need to safely accommodate all users.
- Contra Costa County's population is aging. Currently, about 14 percent of the population is age 65 or older.* By 2035, this population is expected to double to about 30 percent. Additionally, poverty has risen faster in suburban areas, particularly in Solano, Contra Costa, and Marin counties. Low-income populations increasingly have less access to public transit and services.** New and different transportation solutions are needed to keep our older residents mobile, living independently, and to maintain quality of life for all, including low-income residents.

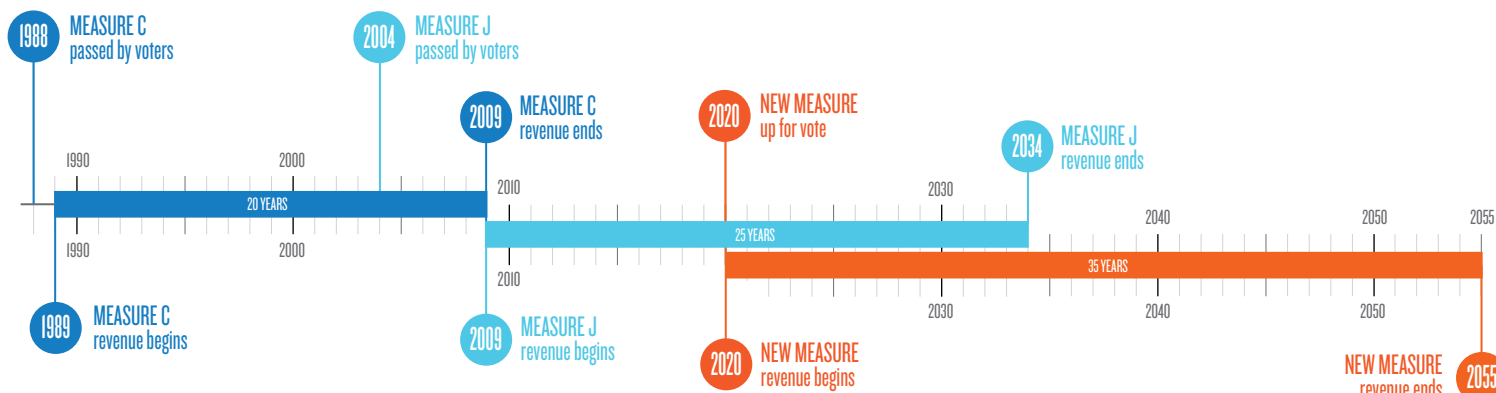
LOCAL FUNDING FOR LOCAL PROJECTS

Measures C and J local transportation sales taxes have provided a substantial and steady share of the total funding available for transportation projects in Contra Costa County. State and federal sources have targeted some major projects, but local funding is needed to attract and supplement those sources. Our local transportation sales tax has been indispensable in helping to meet the county's growing needs in an era of unpredictable resources.

* Population based on Association of Bay Area Governments (ABAG) Projections 2013

** Coordinated Public Transit – Human Services Transportation Plan (Metropolitan Transportation Commission, 2018)

Timeline of Local Funding Contra Costa County Transportation Improvements



The funding for this TEP will augment the existing Contra Costa County Measure J half-cent transportation sales tax by a half-cent until Measure J expires in 2034, then continue the half-cent transportation sales tax until 2055. A sales tax will generate approximately \$3.6 billion for essential transportation improvements that touch every city, town, and community in Contra Costa County.

These local funds have allowed CCTA to compete effectively for outside funds by providing a local matching fund source, as required by most grants. Measures C and J, for example, will attract \$4.1 billion of additional funds for Contra Costa County transportation projects through 2034, providing a total investment of \$5.5 billion in vital transportation improvements.

CCTA will continue to use local transportation sales tax revenue to attract outside funds for projects already identified in regional and state funding measures. In fiscal year 2017-2018 alone, more than \$77 million of California's Senate Bill 1 (SB-1), the Road Repair and Accountability Act of 2017, transportation funding was earmarked for projects sponsored by CCTA. The required local match for the grant was \$35 million. In other words, for every dollar Contra Costa County taxpayers paid for these projects, the state paid two more dollars.

Similarly, voters approved Regional Measure 3 (RM3), which was authorized and signed into law in 2018 to fund major roadway and public transit improvements via an increase in tolls on the Bay Area's seven state-owned toll bridges. Contra Costa County projects that may benefit from RM3 include:

- Interstate 80 Transit Improvements: expand bus service along the Interstate 80 corridor
- Interstate 680 Transit Improvements: enhance transit service along the Interstate 680 corridor, including bus operations, transit centers, and real-time travel information
- East Contra Costa County Transit Intermodal Station: construct a transit intermodal center to enhance access to eBART and the Mokelumne Bike Trail/Pedestrian Overcrossing at Highway 4
- Contra Costa Interstate 680/Highway 4 Interchange Improvements: reduce congestion and improve safety by widening Highway 4 and adding new direct connectors between I-680 and Highway 4
- Richmond-San Rafael Bridge Access (Contra Costa approach): make improvements to reduce delays on bridge approaches and at the toll plaza, including improvements to the Richmond Parkway
- Byron Highway-Vasco Road Connector: improve access, safety, airport connectivity, and economic development with a new connector between Byron Highway and Vasco Road

RM3 provides only partial funding for these projects. Additional funding is needed to make them a reality.



A ROADMAP FOR THE FUTURE

WHAT THIS TRANSPORTATION EXPENDITURE PLAN WILL ACCOMPLISH

Contra Costa Transportation Authority's (CCTA's) 2020 Transportation Expenditure Plan (TEP) serves as both a roadmap and an itinerary that will guide transportation investments for the coming 35 years. Throughout the 35-year duration of this Plan, Contra Costa County's population is expected to grow and change, infrastructure will continue to age and wear out, new forms of travel will emerge, and the environment will need continued protection. Such changes will place even more strain on the County's transportation systems. **Without new investments in transportation, Contra Costa will face a future with distressed and outdated infrastructure, increased traffic on already-congested roadways, and a decrease in critical transportation services to those with the greatest need.**

CCTA strives to preserve and enhance an excellent quality of life for Contra Costa County's residents, businesses, and communities with convenient, reliable, and accessible transportation. We do this through optimizing the existing transportation system, leveraging emerging technologies, offering meaningful programs and services, and providing seamless connections between various forms of transportation (for example, cars, transit, cycling, and walking).

The projects in this Plan will benefit all who live and travel within Contra Costa County. The projects will help improve the transportation network over the coming decades to meet growing needs, while supporting economic vitality and an environmentally sustainable future.

CCTA is an internationally recognized leader in implementing transportation-related technological solutions to help ease traffic congestion, offer alternative mobility options for travel, provide valuable information to travelers, make it easier and more efficient to maintain our transportation infrastructure, and many other applications that may be currently under development. This TEP reflects CCTA's commitment to fully integrate applicable transportation technologies with traditional infrastructure for the benefit of residents and travelers.

When implemented, the projects in this TEP will accomplish an array of major transportation improvements throughout the county. These projects serve to enhance people's transportation options and reduce congestion on every major transportation corridor in the county. The funding will also reach deep into the local communities to improve residents' quality of life and protect the County's natural environment.

COMMITMENT TO PERFORMANCE

The 2020 Transportation Expenditure Plan (TEP) will be governed by strong performance criteria against which funding, projects, and programming will be evaluated and scored to ensure maximum contribution to the guiding principles and goals of the Plan. Guidelines will be developed through meaningful community engagement and engagement with cities and towns, Contra Costa County, Regional Transportation Planning Committees, and the Public Oversight Committee to establish the performance criteria for evaluation of programs identified in the Policy Statements. In addition, the Plan will meet the Governor's Executive Order B-16-2012 to reduce transportation-related GHG emissions to 80% below 1990 levels by 2050. To achieve this, CCTA commits to a goal of accelerating zero emission vehicle (ZEV) penetration and a 15% reduction in vehicle-miles traveled (VMTs) per capita.

ACHIEVING INTENDED OUTCOMES

The 2020 TEP was created for Contra Costa County residents, businesses, and travelers by the communities and people it serves. Key stakeholder groups were convened and community outreach conducted to understand what guiding principles, priorities, outcomes, and results are most important to the residents and businesses of Contra Costa County.

CCTA is fully committed to an outcomes-based approach that includes measurable performance targets for all principles and criteria. The TEP presents a suite of transportation solutions that align with guiding principles and will offer a transportation system that supports a vibrant, modern, equitable, and livable Contra Costa County.

CCTA will ensure funding in the TEP will achieve the outcomes identified in the 2017 Countywide Transportation Plan (CTP). The TEP offers equitable transportation opportunities for all residents of Contra Costa. In evaluating detailed funding proposals, CCTA will ensure that expenditures benefit those living in Communities of Concern and for minority and low-income residents.

Every project with total costs of more than \$10 million will undergo a performance analysis and review prior to funding being allocated. Implemented projects and programs will also undergo a thorough analysis of their performance to initiate program modification where needed and/or changes in evaluation methods.

A Public Oversight Committee will provide input for developing specific performance criteria by which projects can be evaluated and measured. In this way, county taxpayers can be assured that the funding is spent responsibly to meet the county's transportation goals.

TAXPAYER SAFEGUARDS

Over the past thirty years, CCTA has operated under a system of rigorous taxpayer safeguards to protect the county's investments and to ensure that transportation sales tax revenue is invested wisely, equitably, and transparently. CCTA consistently achieves the highest standards in its governmental accounting and financial reporting and ensures full accountability in its programs and projects.

With the 2020 TEP, CCTA is fully committed to continuing our strong accountability to Contra Costa taxpayers through many safeguards:

- CCTA will continue to publish an annual budget and strategic delivery plan that estimates expected transportation sales tax receipts, other anticipated revenue, and planned expenditures for the year.
- CCTA's Public Oversight Committee will continue to provide diligent oversight of all CCTA expenditures and report its oversight activities and findings to the public through annual audits that focus on the allocation of funding, project performance, tracking of TEP goals, local jurisdiction compliance, and growth management performance.
- CCTA will routinely inform, communicate with, and engage its partner organizations, advisory committees, and the County's residents and businesses to ensure that its programs and projects are fully transparent and best meet the needs of its residents.
- CCTA will strive to balance the needs of all people and areas of Contra Costa County to support an equitable and sustainable transportation system for all, while ensuring proportionally greater benefits to Communities of Concern and low-income residents.
- CCTA's regional transportation planning committees will continue to ensure cohesion with local and subregion planning and implementation efforts and adherence to adopted policies.

In July 2019, CCTA was the proud recipient of Contra Costa Taxpayers Association Silver Medal Award for Good Governance.



PERTINENT POLICIES

CCTA implements and follows several key policies to ensure that Contra Costa's transportation systems are in alignment with the County's established future vision. Full text of these policies is included in the Policy Statements section at the end of this document. In summary, these key policies are as follows:



Growth Management Program

establishes principles that preserve and enhance the county's quality of life and promotes a healthy and strong economy through a cooperative, multijurisdictional process for managing growth while maintaining local authority over land use decisions.

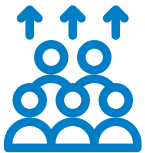


Urban Limit Line Compliance Policy

requires each jurisdiction to adopt and comply with a voter-approved Urban Limit Line, which defines the physical limits of a jurisdiction's future urban development.

Both the Growth Management Program and Urban Line Limit Compliance policies, which have been in place since Measure J began in 2009, have been enhanced in this TEP.

CCTA, with input from many stakeholders, has developed the following **additional four policies** to ensure that projects align with the vision, guidelines, and requirements for fund expenditures.



Transit Policy

sets out goals for improving, coordinating, and modernizing transit service—along with first- and last-mile connections to transit—thereby increasing the percentage of residents and commuters that may travel conveniently by public transit.



Advanced Mitigation Program

provides innovative ways to advance needed infrastructure projects more efficiently and provides more effective conservation of natural resources such as watersheds, wetlands, and agricultural lands. CCTA will also begin development of a countywide vehicle-miles traveled (VMT) mitigation program.



Complete Streets Policy

encourages making local streets more efficient and safe for all users—including drivers, pedestrians, bicyclists, and transit riders—and giving travelers convenient options while minimizing the need to widen roadways.



Road Traffic Safety

requires all funding recipients to systemically apply planning and design practices that quantifiably reduce the risk of traffic-related deaths and severe injuries.

These policies, along with the guiding principles, will govern the funding and implementation of the 2020 TEP.





PROPOSED TRANSIT AND TRANSPORTATION INVESTMENTS

PLANNING FOR THE FUTURE

This Transportation Expenditure Plan (TEP) includes transportation-related projects and programs to be planned, designed, funded, constructed, and/or delivered in Contra Costa County over the next thirty-five years. This plan anticipates an investment of approximately \$3.6 billion of revenue generated from the half-cent transportation sales tax. Contra Costa County's local sales tax revenue will help Contra Costa Transportation Authority (CCTA) attract additional local, regional, state, and federal funding to augment the sales tax revenue.

The project descriptions that follow are purposefully brief and offer general overviews of the purpose and nature of the projects. Several projects (such as affordable transit for students, seniors, and people with disabilities) are continuations or enhancements to ongoing work performed under Measure J. Many other projects included in this Plan are still in the concept or planning stages. Stakeholders and the public will have plenty of future opportunities to help shape these projects so that they are most useful and beneficial to residents, commuters, and visitors.

In its role as the administrator of Contra Costa County's transportation sales tax revenue, CCTA has instituted requirements so that taxpayer's revenue is invested per established policies, as presented in the Policy Statements section of this TEP. The policy statements generally require that recipients of funding perform advance performance assessments and comply with applicable laws and other CCTA policies. The Taxpayer Safeguards and Accountability Policy in the Policy Statements section includes the full statement of funding requirements and restrictions, as applicable.

CCTA sets aside funding to implement the countywide Growth Management Program, prepare the countywide transportation plan, and support the programming and monitoring of federal and state funds, as well as CCTA's Congestion Management Agency functions. A very small percentage of the funding also covers basic administrative functions (such as salaries) and basic expenses (such as rent).

► \$1.48 BILLION

IN 2017, FOUR
MAJOR FREEWAYS IN
CONTRA COSTA COUNTY
RANKED IN THE TOP 10
WORST COMMUTES:
I-680, I-80, HIGHWAY 24
AND HIGHWAY 4.*

RELIEVING CONGESTION ON HIGHWAYS, INTERCHANGES, AND MAJOR ROADS

More than 79 percent of Contra Costa County's residents drive to work; several of Contra Costa County's highways have been identified as the "most congested in the San Francisco Bay Area."***

Easing traffic congestion is one of Contra Costa County residents' highest priorities. Accordingly, CCTA will invest nearly half of the new transportation sales tax revenue toward new, modern tools and strategies to improve traffic flow and reduce traffic congestion on the county's major corridors and roads. These strategies include highway and road improvements thoughtfully integrated with transit improvements and alternative modes.

Improving transit and transit connections will lessen traffic congestion on the County's highways; as transit service is improved and more people take transit, fewer cars on the road translates to less traffic.

CCTA is committed to improving access to jobs throughout Contra Costa and supporting economic development through programs and projects in this Transportation Expenditure Plan such as the Northern Waterfront Initiative. Programs and projects will support housing within planned or established job centers that are served by transit, or that aid economic development and job creation.

Projects will be subject to applicable policies as presented in the Policy Statements section at the end of this document.

*SOURCE: Metropolitan Transportation Commission, Vital Signs - https://mtc.ca.gov/sites/default/files/top_10_congestion_locations-2017.pdf

**SOURCE: Metropolitan Transportation Commission, Vital Signs, 2016-2017 data

WHAT'S A CORRIDOR?

A corridor is a swath or belt of land that contains one or more types of transportation infrastructure, such as a road or railway. Each of Contra Costa County's corridors contains a major interstate or highway as well as a major transit line; roads, streets, paths, bus lines, and transit stations.

Everyone is impacted by the performance of corridors. This impact is felt each and every day, whether you're doing your daily commute, heading to a medical appointment, or traveling to a youth soccer game. CCTA is focused on optimizing all transportation within a corridor so that traffic is smooth, transit is convenient, and all systems work together to support travel across communities and throughout the region. For purposes of this Transportation Expenditure Plan, CCTA is focused on three major transportation corridor improvement categories:

- » Improve State Route 242, Highway 4, Transit, and eBART Corridor
- » Modernize I-680, Highway 4, Transit, and BART Corridor
- » Enhance I-80, I-580 (Richmond-San Rafael Bridge), Transit, and BART Corridor



Improve SR-242, Highway 4, Transit, and eBART Corridor

4 242

RELIEVE CONGESTION AND IMPROVE ACCESS TO JOBS ALONG HIGHWAY 4 AND SR-242

CCTA is continuing its work in **easing traffic congestion**, smoothing traffic flow, and reducing travel time along Highway 4 and SR-242 with a blend of projects that may be considered:

- Improving access to jobs and support economic development along the northern waterfront
- Improving access to local key destinations, including business districts and BART stations
- Reconfiguring interchanges along SR-242
- Managing traffic flow on Highway 4 by connecting and **synchronizing traffic on freeways**, local roads, and freeway ramps
- Completing operational improvements at the I-680/Highway 4 interchange
- Addressing bottlenecks and cooling hot spots caused by high-volume weaving areas and **adding auxiliary lanes** and improving ramps between SR-242 and Bailey Road
- Providing incentives to encourage the use of transit and alternative transportation options

**5th most
CONGESTED
HIGHWAY
in the Bay Area**
*Eastbound Martinez to Pittsburg**



IMPROVE LOCAL ACCESS TO HIGHWAY 4 AND BYRON AIRPORT

CCTA has developed a multipronged approach to **reducing traffic congestion and improving safety and travel time reliability** on the roads through and around Byron. These projects will also facilitate economic development and goods movement in East Contra Costa County. Key projects may consider:

- A new limited-access connector between Byron Highway and Vasco Road south of Camino Diablo to **improve access to Byron Airport**, making it a more useful transportation hub
- Improvements to Vasco Road and Byron Highway, and other safety improvements
- Interchange improvements along Highway 4 at Balfour Road, Marsh Creek Road, Walnut Boulevard, and Camino Diablo
- Enhancements to the Byron Airport
- Improve access to jobs and support economic development along the Northern Waterfront

These projects will include measures to prevent growth outside predefined urban limit lines, for example, prohibitions on roadway access from adjacent properties, permanent protection and/or acquisition of agricultural lands or critical habitat, and habitat conservation measures.



ADDITIONAL eBART TRAIN CARS

Trains are full with standing room only during commute hours. Funding will be considered for allocation toward **purchasing additional eBART train cars** so that trains can carry more passengers on this popular route.

*Source: Metropolitan Transportation Commission, "Vital Signs: Bay Area Freeway Locations with most Weekday Traffic Congestion, 2017" - https://mtc.ca.gov/sites/default/files/top_10_congestion_locations-2017.pdf



SEAMLESS CONNECTED TRANSPORTATION OPTIONS

Contra Costa County's transportation system is a mix of freeways to bike paths, trains to shuttles, and many other modes in between. Providing **seamless connectivity among these many travel options** will ensure that our system can meet the future needs of our growing and aging population.

CCTA will develop guidelines and implement systems to promote connectivity between all users of the transportation network (vehicles, pedestrians, bicycles, buses, trucks, etc.) using automation technology and taking advantage of future transportation technology trends.

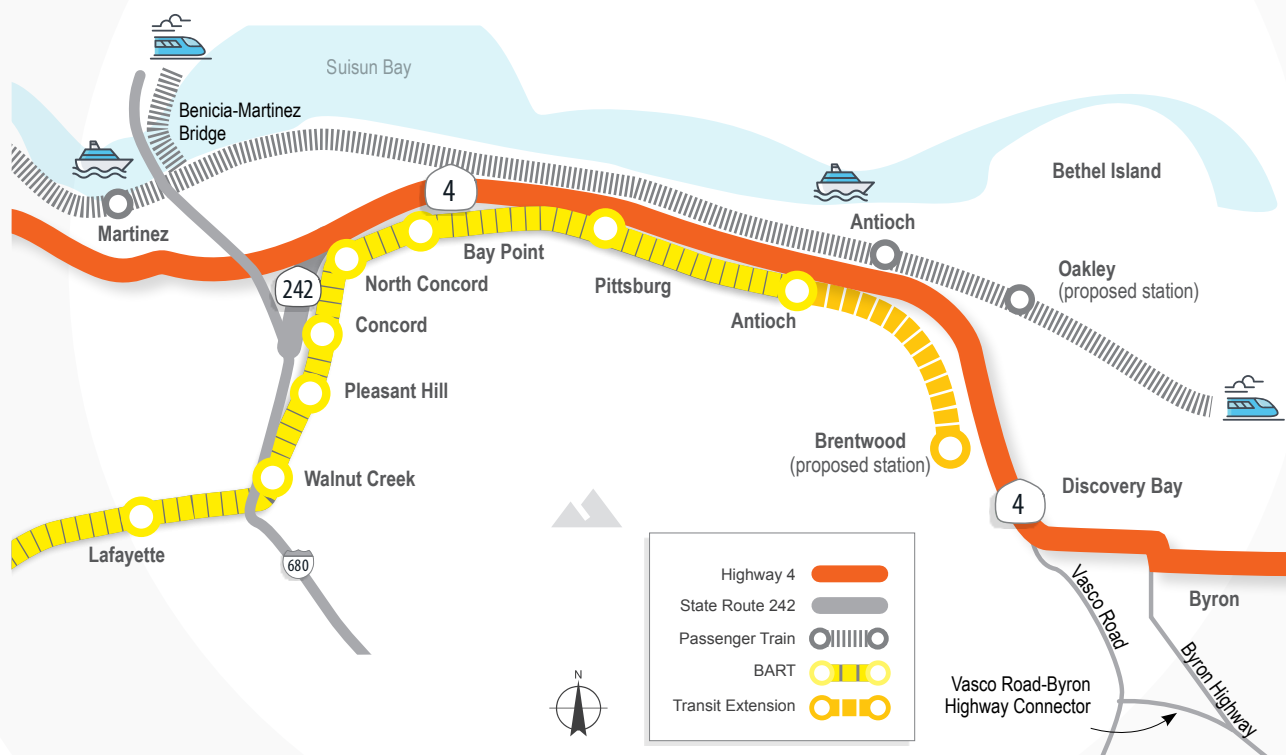


ENHANCE FERRY SERVICE AND COMMUTER RAIL IN EAST AND CENTRAL COUNTY

To help travelers make convenient connections between the Capitol Corridor and San Joaquin train system and the BART system, CCTA proposes to **fund new stations and improvements to existing stations** and rail facilities. Some example projects may include a new train station for the San Joaquin line and a park-and-ride lot in Oakley, new connections between the new Oakley station and Antioch eBART, and a transit connection from the Martinez Amtrak station to the North Concord BART station.

CCTA is also considering expanding ferry service between Martinez and Antioch. As more people use ferries and the passenger train, traffic congestion on Contra Costa County's roads and highways will decrease, **traffic will flow more smoothly, and air emissions will decrease**, thereby improving the County's air quality.

» TOTAL INVESTMENTS: \$705 million



IMPROVE TRAFFIC FLOW ON MAJOR ROADS IN EAST COUNTY

CCTA is committed to relieving congestion on major roads and **implementing modern systems** that provide safe, efficient, and reliable movement of buses, vehicles, bicyclists, and pedestrians. Projects will range in size and type, and may consider the following:

- New and/or wider lanes or shoulders
- **New bicycle and pedestrian facilities**
- Installation of “smart” parking management programs
- **Traffic signal synchronization** and other innovative technologies
- Traffic calming measures and roundabouts
- Shoulders, sidewalks, curbs and gutters, and streetscapes
- Bus transit facility enhancements, such as bus turnouts and passenger amenities
- Close gaps and extend major roads to relieve congestion and improve safety



EAST COUNTY TRANSIT EXTENSION TO BRENTWOOD AND CONNECTIVITY TO TRANSIT, RAIL, AND PARKING

Expanding transit service throughout East Contra Costa County will enable more people to travel conveniently to the Antioch eBART station and other destinations served by transit. The TEP may consider funding a direct link between a new intermodal center in Brentwood to the Antioch eBART station.

Funding will also be considered to **improve transit service throughout Brentwood, Oakley, and nearby communities** via new shuttle service, bus service, and transit hubs such as a new Tri Delta park-and-ride lot to service eBART and a new Amtrak San Joaquin station in Oakley. Funding will help integrate existing transit services using new technologies, so that people have smooth and convenient connections with less wait time.



IMPROVE TRANSIT RELIABILITY ALONG SR-242, HIGHWAY 4, AND VASCO ROAD

One of CCTA's strategies to smoothing traffic along SR-242, Highway 4, and Vasco Road is to **improve and enhance transit service** to give travelers viable and convenient options to driving. When more people take transit, there will be fewer cars on the road and traffic congestion will be reduced. Possible projects that CCTA may consider:

- Increased express bus service
- Improved interchanges and local access for buses so they can utilize the highways more efficiently
- **Dedicated part-time transit lanes** to bypass congestion
- Improved transit connections between transit stations (including BART stations and ferry terminals), schools, housing, and employment centers, thereby addressing transit users' first-mile/last-mile challenges

Modernize I-680, Highway 24, Transit, and BART Corridor

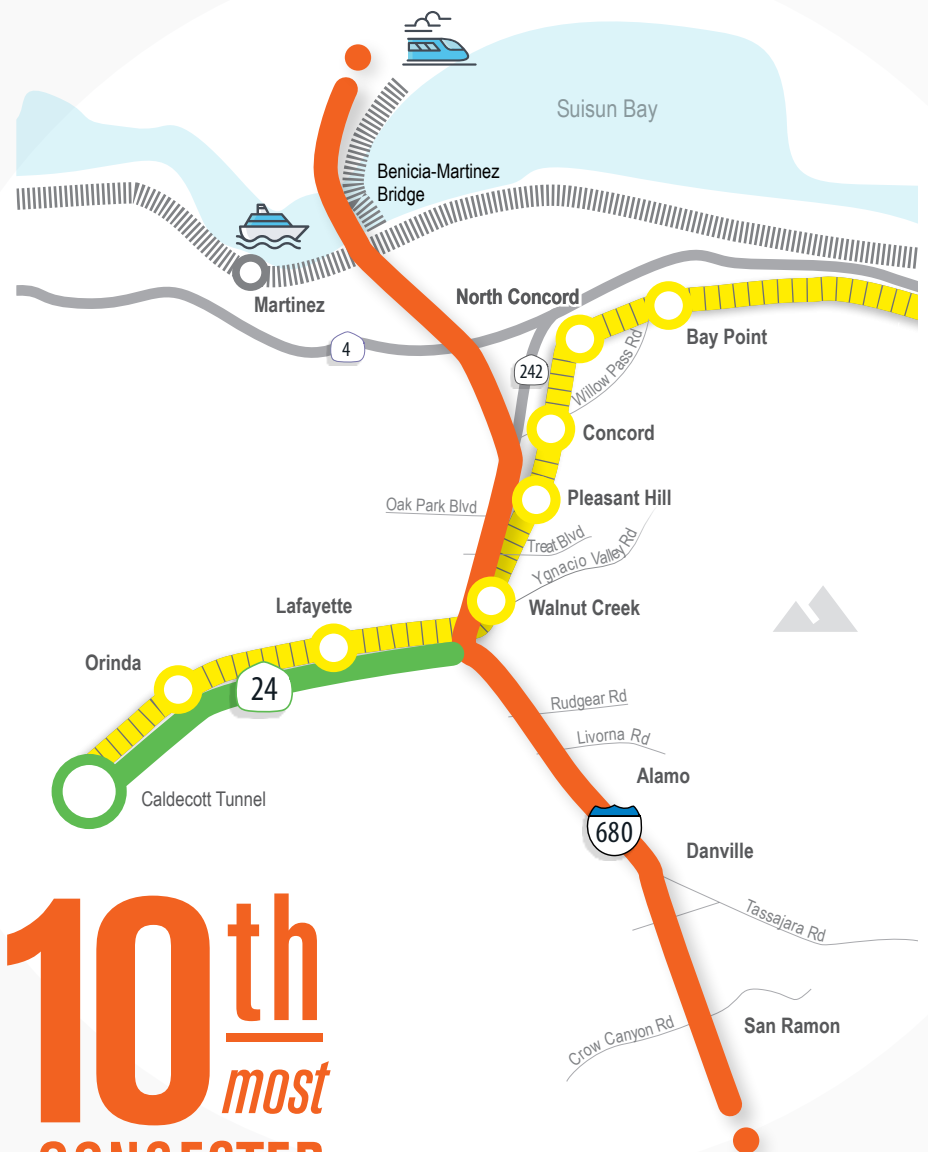


RELIEVE CONGESTION, EASE BOTTLENECKS, AND IMPROVE LOCAL ACCESS ALONG THE I-680 CORRIDOR

Improvements to the I-680 corridor will work together to address bottlenecks, **relieve traffic congestion**, smooth traffic flow, reduce travel times, **improve air quality**, and offer efficient transportation choices to all travelers. Key strategies to be considered include:

- **Complete express lanes** in both directions from Rudgear Road in Walnut Creek to the Benicia-Martinez Bridge, to provide twenty-five miles of continuous southbound express lanes and nearly continuous northbound express lanes
- Address congestion hot spots caused by high-volume weaving areas such as between Livorna Road and Treat Blvd. Additional merge lanes and ramp improvements at these locations **will provide safe merging for motorists and ease bottlenecks** that currently create chronic delays
- Implement innovative technology solutions to manage traffic flow by connecting and synchronizing traffic on local arterials, freeway ramps, and freeways
- Transform park-and-ride facilities into **shared mobility hubs** that provide multimodal transportation options and amenities to encourage transit use
- Implement transportation demand management programs to reduce single-occupancy vehicle travel
- Provide incentives for using alternative transportation options

*Source: Metropolitan Transportation Commission, "Vital Signs: Bay Area Freeway Locations with most Weekday Traffic Congestion, 2017" - https://mtc.ca.gov/sites/default/files/top_10_congestion_locations-2017.pdf



**10th most
CONGESTED
HIGHWAY
in the Bay Area**
*Northbound Danville
to Walnut Creek**



I-680	
Highway 24	
Passenger Train	
BART	

» TOTAL INVESTMENTS: \$536 million



IMPROVE TRAFFIC FLOW ON MAJOR ROADS IN CENTRAL COUNTY AND LAMORINDA

CCTA is committed to relieving congestion on major roads and implementing modern systems that provide **safe, efficient, and reliable movement of buses, vehicles, bicyclists, and pedestrians**. Projects will range in size and type, and may consider the following:

- New and/or wider lanes or shoulders
- New bicycle and pedestrian facilities
- Installation of “smart” parking management programs
- Traffic signal synchronization and other innovative technologies
- Traffic calming measures and roundabouts
- Shoulders, sidewalks, curbs, gutters, and streetscapes
- Bus transit facility enhancements, such as bus turnouts and passenger amenities



24

IMPROVE TRAFFIC FLOW ON HIGHWAY 24 AND MODERNIZE THE OLD BORES OF CALDECOTT TUNNEL

CCTA has plans to improve traffic flow and access along Highway 24 in Orinda, Lafayette, and Moraga through a suite of projects that could include improving interchanges, modifying major roads to reduce highway access delays, and other congestion-reducing improvements. CCTA will also **develop transit and shared trip incentives** for drivers in lieu of single-occupant vehicle travel.

The original two-bore Caldecott Tunnel opened in 1937. CCTA will implement improvements that may include increased lighting and visibility, improved traffic alerts for crashes or stalled vehicles, and other physical or technological solutions to improve safety and help improve traffic flow in the tunnels.



IMPROVE TRANSIT RELIABILITY ALONG THE I-680 AND HIGHWAY 24 CORRIDORS

One of CCTA's strategies to smoothing traffic along the I-680 and Highway 24 corridors is to improve and **enhance transit service** to give travelers viable and convenient alternatives to driving in their vehicles. When more people take transit, there will be fewer cars on the road and traffic will be reduced. Funding may consider the following:

- Implement and increase express bus service along the I-680 and Highway 24 corridors
- Improve interchanges and local access so buses can utilize the highways more efficiently
- Provide **dedicated part-time transit lanes** to bypass congestion
- **Improve transit connections** between transit stations, schools, housing, and employment centers, thereby addressing first-mile/last-mile challenges for transit users



PROVIDE GREATER ACCESS TO BART STATIONS ALONG I-680 AND HIGHWAY 24

In addition to making shuttle service to and from BART more frequent, CCTA will consider allocating funding toward making **parking and access improvements** that serve BART stations, so that buses and people in vehicles—along with people arriving by walking or bicycling—can get to the station more easily and conveniently. Funding may be considered for constructing satellite parking lots with frequent direct shuttle service to BART.



SEAMLESS CONNECTED TRANSPORTATION OPTIONS

Contra Costa County's transportation system is a mix, from freeways to bike paths, trains to shuttles, and many other modes in between.

Providing seamless connectivity among these many travel options will ensure that our system can meet the future needs of our growing and aging population.

CCTA will develop guidelines and implement systems to promote connectivity between all users of the transportation network (vehicles, pedestrians, bicycles, buses, trucks, etc.) using automation technology and **taking advantage of future transportation technology trends**.



IMPROVE TRAFFIC FLOW ON MAJOR ROADS IN SAN RAMON VALLEY

CCTA is committed to relieving congestion on major roads and implementing modern systems that provide **safe, efficient, and reliable movement of buses, vehicles, bicyclists, and pedestrians**. Projects will range in size and type, and may consider the following:

- New and/or wider lanes or shoulders
- New bicycle and pedestrian facilities
- Installation of “smart” parking management programs
- Traffic signal synchronization and other innovative technologies
- Traffic calming measures and roundabouts
- Shoulders, sidewalks, curbs, gutters, and streetscapes
- Bus transit facility enhancements, such as bus turnouts and passenger amenities

Enhance I-80, I-580, Transit, and BART Corridor



RELIEVE CONGESTION AND IMPROVE LOCAL ACCESS ALONG THE I-80 CORRIDOR

Improvements to the I-80 corridor will address bottlenecks, relieve traffic congestion, smooth traffic flow, reduce travel times, improve air quality, and offer efficient transportation choices to all travelers. Key improvements may include:

- Several innovative strategies and operational improvements will be implemented to **reduce travel time, improve air quality, reduce weaving at interchanges**, and smooth traffic flow
- Expand intelligent transportation systems and advanced technology strategies along I-80 to **maximize system efficiency** and prepare the corridor for future advances in transportation technology
- Increase travel time reliability in the carpool lanes through cost-effective **managed lane strategies** and enforcement
- Improve and expand express transit service through the corridor
- Transform park-and-ride facilities into **shared mobility hubs** that provide multimodal transportation options and amenities to encourage transit use
- Provide incentives to encourage the use of transit and alternative transportation options.



AN ADDITIONAL
\$250M



WILL BE SPENT TO INCREASE BUS SERVICES AND RELIABILITY IN WEST CONTRA COSTA COUNTY.

» TOTAL INVESTMENTS: \$243 million



IMPROVE TRAFFIC FLOW ON MAJOR ROADS IN WEST COUNTY

CCTA is committed to relieving congestion on major roads and implementing modern systems that provide safe, efficient, and reliable movement of buses, vehicles, bicyclists, and pedestrians. Projects will range in size and type, and may consider the following:

- Railroad grade separations
- New and/or wider lanes or shoulders
- **New bicycle and pedestrian facilities**
- Installation of “smart” parking management programs
- **Traffic signal synchronization** and other innovative technologies
- Traffic calming measures and roundabouts
- Shoulders, sidewalks, curbs and gutters, and streetscapes
- Bus **transit facility enhancements**, such as bus turnouts and passenger amenities



ENHANCE FERRY SERVICE AND COMMUTER RAIL IN WEST COUNTY

To help travelers make convenient connections with the Capitol Corridor and San Joaquin train systems, CCTA will consider funding a **new regional intermodal station** in Hercules, along with new or improved ferry services in Hercules with connections to the train. As more people use ferries and the train, traffic congestion on Contra Costa County's roads and highways will decrease, traffic will flow more smoothly, and air emissions will be reduced thereby improving the county's air quality.



SEAMLESS CONNECTED TRANSPORTATION OPTIONS

Contra Costa County's transportation system is a mix, from freeways to bike paths, trains to shuttles, and many other modes in between. **Providing seamless connectivity** among these many travel options will ensure that our system can meet the future needs of our growing and aging population.

CCTA will develop guidelines and implement systems to promote connectivity between all users of the transportation network (vehicles, pedestrians, bicycles, buses, trucks, etc.) using automation technology and **taking advantage of future transportation technology trends.**



IMPROVED TRAFFIC FLOW AND LOCAL ACCESS TO RICHMOND-SAN RAFAEL BRIDGE ALONG I-580 AND RICHMOND PARKWAY

CCTA plans to relieve traffic congestion and reduce traffic delays by **modernizing facilities**, expanding pedestrian and bicycling options, improving transit reliability, and encouraging the use of carpools and buses.

Specific improvements to be considered:

- **Extending the carpool lane along I-580** from the toll plaza at the Richmond-San Rafael Bridge to Central Avenue in El Cerrito
- Making improvements so that pedestrians and cyclists can better access the Richmond-San Rafael bridge, Richmond Parkway, Richmond Ferry Terminal, and Richmond BART Station
- Improving the interchange at Richmond Parkway and I-580
- **Providing incentives** for using alternative transportation options



IMPROVE TRANSIT RELIABILITY ALONG THE I-80 CORRIDOR

One of CCTA's strategies to smoothing traffic along the I-80 corridor is to improve and **enhance transit service** to give travelers viable and convenient options to driving. When more people take transit, there will be fewer cars on the road and traffic will be reduced. Funding is planned to:

- Increase express bus service along the corridor
- Improve interchanges and local access for buses so they can utilize the highways more efficiently
- Provide dedicated part-time transit lanes along I-80 to bypass congestion
- **Improve transit connections** between transit stations (including BART stations and ferry terminals), schools, housing, and employment centers, thereby addressing first-mile/last-mile challenges for transit users
- Provide incentives to travelers to use alternative transportation options

► \$1.98 BILLION



IMPROVING TRANSIT AND TRANSPORTATION COUNTYWIDE IN ALL OUR COMMUNITIES

The quality of roads and availability of transportation options are two major factors in making our communities great places to live, as are the availability of jobs, safety, access to parks and trails, and good clean air and water. CCTA will implement many projects throughout the county to improve our local communities and **protect Contra Costa County's environment and quality of life.**

The previous section of this TEP presented investments focused on Contra Costa County's major corridors. This section describes funding that spreads into every community, through local projects and programs that improve the County's vast transportation network.

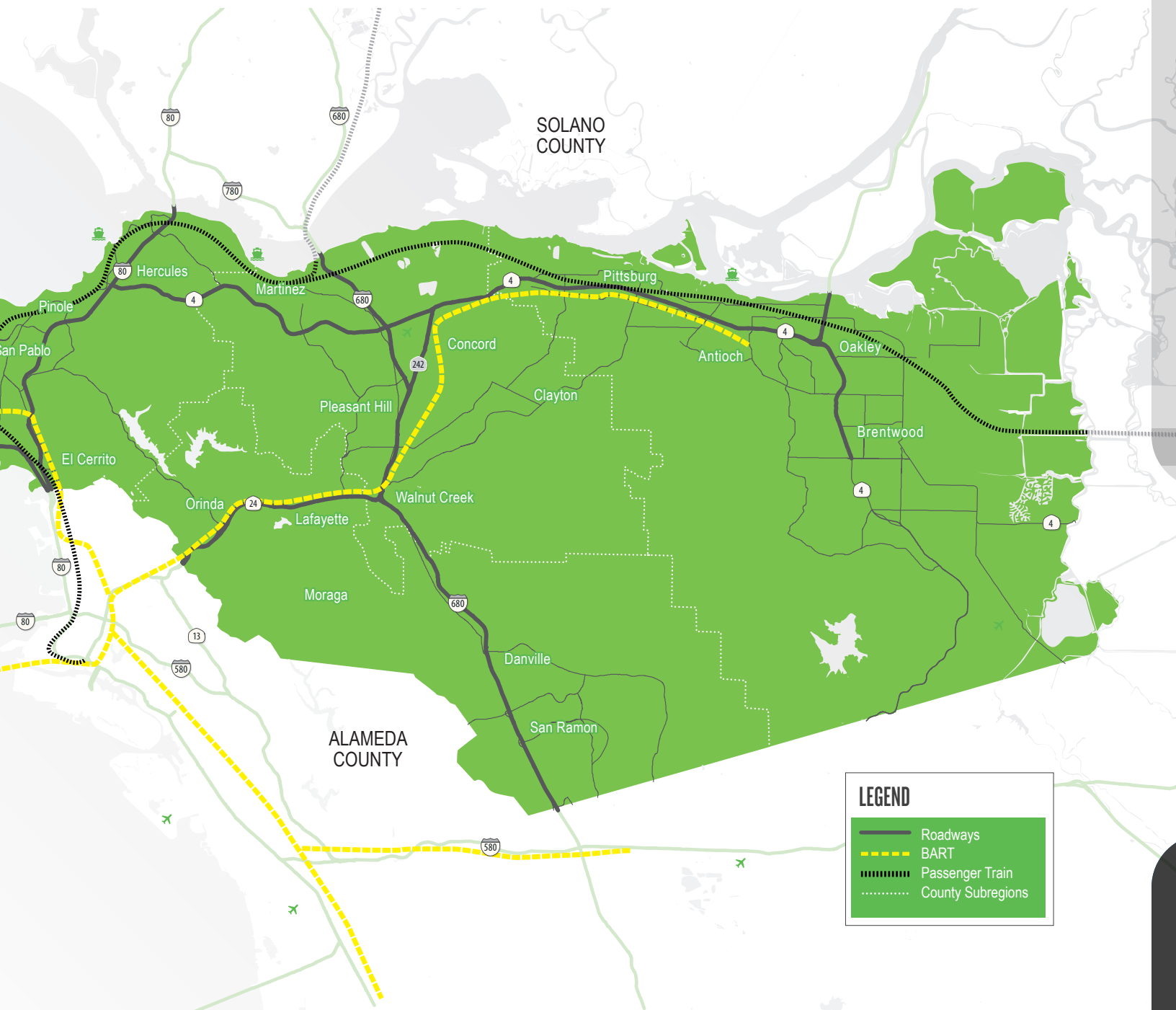
Funding will be allocated toward improving local roads and streets to make them safer for all travelers. Smaller projects—such as removing bottlenecks, improving traffic signal operations, installing traffic calming measures, and making streetscape improvements—can make big improvements in a community's quality of life.

Funding will be allocated toward substantial investments in a **robust transit system** that provides affordable, efficient, convenient, and accessible transit to travelers throughout the county. These projects will result in cleaner, safer, and more reliable trips on BART, buses, and ferries. The transit systems will extend into parts of the county that are currently lacking frequent transit service. When more people take transit, traffic congestion on the County's roads and highways will decrease, traffic will flow more smoothly, and **air emissions will decrease**, thereby improving the county's air quality.

CCTA is committed to supporting accessible and safe transportation for all Contra Costa County residents. CCTA will allocate funding toward a wide array of **programs for students, seniors, veterans, and people with disabilities**, aimed at offering safe transportation options and improving mobility.

Projects will be subject to applicable policies as presented in the Policy Statement section.





LEGEND

- Roadways
- BART
- Passenger Train
- County Subregions

Location
Eastern suburb of the San Francisco Bay Area

Population
1 Million+

Diverse
Demographically, economically and geographically

Improving Transit and Transportation Countywide In All Our Communities



MODERNIZE LOCAL ROADS AND IMPROVE ACCESS TO JOB CENTERS AND HOUSING

Smooth, pothole-free roads, safe intersections, pleasant sidewalks, safe bike lanes, and clean air are some of the important features that make Contra Costa County a great place to live and work.

CCTA will provide funding directly to the county's cities, towns, and unincorporated areas so that they may make improvements to their own local roads, streets, and access to job centers and housing.

To ensure transparency and accountability, local agencies report annually on the amount spent on roadway maintenance, bicycle and pedestrian facilities, transit facilities, and other roadway improvements. Local agencies must also meet the requirements set forth in the Growth Management Program, Urban Limit Line Compliance Requirements, Transit Policy, Complete Streets Policy, Road Traffic Safety Policy, and other applicable policies in the Policy Statements section.



SAFE TRANSPORTATION FOR YOUTH AND STUDENTS

Drop-off and pick-up at schools often creates traffic jams on local streets and unsafe conditions for children. CCTA will allocate funds toward a wide array of transportation projects and programs for students and youth, aimed at relieving congestion, offering safe transportation options—such as walking and cycling—and improving mobility.

Funding will also be used for **reduced fare transit passes**, transit incentives, and school bus programs to encourage more youth and students to use transit to attend school and afterschool programs.

In cooperation with project sponsors in each subregion, CCTA will establish guidelines to define priorities and maximize effectiveness. The guidelines may require provisions such as operational efficiencies, performance criteria, parent contributions, and reporting requirements.



IMPROVE WALKING AND BIKING ON STREETS AND TRAILS

Numerous studies and research across many different communities have demonstrated the benefits of creating an environment where walking and bicycling are safe, comfortable, and convenient. For example, **increased walking and bicycling can improve air quality by reducing emissions and energy use** from motor vehicles, improving access by foot or bike can make transit more convenient, and regular walking and bicycling can improve people's health and reduce mortality rates and health care costs.

This TEP contains **unprecedented levels of funding to improve safety for bicyclists and pedestrians in every part of the county**—from local street improvements to trail enhancements and similar projects. Funding will be considered to implement projects in the Contra Costa Countywide Bicycle and Pedestrian Plan. CCTA will develop program guidelines for a competitive project-selection process that maximizes benefits for all users. All funding will be consistent with CCTA's Complete Streets, Road Traffic Safety, and other applicable policies.

Approximately one-fifth of the funds will be considered for allocation to the East Bay Regional Park District for the development, maintenance, and rehabilitation of paved regional trails.



REDUCE AND REVERSE COMMUTES

If people live closer to their jobs and transit, they have less need to commute long distances, thereby reducing traffic congestion, vehicle-miles traveled (VMT), and greenhouse gas (GHG) emissions. Transportation programs and projects funded out of this category will support economic development and job creation in Contra Costa County. All expenditures in this category will be used to reduce or reverse commutes.

Funding will also incentivize employers to create local jobs in housing-rich areas and to promote transit, shared trips, telecommuting, and shifting work schedules, all with the intent of reducing commuter traffic at peak commute times and better utilizing available reverse commute capacity in the existing transportation infrastructure. Funding is intended to match regional, state, or federal grants and private-sector investment to achieve maximum benefits and may be spent on other regional transportation priorities at the request of the subregion. Examples of projects that may be funded include new or upgraded rail crossings to “unlock” development potential for employment centers, rail-based goods movement improvements, bike lanes and bike facilities in business parks and on routes from transit stations and/or housing to employment centers, and other new or upgraded transportation infrastructure intended to strategically attract jobs to housing-rich areas. Transit service to new employment centers could also be funded under this category.



» TOTAL INVESTMENTS: \$1.98 billion



ACCESSIBLE TRANSPORTATION FOR SENIORS, VETERANS, AND PEOPLE WITH DISABILITIES

Contra Costa County's population is aging. As people get older or become disabled and can no longer drive, they will increasingly rely on other ways to get around. Funding in this category will be used for **affordable, accessible, cost-effective, and safe countywide transportation** for seniors, disabled veterans, and other people with disabilities who, due to age or disability, cannot drive or take other transit options.

In collaboration with stakeholders, transit and non-profit service providers, CCTA will develop an Accessible Transportation Strategic Plan to implement a customer-focused, user-friendly, seamless coordinated system using these funds. The Plan will be developed based on the characteristics and abilities of all system users and identify options including traditional and beyond traditional paratransit services.



INCREASE BUS SERVICES AND RELIABILITY IN WEST CONTRA COSTA

Many people in West Contra Costa County rely on buses and transit as their primary means of travel. CCTA will focus on expanding transit services to unserved or underserved areas, along with more frequent and reliable bus service to all. Funding will be provided to public transit operators in the west subregion of Contra Costa County (including AC Transit and WestCAT) to **provide cleaner, safer, and more reliable trips on buses**. This funding will enable transit operators to improve the frequency of service, especially on high-demand routes, increase ridership and incentivize transit use by offsetting fares.



PROVIDE CONVENIENT AND RELIABLE TRANSIT SERVICES IN CENTRAL, EAST, AND SOUTHWEST CONTRA COSTA

Although BART and rail service offers backbone transit options to residents in central, southwest, and east County, many neighborhoods and communities are unserved or underserved by bus or other transit options, meaning that transit is not close enough to people who want to use it and not frequent enough to be convenient. Funding will be provided to public transit operators in the central, east, and southwest subregions to provide **cleaner, safer, and more reliable trips on buses or shuttles**. This funding will enable transit operators to improve the frequency of service, especially on high-demand routes, increase ridership, and incentivize transit use by offsetting fares.



CLEANER, SAFER BART

BART began operating in the early 1970s and its stations and station equipment are showing their age. There are eleven BART stations located in Contra Costa County.

CCTA plans to fund a suite of modernization projects at select stations to **increase safety, security, and cleanliness**, and to improve customer experience. Several projects will focus on improving reliability of fare gates and reducing fare evasion. Many of these projects are eligible for Measure RR (BART's \$3.5 billion general obligation bond). CCTA will provide no more than a dollar-for-dollar match for BART projects. BART and CCTA will develop a countywide program to determine how funding is allocated, evaluated, and tracked for effectiveness. Specific funding and maintenance of effort requirements are required and identified in the Taxpayers Safeguards and Accountability Policy section.



REDUCE EMISSIONS AND IMPROVE AIR QUALITY

CCTA is a nationwide leader in sustainable, technology-enabled transportation. We integrate innovative technological solutions into Contra Costa County's transportation network to improve traffic flow and safety, reduce greenhouse gas emissions, and offer improved travel options. Technology solutions can help solve the challenges of the lack of connectivity between transportation options, resulting in reduced emissions and improved air quality. Eligible expenditures in this category include:

- Implementing the strategies developed in the 2019 Contra Costa Electric Vehicle Readiness Blueprint and subsequent updates
- Reducing transportation-related greenhouse gases through the utilization of a cleaner vehicle fleet, including alternative fuels and/or locally produced energy
- Preparing for a growing fleet of zero-emission vehicles by facilitating the installation of electric charging stations or alternative fuels
- Increasing utilization of nonautomobile types of transportation by expanding walking and biking paths and transit options
- Using demand management strategies designed to reduce congestion, increase use of nonautomobile transportation, increase occupancy of autos, manage existing infrastructure, and reduce greenhouse gas emissions
- Managing parking supply to improve availability, utilization, and to reduce congestion and greenhouse gas production

Funding is intended to match regional, state, or federal grants and private-sector investment to achieve maximum benefits. CCTA will develop and adopt guidelines for a competitive project-selection process for the use of these funds.



POLICY STATEMENTS

The Growth Management Program (GMP)

Coupled with the Transportation Expenditure Plan (TEP) is Contra Costa's unique and well-tested program for managing growth. The overall goal of the GMP is to preserve and enhance the quality of life and promote a healthy, strong economy to benefit the people and areas of Contra Costa through a cooperative, multijurisdictional process for managing growth, while maintaining local authority over land-use decisions.¹

The objectives of the GMP are to:

- Assure that new residential, business, and commercial growth pays for the facilities required to meet the demands resulting from that growth
- Require cooperative transportation and land-use planning among Contra Costa County, cities/towns, and transportation agencies
- Support land-use patterns within Contra Costa that make more efficient use of the transportation system, consistent with the General Plans of local jurisdictions
- Support infill and redevelopment in existing urban and brownfield areas

The Measure J GMP, which includes Principles of Agreement for Establishing the Urban Limit Line (ULL), is augmented and superseded by this 2020 TEP.

1. The Authority will, to the extent possible, attempt to harmonize the GMP and the State-mandated Congestion Management Program (CMPs). To the extent they conflict, CMP activities shall take precedence over the GMP activities.

COMPONENTS

To receive its share of funding from the following categories:

- 2020 TEP Modernize Local Roads & Improve Access to Job Centers and Housing
- Measure J Local Streets Maintenance & Improvements
- Measure J Transportation for Livable Communities (TLC)

each jurisdiction must:

1. Adopt a Growth Management Element (GME)

Each jurisdiction must adopt, or maintain in place, a GME as part of its General Plan that outlines the jurisdiction's goals and policies for managing growth and requirements for achieving those goals. The GME must show how the jurisdiction will comply with sections 2–9 below. The Contra Costa Transportation Authority (Authority) will refine its model GME and administrative procedures in consultation with the Regional Transportation Planning Committees (RTPCs) to reflect the revised GMP.

Each jurisdiction is encouraged to incorporate other standards and procedures into its GME to support the objectives and required components of this GMP.

2. Adopt a Development Mitigation Program

Each jurisdiction must adopt, or maintain in place, a Development Mitigation Program to ensure that new growth is paying its share of the costs associated with that growth. This program shall consist of both a local program to mitigate impacts on local streets and other facilities, and a regional program to fund regional and subregional transportation projects, consistent with the Countywide Transportation Plan (CTP).

The jurisdiction's local Development Mitigation Program shall ensure that revenue provided from this measure shall not be used to replace private developer funding that has or would have been committed to any project.

The regional Development Mitigation Program shall establish fees, exactions, assessments, or other mitigation measures to fund regional or subregional transportation improvements needed to mitigate the impacts of planned or forecast development. Regional mitigation programs may adjust such fees, exactions, assessments or other mitigation measures when developments are within walking distance of frequent transit service or are part of a mixed-use development of sufficient density and with necessary facilities to support greater levels of walking and bicycling.

Each RTPC shall develop the regional Development Mitigation Program for its region, taking account of planned and forecast growth and the Multimodal Transportation Service Objectives (MTSOs) and actions to achieve them established in the Action Plans for Routes of Regional Significance. RTPCs may use existing regional mitigation programs, if consistent with this section, to comply with the GMP.

3. Address Housing Options

Each jurisdiction shall demonstrate reasonable progress in providing housing opportunities for all income levels as part of a report on the implementation of the actions outlined in its adopted Housing Element. The report will demonstrate progress by one of the following:

- Comparing the number of housing units approved, constructed, or occupied within the jurisdiction over the preceding five years with the average number of units needed each year to meet the housing objectives established in the jurisdiction's Housing Element
- Illustrating how the jurisdiction has adequately planned to meet the existing and projected housing needs through the adoption of land use plans and regulatory systems that provide opportunities for, and do not unduly constrain, housing development
- Illustrating how a jurisdiction's General Plan and zoning regulations facilitate the improvement and development of sufficient housing to meet those objectives

Jurisdictions will provide prepared reports regarding the production and preservation of affordable units as provided for in the Annual Housing Elements Progress Report and subsequent reports.

Each jurisdiction shall demonstrate meaningful progress in preserving existing affordable units for lower-income residents by adopting and implementing locally appropriate antidisplacement and affordable housing policies, for example, preservation of affordable housing, density bonus ordinance and/or inclusionary zoning, to support community stabilization.



Jurisdictions are subject to California's Surplus Land Act, which includes the disposition of surplus land, and each jurisdiction will affirm whether it complies with the surplus Land Act and whether it maintains an inventory of all public land in its jurisdiction that adheres to applicable Surplus Land Act and Government Code 50569 requirements and makes the inventory available to the public.

Each jurisdiction will indicate whether it adheres to applicable local, state, or federal policies or laws regarding tenant protection and whether it has prepared the reports required by such policies or laws and made the reports available to the public.

In addition, each jurisdiction shall consider the impacts that its land use and development policies have on the local, regional, and countywide transportation system, including the level of transportation capacity that can reasonably be provided, and shall incorporate policies and standards into its development approval process that support transit, bicycle, and pedestrian access in new developments.

4. Participate in an Ongoing Cooperative, Multijurisdictional Planning Process

Each jurisdiction shall participate in an ongoing process with other jurisdictions and agencies, the RTPCs and the Authority to create a balanced, safe, and efficient transportation system and to manage the impacts of growth. Jurisdictions shall work with the RTPCs to:

- a. Identify Routes of Regional Significance and MTSOs or other tools adopted by the Authority for measuring performance and quality of service along routes of significance—collectively referred to as MTSOs—for those routes and actions for achieving those objectives
- b. Apply the Authority's travel demand model and technical procedures to the analysis of General Plan Amendments and developments exceeding specified thresholds for their effect on the regional transportation system, including on Action Plan objectives
- c. Create the Development Mitigation Programs outlined in section 2 above
- d. Help develop other plans, programs, and studies to address other transportation and growth management issues

In consultation with the RTPCs, each jurisdiction will use the travel demand model to evaluate changes to local General Plans and the impacts of major development projects for their effects on the local and regional transportation system and the ability to achieve the MTSOs established in the Action Plans.

Jurisdictions shall also participate in the Authority's ongoing countywide comprehensive transportation planning process. As part of this process, the Authority shall support countywide and subregional planning efforts, including the Action Plans for Routes of Regional Significance, and shall maintain a travel demand model. Jurisdictions shall help maintain the Authority's travel demand modeling system by providing information on proposed improvements to the transportation system and planned and approved development within the jurisdiction.

5. Continuously Comply with an Urban Limit Line (ULL)

To be found in compliance with this element of the Authority's GMP, all jurisdictions must continually comply with an applicable voter approved ULL. Said ULL may either be the Contra Costa County voter approved ULL (County ULL) or a locally initiated, voter approved ULL (LV-ULL).

Additional information and detailed compliance requirements for the ULL are fully defined in the ULL Compliance Requirements, which are incorporated herein.

Either of the following actions by a local jurisdiction will constitute noncompliance with the GMP:

- a. The submittal of an annexation request to the Local Agency Formation Commission (LAFCO) for lands outside of a jurisdiction's applicable ULL.
- b. Failure to conform to the Authority's ULL Compliance Requirements.

6. Develop a Five-Year Capital Improvement Program (CIP)

Each jurisdiction shall prepare and maintain a CIP that outlines the capital projects needed to implement the goals and policies of the jurisdiction's General Plan for at least the following five-year period. The CIP shall include approved projects and an analysis of the costs of the proposed projects as well as a financial plan for providing the improvements. The jurisdiction shall forward the transportation component of its CIP to the Authority for incorporation into the Authority's database of transportation projects.

7. **Adopt a Transportation Systems Management (TSM) Ordinance or Resolution**

To promote carpools, vanpools, and park-and-ride lots, each jurisdiction shall adopt a local ordinance or resolution that conforms to the model TSM ordinance that the Authority has drafted and adopted. Upon approval of the Authority, cities/towns with a small employment base may adopt alternative mitigation measures in lieu of a TSM ordinance or resolution.

8. **Adopt Additional Growth Management Policies, as applicable**

Each jurisdiction shall adopt and thereafter continuously maintain the following policies (where applicable):

- a. Hillside Development Policy
- b. Ridgeline Protection Policy
- c. Wildlife Corridor Policy
- d. Creek Development Policy

Where a jurisdiction does not have a developable hillside, ridgeline, wildlife corridor, or creek, it need not adopt the corresponding policy. An ordinance that implements the East Contra Costa Habitat Conservation Plan (HCP)/Natural Community Preservation Plan Act (NCCP) shall satisfy the requirement to have an adopted Wildlife Corridor Policy and Creek Development Policy. In addition to the above, jurisdictions with Prime Farmland and Farmland of Statewide Importance (Prime/Statewide)—as defined by the California Department of Conservation and mapped by the Farmland Mapping and Monitoring Program—within their planning areas but outside of their city/town shall adopt and thereafter continuously maintain an Agricultural Protection Policy. The policy must ensure that potential impacts of converting Prime/Statewide outside the ULL to other uses are identified and disclosed when considering such a conversion. The applicable policies are required to be in place by no later than July 1, 2022.

9. **Adopt a Complete Streets Policy and Vision Zero Policy**

Each jurisdiction shall adopt a Complete Streets Policy, consistent with the California Complete Streets Act of 2008 (AB 1358) and with the Authority's Complete Streets Policy, which accommodates all users of travel modes in the public right-of-way. Each jurisdiction shall also adopt a Vision Zero Policy that substantially complies with the Authority's Model Vision Zero Policy and reflects best practices for street design elements and programs to mitigate human error and quantifiably

improve the traffic safety of all users in the planning, design, and construction of projects funded with Measure funds. Jurisdictions shall document their level of effort to implement these policies, including during requests for funding, peer review of project design, and as part of the newly added compliance requirement in the biennial GMP Checklist.

ALLOCATION OF FUNDS

Portions of the monies received from the retail transaction and use tax will be returned to the local jurisdictions (the cities/towns and County) for use on local, subregional, and/or regional transportation improvements and maintenance projects. Receipt of all such funds requires compliance with the GMP and the allocation procedures described below. The funds are to be distributed on a formula based on population and road miles.

Each jurisdiction shall demonstrate its compliance with all of the components of the GMP in a completed compliance checklist. The jurisdiction shall submit, and the Authority shall review and make findings regarding the jurisdiction's compliance with the requirements of the GMP, consistent with the Authority's adopted policies and procedures.

If the Authority determines that the jurisdiction complies with the requirements of the GMP, it shall allocate to the jurisdiction its share of 2020 TEP funding from the Modernize Local Roads & Improve Access to Job Centers and Housing category and its share of Measure J Local Streets Maintenance & Improvements funding. Jurisdictions may use funds allocated under this provision to comply with these administrative requirements.

If the Authority determines that the jurisdiction does not comply with the requirements of the GMP, the Authority shall withhold funds and also make a finding that the jurisdiction shall not be eligible to receive Measure J TLC funds until the Authority determines that the jurisdiction has achieved compliance. The Authority's findings of noncompliance may set deadlines and conditions for achieving compliance.

Withholding of funds, reinstatement of compliance, reallocation of funds, and treatment of unallocated funds shall be as established in adopted Authority policies and procedures.

Urban Limit Line (ULL) Compliance Requirements

Definitions—the following definitions apply to the GMP ULL requirement:

1. Urban Limit Line (ULL):

A ULL, urban growth boundary, or other equivalent physical boundary judged by the Authority to clearly identify the physical limits of the local jurisdiction's future urban development.

2. Local Jurisdictions:

Includes Contra Costa County, the 19 cities and towns within Contra Costa, plus any newly incorporated cities or towns established after July 1, 2020.

3. County ULL:

County ULL: A ULL placed on the ballot by the Contra Costa County Board of Supervisors, approved by voters at a countywide election, and in effect through the applicable GMP compliance period. The current County ULL was established by Measure L and approved by voters in 2006.

The following local jurisdictions have adopted the County ULL as their applicable ULL:

City of Brentwood	Town of Moraga
City of Clayton	City of Oakley
City of Concord	City of Orinda
Town of Danville	City of Pinole
City of El Cerrito	City of Pleasant Hill
City of Hercules	City of Richmond
City of Lafayette	City of San Pablo
City of Martinez	City of Walnut Creek

4. Local Voter ULL (LV-ULL):

Local Voter ULL (LV-ULL): A ULL or equivalent measure placed on the local jurisdiction ballot, approved by the jurisdiction's voters, and recognized by action of the local jurisdiction's legislative body as its applicable, voter-approved ULL. The LV-ULL will be used as of its effective date to meet the Authority's GMP ULL requirement and must be in effect through the applicable GMP compliance period.

The following local jurisdictions have adopted a LV-ULL:

City of Antioch	City of Pittsburg
City of San Ramon	

5. Minor Adjustment:

An adjustment to the ULL of 30 acres or less is intended to address unanticipated circumstances.

6. Other Adjustments:

Other adjustments that address issues of unconstitutional takings and conformance to state and federal law.

REVISIONS TO THE ULL

1. A local jurisdiction that has adopted the County ULL as its applicable ULL may revise its ULL with local voter approval at any time during the term of the Authority's GMP by adopting a LV-ULL in accordance with the requirements outlined for a LV-ULL contained in the definitions section.
2. A local jurisdiction may revise its LV-ULL with local voter approval at any time during the term of the Authority's GMP if the resultant ULL meets the requirements outlined for a LV-ULL contained in the definitions section.
3. If voters, through a countywide ballot measure, approve a revision to the County ULL, the legislative body of each local jurisdiction relying on the County ULL shall:
 - a. Accept and approve its existing ULL to continue as its applicable ULL, or
 - b. Accept and approve the revised County ULL as its applicable ULL, or
 - c. Adopt a LV-ULL in accordance with the requirements outlined for a LV-ULL contained in the definitions section

However, if any Countywide measure to approve a revision to the County ULL fails, then the legislative body of each local jurisdiction relying on the prior County ULL may accept and approve the existing County ULL.

4. Local jurisdictions may, without voter approval, enact Minor Adjustments to their applicable ULL subject to a vote of at least 4/5 of the jurisdiction's legislative body and meeting the following requirements:
 - a. Minor adjustment shall not exceed 30 acres.
 - b. Adoption of at least one of the findings listed in the County's Measure L (§82-1.018 of County Ordinances 200606 § 3, 91-1 § 2, 90-66 § 4), which include:

- A natural or man-made disaster or public emergency has occurred that warrants the provision of housing and/or other community needs within land located outside the ULL
 - An objective study has determined that the ULL is preventing the jurisdiction from providing its fair share of affordable housing or regional housing, as required by state law, and the governing elected legislative body finds that a change to the ULL is necessary and is the only feasible means to enable the County jurisdiction to meet these requirements of state law
 - A majority of the cities/towns that are party to a preservation agreement and the County have approved a change to the ULL affecting all or any portion of the land covered by the preservation agreement
 - A minor change to the ULL will more accurately reflect topographical characteristics or legal boundaries
 - A five-year cyclical review of the ULL has determined, based on the criteria and factors for establishing the ULL set forth in Contra Costa County Code (Section 82-1.010), that new information is available (from city/town, County growth management studies, or otherwise) or circumstances have changed, warranting a change to the ULL
 - An objective study has determined that a change to the ULL is necessary or desirable to further the economic viability of the East Contra Costa County Airport, and either (i) mitigate adverse aviation-related environmental or community impacts attributable to Buchanan Field, or (ii) further the County's aviation related needs
 - A change is required to conform to applicable California or Federal law
- c. Adoption of a finding that the proposed Minor Adjustment will have a public benefit. Said public benefit could include, but is not necessarily limited to, enhanced mobility of people or goods, environmental protections or enhancements, improved air quality or land use, enhanced public safety or security, housing or jobs, infrastructure preservation, or other significant positive community effects as defined by the local land use authority. If the proposed Minor Adjustment to the ULL is proposed to accommodate housing or commercial development, said proposal must include permanent environmental protections or enhancements, such as the permanent protection of agricultural lands, the dedication of open space or the establishment of permanent conservation easements.
- d. The Minor Adjustment is not contiguous to one or more non-voter approved Minor Adjustments that in total exceeds 30 acres.
- e. The Minor Adjustment does not create a pocket of land outside the existing ULL, specifically to avoid the possibility of a jurisdiction wanting to fill in that land subsequently through separate adjustments.
- f. Any jurisdiction proposing to process a Minor Adjustment to its applicable ULL that impacts FMMP is required to have an adopted Agricultural Protection Ordinance or must demonstrate how the loss of these agricultural lands will be mitigated by permanently protecting farmland.
5. A local jurisdiction may revise its LV-ULL, and the County may revise the County ULL, to address issues of unconstitutional takings or conformance to State or Federal law.

CONDITIONS OF COMPLIANCE

1. Submittal of an annexation request by a local jurisdiction to LAFCO outside of an approved ULL will constitute non-compliance with the GMP.
2. For each jurisdiction, an applicable ULL shall be in place through each GMP compliance reporting period for the local jurisdiction to be found in compliance with the GMP requirements.
3. Submittal of an annexation request for land outside an approved ULL by a third party to LAFCO will constitute noncompliance with the GMP, if the local jurisdiction: (1) submits a "will serve" letter to LAFCO. A "will serve" letter determines the applicant's ability and willingness to serve the subject area and any further development, (2) utilizes an existing applicable tax sharing agreement, and/or (3) enters into a new tax sharing agreement for the annexation request.

Transit Policy

VISION

This Transportation Expenditure Plan (TEP) envisions a transportation system that provides reliable, safe, comfortable and convenient access for all users of the transportation system, regardless of mode choice and travel characteristics. The TEP further envisions a public transit system that provides convenient, safe, affordable, and reliable service and which offers an attractive alternative to private automobile usage. The Transit Policy Vision includes the infrastructure needed to accommodate a more robust transportation system for Contra Costa County that promotes greater use of transit and other shared mobility alternatives by prioritizing the movement of people rather than single-occupancy vehicles across the network. The TEP aims to improve transit countywide and reduce commute travel times, deliver more frequent and reliable service, expand transit service areas, and provide better connections to and from transit by various modes of mobility options. Improving the coordination among transit operators and integrating the existing transit systems with new technological tools and platforms to enhance customer access and experience should increase the share of residents and employees who choose public transit. Doing so will reduce congestion, improve air quality, and accommodate a growing population.

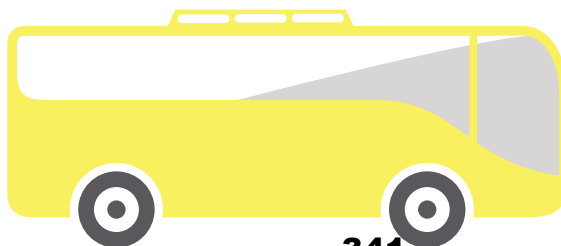
To achieve this vision, the TEP allocates more than one-half of the expected sales tax revenue to Transit and Alternative Modes and approximately one-quarter for local road improvements. To provide the maximum benefits to Contra Costa residents, the Contra Costa Transportation Authority (Authority) adopts the following policies and principles for use of transit funds authorized in the TEP:

POLICY

1. The Policy shall promote Transit First and guide the development of an Integrated Transit Plan (ITP). In the context of this Policy, Transit First considers the following to provide a seamless and integrated transportation system:
 - a. Decisions regarding the use of limited public street and sidewalk space shall prioritize the use of public rights-of-way by pedestrians, bicyclists, and public transit, and shall strive to reduce traffic and improve public health and safety.
 - b. Transit-priority improvements, such as designated transit lanes and streets and improved signalization, shall be made to expedite the movement of public transit vehicles and to improve safety for people who bike and walk.
 - c. Pedestrian areas shall be enhanced wherever possible to improve the safety and comfort of pedestrians and to encourage travel by foot.
 - d. Bicycling shall be promoted by encouraging safe streets for riding, providing convenient access to transit, and increasing the availability of bicycle lanes and secure bicycle parking.
 - e. Parking policies for areas well served by public transit shall be designed to encourage travel by public transit and alternative transportation.
 - f. The ability to reduce traffic congestion depends on the adequacy of regional public transportation. The cities/towns and County shall promote the use of transit and the continued development of an integrated and reliable regional public transportation system.
 - g. The cities/towns and County shall encourage innovative solutions to meet public transportation needs wherever possible.
2. All transit operators that receive funding from the TEP shall participate in the development of an ITP to identify how to utilize funding to better coordinate and integrate transit services countywide. The ITP should guide how the TEP funding dedicated to Transit and Alternative Modes categories can be used to implement the Transit Policy Vision:
 - a. The ITP will be developed and managed under the leadership of the Authority and the County's transit operators. The Authority and the transit operators shall coordinate with transportation service providers in Contra Costa to inform the development of the ITP. Transit operators shall consult with the Regional Transportation Planning Committees (RTPCs) in developing the ITP.
 - b. The ITP will focus on delivering a streamlined and unified experience for the customer across all modes

and transit operators should identify transit service investments (i.e., new routes, service hours, frequency), capital projects/assets (i.e., transit centers, bus stops, stop amenities, vehicles), and transit priority measures (i.e., transit signal priority, bus lanes, queue jumps) to be funded from the TEP.

- c. The ITP shall demonstrate reduction in vehicle-miles traveled (VMT) per capita and greenhouse gas (GHG) emissions to meet the Authority's countywide goals. Transit service investments, capital projects/assets, and transit priority measures to be funded from the TEP shall reduce VMT and GHG emissions or participate in the VMT Mitigation Program.
 - d. Prioritization for TEP funding should consider projects that can leverage other state, federal, or local funding.
 - e. The ITP shall be updated at least every five years to address new technology opportunities, any changes in demand, and other conditions.
3. Transit operators in Contra Costa County shall incorporate the findings and recommendations of the ITP pertinent to each operator's service area into their respective Short-Range Transit Plans (SRTP). The SRTPs shall be reviewed for consistency with the ITP associated with this TEP.
 4. Allocations pursuant to this TEP will be made in support of the recommendations in the ITP. Any recommendations in the ITP shall include performance measures to achieve continued funding.
 5. The Authority expects transit operating funds from the TEP to be used to support the vision of this policy. In the event that TEP funds must be used to support other transit services as a result of reduction of operating funds from other sources or due to other financial concerns, the transit operator shall update its SRTP and submit to the Authority.
 6. The Authority expects that public agencies and transit operators leverage new and emerging technologies to improve service and to address first-mile/last-mile connections between transit stops and other traveler destinations. These technologies may include, but not be limited to, ride hailing partnerships, autonomous shuttles, shared mobility (bikes, scooters, cars), and mobility-on-demand platforms that best fit within each transit operator's service area. The ITP should address how these technology services function within and among service boundaries and provide a seamless experience countywide for customers.
 7. The Authority expects that recipients of TEP funding create, analyze, and seize opportunities for fare and schedule integration among transit operators and any technology services adopted. Focus should be placed on reducing inconveniences associated with transferring between services and on having a cost-effective, universally accepted digital payment method. The ITP should address how Contra Costa transit operators can maximize benefits of fare payment and schedule integration while acknowledging current efforts by various agencies to achieve the same goal.
 8. The Authority will not fund construction of any transit capital improvement until the project sponsor demonstrates how the project would increase ridership and/or decrease VMT. Funding for planning and design—including demonstration pilots—is not subject to this requirement.
 9. All recipients of funding through this TEP shall consider and accommodate, wherever possible, the principles of Transit First in the planning, design, construction, reconstruction, rehabilitation, and maintenance of the transportation system.
 10. All transit operators that receive funding from the TEP shall report how received funding benefits Communities of Concern and low-income residents in their jurisdictions and service areas. The ITP should ensure proportionally greater benefits to Communities of Concern and low-income residents.



Complete Streets Policy

VISION

This Plan envisions a transportation system and infrastructure in which each component provides safe, comfortable, and convenient access for users of all ages and abilities. These users include pedestrians, bicyclists, transit riders, automobile drivers, taxis, Transportation Network Companies (TNCs) and their passengers, and truckers as well as people of varying abilities, including children, seniors, people with disabilities, and able-bodied adults. The goal of every transportation project is to provide safer, more accessible facilities for all users. All projects shall be planned, designed, constructed, and operated to prioritize users' life safety and accommodate the Complete Streets concept.

By making streets more efficient and safer for all users, a Complete Streets approach will expand capacity and improve mobility for all users, giving commuters convenient options for travel and minimizing the need to widen roadways.

POLICY

To achieve this vision, all recipients of funding through this Plan shall consider and accommodate, wherever possible and subject to the exceptions listed in this Policy, the needs of all users in the planning, design, construction, reconstruction, rehabilitation, and maintenance of the transportation system. This determination shall be consistent with the exceptions listed below. Achieving this vision will require balancing the needs of different users and may require reallocating existing rights-of-way (ROW) for different uses.

The Authority shall revise its project development guidelines to require the consideration and accommodation of all users in the design and construction of projects funded with measure funds and shall adopt peer review and design standards to implement that approach. The guidelines will allow flexibility in responding to the context of each project and the needs of users specific to the project's context and will build on accepted best practices for complete streets and context-sensitive design.

To ensure that this policy is carried out, the Authority shall prepare a checklist that project sponsors using measure

funds must submit. This checklist will document how the needs of all users were considered and how they were accommodated in the design and construction of the project. In the checklist, the sponsor will outline how they provided opportunity for public input, in a public forum, from all users early in the project development and design process. This includes regular public review of agency repaving programs. If the proposed project or program will not provide context-appropriate conditions for all users, the sponsor shall document the reasons why in the checklist, consistent with the following section on "exceptions" below. The completed checklist shall be made part of the approval of programming of funding for the project or the funding allocation resolution.

Recipients of 2020 TEP funding for the Modernize Local Roads and Improve Access to Job Centers and Housing category and Measure J TEP Funding from Local Maintenance and Improvements shall adopt procedures that ensure that all agency departments consider and accommodate the needs of all users for projects or programs affecting public ROW for which the agency is responsible. These procedures shall:

1. Be consistent with the California Complete Streets Act of 2008 (AB 1358)
2. Be consistent with and be designed to implement each agency's General Plan Policies once that plan has been updated to comply with the California Complete Streets Act of 2008 and the Authority's Complete Streets Policy
3. Involve and coordinate the work of all agency departments and staff whose projects will affect the public ROW
4. Meet or exceed the Complete Street design standards adopted by the Authority
5. Be consistent with the adopted Local Jurisdiction Complete Streets Policy and Authority's Complete Street Policy herein
6. Promote proactive data collection and traffic system monitoring using next generation technology, such as advance detection systems
7. Provide opportunity for public review by all potential users early in the project development and design phase so that options can be fully considered. This review could be done through an advisory committee such as a Bicycle and Pedestrian Advisory Committee or as part of the review of the agency's CIP

As part of their biennial GMP checklist, agencies shall list projects funded by the Measure and detail how those projects accommodated users of all modes by applying Transit, Complete Streets, and Vision Zero Policies.

As part of the multijurisdictional planning required by the GMP, agencies shall work with the Authority and the RTPCs to harmonize the planning, design, and construction of transportation facilities for all modes within their jurisdiction with the plans of adjoining and connecting jurisdictions.

EXCEPTIONS

Project sponsors may provide a lesser accommodation or forgo Complete Street accommodation components when the public works director or equivalent agency official finds that:

1. Pedestrians, bicyclists, or other users are prohibited by law from using the transportation facility
2. The cost of new accommodation would be excessively disproportionate to the need or probable use. If meeting adopted design standards is cost prohibitive, the proposed project improvements should be phased, or a more cost-effective solution should be provided
3. The sponsor demonstrates that such accommodation is not needed based on objective factors including:
 - a. Current and projected user demand for all modes based on current and future land use
 - b. Lack of identified conflicts, both existing and potential, between modes of travel

Project sponsors shall explicitly approve exception findings as part of the approval of any project using measure funds to improve streets classified as a major collector or above.¹ Prior to this project, sponsors must provide an opportunity for public input at an approval body (that regularly considers design issues) and/or the governing board of the project sponsor.

¹ Major Collectors and above, as defined by the California Department of Transportation (Caltrans) California Road System (CRS) map.

Advance Mitigation Program

The Authority is committed to participate in the creation and funding of an Advance Mitigation Program (AMP) as an innovative way to advance needed infrastructure projects more efficiently and provide more effective conservation of our natural resources, watersheds and wetlands, and agricultural lands. As a global biodiversity hot spot, the Bay Area and Contra Costa County host an extraordinarily rich array of valuable natural communities and ecosystems that provides habitat for rare plants and wildlife and supports residents' health and quality of life by providing clean drinking water, clean air, opportunities for outdoor recreation, adaptation to climate change, and protection from disasters like flooding and landslides.

Assembly Bill No. 2087 (AB 2087) outlines a program for informing science-based, nonbinding, and voluntary conservation actions and habitat enhancement actions that would advance the conservation of focal species, natural communities, and other conservation elements at a regional scale. The AMP used AB 2087 and subsequent guidance to integrate conservation into infrastructure agencies' plans and project development well in advance and on a regional scale to reduce potential impacts of transportation projects, as well as to drive mitigation dollars to protect regional conservation priorities and protect important ecological functions, watersheds and wetlands, and agricultural lands that are at threat of loss. The AMP will provide environmental mitigation activities specifically required under the California Environmental Quality Act of 1970 (CEQA), National Environmental Policy Act of 1969 (NEPA), Clean Water Act Section 401 and Section 404, and other applicable regulations in the implementation of the major highway, transit, and regional arterial and local streets and roads projects identified in the Plan. Senate Bill 1 (SB 1) (2017) created the AMP at Caltrans to enhance opportunities for the department to work with stakeholders to identify important project mitigation early in the project development process and improve environmental outcomes by mitigating the effects of transportation projects. The Authority's AMP compliments advance mitigation funding from SB 1.

The Authority's participation in an AMP is subject to the following conditions:

1. Development and approval of a Regional Conservation Investment Strategy (RCIS) that identifies conservation priorities and mitigation opportunities for all of Contra Costa County. The RCIS established conservation goals and includes

countywide opportunities and strategies that are, among other requirements, consistent with and that support the East Contra Costa Habitat Conservation Plan (HCP)/Natural Community Preservation Plan Act (NCCP). The RCIS will identify mitigation opportunities for all areas of the County to ensure that mitigation occurs in the vicinity of the project impact to the greatest extent possible. The Authority will review and approve the RCIS, in consultation with the RTPCs, prior to the allocation of funds for the AMP.

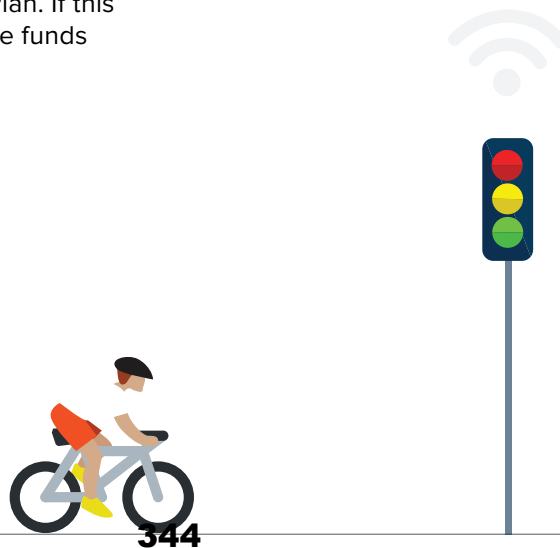
2. Development of a Project Impacts Assessment (PIA) that identifies the portfolio of projects to be included in the Advance Mitigation Program and the estimated costs for mitigation of the environmental impacts of the projects. The Authority will review and approve the PIA prior to the allocation of funds for the AMP. The PIA and estimated costs do not in any way limit the amount of mitigation that may be necessary or undertaken for the environmental impacts of the projects.
3. Development of the legislative and regulatory framework necessary to implement an AMP in Contra Costa County.
4. The identification of the Implementing Agency to administer the AMP for Contra Costa County or portions of the Bay Area, including Contra Costa County.

The Authority will determine the amount of funds to be dedicated to this program following the satisfaction of the above conditions. Funds from the Plan will be allocated consistent with the Regional Conservation Assessment/Framework to fund environmental mitigation activities required in the implementation of the major highway, transit and regional arterial and local streets and roads projects identified in the Plan. If this approach cannot be fully implemented, these funds

shall be used for environmental mitigation purposes on a project-by-project basis. Mitigation required for future transportation improvements identified in the Plan are not limited by the availability of funding or mitigation credits available in the Program.

All projects funded from the TEP are eligible for inclusion in the AMP. Note that some projects are within the East Contra Costa County HCP/NCCP. The AMP provides an opportunity to meet species mitigation needs on projects that cannot be met by East Contra Costa County HCP/NCCP.

Pursuant to Senate Bill No. 743, which reformed the process for California Environmental Quality Act (CEQA) review of transportation impacts to align with greenhouse gas emissions reduction goals, the Governor's Office of Planning and Research (OPR) identified vehicle-miles traveled (VMT) as the key metric to measure transportation impacts under CEQA. As a result, projects will be expected to demonstrate a reduction in VMT to meet the Authority's goal to reduce VMT per capita and GHG emissions countywide. The Authority will begin development of an innovative countywide program to identify a broad portfolio of mitigation measures that will be funded through aggregation of funds and deployed to support top-priority VMT reducing projects and strategies throughout the County. The VMT Mitigation Program will consider the structure of the program, legal framework to comply with CEQA and Mitigation Fee Act, and program design, such as project selection and prioritization, measurement, evaluation, verification, reporting, equity, and monitoring. The amount of VMT mitigated will be for the planning horizon for each project.



Taxpayer Safeguards and Accountability Policy

GOVERNING STRUCTURE

Governing Body and Administration

The Authority is governed by a Board composed of 11 members, all elected officials, with the following representation:

- Two members from the Central County Regional Transportation Planning Commission (RTPC), also referred to as Transportation Partnership and Cooperation (TRANSPAC)
- Two members from the East County RTPC, also referred to as East County Transportation Planning Committee (TRANSPLAN)
- Two members from the Southwest County RTPC, also referred to as Southwest Area Transportation Committee (SWAT)
- Two members from the West County RTPC, also referred to as West County Contra Costa County Transportation Advisory Committee (WCCTAC)
- One member from the Conference of Mayors
- Two members from the Board of Supervisors

The Authority Board also includes three (3) ex officio, non-voting members that are appointed by the MTC, BART, and the Public Transit Operators in Contra Costa County.

The four subregions within Contra Costa—Central, West, Southwest and East County—are each represented by a Regional Transportation Planning Commission (RTPC). Central County (TRANSPAC subregion) includes Clayton, Concord, Martinez, Pleasant Hill, Walnut Creek, and the unincorporated portions of Central County. West County (WCCTAC subregion) includes El Cerrito, Hercules, Pinole, Richmond, San Pablo, and the unincorporated portions of West County. Southwest County (SWAT subregion) includes Danville, Lafayette, Moraga, Orinda, San Ramon and the unincorporated portions of Southwest County.

East County (TRANSPLAN subregion) includes Antioch, Brentwood, Oakley, Pittsburg, and the unincorporated portions of East County.

Public Oversight Committee

The Public Oversight Committee (POC) shall provide diligent, independent, and public oversight of all expenditures of Measure funds by Authority or recipient agencies (County, cities/towns, transit operators, etc.). The POC will report to the public and focus its oversight on the following:

- Review of allocation and expenditure of Measure funds to ensure that all funds are used consistent with the Measure
- Review of fiscal audits of Measure expenditures
- Review of performance audits of projects and programs relative to performance criteria established by the Authority, and if performance of any project or program does not meet its established performance criteria, identify reasons why and make recommendations for corrective actions that can be taken by the Authority Board for changes to project or program guidelines
- Review of application of the performance-based review policy and provide input and recommendations for the development of associated guidelines
- Review of the maintenance of effort compliance requirements of local jurisdictions for local streets, roads, and bridges funding
- Review of each jurisdiction's GMP Checklist and compliance with the GMP Policies

The POC shall prepare an annual report that includes an account of the POC's activities during the previous year, its review and recommendations relative to fiscal or performance audits, and any recommendations made to the Authority Board for implementing the TEP. The



report will be noticed in local media outlets throughout Contra Costa County, posted to the Authority website, and made continuously available for public inspection at Authority offices. The report shall be composed of easy-to-understand language that is not produced in an overly technical format. The POC shall make an annual presentation to the Authority Board summarizing the annual report subsequent to its release.

POC members shall be selected by the Authority to reflect community, business organizations, and other interests within the County. The goal of the membership makeup of the POC is to provide a balance of viewpoints, including, but not limited to, geography, age, gender, ethnicity, and income status to represent the different perspectives of the residents of Contra Costa County. One member will be nominated by each of the four subregions by the RTPCs representing the subregion nominating the member. The Board of Supervisors will nominate one member residing in and representing the County. Twelve members will be nominated by respective organizations representative of interest groups, such as civic and governance involvement, taxpayer advocate, businesses, construction and trades labor, general labor, building and development, disabled, biking and pedestrian, transit, low income, climate change, seniors, environmental, and/or open space organizations operating in Contra Costa County (specific organizations may vary during the life of the Measure). The Authority will consult with the public and active interest groups to solicit, identify nominees, and nominate POC members that represent those areas listed above. The Authority will accept nominations from any member of the public. The Authority will create a process to review possible POC members, including interviews. An interest area will be represented by no more than one POC member. About one-half of the initial member appointments will be for two years and the remaining appointments will be for three-year terms. Thereafter, members will be appointed to two-year terms. Any individual member can serve on the POC for no more than six consecutive years.

POC members will be Contra Costa County residents who are not elected officials at any level of government, or public employees from agencies that either oversee or benefit from the proceeds of the Measure. Membership is restricted to individuals with no economic interest in any of the Authority's projects or programs. If a member's status changes so that he/she no longer meets these requirements, or if a member resigns his/her position on the POC, the Authority Board will issue a new statement of interest from the same stakeholder category to fill the vacant position.

The POC shall meet up to once per month to carry out its responsibility and shall meet at least once every three months. Meetings shall be held at the same location as the Authority Board meetings are usually held, shall be open to the public, and must be held in compliance with California's open meeting law (the Brown Act). Meetings shall be recorded and the recordings shall be posted for the public.

Members are expected to attend all meetings. If a member, without good reason acceptable to the Chair of the POC, fails to attend either (a) two or more consecutive meetings or (b) more than three meetings a year, the Authority Board will request a replacement from the interest group listed above.

The Authority commits to support the oversight process through cooperation with the POC by providing access to project and program information, audits, and other information available to the Authority, and to logistical support so that the POC may effectively perform its oversight function. The POC will have full access to the Authority's independent auditors and may request Authority staff briefings for any information that is relevant to the Measure. The Authority will provide resources for meeting design and process, facilitation, and skill and knowledge building to foster and support the POC's ability to provide meaningful input and recommendations. The POC Chair shall inform the Authority Board Chair and Executive Director of any concern regarding Authority staff's commitment or performance regarding open communication, the timely sharing of information, and teamwork.

The POC shall not have the authority to set policy or to appropriate or withhold funds, nor shall it participate in or interfere with the selection process of any consultant or contractor hired to implement the TEP.

The POC shall not receive monetary compensation except for the reimbursement of travel or other incidental expenses in a manner consistent with other Authority advisory committees. Exceptions may be made by the Authority to reasonably assist members to participate in POC meetings.

To ensure that the oversight by the POC continues to be as effective as possible, the efficacy of the POC Charter (i.e., this document) will be evaluated on a periodic basis and a formal review will be conducted by the Authority Board, Executive Director, and the POC a minimum of every five years to determine if any amendments to this Charter should be made. The formal review will

include a benchmarking of the Committee's activities and Charter with other best-in-class oversight committees. Amendments to this Charter shall be proposed by the POC and adopted or rejected by the Authority Board.

The POC replaces the Authority's existing Citizens Advisory Committee (CAC).

Advisory Committees

The Authority will continue the committees that were established as part of the Transportation Partnership Commission organization as well as other committees that have been utilized by the Authority to advise and assist in policy development and implementation. The committees include:

The RTPCs that were established to develop transportation plans on a geographic basis for subareas of the County, and

- The Technical Coordinating Committee (TCC) that will serve as the Authority's technical advisory committee
- Paratransit Coordinating Council (PCC)
- The Countywide Bicycle and Pedestrian Advisory Committee (CBPAC)
- Bus Transit Coordinating Committee (BTCC)

IMPLEMENTING GUIDELINES

This TEP is guided by principles that ensure the revenue generated by the sales tax is spent only for the purposes outlined in this TEP in the most efficient and effective manner possible, consistent with serving the transportation needs of Contra Costa County. The following Implementing Guidelines shall govern the administration of sales tax revenues by the Authority. Additional detail for certain Implementing Guidelines is found elsewhere in this TEP.

Duration of the TEP

The duration of the TEP shall be for 35 years from July 1, 2020, through June 30, 2055.

Administration of the Plan

1. Funds Only Projects and Programs in the TEP

Funds collected under this Measure may only be spent for purposes identified in the TEP, as

it may be amended by the Authority governing body. Identification of Projects or Programs in the Plan does not ensure their implementation. As authorized, the Authority may amend or delete Projects and Programs identified in the Plan to provide for the use of additional federal, state, and local funds, to account for unexpected revenue, to maintain consistency with the current Contra Costa Countywide Transportation Plan (CTP), to take into consideration unforeseen circumstances, and to account for impacts, alternatives, and potential mitigation determined during review under the California Environmental Quality Act (CEQA) at such time as each project and program is proposed for approval.

2. All Decisions Made in Public Process

The Authority is given the fiduciary duty of administering the transportation sales tax proceeds in accordance with all applicable laws and with the TEP. Activities of the Authority will be conducted in public according to state law, through publicly noticed meetings. The annual budgets of Authority, strategic delivery plans, and annual reports will all be prepared for public review. The interest of the public will be further protected by the POC, described previously in the TEP.

3. Salary and Administration Cost Caps

Revenues may be expended by the Authority for salaries, wages, benefits, overhead, and those services, including contractual services, necessary to administer the Measure. However, in no case shall the expenditures for the salaries and benefits of the staff necessary to perform administrative functions for the Authority exceed one percent (1%) of revenues from the Measure. The allocated costs of Authority staff who directly implement specific projects or programs are not included in the administrative costs.

4. Expenditure Plan Amendments Require Majority Support

The Authority may review and propose amendments to the TEP and the GMP to provide for the use of additional federal, state, and local funds, to account for unexpected revenues, or to take into consideration unforeseen circumstances. Affected RTPCs and Public Oversight Committee (POC) will participate in the development of the proposed amendment(s). A supermajority (66%) vote of the Authority Board is required to approve an amendment. Any amendment to the TEP that is administrative or less than \$50 million to the Expenditure Plan will require a 45-day period

to comment on the proposed amendment. Any amendments to expenditure categories that total \$50 million or greater, whether submitted as one amendment or a series of related amendments, will require the following:

- a. The need for such amendment shall be properly demonstrated in a regularly scheduled public meeting of the Authority Board.
- b. The Authority shall make a presentation at the earliest possible POC and RTPC meetings outlining the details of the proposed amendment and allow for POC and RTPC input.
- c. No fewer than two special public information and comment sessions shall be held and publicized by the Authority within 90 days following the initial Authority Board meeting.
- d. The proposed amendment will be given a 90-day public comment period.
- e. The proposed amendment shall be voted on during a regularly scheduled Authority Board meeting.

5. Augment Transportation Funds

Funds generated pursuant to the Measure are to be used to supplement and not replace existing local revenues used for transportation purposes. Any funds already allocated, committed, or otherwise included in the financial plan for any project in the TEP shall be made available for project development and implementation as required in the project's financial and implementation program.

6. Jurisdiction

The Authority retains sole discretion regarding interpretation, construction, and meaning of words and phrases in the TEP.

Taxpayer Safeguards, Audits and Accountability

7. Public Oversight Committee (POC)

The POC will provide diligent, independent, and public oversight of all expenditures of Measure funds by Authority or recipient agencies (County, cities/towns, transit operators, etc.). The POC will report to the public and focus its oversight on annual audits, the review and allocation of Measure funds, the performance of projects and programs in the TEP, and compliance by local jurisdictions with the maintenance of effort and GMP described previously in the TEP.

8. Fiscal Audits

All funds expended by the Authority directly and all funds allocated by formula or discretionary grants to other entities are subject to fiscal audit. Recipients of Measure funds (including but not limited to County, cities/towns, and transit operators) will be audited at least once every five years, conducted by an independent CPA. Any agency found to be in noncompliance shall have its formula sales tax funds withheld until such time as the agency is found to be in compliance.

9. Performance Audits

All funding categories shall be subject to performance audits by the Authority. Each year, the Authority shall select and perform a focused performance audit on two or three of the funding categories so that at the end of the fourth year, all funding categories are audited. This process shall commence two years after passage of the new sales tax measure. Additional Performance Audits shall continue on a similar cycle for the duration of the TEP. The performance audits shall provide an accurate quantitative and qualitative evaluation of the funding categories to determine the effectiveness in meeting the performance criteria established by the Authority. In the event that any performance audit determines that a funding category is not meeting the performance requirements established by the Authority, the audit shall include recommendations for corrective action including but not limited to revisions to Authority policies or program guidelines that govern the expenditure of funds.

10. Maintenance of Effort (MOE)

Funds generated by the new sales tax Measure are to be used to supplement and not replace existing local revenues used for streets and highways purposes. The basis of the MOE requirement will be the average of expenditures of annual discretionary funds on streets and highways, as reported to the Controller pursuant to Streets and Highways Code Section 2151 for the three most recent fiscal years before the passage of the Measure, where data is available. The average dollar amount will then be increased once every three years by the construction cost index of that third year. Penalty for noncompliance of meeting the minimum MOE is immediate loss of proportional amount of 2020 TEP funding from Modernize Local Roads and Improve Access to Job Centers and Housing and Measure J TEP funding from Local Streets Maintenance and Improvements funds until MOE compliance is achieved. The audit of the MOE contribution shall be at

least once every five years. Any agency found to be in noncompliance shall be subject to an annual audit for three years after they come back into compliance.

Any local jurisdiction wishing to adjust its MOE requirement shall submit a request for adjustment to the Authority and the necessary documentation to justify the adjustment. The Authority staff shall review the request and shall make a recommendation to the Authority Board. Taking into consideration the recommendation, the Authority Board may adjust the annual average of expenditures reported pursuant to Streets and Highways Code Section 2151. The Authority shall make an adjustment if one or more of the following conditions exists:

- a. The local jurisdiction has undertaken one or more major capital projects during those fiscal years that required accumulating unrestricted revenues (i.e., revenues that are not restricted for use on streets and highways, such as general funds) to support the project during one or more fiscal years.
- b. A source of unrestricted revenue used to support the major capital project or projects is no longer available to the local jurisdiction and the local jurisdiction lacks authority to continue the unrestricted funding source.
- c. One or more sources of unrestricted revenues that were available to the local jurisdiction is producing less than 95 percent of the amount produced in those fiscal years and the reduction is not caused by any discretionary action of the local jurisdiction.
- d. The local jurisdiction Pavement Condition Index (PCI) is 70 or greater, as calculated by the jurisdiction Pavement Management System and reported to the MTC, and the jurisdiction has implemented its synchronized signals plan, and its Complete Streets, Vision Zero, and Transit First policies.

11. Annual Budget and Strategic Delivery Plan

Each year, the Authority will adopt an annual budget that estimates expected sales tax receipts, other anticipated revenue, and planned expenditures for the year. On a periodic basis, the Authority will also prepare a Strategic Delivery Plan that will identify the priority for projects; the date for project implementation based on project readiness and availability of project funding; the state, federal, and other local funding committed for project implementation; and other relevant criteria.

The annual budget and Strategic Delivery Plan will be adopted by the Authority Board at a public meeting.

12. Requirements for Fund Recipients

All recipients of funds allocated in this TEP will be required to sign a Master Cooperative Agreement that defines reporting and accountability elements as well as other applicable policy requirements. All funds will be appropriated through an open and transparent public process.

13. Geographic and Social Equity

The proposed projects and programs to be funded through the TEP constitute a proportional distribution of funding allocations to each subregion in Contra Costa County. The subregional share of projected revenue is based on each subregion's share of the projected overall population in Contra Costa County at the midpoint of the measure. RTPCs must approve any revisions to the proportional distribution of funding allocations in the TEP and Strategic Delivery Plan.

The Authority commits that the TEP will deliver proportionally greater benefits to Communities of Concern (as defined by the Metropolitan Transportation Commission) and low-income residents.

Restrictions on Funds

14. Expenditure Shall Benefit Contra Costa County

Under no circumstance may the proceeds of this transportation sales tax be applied for any purpose other than for transportation improvements benefiting residents of Contra Costa County. Under no circumstance may these funds be appropriated by the State of California or any other local government agency as defined in the implementing guidelines.

15. Environmental Review

All projects funded by sales tax proceeds are subject to laws and regulations of federal, state, and local government, including the requirements of the California Environmental Quality Act (CEQA). Prior to approval or commencement of any project or program included in the TEP, all necessary environmental review required by CEQA shall be completed.

16. Performance-based Project Review

Before the allocation of any Measure funds for the construction of a project with an estimated cost in excess of \$10 million (or elements of a corridor project with an overall estimated cost in excess of \$10 million), the Authority will 1) verify that the project is consistent with the approved CTP, as it may be

amended, 2) verify that the project is included in the Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS), and 3) require the project sponsor to complete a performance-based review of project alternatives prior to the selection of a preferred alternative. Said performance-based review will include, but not necessarily be limited to, an analysis of the project impacts on greenhouse gas (GHG) emissions, vehicle-miles traveled (VMT), goods movement effectiveness, travel mode share, delay (by mode), safety, maintenance of the transportation system, impact on displacement, affordable housing, social equity, any other environmental effects, and consistency with adopted Authority plans. The Authority may require the evaluation of other performance criteria depending on the specific need and purpose of the project. The Authority will perform review and independent verification of performance-based review submitted by project sponsors.

The Authority is committed to meet the Governor's Executive Order B-16-2012 to reduce transportation-related GHG emissions to 80% below 1990 levels by 2050 and will establish overall VMT per capita and GHG goals countywide. The Authority will expect project sponsors to identify and select a project alternative that reduces GHG emissions as well as VMT per capita to meet the Authority's adopted countywide VMT and GHG goals. Limited exceptions will be identified and a process created to select a project alternative that does not decrease VMT and GHG sufficiently but has other substantial benefits. The Authority will require the project sponsors that select a project alternative that does not decrease VMT and GHG sufficiently to make findings for an exception and require participation in a VMT mitigation program to be developed by the Authority.

Funding for projects that do not decrease VMT and GHG sufficiently will not be allocated until the Authority develops a VMT mitigation program. The VMT mitigation program will define the limited exceptions, substantial benefits, and process to determine adequate findings for those exceptions. The purpose of the VMT Mitigation Program will be to fund projects and programs that reduce VMT, GHG emissions, and traffic congestion in Contra Costa County. The Authority will also prioritize and reward high performing projects by leveraging additional regional and other funding sources. The Authority shall employ a public process to develop and adopt detailed guidelines for evaluating project performance and applying performance criteria in the review and selection of a

preferred project alternative no later than October 1, 2022. The performance criteria will include measurable performance targets and be developed per Section 43.

There will be additional performance-based reviews for actions in five categories of expenditure: Improve Walking and Biking on Streets and Trails, Countywide Major Road Improvement Program, Reduce Emissions and Improve Air Quality, Seamless Connected Transportation Options, and Reduce and Reverse Commutes. The additional review guidelines are outlined in Sections 31-35 of these Implementing Guidelines.

17. Countywide Transportation Plan

State law allows each county in the San Francisco Bay Area that is subject to the jurisdiction of the regional transportation planning agency to prepare a CTP for the county and cities/towns within the county. Both Measure C and Measure J also require the Authority to prepare and periodically update a CTP for Contra Costa County. State law also created an interdependent relationship between the CTP and regional planning agency. Each CTP must consider the region's most recently adopted Regional Transportation Plan (RTP) and Sustainable Communities Strategy (SCS) while the adopted CTPs must form the "primary basis" for the next RTP and SCS. The Authority shall follow applicable statutes and the most current guidelines for preparing the CTP, as established and periodically updated by the regional transportation planning agency. The Authority shall also use the CTP to convey the Authority's investment priorities, consistent with the long-range vision of the RTP and SCS.

18. Complete Streets

The Authority has adopted a policy requiring all recipients of funding through this TEP to consider and accommodate, wherever possible, the needs of all users in the planning, design, construction, reconstruction, rehabilitation, and maintenance of the transportation system.

19. Road Traffic Safety

The Authority has adopted a policy requiring all recipients of funding through this TEP shall, wherever possible, systemically incorporate street design elements that quantifiably reduce the risk of traffic-related deaths and severe injuries in the public right-of-way and accommodate the needs of all users in the planning, design, construction, reconstruction, rehabilitation, and maintenance of the transportation system.

20. Compliance with the GMP

If the Authority determines that a jurisdiction does not comply with the requirements of the GMP, the Authority shall withhold funds and also make a finding that the jurisdiction shall not be eligible to receive 2020 TEP funding from Modernize Local Roads and Improve Access to Job Centers and Housing, Measure J TEP funding from Local Streets Maintenance & Improvements, and Measure J TLC funding until the Authority determines the jurisdiction has achieved compliance, as detailed in the GMP section of the TEP.

21. Local Contracting and Good Jobs

The purpose of the current section of the “Implementing Guidelines” portion of the Authority’s Transportation Expenditure Plan (TEP) is to promote efficient and quality construction operations on the included projects, ensure an adequate supply of skilled craftspeople, provide a safe work place, ensure high quality construction, ensure uninterrupted construction projects, secure optimum productivity on schedule performance and Authority and citizen satisfaction, and increase access to quality jobs for Contra Costa residents.

The provisions and requirements found herein shall apply to each contractor and any subcontractors on projects approved by the TEP and administered by Authority.

Authority supports training and apprenticeship opportunities in the construction industry. As such, Authority requires apprentice labor enrolled in or graduated from joint labor-management apprenticeship programs on construction projects estimated to cost \$1 million or greater. Authority will develop guidelines modeled after the California Department of Transportation’s (Caltrans’) Standard Specifications applicable to training an apprentice for the benefit of residents of Contra Costa County. Contractors will be required to comply with the guidelines on construction projects estimated to cost \$1 million or greater.

All those employed on projects approved by the TEP and administered by Authority shall be classified and paid in accordance with the prevailing rate of per diem wages as determined by the Director of the California Department of Industrial Relations and comply with all applicable Labor Code provisions.

It is also the intent of Authority to create a policy that encourages contractors to hire residents of Contra Costa County and the other eight Bay Area counties.² Therefore, all Authority contracts in excess of \$1 million shall be subject to provisions pursuant to which the contractor is required to make a good faith effort to hire qualified individuals who are residents of Contra Costa County

or any of the other eight Bay Area counties in sufficient numbers so that no less than 40% of the contractor’s total construction workforce, measured in labor work hours, is composed of residents of Contra Costa County or any of the other eight Bay Area counties. The contractor shall require all subcontractors to also make a good faith effort to hire qualified individuals who are residents of Contra Costa County and the other eight Bay Area counties.

The above provision will be implemented to the extent allowed by law and in compliance with funding agreements so as to not jeopardize any funding for the completion of the project.

²San Mateo, San Francisco, Alameda, Solano, Napa, Sonoma, Santa Clara, and Marin

22. New Agencies

New cities/towns or new entities (such as new transit agencies) that come into existence in Contra Costa County during the life of the TEP may be considered as eligible recipients of funds through a TEP amendment.

23. Integrated Transit Plan (ITP)

The Authority has adopted a Transit Policy that envisions a public transit system that provides convenient, safe, affordable, and reliable service that offers an attractive alternative to private automobile usage. All recipients of funding through this TEP shall consider and accommodate, wherever possible, the principles of Transit First in the planning, design, construction, reconstruction, rehabilitation, and maintenance of the transportation system. To achieve this vision, the Authority and transit operators will develop an ITP to identify how Contra Costa County transit operators can utilize TEP funding to better coordinate and integrate their services. This ITP will focus on delivering a streamlined and unified experience for the customer across all modes and transit operators. Allocations pursuant to this TEP will be made in support of the findings and recommendations included in the ITP.

All transit operators who receive funding from the TEP shall participate in the development of an ITP. Transit operators shall consult with the RTPCs in developing the ITP in cities, towns, and the County, as applicable, regarding TEP funding for signal synchronization, complete streets, and other investments that could benefit transit. Transit operators shall incorporate the findings and recommendations of the ITP into their respective Short-Range Transit Plans.

The Authority expects that transit operating funds from the Transportation Expenditure Plan be used to support transit service and the ITP. In the event that TEP funds must be used to subsidize existing services as a result of reduction of operating funds from other sources, or due

to other financial concerns, the transit operator shall update its Short-Range Transit Plan and submit it to the Authority.

24. Accessible Transportation for Seniors, Veterans, and People with Disabilities

An Accessible Transportation Strategic (ATS) Plan will be developed and periodically updated during the term of the Measure. No funding under the Accessible Transportation for Seniors, Veterans, and People with Disabilities category will be allocated until the ATS Plan has been developed and adopted. No funds may be distributed to a service provider until it adopts the plan, except as noted below. The development and delivery of the ATS Plan will establish a user-focused system with a seamless coordinated system using mobility management to ensure coordination and efficiencies in accessible service delivery. The ATS Plan will address and direct funding to both traditional and beyond traditional paratransit services. The ATS Plan will deliver a streamlined, affordable, and unified experience for the customer and address how accessible services are delivered by all service providers where appropriate coordination can improve transportation services, eliminate gaps in service, and find efficiencies in the service delivered. The ATS Plan will identify where coordination can improve transportation services, eliminate gaps in service, and find efficiencies in the service delivered. The ATS Plan will also determine the investments and oversight of the program funding and identify timing, projects, service delivery options, administrative structure, and fund leverage opportunities.

The ATS Plan will be developed by the Authority in consultation with direct users of service; stakeholders representing seniors and people with disabilities who face mobility barriers and nonprofit and publicly operated paratransit service providers. Public transit operators in Contra Costa must participate in the ATS planning process to be eligible to receive funding in this category. The ATS Plan must be adopted no later than December 31, 2020. The development of the ATS Plan will not affect the allocation of funds to current operators as prescribed in the existing Measure J Expenditure Plan.

25. Safe Transportation for Youth and Children

Prior to an allocation of funds from the Safe Transportation for Youth and Children category, the Authority will employ a public process to develop and adopt program guidelines and performance assessment procedures to maximize effectiveness.

The guidelines and performance assessment may require provisions such as operational efficiencies, performance criteria, parent contributions, and reporting requirements. The guidelines will be developed in coordination with the RTPCs to develop a program that meets the needs within each subregion. Funding will be allocated to subregions and program funding will be subject to the publicized performance assessment conducted by the Authority (see item 16 in this policy section). The development of the program guidelines and performance assessment procedures will not affect the allocation of funds to current programs as described in the existing Measure J expenditure plan.

26. Enhance Ferry Service and Rail Connectivity in Contra Costa County

All projects funded in the Enhance Ferry Service and Commuter Rail in Contra Costa category will be evaluated by the Authority and demonstrate progress toward the Authority's goals of reducing VMT and GHG emissions. Selection of final projects to be based on a performance analysis of project alternatives consistent with Authority requirements. Proposed projects must be included in and conform with the ITP. Project sponsors requesting funding from this category will be required to prepare a feasibility and operations plan and submit it to the Authority to demonstrate that there is sufficient funding available to operate the proposed project and/or service.

27. BART Maintenance of Effort (MOE)

Prior to any appropriation, allocation, or reimbursement of funds to BART, the Authority Board shall make a finding that BART has continued to use a proportional share of its operating allocations for capital projects. BART's preliminary FY 2019 Budget forecasts approximately \$150 million of its operating allocations to capital projects. BART shall demonstrate that it continues to use an equivalent proportional share of its operating revenues for capital projects allowing for normal annual fluctuations in capital projects or maintenance expenditures. In years where BART fare revenues or other general fund revenues are reduced by a decrease in ridership or unforeseen economic circumstances, loss of regional, state, or federal funding, or where one-time costs are increased by a natural disaster, then the Authority may release funds only if the Authority Board makes findings that 1) BART has not reduced its capital project funding disproportionately to the total operating revenue and 2) BART made best efforts to fund capital projects that benefit Contra Costa County.

28. Cleaner, Safer BART

Prior to making an allocation of funds to BART for the Cleaner, Safer BART category, BART shall develop and submit a countywide plan to the Authority that proposes how these funds and other funds available to BART (including Measure RR, Regional Measure 3, and other funds) will be used as part of a systemwide effort to improve its stations to meet the goals described in the TEP. The funding from the Cleaner, Safer BART category will be used for improvements to stations in Contra Costa County and requires a minimum dollar-for-dollar match from other BART funds. The Plan should document how a systemwide program to improve BART stations benefits Contra Costa residents who travel outside the county. BART should consult with the Authority (in consultation with RTPCs) in the development of the countywide plan.

In the event BART completes the train control system and if BART has maintained the commitment to provide a minimum dollar-for-dollar match from other BART funds as describe above, the Authority (in consultation with RTPCs) and BART will jointly identify, and the Authority may allocate funds for the acquisition of additional new BART cars to increase frequency during periods of high demand. The allocation will be considered in conjunction with a periodic review of the TEP (see item 39 in this policy section) and available funding capacity in the TEP.

29. Improve Local Access to Highway 4 and Byron Airport

Prior to each allocation of funds from the Improve Local Access to Highway 4 and Byron Airport category, the Authority Board must make a finding that the project includes measures to prevent growth outside of the Urban Limit Lines (ULL). Such measures might include, but are not necessarily limited to, limits on roadway access in areas outside the ULL, purchase of abutters' rights of access, preservation of critical habitat and/or the permanent protection/acquisition of agricultural and open space, or performing conservation measures required to cover this project under the East Contra Costa County Habitat Conservation Plan/Natural Community Conservation Plan (HCP/NCCP). With the exception of the proposed new connection between Vasco Road and the Byron Highway, funding from this category shall not be used to construct new roadways on new alignments. The Authority will coordinate with Alameda and/or San Joaquin Counties relative to project improvements in those jurisdictions.

30. Modernize Local Roads and Improve Access to Jobs Centers and Housing

Each jurisdiction in Contra Costa County will receive their share of 15.2% of annual sales tax revenues, calculated using a base allocation of \$100,000 per year plus additional funds distributed based half on relative population and half on road miles within each jurisdiction. In addition, jurisdictions in Central, East, and Southwest Contra Costa will receive their share of an additional allocation of 2.2% of annual sales tax revenue calculated using the same formula. This is equivalent to 18% of the sales tax revenues for the Central, East, and Southwest parts of the county for improvements under this category. Population figures used shall be the most current available from the State Department of Finance. Road mileage shall be from the most current information included in the Highway Performance Monitoring System (HPMS). Jurisdictions shall comply with the Authority's Maintenance of Effort (MOE) policy as well as Implementation Guidelines of this TEP. In addition to the requirements set forth in the Growth Management Program Urban Limit Line Compliance policies and other applicable policies, local jurisdictions will report on the use of these funds, such as the amount spent on roadway maintenance, bicycle and pedestrian facilities, transit facilities, and other roadway improvements, and benefits to social equity and Communities of Concern (as defined by the Metropolitan Transportation Commission) in their jurisdictions. A minimum of 15% of all local street funding be spent on project elements directly benefiting bicyclists and pedestrians.

31. Countywide Major Roads Improvement Program

Prior to an allocation of funds from the Improve Traffic Flow on Major Roads category, the Authority will develop a new countywide Major Roads Improvement Program to address congestion relief on major roads within each subregion. The program guidelines will include information regarding how to evaluate the range of possible components. Implementation guidelines and standards will be developed in coordination with the RTPCs and will be approved by the Authority Board. Project funding is subject to a performance assessment conducted by the Authority using approved and publicized guidelines. Funding will be allocated to subregions. If projects proposed by an RTPC do not meet performance standards, the project will either be modified or withdrawn in favor of another project from the same region. Funds in this category may be used for arterial refurbishment/redesign for Transit First and Complete Streets. Projects funded from the Improve

Traffic Flow on Major Roads category must conform to the Transit, Complete Streets, Road Traffic Safety, and other related policies.

32. Improve Walking and Biking on Streets and Trails

Prior to an allocation of funds from the Improve Walking and Biking on Streets and Trails category, the Authority will develop and adopt program guidelines and standards for a competitive project-selection process. All projects will be selected through a competitive project-selection process with the Authority approving the final program of projects, allowing for a comprehensive countywide approach while recognizing subregional equity based upon the proportional funding share shown in the TEP. Project funding is subject to a performance assessment conducted by the Authority using approved and publicized guidelines. Projects funded from this category must comply with the Transit, Road Traffic Safety, and Complete Streets Policies and include complete street elements whenever possible.

Up to \$15 million within each subregion for a total of \$60 million will be allocated to Complete Street demonstration projects. Each demonstration project will be recommended by the relevant Regional Transportation Planning Committees and approved by the Authority prior to allocation of funds to demonstrate the successful implementation of Complete Streets projects no later than July 1, 2024. Each demonstration project will be required to strongly pursue the use of separated bike lane facilities to be considered for funding. The purpose of these demonstration projects is to create examples of successful complete street projects in multiple situations throughout the County.

Approximately one fifth of the funding is to be allocated to the East Bay Regional Park District (EBRPD) for the development, rehabilitation, and maintenance of paved regional trails. EBRPD is to spend its allocation proportionally in each subregion, subject to the review and approval of the conceptual planning/design phase by the applicable subregional committee, prior to funding allocation by the Authority. The Authority, in conjunction with EBRPD, will develop a maintenance-of-effort requirement for funds under this component of the funding category.

33. Reduce Emissions and Improve Air Quality

Prior to an allocation of funds from the Reduce Emissions and Improve Air Quality category, the Authority will develop and adopt program guidelines and standards for a competitive project-selection

process. All projects will be selected through a competitive project-selection process with the Authority approving the final program of projects, allowing for a comprehensive countywide approach while recognizing subregional equity based upon the proportional funding share shown in the TEP. Project funding is subject to a performance assessment conducted by the Authority using approved and publicized guidelines. Projects funded from this category must comply with the Transit, Complete Streets, Road Traffic Safety, and other related policies.

34. Seamless Connected Transportation Options

Prior to an allocation of funds from the Seamless Connected Transportation Options category, the Authority will develop and adopt program guidelines and standards for a competitive project-selection process. All projects will be selected through a competitive project-selection process, with the Authority approving the final program of projects, and allowing for a comprehensive countywide approach while recognizing subregional equity based upon the proportional funding share shown in the TEP. Project funding is subject to a performance assessment conducted by the Authority using approved and publicized guidelines. Projects funded from this category must comply with the Transit, Complete Streets, Road Traffic Safety and other related policies.

35. Reduce and Reverse Commutes

Prior to an allocation of funds from the Reduce and Reverse Commutes category, the Authority will develop and adopt program guidelines and standards for a competitive project-selection process. All projects will be selected through a competitive project-selection process with the Authority approving the final program of projects, allowing for a comprehensive countywide approach while recognizing subregional equity based upon the proportional funding share shown in the TEP. Project funding is subject to a performance assessment conducted by Authority using approved and publicized guidelines. Projects funded from this category must comply with the Transit, Complete Streets, Road Traffic Safety, and other related policies.

Project Financing Guidelines and Managing Revenue

36. Fiduciary Duty

Funds may be accumulated for larger or longer-term projects. Interest income generated will be used for the purposes outlined in the TEP and will be subject to audits.

37. Project and Program Financing

The Authority has the jurisdiction to bond for the purposes of expediting the delivery of transportation projects and programs. The Authority will develop a policy to identify financing procedures for the entire plan of projects and programs.

38. Strategic Delivery Plan

On a periodic basis, the Authority will develop a Strategic Delivery Plan to distribute revenue from the Measure to TEP projects and programs. The Strategic Delivery Plan will allocate Measure funds as a firm commitment and will consider the amount of Measure funds and additional leveraged funds available to the project or program, expected cost and cash-flow needs, and project or program delivery schedule in allocating Measure funds. Recipients of Measure funds may seek an allocation for projects and programs included in the Strategic Delivery Plan.

39. Periodic Review of the 2020 Transportation Expenditure Plan (TEP)

The Authority may review the TEP to consider updating the financial forecast due to changing economic conditions and adjust funding, if necessary, due to revenue shortfalls. The project and program categories may need to be adjusted based on progress made in meeting the commitments and goals of the TEP. The review may determine that increased revenues be invested in projects and programs deemed by the Authority to address transportation needs that will best serve the residents of Contra Costa County. The review will provide the opportunity to adjust the TEP to adapt to the current state of transportation, leverage new funding opportunities, reflect changed conditions, adhere to state and federal requirements, track performance towards commitments and goals of the TEP, and to capture new opportunities that are becoming better defined. The Authority will review the TEP at a minimum of every ten years.

The Authority may review the performance of the TEP and progress towards meeting state transportation mandates for reduction in vehicle-miles traveled (VMT) per capita and greenhouse gas (GHG) emissions. Depending on progress, the Authority may adjust and

approve new goals in the TEP with explicit findings, justification, and approach to meeting goals for State transportation mandates to reduce VMT per capita and GHG emissions.

Any amendments to the TEP must comply with the policy for Expenditure Plan Amendments Require Majority Support and the following related policies.

40. Programming of Excess Funds

Actual revenues may, at times be higher or lower than expected in this TEP due to changes in receipts. Additional funds may become available due to the increased opportunities for leveraging or project costs being less than expected. Revenue may be higher or lower than expected as the economy fluctuates. Determination of when the additional funds become excess will be established by a policy defined by the Authority. Funds considered excess will be prioritized first to the TEP projects and programs that are not fully funded and second to other projects deemed by the Authority to best serve the residents of Contra Costa County. Any new project or program will be required to be amended into the TEP pursuant to the Expenditure Plan Amendments Require Majority Support section above.

41. Reprogramming Funds

Through the course of the Measure, if any TEP project becomes undeliverable, infeasible, or unfundable due to circumstances unforeseen at the time the TEP was created, funding for that project will be reallocated to another project or program. The subregion where the project or program was located may request that the Authority reassign funds to another project category in the same subregion. In the allocation of the released funds, the Authority, in consultation with the subregion's RTPC, will consider:

- a. A project or program of the same travel mode (i.e., transit, bicycle/pedestrian, or road) in the same subregion
- b. A project or program for other modes of travel in the same subregion
- c. Other TEP projects or programs
- d. Other projects deemed by the Authority to best serve the residents of Contra Costa County

The new project, program, or funding level may require amending the TEP pursuant to the Expenditure Plan Amendments section above.

Funds may require reallocation to meet state transportation policy for vehicle-miles traveled per capita and greenhouse gas emissions.

42. Leveraging Funds

Project proponents, including the Authority, are expected to apply for all available funds from other sources to maximize the leveraging of TEP funds. To the extent matching funds from the TEP are needed to complete a project or a phase of project, the Authority will approve funding from the applicable funding category in the TEP where the project is eligible for funding. If the project is determined not to be eligible for funding under any of the categories in the TEP, the Authority, in consultation with the respective RTPC, may approve matching funds from the Reduce and Reverse Commutes category. The Authority may utilize funding from the Transportation Planning, Facilities, and Services category, as needed, to attract other fund sources.

43. Development of Guidelines for Performance-Based Projects Review and Programs

The TEP requires development of procedures and guidelines to ensure the goals of the TEP are attained. To ensure high quality of the resulting guidelines and substantial public participation, the following procedures shall be used unless specifically replaced by the Authority.

- a. **Scope.** The Authority will adopt the following implementation guidelines and procedures described in the TEP, herein referenced as Guidelines.

1. Performance-Based Project Review
2. Countywide Major Road Improvement Program
3. Safe Transportation for Youth and Children
4. Improve Walking and Biking on Streets and Trails
5. Reduce Emissions and Improve Air Quality
6. Seamless Connected Transportation Options
7. Reduce and Reverse Commutes
8. Integrated Transit Plan
9. Vehicle-Miles Traveled Mitigation Program

The Guidelines shall adhere to the following parameters:

1. Implement the overall guiding principles, goals, and policies of the TEP and the applicable funding category efficiently and effectively
 2. Utilize other regulations and reporting requirements for funding recipients as possible to avoid additional work
 3. Increase public confidence regarding the Authority and its actions
 4. Shall be written concisely in plain language
- b. **Schedule.** Before December 31, 2020, the Authority shall publish a public outreach and engagement process and a schedule for developing the Guidelines. Individuals and organizations shall be able to register their interest in development of the Guidelines and shall subsequently receive advance notification from the Authority of the steps described below and encouragement to participate.
- c. **Public Review.** Using a structured public-engagement process, the Authority will publish the draft Guidelines for public comment and questions from residents, agencies, and interested parties. Cities/towns and Regional Transportation Planning Committees (RTPCs) may provide input and feedback on draft Guidelines. The public comment period will be at least 45 days. Public Meetings will be held to receive any input and requested modifications from the public.
- d. **Public Oversight Committee (POC).** The POC shall be convened and tasked with reviewing comments received during the public review period. The POC will provide input and recommendations regarding the Guidelines for consideration by the Authority.
- e. **Approval.** The Authority shall discuss POC recommendations, public comments, requested modifications, or additional criteria at a public meeting. The Guidelines shall be approved by a supermajority (66%) vote of the Authority Board and published on the Authority's website. The Authority will send notices to all interested parties. The Guidelines shall be reviewed and approved by the Authority every five years if needed to achieve the goals of the Plan, with input and recommendations from the POC and other interested parties.

Road Traffic Safety Policy

VISION

In this Plan, the **Road Traffic Safety policy is intended to eliminate traffic-related deaths and severe injuries** within Contra Costa County by prioritizing a systemwide safety approach to transportation planning and design. Principally, the Road Traffic Safety policy treats personal mobility and accessibility as a fundamental activity of the general public to attend school, conduct business, and visit friends and family, free from the risk of physical harm due to traffic. This policy applies to all transportation system users, including pedestrians, bicyclists, transit riders, micromobility users, automobile drivers, taxis, ride-hailing services and their passengers, truckers, and people of varying abilities, including children, seniors, and people with disabilities. Implementation of the Road Traffic Safety policy is intended to reduce societal costs due to loss of life and injury, lessen congestion stemming from nonrecurring traffic collisions and incidents, and generally enhance the quality of life in Contra Costa.

POLICY

Achieving this vision will require shifting the paradigm of traditional transportation planning and engineering by following the principle of “Vision Zero,” which is an internationally recognized approach to proactively preserving life safety in transportation planning and engineering decision making. All recipients of funding through this Plan shall systemically incorporate street design elements that quantifiably reduce the risk of traffic-related deaths and severe injuries in the public right-of-way and accommodate the needs of all users in the planning, design, construction, reconstruction, rehabilitation, operations, and maintenance of the transportation system.

In consultation with local jurisdictions, the RTPCs, and the public, the Authority shall develop and adopt a Model Vision Zero Policy that reflects best practices for street design elements and programs to mitigate human error and quantifiably improve the traffic safety of all users in the planning, design, and construction of projects funded with Measure funds. Key design elements of the

Model Vision Zero Policy shall be incorporated into the Authority’s project development guidelines as appropriate. To be eligible to receive Measure funds, local jurisdictions must adopt a Vision Zero Policy that substantially complies with the Authority’s Model Vision Zero Policy. Jurisdictions that adopt a Vision Zero Policy prior to the Authority’s adoption of the model Vision Zero Policy may be considered compliant with the Growth Management Program compliance requirements if the adopted policy substantially complies with the Authority’s Model policy.

To ensure consistency with the Road Traffic Safety Policy vision, the Authority shall coordinate periodic traffic system and project monitoring with local jurisdictions and the RTPCs and utilize data collected over time to evaluate the effects of Vision Zero implementation on public health and safety. Emphasis shall be placed on proactive deployment of next-generation technology, such as advanced detection systems at major intersections and corridors identified in regional and local plans as having high collision density. Funding for this level of effort shall be made available to local jurisdictions and RTPCs through the Countywide Major Road Improvement Program and funding from the Improve Traffic Flow on Major Roads.

Developed by the Contra Costa Transportation Authority Board
in partnership with the communities it serves.

Janet Abelson

Council Member, City of El Cerrito

Debora Allen (Ex Officio)

Director, BART Board of Directors

Newell Arnerich

Council Member, Town of Danville

Tom Butt

Mayor, City of Richmond

Teresa Gerringier

Council Member, City of Lafayette

Federal Glover

Board of Supervisors, Contra Costa County D5

Loella Haskew

Mayor Pro Tem, City of Walnut Creek

Dave Hudson

Council Member, City of San Ramon

Karen Mitchoff

Board of Supervisors, Contra Costa County D4

Julie Pierce (Vice Chair)

Vice Mayor, City of Clayton

Kevin Romick

Council Member, City of Oakley

Robert Taylor (Chair)

Mayor, City of Brentwood

Monica Wilson (Ex Officio)

Council Member, City of Antioch

Amy Worth (Ex Officio)

Council Member, City of Orinda





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Guiding Principles:

A set of Guiding Principles were used to develop the TEP. The Guiding Principles are collectively a statement of values to ensure a new TEP provides transportation solutions that meet the transportation needs of Contra Costa County's residents, businesses and travelers. The Guiding Principles consist of (see Attachment A):

- Relieve Traffic Congestion;
- Transit First;
- Performance Orientation;
- Economic Opportunity to partially fund transportation infrastructure that is likely to result in significant job growth;
- Public Participation that collects input from Stakeholders;
- Accountability and Transparency;
- A Balanced and Equitable Approach to benefit all residents and regions;
- Maximize Available Funding;
- Commitment to Technology and Innovation to improve transportation;
- Protecting the Environment and
- Commitment to Growth Management.

Transportation Investments:

A one-half percent transportation sales tax for a 35-year period from July 1, 2020 to June 30, 2055 is expected to generate approximately \$3.6 billion. To ensure an equitable distribution of benefits, the TEP allocates a proportionate share of the expected revenue to each of Contra Costa County's four subregions based on the projected population of each subregion. The Authority used input from the Regional Transportation Planning Committee (RTPC) for each subregion, as well as input from other stakeholders, public opinion surveys and public comments to further allocate funding to priority projects and programs in each subregion.

The proposed TEP is organized to focus on congestion relief along three signature corridors and on countywide programs intended to improve transportation in local communities. A brief overview of the major focus of the TEP follows:

A. Relieving Congestion on Highways, Interchanges and Major Roads (\$1.484 billion)

- Improve State Route 242 (SR242), Highway 4, Transit and the Bay Area Rapid Transit Corridor in East County – (eBART) (\$705 million);
- Modernize Interstate 680 (I-680), Highway 24, Transit and BART Corridor (\$536 million);
- and

- Upgrade I-80 and I-580 (Richmond-San Rafael Bridge), Transit and BART Corridor (\$243 million)

Easing traffic congestion is one of Contra Costa County residents' highest priorities. Accordingly, the proposed TEP invests nearly half of the new transportation sales tax revenue toward new, modern tools and strategies to improve traffic flow and reduce traffic congestion on Contra Costa County's major corridors and roads. These strategies include highway and road improvements thoughtfully integrated with transit improvements and alternative modes.

Each of Contra Costa County's corridors contains a major interstate or highway, a major transit line, local roads and streets, paths, bus lines, and transit stations. Everyone is impacted by the performance of each component of the corridor as each impacts the corridor as a whole. For example, improving transit and transit connections will lessen traffic congestion on Contra Costa County highways. As transit service is improved and more people take transit, fewer cars on the road translates to less traffic.

B. Improving Transportation Countywide in all of our Communities (\$1.98 billion)

The proposed TEP includes many projects throughout Contra Costa County to improve our local communities and protect Contra Costa County's environment and quality of life. This funding spreads into every community, through local projects and programs that improve Contra Costa County's vast transportation network. Funding will be allocated towards improving local roads and streets to make them safer for all travelers. Smaller projects, such as removing bottlenecks, improving traffic signal operations, installing traffic calming measures, and making streetscape improvements, which can make big improvements in a community's quality of life.

Funding will be allocated toward substantial investments in a robust transit system that provides affordable, efficient, convenient, and accessible transit to travelers throughout Contra Costa County. These projects will result in cleaner, safer, and more reliable trips on BART, buses, and ferries. The transit systems will extend into parts of Contra Costa County that are currently lacking frequent transit service. When more people take transit, traffic congestion on Contra Costa County roads and highways will decrease, traffic will flow more smoothly, and air emissions will decrease, thereby improving air quality in Contra Costa County. The Initial Draft TEP continues to allocate funding towards a wide array of programs for students, seniors, veterans, and people with disabilities, aimed at offering safe transportation options and improving mobility.

The following countywide programs are included in the “Improving Transportation Countywide in all of our Communities”:

- Modernize Local Roads and Improve Access to Jobs and Housing (17.4%) – The TEP provides funding directly to every city, town and Contra Costa County so that they may make improvements to their own local roads and streets. This is equivalent to 18% of the sales tax revenues for the Central, East, and Southwest subregions and 15.2% of sales tax revenues for the West subregion of Contra Costa County.
- Provide Convenient and Reliable Transit Service in Central, East and Southwest Contra Costa County (10.9% of total funding) – Funding will be provided to public transit operators in the central, east, and southwest subregions to provide cleaner, safer, and more reliable trips on buses or shuttles. This funding will enable transit operators to improve the frequency of service on existing routes, especially high-demand routes, increase ridership, and incentivize transit use by offsetting fares.
- Increase Bus Services and Reliability in West Contra Costa County (6.9%) – Similar to above, but with a larger share of the West County allocation to focus on expanding transit services to unserved or underserved areas, along with more frequent and reliable bus service to all.
- Improve Walking and Biking on Streets and Trails (6.0%) – The TEP contains unprecedented levels of funding to improve safety for bicyclists and pedestrians in every part of Contra Costa County.
- Accessible Transportation for Seniors, Veterans, and People with Disabilities (5.0%) – Funding in this category will be used for affordable and safe countywide transportation for seniors, disabled veterans, and other people with disabilities who cannot drive or take other transit options.
- Cleaner and Safer BART (3.3%) – Funding for a suite of modernization projects at select stations to increase safety, security, and cleanliness, and to improve the customer experience.
- Safe Transportation for Youth and Students (2.9%) – The TEP allocates funding towards a wide array of transportation projects and programs for students and youth, aimed at offering safe transportation options, such as walking, and cycling, and improving mobility.
- Reduce and Reverse Commutes (1.5%) – Funding to provide transportation infrastructure to incentivize employers to create jobs in housing-rich areas, and

promote transit, shared trips, telecommuting and shifting work schedules, all with the intent of reducing commuter traffic at peak commute times and better utilizing available reverse commute capacity in the existing transportation infrastructure.

- Reduce Emissions and Improve Air Quality (1.0%) – Funding for technology solutions to help solve the challenges of the lack of connectivity between transportation options, resulting in reduced emissions, and improved air quality.

Taxpayer Safeguards and Accountability:

The Authority has approved various administrative, financial and accountability policies beginning with the passage of Measure C in 1988 and the approval of Measure J in 2004. Certain policies relate to administrative and accounting practices, committee structures, local hiring preference, allocation of funds, and maintenance-of-effort are common in local transportation sales tax measures.

The major change proposed in the proposed TEP relates to the Authority's commitment that the TEP be a performance-based, outcome-oriented plan. Several sections were added to the Taxpayer Safeguards for performance standards to be considered before certain projects can be funded from sales tax revenue. The Authority envisions a process that consists of project nomination, project performance review, and full funding commitment for the highest performing projects. The intent is to prioritize the highest performing projects and work with project sponsors to fully fund them from one or more TEP funding categories combined with other state, federal or regional funding sources available to the Authority.

The proposed TEP also establishes a Public Oversight Committee (POC) (replacing the current Citizens Advisory Committee (CAC)) with prescribed additional responsibilities, including oversight of fiscal and performance audits.

Other Pertinent Policies:

The proposed TEP includes a mix of policies included in the existing Measure J, as well as four proposed new policies.

- GMP/ULL Compliance Requirements;
- Complete Streets Policy;
- Advance Mitigation Program;
- Transit Policy; and
- Road Traffic Safety aka "Vision Zero" Policy.

The GMP/ULL Compliance Requirements continue these policies with minor changes. Any jurisdiction with a developable hillside, ridgeline, wildlife corridor or creek is required to

approve a corresponding development and protection policy. The process to approve minor amendments to the ULL has also been revised.

The other listed policies are new to the proposed TEP. The Complete Streets Policy, Transit Policy and Road Traffic Safety Policy are intended to provide an overall framework for a transportation system that is safe, sustainable, equitable, and provides for the needs of all users.

CEQA:

Adopting the attached Resolution of Support is not subject to the California Environmental Quality Act of 1970 (CEQA) because the TEP is not a project within the meaning of CEQA. (See 14 California Code of Regulations (CCR), § 15378, 15352). Specifically, the Council's adoption of the Resolution of Support does not constitute the approval of a CEQA project for reasons that include, but are not limited to: (1) the TEP does not authorize the construction of any projects that may result in any direct or indirect physical change in the environment; (2) the TEP is a mechanism for funding potential future transportation projects, the timing, approval, and construction of which may be modified or not implemented depending on a number of factors, including future site-specific CEQA environmental review; and (3) the TEP is subject to further discretionary approvals insofar as it may not be adopted until and unless the pre-conditions set forth in the Public Utilities Code are satisfied (See 14 CCR., § 15378, 15352; Public Utilities Code § 180206(b)).



CONTRA COSTA TRANSPORTATION AUTHORITY

ORDINANCE 19-01

**CONDITIONALLY AMENDING THE MEASURE J TRANSPORTATION EXPENDITURE
PLAN (TEP) GROWTH MANAGEMENT PROGRAM (GMP), WHICH INCLUDES
ATTACHMENT A: PRINCIPLES OF AGREEMENT FOR ESTABLISHING
THE URBAN LIMIT LINE (ULL) TO MATCH THE PROPOSED 2020 TEP**

WHEREAS, Public Utilities Code, §180207 and Section 8 of the Ordinance adopting Measure J provide for a mechanism to amend the Measure J TEP based upon unforeseen circumstances; and

WHEREAS, the Contra Costa Transportation Authority (Authority) is considering the countywide imposition of a one-half of one percent sales tax for transportation purposes for a period of 35 years effective on July 1, 2020 through June 30, 2055; and

WHEREAS, the Authority conducted extensive consultations with local governments and conducted outreach to a wide variety of interest groups and the public in order to develop a TEP proposing a potential mix of projects and programs to be funded by the proposed sales tax; and

WHEREAS, the Authority has concluded that due to the unforeseen circumstances of a new sales tax measure, it would be beneficial to manage one GMP for both Measures.

NOW, THEREFORE, BE IT ORDAINED AS FOLLOWS:

- 1) The Measure J TEP GMP, which includes Attachment A: Principles of Agreement for Establishing the ULL is hereby replaced in its entirety as set forth in Exhibit 1, incorporated herein by reference and made a part of this Ordinance as if fully set forth.

The foregoing Ordinance was adopted by the Authority Board on August 28, 2019, and shall become effective only after the following: (1) the 45th day following notice by the Authority to Contra Costa County, the cities/towns, and the Conference of Mayors, unless overridden; and (2) if the proposed one-half of one percent local transportation sales tax is placed on the ballot and successfully approved by the electors on the March 3, 2020 ballot.

SEVERABILITY: If any provision or clause of this Ordinance or the application thereof is held unconstitutional or otherwise invalid by a court of competent jurisdiction, such invalidity shall not affect other provisions, clauses, or applications of this Ordinance which can be implemented without the invalid provision, clause, or application, it being hereby expressly declared that this Ordinance, and each section, subsection, sentence, clause, and phrase hereof would have been prepared, proposed, approved, adopted and/ or ratified irrespective of the fact that any one or more sections, subsections, sentences, clauses, and/or phrases may be declared invalid or unconstitutional.

EFFECTIVE DATE: This ordinance shall be effective immediately upon adoption.

PASSED AND ADOPTED by the Contra Costa Transportation Authority Board of Directors in Walnut Creek, State of California, on August 28, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

E-SIGNED by Robert Taylor
on 2019-09-03 22:07:29 GMT

Robert Taylor, Chair

This Ordinance 19-01 was entered into at a meeting of the Contra Costa Transportation Authority held on August 28, 2019, in Walnut Creek, California, and shall become effective as provided above.

Attest:

E-SIGNED by Tarienne Grover
on 2019-09-03 15:36:49 GMT

Tarienne Grover, Clerk of the Board

EXHIBIT 1
GROWTH MANAGEMENT PROGRAM

[Attached behind this page]

THE GROWTH MANAGEMENT PROGRAM

Coupled with the Expenditure Plan is Contra Costa's unique and well-tested program for managing growth. The overall goal of the Growth Management Program (GMP) is to preserve and enhance the quality of life and promote a healthy, strong economy to benefit the people and areas of Contra Costa County through a cooperative, multi-jurisdictional process for managing growth, while maintaining local authority over land-use decisions.¹

The objectives of the GMP are to:

- Assure that new residential, business, and commercial growth pays for the facilities required to meet the demands resulting from that growth;
- Require cooperative transportation and land-use planning among Contra Costa County, cities/towns, and transportation agencies;
- Support land-use patterns within Contra Costa County that make more efficient use of the transportation system, consistent with the General Plans of local jurisdictions; and
- Support infill and redevelopment in existing urban and brownfield areas.

The Measure J TEP GMP, which includes Principles of Agreement for Establishing the Urban Limit Line (ULL), is augmented and superseded by this 2020 TEP.

COMPONENTS

To receive its share of funding from the following categories:

- 2020 TEP Modernize Local Roads & Improve Access to Housing and Job Centers;
- Measure J Local Streets Maintenance & Improvements (LSM); and
- Measure J Transportation for Livable Communities (TLC);

each jurisdiction must:

1. Adopt a Growth Management Element (GME)

Each jurisdiction must adopt, or maintain in place, a GME as part of its General Plan that outlines the jurisdiction's goals and policies for managing growth and requirements for achieving those goals. The GME must show how the jurisdiction will comply with sections 2–9 below. The Authority will refine its model GME and administrative procedures in consultation with the Regional Transportation Planning Committees (RTPCs) to reflect the revised GMP.

1. The Authority will, to the extent possible, attempt to harmonize the GMP and the State-mandated Congestion Management Program (CMP).

To the extent they conflict, CMP activities shall take precedence over the GMP activities.

Each jurisdiction is encouraged to incorporate other standards and procedures into its GME to support the objectives and required components of this GMP.

2. Adopt a Development Mitigation Program

Each jurisdiction must adopt, or maintain in place, a Development Mitigation Program to ensure that new growth is paying its share of the costs associated with that growth. This program shall consist of both a local program to mitigate impacts on local streets and other facilities, and a regional program to fund regional and subregional transportation projects, consistent with the Countywide Transportation Plan (CTP).

The jurisdiction's local Development Mitigation Program shall ensure that revenue provided from this measure shall not be used to replace private developer funding that has or would have been committed to any project.

The regional Development Mitigation Program shall establish fees, exactions, assessments, or other mitigation measures to fund regional or subregional transportation improvements needed to mitigate the impacts of planned or forecasted development. Regional mitigation programs may adjust such fees, exactions, assessments or other mitigation measures when developments are within walking distance of frequent transit service or are part of a mixed-use development of sufficient density and with necessary facilities to support greater levels of walking and bicycling.

Each RTPC shall develop the regional Development Mitigation Program for its region, taking account of planned and forecasted growth and the Multimodal Transportation Service Objectives (MTSOs) and actions to achieve them established in the Action Plans for Routes of Regional Significance. RTPCs may use existing regional mitigation programs, if consistent with this section, to comply with the GMP.

3. Address Housing Options

Each jurisdiction shall demonstrate reasonable progress in providing housing opportunities for all income levels as part of a report on the implementation of the actions outlined in its adopted Housing Element. The report will demonstrate progress by:

- a. Comparing the number of housing units approved, constructed or occupied within the jurisdiction over the preceding five years with the average number of units needed each year to meet the housing objectives established in the jurisdiction's Housing Element; or
- b. Illustrating how the jurisdiction has adequately planned to meet the existing and projected housing needs through the adoption of land use plans and regulatory

systems which provide opportunities for, and do not unduly constrain, housing development; or

- c. Illustrating how a jurisdiction's General Plan and zoning regulations facilitate the improvement and development of sufficient housing to meet those objectives.

Jurisdictions will provide prepared reports regarding the production and preservation of affordable units as provided for in the Annual Housing Element Progress Report and subsequent reports. Each jurisdiction shall demonstrate meaningful progress in preserving existing affordable units for lower-income residents by adopting and implementing locally appropriate anti-displacement and affordable housing policies, for example, preservation of affordable housing, density bonus ordinance and/or inclusionary zoning, to support community stabilization.

Jurisdictions are subject to California's Surplus Land Act, which includes the disposition of surplus land, and each jurisdiction will affirm whether it complies with the Surplus Land Act and whether it maintains an inventory of all public land in its jurisdiction that adheres to applicable Surplus Land Act and Government Code 50569 requirements and makes the inventory available to the public.

Each jurisdiction will indicate whether it adheres to applicable local, state, or federal policies or laws regarding tenant protection and whether it has prepared the reports required by such policies or laws and made the reports available to the public.

In addition, each jurisdiction shall consider the impacts that its land use and development policies have on the local, regional and countywide transportation system, including the level of transportation capacity that can reasonably be provided, and shall incorporate policies and standards into its development approval process that support transit, bicycle and pedestrian access in new developments. Each jurisdiction must participate in an Ongoing Cooperative, Multi-Jurisdictional Planning Process.

4. Participate in an Ongoing Cooperative, Multi-Jurisdictional Planning Process

Each jurisdiction shall participate in an ongoing process with other jurisdictions and agencies, the RTPCs and the Authority to create a balanced, safe and efficient transportation system and to manage the impacts of growth. Jurisdictions shall work with the RTPCs to:

- a. Identify Routes of Regional Significance and MTSOs or other tools adopted by the Authority Board for measuring performance and quality of service along routes of

regional significance, collectively referred to as MTSOs for those routes and actions for achieving those objectives;

- b. Apply the Authority's Travel Demand Model (TDM) and technical procedures to the analysis of General Plan Amendments and developments exceeding specified thresholds for their effect on the regional transportation system, including on Action Plan objectives;
- c. Create a Development Mitigation Program as outlined in section 2 above; and
- d. Help develop other plans, programs and studies to address other transportation and growth management issues.

In consultation with the RTPCs, each jurisdiction will use the TDM to evaluate changes to local General Plans and the impacts of major development projects for their effects on the local and regional transportation system and the ability to achieve the MTSOs established in the Action Plans.

Jurisdictions shall also participate in the Authority's ongoing countywide comprehensive transportation planning process. As part of this process, the Authority shall support countywide and subregional planning efforts, including the Action Plans for Routes of Regional Significance, and shall maintain a TDM. Jurisdictions shall help maintain the Authority's TDM system by providing information on proposed improvements to the transportation system and planned and approved development within the jurisdiction.

5. Continuously Comply with an Urban Limit Line (ULL)

In order to be found in compliance with this element of the Authority's GMP, all jurisdictions must continually comply with an applicable voter-approved ULL. Said ULL may either be the Contra Costa County voter-approved ULL (County ULL) or a locally initiated, voter-approved ULL (LV-ULL).

Additional information and detailed compliance requirements for the ULL are fully defined in the ULL Compliance Requirements (Attachment A), which are incorporated herein.

Any of the following actions by a local jurisdiction will constitute non-compliance with the GMP:

- a. The submittal of an annexation request to the Local Agency Formation Commission (LAFCO) for lands outside of a jurisdiction's applicable ULL.
- b. Failure to conform to the Authority's ULL Compliance Requirements.

6. Develop a Five-Year Capital Improvement Program (CIP)

Each jurisdiction shall prepare and maintain a CIP that outlines the capital projects needed to implement the goals and policies of the jurisdiction's General Plan for at least the following five-year period. The CIP shall include approved projects and an analysis of the costs of the proposed projects, as well as a financial plan for providing the improvements. The jurisdiction shall forward the transportation component of its CIP to the Authority for incorporation into the Authority's database of transportation projects.

7. Adopt a Transportation Systems Management (TSM) Ordinance or Resolution

To promote carpools, vanpools, and park-and-ride lots, each jurisdiction shall adopt a local ordinance or resolution that conforms to the model TSM ordinance that the Authority has drafted and adopted. Upon approval of the Authority Board, cities/towns with a small employment base may adopt alternative mitigation measures in lieu of a TSM ordinance or resolution.

8. Adopt Additional Growth Management Policies, as applicable

Each jurisdiction shall adopt and thereafter continuously maintain the following policies (where applicable):

- a. Hillside Development Policy;
- b. Ridgeline Protection Policy;
- c. Wildlife Corridor Policy; and
- d. Creek Development Policy.

Where a jurisdiction does not have a developable hillside, ridgeline, wildlife corridor or creek, it need not adopt the corresponding policy. An ordinance that implements the East Contra Costa Habitat Conservation Plan (HCP)/Natural Community Preservation Plan (NCCP) Act shall satisfy the requirement to have an adopted Wildlife Corridor Policy and Creek Development Policy. In addition to the above, jurisdictions with Prime Farmland and Farmland of Statewide Importance (Prime/Statewide), as defined by the California Department of Conservation and mapped by the Farmland Mapping and Monitoring Program within their planning areas but outside of their city/town shall adopt and thereafter continuously maintain an Agricultural Protection Policy. The policy must ensure that potential impacts of converting Prime/Statewide outside the ULL to other uses are identified and disclosed when considering such a conversion. The applicable policies are required to be in place by no later than July 1, 2022.

9. Adopt a Complete Streets Policy and Road Traffic Safety (aka Vision Zero) Policy

Each jurisdiction shall adopt a Complete Streets Policy, consistent with the California Complete Streets Act of 2008, Assembly Bill 1358 (AB 1358) and with the Authority's Complete Streets

Policy, which accommodates all users of travel modes in the public Right-of-Way (ROW). Each jurisdiction shall also adopt a Vision Zero Policy, which substantially complies with the Authority's Model Vision Zero Policy and reflects best practices for street design elements and programs to mitigate human error and quantifiably improve the traffic safety of all users in the planning, design and construction of projects funded with Measure funds. Jurisdictions shall document their level of effort to implement these policies, including during requests for funding, peer review of project design, and as part of the newly-added compliance requirement in the biennial GMP checklist.

ALLOCATION OF FUNDS

Portions of the monies received from the retail transaction and use tax will be returned to the local jurisdictions (the cities/towns and Contra Costa County) for use on local, subregional and/or regional transportation improvements and maintenance projects. Receipt of all such funds requires compliance with the GMP and the allocation procedures described below. The funds are to be distributed on a formula based on population and road miles.

Each jurisdiction shall demonstrate its compliance with all of the components of the GMP in a completed compliance checklist. The jurisdiction shall submit, and the Authority shall review and make findings regarding the jurisdiction's compliance with the requirements of the GMP, consistent with the Authority's adopted policies and procedures.

If the Authority determines that the jurisdiction complies with the requirements of the GMP, it shall allocate to the jurisdiction its share of 2020 TEP funding from the Fix and Modernize Local Roads category and its share of Measure J Transportation Sales Tax Expenditure Plan LSM funding. Jurisdictions may use funds allocated under this provision to comply with these administrative requirements.

If the Authority determines that the jurisdiction does not comply with the requirements of the GMP, the Authority shall withhold those funds and also make findings that the jurisdiction shall not be eligible to receive Measure J TLC funds until the Authority determines that the jurisdiction has achieved compliance. The Authority's findings of noncompliance may set deadlines and conditions for achieving compliance.

Withholding of funds, reinstatement of compliance, reallocation of funds, and treatment of unallocated funds shall be as established in adopted Authority policies and procedures.

ATTACHMENT A

Urban Limit Line Compliance Requirements

Definitions—the following definitions apply to the GMP/ULL requirement:

1. Urban Limit Line (ULL) – A ULL, urban growth boundary, or other equivalent physical boundary judged by the Authority to clearly identify the physical limits of the local jurisdiction’s future urban development.
2. Local Jurisdictions – Includes Contra Costa County, the 19 cities and towns within Contra Costa County, plus any newly incorporated cities or towns established after July 1, 2020.
3. County ULL – A County ULL placed on the ballot by the County Board of Supervisors, approved by voters at a countywide election, and in effect through the applicable GMP compliance period. The current County ULL was established by Measure L approved by voters in 2006.

The following local jurisdictions have adopted the County ULL as their applicable ULL:

- City of Brentwood
- Town of Moraga
- City of Clayton
- City of Oakley
- City of Concord
- City of Orinda
- Town of Danville
- City of Pinole
- City of El Cerrito
- City of Pleasant Hill
- City of Hercules
- City of Richmond
- City of Lafayette
- City of San Pablo
- City of Martinez
- City of Walnut Creek

4. Local Voter ULL (LV-ULL) – A LV-ULL or equivalent measure placed on the local jurisdiction’s ballot, approved by the jurisdiction’s voters, and recognized by action of the local jurisdiction’s legislative body as its applicable, voter-approved ULL. The LV-ULL will be used as

of its effective date to meet the Authority's GMP/ULL requirement and must be in effect through the applicable GMP compliance period.

The following local jurisdictions have adopted a LV-ULL:

- City of Antioch
- City of Pittsburg
- City of San Ramon

5. Minor Adjustment – An adjustment to the ULL of 30 acres or less is intended to address unanticipated circumstances.

6. Other Adjustments – Other adjustments that address issues of unconstitutional takings and conformance to State and Federal law.

REVISIONS TO THE ULL

1. A local jurisdiction, which has adopted the County ULL as its applicable ULL may revise its ULL with local voter approval at any time during the term of the Authority's GMP by adopting a LV-ULL in accordance with the requirements outlined for a LV-ULL contained in the definitions section.
2. A local jurisdiction may revise its LV-ULL with local voter approval at any time during the term of the Authority's GMP if the resultant ULL meets the requirements outlined for a LV-ULL contained in the definitions section.
3. If voters, through a countywide ballot measure, approve a revision to the County ULL, the legislative body of each local jurisdiction relying on the County ULL shall:
 - a. Accept and approve its existing ULL to continue as its applicable ULL, or
 - b. Accept and approve the revised County ULL as its applicable ULL, or
 - c. Adopt a LV-ULL in accordance with the requirements outlined for a LV-ULL contained in the definitions section.
 - d. However, if any countywide measure to approve a revision to the County ULL fails, then the legislative body of each local jurisdiction relying on the prior County ULL may accept and approve the existing County ULL.
4. Local jurisdictions may, without voter approval, enact minor adjustments to their applicable ULL subject to a vote of at least 4/5 of the jurisdiction's legislative body and meeting the following requirements:

- a. Minor adjustment shall not exceed 30 acres;
- b. Adoption of at least one of the findings listed in the County's Measure L (§82-1.018 of County Ordinances 200606 § 3, 91-1 § 2, 90-66 § 4) which includes:
 - A natural or man-made disaster or public emergency has occurred, which warrants the provision of housing and/or other community needs within land located outside the ULL;
 - An objective study has determined that the ULL is preventing the jurisdiction from providing its fair share of affordable housing, or regional housing, as required by State law, and the governing elected legislative body finds that a change to the ULL is necessary and the only feasible means to enable the jurisdiction to meet these requirements of State law;
 - A majority of the cities/towns that are party to a preservation agreement and Contra Costa County has approved a change to the ULL affecting all or any portion of the land covered by the preservation agreement;
 - A minor change to the ULL will more accurately reflect topographical characteristics or legal boundaries;
 - A five-year cyclical review of the ULL has determined, based on the criteria and factors for establishing the ULL set forth in Contra Costa County Code (Section 82-1.010), that new information is available (from city/town, or Contra Costa County growth management studies or otherwise) or circumstances have changed, warranting a change to the ULL;
 - An objective study has determined that a change to the ULL is necessary or desirable to further the economic viability of the East Contra Costa County Airport, and either (i) mitigate adverse aviation-related environmental or community impacts attributable to Buchanan Field, or (ii) further Contra Costa County's aviation related needs; or
 - A change is required to conform to applicable California or Federal law.
- c. Adoption of a finding that the proposed Minor Adjustment will have a public benefit. Said public benefit could include, but is not necessarily limited to, enhanced mobility of people or goods, environmental protections or enhancements, improved air quality or land use, enhanced public safety or security, housing or jobs, infrastructure preservation or other significant positive community effects as

defined by the local land use authority. If the proposed Minor Adjustment to the ULL is proposed to accommodate housing or commercial development, said proposal must include permanent environmental protections or enhancements such as the permanent protection of agricultural lands, the dedication of open space or the establishment of permanent conservation easements.

- d. The Minor Adjustment is not contiguous to one or more non-voter approved Minor Adjustments that in total exceed 30 acres.
 - e. The Minor Adjustment does not create a pocket of land outside the existing ULL, specifically to avoid the possibility of a jurisdiction wanting to fill in those subsequently through separate adjustments.
 - f. Any jurisdiction proposing to process a Minor Adjustment to its applicable ULL that impacts FMMP is required to have an adopted Agricultural Protection Ordinance or must demonstrate how the loss of these agricultural lands will be mitigated by permanently protecting farmland.
5. A local jurisdiction may revise its LV-ULL, and Contra Costa County may revise the County ULL, to address issues of unconstitutional takings or conformance to State or Federal law.

CONDITIONS OF COMPLIANCE

1. Submittal of an annexation request by a local jurisdiction to LAFCO outside of an approved ULL will constitute non-compliance with the GMP.
2. For each jurisdiction, an applicable ULL shall be in place through each GMP compliance reporting period in order for the local jurisdiction to be found in compliance with the GMP requirements.
3. Submittal of an annexation request for land outside an approved ULL by a third party to LAFCO will constitute non-compliance with the GMP, if the local jurisdiction: (1) submits a will-serve letter to LAFCO. A will-serve letter determines the applicant's ability and willingness to serve the subject area and any further development; (2) utilizes an existing applicable tax sharing agreement; and/or (3) enters into a new tax sharing agreement for the annexation request.