



"The City With a Heart"

Jim Ruane, Mayor
Ken Ibarra, Vice Mayor
Rico E. Medina, Councilmember
Irene O'Connell, Councilmember
Michael Salazar, Councilmember

**SPECIAL MEETING
AGENDA
CITY COUNCIL CLOSED SESSION
June 26, 2012
6:00 p.m.**

Meeting location: Senior Center, 1555 Crystal Springs Road, San Bruno

1. CALL TO ORDER:

2. PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA: Individuals allowed three minutes, groups in attendance, five minutes. If you are unable to remain at the meeting, ask the City Clerk to request that the Council consider your comments earlier. It is the Council's policy to refer matters raised in this forum to staff for investigation and/or action where appropriate. The Brown Act prohibits the Council from discussing or acting upon any matter not agendaized pursuant to State Law.

3. CLOSED SESSION:

Conference with Labor Negotiators Pursuant to Gov't Code Section 54957.6.

Agency Designated Representatives: City Manager, Human Resources Director, City Labor Negotiator, City Attorney.

Employee Organizations: San Bruno Professional Fire Fighters Association, Public Safety Mid-Management Bargaining Unit, Miscellaneous Group, Mid Management Bargaining Unit, San Bruno Police Bargaining Unit and San Bruno Management Employees Association.

4. ADJOURNMENT:

The next regular City Council Meeting will be held on June 26, 2012 at 7:00 p.m. at the Senior Center, 1555 Crystal Springs Road, San Bruno, CA.

"The City With a Heart"



Jim Ruane, Mayor
Ken Ibarra, Vice Mayor
Rico E. Medina, Councilmember
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Michael Salazar, Councilmember

AGENDA

SAN BRUNO CITY COUNCIL

June 26, 2012

7:00 p.m.

Meeting location: Senior Center, 1555 Crystal Springs Road, San Bruno

City Council meetings are conducted in accordance with Roberts Rules of Order Newly Revised and City Council Rules of Procedure. You may address any agenda item by standing at the microphone until recognized by the Council. All regular Council meetings are recorded and televised on CATV Channel 1 and replayed the following Thursday, at 2:00 pm. You may listen to recordings in the City Clerk's Office, purchase CD's, access our web site at www.sanbruno.ca.gov or check out copies at the Library. We welcome your participation. In compliance with the Americans with Disabilities Act, individuals requiring reasonable accommodations or appropriate alternative formats for notices, agendas and records for this meeting should notify us 48 hours prior to meeting. Please call the City Clerk's Office 650-616-7058.

Thank you **San Bruno Garden Club** for providing the beautiful floral arrangement.

1. CALL TO ORDER:

2. ROLL CALL/PLEDGE OF ALLEGIANCE:

3. ANNOUNCEMENTS:

4. PRESENTATIONS:

Receive Presentation from Scott Laurence, Superintendent of San Mateo Union High School District on the District's Facility Planning.

5. REVIEW OF AGENDA:

6. APPROVAL OF MINUTES: Regular City Council Meeting of June 12, 2012 and City Council Closed Session of June 12, 2012.

7. CONSENT CALENDAR: All items are considered routine or implement an earlier Council action and may be enacted by one motion; there will be no separate discussion unless requested by a Councilmember, citizen or staff.

- a. **Approve:** Accounts Payable of June 11, 2012 and Successor Agency Accounts Payable of June 11, 2012.
- b. **Approve:** Payroll of June 3, 2012.
- c. **Accept:** Reconciliation of General Ledger to Bank Reports and the Investment Reports Dated May 31, 2012.
- d. **Waive:** Second Reading and Adopt Ordinance Imposing a 2.341% Rate Increase Requested by Recology San Bruno for 2012-13 to be Effective July 26, 2012 as Presented in the Notice of Proposed Increase Mailed to All Property Owners.

8. PUBLIC HEARINGS (Notices have been published, posted and mailed):

Hold Public Hearing and Adopt Resolutions:

Approving the City Manager's Recommended 2012-13 General Fund, Special Revenue Funds, and Enterprise Funds Budget.

Approving the City's Appropriations Limit of \$32,359,865 for Fiscal Year 2012-13 (Gann Limit).

9. PUBLIC COMMENT ON ITEMS NOT ON AGENDA: Individuals allowed three minutes, groups in attendance, five minutes. If you are unable to remain at the meeting, ask the City Clerk to request that the Council consider your comments earlier. It is the Council's policy to refer matters raised in this forum to staff for investigation and/or action where appropriate. The Brown Act prohibits the Council from discussing or acting upon any matter not agendized pursuant to State Law.

10. CONDUCT OF BUSINESS:

- a. Receive Report and Adopt Resolution Authorizing the Issuance of Pension Obligation Bonds to Refinance the Outstanding Side Fund Obligation of the City to the California Public Employees Retirement Fund and Authorizing the Institution of Judicial Validation Proceedings.
- b. Receive Report and Adopt Resolution of the City Council Approving a Cooperation Agreement Between the City of San Bruno and the City of San Bruno as Successor Agency to the Former San Bruno Redevelopment Agency.

11. SUCCESSOR AGENCY TO THE FORMER SAN BRUNO REDEVELOPMENT AGENCY ITEMS:

Receive Report and Adopt Resolution of the City Council of the City of San Bruno Acting as Successor Agency to the Former San Bruno Redevelopment Agency Approving a Cooperation Agreement between the City of San Bruno and the City of San Bruno as Successor Agency.

12. REPORT OF COMMISSIONS, BOARDS, & COMMITTEES:

Receive Annual Report from the Planning Commission

13. COMMENTS FROM COUNCIL MEMBERS:

14. CLOSED SESSION:

15. ADJOURNMENT:

The next regular City Council Meeting will be held on July 10, 2012 at 7:00 p.m. at the Senior Center, 1555 Crystal Springs Road, San Bruno.

"The City With a Heart"



Jim Ruane, Mayor
Ken Ibarra, Vice Mayor
Rico E. Medina, Councilmember
Irene O'Connell, Councilmember
Michael Salazar, Councilmember

MINUTES

SAN BRUNO CITY COUNCIL

June 12, 2012

7:00 p.m.

1. CALL TO ORDER: THIS IS TO CERTIFY THAT the San Bruno City Council met on June 12, 2012 at the San Bruno Senior Center, 1555 Crystal Springs Rd., San Bruno, CA. The meeting was called to order at 7:00 p.m.

Mayor Ruane thanked the San Bruno Garden Club for the beautiful floral arrangement.

2. ROLL CALL/PLEDGE OF ALLEGIANCE: Presiding was Mayor Ruane, Council Members O'Connell, Medina and Salazar, Vice Mayor Ibarra was excused with notice. Recording by Clerk Bonner. **Interim City Attorney Rubens** led the Pledge of Allegiance.

3. ANNOUNCEMENTS:

Mayor Ruane said Phase II of the utility replacement project in the Crestmoor neighborhood would start next week. This project will replace water and sewer lines and storm drains in the fire damaged portion of the neighborhood. The construction will require periodic road closures during daytime working hours, as well as traffic detours throughout the neighborhood beginning on June 25. Glenview Dr. between San Bruno and Claremont Dr. will be closed from 8:00 a.m. until 5:00 p.m. for the entire week. A notice will be sent to the neighborhood. This project is expected to last from next week through the end of September. Phase III will start shortly thereafter in the fall. Construction updates are posted on the website at www.rebuildcrestmoor.org.

Mayor Ruane said James Hahn from San Bruno is competing in the US Open at the Olympic Club.

4. PRESENTATIONS: None.

5. REVIEW OF AGENDA: No changes.

6. APPROVAL OF MINUTES: Regular City Council Meeting of May 22, 2012 and City Council Study Session of June 6, 2012, approved as submitted.

7. CONSENT CALENDAR:

a. **Approve:** Accounts Payable of May 21, 29 and June 4, 2012 and Successor Agency Accounts Payable of May 21, 2012.

b. **Approve:** Payroll of May 20, 2012.

c. **Waive:** First Reading and Introduce Ordinance Imposing a 2.341% Rate Increase Requested by Recology San Bruno for 2012-13 to be Effective July 26, 2012 as Presented in the Notice of Proposed Increase Mailed to All Property Owners.

Councilmember Salazar pulled Item 7.c.

M/S Medina/O'Connell to approve 7.a. and 7b. on the Consent Calendar and passed with four Ayes, Vice Mayor Ibarra excused with notice..

Councilmember Salazar asked for clarification on the changes made to this ordinance since its original introduction.

Finance Director Juran said the change in the ordinance was the incorrect reference to the Health and Safety Code requiring a 2/3 vote of the Council to approve the ordinance.

Interim City Attorney Rubens said there was a recital in the initial ordinance that referred to The Health and Safety Code section that referred to a voting requirement that was not accurate. The ordinance is being reintroduced to make sure the ordinance has the correct language. The material terms of the ordinance are the same.

Councilmember Salazar asked the attorney, in his experience, if reference to the Health and Safety Code is fairly common? **Rubens** said the standard is wrong for general law cities, the 2/3 is not required.

City Manager Jackson said the Health and Safety Code reference is for a 2/3 voting requirement in the event that the collection of the fee or charge that is the subject of the ordinance whether the collection is via the property tax rolls. This is not the case here and has never been the case here. She said she didn't know why that language appeared and she believes it has been carried incorrectly for a number of years.

Councilmember Salazar and **Rubens** discussed the complication of the legislation. **Rubens** said in the City he supports, they just did their garbage rates a few weeks ago, it was done by ordinance and did not require a 2/3 vote. It is a rate setting procedure whereby the City Council sets the rates for the service that is provided through the Franchise Agreement with Recology.

Councilmember Salazar asked if someone challenged the City because the language has changed to a less stringent version, the worse case scenario, would we have to repeal the fee increase or could there be other consequences to the City? **Rubens** said that would entail a writ proceeding in Superior Court where someone would say Council did not follow the right procedure. The remedy in Court would be to do it the right way if it happened to be the wrong way, but the process the City is employing is the right way.

M/S Salazar/O'Connell to approve 7.c. and passed with four ayes. Vice Mayor Ibarra excused with notice.

8. **PUBLIC HEARINGS:** None.

9. **PUBLIC COMMENT ON ITEMS NOT ON AGENDA:**

Perry Peterson, Scenic Dr. said the agenda was not posted in the appropriate time. He spoke about the proposed water and sewer rates being a difference of 20% to 50%. He said this is a material difference from the way it has been advertised rather than what was presented. He suggested the solution is to calculate the rates the way they are now and then add on 9.8%. If these proposed rates go through, he said he would cut his water use and enough people did that, the City will have to raise their rates again or they won't have any money to spend on capital improvement projects. He said he was in favor of a rate increase full, but he was also in favor of full, accurate and timely public disclosure.

John Barrielier, N. San Anselmo suggested shopping for the firehouse could be done on line. He talked about the fire station being vacant when firefighters leave to go shopping.

Sara Glascock, N. San Anselmo talked about parking enforcement east of El Camino Real vs no parking enforcement on the west side of El Camino Real and offered suggestions.

Mayor Ruane asked the Chief to come back with a report. **Councilmember Medina** asked when the information is collected can it be sent to the resident. **City Manager Jackson** asked if this could be presented at the first meeting in July since it involves other departments? **Mayor Ruane** concurred.

10. CONDUCT OF BUSINESS:

a. Adopt Resolution Increasing the Capital Improvement Project Appropriation for the Sanitary Sewer Condition Assessment Project by \$440,000 for a Total Appropriation of \$1,435,000;

Adopt Resolution Authorizing the City Manager to Amend the Contract with Veolia (formerly JF Pacific Liners), Increasing the Contract Amount by \$319,000 for a total Contract Amount of \$1,239,000 for Sanitary Sewer Condition Assessment Project and Approving a Total Construction Contingency Amount of \$63,000;

Adopt Resolution Authorizing the City Manager to Approve a Contract with Holmes International in an Amount not to Exceed \$97,000 for Sanitary Sewer Condition Assessment Project Support and Oversight.

Public Services Director Fabry gave a brief overview and introduced **Wasterwater Manager Bosch** who gave a powerpoint overview. **Public Services Director Fabry** continued with an overview of the staff report and asked for questions.

Mayor Ruane wanted assurance there would be no videoing in the Crestmoor/Glenview area. **Fabry** said all of that area was done a year ago as part of the citywide overall inspection.

Councilmember Medina questioned a year ago? **City Manager Jackson** said during that time period, staff was actively evaluating the status of the infrastructure and amount of damage that might have occurred as a result of the explosion and resulting fire, so it was done as part of the ongoing inspection program. It also predated the decision-making and informed the decision-making about replacement of the entire Crestmoor infrastructure.

Councilmember Salazar asked about the discrepancy in the estate of overall miles of sewer pipes. **Fabry** responded that the reliability of the GIS information was low but has been improved over time. It is now about 95% accurate.

Councilmember Salazar asked about the construction risk. **Fabry** said the only risk is the length of the pipe, which could still be more than estimated. Staff can assist with other unknown issues.

Councilmember Salazar asked about when the video inspection would have to be repeated? **Fabry** responded that video inspections are required after repairs and possibly the entire system may have to be re-inspected at some future time. Most cities have developed the ability to video inspect themselves. San Bruno will have to determine whether to develop those skills internally.

The consultant will help prioritize areas for spot repairs. Last year we went from 50 SSOs to 18. This year we have had 9. No SSO s have been reported in 2 months. Three trouble spots were identified by video inspection.

Councilmember Salazar asked about the billing for the oversight contract. **Fabry** said previously there was no contract but certain tasks were assigned to a number of consultants. The current contract covers quality control and assistance understanding all the video information not just the 22 new miles. They will identify the 50 worst areas based on the video.

Councilmember Salazar asked if laterals were included in the estimated lengths of sewer pipe. **Fabry** said only mains were included in that number. There are no plans to inspect all the laterals. Homeowners are responsible for most of the laterals in the City. The Bay Keeper agreement does not hold the City responsible for lateral SSOs.

Councilmember Medina said there was an assumption of around 63 miles. We were 22 miles short, and the Quality Board alluded to about 77 miles we had in the City. Why the discrepancy? When did we come up with this and where are the 22 miles? **Fabry** said the process took place in 2009-2010 and it was based on the knowledge and information provided to them at that time.

Councilmember Medina asked if there is a deadline for this videoing to be completed? **Fabry** said it was included in the agreement with the Bay Keepers that it has to be finished by the end of June of this year. **Councilmember Medina** questioned it being done by the end of this month with us short 22 miles? **Fabry** said it was included in the agreement and the City notified them of a need for an extension, which they gave us until the end of July. **Councilmember Medina** asked when we discovered the extra 22 miles? **Fabry** said February. **Councilmember Medina** asked how we are proceeding? **Fabry** said in the last month or so there have three crews working during the weekdays going about three miles a week.

Councilmember Medina questioned the number of individuals hired to do this project and asked if this was because it was too technical. **Fabry** said this project would result in a searchable database on how the City can use the information. The CMMS is a management system, which is up and running in the sewer division, started in 2008. It was implemented for proactive maintenance planning activity at the beginning of this year. The Management Analyst position has been budgeted for a few years. The consultant expertise is necessary to provide technical support for this project.

Councilmember Medina expressed his concern that we bring on a program, and we don't have it fully running in all the departments, it is too technical and we need to bring in people to bring us up to speed, and the bottom line is the cost. He asked if the consultant has assisted us in other projects? **Fabry** concurred.

Councilmember O'Connell asked if every five years the video must be done? **Fabry** said the five years were included in the contract. It is also a State requirement.

Councilmember O'Connell asked about the data we are going to receive and the expertise the consultants are bringing to us, is anyone being trained in staff to deal with that? **Fabry** said there will need to be a certain degree of high expertise on an ongoing basis to be sure the City is up to the latest requirements. She said they intend to train other classifications in the City.

Mayor Ruane said the reduction in SSOs is very gratifying.

Councilmember Salazar said the State requires us to have an action plan but it does not specify what needs to be in the plan.

Councilmember Salazar said he believes the State requires us to have an action plan but it does not specify specifically what needs to be in the action plan. He said the only two methods available to us is either crawling down and looking at it or sending a camera in.

Councilmember Salazar introduced the resolution Increasing the Capital Improvement Project and passed with four ayes, Vice Mayor Ibarra excused with notice.

Councilmember O'Connell introduced the resolution to Amend the Contract with Veolia and passed with four ayes, Vice Mayor Ibarra excused with notice.

Councilmember O'Connell introduced the resolution to Approve a Contract with Holmes International and passed with four ayes, Vice Mayor Ibarra excused with notice.

b. Adopt Resolution Authorizing the City Manager to Execute a Contract with the San Bruno Park School District to Provide an After School Recreation Program at Belle Air School.

Community Services Director Schwartz gave an overview of the staff report and asked for questions.

Councilmember Medina said it looks like we are facilitating this and the district has the final stay? **Schwartz** said the district has the grant through the State of CA so they have to have the final approval; however, City staff will work with the parents.

Councilmember Medina asked about the District checking in? **Schwartz** said they are not allowed to walk home; they have to be picked up on site. The District does have responsibility until they check in.

Councilmember Salazar asked about staff? **Schwartz** said additional staff would have to be hired.

Councilmember Salazar asked how much goes to administration? **Schwartz** said 15%. Councilmember Salazar asked if the school district gets any overhead for handling the grant? **Schwartz** said he believed 5% off the top. **Councilmember Salazar** asked if \$106,000 the same price they were paying the private contractor. **Schwartz** said he would assume so.

Councilmember Salazar introduced the resolution to execute a contract with the San Bruno Park School District and passed with four ayes, Vice Mayor Ibarra excused with notice.

c. Authorize Fireworks Stand Permits for 2012 Upon Finding that the Non-Profit Organizations Meet Requirements of Resolution 2008-59 and Ordinance No. 1700.

City Clerk Bonner gave a brief overview of the staff report and asked for approval.

M/S O'Connell/Salazar and passed with four ayes, Vice Mayor Ibarra excused with notice.

11. **REPORT OF COMMISSIONS, BOARDS, & COMMITTEES:** None.

12. **COMMENTS FROM COUNCIL MEMBERS:** None.

13. **CLOSED SESSION:** Posted as a Special Meeting following this Council meeting.

14. **ADJOURNMENT:**

Mayor Ruane closed the meeting at 8:40 p.m. The next regular City Council Meeting will be held on June 26, 2012 at 7:00 p.m. at the Senior Center, 1555 Crystal Springs Road, San Bruno.

Respectfully submitted for approval
at the regular City Council Meeting of
June 26, 2012

Carol Bonner, City Clerk

Jim Ruane, Mayor

"The City With a Heart"



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**SPECIAL MEETING
MINUTES
CITY COUNCIL CLOSED SESSION
June 12, 2012**

IMMEDIATELY FOLLOWING REGULAR COUNCIL MEETING

1. CALL TO ORDER: THIS IS TO CERTIFY THAT the San Bruno City Council met in Closed Session on June 12, 2012 at the San Bruno Senior Center, 1555 Crystal Springs Rd., San Bruno, CA. The meeting was called to order at 8:45 p.m.

2. PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA: None.

3. CLOSED SESSION:

Mayor Ruane read the following:

Conference with Real Property Negotiator Pursuant to Government Code section 54956.8

Property: Parcel Nos.020-013-250 and 020-013-260

Agency Negotiator: City Manager

Negotiating Parties: City of San Bruno and Martin Regis San Bruno Associates, L.P.

Under Negotiation: Price and Terms of Payment

Mayor Ruane said there would be no reportable action.

4. ADJOURNMENT:

Mayor Ruane closed the meeting at 9:35 p.m. The next regular City Council Meeting will be held on June 26, 2012 at 7:00 p.m. at the Senior Center, 1555 Crystal Springs Road, San Bruno.

Respectfully submitted for approval
at the regular City Council Meeting of
June 26, 2012

Carol Bonner, City Clerk

Jim Ruane, Mayor

06/11/12

CITY OF SAN BRUNO
WARRANT REGISTER
TOTAL FUND RECAP

FUND	FUND NAME	AMOUNT
001	GENERAL FUND	\$459,448.05
121	FEDERAL/STATE GRANTS	\$36.00
122	SOLID WASTE/RECYCL.	\$180.00
132	AGENCY ON AGING	\$1,820.00
190	EMERGENCY DISASTER FUND	\$793.99
201	PARKS AND FACILITIES CAPITAL	\$14,180.10
203	STREET IMPROVE. PROJECTS	\$15,574.20
207	TECHNOLOGY CAPITAL	\$911.55
611	WATER FUND	\$217,669.30
621	STORMWATER FUND	\$21.12
631	WASTEWATER FUND	\$520,272.90
641	CABLE TV FUND	\$278,824.10
701	CENTRAL GARAGE	\$6,580.33
702	FACILITY MAINT. FUND	\$1,414.36
703	GENERAL EQUIPMENT REVOLVING	\$329.99

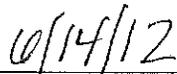
TOTAL FOR APPROVAL \$1,518,055.99

HONORABLE MAYOR AND CITY COUNCIL:

THIS IS TO CERTIFY THAT THE CLAIMS LISTED ON PAGES NUMBERED FROM 1 THROUGH 3 INCLUSIVE, AND/OR CLAIMS NUMBERED FROM 135403 THROUGH 135538 INCLUSIVE, TOTALING IN THE AMOUNT OF \$1,518,055.99 HAVE BEEN CHECKED IN DETAIL AND APPROVED BY THE PROPER OFFICIALS, AND IN MY OPINION REPRESENT FAIR AND JUST CHARGES AGAINST THE CITY IN ACCORDANCE WITH THEIR RESPECTIVE AMOUNTS AS INDICATED THEREON.

RESPECTFULLY SUBMITTED,


FINANCE DIRECTOR


DATE

Document group: komalley Bank: apbank 05507660

Vendor Code & Name	Check #	Check Date	Amount
0017188 3T EQUIPMENT COMPANY INC.	135403	6/11/2012	675.41
0017341 AARONSON DICKERSON, COHN & LANZONE	135439	6/11/2012	1,087.50
0017053 ACCOUNTEMPS	135405	6/11/2012	902.64
0095184 ACE MILES	135406	6/11/2012	300.00
0000858 ADECCO EMPLOYMENT SERVICES	135407	6/11/2012	141.17
0000163 AIRPORT AUTO PARTS INC.	135408	6/11/2012	512.12
0017459 ALL CITY MANAGEMENT SVC.INC.	135409	6/11/2012	2,172.48
0000372 ALLIED SECURITY ALARMS	135410	6/11/2012	1,237.50
0000187 ALPHA PRESS INC.	135412	6/11/2012	189.44
0000082 AMERICAN MESSAGING	135414	6/11/2012	43.41
0000370 ANCHOR FENCE COMPANY, INC.	135415	6/11/2012	20.06
0001965 ARISTA BUSINESS	135416	6/11/2012	222.32
0016123 AT&T	135417	6/11/2012	961.89
0017191 AT&T	135418	6/11/2012	297.53
0000345 BAKER & TAYLOR BOOKS	135419	6/11/2012	3,469.82
0104016 BANK OF SACRAMENTO	135420	6/11/2012	9,505.24
0102657 BASCOM TRIM & UPHOLSTERY	135422	6/11/2012	323.80
0015628 BAY AREA TREE CO., INC.	135423	6/11/2012	10,275.00
0017434 BROWN & CALDWELL	135425	6/11/2012	20,692.31
0105049 BUCKLEY PLUMBING	135426	6/11/2012	120.25
0001888 CALIFORNIA CABLE & TELECOMMUNICATIONS ASS	135521	6/11/2012	1,044.01
0105080 CARMELINA BORG	135424	6/11/2012	64.38
0016324 CINTAS CORPORATION #464	135428	6/11/2012	211.02
0013595 CITY OF SAN BRUNO	135429	6/11/2012	752.52
0097202 CITY OF SAN MATEO	135430	6/11/2012	168.18
0000169 COSTA'S / "JUST THINGS"	135431	6/11/2012	173.20
0015857 COUNTY OF SAN MATEO	135432	6/11/2012	76.00
0093715 COUNTY OF SAN MATEO	135433	6/11/2012	135.00
0097934 CWEA-TCP	135434	6/11/2012	78.00
0094648 DALEO, INC	135435	6/11/2012	6,521.00
0095512 DANIELLE BREWER	135436	6/11/2012	171.80
0018166 DANIELLE KRANITZ	135437	6/11/2012	500.00
0018188 DAU PRODUCTS	135438	6/11/2012	2,098.94
0104693 DEBBIE GRECH	135455	6/11/2012	777.69
0102820 DEBRA HALL	135457	6/11/2012	289.00
0000430 DKS ASSOCIATES	135440	6/11/2012	9,996.00
0102673 EBI AGGREGATES	135441	6/11/2012	122.59
0105027 ELEANOR RODRIGUEZ	135510	6/11/2012	4,557.94
0105075 ERIC V. ABALON	135404	6/11/2012	42.52
0018697 EVIDENT	135444	6/11/2012	70.00
0000944 FEDEX	135445	6/11/2012	84.29
0013714 FIRST NATIONAL BANK	135446	6/11/2012	14,035.23
0001782 FLOWERS ELECTRIC & SVC.CO.INC.	135447	6/11/2012	3,682.50
0102869 FRANCHISE TAX BOARD	135448	6/11/2012	1,150.00
0014910 G & M AUTO BODY	135450	6/11/2012	1,244.54
0104209 G. BORTOLOTTO & CO., INC.	135451	6/11/2012	39,235.88
0105076 GARY OWENS	135491	6/11/2012	42.17
0103258 GC MICRO CORPORATION	135452	6/11/2012	785.45
0016969 GOLDEN IDEAS	135453	6/11/2012	919.55
0000541 GRANITE ROCK COMPANY	135454	6/11/2012	1,571.71
0017914 GSWAW INC.	135456	6/11/2012	7,075.00
0104777 HANSEL FORD	135458	6/11/2012	245,116.01
0105077 HARRY BARSANTI	135421	6/11/2012	29.77
0105082 HIROMI TANIMOTO	135518	6/11/2012	4.78
0105074 HSIU-JU TSUNG	135523	6/11/2012	9.29
0103336 HUB INTERNATIONAL SERVICE INC.	135459	6/11/2012	478.27

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0018838	INFOSEND, INC.	135461	6/11/2012	3,811.98	
0015531	INTERSTATE BATTERY SYS. OF SF	135462	6/11/2012	11.56	
0000710	JOBS AVAILABLE	135463	6/11/2012	490.00	
0100996	JUNE ROLLIN	135464	6/11/2012	26.55	
0000075	K-119 TOOLS OF CALIFORNIA INC.	135465	6/11/2012	729.43	
0018050	KAISER FOUNDATION HEALTH PLAN	135466	6/11/2012	2,924.00	
0096379	KAREN OJAKIAN	135488	6/11/2012	766.35	
0000132	KELLY-MOORE PAINT CO INC.	135467	6/11/2012	52.77	
0096303	KEVIN CARMODY	135427	6/11/2012	160.00	
0018561	LANCE BAYER	135468	6/11/2012	1,937.50	
0096825	LAURIE LOO	135470	6/11/2012	515.45	
0104424	LIDIA'S ITALIAN DELICACIES	135469	6/11/2012	1,820.00	
0017026	LYNX TECHNOLOGIES, INC.	135471	6/11/2012	1,300.00	
0104916	MANDELL MUNICIPAL COUNSELING	135472	6/11/2012	472.50	
0105063	MAP MASTERS	135473	6/11/2012	525.00	
0098990	MARK-IT	135474	6/11/2012	159.43	
0100704	MARTY CARDONE	135475	6/11/2012	76.79	
0000389	MATRISHA PERSON	135495	6/11/2012	1,340.63	
0102770	METLIFE	135476	6/11/2012	1,045.46	
0092285	MICROMARKETING LLC	135477	6/11/2012	75.97	
0016863	MIDWEST TAPE, LLC	135478	6/11/2012	133.72	
0099861	MIKE LEWIS CONCRETE	135479	6/11/2012	276.00	
0014106	MILLS PARK CLEANERS	135480	6/11/2012	132.60	
0000333	MOSS RUBBER & EQUIP. CORP.	135481	6/11/2012	747.17	
0000357	NATIONAL CABLE TV CO-OP, INC.	135482	6/11/2012	194,806.67	
0018319	NEAL MARTIN & ASSOCIATES	135483	6/11/2012	4,050.00	
0105070	NEWLIGHT REALTY, INC.	135484	6/11/2012	47.94	
0090001	NOREEN HANLON	135485	6/11/2012	500.00	
0092263	OFFICE DEPOT INC	135486	6/11/2012	2,933.97	
0018284	OFFICEMAX INC.	135487	6/11/2012	278.20	
0000210	OLE'S CARBURETOR & ELECTRIC INC	135489	6/11/2012	748.92	
0105072	OLIVIA ALVARADO	135413	6/11/2012	400.00	
0000012	PACIFIC GAS & ELECTRIC	135492	6/11/2012	43,169.26	
0105028	PAUL HUI	135460	6/11/2012	4,191.83	
0014961	PENINSULA UNIFORMS & EQUIPMENT	135493	6/11/2012	1,068.70	
0018283	PERFORMANCE TOW LLC	135494	6/11/2012	240.00	
0105073	PERRY PETERSON	135496	6/11/2012	28.04	
0016828	PRECISION AUTO SERVICE	135497	6/11/2012	79.95	
0104774	PREFERRED INVESTIGATIONS	135498	6/11/2012	1,000.00	
0018801	PROFORCE LAW ENFORCEMENT	135499	6/11/2012	5,537.23	
0018383	QOS COMMUNICATIONS	135500	6/11/2012	200.00	
0000071	R & B COMPANY	135501	6/11/2012	1,755.76	
0091044	R.A. METAL PRODUCTS, INC	135502	6/11/2012	649.50	
0017111	RANDOM HOUSE INC	135503	6/11/2012	222.45	
0090749	RED WING SHOE STORE	135505	6/11/2012	823.20	
0000229	REEVES CO., INC.	135507	6/11/2012	26.51	
0017987	RISO, INC.	135508	6/11/2012	313.47	
0096458	RMC WATER AND ENVIRONMENT	135509	6/11/2012	22,607.63	
0105058	ROBERT WOOD	135535	6/11/2012	65.00	
0000569	SAN BRUNO AUTO CENTER, INC.	135511	6/11/2012	720.00	
0105079	SARA RECINOS	135504	6/11/2012	30.24	
0093335	SBRPSTC	135512	6/11/2012	438.00	
0018461	SERRAMONTE FORD, INC.	135513	6/11/2012	86.39	
0018554	SPRINT	135514	6/11/2012	30.00	
0097079	SPRINT	135515	6/11/2012	141.87	
0000801	STEWART AUTOMOTIVE GROUP	135516	6/11/2012	1,315.88	
0018321	STOEL RIVES LLP	135517	6/11/2012	525.00	
0000431	TEAMSTERS LOCAL #856	135519	6/11/2012	316,536.00	

Document group:	komalley	Bank:	apbank	05507660		
0018073	TEAMSTERS LOCAL 350	135520	6/11/2012	2,196.00		
0002025	TELECOMMUNICATIONS ENGINEERING ASSOCIATE	135442	6/11/2012	85.00		
0105083	TERRY OROURKE	135490	6/11/2012	14.58		
0105035	TESS FRANCO	135449	6/11/2012	67.96		
0017928	THE EDCCO GROUP, INC.	135522	6/11/2012	14,596.19		
0105064	UCCELLI & ASSOCIATES	135524	6/11/2012	470.94		
0018413	UNION BANK OF CALIFORNIA	135525	6/11/2012	431,446.86		
0105078	UNITED HEALTH GROUP	135526	6/11/2012	20.30		
0098625	UPS	135527	6/11/2012	14.78		
0000584	USA MOBILITY WIRELESS INC.	135528	6/11/2012	32.68		
0105081	VAN ENRIQUEZ	135443	6/11/2012	58.42		
0102988	VANTAGEPOINT TRANSFER AGENTS	135529	6/11/2012	7,083.39		
0098917	VOLIKOS ENTERPRISES	135530	6/11/2012	1,805.42		
0095260	WENDY ALMUKDAD	135411	6/11/2012	4,200.33		
0018385	WFCB - OSH COMMERCIAL SERVICES	135532	6/11/2012	112.84		
0104704	WHITLOCK & WEINBERGER TRANSPORTATION INC	135531	6/11/2012	3,988.20		
0016286	WINGFOOT COMMERCIAL TIRE, LLC	135533	6/11/2012	2,135.84		
0013841	WITMER-TYSON IMPORTS INC	135534	6/11/2012	252.38		
0018585	WRIME INC.	135536	6/11/2012	3,880.00		
0018069	WULFSBERG REESE COLVIG & FIRSTMAN	135506	6/11/2012	2,173.50		
0014850	XEROX CORPORATION	135537	6/11/2012	78.79		
0104033	ZCORUM, INC.	135538	6/11/2012	21,779.00		
			GrandTotal:	1,518,055.99		
			Total count:	136		

06/11/12

CITY OF SAN BRUNO
WARRANT REGISTER
TOTAL FUND RECAP
SUCCESSOR AGENCY

FUND	FUND NAME	AMOUNT
153	RDA OBLIGATION RETIREMENT FUND	\$20,581.05
TOTAL FOR APPROVAL		\$20,581.05

HONORABLE MAYOR AND CITY COUNCIL:

THIS IS TO CERTIFY THAT THE CLAIMS LISTED ON PAGE NUMBERED 1, AND/OR CLAIMS NUMBERED FROM 100010 THROUGH 100011 INCLUSIVE, TOTALING IN THE AMOUNT OF \$20,581.05 HAVE BEEN CHECKED IN DETAIL AND APPROVED BY THE PROPER OFFICIALS, AND IN MY OPINION REPRESENT FAIR AND JUST CHARGES AGAINST THE CITY IN ACCORDANCE WITH THEIR RESPECTIVE AMOUNTS AS INDICATED THEREON.

RESPECTFULLY SUBMITTED,



FINANCE DIRECTOR



DATE

Document group: komalley Bank: sagncey 06995403

<u>Vendor Code & Name</u>	<u>Check #</u>	<u>Check Date</u>	<u>Amount</u>
0105050 GREEN VALLEY MARKET	100010	6/11/2012	15,000.00
0104879 LAW OFFICES OF CRAIG LABADIE	100011	6/11/2012	5,581.05
		GrandTotal:	20,581.05
		Total count:	2



**City Council Agenda Item
Staff Report**

CITY OF SAN BRUNO

DATE: June 26, 2012
TO: Honorable Mayor and Members of the City Council
FROM: Kim Juran, Finance Director
SUBJECT: Payroll Approval

City Council approval of the City payroll distributed June 8, 2012 is recommended. The Labor Summary report reflecting the total payroll amount of \$1,238,268.19 for the bi-weekly pay period ending June 3, 2012 is attached.

LABOR SUMMARY FOR PAY PERIOD ENDING : June 3, 2012

pyLaborDist	06/08/12
Fund: 001 - GENERAL FUND	948,705.74
Fund: 122 - SOLID WASTE/RECYCL.	183.90
Fund: 190 - EMERGENCY DISASTER FUND	8,229.87
Fund: 201 - PARKS AND FACILITIES CAPITAL	5,018.66
Fund: 203 - STREET IMPROVE. PROJECTS	4,198.07
Fund: 611 - WATER FUND	70,526.45
Fund: 621 - STORMWATER FUND	11,273.65
Fund: 631 - WASTEWATER FUND	61,943.70
Fund: 641 - CABLE TV FUND	80,793.47
Fund: 701 - CENTRAL GARAGE	8,309.74
Fund: 702 - FACILITY MAINT.FUND	20,574.15
Fund: 707 - TECHNOLOGY DEVELOPMENT	12,336.25
Fund: 711 - SELF INSURANCE	6,174.54
Total	1,238,268.19



John E. Marty
City Treasurer

RECONCILIATION OF GENERAL LEDGER TO BANK

MONTH ENDING MAY 2012

City of San Bruno Cash

City of San Bruno General Ledger

Investment Balance	\$ 43,351,174.78
Glenview Fire LAIF	3,019,726.05
Checking	1,402,396.18
Police Checking	8,001.50
Glenview Fire Recovery	4,738.02
Glenview Counseling Assist	19,346.40
Successor Agency of SB RDA	1,547,615.56
Successor Housing Agency	3,265,984.04
City of SB as Custodian - WFB	68,750,003.18

Bank Balances as of 121,368,985.71

General Ledger Balance \$ 121,146,120.65

Outstanding checks \$ (372,496.54)

FNB Deposit Transit	16,784.29
FNB Deposit Transit	25,378.25
FNB Deposit Transit	8,901.27
FNB Deposit Transit	51,898.82
Finance CC	651.01
Finance CC	485.00
Utility Online Billpay - ACH	583.95
Utility Online Billpay - ACH	4,857.28
Utility Online Billpay - ACH	3,802.29
Utility Online Billpay - cc	867.46
Utility Online Billpay - cc	5,229.64
Utility Online Billpay - cc	13,976.48
Utility Online Billpay - VISA	11,298.31
Library CC	73.05
CATV Merchant Bankcard CC	8,239.04

CATV Paymentech CC	1,552.45
CATV Lockbox Deposit	1,842.21

Adjusted Balance \$ 121,149,515.31

Adjusted Balance \$ 121,149,515.31

7.c.



INVESTMENT REPORT

Month ending May 2012

INVESTMENTS					YIELD
INVESTMENT POOLS					
Local Agency Investment Fund	16,194,005.12				0.380
Glenview Fire LAIF	3,019,126.05				0.380
San Mateo County Pool	16,629,153.91				1.000
INVESTMENTS HELD AT UNION BANK					
	PAR VALUE	COST BASIS	MKT. VALUE	YIELD	
Federal Home Loan Bank 1.375% mat 10/29/2012	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,010,320.00	1.370	
Federal Home Loan Bank 1.42 mat 5/30/14	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,021,099.00	1.390	
Federal Home Loan Bank 1.20% mat 12/29/2014	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,670.00	1.200	
Federal Home Loan Bank 0.50% Step-Up mat 2/25/2015	\$ 1,000,000.00	\$ 999,000.00	\$ 999,180.00	0.500	
Federal Home Loan Bank 0.5% Step-up mat 3/28/2016	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,750.00	0.500	
Federal National Mortgage Assn. 1.00% mat 10/26/2016	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,530.00	1.000	
Federal Farm Credit Bank 1.43% mat 12/22/2016	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,640.00	1.430	

Revenue Status Report

City of San Bruno
5/1/2012 through 5/31/2012

Account Number	Adjusted Estimate	Revenues	Year-to-date Revenues	Balance	Prct Rcvd
Total GENERAL FUND	33,090,299.90	1,457,869.27	29,833,026.23	3,257,273.67	90.16
Total GENERAL FUND RESERVE	0.00	192,908.00	276,177.53	-276,177.53	0.00
Total ONE-TIME REVENUE	0.00	0.00	625,245.55	-625,245.55	0.00
Total GAS TAX	1,213,972.00	187,463.82	1,130,385.47	83,586.53	93.11
Total MEASURE A TRANSPORTATION TAX	0.00	64,178.56	706,677.41	-706,677.41	0.00
Total STREET SPECIAL REVENUE	0.00	294.79	908.05	-908.05	0.00
Total TRAFFIC CONGESTION RELIEF	0.00	0.00	0.00	0.00	0.00
Total POLICE ASSET FORFEITURE	0.00	2,561.39	5,281.40	-5,281.40	0.00
Total SAFETY AUGMENT. -PROP.172	86,000.00	9,643.85	89,489.67	-3,489.67	104.06
Total POLICE SPECIAL REVENUE	100,000.00	10.98	109,430.90	-9,430.90	109.43
Total TRAFFIC SAFETY GRANT	0.00	58.25	5,669.04	-5,669.04	0.00
Total FEDERAL/STATE GRANTS	225,123.00	0.00	66,454.96	158,668.04	29.52
Total SOLID WASTE/RECYCL.	79,451.27	16,412.43	72,673.91	6,777.36	91.47

Revenue Status Report

City of San Bruno
5/1/2012 through 5/31/2012

Account Number	Adjusted Estimate	Revenues	Year-to-date Revenues	Balance	Prct Rcvd
Total LIBRARY SPECIAL REVENUE	26,008.00	376.95	22,750.94	3,257.06	87.48
Total IN-LIEU FEES	654,478.00	3,275.09	397,617.95	256,860.05	60.75
Total AGENCY ON AGING	110,629.00	9,320.74	133,839.76	-23,210.76	120.98
Total RESTRICTED DONATIONS	0.00	15,065.66	247,363.12	-247,363.12	0.00
Total ED JOHNSON BEQUEST FUND	0.00	24.24	142.10	-142.10	0.00
Total GLENVIEW FIRE DONATIONS	0.00	0.00	1,206.73	-1,206.73	0.00
Total PGE	0.00	0.00	8,615.04	-8,615.04	0.00
Total SUCCESSOR AGENCY TO THE SB RDA - OPS	7,279,050.20	0.00	2,891,288.90	4,387,761.30	39.72
Total CITY OF SB AS SUCCESSOR HOUSING AGENCY	1,822,524.80	0.00	730,931.86	1,091,592.94	40.11
Total RDA OBLIGATION RETIREMENT FUND	0.00	1,767,545.00	1,767,545.00	-1,767,545.00	0.00
Total EMERGENCY DISASTER FUND	1,670,273.75	0.00	1,705,702.98	-35,429.22	102.12
Total PARKS AND FACILITIES CAPITAL	1,533,175.00	2,120.14	2,286,739.42	-753,564.42	149.15
Total STREET IMPROVE. PROJECTS	205,000.00	46,101.85	887,632.60	-682,632.60	432.99
Total TECHNOLOGY CAPITAL	0.00	84.08	1,337.99	-1,337.99	0.00

Revenue Status Report

City of San Bruno
5/1/2012 through 5/31/2012

Account Number	Adjusted Estimate	Revenues	Year-to-date Revenues	Balance	Prct Rcvd
Total SUCCESSOR AGENCY TO THE SB RDA - CAPITAL	125,000.00	0.00	125,110.46	-110.46	100.09
Total CITY HALL LEASE DEBT SERVICE	378,501.00	31,542.00	346,962.00	31,539.00	91.67
Total SUCCESSOR AGENCY TO THE SB RDA -2000 COP	652,138.00	54,347.09	597,824.07	54,313.93	91.67
Total WATER FUND	10,790,059.45	844,661.28	8,840,865.51	1,949,193.94	81.94
Total STORMWATER FUND	620,650.30	43,261.94	588,027.56	32,622.74	94.74
Total WASTEWATER FUND	11,245,763.90	959,359.76	9,488,115.55	1,757,648.35	84.37
Total CABLE TV FUND	11,068,270.00	829,978.35	9,337,730.21	1,730,539.79	84.36
Total CENTRAL GARAGE	668,840.70	55,591.00	613,249.70	55,591.00	91.69
Total FACILITY MAINT.FUND	916,188.20	76,084.00	840,108.20	76,080.00	91.70
Total GENERAL EQUIPMENT REVOLVING	487,669.00	35,882.00	443,911.00	43,758.00	91.03
Total TECHNOLOGY DEVELOPMENT	473,482.00	39,040.00	433,008.00	40,474.00	91.45
Total SELF INSURANCE	1,584,954.00	130,353.00	1,452,091.65	132,862.35	91.62

Revenue Status Report

City of San Bruno
5/1/2012 through 5/31/2012

<u>Account Number</u>	<u>Adjusted Estimate</u>	<u>Revenues</u>	<u>Year-to-date Revenues</u>	<u>Balance</u>	<u>Prct Rcvd</u>
Grand Total	87,107,501.48	6,875,415.51	77,111,138.42	9,996,363.06	88.52

6/20/2012 6:33:00PM

Through period: 11

City of San Bruno
Through May 2012

	Cash	Investments	Fund Total
001 GENERAL FUND	4,176,743.96	53,585.24	4,230,329.20
002 GENERAL FUND RESERVE	3,026,446.11	0.00	3,026,446.11
003 ONE-TIME REVENUE	4,889,028.50	0.00	4,889,028.50
101 GAS TAX	1,101,177.33	0.00	1,101,177.33
102 MEASURE A TRANSPORTATION TAX	1,027,714.72	0.00	1,027,714.72
103 STREET SPECIAL REVENUE	305,848.09	0.00	305,848.09
104 TRAFFIC CONGESTION RELIEF	0.00	0.00	0.00
111 POLICE ASSET FORFEITURE	67,918.91	0.00	67,918.91
112 SAFETY AUGMENT. -PROP.172	17,120.09	0.00	17,120.09
113 POLICE SPECIAL REVENUE	47,601.65	0.00	47,601.65
114 TRAFFIC SAFETY GRANT	60,496.13	0.00	60,496.13
121 FEDERAL/STATE GRANTS	57,223.01 CR	0.00	57,223.01 CR
122 SOLID WASTE/RECYCL.	182,232.52	0.00	182,232.52
123 LIBRARY SPECIAL REVENUE	375,618.82	0.00	375,618.82
131 IN-LIEU FEES	3,404,483.89	0.00	3,404,483.89
132 AGENCY ON AGING	60,619.91	0.00	60,619.91
133 RESTRICTED DONATIONS	939,548.67	0.00	939,548.67
134 ED JOHNSON BEQUEST FUND	25,213.37	0.00	25,213.37
135 GLENVIEW FIRE DONATIONS	4,738.02	0.00	4,738.02
136 PGE	3,019,726.05	0.00	3,019,726.05
151 SUCCESSOR AGENCY TO THE SB RDA - OPS	403,167.73	0.00	403,167.73
152 CITY OF SB AS SUCCESSOR HOUSING AGENCY	2,368,099.02	0.00	2,368,099.02
153 RDA OBLIGATION RETIREMENT FUND	1,767,174.63	0.00	1,767,174.63
190 EMERGENCY DISASTER FUND	1,604,121.47 CR	0.00	1,604,121.47 CR
201 PARKS AND FACILITIES CAPITAL	2,066,626.49	0.00	2,066,626.49
202 CITY/BART POLICE FACIL	0.00	0.00	0.00
203 STREET IMPROVE. PROJECTS	1,478,577.39	0.00	1,478,577.39
207 TECHNOLOGY CAPITAL	82,551.10	0.00	82,551.10
251 SUCCESSOR AGENCY TO THE SB RDA - CAPITAL	52,945.90	0.00	52,945.90
301 PARKING.DIST.BONDS	0.00	0.00	0.00
302 CITY HALL LEASE DEBT SERVICE	31,539.08 CR	0.00	31,539.08 CR
351 SUCCESSOR AGENCY TO THE SB RDA -2000 COP	103,235.00	649,972.22	753,207.22
611 WATER FUND	11,087,362.66	0.00	11,087,362.66
621 STORMWATER FUND	1,449,717.08	0.00	1,449,717.08
631 WASTEWATER FUND	5,581,554.64	1,061,171.10	6,642,725.74
641 CABLE TV FUND	2,862,359.07 CR	200.00	2,862,159.07 CR
701 CENTRAL GARAGE	479,459.68	0.00	479,459.68
702 FACILITY MAINT.FUND	993,054.13	0.00	993,054.13
703 GENERAL EQUIPMENT REVOLVING	3,378,175.16	0.00	3,378,175.16
707 TECHNOLOGY DEVELOPMENT	493,956.69	0.00	493,956.69
711 SELF INSURANCE	2,131,077.01	91,118.50	2,222,195.51
810 DEFERRED COMPENSATION PLANS	0.00	0.00	0.00
870 CRESTMOOR GLENVIEW RESTITUTION TRUST FN	68,750,003.18	0.00	68,750,003.18
880 PROJECT DEVELOP. TRUST	63,114.17	0.00	63,114.17
891 S.B. GARBAGE CO. TRUST	239,234.88	0.00	239,234.88
Grand Total:	121,146,120.65	1,856,047.06	123,002,167.71

Expenditure Status Report

City of San Bruno
 5/1/2012 through 5/31/2012

Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prc't Used
Total GENERAL FUND	32,730,228.98	2,505,375.59	28,512,277.08	163,862.25	4,054,090.65	87.61
Total GENERAL FUND RESERVE	40,321.00	0.00	40,321.00	0.00	0.00	100.00
Total ONE-TIME REVENUE	0.00	0.00	0.00	0.00	0.00	0.00
Total GAS TAX	80,000.00	64,183.09	769,183.09	0.00	-689,183.09	961.48
Total MEASURE A TRANSPORTATION TAX	0.00	0.00	4,000.00	0.00	-4,000.00	0.00
Total TRAFFIC CONGESTION RELIEF	0.00	0.00	0.00	0.00	0.00	0.00
Total POLICE ASSET FORFEITURE	0.00	0.00	8,013.04	0.00	-8,013.04	0.00
Total SAFETY AUGMENT. -PROP.172	86,000.00	0.00	72,369.58	0.00	13,630.42	84.15
Total POLICE SPECIAL REVENUE	100,000.00	0.00	73,184.51	0.00	26,815.49	73.18
Total TRAFFIC SAFETY GRANT	0.00	0.00	6,792.51	0.00	-6,792.51	0.00
Total FEDERAL/STATE GRANTS	225,123.00	0.00	105,322.05	116,363.51	3,437.44	98.47
Total SOLID WASTE/RECYCL.	106,561.83	9,468.52	54,463.74	0.00	52,098.09	51.11
Total LIBRARY SPECIAL REVENUE	104,675.00	8,333.34	96,341.74	0.00	8,333.26	92.04
Total IN-LIEU FEES	1,500,000.00	0.00	1,500,000.00	0.00	0.00	100.00
Total AGENCY ON AGING	0.00	9,483.53	97,768.14	0.00	-97,768.14	0.00
Total RESTRICTED DONATIONS	10,000.00	5,872.85	59,571.27	0.00	-49,571.27	595.71
Total ED JOHNSON BEQUEST FUND	0.00	0.00	0.00	0.00	0.00	0.00
Total GLENVIEW FIRE DONATIONS	0.00	0.00	-1,087.10	0.00	1,087.10	0.00
Total PGE	0.00	0.00	0.00	0.00	0.00	0.00
Total SUCCESSOR AGENCY TO THE SB RDA - OPS	5,641,905.47	2,907,360.56	4,379,273.78	71,079.23	1,191,552.46	78.88
Total CITY OF SB AS SUCCESSOR HOUSING AGENCY	1,416,181.75	1,401,521.80	1,696,621.79	2,868.75	-283,308.79	120.01
Total RDA OBLIGATION RETIREMENT FUND	0.00	20,823.01	20,951.42	0.00	-20,951.42	0.00
Total EMERGENCY DISASTER FUND	1,026,893.16	172,168.42	2,319,257.94	471,646.52	-1,764,011.30	271.78
Total PARKS AND FACILITIES CAPITAL	1,636,910.84	227,778.56	776,151.51	689,428.28	171,331.05	89.53
Total STREET IMPROVE. PROJECTS	556,605.99	69,935.39	1,314,920.56	296,712.01	-1,055,026.58	289.55
Total TECHNOLOGY CAPITAL	0.00	4,126.10	9,734.01	0.00	-9,734.01	0.00
Total SUCCESSOR AGENCY TO THE SB RDA - CAPITAL	125,000.00	0.00	163,500.00	0.00	-38,500.00	130.80
Total CITY HALL LEASE DEBT SERVICE	378,501.08	189,250.54	378,501.08	0.00	0.00	100.00

Expenditure Status Report
City of San Bruno
5/1/2012 through 5/31/2012

Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Pct Used
Total	652,137.50	0.00	651,615.50	0.00	522.00	99.92
SUCCESSOR AGENCY TO THE SB RDA -2000 COP						
WATER FUND	8,194,885.39	751,605.24	7,393,983.51	386,484.52	414,437.36	94.94
STORMWATER FUND	800,475.16	34,623.47	445,420.61	238,576.36	116,478.19	85.45
WASTEWATER FUND	8,606,378.42	487,771.57	7,311,981.98	732,698.00	561,698.44	93.47
CABLE TV FUND	10,230,032.32	668,275.71	8,855,540.93	583,615.28	790,876.11	92.27
CENTRAL GARAGE	668,651.70	49,798.73	458,062.22	0.00	210,589.48	68.51
FACILITY MAINT.FUND	918,568.11	65,659.80	733,235.11	0.00	185,333.00	79.82
GENERAL EQUIPMENT REVOLVING	549,201.60	632.56	390,895.09	78,150.61	80,155.90	85.41
TECHNOLOGY DEVELOPMENT	485,176.00	35,552.36	424,345.44	0.00	60,830.56	87.46
SELF INSURANCE	1,771,209.17	74,782.72	1,496,413.86	0.00	274,795.31	84.49
Grand Total	76,641,624.47	9,964,383.46	70,618,906.99	3,831,485.32	4,191,232.16	94.67



City Council Agenda Item Staff Report

CITY OF SAN BRUNO

DATE: June 26, 2012

TO: Honorable Mayor and Members of the City Council

FROM: Kim Juran, Finance Director

SUBJECT: Waive Second Reading and Adopt Ordinance Imposing a 2.341% Rate Increase Requested by Recology San Bruno for 2012-13 to be Effective July 26, 2012 as Presented in the Notice of Proposed Increase Mailed to All Property Owners

BACKGROUND

The existing franchise agreement with Recology San Bruno became effective on July 1, 1998. In accordance with the agreement, Recology is entitled to rate adjustments based on a detailed rate analysis every three years and interim rate year adjustments for other years. In January 2012, Recology San Bruno requested an Interim Rate Year adjustment for 2012-13 rates in accordance with their franchise agreement with the City. Recology has requested a change in rate limited to 80% of the CPI change for wage earners in the San Francisco area and the percentage increase for the pass-through disposal fee increases. The net result of these two adjustments is 2.341%.

On March 13, 2012, the City Council directed staff to proceed with a notification process to all property owners related to the proposed change in garbage and recycling rates. The notification process for the 2012-13 rates is comparable to the notice and protest provisions of Proposition 218, which established legal requirements for imposing or increasing property-related taxes, assessments, fees, and charges.

On March 21, 2012, written notices of the proposed rates were mailed to all property owners, together with information regarding the date, time, and location of the public hearing held on May 8, 2012.

DISCUSSION

On March 21, 2012, the notification process was initiated by mailing written notices to all property owners, beginning a 45-day protest period. This written notice included an explanation of the proposed rate increase along with the proposed rate for all garbage services. Proposition 218 states that if a majority (50% + 1) of property owners protest the proposed rate increase during the 45 day protest period, then the City may not impose the new rate. At the time of the public hearing on May 8, 2012, 56 written protests from property owners were received, along with six additional objections. Eighteen people spoke at the public hearing to provide comments about the proposed rate increases for garbage, water, and wastewater rates.

7.d.

After the City Council introduced the ordinance by majority vote at the May 8, 2012 meeting, staff discovered that the ordinance incorrectly referred to Health and Safety Code section 5471, which requires a 2/3 vote of the City Council only if the rates were to be established and collected on the County property tax roll. As stated during the staff presentation, the City does not currently propose to collect the rates on the property tax roll. Therefore, section 5471 does not apply and including that reference in the ordinance was an error. A general law city with five council members may introduce and adopt any regular ordinance, including an ordinance setting rates, by an affirmative vote of three council members, as stated at the meeting. As a result of this change to the ordinance, staff recommended that the second reading of the ordinance be removed from the May 22, 2012 City Council agenda and that the ordinance be re-introduced at the June 12, 2012 meeting. The attached ordinance has removed the incorrect reference to Health and Safety Code section 5471. A schedule outlining the City's revised implementation timeline for the proposed rate adjustment is below:

March 13: City Council directs staff to include 45-day notice to property owners
March 21: Notices mailed / start 45-day period
May 8: City Council held public hearing, considered any protests, took action to introduce new rate ordinances for 1st reading; end of 45-day protest period
June 12: City Council has first reading and introduces revised ordinance
June 26: City Council conducts second reading and adopts ordinance
July 26: New 2012-13 rate increase becomes effective

Additional notification about the public hearing was published in the San Mateo Daily Journal on April 28, 2012. A City Council ad hoc committee (Ruane/ Salazar) previously reviewed the elements of the proposed rate adjustment and recommended approval.

FISCAL IMPACT

Recology San Bruno has requested an interim year rate adjustment of 2.341%. This increase would be effective for bills produced after July 26, 2012. The table below provides an example of the proposed rate change for select services. A detailed version of the proposed rate sheet is shown in attachment 2.

	Existing Rate	Proposed Rate
Residential		
32- gallon toter	\$ 23.78	\$ 24.34
64- gallon toter	\$ 47.56	\$ 48.68
96- gallon toter	\$ 71.34	\$ 73.02
Commercial		
64- gallon toter, 1 per week	\$ 60.46	\$ 61.88
1- yard container, 1 per week	\$ 126.88	\$ 129.85

The cost of the notice and postage for the notice and protest process has been included in the proposed rate adjustment.

Garbage rates vary among San Mateo County cities based on several factors. Costs for service can depend upon the frequency of recycling collection, whether a City has an organics program, the ratio of residential and commercial customers, and unique operational constraints in some jurisdictions.

The following is a listing of current monthly rates in fifteen nearby agencies for a residential 32-gallon toter:

Agency	32-Gallon Toter Price
Foster City	\$ 18.92
Burlingame	\$ 19.08
San Mateo	\$ 19.19
Brisbane	\$ 21.94
Menlo Park	\$ 23.40
Colma	\$ 24.33
Daly City	\$ 24.33
San Bruno (Proposed)	\$ 24.34
Portola Valley	\$ 24.61
South San Francisco	\$ 25.52
Millbrae	\$ 27.00
Hillsborough	\$ 27.50
Belmont	\$ 28.03
San Carlos	\$ 28.84
Pacifica	\$ 35.95
Atherton	\$ 55.00

The average rate for these fifteen agencies is \$28.53 compared to San Bruno's proposed rate of \$24.34.

The proposed 2012-13 garbage rate schedule continues to offer a 25% discounted rate for the 32-gallon toter service for households that meet specific program guidelines. Eligibility for the discounted rate program is based upon the number of people living in a household and the household's annual income. There are currently 453 households that participate in this program.

RECOMMENDATION

Waive Second Reading and Adopt Ordinance Imposing a 2.341% Rate Increase Requested by Recology San Bruno for 2012-13 to be Effective July 26, 2012 as Presented in the Notice of Proposed Increase Mailed to All Property Owners

DISTRIBUTION

Recology San Bruno

ATTACHMENTS

1. Proposed Ordinance of the City of San Bruno Establishing Garbage and Refuse Rates.

DATE PREPARED

June 20, 2012

REVIEWED BY

CM _____

ORDINANCE NO. _____

**ORDINANCE OF THE CITY OF SAN BRUNO
ESTABLISHING GARBAGE AND REFUSE RATES**

The City Council of the City of San Bruno does ordain as follows:

Section 1. Article XI, Section 7 of the California Constitution and Government Code Section 54354.5 empowers the City of San Bruno, by and through its City Council, to prescribe, revise and collect fees, tolls, rates, rentals or other charges in connection with garbage and refuse collection within the City of San Bruno.

Section 2. By its Ordinance No. 1701, this Council previously established comprehensive garbage and refuse rate structures. Ordinance No. 1701 is hereby rescinded and superseded.

Section 3. Notice of the rates established herein was given pursuant to Article XIII D, Section 6 (Proposition 218), a public hearing was held at which protests were tabulated and it was determined that a majority protest did not exist under Article XIII D, Section 6(a)(2), the City Council found that the rates meet the requirements of Article XIII D, Section 6(b), and the low-income discount program is funded from late penalties and not from rates paid by other ratepayers.

Section 4. The following rates for the collection of garbage and refuse are hereby established:

	Monthly Rate
I. Residential (1-3 units)	
<u>Weekly Refuse and Recycling Services and Biweekly 96 Gallon Toter Waste Service</u>	
Toter – 20 gallon (Includes 96 gallon green waste toter + biweekly service)	\$18.87
Toter - 32 gallon (Includes 96 gallon green waste toter + biweekly service)	\$24.34
Toter - 64 gallon (Includes 96 gallon green waste toter + biweekly service)	\$48.68
Toter - 96 gallon (Includes 96 gallon green waste toter + biweekly service)	\$73.02
Low Income 32 gallon (includes 96 gallon green waste toter + service)	\$18.26
Each additional 32 gallon (toter + service)	\$24.34
Additional 96 gallon green waste (toter + service)	\$7.37

Extra Bag (approximately 32 gallon) service \$11.44
per pick up

II. Multi-Unit Residential (4+units)

Weekly Refuse and Specialized Recycling Services

Bins, Cans & Carts (4-99 units) \$24.34/unit

Bins (100+ units) \$23.12/unit

Bin Rental - 1 yard \$30.61

Bin Rental - 2 yard \$35.53

III. Commercial

Weekly Refuse and Specialized Recycling Services

Toter Monthly Rates:

Toter - 32 gallon, once per week pick up on weekday \$30.94

Toter - 64 gallon, once per week pick up on weekday \$61.88

Toter - 96 gallon, once per week pick up on weekday \$92.82

Container Monthly Rates

P/U per Week	<u>1yd</u>	<u>2yd</u>	<u>3yd</u>	<u>4yd</u>	<u>6yd</u>
1 x per	\$ 129.85	\$ 259.59	\$ 361.75	\$ 445.44	\$ 612.86
2 x per	\$ 259.70	\$ 519.18	\$ 723.50	\$ 890.88	\$ 1,225.72
3 x per	\$ 389.55	\$ 778.77	\$ 1,085.25	\$ 1,336.32	\$ 1,838.58
4 x per	\$ 519.40	\$ 1,038.36	\$ 1,447.00	\$ 1,781.76	\$ 2,451.44
5 x per	\$ 649.25	\$ 1,297.95	\$ 1,808.75	\$ 2,227.20	\$ 3,064.30
Sat. p/u	\$ 195.10	\$ 389.43	\$ 542.63	\$ 668.17	\$ 919.31
Extra p/u	\$ 29.98	\$ 59.89	\$ 83.47	\$ 102.80	\$ 141.41
Bin Rental	\$ 30.61	\$ 35.53	\$ 38.77	\$ 41.59	\$ 44.67

IV.	Debris Boxes (delivery and pick up included)	
	4 yard mini - Per day	\$160.14
	6 yard mini - Per day	\$202.29
	7 yard debris - 1-5 business days	\$387.70
	16 yard debris - 1-5 business days	\$429.81
	20 yard debris - 1-5 business days	\$471.99
	25 yard debris - 1-5 business days	\$589.95
	25 yard debris - Recyclables only	\$337.12
	30 yard debris - 1-5 business days	\$684.35
	Debris Box Hold-overs - After 5 th Day	10% of rate per day
	Compacted Garbage - Per yard	\$48.03

V. Special Disposal Services for Bulky Goods

Special disposal services of bulky goods shall be provided by Recology San Bruno at rates calculated by Recology depending upon size, weight and means of disposal of items. Recology San Bruno shall make available a list of standard rates for frequently disposed of bulky goods. Rates for special disposal services of bulky goods are subject to review and modification by the City Council.

VI.	Inside Pull-Out Service	
	0 – 25 feet	\$7.70

VII. Key/Lock Service

Each use of a key (including key, keypad, combination lock, automatic door opener, or any other entry mechanism) is required to open a lock or to enter or leave the premises, additional monthly charge of:

1 per week	\$8.80
2 per week	\$17.60
3 per week	\$26.40
4 per week	\$35.20
5 per week	\$44.00
Saturday	\$13.19

VIII. Excess Disposal/Overflowing Container Penalty

Service charge/penalty for excess disposal/overflowing container:

Per occurrence	\$12.51
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Section 5. The City Council finds, pursuant to Title 14 of the California Code of Regulations, Section 15273, that this Ordinance is statutorily exempt from the requirements of the California Environmental Quality act (CEQA) in that it deals with the establishment of rates and fees.

Section 6. If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council of the City of San Bruno hereby declares that it would have adopted this Ordinance and each section, subsection, sentence, clause, phrase or portion thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases or portions be declared invalid or unconstitutional.

Section 7. This Ordinance shall be published according to law.

Section 8. The rates set forth in this Ordinance shall become effective 30 days after adoption.

Jim Ruane, Mayor

Attest:

Carol Bonner, City Clerk

Approved as to form:

Marc Zafferano, City Attorney



**City Council Agenda Item
Staff Report**

CITY OF SAN BRUNO

DATE: June 26, 2012
TO: Honorable Mayor and Members of the City Council
FROM: Connie Jackson, City Manager 
SUBJECT: Hold Public Hearing and Adopt Resolutions

Approving the City Manager's Recommended 2012-13 General Fund,
Special Revenue Funds, and Enterprise Funds Budget

Approving the City's Appropriations Limit of \$32,359,865 for Fiscal year
2012-13 (Gann Limit)

BACKGROUND

The City Manager's Recommended 2012-13 Operating Budget has been presented for the City Council's review and consideration for the fiscal year beginning July 1, 2012. The proposed budget is balanced with projected revenues covering necessary expenditures to continue all programs and services at the current levels. The expenditures and service level reductions made in prior years remain in effect for the proposed budget. However, based on current revenue projections the proposed budget does not include new reductions to services.

The budget continues to reflect the City Council's direction that all proposed expenditures are evaluated and contained at the lowest possible levels. Each department evaluated their budgets and in those cases where operational needs necessitated an increase, departments identified other areas of their budget where expenses could decrease.

DISCUSSION

The City Manager's Recommended 2012-13 Budget incorporates the estimated revenues and planned expenditures for all General Fund, Special Revenue Funds, and Enterprise Funds, including Internal Service Funds. The revenue total for all funds is projected at \$88,701,775. Total proposed expenditures, excluding transfers to the capital improvement program, amount to \$82,110,882.

The City Council reviewed the proposed revenues, expenditures, and transfers for the General Fund, Special Revenue Funds, and Enterprise Funds at public budget study sessions on June 6 and June 13, 2012. A summary of the comments and questions discussed at the Study Session meetings is attached to this report.

GENERAL FUND

The biggest factor impacting the development of the 2012-13 General Fund Budget was the elimination of Redevelopment in February 2012. While initial estimates indicated that the projected operating shortfall between revenues and expenditures would amount to \$800,000, an improvement in several City revenues coupled with significant expenditure reductions enable the 2012-13 proposed budget to be balanced without the need for one-time funds.

Projected revenues shown in the General Fund budget from all operating sources totals \$32,565,372. Overall, tax revenues available to pay for basic services are expected to be \$331,300 more in 2012-13 than the 2011-12 amended budget. This increase is attributable to an increase in property tax revenues resulting from the loss of Redevelopment, as well as some improvement in the City's sales tax, transient occupancy tax, and business tax. Of the \$32,565,372 in General Fund revenue, approximately 65% is generated from five sources: sales tax, property tax, transient occupancy tax (TOT or hotel/motel tax), vehicle license fees, and various business taxes.

The 2012-13 Recommended Budget projects that departmental revenues will be reduced by \$54,240 in 2012-13 compared to the 2011-12 amended budget. This is primarily due to the receipt of one-time building permit revenue in 2011-12 from the Pacific Bay Vistas project and the recovery in waived fees for Glenview area residents.

Other notable revenue changes are as follows:

- Restoration of COPS funding in the amount of \$100,000, which funds one traffic safety officer position. This is offset by the loss of \$130,000 in Motor Vehicle License Fees as a result of a State Senate Bill that re-directed these funds in July 2011.
- Reimbursement for the full cost of providing one police officer to a local card room for crime prevention efforts.
- Reimbursement for the cost of one firefighter position as part of the shared services agreement for a mechanic with Central County Fire Department.
- Reduction of an additional \$457,000 in allocations for General Administrative support provided to the former Redevelopment Agency and Low/Moderate Income Housing Program (in addition to the reduction of \$322,000 already factored in to the 2011-12 amended budget) along with the loss of \$173,000 in annual interest paid on outstanding advances from the former Redevelopment Agency.

Recommended 2012-13 General Fund expenditures total \$32,474,182 as departments were directed to produce "hold-the-line" budgets with an effort to reduce/contain costs in all areas, including the continuation of prior year service level reductions and the current employee furlough as successor contracts are still being negotiated. Total expenditures decreased \$295,201 from the 2011-12 Amended Budget, due to a number of expenditure reductions, which include the following:

- City Clerk: Elimination of \$80,000 for election costs (no election costs were incurred during 2011-12 and these savings were re-directed to provide one-time relief of employee medical premium costs)
- City Attorney: Reduction of \$30,000 in outside legal expenses
- Fire: Reduction of \$37,000 for ALS reimbursement
- Planning: Elimination of the 50% Senior Planner position previously funded by Redevelopment for a budget reduction of \$65,000
- Building: Elimination of \$40,000 appropriation for over-the-counter plan check services
- Non-Departmental: Reduction of \$378,000 in debt service for City Hall remodel (2011-12 was final year)
- Workers Compensation: Reduction of \$137,000 for the workers compensation claims budget based on a five-year average claim history

The recommended budget includes several supplemental proposals for consideration for inclusion into the adopted budget, which are shown in the attached summary.

The total impact on the General Fund when factoring in all proposed supplemental budget requests is a reduction of \$14,396. The incorporation of all of the above supplemental items into the General Fund budget decreases total expenditures to \$32,459,786.

An operating surplus as presented in the City Manager's Recommended Budget is \$91,190. After incorporating the supplemental budget requests and the equipment request for the purchase of three marked police vehicles, a small budget surplus remains at \$15,586.

SUCCESSOR AGENCY TO THE FORMER SAN BRUNO REDEVELOPMENT AGENCY

The Successor Agency to the former San Bruno Redevelopment Agency was created as result of the elimination of redevelopment in California. The Successor Agency is responsible for winding down the affairs of the former Redevelopment Agency. The Successor Agency is funded with a \$250,000 administrative allowance pursuant to AB 26, the legislation dissolving redevelopment agencies. The budgeted expenses include the Redevelopment and Housing Manager position, which is tasked with overseeing the various activities associated with the wind-down of the agency and legal services provided to the Successor Agency and Oversight Board (also created by AB26).

CRESTMoor (GLENVIEW) RECOVERY

The Crestmoor Recovery Program was developed after the devastating September 9, 2010 explosion and fire in the Crestmoor neighborhood. The 2012-13 Recommended budget represents the first year in which a budget has been presented for the ongoing expenditures associated with the recovery and rebuilding efforts. The proposed budget includes an allocation of salaries and benefits for those positions focused on the recovery efforts, supplies, professional services, and other costs associated with the continuing work program. The total budget for the 2012-13 fiscal year is \$5,368,159 and does not include construction costs associated with the Crestmoor Reconstruction Project, which are budgeted in the Capital Improvement Program. All of the budgeted expenditures will be reimbursed through the trust fund established between the City and PG&E.

WATER ENTERPRISE

The recommended 2012-13 budget estimates that total water revenues increase to \$11,152,000, a \$370,900 increase over the 2011-12 budget. This projected revenue anticipates that the proposed rate increase currently in process is implemented during the 2012-13 fiscal year. The proposed budget for all operational costs amounts to \$7,632,574, which includes estimated water purchases totaling \$2,589,160. The additional revenues of \$3,519,426 are necessary to fund critical capital improvements, which will be discussed in detail during review of the Capital Improvement Program budget.

WASTEWATER ENTERPRISE

Similar to the situation addressed in the Water Enterprise, the recommended budget anticipates the implementation of a rate increase during the 2012-13 fiscal year. Revenues for 2012-13 are projected to be \$12,044,000, an increase of \$806,354 over the 2011-12 budget. The proposed total expenditure base budget for the Wastewater Enterprise is \$7,852,097. Slightly less than half of these costs are allocated for San Bruno's share of operating and maintaining the jointly owned Water Quality Control Facility with the City of South San Francisco. The remaining costs include expenditures planned for the preventative maintenance of other components of the sewer collection system. Additionally, the Wastewater Fund budgets for annual debt service payments to the City of South San Francisco and for the 2002 Wastewater Certificates of Participation, which totals \$1,868,706 in 2012-13.

STORMWATER ENTERPRISE

The Stormwater Enterprise performs services to manage surface water runoff throughout the community. This includes drainage channel and ditch maintenance, wet-weather slope protection on public lands, and drainage inlet cleaning on City streets.

Total projected revenues in 2012-13 for the Stormwater Fund amount to \$599,500 including revenues received from the State for reimbursement of street sweeping costs on El Camino Real. The proposed expenditure budget in the Stormwater Enterprise is \$531,238.

CABLE TELEVISION ENTERPRISE

The Cable TV budget for the 2012-13 fiscal year projects revenues at \$10,036,180, a 10% decrease from 2011-12 budgeted revenues. This conservative revenue estimate does not include a rate increase, which will be considered in early Fall 2012. The majority of the revenue comes from basic, premium, and digital monthly television billing. Internet services represent an increasingly significant share of the revenue total at \$2,613,318 as the Enterprise has made significant upgrades in its equipment allowing for high-speed access for its customers. Voice and commercial services revenue is anticipated to amount to \$711,692.

The proposed expenditure budget is \$9,469,046, including \$182,325 for local origination programming. The Cable Television budget also includes annual debt service for one capital lease that totals \$445,396.

EQUIPMENT PURCHASES

The recommended budget includes the replacement of vehicles and equipment that have reached the end of their useful life and are no longer cost effective to maintain. The recommended vehicle purchases include three marked police vehicles, three unmarked police vehicles, one truck utilized by a Community Service Officer, a new Fire Command vehicle, and a sewer lateral service truck. All of these vehicles have reserve funds available for their replacement, with the exception of the three marked police vehicles, which are purchased through the General Fund operating budget due to the frequency in which these vehicles are replaced.

Equipment purchases include the replacement of three laptop computers, radio equipment infrastructure, and firearms for the Police Department, which are funded through the equipment reserve and the Police Asset Forfeiture fund. The budget also recommends replacement of the Recreation Center boiler and the compressor and generator at the Library, which are all over 50 years old and pose maintenance and safety concerns. These three items have not been reserved for in the City's equipment reserve and therefore are funded with the One-time Revenue Reserve Fund.

GANN LIMIT

State law approved by the voters and known as the Gann Initiatives, places a limit on the amount of tax-generated revenue ("proceeds of taxes") that a local agency can receive and appropriate each year. The limit is based on actual appropriations during 1978-79 and is adjusted each year by cost of living and population growth factors. Not all revenues are restricted by the limit, only those referred to as "proceeds of taxes,"

which for San Bruno are property tax, sales tax, transient occupancy tax, and business tax.

As shown in Attachment A to the resolution, the carry forward 2011-12 Appropriation Limit is adjusted by the Cost of Living factor of 3.77% and the population factor of 1.89% (provided by the Department of Finance); establishing the 2012-13 Appropriation Limit as \$32,359,865. Reducing the revenues generated from tax proceeds by exempted expenditures, such as Social Security and Medicare payments, San Mateo County Charges, and Fair Labor Standards Act Fire expenditures, total revenues subjected to Appropriation Limit is \$19,858,084, which is significantly less than the 2012-13 calculated Appropriation Limit of \$32,359,865.

FISCAL IMPACT

The 2012-13 operating budget proposes appropriation of total revenues and transfers in of \$88,701,775 and total expenditures and transfers out of \$82,110,882 for 2012-13. Specific revenue, expenditure, and transfer line items enumerated in the City Manager's Recommended Budget for 2012-13 are appropriated accordingly.

The City Council must appropriate revenues, expenditures, and transfers in order for the City to maintain operations each year.

ALTERNATIVES

1. Amend the proposed appropriation amounts in any category. The City Council also retains the authority to amend budget appropriations at any time during the fiscal year.
2. Defer approval of the proposed budget and direct staff to prepare a resolution continuing appropriations pending the adoption of the budget.

RECOMMENDATION

Hold Public Hearing and Adopt Resolutions

Approving the City Manager's Recommended 2012-13 General Fund, Special Revenue Funds, and Enterprise Funds Budget

Approving the City's Appropriations Limit of \$32,359,865 for Fiscal year 2012-13 (Gann Limit)

ATTACHMENTS

1. Summary of comments and questions reviewed at the Budget Study Sessions
2. Summary of Supplemental Operation Budget Proposals
3. Resolution Approving the City Manager's Recommended 2012-13 Operating Budget.
4. Resolution Approving the City's Appropriation Limit of \$32,359,865 for Fiscal Year 2012-13 (Gann Initiative).
5. Attachment A – Appropriation Limit Calculation
6. Attachment B – Appropriation Limit Comparison

DATE PREPARED

June 20, 2012

ATTACHMENT 2

SUMMARY OF SUPPLEMENTAL OPERATION BUDGET PROPOSALS

- Reorganize the General Administrative Departments to improve administrative coordination and organization management (General Fund increase of \$137,199)
 - Addition of an Assistant City Manager position
 - Reclassification of the Human Resources Director position to Human Resources Manager
 - Reclassification of the Assistant Finance Director position to Financial Services Manager
 - Reclassification of the Accounting Supervisor to Accounting Manager
- Move the Redevelopment and Housing Manager position from the General Fund to the Successor Agency (General Fund reduction of \$150,459)
- Complete document imaging of building plans and permits to make them accessible on the City website (\$60,000 - No General Fund impact – Funded with Document Imaging Fees and Technology Fees)
- Fund community initiatives previously funded by the Low and Moderate Income Housing Fund which include HIP Housing Programs, Shelter Network family homeless center, and North Peninsula Services Center with Below Market Rate Housing Funds (\$43,500 – No General Fund impact – Funded with BMR Housing Fees)
- Reorganize the Community Services Department to address the impact of retirements in several key positions (General Fund decrease of \$1,136)
 - Elimination of the Circulation Services Manager
 - Reclassification of two Library Assistants to Library Coordinators
 - Addition of 2,400 part-time hours in the Library budget
 - Addition of a part-time Site manager for the Homework Center
 - Elimination of a part-time Senior Services Manager
 - Change from part-time (80%) to full-time (100%) status for Nutrition Program Manager and Information Referral Program Manager
 - Reclassification of two positions to Assistant Parks & Recreation Director
 - Elimination of two-part time clerical positions
 - Addition of an Accounting and Customer Service Representative position

RESOLUTION NO. 2012 - _____

**RESOLUTION APPROVING THE CITY MANAGER'S RECOMMENDED
2012-13 GENERAL FUND, SPECIAL REVENUE FUNDS, AND
ENTERPRISE FUNDS BUDGET**

WHEREAS, the City Manager transmitted the 2012-13 Recommended General Fund, Special Revenue Funds, Enterprise Funds Budget to the City Council in accordance with the Municipal Code Section 2.12.060; and

WHEREAS, the City prepares and adopts the General Fund, Special Revenue Funds, and Enterprise Funds Budget with the intent of providing a planned policy program for City services and a financial system to carry out the planned program of services; and

WHEREAS, the elimination of Redevelopment on February 1, 2012 resulted in an initial projected operating shortfall between revenues and expenditures of \$800,000 for the 2012-13 fiscal year; and

WHEREAS, the City Council first considered development of the 2012-13 budget and budget strategies on February 14, 2012 and gave the City Manager the underlying direction for preparation of the City Manager's 2012-13 Recommended Budget; and

WHEREAS, the budget preparation process began with each department directed to reduce and/or contain costs in all categories. This "hold the line" approach was intended to ensure the minimum proposed cost for delivery of all services; and

WHEREAS, some improvement in several City revenues coupled with significant expenditure reductions enable the 2012-13 proposed budget to be balanced without the need for one-time funds; and

WHEREAS, the elimination of Redevelopment as of February 1, 2012 resulted in the removal of the Redevelopment Agency and Redevelopment Low/Moderate Income Housing sections from the 2012-13 Operating Budget; and

WHEREAS, the City Manager's Recommended 2012-13 Operating budget incorporates the addition of the Successor Agency to the former San Bruno Redevelopment Agency and Crestmoor (Glenview) Recovery budgets; and

WHEREAS, the City Manager's Recommended Budget includes supplemental budget enhancements including:

General Fund

General Administration Reorganization	\$137,199
Reallocation of Housing & Redevelopment Manager to Successor Agency	(\$150,459)
Community Services Reorganization	\$ (1,136)

Special Revenue Funds

Website update	\$ 30,000
Document Imaging Program	\$ 60,000
HIP Housing, Shelter Network, and North Peninsula Family Alternatives	\$ 43,500
Reallocation of Housing & Redevelopment Manager to Successor Agency	\$150,459

Enterprise Funds

Salary Savings from vacant Cable Television Director	(\$70,000)
Implementation of marketing program	\$70,000

WHEREAS, the City Manager's Recommended Budget includes summary of the proposed work program and resources to deliver that work program for the General Fund Operating Departments as well as the City's several Enterprise Funds, including the Water, Wastewater, Stormwater, Cable Funds; and

WHEREAS, Enterprise Fund revenue and expenditure appropriations are required in the amounts identified for each herein below; and

WHEREAS, the City Council held duly noticed public study sessions on June 6, 2012 and June 13, 2012 for the purpose of reviewing the proposed budget in detail; and

WHEREAS, the City Council, being fully advised and informed and having fully reviewed the City Manager's Recommended Budget for 2012-13, finds and determines that the City Manager's Recommended Budget including all funds as identified below herein should be adopted and prepared in final form.

NOW THEREFORE BE IT RESOLVED, the City Council of the City of San Bruno adopts the budget appropriation for the General Fund totaling revenues and transfers of \$32,565,372 and expenditures and transfers, including supplemental budget requests and the purchase of three marked vehicles, of \$32,549,786 for 2012-13; and

BE IT FURTHER RESOLVED, that budget appropriations for one-time revenues of \$574,879 and expenditures and transfers totaling \$190,000 for equipment replacements be approved, including:

Recreation Boiler	\$ 90,000
Library Compressor	\$ 10,000
Library Generator	\$ 90,000

BE IT FURTHER RESOLVED, that the budget appropriations for the Water, Stormwater, Wastewater, and Cable Television Enterprise Funds be approved totaling revenues of \$33,831,680 and expenditures and transfers, including supplemental budget requests, of \$25,549,955 for 2012-13 including all Funds revenues, expenditures, and transfers, including;

Enterprise Funds	Revenues	Expenditures
Water Fund	\$11,152,000	\$7,632,574
Stormwater Fund	\$599,500	\$531,238
Wastewater Fund	\$12,044,000	\$7,917,097
Cable Television	\$10,036,180	\$9,469,046

BE IT FURTHER RESOLVED, that budget appropriations for the Central Garage, Building & Facilities Maintenance, Technology Support, and Self-Insurance Internal Service Funds be approved totaling transfers of \$4,010,264 and expenditures and transfers of \$3,830,155 for 2012-13 including all Funds revenues, expenditures, transfers and supplemental budget requests, including;

Internal Service Funds	Revenues	Expenditures
Central Garage	\$600,293	\$600,465
Building & Facilities Maint.	\$881,655	\$859,194
General Equipment Reserve	\$430,587	\$276,500
Technology Support	\$486,252	\$482,519
Self Insurance	\$1,611,477	\$1,611,477

BE IT FURTHER RESOLVED, that budget appropriation for other Special Revenue Funds be approved totaling revenues of \$8,786,593 and expenditures and transfers of \$7,042,472 for 2012-13, including all Funds revenues, expenditures, transfers and supplemental budget requests, including;

Special Revenue Funds	Revenues	Expenditures
Solid Waste	\$68,814	\$69,326
Crestmoor Recovery	\$5,368,159	\$5,368,159
Redevelopment Obligation Retirement Fund	\$250,000	\$250,000
Gas Tax	\$1,189,432	\$750,000
Measure A	\$701,763	\$0
Street Special Revenue	\$772	\$0
Safety Augmentation	\$86,115	\$86,000
Citizens Option for Public Safety	\$100,029	\$100,000
Police Asset Forfeiture	\$5,165	\$16,500
Library Special Revenue	\$1,065	\$100,000
Agency on Aging	\$139,846	\$139,758
Park in-Lieu Fees	\$201	\$0
Below Market Rate Housing in-Lieu Fees	\$764,550	\$43,500
City Art Fund	\$30,288	\$19,229
Document Imaging Fund	\$20,089	\$37,000
Technology Fee	\$50,469	\$33,000
General Plan Maintenance	\$80	\$25,000
Library Donations	\$9,760	\$5,000

BE IT FURTHER RESOLVED, that specific revenue and expenditure line items and transfers enumerated in the City Manager's Recommended General Fund, Special Revenue Funds, and Enterprise Funds Budget are hereby appropriated.

—oOo—

I hereby certify the foregoing Resolution No. 2012-
was introduced and adopted by the San Bruno City Council
at a regular meeting on June 26, 2012 by the following vote:

AYES:

NOES:

ABSENT:

City Clerk

RESOLUTION NO. 2012-_____

**RESOLUTION APPROVING THE CITY'S APPROPRIATIONS LIMIT OF
\$32,359,865 FOR FISCAL YEAR 2012-13 (GANN INITIATIVE)**

WHEREAS, Article XIII of the California Constitution and Section 7900 et seq. of the California Government Code require cities to adopt limits on appropriations for each fiscal year, and

WHEREAS, the Appropriation Limit has been calculated for the fiscal year 2012-13 and is set forth in that certain document Appropriations Limit Calculation for Fiscal Year 2012-13, Attachment A, attached hereto and made a part hereof, and

WHEREAS, the staff report and the documentation used in determining the Appropriations Limit and the appropriations subject to limit have been made available to the public as required by law, and

NOW, THEREFORE, be it RESOLVED by the San Bruno City Council that:

1. The adjustment factors selected for calculating this Appropriations Limit are based on California Per Capita Income change of 3.77% and the City of San Bruno population change of 1.89%;
2. The Appropriation Limit for 2012-13 fiscal year is established at \$32,359,865; and
3. The City Council reserves the right to recalculate this Appropriations Limit utilizing Non-Residential Assessed Valuation.

—o0o—

I hereby certify that foregoing Resolution No. 2012-_____ was introduced and adopted by the San Bruno City Council at a regular meeting on June 26, 2012 by the following vote:

AYES:

NOES:

ABSENT:

CITY CLERK

**City of San Bruno
2012-13 Gann Appropriation Limit
June 26, 2012**

2011-12 Appropriation Limit		\$	30,605,771
Calculation of 2012-13 Adjustment Factor			
Annual Change Factors			
Cost of Living Adjustment Factors for 2012-13			
California Per Capita Personal Income (CPCPI)	3.77%		
Population Adjustment Factors for 2012-13			
San Bruno Population Change	1.89%		
Adjustment Factor for 2012-13			
(1 + 0.0377) x (1 + 0.0189)			1.05731253
2012-13 Appropriation Limit as Adjusted			<u>32,359,865</u>
2012-13 Estimated Tax Proceeds Subject to Appropriations Limit			
Property Taxes			
Current Secured & Unsecured	5,180,000		
In-Lieu of Sales Tax	1,700,000		
In-Lieu of Vehicle License Fees	3,210,000		
Supplemental Taxes	130,000		
Property Transfer Tax	120,000		
Homeowner's Property Tax Exemption	41,300		
Subtotal - Property Taxes	<u>10,381,300</u>		
General Sales Tax	5,000,000		
Hotel/Motel Tax	2,590,000		
Business Taxes	2,838,700		
Vehicle License Fee & Off-Highway License	-		
Total Estimated Taxes Subject to Appropriations Limit			<u>20,810,000</u>
2012-13 Proposed Expenditures Exempt from Limit			
Social Security & Medicare payments	278,623		
San Mateo County Charges	594,208		
FLSA - Fire	79,085		
Total Proposed Expenditures Exempt from Limit			<u>(951,916)</u>
2012-13 Appropriations Subject to Limit			<u>19,858,084</u>
Over (Under) Appropriations Limit		\$	<u>(12,501,781)</u>
Percent Over (Under)	-39%		

**City of San Bruno
7-year Gann Appropriations Limit Comparison
June 26, 2012**

Fiscal Year Ending June 30,	Adjustment Factor		Gann Limit	Appropriation Subject to Limit	Over/(Under) Limit
2007	4.60%	(a)	25,343,064	18,328,490	(7,014,574)
2008	5.43%	(b)	26,719,921	19,230,080	(7,489,841)
2009	8.22%		28,916,761	19,115,689	(9,801,072)
2010	1.84%		29,448,107	17,781,407	(11,666,700)
2011	-0.35%	(c)	29,345,760	17,370,728	(11,975,032)
2012	4.29%		30,605,771	18,644,113	(11,961,658)
2013	5.73%		32,359,865	19,761,147	(12,598,718)

(a) - Adjustment Factor changed as suggested by auditor.

(b) - Adjustment Factor changed to reflect San Mateo County Population Percent Change.

(c) - Adjustment Factor changed to reflect change in non-residential Assessed Valuation due to new construction within the City.



City Council Agenda Item
Staff Report

CITY OF SAN BRUNO

DATE: June 26, 2012

TO: Honorable Mayor and Members of the City Council

FROM: Kim Juran, Finance Director

SUBJECT: Receive Report and Adopt Resolution Authorizing the Issuance of Pension Obligation Bonds to Refinance the Outstanding Side Fund Obligation of the City to the California Public Employees Retirement Fund and Authorizing the Institution of Judicial Validation Proceedings

BACKGROUND:

The City of San Bruno is a contracting member with the California Public Employees Retirement System ("CalPERS"). In 2003, CalPERS combined the retirement plans for those public agencies with groups of less than 100 people into risk pools in an attempt to reduce the volatility of employer contribution rates. The City's Safety pool, consisting of Police and Fire employees, was one of the groups that were merged into the risk pool. At the time that each agency entered the risk pool, a "side fund" was created which represented each agency's unfunded liability at that point in time and amortized the pay-off of this liability over a period of 25 years.

Based on the most recent valuation report dated October 2011, the City's current side fund liability as of June 30, 2010, is \$13,166,603. The rate of interest on this side fund is currently 7.75%, which is the anticipated rate of return that PERS expects on its investments over an average of twenty years. Per the 2011 actuarial report, the amortization of this side fund amounts to 11.898%, or approximately 1/3, of the employer contribution to CalPERS, which is currently 36.604% of total safety employee salary costs. This side fund is payable over a remaining term of 15 years through June 30, 2027.

DISCUSSION:

The side fund is an unfunded liability that must be repaid over a fixed period of time at a fixed interest rate, currently 7.75%; however, in March 2012, the CalPERS Board elected to lower its investment rate to 7.5%, which will go into effect in July 2013. Even at this lowered rate of return, it is possible for the City to realize savings by refunding the side fund through the issuance of bonds or other form of traditional debt at a significantly lower interest rate.

10.a.

City staff is currently analyzing a financing plan to issue bonds or other form of municipal indebtedness that would allow the City to pay off its side fund obligation with CalPERS. As a result, the amount of the side fund obligation currently paid to CalPERS will be eliminated and replaced with a fixed debt service repayment schedule on the bonds.

In order to issue pension obligation bonds, the City must first obtain a judgment (validation action) confirming that the CalPERS side fund, and in turn, the pension obligation bonds issued to refund this obligation, are in fact an obligation of the City created by law. The judicial validation proceedings are a common action and allow the Court to review the structure of the transaction and confirm its compliance with the law. Due to the fact that it is anticipated that the judicial validation action will take 90-120 days, it is recommended that the City begin this step as soon as possible to avoid future delays should the City determine to move forward with the issuance of pension obligation bonds. A summary of the steps in the validation process is as follows:

- Action Triggered – City adopts resolution approving issuance of bonds and authorizing Bond Counsel to commence validation proceedings.
- Initial Court Filing – Complaint is filed in local superior court; summons is issued simultaneously.
- Publication of Summons – Summons is directed at “All Interested Persons” and the full text is published in an adjudicated publication in the jurisdiction of the issuer once a week for three consecutive weeks, offering any interested person an opportunity to file an answer in the action.
- Request to Court for Entry of Default Judgment and Court Judgment – If no person has filed an answer in the action by the legal deadline, then Bond Counsel seeks a default judgment in the issuer’s favor. Bond counsel also files a Memorandum of Points and Authorities briefing its legal argument in favor of the issuance of the bonds, and supporting the judgment. The court will then consider and render the judgment in the issuer’s favor.
- Statutory Appeal Period – The judgment can be appealed for 30 days following entry of the judgment. If there is no answer to the action, the basis of appeal can only relate to issues of jurisdiction of the court to enter the judgment.

The attached resolution signals the City’s intent to issue pension obligation bonds and authorizes the start of the judicial validation process; it does not commit the City to issue pension obligation bonds if it is determined that such action would be unfavorable for the City. The attached resolution does not approve financing documents or authorize the sale of the bonds to an underwriter or other lender; the resolution summarizes the material terms of the anticipated bond issue, which will be of importance to the Court in the course of the judicial validation proceedings.

As the judicial validation process is underway, the City’s staff, legal counsel and financial advisor will work on developing the details of the financing plan, which will be presented to City Council at a future date. Once the judicial validation process has

been completed and a judgment has been obtained determining the validity of the bonds, the City will have the authority to move forward with the issuance of pension obligation bonds if it is determined to be desirable.

FISCAL IMPACT:

If the City decides to refinance its side fund with CalPERS through the issuance of pension obligation bonds, early estimates indicate that the City could save \$80,000 per year. Staff will continue to work with the City's financial advisor on the details of the financing plan and will present this information to Council at a future date. All costs associated with this transaction would be paid from proceeds of the financing.

If the City moves forward with the judicial validation process but chooses not to pursue the issuance of bonds, the City would be responsible for the \$7,500 fee associated with the judicial validation action. There are no out-of-pocket costs to the City if the transaction closes.

ALTERNATIVES:

None

RECOMMENDATION:

Receive Report and Adopt Resolution Authorizing the Issuance of Pension Obligation Bonds to Refinance the Outstanding Side Fund Obligation of the City to the California Public Employees Retirement Fund and Authorizing the Institution of Judicial Validation Proceedings

DISTRIBUTION:

None

ATTACHMENTS:

1. Resolution

DATE PREPARED:

June 20, 2012

REVIEWED BY:

_____ CM

RESOLUTION NO. 2012-_____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN BRUNO
AUTHORIZING THE ISSUANCE OF PENSION OBLIGATION BONDS TO
REFINANCE THE OUTSTANDING SIDE FUND OBLIGATION OF THE CITY TO THE
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM AND AUTHORIZING
THE INSTITUTION OF JUDICIAL VALIDATION PROCEEDINGS**

WHEREAS, the City of San Bruno (the "City") is a contracting member of the California Public Employees' Retirement System ("CalPERS"), and under its contract with CalPERS the City is obligated to make certain payments to CalPERS in respect of retired Safety employees under the Side Fund program of CalPERS which amortizes such obligations over a fixed period of time (the "CalPERS Side Fund Obligation"); and

WHEREAS, the City is authorized under the provisions of Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53570 of said Code (the "Bond Law"), to issue its bonds for the purpose of refunding certain outstanding obligations of the City, including the CalPERS Side Fund Obligation; and

WHEREAS, in order to refund the CalPERS Side Fund Obligation and thereby realize interest savings, the City proposes at this time to authorize the issuance of its bonds under the Bond Law for the purpose of refinancing the CalPERS Side Fund Obligation in whole or in part; and

WHEREAS, the City Council wishes at this time to authorize the issuance of such bonds and the institution of judicial proceedings to determine the validity thereof;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN BRUNO DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Authorization of Bonds. The City Council hereby authorizes the issuance of its bonds, notes or other obligations (the "Bonds") under the Bond Law for the purpose of refunding the unfunded accrued actuarial liability represented by the CalPERS Side Fund Obligation, as reported to the City by CalPERS. The principal amount of the Bonds shall not exceed the amount required to refund such accrued actuarial liability plus an amount required to pay all costs of issuing the Bonds.

SECTION 2. Material Provisions of Bonds. The Bonds shall be issued under an indenture of trust, loan agreement or other financing document (the "Principal Financing Document"), the final form of which shall be subject to approval by resolution of the City Council adopted following the conclusion of proceedings described in Section 4. The Bonds shall be subject to the following limitations:

- (a) The Bonds shall mature over a term not exceeding the amortization period which has been established by CalPERS for the CalPERS Side Fund Obligation.
- (b) Interest on the Bonds will be calculated at a fixed rate, which shall not exceed the maximum rate of interest permitted by law.
- (c) Principal of and interest and redemption premiums (if any) on the Bonds shall be payable from the General Fund of the City and from any other source of legally available funds of the City. The Bonds shall not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation.
- (d) Proceeds of the Bonds, except to the extent required to pay the costs of issuing and underwriting the Bonds, shall be deposited with the Trustee and applied to discharge the CalPERS Side Fund Obligation of the City in whole or in part.

SECTION 3. Minimum Savings Threshold. The Bonds shall be issued only if the net present value savings of refunding the CalPERS Side Fund Obligation are at least equal to 5.00% of the principal amount of the CalPERS Side Fund Obligation being refunded. For purposes of determining the net present value savings of the refunding, the rate of interest on the CalPERS Side Fund Obligation shall be assumed to be calculated at the rate of 7.75% during the term of the Bonds. Determination of such net present value savings shall be made by Prager, Sealy & Co., as financial advisor to the City, whose determination shall be final and conclusive.

SECTION 4. Institution of Judicial Validation Proceedings. The City Council hereby authorizes the filing of an action to determine the validity of the Bonds, the Principal Financing Document and related matters in the Superior Court of San Mateo County, under the provisions of Sections 860 *et seq.* of the Code of Civil Procedure of the State of California. The firm of Jones Hall, A Professional Law Corporation, as bond counsel to the City, is hereby directed to prepare and cause to be filed and prosecuted to completion all proceedings required for the judicial validation of the Bonds, the Principal Financing Document and related matters.

SECTION 5. Effective Date. This Resolution shall take effect from and after the date of approval and adoption thereof.

—oOo—

I hereby certify the foregoing Resolution No. 2012-
was introduced and adopted by the San Bruno City Council
at a regular meeting on June 26, 2012 by the following vote:

AYES:

NOES:

ABSENT:

Jim Ruane, Mayor

ATTEST:

Carol Bonner, City Clerk

APPROVED AS TO FORM:

Marc Zafferano, City Attorney



**City Council Agenda Item
Staff Report**

CITY OF SAN BRUNO

DATE: June 26, 2012

TO: Honorable Mayor and Members of the City Council

FROM: Kim Juran, Finance Director

SUBJECT: Receive Report and Adopt Resolution of the City Council Approving a Cooperation Agreement between the City of San Bruno and the City of San Bruno as Successor Agency to the Former San Bruno Redevelopment Agency

BACKGROUND

The City of San Bruno advanced funds to the San Bruno Redevelopment Agency (RDA) in support of basic operations and capital projects implemented by the RDA for the time period of 1999 through 2004 pursuant to a 1998 Cooperation Agreement between the City and the RDA. The total outstanding obligation of the RDA to the City under the 1998 Cooperation Agreement at the time of the RDA's dissolution pursuant to AB 1X 26, the "Redevelopment Dissolution Act," was \$2,977,033.

The Oversight Board approved the Successor Agency's draft First Recognized Obligation Payment Schedule (ROPS) at its meeting on April 13, 2012. The draft ROPS included a repayment of these advances in the amount of \$500,000 during the January through June 2012 period covered by the initial ROPS. The discussion of the Oversight Board at that time was that full repayment of the City advances would occur at a rate of \$500,000/year for six years.

Pursuant to Section 34177 of the Health and Safety Code, the Successor Agency submitted the approved First ROPS to the State Department of Finance on April 16, 2012. During its review of the Oversight Board approved ROPS, the Department of Finance determined that the outstanding advances owed to the City of San Bruno are not an enforceable obligation under Health and Safety Code section 34171 (d)(2), which purports to invalidate agreements between a city and a redevelopment agency unless such agreements were entered into within two years of the creation of the RDA. State records indicate that the RDA was activated in 1988 and therefore, these advances do not fall within the two year window in the code.

The City of San Bruno established the RDA in 1988 and the City Council adopted the San Bruno Community Improvement Project Area Plan in August 1989. This adopted Project Area Plan was challenged in a referendum and was defeated by a majority of San Bruno voters in November 1989, which nullified the ordinance adopting the Project Area Plan. Without a valid plan in place, the RDA was unable to begin operations and

remained inactive for the next eleven years until the San Bruno Redevelopment Plan was adopted and the Redevelopment Project Area successfully established in 1999. It was at this time that the City began making advances to the RDA to fund its initial start-up costs in accordance with the 1998 Cooperation Agreement.

DISCUSSION

At this time, following the Department of Finance's refusal to recognize the City advances to the RDA as an enforceable obligation that can be included in a ROPS, the City is unable to recover the funds it is owed through the Redevelopment Property Tax Trust Fund (RPTTF) distribution process. This is the process outlined in AB 1X 26 to fund all outstanding obligations of the former Redevelopment Agency. Given that the City legitimately advanced funds in accordance with a valid legal agreement in effect at the time of the advances, the City continues to maintain that the outstanding advances are an enforceable obligation, and that the City remains entitled to repayment pursuant to the 1998 Cooperation Agreement.

One possible option to avoid a lengthy dispute with the Department of Finance over the validity of the 1998 Cooperation Agreement is for the Oversight Board to authorize repayment of these funds pursuant to a new agreement between the City as municipal corporation and the City as Successor Agency. Pursuant to Health and Safety Code section 34178 (a), which authorizes oversight boards to approve new agreements between the City and the Successor Agency, the Oversight Board reviewed and approved the attached Cooperation Agreement at its meeting on June 18, 2012. The attached Cooperation Agreement would authorize the City as the Successor Agency to repay the outstanding advances owed to the City, with interest, over a term of six years as specified in the Cooperation Agreement. If approved by the City Council and the City Council serving as Successor Agency to the San Bruno Redevelopment Agency, this Cooperation Agreement would be presented to the Department of Finance as a basis for allowing inclusion of repayment of these advances on the Successor Agency's Recognized Obligation Payment Schedules.

While the City maintains that repayment of amounts owed under the 1998 Cooperation Agreement, including interest on the City Advances at the rate established therein, remain a valid and binding enforceable obligation of the Successor Agency, the City is willing (subject to the State of California Department of Finance's concurrence and acknowledgment that the attached Agreement constitutes a binding enforceable obligation of the Successor Agency under the Dissolution Act) to forgo repayment of the City Advances according to the provisions of the 1998 Cooperation Agreement. In accordance with the attached agreement, the City will accept repayment of the City Advances along with interest set according to the California Local Agency Investment Fund ("LAIF") rate as set on January 1 of each year.

Although the City's history in the establishment of Redevelopment and specific circumstances under AB 1X 26 may be unique, there are other cities in the state that are currently facing the same problem in recovering amounts previously advanced to

their redevelopment agency. There are several cleanup bills currently under discussion or pending in the state legislature that might provide a means of resolving the situation. However, there is no certainty at this time about the outcome of these current discussions. Similarly, the approval of the Cooperation Agreement and the approach outlined in this report will require approval by Department of Finance to assure repayment of the City advances. Depending on the outcome of the DOF review, staff will return to the City Council with additional options as needed.

FISCAL IMPACT

If the new cooperation agreement is approved, the repayment of these advances would occur at a rate of \$500,000 per year over a period of six year until the outstanding debt is relieved.

ALTERNATIVES

1. No action.
2. Direct staff to make changes to the proposed cooperation agreement and return with a revised agreement at a future meeting date.

RECOMMENDATION

Receive Report and Adopt Resolution of the City Council Approving a Cooperation Agreement between the City of San Bruno and the City of San Bruno as Successor Agency to the Former San Bruno Redevelopment Agency

ATTACHMENTS

1. Resolution
2. Cooperation Agreement

DATE PREPARED

June 21, 2012

REVIEWED BY

_____ CM

RESOLUTION NO. 2012-_____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN BRUNO
APPROVING A COOPERATION AGREEMENT BETWEEN THE CITY OF SAN
BRUNO AND THE CITY OF SAN BRUNO AS SUCCESSOR AGENCY TO THE
FORMER SAN BRUNO REDEVELOPMENT AGENCY**

WHEREAS, in accordance with AB 1X 26 (Stats. 2011, chap. 5, as amended by a decision filed by the California Supreme Court on December 29, 2011) ("Dissolution Act"), the former San Bruno Redevelopment Agency ("Redevelopment Agency") was dissolved, effective February 1, 2012, and the City Council ("City Council") of the City of San Bruno ("City") determined that the City would serve as the successor agency to the former Redevelopment Agency ("Successor Agency"); and

WHEREAS, the Dissolution Act, pursuant to Health and Safety Code Section 34177, tasks the Successor Agency with the responsibility, among other things, for winding down the former Redevelopment Agency's affairs, continuing to meet the former Redevelopment Agency's enforceable obligations, overseeing completion of redevelopment projects and disposing of the assets and properties of the former Redevelopment Agency, all as directed by the Oversight Board; and

WHEREAS, the City entered into a Cooperation Agreement with the former Redevelopment Agency on August 10th, 1998 ("1998 Cooperation Agreement"), which provided for the City to advance to the Redevelopment Agency, or expend on its behalf, necessary funds for the preparation and implementation of the San Bruno Redevelopment Plan ("Redevelopment Plan"), and for the Redevelopment Agency to repay such advances and/or expenditures along with interest calculated at the interest rate of the City's portfolio earnings rate plus one percent (1%) from available tax increment; and

WHEREAS, the Redevelopment Agency adopted the Redevelopment Plan on July 6, 1999 to carry out redevelopment within the newly established San Bruno Redevelopment Project Area ("Project Area"); and

WHEREAS, during the first five fiscal years of the Redevelopment Plan, pursuant to the 1998 Cooperation Agreement, the City advanced funds to the Redevelopment Agency to support its operations and capital projects; and

WHEREAS, the total outstanding amount of such advances still owed to the City at the time of the Redevelopment Agency's dissolution was Two Million Nine Hundred Seventy Seven Thousand Thirty Three Dollars (\$2,977,033) ("City Advances"); and

WHEREAS, pursuant to Health and Safety Code Section 34178(a) a successor agency may enter into agreements with a city that formed the redevelopment agency upon obtaining approval of its oversight board; and

WHEREAS, the City and the Successor Agency desire to enter into the Cooperation Agreement in the form on file with the City Clerk ("Agreement") to provide

for repayment by the Successor Agency to the City of the City Advances made by the City under the 1998 Cooperation Agreement along with interest set according to the California Local Agency Investment Fund ("LAIF") rate, as further described in the Agreement; and

WHEREAS, on June 18, 2012, the Oversight Board approved execution of the Agreement as being fair and equitable and consistent with its members' fiduciary obligations under the Dissolution Act.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN BRUNO DOES HEREBY RESOLVE AS FOLLOWS:

1. The City Council hereby approves the Agreement in the form on file with the City Clerk and authorizes and directs the City Manager, the Mayor, or any other officer of the City designated by them in writing (each, an "Authorized Officer"), acting singly, to execute and deliver the Agreement in substantially said form with such changes therein as the Authorized Officer executing the same may approve (such approval to be conclusively evidenced by the execution and delivery thereof).

2. The Authorized Officers of the City are hereby authorized and directed to do any and all things and to execute and deliver, and if appropriate, record, any and all documents which they may deem necessary or advisable in order to effectuate the purposes of this Resolution, and any such actions previously taken by such officers are hereby ratified and confirmed.

3. This resolution shall take effect immediately upon adoption.

—oOo—

I hereby certify the foregoing Resolution No. 2012-
was introduced and adopted by the San Bruno City Council
at a regular meeting on June 26, 2012 by the following vote:

AYES:

NOES:

ABSENT:

Jim Ruane, Mayor

ATTEST:

Carol Bonner, City Clerk

APPROVED AS TO FORM:

Marc Zafferano, City Attorney

COOPERATION AGREEMENT

(City Advances to San Bruno Redevelopment Agency)

This Cooperation Agreement ("**Agreement**") is entered into as of the **XX**th day of June, 2012, by and between the City of San Bruno, a California municipal corporation ("**City**"), and the City of San Bruno as Successor Agency to the former San Bruno Redevelopment Agency (the "**Successor Agency**"), following approval of the Oversight Board for the Successor Agency established pursuant to Health and Safety Code Section 34179 ("**Oversight Board**").

RECITALS

A. In accordance with AB 1X 26 (Stats. 2011, chap. 5, as amended by a decision filed by the California Supreme Court on December 29, 2011) ("**Dissolution Act**"), the former San Bruno Redevelopment Agency ("**Redevelopment Agency**") was dissolved, effective February 1, 2012, and the City Council of the City of San Bruno determined that the City would serve as the Successor Agency to the former Redevelopment Agency.

B. The Dissolution Act, pursuant to Health and Safety Code Section 34177, tasks the Successor Agency with the responsibility, among other things, for winding down the dissolved Redevelopment Agency's affairs, continuing to meet the former Redevelopment Agency's enforceable obligations, overseeing completion of redevelopment projects and disposing of the assets and properties of the former Redevelopment Agency, all as directed by the Oversight Board.

C. Health and Safety Code Section 34179(i) states that oversight boards "have fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188."

D. The former Redevelopment Agency was originally established in 1988 as the San Bruno Improvement Agency. The Improvement Agency was not successful in establishing the proposed San Bruno Improvement Plan in 1989. The Improvement Agency was renamed the San Bruno Redevelopment Agency on September 28, 1998. The Redevelopment Agency successfully adopted the San Bruno Redevelopment Plan ("**Redevelopment Plan**") on July 6, 1999 to carry out redevelopment within the newly established Redevelopment Project Area ("**Project Area**").

E. The City entered into a Cooperation Agreement with the Redevelopment Agency on August 10th, 1998 ("**1998 Cooperation Agreement**"), which provided for the City to advance to the Redevelopment Agency, or expend on its behalf, necessary funds for the preparation and implementation of the Redevelopment Plan, and for the Redevelopment Agency to repay such advances and/or expenditures along with interest

calculated at the interest rate of the City's portfolio earnings rate plus one percent (1%) from available tax increment.

F. During the first five fiscal years of the Redevelopment Plan, pursuant to the 1998 Cooperation Agreement, the City advanced funds to the Redevelopment Agency to support its operations and capital projects. The total outstanding amount of such advances still owed to the City at the time of the RDA's dissolution was Two Million Nine Hundred Seventy Seven Thousand Thirty Three Dollars (\$2,977,033) ("**City Advances**").

G. Pursuant to Health and Safety Code Section 34178(a) a successor agency may enter into agreements with a city that formed the redevelopment agency upon obtaining approval of its oversight board.

H. Although the City maintains that repayment of amounts owed under the 1998 Cooperation Agreement, including interest on the City Advances at the rate established therein, remains a valid and binding enforceable obligation of the Successor Agency, the City is willing, subject to the State of California Department of Finance's concurrence and acknowledgment that this Agreement constitutes a binding enforceable obligation of the Successor Agency under the Dissolution Act, to forgo repayment of the City Advances according to the provisions of the 1998 Cooperation Agreement and to instead accept repayment of the City Advances along with interest set according to the California Local Agency Investment Fund ("LAIF") rate, as further described in this Agreement, in the interest of resolving any disputes regarding the status of the City Advances as an enforceable obligation of the Successor Agency.

I. The City and the Successor Agency desire to enter into this Agreement to provide for repayment by the Successor Agency to the City of the City Advances made by the City under the 1998 Cooperation Agreement, and the Oversight Board has approved execution of this Agreement as being fair and equitable and consistent with its members' fiduciary obligations under the Dissolution Act.

AGREEMENT

Section 1. Incorporation of Recitals. The Recitals above are incorporated by reference into this Agreement as if set forth herein.

Section 2. Repayment of City Advances. The Successor Agency shall repay the City Advances to the City, together with all accrued and unpaid interest thereon calculated as provided in Section 3 below, as shown on the repayment schedule attached hereto as Exhibit A and incorporated herein by this reference. Pursuant to Health and Safety Code Section 34173(e), the Successor Agency's obligation to repay the City Advances and interest thereon shall be limited to property tax revenues the Successor Agency receives pursuant to the Dissolution Act and proceeds from the sale of assets transferred to it as a successor agency for a dissolved redevelopment agency.

Section 3. Interest. Interest shall accrue on the unpaid principal balance of the City Advances at a variable rate equal to the Local Agency Investment Fund

("LAIF") rate of interest determined on January 1st of each year. The LAIF interest rate for the first partial year of the loan term shall be 0.38%. If LAIF is discontinued or revised, such successor fund rate, or computation with which LAIF is replaced, shall be utilized. Interest shall be based on a 365-day year.

Section 4. Enforceable Obligation. The obligations of the Successor Agency under this Agreement shall constitute an indebtedness and enforceable obligation of the Successor Agency under the Dissolution Act to be included in the Recognized Obligation Payment Schedules to be prepared by the Successor Agency and approved by the Oversight Board.

Section 5. Remedies. If either party defaults with regard to any of the provisions of this Agreement, the non-defaulting party shall serve written notice of such default upon the defaulting party. If the default is not cured by the defaulting party within thirty (30) days after service of the notice of default the defaulting party shall be liable to the other party for damages caused by such default.

[The remainder of this page has been left intentionally blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first written above.

CITY OF SAN BRUNO, a California
municipal corporation

By: _____
Jim Ruane, Mayor

Attest:

Carol Bonner, City Clerk

APPROVED AS TO FORM:

By: _____
Marc L. Zafferano, City Attorney

CITY OF SAN BRUNO, as successor
agency to the former San Bruno
Redevelopment Agency

By: _____
Connie Jackson, City Manager

Attest:

Carol Bonner, City Clerk

APPROVED AS TO FORM:

By: _____
Marc L. Zafferano, Successor
Agency General Counsel

EXHIBIT A

REPAYMENT SCHEDULE

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Outstanding Balance</u>
6/18/12	-	-	2,977,033
1/1/13	500,000	To be calculated based on LAIF rate	2,477,033
1/1/14	500,000	as further described in Section 3 of	1,977,033
1/1/15	500,000	Cooperation	1,477,033
1/1/16	500,000	Agreement	977,033
1/1/17	500,000		477,033
1/1/18	477,033		-



**Successor Agency to the
San Bruno Redevelopment Agency
Staff Report**

CITY OF SAN BRUNO

DATE: June 18, 2012

TO: Successor Agency to the San Bruno Redevelopment Agency

FROM: Kim Juran, Finance Director

SUBJECT: Receive Report and Adopt Resolution of the City Council of the City of San Bruno as Successor Agency to the Former San Bruno Redevelopment Agency Approving a Cooperation Agreement between the City of San Bruno and the City of San Bruno as Successor Agency

DISCUSSION

Please refer to previous staff report for further information on this agenda item. The attached resolution is being presented to the City Council of the City of San Bruno serving in its capacity as Successor Agency to the Former San Bruno Redevelopment Agency for consideration and approval.

RESOLUTION NO. 2012-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN BRUNO AS SUCCESSOR AGENCY TO THE FORMER SAN BRUNO REDEVELOPMENT AGENCY APPROVING A COOPERATION AGREEMENT BETWEEN THE CITY OF SAN BRUNO AND THE CITY OF SAN BRUNO AS SUCCESSOR AGENCY

WHEREAS, in accordance with AB 1X 26 (Stats. 2011, chap. 5, as amended by a decision filed by the California Supreme Court on December 29, 2011) ("Dissolution Act"), the former San Bruno Redevelopment Agency ("Redevelopment Agency") was dissolved, effective February 1, 2012, and the City Council ("City Council") of the City of San Bruno ("City") determined that the City would serve as the successor agency to the former Redevelopment Agency ("Successor Agency"); and

WHEREAS, the Dissolution Act, pursuant to Health and Safety Code Section 34177, tasks the Successor Agency with the responsibility, among other things, for winding down the former Redevelopment Agency's affairs, continuing to meet the former Redevelopment Agency's enforceable obligations, overseeing completion of redevelopment projects and disposing of the assets and properties of the former Redevelopment Agency, all as directed by the Oversight Board; and

WHEREAS, the City entered into a Cooperation Agreement with the former Redevelopment Agency on August 10th, 1998 ("1998 Cooperation Agreement"), which provided for the City to advance to the Redevelopment Agency, or expend on its behalf, necessary funds for the preparation and implementation of the San Bruno Redevelopment Plan ("Redevelopment Plan"), and for the Redevelopment Agency to repay such advances and/or expenditures along with interest calculated at the interest rate of the City's portfolio earnings rate plus one percent (1%) from available tax increment; and

WHEREAS, the Redevelopment Agency adopted the Redevelopment Plan on July 6, 1999 to carry out redevelopment within the newly established San Bruno Redevelopment Project Area ("Project Area"); and

WHEREAS, during the first five fiscal years of the Redevelopment Plan, pursuant to the 1998 Cooperation Agreement, the City advanced funds to the Redevelopment Agency to support its operations and capital projects; and

WHEREAS, the total outstanding amount of such advances still owed to the City at the time of the Redevelopment Agency's dissolution was Two Million Nine Hundred Seventy Seven Thousand Thirty Three Dollars (\$2,977,033) ("City Advances"); and

WHEREAS, pursuant to Health and Safety Code Section 34178(a) a successor agency may enter into agreements with a city that formed the redevelopment agency upon obtaining approval of its oversight board; and

WHEREAS, the City and the Successor Agency desire to enter into the Cooperation Agreement in the form on file with the City Clerk ("Agreement") to provide for repayment by the Successor Agency to the City of the City Advances made by the City under the 1998 Cooperation Agreement along with interest set according to the California Local Agency Investment Fund ("LAIF") rate, as further described in the Agreement; and

WHEREAS, on June 18, 2012, the Oversight Board approved execution of the Agreement as being fair and equitable and consistent with its members' fiduciary obligations under the Dissolution Act.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN BRUNO AS SUCCESSOR AGENCY TO THE FORMER SAN BRUNO REDEVELOPMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

1. The City Council hereby approves the Agreement in the form on file with the City Clerk and authorizes and directs the City Manager, the Mayor, or any other officer of the City as Successor Agency designated by them in writing (each, an "Authorized Officer"), acting singly, to execute and deliver the Agreement in substantially said form with such changes therein as the Authorized Officer executing the same may approve (such approval to be conclusively evidenced by the execution and delivery thereof).

2. The Authorized Officers of the City as Successor Agency are hereby authorized and directed to do any and all things and to execute and deliver, and if appropriate, record, any and all documents which they may deem necessary or advisable in order to effectuate the purposes of this Resolution, and any such actions previously taken by such officers are hereby ratified and confirmed.

3. This resolution shall take effect immediately upon adoption.

—oOo—

I hereby certify the foregoing Resolution No. 2012-
was introduced and adopted by the San Bruno City Council
at a regular meeting on June 26, 2012 by the following vote:

AYES:

NOES:

ABSENT:

Jim Ruane, Mayor

ATTEST:

Carol Bonner, City Clerk

APPROVED AS TO FORM:

Marc Zafferano, City Attorney