



AGENDA

MARCH 4, 2014

REGULAR MEETING
CITY COUNCIL
CITY OF YUBA CITY

5:00 P.M. – CLOSED SESSION: BUTTE ROOM
6:00 P.M. – REGULAR MEETING: COUNCIL CHAMBERS

MAYOR	• Kash Gill
VICE MAYOR	• John Dukes
COUNCILMEMBER	• John Buckland
COUNCILMEMBER	• Tej Maan
COUNCILMEMBER	• Craig Starkey
CITY MANAGER	• Steven Kroeger
CITY ATTORNEY	• Timothy Hayes

1201 Civic Center Blvd
Yuba City CA 95993

Wheelchair Accessible



If you need assistance in order to attend the City Council meeting, or if you require auxiliary aids or services, e.g., hearing aids or signing services to make a presentation to the City Council, the City is happy to assist you. Please contact City offices at 530/822-4817 at least 72 hours in advance so such aids or services can be arranged. City Hall TTY: 530-822-4732

**AGENDA
REGULAR MEETING OF THE
CITY COUNCIL
CITY OF YUBA CITY
COUNCIL CHAMBERS
MARCH 4, 2014
5:00 P.M. – CLOSED SESSION
6:00 P.M. – REGULAR MEETING**

Materials related to an item on this Agenda submitted to the Council after distribution of the agenda packet are available for public inspection in the City Clerk's office at 1201 Civic Center Blvd., Yuba City, during normal business hours. Such documents are also available on the City of Yuba City's website at www.yubacity.net subject to staff's availability to post the documents before the meeting.

Closed Session—Butte Room

Public Comment: Any member of the public wishing to address the City Council on any item listed on the closed session agenda will have an opportunity to present testimony to the City Council prior to the City Council convening into closed session. Comments from the public will be limited to three (3) minutes. No member of the public will be allowed to be present once the City Council convenes into closed session. Contact the City Clerk in advance of the closed session either in person at City Hall, by phone 822-4817, or email tlocke@yubacity.net to allow for time for testimony.

- A. Confer with labor negotiators Steve Kroeger and Natalie Walter regarding negotiations with the following associations: Yuba City Police Officers, Police Sergeants, Yuba City Firefighters Local 3793, Yuba City Fire Management, Confidential Employees, Executive Services Employees, First Level Managers, Mid Managers, and Public Employees Local No. 1, pursuant to Section 54957.6 of the Government Code.

Regular Meeting—Council Chambers

Call to Order

Roll Call: ___ Mayor Gill
 ___ Vice Mayor Dukes
 ___ Councilmember Buckland
 ___ Councilmember Maan
 ___ Councilmember Starkey

Invocation

Pledge of Allegiance to the Flag

Presentations and Proclamations

- 1. **Proclamation for the Retirement of Manuel “Manny” Cardoza**

Public Hearings

2. Authorization to Accept FY 2013/14 California Citizens Option fo Public Safety (COPS) Grant – (approximately \$100,000)

- Recommendation:
- a) Conduct a Public Hearing; and then
 - b) Adopt a Resolution authorizing the Chief of Police to Accept the FY 2013/2014 California Citizens' Option for Public Safety (COPS) Funding and Approve Expenditure Recommendations
 - c) Authorize the Chief Financial Officer to make Budget adjustments as necessary

Ordinance

3. Ordinance Prohibiting Camping on Public Property and Public Right of Way within the Corporate City Limits of Yuba City

- Recommendation: Introduce a Revised Ordinance, specific to Overnight Camping in the Yuba City River Bottoms and Addressing all Public Property and Public Right of Ways, Waiving the First Reading

Public Communication

You are welcome and encouraged to participate in this meeting. Public comment is taken on items listed on the agenda when they are called. Public comment on items not listed on the agenda will be heard at this time. Comments on controversial items may be limited and large groups are encouraged to select representatives to express the opinions of the group.

4. Written Requests

Members of the public submitting written requests, at least 24 hours prior to the meeting, will be normally allotted 5 minutes to speak.

5. Appearance of Interested Citizens

Members of the public may address the City Council on items of interest that are within the City's jurisdiction. Individuals addressing general comments are encouraged to limit their statements to 3 minutes.

Consent Calendar

All matters listed under Consent Calendar are considered to be routine and can be enacted in one motion. There will be no separate discussion of these items prior to the time that Council votes on the motion unless members of the City Council, staff or public request specific items to be discussed or removed from the Consent Calendar for individual action.

6. Minutes of February 18, 2014

- Recommendation: Approve the City Council Meeting Minutes of February 18, 2014.

General Items

7. Program Development Agreement with Chevron Energy Solutions

- Recommendation:
- a. Authorize the City Manager to negotiate and execute a Program Development Agreement with Chevron Energy Solutions for an amount not to exceed \$25,000, subject to legal review
 - b. Authorize the Finance Director to make a supplemental appropriation of \$25,000 from Unallocated General Fund CIP to Account No. 901186 (City-wide Energy Efficiency Project)

8. Financial Report for the Six Months Ended December, 31, 2013

Recommendation: Note and File the December 31, 2013 Financial Report

Business from the City Council

9. City Council Reports

- Councilmember Buckland
- Councilmember Maan
- Councilmember Starkey
- Vice Mayor Dukes
- Mayor Gill

Adjournment



Proclamation

of the City Council

MANUEL “MANNY” CARDOZA

Public Works Maintenance Worker II

October 15, 1979 – February 20, 2014

WHEREAS, Manuel “Manny” Cardoza retired from the City of Yuba City with 34 years of dedicated service on February 20, 2014; and

WHEREAS, Manny began his full time career with the City as a Field Representative in the Finance Department, then transferred to the position of Public Works Maintenance Worker II in June of 1993; and

WHEREAS, Manny Cardoza’s knowledge of the City’s water meter - shut off locations proved to be invaluable on countless occasions, Manny can still recall all their locations to this day; and

WHEREAS, Manny has always been willing to respond to any emergency situation or assist his fellow employees with any task, regardless of the time, day or night; and

WHEREAS, Manny Cardoza received acknowledgments from the City Council in January of 1997 for his dedicated work efforts during the high water event; and

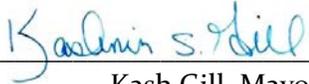
WHEREAS, Manny, aka “*Santa Claus*” to all that know him, has brought happiness and cheer to thousands of children throughout the Yuba - Sutter area for many years; and

WHEREAS, Manny always has a smile on his face and a positive upbeat attitude regardless of the circumstances; and

WHEREAS, Manny Cardoza has always been a dedicated and loyal employee of the City of Yuba City Public Works Department and has earned the respect of employees and citizens alike;

NOW, THEREFORE, BE IT RESOLVED, that I, Kash Gill, Mayor of the City of Yuba City, and on behalf of the entire City Council, do hereby commend Manny’s outstanding and loyal service, and sincerely urge all residents of the City of Yuba City to join with me in recognizing Mr. Manuel “Manny” Cardoza for all of his contributions to the Yuba City community for the past 34 years.

Done this 4th day of March, 2014, at the City of Yuba City, County of Sutter, State of California.


Kash Gill, Mayor

CITY OF YUBA CITY
STAFF REPORT

Date: March 4, 2014
To: Honorable Mayor & Members of the City Council
From: Police Department
Presentation By: Robert D. Landon, Chief of Police

Summary

Subject: Authorization to Accept FY 2013/14 California Citizens Option for Public Safety (COPS) Grant (approximately \$100,000)

Recommendation:

- a) Conduct a Public Hearing; and then
- b) Adopt a Resolution authorizing the Chief of Police to Accept the FY 2013/2014 California Citizens' Option for Public Safety (COPS) Funding and Approve Expenditure Recommendations
- c) Authorize the Chief Financial Officer to make Budget adjustments as necessary

Fiscal Impact: \$100,000 account 2180-69201 (State Grant Law Enforcement-Equipment) – (No City match required). Future increase to ISF Funds in order to support the replacement of Mobile Audio/Video Recorders and Police Department Building cameras.

Purpose:

Acceptance \$100,000 Grant for technology & Infrastructure Improvements for the benefit of Frontline Law Enforcement Delivery.

Background:

Each year, dependent upon State Budget priorities, funds may be allocated to law enforcement agencies to assist in carrying out priorities as established by the Chief of Police (or the Sheriff in unincorporated areas or contract cities). Over the last several years, monies have been made available through the State of California to local law enforcement entities in the form of Citizens' Option for Public Safety (COPS) grant.

This year the City of Yuba Police Department will receive approximately \$100,000. The State Government Code restricts the money to be used for front line law enforcement purposes and may not be used to supplant any existing law enforcement services provided by the City.

We have been notified by the State Department of Finance, the State Budget will allocate approximately \$100,000 for the Yuba City Police Department. No cash match required in either instance.

Analysis:

The Police Department has traditionally utilized funding obtained in this grant for the major approval expenditure category of technology advancements and infrastructure improvements for the benefit of frontline law enforcement delivery to the citizens of our community. Funding directions are based upon needs assessments from the Department management group in consultation with the rank and file employees and direction from the City's IT staff and our Research and Development Unit. Prior years expenditures have been for such items as: Complete infrastructure upgrade of the Police Radio system inclusive of acquisition of a secondary repeater radio frequency and related equipment, the Sutter Buttes Radio Interoperability Project Phase One, Emergency Operations Center retrofit , a total service weapon upgrade for all officers, equipping all patrol vehicles with mobile data terminals integrated with the Police Communications Center, required upgrades in the Fire/Police Computer Aided Dispatching System, installation of secure video conferencing capabilities, acquisition of satellite emergency communications capabilities with the California Office of Emergency Services (California Warning Center) and FEMA. We would suggest a continuation along this path of technology evaluation and implementation, which has served us very well over the last 10 years and gained the City both State and National recognition as a technological leader in law enforcement.

The Grant Funds are proposed to be used for:

1. Mobile Audio/Video Recorders and initial set up equipment in Patrol, Investigation and Administration Cars. These items will need to be added to our Internal Services Fund budget in the future to ensure we keep them upgraded and funded in the future.
2. Specialized Weapons and Tactics Team Equipment in the form of specialized equipment identified as necessary. These items are not in our budget and are needed to insure we are providing effective equipment as new team members are added to the team.
3. Technologically Advanced Cameras, for the use in emergency situations, these cameras have a mobile platform and are multi-use.
4. Replacement of Security Cameras throughout the police department. The current ones have become outdated and are no longer covered for maintenance due their age and obsolescence. We were unable to purchase this item last year with grant money but would like to continue to research this item and evaluate purchasing based on costs and potentially purchase a portion of the system. This item should also be added to our Internal Services Fund, or a replacement fund set up to replace this critical equipment as it becomes dated or breaks down over time.

Fiscal Impact:

\$100,000 account 2180-69201 (State Grant Law Enforcement-Equipment) – (No City match required). Future increase to ISF Funds in order to support the replacement of Mobile Audio/Video Recorders and Police Department Building cameras.

Alternatives:

Provide staff with alternative spending paths which will not supplant routine expenditures in the general fund.

Recommendation:

- a) Conduct a Public Hearing; and then
- b) Adopt a Resolution authorizing the Chief of Police to Accept the FY 2013/2014 California Citizens' Option for Public Safety (COPS) Funding and Approve Expenditure Recommendations
- c) Authorize the Chief Financial Officer to make Budget adjustments as necessary

Note: Public Hearing notification requirements have been met.

Prepared By:

Submitted By:

/s/ Robert D. Landon

/s/ Steven C. Kroeger

Robert D. Landon
Chief of Police

Steven C. Kroeger
City Manager

Reviewed By:

Finance

RB

City Attorney

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RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY
AUTHORIZING RECEIPT, ALLOCATION AND EXPENDITURE, OF THE FY
2013-2014 STATE OF CALIFORNIA CITIZENS' OPTION FOR PUBLIC
SAFETY GRANT (COPS GRANT)**

BE IT RESOLVED AND ORDERED BY THE CITY COUNCIL OF THE CITY OF YUBA CITY AS FOLLOWS:

That the City, through the Chief Financial Officer and the Chief of Police, accept, account for, track, allocate and expend as directed the FY 13/14 California Citizens' Option for Public Safety Grant. It is acknowledged the Citizens' Option funding would be in the amount of approximately \$100,000. It is recognized there is no cash match requirement.

That said expenditures be in accordance with grant guidelines, specifically in the area of frontline law enforcement uses and related infrastructure/technology improvements as might be deemed appropriate by the Chief of Police consistent with the practice and Council policy of this and previous years.

That said purchases be in accordance with State of California and City of Yuba City purchasing guidelines.

That the Chief Financial Officer be given authority to adjust the budget as required for grant purposes.

The foregoing Resolution was duly and regularly introduced, passed, and adopted by the City Council of the City of Yuba City at a regular meeting thereof held on the 4th day of March 2014.

AYES:

NOES:

ABSENT:

ATTEST:

Kash Gill, Mayor

Terrel Locke, City Clerk

CITY OF YUBA CITY
STAFF REPORT

Date: March 4, 2014
To: Honorable Mayor and Members of the City Council
From: Police Department
Presentation By: Robert D. Landon, Police Chief

Summary

Subject: Ordinance prohibiting camping on public property and public right of ways within the corporate City limits of Yuba City

Recommendation: Introduce a Revised Ordinance, specific to Overnight Camping in the Yuba City River Bottoms and Addressing all Public Property and Public Right of Ways, waiving the first reading

Fiscal Impact: No costs are associated with the implementation of the proposed ordinance

Purpose:

To prohibit camping on public property and public right of ways.

Background:

City employees have been tasked with cleaning up campsites on public property and public right of ways. These clean ups expose city workers and citizens to hazardous conditions including human infectious waste and other hazardous materials. Disposal of these materials is costly and hazardous.

Some of the temporary and permanent campsites erected within the city limits have been constructed in a fashion and at locations that make access by emergency personnel difficult during times of emergency. This puts the campers, campsite visitors, and emergency personnel at a greater risk if an injury, illness, accident or disaster should occur.

Analysis:

Currently, the City municipal code does not contain language addressing camping on public property or public right of ways beyond the river bottoms and City parks. The proposed ordinance contains comprehensive language to include all public property and public right of ways.

Camping is currently authorized at the Yuba-Sutter Boat Docks Recreational Vehicle Campground and Marina, located at #80 Second Street, Yuba City (Assessor's Parcel No. 52-570-006).

Fiscal Impact:

No costs are associated with the implementation of the proposed ordinance.

Alternatives:

Do not adopt the ordinance or provide staff with direction for modifying the proposed ordinance.

Recommendation:

Introduce a Revised Ordinance, specific to Overnight Camping in the Yuba City River Bottoms and Addressing all Public Property and Public Right of Ways, waiving the first reading

Prepared By:

Submitted By:

/s/ Rob Landon

/s/ Steven C. Kroeger

Rob Landon
Police Chief

Steven C. Kroeger
City Manager

Reviewed By:

Finance

RB

City Attorney

TH

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF YUBA CITY
REPEALING AND REENACTING CHAPTER 20 OF TITLE 5 TO THE YUBA CITY
MUNICIPAL CODE REGARDING CAMPING IN THE
CITY OF YUBA CITY**

THE CITY COUNCIL OF THE CITY OF YUBA CITY DOES HEREBY ORDAIN AS
FOLLOWS:

Section 1. Chapter 20 of Title 5 of the Yuba City Municipal Code is hereby repealed.

Section 2. Chapter 20 of Title 5 is hereby added to the Yuba City Municipal Code to read as follows:

CHAPTER 20

CAMPING IN YUBA CITY

Sections:

5-20.010	Purpose
5-20.020	Definition
5-20.030	Prohibition
5-20.040	Exception(s)
5-20.050	Violation

Section 5-20.010 Purpose.

The purpose of this chapter is to prohibit camping on public property and public right of ways within the corporate city limits of Yuba City. City services can be utilized to clean up campsites on public property and public right of ways. These clean ups can expose city workers and citizens to hazardous conditions including human infectious waste and other hazardous materials. Disposal of these materials is costly and hazardous.

Temporary and permanent campsites erected within the city limits are often constructed in a fashion, and/or at a location that makes access by emergency personnel difficult during times of emergency. This puts the campers, campsite visitors, and emergency personnel at a greater risk if an injury, illness, accident or disaster should occur. Camping on public property and public rights of way, within the city of Yuba City, increases demand for public services in areas which are not easily accessible by emergency or city services.

Section 5-20.020 Definition.

For purposes of this chapter, camping is defined as residing in or using property for one or more nights for living accommodation purposes, such as sleeping activities, or making preparations to sleep (including the laying down of bedding for the purpose of sleeping), or storing personal belongings (including but not limited to clothing, sleeping bags, bedrolls, blankets, sheets, luggage, backpacks, kitchen utensils, cookware, and

similar material), or making any fire or using any tents, regularly cooking meals, or living in a parked vehicle. These activities constitute camping when it reasonably appears, in light of all the circumstances, that a person(s) is using property, as a living accommodation for one or more nights regardless of his or her intent or the nature of any other activities in which he or she might also be engaging.

Section 5-20.030 Prohibition.

It is unlawful for any person to camp in or upon any public property or public right of way, unless otherwise specifically authorized by this Code or by a resolution of the City Council in emergency circumstances.

Section 5-20.040 Exception(s).

Notwithstanding the prohibition of Section 5-20.030, camping shall be allowed in the Yuba Sutter Boat Docks Recreational Vehicle Campground and Marina, located at #80 Second Street, Yuba City (Assessor's Parcel No. 03-290-006).

Section 5-020.50 Violation.

Any person violating the provisions of Section 5-20.030 shall be deemed guilty of a misdemeanor and shall be subject to the penalty provisions of Chapter 2 of Title 1 of the Yuba City Municipal Code.

Section 3. This ordinance shall be effective thirty (30) days after its adoption and after it is adopted, it shall be published as provided for by law.

Introduced and read at a regular meeting of the City Council of the City of Yuba City the 4th day of March, 2014, and adopted at a regular meeting thereof held on the ____ day of _____, 2014.

AYES:

NOES:

ABSENT:

Kash Gill, Mayor

ATTEST:

Terrel Locke, City Clerk

Approved as to Form:

Tim Hayes, City Attorney

CITY OF YUBA CITY

Written Requests

Members of the public submitting written requests at least 24 hours prior to the meeting will normally be allotted 5 minutes to speak.

Procedure

When requesting to speak, please indicate your name and the topic and mail to:

City of Yuba City
Attn: City Clerk
1201 Civic Center Blvd
Yuba City CA 95993

Or email to:

Terrel Locke, City Clerk tlocke@yubacity.net

The Mayor will call you to the podium when it is time for you to speak.

CITY OF YUBA CITY

Appearance of Interested Citizens

Members of the public may address the City Council on items of interest that are within the City's jurisdiction. Individuals addressing general comments are encouraged to limit their statements.

Procedure

Complete a Speaker Card located in the lobby and give to the City Clerk. When a matter is announced, wait to be recognized by the Mayor. Comment should begin by providing your name and place of residence. A three minute limit is requested when addressing Council.

- For Items on the Agenda

Public comments on items on the agenda are taken during Council's consideration of each agenda item. If you wish to speak on any item appearing on the agenda, please note the number of the agenda item about which you wish to speak. If you wish to speak on more than one item, please fill out a separate card for each item.

- Items not listed on the Agenda

Public comments on items not listed on the agenda will be heard during the Public Communication portion of the meeting.

**MINUTES (DRAFT)
REGULAR MEETING OF THE
CITY COUNCIL
CITY OF YUBA CITY
COUNCIL CHAMBERS
FEBRUARY 18, 2014
5:00 P.M. – CLOSED SESSION
6:00 P.M. – REGULAR MEETING**

Closed Session—Butte Room

- A. Conferred with labor negotiators Steve Kroeger and Natalie Walter regarding negotiations with the following associations: Yuba City Police Officers, Police Sergeants, Yuba City Firefighters Local 3793, Yuba City Fire Management, Confidential Employees, Executive Services Employees, First Level Managers, Mid Managers, and Public Employees Local No. 1, pursuant to Section 54957.6 of the Government Code.

Regular Meeting—Council Chambers

The City of Yuba City City Council meeting was called to order by Mayor Gill at 6:00 p.m.

Roll Call

Present: Councilmembers Buckland, Dukes, Maan, Starkey and Mayor Gill

Absent: None

Invocation

Councilmember Dukes gave the invocation.

Pledge of Allegiance to the Flag

Councilmember Buckland led the Pledge of Allegiance.

Presentations and Proclamations

1. Yuba Sutter Chamber of Commerce Tourism Update

Presented by Rikki Shaffer Chief Executive Officer and Tourism Chair Steven Dambeck of the Yuba Sutter Chamber of Commerce.

Public Hearings

2. General Plan Amendment GP 13-01 to adopt the 2013-2021 update to the Yuba City Housing Element

Mayor Gill opened the public hearing and the following persons spoke:

Tatiana Reyes, Attorney with California Rural Assistance
Stephanie Ruscigno, Sharon Dr. Yuba City

Councilmember Maan moved to: A) Adopt the finding that following review and consideration of the Negative Declaration and any comments received, there is no substantial evidence that the project will have a significant impact upon the environment,

B) Adopt the Negative Declaration as contained in Exhibit A; C) Adopt the finding that General Plan amendment GP 13-01 for the adoption of the 2013-2021 Housing Element Update is in the public interest; and D) Adopt **Resolution No. 14-017** approving General Plan amendment GP 13-01 to adopt the 2013-2021 Housing Element Update as contained in Exhibit B. Councilmember Dukes seconded the motion that passed with a unanimous vote.

Public Communication

3. **Written Requests** - none

4. **Appearance of Interested Citizens**

The following person spoke:

Elaine Miles, Jaime Dr., Yuba City Re: Water Billing

Bid Openings

5. **Helen Avenue Drainage Improvements Project (Award)**

Councilmember Starkey moved to A) Award Contract No. 13-06, Helen Avenue Drainage Improvements, to United Building Contractors, Inc. of Chico, CA in the amount of their bid of \$157,828; and B) Authorize the City Manager to execute the contract on behalf of the City, following approval by the City Attorney. Councilmember Dukes seconded the motion that passed with a unanimous vote.

Consent Calendar

Councilmember Dukes moved to adopt the Consent Calendar as presented. Councilmember Starkey seconded the motion that passed with a unanimous vote.

6. **Minutes of February 4, 2014**

Approved the City Council Meeting Minutes of February 4, 2014.

7. **Approve Citizen Commissioner Appointment to the Regional Housing Authority Board of Trustees**

Approved the Re-appointment of Martha Griese as the Citizen Commissioner to the Regional Housing Authority of Sutter and Nevada Counties Board of Commissioners

8. **Approve Planning Commissioner Appointment to the Yuba City Representative on the Sutter County Planning Commission**

Approved the appointment of Jana Shannon as the Yuba City Planning Commissioner Representative on the Sutter County Planning Commission

General Items

9. **2013-14 Sustainable Communities Planning Grant Application in the amount of \$975,000 for the Yuba City Highway 20 Community Plan**

The following persons spoke:

Mike Geraldo, Clark Ave Yuba City
Larry Virga, S. George Washington, Yuba City
John Larimer Jr., Frakes Way, Yuba City
Pat Miller, Sutter County Tax Payers Association
Carla Virga, S. George Washington, Yuba City
Debra Gaylord, Downie St. Yuba City
Stephanie Ruscigno, Sharon Dr. Yuba City
Thomas Burns, Greengate, Yuba City
Pat Miller, Sutter County Tax Payers Association

Councilmember Starkey moved to adopt **Resolution No. 14-018** approving the application for grant funds for the Sustainable Communities Planning Grant and Incentives Program under the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84). Councilmember Buckland seconded the motion that passed with a unanimous vote.

7:23 p.m. Councilmember Dukes excused himself from the remainder of the Council meeting, as he had a plane to catch.

10. King Avenue Safe Routes to School Project (Plans and Specifications)

Councilmember Maan moved to adopt **Resolution No. 14-019** approving the plans and specifications for the King Avenue Safe Routes to School Project and authorizing advertisement for bids on the project. Councilmember Buckland seconded the motion that passed with a unanimous vote. Councilmember Dukes was absent.

11. Garden Highway Road Rehabilitation – Franklin to Winship Project (Plans and Specifications)

Councilmember Buckland moved to adopt **Resolution No. 14-020** approving the plans and specifications for the Garden Highway Road Rehabilitation – Franklin to Winship Project and authorizing advertisement for bids on the project. Councilmember Maan seconded the motion that passed with a unanimous vote. Councilmember Dukes was absent.

12. ADA Improvements 2014 Project (Plans & Specifications)

Councilmember Starkey moved to adopt **Resolution No. 14-021** approving the plans and specifications for the ADA Improvements 2014 Project and authorizing advertisement for bids on the project. Councilmember Buckland seconded the motion that passed with a unanimous Vote. Councilmember Dukes was absent.

Business from the City Council

13. City Council Reports

- Councilmember Buckland
- Councilmember Maan
- Councilmember Starkey
- Mayor Gill

Adjournment

Mayor Gill adjourned the Regular Meeting of the City Council of the City of Yuba City at 7:40 p.m. in honor of Daryl V. Stephens of Yuba City, who passed away on February 7th, and Highway Patrol Officers Brian Law, and Juan Gonzalez who passed away in the line of duty on February 17, 2014.

Kash Gill, Mayor

ATTEST:

Terrel Locke, City Clerk

CITY OF YUBA CITY
STAFF REPORT

Date: March 4, 2014
To: Honorable Mayor & Members of the City Council
From: Public Works Department
Presentation by: Diana Langley, Public Works Director

Summary

Subject: Program Development Agreement with Chevron Energy Solutions

Recommendation: a. Authorize the City Manager to negotiate and execute a Program Development Agreement with Chevron Energy Solutions for an amount not to exceed \$25,000, subject to legal review.

b. Authorize the Finance Director to make a supplemental appropriation of \$25,000 from Unallocated General Fund CIP to Account No. 901186 (City-wide Energy Efficiency Project).

Fiscal Impact: \$25,000 – Account No. 901186 (City-wide Energy Efficiency Project) Project has the potential to result in \$1.8 Million net savings.

Purpose:

To implement energy conservation measures at various City facilities to reduce energy costs.

Background:

In July 2013, Chevron Energy Solutions (Chevron) approached City staff about developing an energy efficiency project in Yuba City. Chevron staff toured many of the City's facilities and determined that there are opportunities for energy conservation projects that will be beneficial to the City and result in a net savings. After initial assessment potential projects include indoor/outdoor lighting modifications at all City buildings, solar hot water heating at Gauche Aquatic Park, HVAC retro-commissioning at the Police Station and City Hall, EMS replacement at the Police Station, and installing premium efficiency motors at the Water Treatment Plant, Wastewater Treatment Plant, and pump stations throughout the City.

Analysis:

Chevron uses a three step model to develop these projects. The first step is to perform an opportunity assessment, which Chevron has completed. The second step is to execute a Program Development Agreement which authorizes Chevron to perform an investment grade audit, design and engineering, competitively bid the project, evaluate grants and incentives, and finalize the financial model. The third step is implementation of the project in which the project is constructed/implemented.

The attached Program Development Agreement (Agreement) provides that Chevron will perform the tasks associated with Step 2 as listed above for a fee of \$25,000. If the project is

found to be financially viable and the City elects to proceed with the project, the \$25,000 can be incorporated into the project cost resulting in no out-of-pocket expenses to the City. If the project is financially viable and the City does not elect to proceed with the project, the City will owe Chevron \$25,000. If the project is not found to be financially viable, no fee will be due. The Agreement states that the project will be financially viable if over a maximum term of 18 years after the implementation of the energy conservation measures the average annual savings will be a minimum of \$25,000.

If the City Council authorizes the execution of the Agreement, it is anticipated the Program Development phase will be completed in June and the energy conservation measures would be implemented over the July 2014 – March 2015 timeframe.

Fiscal Impact:

Chevron's initial financial analysis shows that the proposed energy conservation measures will result in approximately \$77,000 in annual savings with a total net savings of approximately \$1.8 Million over a 20-year term. The anticipated project cost is \$1.2 Million plus financing fees.

As mentioned above, if the project is found to be financially viable and the City does not elect to proceed with the project, the City will owe Chevron \$25,000. Staff is requesting a supplemental appropriation of Unallocated General Fund CIP to Account No. 901186 (City-wide Energy Efficiency Project) to set aside the funds in case the City decides not to proceed forward with the project.

Alternatives:

Do not execute a Program Development Agreement and direct staff to pursue the energy conservation measures through alternative means.

Recommendation:

- a. Authorize the City Manager to negotiate and execute a Program Development Agreement with Chevron Energy Solutions for an amount not to exceed \$25,000, subject to legal review.
- b. Authorize the Finance Director to make a supplemental appropriation of \$25,000 from Unallocated General Fund CIP to Account No. 901186 (City-wide Energy Efficiency Project).

Prepared by:

Submitted by:

/s/ Diana Langley

/s/ Steven C. Kroeger

Diana Langley
Public Works Director

Steven C. Kroeger
City Manager

Reviewed by:

Finance

RB

City Attorney

TH



**Chevron Energy Solutions Company,
a division of Chevron U.S.A. Inc.**

**Chevron ES Project #: DWCES-_____ -_____
Chevron ES Contract # CU_____**

PROGRAM DEVELOPMENT AGREEMENT

This PROGRAM DEVELOPMENT AGREEMENT (this "Agreement") is made and entered into as of this _____ () day of _____, 2014 ("Effective Date") between Chevron Energy Solutions Company, a Division of Chevron U.S.A. Inc. ("Chevron ES"), having its principal offices at 345 California Street, 18th Floor, San Francisco, CA 94104 and the City of Yuba City, California, a municipal corporation, located at 1201 Civic Center Boulevard, Yuba City, CA 95993 ("Customer") and together with Chevron ES the "Parties" and each of Customer and Chevron ES a "Party".)

WHEREAS, Chevron ES is an energy services and solutions company with the technical and management capabilities and experience to perform an integrated energy assessment (an "Assessment") and to identify supply-side and/or demand-side energy conservation measures ("ECMs");

WHEREAS, Customer desires to enter into an agreement to have Chevron ES perform an Assessment in accordance with the scope of work set forth in Attachment A (the "Scope of Work") for the buildings listed on Part I of Attachment B (the "Included Buildings"), and to deliver a report, described in the Scope of Work, identifying energy improvements and operational changes which are recommended to be installed or implemented at the Included Buildings (the "Report"); and

WHEREAS, the primary purpose of the Assessment and the Report is to provide an engineering and economic basis for the implementation of the ECMs identified in the Report, in furtherance of which the Parties intend, provided that Customer makes any energy cost savings findings required by California Government Code Sections 4217.10 through 4217.18, to negotiate in good faith and possibly execute a contract providing for, among other things, engineering, procurement, installation, construction and training services (an "Energy Services Contract");

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. ASSESSMENT AND REPORT

Chevron ES agrees to complete the Assessment and to present to Customer a Report within ninety (90) calendar days after the date on which Chevron ES receives the information listed in Part I of Attachment A (the "Required Information"). Customer agrees to deliver the Required Information to Chevron ES no later than thirty (30) calendar days after the Effective Date.

Customer agrees to assist Chevron ES in performing the Assessment by (i) providing Chevron ES, its employees and agents, such access to the Included Buildings and other relevant facilities of Customer as Chevron ES deems necessary and (ii) providing, or causing Customer's energy suppliers to provide, complete and accurate data concerning energy usage and costs related to the Included Buildings and other relevant facilities. Chevron ES shall be entitled to rely upon the accuracy and completeness of all information provided to Chevron ES by Customer and Customer's energy suppliers. Chevron ES will promptly provide written notice to Customer if Chevron ES determines there is any incorrect data included in the information provided by Customer or Customer's energy suppliers, but Chevron ES shall have no obligation to correct or confirm any such information unless otherwise specified in the Scope of Work. Any change(s) in the Scope of Work shall be set forth in a writing executed by the Parties.

2. COMPENSATION TO CHEVRON ES; TERMINATION

Customer shall compensate Chevron ES for its performance of the Assessment by payment to Chevron ES of a fee (the "Assessment Fee") in the amount of twenty-five thousand dollars (\$25,000).

The Assessment Fee will be due and payable thirty (30) calendar days after Chevron ES's submission of the Report; *provided* that if on such thirtieth (30th) calendar day Chevron ES and Customer are negotiating an Energy Services Contract in good faith, the Assessment Fee will be due ninety (90) calendar days after Chevron ES's submission of the Report; *provided further*, that if Chevron ES and Customer execute an Energy Services Contract

within ninety (90) calendar days after Chevron ES's submission of the Report, the Assessment Fee shall be incorporated into the total contract amount payable under such Energy Services Contract.

Each of Customer and Chevron ES reserves the right to terminate this Agreement at any time during the course of the Assessment, by delivery of written notice to the other. If this Agreement is terminated by Customer, a fee will be payable by Customer to Chevron ES within thirty (30) calendar days of termination, in an amount equal to the greater of (i) Chevron ES's estimate of its fees, costs, expenses, disbursements and overhead incurred through the date of termination and (ii) a pro-rated fee based on Chevron ES's estimate of the percentage of completion of the Assessment. If this Agreement is terminated by Chevron ES, Customer shall have no obligation to pay any portion of the Assessment Fee to Chevron ES. If Chevron ES determines that the projected savings from implementation of the ECMs identified during the Assessment cannot result in a paid-from-savings project which complies with California Government Code Sections 4217.10 through 4217.18, the Assessment and this Agreement will be terminated by Chevron ES.

Additionally, if both Parties agree that, over a maximum term of eighteen (18) years after implementation of the ECMs identified during the Assessment, the average annual savings generated from the implementation of those ECMs will be less than twenty-five thousand dollars (\$25,000), the Assessment and this Agreement will be terminated upon the mutual agreement of the Parties and Customer will not owe Chevron ES the Assessment Fee.

Any amount not paid when due shall, from and after the due date, bear interest at a fluctuating rate equal to the sum of (a) The United States Prime Rate as listed from time to time in the Eastern print edition of the Wall Street Journal[®] plus (b) 2% per annum. Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

3. INSURANCE

Chevron ES shall maintain, or cause to be maintained, for the duration of this Agreement, the insurance coverage outlined in subsections A through G below, and all such other insurance as required by applicable law. Evidence of coverage will be provided to Customer via a Certificate of Insurance or a Self-Administered Claims Letter.

A. Workers' Compensation/Employers Liability for states in which Chevron ES is not a qualified self-insured.

Limits as follows:

- * Workers' Compensation: Statutory
- * Employers Liability: Bodily Injury by accident \$1,000,000 each accident
Bodily Injury by disease \$1,000,000 each employee
Bodily Injury by disease \$1,000,000 policy limit

B. Commercial General Liability insurance with limits of:

- * \$1,000,000 each occurrence for Bodily Injury and Property Damage
- * \$1,000,000 General Aggregate - other than Products/Completed Operations
- * \$1,000,000 Products/Completed Operations Aggregate
- * \$1,000,000 Personal & Advertising Injury
- * \$ 100,000 Damage to premises rented to Chevron ES

Coverage to be written on a claims-made form. Coverage to be at least as broad as ISO form CG 0002 (12/07), without endorsements that limit the policy terms with respect to: (1) provisions for severability of interest and (2) explosion, collapse, underground hazard.

C. Auto Liability insurance for owned, hired and non-owned vehicles with limits of \$1,000,000 per accident. Coverage to be written on an occurrence form.

D. Professional Liability insurance with limits of:

- * \$1,000,000 per occurrence
- * \$1,000,000 aggregate

Coverage to be written on a claims-made form.

E. Excess Liability insurance. Limits as follows:

- * \$1,000,000 each occurrence
- * \$1,000,000 aggregate

Coverage terms and limits to apply in excess of the per occurrence and/or aggregate limits provided for Commercial General Liability and Professional Liability written on a claims made form. Coverage terms and limits also to apply in excess of those required for Employers Liability and Auto Liability written on an occurrence form.

F. Policy Endorsements.

- * The insurance provided for Workers Compensation and Employers Liability above shall contain waivers of subrogation rights against Customer, but only to the extent of the indemnity obligations contained in this Agreement.
- * The insurance provided for Commercial General Liability and Auto Liability above shall:
 - (1) include Customer as an additional insured with respect to Work performed under this Agreement, but only to the extent of the indemnity obligations contained in this Agreement, and
 - (2) provide that the insurance is primary coverage with respect to all insureds and shall not be considered contributory insurance with any insurance policies of Customer, but only to the extent of the indemnity obligations contained in this Agreement.

- G. In lieu of any insurance required in this Section 3, Chevron ES may self-insure hereunder and use a self-administered claims program (a "SACP") for this purpose. Chevron ES will notify Customer in writing thirty (30) calendar days prior to cancellation of the SACP.

4. INDEPENDENT CONTRACTOR

Chevron ES shall perform as an independent contractor under this Agreement. None of Chevron ES, its consultants and subcontractors, and their respective employees and agents, is an employee of Customer or the County of Sutter for any purpose. This Agreement may not be construed to represent the creation of an employer/employee relationship. Chevron ES shall act in an independent capacity and retain sole discretion in the manner and means of carrying out its activities under this Agreement. Chevron ES is free to work for other entities while under contract with Customer.

5. CREDIT

If, at any time, Customer's credit rating falls below investment grade as defined by Moody's Investors Services (or other nationally-recognized independent rating agency), Customer agrees to provide Chevron ES with current information regarding its creditworthiness upon the request of Chevron ES. At its sole option, Chevron ES may then require Customer either to (i) provide security satisfactory to Chevron ES, and the Work Product (as defined below) may be withheld until such security is received, or (ii) deposit the Assessment Fee into a third-party escrow account with an escrow agent and subject to an escrow agreement, in each case acceptable to Chevron ES.

6. CONFLICTS OF INTEREST

Conflicts of interest relating to this Agreement are strictly prohibited. Except as otherwise expressly provided herein, neither Customer nor any director, employee, or agent of Customer or its subcontractors or vendors shall give to or receive from any director, employee, or agent of Chevron ES any gift, entertainment, or other favor of significant value, or any commission, fee, or rebate. Likewise, neither Customer nor any director, employee, or agent of Customer or its subcontractors or vendors shall, without prior written notification thereof to Chevron ES, enter into any business relationship with any director, employee, or agent of Chevron ES or any Affiliate, unless such person or entity is acting for and on behalf of Chevron ES. Customer shall promptly notify Chevron ES of any violation of this Section and any consideration received as a result of such violation shall be paid over or credited to Chevron ES. Additionally, in the event of any violation of this Section, including any violation occurring prior to the date of this Agreement, resulting directly or indirectly in Chevron ES' consent to enter into this Agreement, Chevron ES may, at Chevron ES' sole option, terminate this Agreement at any time. Any representatives authorized by Chevron ES may audit any and all records of Customer and its subcontractors and vendors for the sole purpose of determining whether there has been compliance with this Conflicts of Interest Section. "Affiliate" means any legal entity that controls, is controlled by, or is under common control with, another legal entity. An entity is deemed to "control" another if it owns directly or indirectly at least fifty percent of either of the shares entitled to vote at a general election of directors of such other entity or the voting interest in such other entity if such entity does not have either shares or directors.

7. ENERGY SERVICES CONTRACT

Provided Customer makes any energy cost savings findings required by California Government Code Sections 4217.10 through 4217.18, Customer and Chevron ES intend to pursue cost effective energy retrofits and ECMs at the Included Buildings pursuant to an Energy Services Contract, and both Parties agree to enter into good faith negotiations of an Energy Services Contract immediately following completion of the Assessment.

8. WORK PRODUCT

Customer is prohibited from using the Report, any designs or any other work product prepared or produced by Chevron ES ("Work Product") hereunder as a basis for facility construction or implementation of ECMs developed herein by any entity other than Chevron ES for a period of five (5) years after the later of (i) delivery of the Report and (ii) the termination of this Agreement by Customer for any reason or by Chevron ES for breach by Customer. If Chevron ES reasonably determines that Customer has violated this prohibition, Chevron ES may, in its sole discretion and in addition to injunctive relief or any other legal or equitable remedies Chevron ES may have, require that Customer pay, in addition to the Assessment Fee, liquidated damages in an amount equal to (5) five times the Assessment Fee. This liquidated damages amount is not a penalty but a reasonable estimate of the amount of losses Chevron ES will suffer, and will survive the termination of this Agreement.

Customer shall not, by virtue of this Agreement, acquire any interest in any formulas, patterns, devices, secret inventions or processes, copyrights, patents, other intellectual or proprietary rights, or similar items of property which are or may be used in connection with the Assessment or the Report.

9. LIMITATION OF LIABILITY

Chevron ES will not be liable, in connection with this Agreement or any analysis, report, or other deliverables provided hereunder, for damages of any kind, including special, indirect, incidental, consequential or punitive damages, however caused, under any theory of liability and regardless of either Party's fault. Per Section 8 above, under certain circumstances Customer is prohibited from utilizing Chevron ES's Work Product for a period of five (5) years and Customer may be required to pay liquidated damages to Chevron ES for violating this prohibition. In addition, if Customer uses the information provided hereunder or in the Report for implementation purposes without the written permission of Chevron ES, Customer agrees to waive and release, and indemnify and hold harmless, Chevron ES, its subcontractors, and their directors, employees, subcontractors, and agents from any and all liability, claims, damages, losses and/or costs associated with or resulting from such use.

10. AMERICAN RECOVERY AND REINVESTMENT ACT

In the event Customer is using American Recovery and Reinvestment Act ("ARRA") funding, in whole or in part, to pay for the Assessment, Customer acknowledges and agrees that the supplies and services hereunder are being procured and purchased under state or local procurement laws and Chevron ES is a "vendor" or "contractor" hereunder. As such, Customer agrees that Chevron ES is not a recipient, grantee, awardee, subrecipient, subgrantee or subawardee of ARRA funds hereunder. In the event that the awarding agency or a court of proper jurisdiction determines that Chevron ES is a recipient, grantee, awardee, subrecipient, subgrantee or subawardee under the ARRA funded grant, rather than a "vendor" or "contractor," Chevron ES reserves the right to terminate this Agreement at its discretion. Customer agrees to release, defend, indemnify, and hold Chevron ES harmless from and against any claims, costs, or damages arising out of or related to such a determination notwithstanding any other provisions in this Agreement.

11. NONDISCRIMINATION; COMPLIANCE WITH LAWS; CONFIDENTIALITY; DATA PROTECTION

Chevron ES shall comply with all applicable laws, rules, regulations and policies, including, but not limited to, those relating to nondiscrimination, accessibility and civil rights.

Chevron ES is not a municipal advisor and does not provide advice with respect to municipal securities or other municipal financial products.

To the extent permitted by applicable law, the Parties shall maintain the confidentiality of all non-public information, documents, programs, procedures, and all other non-public items that the Parties encounter during the Assessment or pursuant to this Agreement. This requirement shall be ongoing and shall survive the termination of this Agreement.

Chevron ES and Customer agree that it is not anticipated that any personal data will be processed by Customer on behalf of Chevron ES under or as a result of this Agreement (other than as contained within the terms of the Agreement). If Customer begins to process personal data on behalf of Chevron ES, Customer will immediately notify Chevron ES and the Parties will incorporate appropriate data protection provisions into this Agreement.

12. FORCE MAJEURE

Neither Party shall be considered to be in default in the performance of any material obligation under this Agreement (other than the obligation to make payments) when a failure of performance shall be due to an event of Force Majeure. The term "Force Majeure" shall mean any cause beyond the control of the affected Party and which by the exercise of due diligence such Party could not reasonably have been expected to avoid and which, despite using commercially reasonable efforts, it has been unable to overcome. Neither Party shall be relieved of its obligation to perform if such failure is due to causes arising out of its own negligence or due to removable or remediable causes which it fails to remove or remedy within a reasonable time period, without incurring commercially unreasonable costs to remove or remedy the cause of Force Majeure. Either Party rendered unable to fulfill any of its obligations under this Agreement by reason of an event of Force Majeure shall give prompt written notice of such fact to the other Party. For the avoidance of doubt, notwithstanding anything in this Section 12, each of the Parties retains its right to terminate this Agreement pursuant to Section 2.

13. PROHIBITED PARTIES AND TRANSACTIONS

Chevron ES is an affiliate of a United States company with a policy requiring it to comply with all applicable laws, including economic sanctions and trade restrictions imposed by the United States government. Chevron ES has undertaken to provide its parent organization with any information relevant to its potential involvement with any party that may be the target of such sanctions and restrictions. Accordingly, Customer shall provide Chevron ES with reasonable advance notice of the names of any of Customer's or Customer Affiliates', subcontractors, directors, officers, employees, and other personnel associated with the services performed under this Agreement which may be any of the following:

- (A) The target of, or owned or subject to control by any country, institution, organization, entity or person that is the target of, economic sanctions and trade restrictions imposed by the United States government;
- (B) Debarred or otherwise excluded or declared ineligible to participate in U.S. government contracts or contracts, grants or other programs financed in whole or in part by the U.S. government; and
- (C) Listed by the U.S. Departments of Commerce or State as an entity with which U.S. persons may not engage in export or re-export related transactions.

14. AMENDMENT; COUNTERPARTS; INTEGRATION

This Agreement may not be amended except by a writing executed by both Parties. No oral amendment shall be enforceable, even if supported by new consideration.

This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement constitutes the entire contract among the Parties relating to the subject matter hereof and supersedes any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Delivery of an executed counterpart of a signature page of this Agreement by email or fax shall be effective as delivery of a manually executed counterpart of this Agreement.

15. DISPUTE RESOLUTION; APPLICABLE LAW; VENUE; SEVERABILITY

In the event of a dispute, claim, or controversy ("Dispute") arising out of or in connection with this Agreement, the Parties will confer and attempt to resolve the matter informally. If such Dispute cannot be resolved in this manner within ten (10) Business Days after notice of the Dispute is given to the other Party, then the Dispute shall be settled by arbitration administered by the American Arbitration Association ("AAA") under its Construction Industry Arbitration Rules. The arbitration shall be heard by one arbitrator, who shall have experience in the general subject matter to which the dispute relates, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The arbitration shall take place at the AAA office geographically closest to the site where the Assessment has been performed. The arbitrator does not have the power to award, and may not award, any punitive, indirect or consequential damages (however denominated). All arbitration fees and costs are to be shared equally by the parties, regardless of which Party prevails. Each Party will pay its own costs of legal representation and witness expenses.

This Agreement is governed by the laws of the State of California. The Parties consent to personal jurisdiction and venue of the State and Federal Courts within the City and County of San Francisco, California, and, by execution and delivery of this Agreement, each of the Parties hereby (i) accepts the jurisdiction of the foregoing courts for purposes of enforcement of any arbitral award and (ii) irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of venues of any suit, action or proceedings with respect hereto brought in any such court, and further irrevocably waives to the fullest extent permitted by law any claim that any such suit, action or proceedings brought in any such court has been brought in an inconvenient forum.

If any term of this Agreement is declared by a court to be illegal, invalid or unenforceable, the legality, validity and enforceability of the other terms of this Agreement shall not be affected or impaired thereby, and the rights and obligations of the Parties shall be enforced as if the illegal, invalid or unenforceable term were revised to the minimum extent necessary to make such term legal, valid and enforceable.

IN WITNESS WHEREOF, and intending to be legally bound, the Parties hereto subscribe their names to this Agreement.

**Chevron Energy Solutions Company,
a Division of Chevron U.S.A. Inc.**

**CUSTOMER:
City of Yuba City**

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

DRAFT

Attachment A

I. Required Information (Needed to Proceed).

A. Customer shall provide the following detailed documentation:

1. Actual utility company invoices for all utilities serving the Included Buildings, for the five (5) years immediately prior to the Effective Date, with a minimum of three (3) years, beginning with the most recently completed month.
2. Record drawings (AutoCAD or hard copy) for the Included Buildings, including:
 - a. mechanical
 - b. plumbing
 - c. electrical
 - d. building automation and temperature controls
 - e. structural
 - f. architectural
 - g. modifications and remodels
3. AutoCAD or hard copy of 8 ½" x 11" or 11" x 17" floor and roof plans of all Included Buildings, as well as information on the age, type and condition of the roof of each Included Building.
4. A list of key contacts at each site, including Customer personnel knowledgeable of the electrical, HVAC, lighting and controls systems.
5. Energy management system and HVAC equipment operating schedules, point lists and sequences of operation.
6. Utility company demand interval recordings of 15/30 minute electrical demand for characteristic months of the year, to the extent available.
7. Original construction submittals and factory data (specifications, pump curves, etc.), to the extent available.
8. Test and balance reports for water and air systems, to the extent available.

II. Scope of Work.

Chevron ES will perform the following Scope of Work:

- A. Perform detailed review of documents delivered above.
- B. Perform an inspection survey to:
 1. Identify potential ECMS.
 2. Interview the facility manager, chief engineer, or others as needed in Chevron ES's discretion.
 3. Obtain the hours of operation for building systems and equipment, and expected occupancy and use.
 4. Survey major energy using equipment and record (to extent available) the pertinent information for the following:
 - a. Lighting
 - b. HVAC equipment
 - c. Controls and automation
 - d. Pool pump
 - e. Motors

5. Perform a site survey.
 6. Perform a utility analysis that may identify current rate schedule, analyze electrical usage and model load profile for each proposed site.
- C. Prepare a post-inspection status update that may consist of:
1. Demand Side: List of energy retrofit opportunities that appear likely to be cost effective and warrant further analysis.
- D. Tabulate the data gathered during the site survey and process as required. Prepare in a format suitable for inclusion in the Report.
- E. Prepare certain preliminary engineering for each energy retrofit option, which preliminary engineering may include:
1. A general, preliminary scope of the construction work required for installation of work.
 2. Rough sizing of major equipment and a preliminary selection.
- F. Calculate energy use and cost for each proposed ECM.
1. For each proposed ECM, calculate annual energy savings.
 2. Calculations will generally employ computer simulation or spreadsheet analysis.
 3. Calculations will follow the methodology of ASHRAE or other nationally recognized authority and be based on sound engineering principle(s).
 4. Operational and maintenance savings, if any, will be identified as a separate line item.
- G. Prepare a proposed "Project Cost" and a list of "Services to Be Provided," in anticipation of Chevron ES and Customer entering into an Energy Services Contract to design and build the projects proposed in the Report.
- H. Provide to Customer a Report which will include:
1. A draft, proposed scope of work
 2. Conclusions and recommendations, including economic analysis of retrofit measures
 3. Summary per meter of utility history, energy use baseline, and applicable utility rates
- I. Meet with Customer to:
1. Review the retrofit options proposed in the Report, and assemble a package of options compatible with Customer's investment and infrastructure improvement goals; and
 2. Review the proposed Project Cost and list of Services to Be Provided to determine which further services Customer may want Chevron ES to provide in an Energy Services Contract.

III. Technologies to be Considered:

- A. The technologies listed below shall be considered during the performance of feasibility assessments:
1. Solar hot water heating
 2. Variable frequency drive for the swimming pool pump
 3. Energy management system/controls
 4. Interior and exterior lighting systems
 5. Energy efficient motors
 6. HVAC system replacement/retrofit

ATTACHMENT B

CUSTOMER BUILDING INVENTORY

PART I: BUILDINGS INCLUDED IN ASSESSMENT

Building Name

Water Reclamation Plant
Water Treatment Plant
Gauche Aquatic Park
Police Station
City Hall
Fire Station #1
Fire Station #2
Fire Station #3
Fire Station #4
Fire Station #7
Corporation Yard
Senior Center

PART II: BUILDINGS NOT INCLUDED IN ASSESSMENT

Building Name

Any other building, facility, or location not specifically listed above

CITY OF YUBA CITY
STAFF REPORT

Date: March 4, 2014
To: Honorable Mayor & Members of the City Council
From: Finance/IT Department
Presentation By: Robin Bertagna, C.P.A., Finance Director

Summary

Subject: Financial Report for the Six Months Ended December, 31, 2013
Recommendation: Note and File the December 31, 2013 Financial Report
Fiscal Impact: Informational item only

Purpose:

To provide City Council with a summary of the first six months of FY 2013-14 revenue and expenditures of the City's major operating funds.

Background:

Finance provides periodic Financial Reports to City Council to keep them apprised of the City's financial activities along with trends in revenues and expenditures.

Analysis:

The attached December 31, 2013 Financial Report has been prepared for City Council review.

Fiscal Impact:

Informational item only

Alternatives:

Not applicable

Recommendation:

Staff recommends that the City Council note and file the December 31, 2013 Financial Report.

Prepared By:

/s/ Robin Bertagna

Robin Bertagna, C.P.A.
Finance Director

Submitted By:

/s/ Steven C. Kroeger

Steven C. Kroeger
City Manager

Reviewed By:

City Attorney

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FY 2013-14 Financial Report

For the Six Months Ending 12/31/13

March 4, 2014

OVERVIEW

The FY 2013-14 adopted budget has a \$1.32 million structural deficit that was funded using the City's Economic Stabilization Reserve (ESR) in accordance with the City's three year budget plan. The balance in the ESR as of July 1, 2013 was \$3,905,424 as shown in the City's audited Comprehensive Annual Financial Report (CAFR).

At the time of presenting this financial report to City Council, we will be approximately 32 months into the implementation of our three year budget plan to use a combination of reserves and negotiated employee concessions to reduce our budget gap. Originally it was expected that at the end of the three year budget plan period, the ESR would be fully expended. Due to savings from vacant positions, and holding the line on material and supply expenditures, that is no longer expected to be the case. Instead, staff anticipates the ESR will have a balance remaining of at least \$3 million at the conclusion of the three year budget plan.

The City recognizes we would not be in as positive of a fiscal position today if not for the employee bargaining groups contributing to reducing the budget through the furlough program. The cost of furloughs is \$1.14 million to the general fund for each 5% furlough restoration. If both furloughs were restored, the projected budget deficit for FY 2014-15 would reach \$3.6 million.

Finance projections indicate that the City will continue to have financial challenges. We are projecting increases in both CalPERS and healthcare costs. These will be partially offset by increased revenues in both sales tax and property taxes. However, without reducing expenses in some other manner, the City will continue to have a need to draw on the ESR for several more years.

This report is prepared on a cash basis; therefore it describes the timing of cash flows as it relates to the City's revenues and expenditures.

Beginning Balances. The City's annual independent audit is complete. We have received and included the auditor's adjustments to the City's ledgers. The beginning fund and working capital balances presented in this report are final

year end amounts from the previous year and will not change.

Adjusted Budgets. The revenue projections and expenditure budgets include adjustments for encumbrances, carryovers, and any supplemental appropriations made by the Council as of December 31, 2013.

GENERAL FUND

General Fund Financial Condition. With 50% of the year complete, General Fund revenues are at 21.3% of projections and expenditures are at 43.1%.

General Fund

	Budget	YTD Actual	Percent
Balance, Start of Year	\$ 3,994,659	\$ 3,994,659	-
Revenues	34,524,245	7,347,381	21.3%
Expenditures	(36,199,006)	(15,604,879)	43.1%
Balance	\$ 2,319,899	\$ (4,262,839)	-

The budgeted expenditures shown above include encumbrance carryovers from FY 2012-13 of just under \$304,000. Encumbrance carryovers are outstanding purchase orders as of June 30th. Encumbrances are liquidated and paid from the beginning fund balance as prior year budget monies are used to pay for them (as opposed to current year revenues). In addition, budgeted expenditures include \$605,000 added for public safety grant funded programs and \$89,900 for the police and fire operational review by ICMA.

In the YTD Actual shown above, the ending fund balance is negative as of the end of the second quarter. This balance includes only the unreserved/undesignated operating fund balance of the general fund, not the ESR. The negative balance is an indication of the typical cash flow pattern for the general fund. This happens because general fund expenditures for payroll and vendor payments are incurred evenly throughout the fiscal year whereas our largest revenue source is received in two large payments in February and May when property taxes are received from Sutter County. The property tax receipt from Sutter County includes not only property tax revenue but a portion of the City's sales tax revenues. These are by far the two largest revenue sources for the City and when they are received only two times per year, it causes the

cash flows (and therefore fund balance) to go deficit until the first installment is received. When additional sales tax is received from the State and property taxes are received from Sutter County, this will turn around and fund balance will end the fiscal year with a positive balance. The negative fund balance as of December 31, 2013 was compared to that of December 31, 2012, and the City is approximately \$84,000 better off (less negative) in 2013.

Revenues.

The City's top ten revenues account for approximately 95% of total General Fund revenues. As such, they provide a very good summary of our revenue position. Key revenues are performing as projected based on payment schedules and past trends for the half way through the fiscal year. More detailed information is noted below.

Top Ten Revenues	Budget	YTD Actual	% Received
Property Taxes	\$ 10,483,400	\$ -	0.0%
Sales Tax	10,974,250	2,409,127	22.0%
Business Licenses	800,000	28,568	3.6%
Franchise Fees	1,430,000	244,710	17.1%
Hotel/Motel Surcharge	600,000	184,642	30.8%
Building Permits	500,000	423,313	84.7%
Police Special Services	240,000	85,509	35.6%
CSA "G" Fire Contract	600,500	0	0.0%
Recreation Fees	1,118,740	350,833	31.4%
Operating Transfers	6,282,810	2,822,137	44.9%
Total	\$ 33,029,700	\$ 6,548,839	19.8%

▪ **Property Tax.** The first apportionment of 2013-14 taxes did not occur until February, 2014. The FY 2013-14 adopted budget projected a 2.0% increase in property taxes. Based upon the final assessed valuation reports from the Sutter County Auditor-Controller's Office, general fund secured and unsecured assessed values increased by 1.95%. Therefore, total property tax revenues are anticipated to nearly equal the amounts budgeted at the end of the fiscal year.

Four of the largest components of the change in assessed values are as follows:

- Properties were adjusted by a CPI factor of 2% between 2012-13 and 2013-14 (an increase of \$33 million in assessed valuations).
- Residential increased by 2.8% (\$77 million).
- Unsecured decreased by 6.4% (\$23 million) in assessed valuations (the largest drop was for the co-generation plant owned by Greenleaf Unit Two Associates which declined by \$8.8 million).
- Commercial decreased by 2.7% (\$21 million) mostly due to two major appeals. One was for the Yuba City Mall in excess of \$11 million and the other for the shopping center parcels that are next to Home Depot which fell by \$5.9 million.

The City received the benefit of \$55 million in assessed value increases during FY 2013-14 when a total of 5,226 residential parcels were increased due to increases in market value compared to prior years when there had been decreases in assessed values pursuant to Proposition 8. An additional 6,963 parcels remain under Proposition 8 status, with a total potential recapture of \$589 million. The City will see these increases in assessed value translate to increases in property tax revenues if housing sales prices continue to escalate. The potential recapture is eliminated when and if a home under Proposition 8 status is sold for less than the recapture value.

• **Sales Tax.** When the FY 2013-14 revenue projections were developed, sales tax was projected to increase 2.0%. The most recent quarterly sales tax results were down 4.2% on a cash basis and up 4.7% on an adjusted basis (July - September, 2013 sales) and up 0.5% on cash basis and 5.7% on an adjusted basis (April - June, 2013). Sales tax has been unpredictable and volatile, but has shown overall increases. There is a lengthy lag time between the time that sales occur and when the City receives the information regarding the sales tax revenues in order to compare the data to the same quarter of the previous year. As of the date of this report, Finance staff is still waiting for the Christmas quarter results. Finance continues to be cautiously optimistic because overall sales tax revenues have been increasing for the past 12 quarters (10 out of 12 have been positive on a cash basis).

As stated, the revenue data for the October through December quarter sales has not yet been released by the Board of Equalization. The revenue shown here represents the first quarter payments received from the State and advance payments received towards the second quarter revenues.

- **Business Licenses.** Business licenses are renewed in January of each year; therefore most of the revenues from business licenses are received during the third quarter of the fiscal year.
- **Franchise Fees.** The City receives franchise fees from PG&E, Recology, AT&T and Comcast; the fees are based upon a percentage of their revenues. The receipts for the second quarter of the fiscal year are not received until the end of January and PG&E pays theirs annually in April. Therefore, we would not expect Franchise fees to be near the 50% mark during the first two quarters of the fiscal year.
- **Hotel/Motel Surcharge.** Surcharge revenues for the first quarter are included in the amount shown, but second quarter receipts are not due or paid until the end of January and are therefore not included here.
- **Construction Permit Fees.** Building Permits are much higher than anticipated at 84.7% received only half way through the fiscal year. This is an indication of the increase in construction and development activities.

▪ **CSA "G" Fire Contract.** The City receives these funds for fire services to the unincorporated area that was formerly served by the Walton Fire Protection District. Since revenues are property tax based, the first apportionment was received in February, 2014.

▪ **Recreation Fees.** At 31.4% of budgeted revenues, service fees from recreation programs appear to be lower than anticipated halfway through the year. This is typical due to the seasonal nature of the programs offered.

▪ **Operating Transfers.** The General Fund receives reimbursement for operating costs associated with support services provided to the water and wastewater utilities as well as other fund transfers. Transfers are well within budgetary expectations.

Expenditures. Operating costs are all within budgetary expectations as summarized below.

Expenditures	Budget	YTD Actual	% Expended
City Council	\$ 130,214	\$ 61,255	47.0%
City Attorney	150,000	58,123	38.7%
City Manager	657,859	310,055	47.1%
Finance/IT	2,252,864	946,447	42.0%
City Treasurer/City Clerk	35,331	3,831	10.8%
Human Resources	528,714	210,041	39.7%
Community Development	802,270	336,495	41.9%
Public Works	3,980,216	1,643,316	41.3%
Police	13,639,907	5,748,009	42.1%
Fire	9,208,491	4,397,892	47.8%
Animal Control Services	641,386	152,628	23.8%
Economic Development	221,531	89,145	40.2%
Contingency	198,023	25,537	12.9%
Non-Departmental Misc.	278,458	136,756	49.1%
Parks & Recreation	3,473,742	1,485,352	42.8%
Total General Fund	\$ 36,199,006	\$ 15,604,879	43.1%

ENTERPRISE FUNDS

The following summarizes year-to-date revenues, expenditures, and changes in current assets net of current liabilities for the enterprise funds. In general, revenues and expenditures are consistent with past trends. Depreciation is included as a footnote in the budget and is therefore not included below. Revenues in the water fund exceed the 50% expected for the percentage of the year complete as they reflect the seasonal pattern of usage during the summertime months. Capital connection fee revenues exceed the 50% expected for receipts similar to those in the general fund again due to the increase in construction and development activities. Debt service expenditures are less than half for the first two quarters for both Water and Wastewater as they include only an interest payment because the payment that includes both principal and interest is not due until June 1st of each year.

Water Fund

	Budget	YTD Actual	Percent
Balance, Start of Year	\$ 13,544,283	\$ 13,544,283	-
Revenues			
Operating	10,435,308	5,655,001	54.2%
Capital	177,260	342,029	193.0%
Expenditures			
Operating Programs	(7,297,659)	(3,490,215)	47.8%
Capital Equipment	(69,500)	(26,518)	38.2%
CIP Contributions	(515,490)	(515,490)	100.0%
Debt Service	(2,298,670)	(303,395)	13.2%
Balance	\$ 13,975,532	\$ 15,205,696	-

CIP Projects	\$ 10,092,000	\$ 1,294,584	12.8%
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Wastewater Fund

	Budget	YTD Actual	Percent
Balance, Start of Year	\$ 10,964,646	\$ 10,964,646	-
Revenues			
Operating	11,213,480	5,703,620	50.9%
Capital	265,730	211,477	79.6%
Expenditures			
Operating Programs	(8,994,827)	(3,316,550)	36.9%
Capital Equipment	(5,399)	(12,273)	227.3%
CIP Contributions	(15,200)	(15,200)	100.0%
Debt Service	(1,583,484)	(180,333)	11.4%
Balance	\$ 11,844,947	\$ 13,355,387	-

CIP Projects	\$ 14,650,000	\$ 1,508,425	10.3%
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Finance staff accounts for the operating funds and capital connection fee funds for both the Water and Wastewater operations separately. Debt service payments are allocated to the capital connection fee funds based upon how the debt proceeds were used to finance projects at the time the debt was issued. Repayments for bond principal and interest are charged accordingly. Public Works/Utilities advises Finance when a Water or Wastewater project is approved how much should be paid from operating funds vs. capital connection fee funds. In recent years with the decline in development activities, City Council has been advised that at some point Finance staff may draw the connection fee fund reserves into a negative position in order to make debt service payments. Council concurred that this was an acceptable practice as long as Finance kept track of the funds separately, and replenished the cash flows as development activities increased. As of December 31, 2013, Finance reviewed the available cash balance in both the Water and Wastewater connection fee/capital funds and provides the following:

	Water	Wastewater
Cash available @ 12/31/13	\$2,383,384	\$2,419,386
Annual D/S from connection fees	\$1,504,275	\$879,098
# of years of coverage available	1.58	2.75

What this table shows is the amount of cash reserves available in each of the capital connection fee accounts compared to the total annual debt service currently being allocated to and paid from capital connection fees. Those

two amounts are then compared to calculate a ratio of how long, in terms of years, the City will be able to pay debt service without drawing capital connection fee funds into a deficit position. This calculation does not consider amounts used from capital connection fees for future capital projects or future revenues received; it is a snapshot in time of where the funds stand as of December 31, 2013. The Wastewater fund is in a better position to cover debt service than the Water fund, but without additional development to increase revenues, both will be in a difficult position to cover debt service without borrowing funds from the operating funds activities to do so.

CITY OF YUBA CITY

City Council Reports

- Councilmember Buckland
- Councilmember Maan
- Councilmember Starkey
- Vice Mayor Dukes
- Mayor Gill

Adjournment