



**CITY COUNCIL AGENDA
REGULAR MEETING**

CITY OF HALF MOON BAY

TUESDAY, APRIL 04, 2017

**Adcock Community/Senior Center
535 Kelly Avenue
Half Moon Bay, California 94019**

**Debbie Ruddock, Mayor
Deborah Penrose, Vice Mayor
Adam Eisen, Councilmember
Rick Kowalczyk, Councilmember
Harvey Rarback, Councilmember**

7:00 PM

This agenda contains a brief description of each item to be considered. Those wishing to address the City Council on any matter not listed on the Agenda, but within the jurisdiction of the City Council to resolve, may come forward to the podium during the Public Forum portion of the Agenda and will have a maximum of three minutes to discuss their item. Those wishing to speak on a Public Hearing matter will be called forward at the appropriate time during the Public Hearing consideration.

Please Note: Anyone wishing to present materials to the City Council, please submit seven copies to the City Clerk.

Copies of written documentation relating to each item of business on the Agenda are on file in the Office of the City Clerk at City Hall and the Half Moon Bay Library where they are available for public inspection. If requested, the agenda shall be available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132.) Information may be obtained by calling 650-726-8271.

In compliance with the Americans with Disabilities Act, special assistance for participation in this meeting can be obtained by contacting the City Clerk's Office at 650-726-8271. A 48-hour notification will enable the City to make reasonable accommodations to ensure accessibility to this meeting (28 CFR 35.102-35.104 ADA Title II).

<http://hmbcity.com/>

MEETING WILL CONCLUDE BY 11:00 PM UNLESS OTHERWISE EXTENDED BY COUNCIL VOTE

CONVENE REGULAR MEETING

ROLL CALL / PLEDGE OF ALLEGIANCE

PROCLAMATIONS AND PRESENTATIONS

MOSQUITO AWARENESS WEEK PROCLAMATION

GRADUATION OF SPRING NET ACADEMY PARTICIPANTS

MAYOR'S ANNOUNCEMENTS OF COMMUNITY ACTIVITIES AND COMMUNITY SERVICE

REPORT OUT FROM RECENT CLOSED SESSION MEETINGS

CITY MANAGER UPDATES TO COUNCIL

PUBLIC FORUM

1. CONSENT CALENDAR

1.A WAIVE SECOND READING OF RESOLUTIONS AND ORDINANCES

1.B TREASURER'S REPORT FOR THE QUARTER ENDING DECEMBER 31, 2016

[STAFF REPORT](#)

[ATTACHMENT 1](#)

1.C QUARTERLY FINANCIAL REPORT FOR THE SECOND QUARTER OF FY 2016-17

[STAFF REPORT](#)

[ATTACHMENT 1](#)

1.D CLASSIFICATION AND SALARY SCHEDULE FOR RECREATION LEADER I/II/III
CLASSIFICATIONS

[STAFF REPORT](#)

[RESOLUTION](#)

2. ORDINANCES AND PUBLIC HEARINGS

2.A ORDINANCE AUTHORIZING ELECTRONIC SIGNATURES ON DOCUMENTS USED AND
ACCEPTED BY THE CITY OF HALF MOON BAY

[STAFF REPORT](#)

[ORDINANCE](#)

3. RESOLUTIONS AND STAFF REPORTS

3.A CREATION OF PARKS AND RECREATION COMMISSION

[STAFF REPORT](#)

3.B REQUEST FOR PROPOSALS FOR LEGAL SERVICES

[STAFF REPORT](#)

[RESOLUTION](#)

[ATTACHMENT 2](#)

3.C FISCAL YEAR 2016-2017 MID-YEAR REVIEW AND ADOPTION OF RESOLUTION TO ADJUST FISCAL YEAR 2016-2017 BUDGET

[STAFF REPORT](#)

[RESOLUTION](#)

[ATTACHMENT 2](#)

[ATTACHMENT 3](#)

[ATTACHMENT 4](#)

[ATTACHMENT 5](#)

[ATTACHMENT 6](#)

3.D AFFIRMATION OF 2017-2018 CITY COUNCIL PRIORITIES

[STAFF REPORT](#)

[ATTACHMENT 2](#)

CITY COUNCIL REPORTS

FOR FUTURE DISCUSSION / POSSIBLE AGENDA ITEMS

ADJOURNMENT

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **April 4, 2017**

TO: Honorable Mayor and City Council

VIA: Magda Gonzalez, City Manager

FROM: Yulia Carter, Finance Director / City Treasurer

TITLE: TREASURER'S REPORT FOR THE QUARTER ENDING DECEMBER 31, 2016

RECOMMENDATION:

By motion, accept the Treasurer's Report for the quarter ending December 31, 2016.

FISCAL IMPACT:

The City's cash and investment portfolio, at fair market value, as of December 31, 2016 is \$59,807,596, of which \$7,976,894 is placed with the State Controller's Local Agency Investment Fund (LAIF), \$40,915,564 is placed with the San Mateo County Treasurer's Investment Pool, \$10,397,738 is U.S. government backed securities, \$515,718 is in operating accounts, \$681 is in Money Market Accounts and \$1000 is in petty cash. The investment placed with LAIF includes \$748,460 of Bond Funds.

The City's investment portfolio increased by \$763,438 this reporting quarter compared to last quarter. The increase is primarily attributable to receipt of major revenues in the second quarter of the fiscal year. The average yield on investments in this quarter is .80% which increased from the previous quarter. The Treasurer's Report (Attachment 1) includes detail of cash and investments which were held by institutions.

In accordance with Government Code Section 53600 et seq., the City's Treasurer is to provide the City Council with a report on investments on a quarterly basis. As shown in the Treasurer's Report (Attachment 1), the City's investments are in external investment pools listed at cost, as well as its fair value, not amortized cost, in compliance with Governmental Accounting Standard Statement 31.

The City's investment practices strictly follow Government Code Section 53600 et seq., the City's investment policy, and a prudent person's rule.

STRATEGIC ELEMENT:

This recommendation supports the Fiscal Sustainability and Inclusive Governance Elements.

ATTACHMENT:

Treasurer's Report for the quarter ending December 31, 2016

**City of Half Moon Bay
Treasurer's Report
December 31, 2016**

1. Cash and investments were comprised of the following instruments as of December 31, 2016, shown with the carrying amount, fair value, and corresponding yields on investment and interest earnings:

	<u>City Treasury</u>	<u>Fiscal Agents</u>	<u>Carrying Amount</u>	<u>GASB 31 Fair * Value</u>	<u>Yield</u>	<u>Quarterly Interest Earnings</u>	<u>FYTD Interest Earnings</u>
Petty Cash	\$ 1,000		\$ 1,000	\$ 1,000	0.00%		
<u>Wells Fargo Bank:</u>							
Checking	465,718		465,718	465,718	0.00%		
Payroll	50,000		50,000	50,000	0.00%		
<u>California State Treasurer:</u>							
LAIF - General	7,223,947		7,223,947	7,228,435 *	0.68%	12,305	23,266
<u>San Mateo County Treasurer</u>	40,919,656		40,919,656	40,915,564 *	1.04%	90,239	168,650
<u>U.S. Bank - Investment with Fiscal Agent (Note)</u>							
Escrow - B (US Agency Securities) 07/15/2019		10,397,738	10,397,738	10,397,738	0.00%	22,594	22,594
Bonds - B (Money Market Mutual Fund)		17	17	17	0.00%	0	0
Reserve - B (LAIF)		740,528	740,528	740,988	0.00%	0	0
Refunding - B (LAIF)		7,467	7,467	7,472	0.00%	0	0
Refunding - B (Money Market Mutual Fund)		665	665	665	0.00%	0	0
TOTAL CASH AND INVESTMENTS	<u>\$ 48,660,321</u>	<u>\$ 11,146,414</u>	<u>\$ 59,806,736</u>	<u>\$ 59,807,596</u>	<u>0.80%</u>	<u>\$ 125,137</u>	<u>\$ 214,510</u>

Note: A and B designation refer to Judgment Obligation Bond Series A and B. In addition, U.S. Bank reserve accounts are primarily invested in LAIF.

* GASB 31 Fair Value includes investment returns which are not yet realized and at amortized costs. Information is obtained from individual institutions' portfolio statements.

2. Investment maturities:

The City limits market risk by limiting the types and maturities of its investments and by not borrowing against those investments.

Investment maturities may not exceed five years with the exception of investments as specified in bond debt covenants. Investment yield is ranked after safety and liquidity in making investment decisions.

Investments at December 31, 2016 mature as follows:

	<u>City Treasury</u>	<u>Fiscal Agents</u>	<u>Total</u>
Available immediately	\$ 48,660,321	\$ 748,676	\$ 49,408,997
Maturities less than one year			
Maturities of one to five years			
Maturities greater than five years		10,397,738	10,397,738
Total	<u>\$ 48,660,321</u>	<u>\$ 11,146,414</u>	<u>\$ 59,806,736</u>

3. Investments Sectors, as a percentage of total portfolio and also with investment performance comparisons:

	<u>Investment sectors as a % of total portfolio</u>		<u>Investment performance comparisons</u>			
			<u>Date</u>	<u>Total</u>	<u>Yield</u>	<u>YTD Interest</u>
Demand Deposits and Money Market	0.87%		12/31/14	45,440,483	0.47%	72,042
Local Agency Investment Fund	13.33%		12/31/15	51,785,108	0.61%	123,998
San Mateo Co. Investment Pool	68.42%		12/31/16	59,807,596	0.80%	214,510
Fiscal Agent	18.64%					
	<u>100.00%</u>					

I certify that this reports all Government Agency pooled investments and is in conformity with the investment policy of the City of Half Moon Bay as stated in Resolution number C-2014-25 dated June 03, 2014. A copy of this Resolution is available at the office of the City Clerk and on the cities website <http://www.hmbcity.com>. The Investment Program provides sufficient cash flow liquidity to meet the estimated expenditures of the next six months, as required by Code Section 53646.



Finance Director/City Treasurer

3/29/17

Date

**CITY OF HALF MOON BAY
CASH AND INVESTMENTS REPORT
FOR QUARTER ENDING 12/31/16**

		<u>12/31/2016</u>
GENERAL FUND	01	12,553,120
<hr/>		
RESTRICTED FUNDS		
SEWER OPERATING	05	2,946,431
SEWER CAPITAL	06	12,622,282
STORM DRAIN OPERATING	07	144,484
MAIN STREET BRIDGE	09	565,821
GAS TAX	10	202,833
STREETS AND ROADS	11	4,026,244
MEASURE A	12	267,888
TRAFFIC MITIGATION	13	486,782
DRAINAGE CAPITAL	14	496,689
LIBRARY MAINTENANCE	15	110,287
LIBRARY CAPITAL	16	9,712,192
PARKS *	17	(935,015)
AFFORDABLE HOUSING	19	1,861,199
POLICE SPECIAL REVENUE	22	237,931
GENERAL FUND CAPITAL PROJECTS	25	(262,764)
PUBLIC FACILITIES **	48	447,208
VEHICLE REPLACEMENT	61	476,525
EQUIPMENT REPLACEMENT	62	920,185
RISK MANAGEMENT	63	1,786,675
RETIREMENT STABILIZATION	64	619,813
JUDGMENT OBLIGATION BOND-Series B	78	10,520,785
TOTAL, RESTRICTED FUNDS		47,254,476
TOTAL, ALL CITY FUNDS		59,807,596
GENERAL LEDGER (BOOK) TOTAL		59,807,596
GENERAL CHECKING - Wells Fargo		1,569,631
PAYROLL CHECKING - Wells Fargo		52,327
LOCAL AGENCY INV.FUND (LAIF) - GENERAL		7,223,947
SAN MATEO COUNTY INVESTMENT POOL		40,919,656
US BANK - JUDGMENT BOND, Escrow B (US AGENCY SECURITIES)		10,397,738
US BANK - JUDGMENT BOND, Bonds B (MONEY MARKET)		17
US BANK - JUDGMENT BOND, Reserve B (LAIF)		740,528
US BANK - JUDGMENT BOND, Refunding B (LAIF)		7,467
US BANK - JUDGMENT BOND, Refunding B (MONEY MARKET)		665
SUBTOTAL, SCHEDULE OF INVESTMENTS		60,911,975
Add: PETTY CASH ACCOUNTS		1,000
Less: OUTSTANDING CHECKS		(1,106,239)
GASB 31 FAIR VALUE ADJUSTMENT		860
BANK RECONCILIATION TOTAL		59,807,596

The figures above are unaudited. Adjustments may be made as part of the year-end close process.

* Negative cash balance in fund 17 is due to a pending State Parks Grant receipt which is expected in FY 16/17.

** Negative cash balance is pending budgeted transfers from General Fund which will be recorded at fiscal year end.

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **April 4, 2017**

TO: Honorable Mayor and City Council

VIA: Magda Gonzalez, City Manager

FROM: Yulia Carter, Finance Director

TITLE: QUARTERLY FINANCIAL REPORT FOR THE SECOND QUARTER OF FY 16-17

RECOMMENDATION:

Accept the attached Quarterly Financial Report for the 2nd Quarter of Fiscal Year 16-17.

FISCAL IMPACT:

There is no fiscal impact associated with the acceptance of this report.

STRATEGIC ELEMENT:

This recommendation supports the Fiscal Sustainability and Inclusive Governance Element.

BACKGROUND:

One of the City Council strategic priorities includes planning for and implementing long-term financial stability. A key component of this goal includes preparing a quarterly financial report that would provide readers with an executive summary of the City's current financial conditions as it relates to the annual operating budget. During the FY 2016-17 budget process staff committed to implementing the practice of financial reporting on a quarterly basis in the current fiscal year to ensure accountability and transparency in managing public funds.

Staff has completed the Second Quarter Financial Report which reflects the City's overall financial position as of December 31, 2016. This report summarizes the activities of the City's General Fund to provide the Council and the public with an overview of the City's general fiscal condition, and is not meant to be inclusive of all financial accounting transactions. The General Fund is the primary operating fund of the City and is used to account for most operating activities.

ANALYSIS:

The Second Quarter Financial Report includes an update on the revenues and expenditures for the General Fund for the quarter ended December 31, 2016. The General Fund financial report for the first quarter is prepared on a cash basis, therefore only revenue received by December 31, 2016 is reflected in this analysis. Expenditures are recorded when paid, using the cash basis method of accounting. As of this date, the City has received \$6.2 million in revenue (42.4% of budget) and expended/encumbered \$7.4 million in expenditures (53.2% of budget).

During the second quarter of the fiscal year, expenditures and revenues for most municipalities

tend to even out after a skewed first quarter. This is because property taxes (the City's third largest revenue source) are primarily collected in December and April of each fiscal year with minimal amounts collected in the first quarter. Subsequent reports should continue to provide a clearer picture of how the City's General Fund revenue sources are performing relative to budgeted figures.

In general, revenues are in line with expectations for the second quarter are compare favorably to the same point of the prior fiscal year. Expenditures will also normalize in comparison with the budget as year-long encumbered funds are expended through the rest of the fiscal year.

Please note that the figures presented in this report are unaudited.

ATTACHMENT:

Second Quarter Financial Report as of December 31, 2016



City of Half Moon Bay Fiscal Year 2016/17

Second Quarter Financial Report

OVERVIEW

This report summarizes the City's overall financial position for the fiscal year through December 31, 2016. The focus of this report is the City's General Fund, and is not meant to be inclusive of all finance and accounting transactions. The intent is to provide the Council and the public with an overview of the state of the City's general fiscal condition. The General Fund is the primary operating fund of the City and is used to account for most operating activities. The revenue projections and budgets include necessary adjustments for encumbrances, carryovers, and any supplemental appropriations made by the City Council as of December 31, 2016.

GENERAL FUND

General Fund Financial Condition. With 25% of the year complete, General Fund expenditures are at 53.2% (vs. 64.0% in the prior year) of projections and revenues are at 42.4% (vs. 44.0%). These figures exclude budgeted once-a-year operating and capital transfers. The expenditure variance from the prior year is primarily due to the timing of encumbrances of various large professional service contracts. Revenues are beginning to normalize in the second quarter as compared to lower activity in the first quarter due to the timing of certain key revenues such as franchise fees, property tax, and sales tax. Both expenditures and revenues are explained in more detail below.

General Fund	Budget	YTD Actual	Percent
Revenues	\$14,629,516	\$6,199,349	42.4%
Expenditures*	\$13,918,295	\$7,410,012	53.2%

**excludes operating and capital transfers*

The General Fund balance as of December 31, 2016 is \$9.53 million. This is based on the audited fund balance as of the end of fiscal year 2015-16 and factoring in year-to-date expenditure and encumbrance activity.

Expenditures. Departmental operating expenditures (including outstanding purchase orders/encumbrances) are generally on target as of the end of the second quarter. The following chart summarizes year-to-date

combined expenditures and encumbrances by department:

General Fund Expenditures by Department	Budget	YTD Actual	% Exp/Enc
City Council	385,507	163,310	42.4%
City Manager	792,273	310,814	39.2%
City Attorney	360,500	360,500	100.0%
City Clerk	487,907	170,783	35.0%
Finance and Risk Management	948,938	421,669	44.4%
Human Resources and Administrative Services	730,469	343,736	47.1%
Public Safety	3,771,200	3,213,497	85.2%
Public Works	1,325,663	627,195	47.3%
Recreation Services	214,672	51,671	24.1%
Community Development	2,856,548	1,746,837	61.2%
Capital Outlay	2,044,618	0	0.0%
Total General Fund	13,918,295	7,410,012	53.2%

**excludes operating and capital transfers*

There may be a higher percentage expended or encumbered in the departmental budgets as some contracts must be encumbered with a purchase order which covers extended portions of the fiscal year (e.g. City Attorney and Public Safety services).

Revenues. Following is a summary of revenues as of the end of the first quarter:

Revenues	Budget	YTD Actual	% Rec'd
Trans. Occupancy Taxes	5,933,000	2,457,864	41.4%
Property Tax	3,042,150	1,146,294	37.7%
Sales & Use Tax	2,521,837	1,361,261	54.0%
Other Revenue	1,429,698	519,372	36.3%
Other Taxes	821,100	356,302	43.4%
Charges for Services	870,170	355,727	40.9%
Inter-Governmental	11,560	2,529	21.9%
Total Revenues	14,629,516	6,199,349	42.4%

Transient Occupancy Taxes (TOT). TOT continues to be the largest source of revenue for the City. The City has recently contracted with an external consultant to assist in tracking and collecting TOT revenues. Since TOT is remitted approximately 30



City of Half Moon Bay Fiscal Year 2016/17

Second Quarter Financial Report

days after the end of each month, and are generally forwarded to by the consultant to the City in the subsequent month, second quarter numbers reflect only four months (July through October) of TOT receipts. Therefore, TOT revenues are performing higher than projected with a collection percentage of 41.4% covering four months (or one-third) of the fiscal year.

Property Tax. Property Tax is the City's second largest revenue source. The first major apportionment of property taxes was received by the City in December 2016, however a significant portion of approximately \$360,000 was not received until January 2017. When the late payment is included, property taxes are at approximately 50% of budget, which is on schedule for the midpoint of the fiscal year.

Sales and Use Tax. Sales and Use Tax is the City's third largest revenue source. As of December 31, 2016, the City has received about 54% of our budgeted Sales Tax revenues as of the end of the second quarter. Based on discussions with the City's sales tax advisor, the local sales activities remain strong and we expect to exceed the budgeted sales tax revenue target of \$2.5 million.

Other Revenue. The main components of this category are Golf Fees, County Credit Reimbursements, and the cost allocation transfer from the sewer fund. The golf fees are received as part of a redevelopment agreement with Ocean Colony Partners, L.P. and are calculated as a percentage of green fees from the golf courses. Golf fees are paid on a monthly basis and the City has received the projected amount after two quarters. The payments made to the County Sheriff are issued quarterly, and two payments have been received as of the second quarter. The sewer cost allocation transfer will be recorded closer to the end of the fiscal year and has not yet been recorded. When this is factored in, this revenue category is approximately at the expected level at this point of the fiscal year.

Other Taxes. This includes Franchise Tax and Business License Tax. Only one quarter of Franchise Fee revenues have been recorded as of December 31,

2016 for the current fiscal year, which is consistent with prior fiscal years. We expect to receive the largest components of franchise fee revenues – payments from PG&E – in April 2017. Franchise fees from other utilities are remitted approximately 30 days after the end of each quarter, and therefore payments for only one quarter have been received as of December 31, 2016.

Business licenses taxes are due in November of each year and are valid from October 1 through September 30 of the following year. The City has collected 82.6% of the taxes which were due in November, which greatly exceeds the collection percentage at the same point in the prior year (52.6%), and expects to continue to collect substantial amounts well into the third and fourth quarters.

Charges for Services. These include building permits, engineering and planning fees, and police services. Permits and planning fees tend to fluctuate based on the timing of larger projects, and are expected to come more in line with the budget as the fiscal year progresses.

Inter-governmental. This includes State Mandate reimbursements and the City's portion of motor vehicle licensing fees. The State is currently paying State Mandate claims from prior years as funds become available and we will continue to monitor these revenues as the fiscal year progresses.

SUMMARY

Overall, the City's budget remains on target as of the second quarter, with expenditures where they should be halfway through the fiscal year. Certain revenues, such as sales taxes, franchise taxes and the County Credit reimbursements, will only reach budgeted figures when they are accrued at the end of the fiscal year, due to timing issues and the government-standard modified accrual accounting method. The City continues to experience higher than expected revenue growth which is a positive indicator of the City's economic growth and healthy fiscal condition.

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **April 4, 2017**

TO: Honorable Mayor and City Council

VIA: Magda Gonzalez, City Manager

FROM: Russell Brunson, Administrative Services Manager

TITLE: **CLASSIFICATION AND SALARY SCHEDULE FOR RECREATION LEADER I/II/III CLASSIFICATIONS**

RECOMMENDATION:

Adopt a resolution establishing the classification and salary schedule for the Recreation Leader classifications.

FISCAL IMPACT:

There is no fiscal impact associated with the adoption of the resolution establishing the classifications. The City Council will review budget impacts for the position through the 2016-2017 mid-year budget adjustment process.

STRATEGIC ELEMENT:

This recommendation supports the Infrastructure and Environment Element of the Strategic Plan.

BACKGROUND:

Chapter 2.50 of the Half Moon Bay Municipal Code establishes the procedures for the City Manager, as Personnel Officer, to create and revise a position classification plan. Requests for the creation of a new class or reclassification of an existing class can be made by a department head to the Personnel Officer, or by the Personnel Officer. After review, the Personnel Officer submits the new job specification, class title and salary range to the City Council to be considered for addition to the Classification Plan. The new class is officially established upon adoption by the City Council.

On February 7, 2017, the City Council authorized City staff to provide recreation and facility rental services. City Council approved the addition of a Recreation Coordinator classification on March 7, 2017. Staff has determined that the Recreation Coordinator and Recreation Leader classifications provide the City with adequate staffing to maintain the current level of services. The Recreation Leader will organize and teach recreational activities, complete class registration and rental facility applications, assists in enforcing observance of required safety precautions and Division guidelines, and facilitate rentals of City facilities. Council has expressed interest in having

a full Parks and Recreation department in the future, which would require additional staffing, resources, and Council action.

The Recreation Leader classification is a non-exempt classification placed within the International Union of Operating Engineers, Local 39 bargaining group. The recommended monthly salary range for the classifications are:

Recreation Leader I \$2,080 to \$2,527
Recreation Leader II \$2,355 to \$2,860
Recreation Leader III \$2,611 to \$3,172

ATTACHMENT:

Resolution establishing salary and classification for Recreation Leader I/II/III (Including Exhibit A: Recreation Leader I/II/III Classification)

Resolution No. C-2017-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY ESTABLISHING THE CLASSIFICATION AND SALARY SCHEDULE FOR THE RECREATION LEADER I/II/III POSITIONS

WHEREAS, Chapter 2.50 of the Half Moon Bay Municipal Code establishes a personnel system and procedures for the administration of personnel matters; and

WHEREAS, said Chapter requires that the City Manager, as personnel officer, prepare and recommend to the City Council a position classification plan, class specifications, and revisions thereto; and

WHEREAS, said Chapter requires that personnel rules and policies be adopted by resolution of the City Council; and

WHEREAS, the proposed classification and compensation and benefits plan has been prepared and is attached as EXHIBIT A;

NOW, THEREFORE, BE IT RESOLVED THAT the Classification Plan is hereby amended by adding the new classification title of Recreation Leader I/II/III; the City Council of Half Moon Bay approves the classification specifications set forth in Exhibit A attached hereto and incorporated herein by this reference; and the salary schedule shall be established as follows:

- Recreation Leader I \$2,080 to \$2,527 per month
- Recreation Leader II \$2,355 to \$2,860 per month
- Recreation Leader III \$2,611 to \$3,172 per month

I, the undersigned, hereby certify that the forgoing Resolution was duly passed and adopted on the 4th day of April, 2017 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Debbie Ruddock, Mayor



CITY OF HALF MOON BAY

Job Specification

Class Title: Recreation Leader I/II/III

Status: Non-Exempt

Department: Office of the City Manager

Reports To: Recreation Coordinator

Employee Group: International Union of Operating Engineers Local No. 39

Adopted by City Council/Resolution Number:

Modified:

DEFINITION

The Recreation Leader assists in organizing and conducting a variety of recreation programs and activities.

SUPERVISION RECEIVED/EXERCISED

The Recreation Leader receives supervision and training from the Recreation Coordinator.

DISTINGUISHING CHARACTERISTICS

Recreation Leader I: has little or no experience working in a recreation setting.

Recreation Leader II: has experience and education in recreation programs, and is responsible for more complex recreational programs.

Recreation Leader III: has more experience and education in recreation programs, and is responsible for more complex recreational programs.

IMPORTANT AND ESSENTIAL DUTIES (ILLUSTRATIVE ONLY)

- Organizes, leads, and teaches recreational activities, including arts and crafts, group trips and special events.
- Complete class registration and rental facility applications
- Assists in enforcing observance of required safety precautions and Division guidelines.
- Admit patrons to recreation facilities, programs and events.
- Implements procedures to provide for the safety and welfare of all users engaged in Recreation Division activities in City facilities.
- Distributes flyers to promote recreation activities and programs.

- Maintains attendance and activity records.
- Sets up and issues equipment, collects and stores equipment after use.
- Provides basic customer service in absence of the Recreation Coordinator.
- Facilitates rentals of City facilities.
- Performs related duties as assigned.

KNOWLEDGE, SKILLS AND ABILITIES

Knowledge of:

- Techniques, rules and equipment used in recreational activities and games.
- Office administrative practices and procedures, including the use of standard office equipment.
- Principles of event and facility scheduling; use of rental software program.

Skill to:

- Provide excellent customer service.
- Understand, interpret and apply policies, procedures and protocols.
- Communicate clearly and effectively, both orally and in writing.
- Work independently and be able to resolve conflicts or emergencies.
- Operate a computer and its associated programs.
- Set-up and use audio-visual equipment.
- Work in a safe manner, following City safety practices and procedures.

Ability to:

- Assist in budget preparation and administration;
- Interpret, explain and enforce applicable policies and procedures.
- Maintain records neatly and accurately.
- Work collaboratively with diverse community members and staff.
- Represent the City and the Division effectively in contacts with representatives of other agencies, City departments, and the public.
- Lift and carry at least 50lbs.

EDUCATION AND EXPERIENCE

Sufficient education and experience to satisfactorily perform the duties of this classification are required. Any combination of experience and training that would likely provide the required knowledge and abilities would be qualifying. A typical way to obtain the knowledge and abilities would be:

Education and Experience:

Recreation Leader I: Possession of a High School Diploma, or equivalent, and no experience working in a recreation setting. Experience working in a recreation setting can substitute for the diploma or equivalent.

Recreation Leader II: Possession of a High School Diploma, or equivalent; and one (1) year's paid or unpaid work experience, or one (1) year of recreation leadership experience equivalent to the level of Recreation Leader I with the City of Half Moon Bay. Experience in sports or other organized recreation programs is preferred.

Recreation Leader III: Possession of a High School Diploma, or equivalent; and two (2) year's paid or unpaid work experience, or two (2) years of recreation leadership experience equivalent to the level of Recreation Leader II with the City of Half Moon Bay. Experience in sports or other organized recreation programs is preferred.

PHYSICAL DEMANDS

The ability to maintain effective audio/visual discrimination and perception to the degree necessary for the successful performance of assigned. The ability to move tables, chairs, and equipment; lift equipment and supplies from 5 to 50 lbs. in weight; and demonstrate recreational activities, games, crafts, and athletic techniques is also required.

WORKING CONDITIONS

This position requires prolonged sitting, standing, walking, reaching, twisting, turning, kneeling, bending, squatting and stooping in the performance of daily activities. The position also requires grasping, repetitive hand movement and fine coordination in preparing statistical reports and data using a computer keyboard. Additionally, the position requires near vision in reading correspondence, statistical data and using a computer, and acute hearing is required when providing phone service and communicating in person.

LICENSES, CERTIFICATES AND REGISTRATIONS

Possession a valid California Class "C" Driver's License and satisfactory driving record. Possession of a current First Aid/CPR/AED certificate or ability to attain within 90 days of hire is preferred. Candidates who receive offers of employment will be required to submit fingerprints, undergo a criminal record clearance, and have a physical examination including a TB screening. Candidates must be eighteen (18) years of age or older. Bilingual (Spanish) language ability, both written and spoken, is preferred.

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **April 4, 2017**

TO: Honorable Mayor and City Council

VIA: Magda Gonzalez, City Manager

FROM: Jessica Blair, City Clerk
Oscar Murillo, Management Analyst

TITLE: ORDINANCE AUTHORIZING ELECTRONIC SIGNATURES ON DOCUMENTS USED AND ACCEPTED BY THE CITY OF HALF MOON BAY

RECOMMENDATION:

Conduct a public hearing and adopt an ordinance adding Chapter 2.52 to the Half Moon Bay Municipal Code authorizing the use of electronic signatures on City documents to allow the City to strike a balance between flexibility and the need for signature security and integrity.

FISCAL IMPACT:

There is no fiscal impact associated with this action. There may be costs associated with the selection and implementation of an electronic signature platform.

STRATEGIC ELEMENT:

This recommendation supports the Inclusive Governance Element of the Strategic Plan.

BACKGROUND:

The general legal framework for the use of electronic signatures on electronic records has been in place for over a decade. In 1999, the State of California adopted a version of the Uniform Electronic Transactions Act (UETA), guaranteeing that electronic signatures would have the same legal effect as a “wet” or manual signature. (Civ. Code §§ 1633.1-1633.17.) In 2000, Congress passed the Electronic Signatures in Global and National Commerce Act (E-SIGN Act), which mandated the same treatment of electronic signatures in interstate or foreign commerce. (15 U.S.C. 7001.)

Additionally, in 1995, five years before the UETA and E-SIGN Act were adopted, the California Legislature passed a statute authorizing public entities to accept “digital signatures” if and only they comply with stringent verification procedures established by the Secretary of State (Gov. Code § 16.5). The Secretary of State adopted regulations in 1998 approving the use of digital signatures only if they could be verified using Public Key Cryptology (PKI) or Signature Dynamics technologies. (2 C.C.R. § 22003.) These regulations have not been updated in the past 15 years.

Although Government Code 16.5 and the California Secretary of State's regulations set forth requirements for the use of "digital signatures," they do not limit the manner in which the City may use or accept electronic signatures generally.

DISCUSSION:

This ordinance would provide assurance that electronic signatures meeting certain security criteria would be effective on documents accepted by the City, notwithstanding the fact that they do not involve PKI or Signature Dynamics technologies.

Staff has researched various electronic signature platforms that offer a high degree of security and integrity without the burdens associated with PKI or Signature Dynamics technologies. For example, several vendors offer cloud-based document and signature management systems featuring multi-factor identity verification (e.g. by email and phone), password protection, or some other form of identity and signature verification processes. These systems do not require that the signer have access to specialized hardware or that the signer establish an account with a certification authority or any other entity. The relative ease and security offered by these systems has led to their wide adoption in the private sector as well as by the Internal Revenue Service for certain tax filings, and by various municipalities across the nation.

The proposed ordinance would codify the City's policy on electronic signatures and expand their availability to all contexts in which the City performs business. In particular, staff has identified City contracts, purchase orders, construction permits, employment forms, and board and commission applications, as classes of documents for which electronic signatures may provide significant benefits for City staff and the public.

The ability to offer electronic signatures is anticipated to provide to City staff, and those for which it does business with, the opportunity and flexibility to review and sign documents at any time and location, as well as without the need to print or send via inter-office and / or mail services. This will allow staff to work more efficiently, save time in processing transactions, and have an improved tracking system.

ATTACHMENT:

Ordinance authorizing the use of electronic signatures on City documents

ORDINANCE NO. C-2017_____

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY AUTHORIZING
ELECTRONIC SIGNATURES ON DOCUMENTS USED AND
ACCEPTED BY THE CITY OF HALF MOON BAY**

THE CITY COUNCIL OF THE CITY OF HALF MOON BAY DOES ORDAIN AS FOLLOWS:

Section 1. Findings and Declarations.

- (a) Digital signature technology allows the City of Half Moon Bay to collect and preserve signatures on documents quickly, securely, and efficiently.
- (b) Pursuant to California Government Code Section 16.5, the City may elect to use a digital signature and may accept a digital signature from another party, for any written communications with the City.
- (c) The conditions under which the City of Half Moon Bay will accept digital signatures on City documents shall comply with the requirements below, pursuant to California Government Code Section 16.5 and Title 2, Division 7, Chapter 10 of the California Code of Regulations.

Section 2. Amendment to Municipal Code.

The City Council of the City of Half Moon Bay hereby adds Chapter 2.52 “Digital Signatures”, to Title 2 of the Half Moon Bay Municipal Code as follows:

Sections:

2.52.010 Definitions

2.52.020 Applicability and Purpose

2.52.030 Digital Signature Requirements

2.52.010 Definitions.

The following definitions apply to this section:

- A. “Approved List of Certification Authorities” means the list of Certification Authorities approved by the California Secretary of State to issue certification for digital signature transactions involving public entities in California.
- B. “Certification Authority” means a person or entity that issues certification for the digital signature transaction.
- C. “Digital Signature” has the same meaning as in Section 16.5 of the California Government Code and means an electronic identifier, created by computer,

intended by the party using it to have the same force and effect as the use of a manual signature.

- D. "Signer" means the person who signs a digitally signed communication with the use of an acceptable technology to uniquely link the message with the person sending it.
- E. "Technology" means the computer hardware and/or software-based method or process used to create the digital signature.

2.52.020 Applicability and purpose.

In any written communication or transaction with the City where a signature is required, any party to the communication may use a digital signature, provided that it complies with the requirements of this section. This section is intended to enable the City to use digital signatures to the fullest extent allowed by law.

2.52.030 Digital signature requirements.

In any transaction with the City for which the parties have elected to conduct the transaction by electronic means, the following provisions shall apply:

- A. The digital signature shall include the following attributes:
 - 1. It is unique to the person using it.
 - 2. It is capable of verification.
 - 3. It is under the sole control of the signer.
 - 4. It is linked to data in such a manner that if the data changed, the digital signature is invalidated.
 - 5. It conforms to regulations adopted by the Secretary of State.
- B. The Certification Authority issuing the certification for the digital signature transaction must appear on the "Approved List of Certification Authorities" authorized by the California Secretary of State.
- C. The technology used to create the digital signature shall meet the Secretary of State's acceptable technology requirements under Title 2, Division 7, Chapter 10, Section 22003 of the California Code of Regulations.
- D. The City shall ensure that the level of security used to identify the signer of a document, and that the level of security used to transmit the signature, is sufficient for the transaction being conducted.

Section 3. Severability.

If any section, sentence, clause or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not

affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have passed this Ordinance and adopted this Ordinance and each section, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

Section 4. Publication.

The City Clerk of the City of Half Moon Bay is hereby directed to publish this Ordinance, or the title hereof as a summary, pursuant to Government Code section 36933, once within fifteen (15) days after its passage, in the Half Moon Bay Review, a newspaper of general circulation published in the City of Half Moon Bay.

Section 5. Effective Date.

This Ordinance shall take effect and be in force on the thirtieth (30th) day from and after its final passage.

INTRODUCED at a regular meeting of the City Council of the City of Half Moon Bay, California, held on the 4th day of April, 2017.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Half Moon Bay, California, held on the 18th day of April, 2017, by the following vote:

Ayes, Councilmembers: _____

Noes, Councilmembers: _____

Absent, Councilmembers: _____

Abstain, Councilmembers: _____

ATTEST:

Jessica Blair, City Clerk

Debbie Ruddock, Mayor

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **April 4, 2017**

TO: Honorable Mayor and City Council
VIA: Magda Gonzalez, City Manager
FROM: Michael Bridges, Management Consultant/Special Advisor to City Manager
TITLE: **CREATION OF PARKS AND RECREATION COMMISSION**

RECOMMENDATION:

Direct staff to: 1) Prepare legislation to eliminate the Recreation Committee and its bylaws; 2) prepare legislation to create a Parks and Recreation Commission and bylaws; 3) and start a recruitment process for Commission members to be appointed when the Parks and Recreation Commission is created.

FISCAL IMPACT:

There is no fiscal impact associated with this action. Staff support of the Parks and Recreation Commission will be the same as for the Recreation Committee.

STRATEGIC ELEMENT:

This item supports the Infrastructure and Environment and Healthy Communities Elements of the Strategic Plan.

BACKGROUND:

On March 15, 2011, a Municipal Code “clean-up” ordinance, among other things, eliminated the Parks and Recreation Commission. The report stated, “staff is recommending repealing Chapter 2.26, but keeping the currently appointed members as an advisory body to the City Council on parks and recreation matters....A separate action item establishing the specific functions of the reformulated body will return to the Council before the proposed ordinance goes into effect.” Staff has been unable to find that “separate action;” however, there have been subsequent City Council actions to appoint members to the Recreation Committee and approve their bylaws.

DISCUSSION:

Since the legislative history of the establishment of the Recreation Committee cannot be found, the City Attorney has recommended that the City Council take the following actions:

1. Eliminate the Recreation Committee and the Committee bylaws
2. Create a Parks and Recreation Commission with new bylaws.

The Recreation Committee held a workshop on March 28, 2017, and is recommending to the City Council that the Parks and Recreation Commission be reestablished with new bylaws. In order to clean up prior City Council actions and clearly establish the creation of the new Parks and Recreation Commission by City Council actions, the process for recruiting Commission members can be started to coincide with the later creation of the Parks and Recreation Commission and the appointment of the Commission members. Staff will return to the City Council in May with legislation to eliminate the Recreation Committee and its bylaws, legislation to create a Parks and Recreation Commission and bylaws, and an action item for the City Council to appoint the Parks and Recreation Commission members.

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **April 4, 2017**

TO: Honorable Mayor and City Council

VIA: Magda Gonzalez, City Manager

FROM: Human Resources City Council Subcommittee
(Mayor Ruddock and Councilmember Eisen)

TITLE: APPROVAL OF REQUEST FOR PROPOSALS FOR LEGAL SERVICES

RECOMMENDATION:

Adopt a resolution authorizing the City Manager to issue a Request for Proposals (RFP) for Legal Services.

FISCAL IMPACT:

There is no fiscal impact associated with this action. The adopted budget for Fiscal Year 2016-2017 includes \$360,500 for general legal services with an additional \$50,000 budgeted for litigation. Actual costs for legal services in Fiscal Year 2015-2016 were \$286,215. Staff will be able to estimate an annual cost of legal services once a new City Attorney contract is brought forth for approval.

STRATEGIC ELEMENT:

This recommendation supports the Inclusive Governance Element of the Strategic Plan.

DISCUSSION:

At its March 21, 2017 meeting, the City Council accepted the resignation of its City Attorney, Tony Condotti, of Atchison, Barisone & Condotti.

The City Council now wishes to issue an RFP for legal services to retain a new City Attorney. On March 30, 2017, the Human Resources City Council Subcommittee met to draft an RFP for the Council's approval. The draft RFP is included as Attachment 2 to this report.

After City Council approval, the RFP will be posted on the City's website and shared with firms at the Council's request. Proposals are due to the City Clerk no later than May 15, 2017 at 12:00 p.m. Once proposals are submitted, they will be prepared for the Council's Human Resources Subcommittee for initial review. Based on the number of proposals received, the Council Subcommittee may recommend a few firms be considered for interviews with the entire City Council.

ATTACHMENTS:

1. Resolution authorizing the City Manager to issue a Request for Proposals for Legal Services
2. Draft RFP for Legal Services

Resolution No. C-2017-____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY AUTHORIZING THE CITY MANAGER TO RELEASE A REQUEST FOR PROPOSALS FOR LEGAL SERVICES

WHEREAS, At its March 21, 2017 meeting, the City Council accepted the resignation of its City Attorney, Tony Condotti, of Atchison, Barisone & Condotti; and

WHEREAS, the City Council and staff will require the services of legal counsel to functionally operate as a municipal agency; and

WHEREAS, the first step in retaining legal services is the issuance of an RFP to qualified firms and individuals; and

WHEREAS, the City Council has reviewed and approved the Request for Proposals for Legal Services.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council hereby authorizes the City Manager to release the Request for Proposals for Legal Services.

I, the undersigned, hereby certify that the forgoing Resolution was duly passed and adopted on the 4th day of April, 2017 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Jessica Blair, City Clerk

Debbie Ruddock, Mayor



CITY OF HALF MOON BAY

REQUEST FOR PROPOSALS FOR CONTRACT LEGAL SERVICES

INQUIRIES AND PROPOSALS SHOULD BE DIRECTED TO:

JESSICA BLAIR, CITY CLERK

CITY OF HALF MOON BAY

501 MAIN STREET

HALF MOON BAY, CA 94019

PHONE: (650) 726-8271

EMAIL: jblair@hmbcity.com

<http://www.hmbcity.com>



I. GENERAL INFORMATION.

- A. The City of Half Moon Bay (“City”) invites qualified full-service law firms with experience in advising and representing California cities to submit proposals for contract City Attorney services. We are seeking to appoint a firm that can meet most of the day-to-day and specialized legal needs of our small coastal City while providing significant strengths in the areas of land use, planning, and community development issues, public infrastructure and financing, and contracts.

The City Attorney is appointed by and reports to the City Council. The City Attorney is the chief legal counsel for the City of Half Moon Bay and, as such, is responsible for advising on all legal matters.

The City Council meets regularly on the first and third Tuesdays of the month at 7:00 PM. The Council occasionally schedules additional meetings. Closed sessions are typically scheduled before the regular meetings at 5:30 or 6 PM. The Planning Commission meets regularly on the second and fourth Tuesdays at 7:00 PM.

B. Instructions on Proposal Submission.

1. Closing submission date: 12:00 p.m. PDT Monday May 15, 2017.
2. Inquiries concerning this RFP should be emailed to:
Jessica Blair, City Clerk
jblair@hmbcity.com
3. All costs incurred in your preparation of a proposal responding to this RFP will be your responsibility and will not be reimbursed by the City of Half Moon Bay.
4. Proposals should include a cover letter and a response to the RFP. Proposals should not exceed 12 pages.
5. Proposals may be mailed to:

Jessica Blair
City Clerk
City of Half Moon Bay
501 Main Street
Half Moon Bay, CA 94019
6. Proposals may also be delivered in a sealed envelope to City Hall, addressed as in Item #5 above.
7. Proposals may also be emailed as an attachment, with the email subject “City Attorney Proposal” and with the email addressed to jblair@hmbcity.com.
8. The City reserves the right to reject all proposals, to request additional information concerning any proposal, to accept or negotiate modifications to any proposal, to interview any proposer, and to waive any irregularities in any proposal following the proposal submission deadline date, in order to serve the best interests of the City.

- C. Notification of Award. It is expected that a decision selecting the successful firm will be made within four (4) weeks of the closing date for receipt of proposals. Upon conclusion of final negotiations with the

successful firm, firms submitting proposals will be informed, in writing, of the name of the successful consultant. It is expected that the contract will be three (3) years with option for renewal.

- D. The City of Half Moon Bay is a general law city with a five-member City Council and a City Council / City Manager form of government. The City is located approximately 28 miles south of San Francisco in coastal San Mateo County. Its population was 11,324 as of the 2010 census. Approximately 1/3 of its population is Hispanic. Its adopted 2016-2017 operating budget is approximately \$15.1 million. The entire city limits lie within the Coastal Zone and there is a certified Local Coastal Program as of 1993. The City's jurisdiction includes a historic Main Street and Downtown featuring numerous shops, galleries, and restaurants, active floriculture and agricultural industries, six miles of shoreline, several state beaches / parks and the City-owned and managed Poplar Beach / Blufftop Coastal Park, numerous visitor-serving hotels, motels, and bed and breakfasts, including a Ritz-Carlton hotel, and two world-class golf courses. The City hosts the hugely popular Half Moon Bay Pumpkin Festival each October.

Residential growth in the City is subject to the Measure D permit allocation system, which caps annual population growth at 1.5 percent. The City contracts with the San Mateo County Sheriff's Office for police services and fire service is provided by the Half Moon Bay Fire Protection District (CalFire). Water service is supplied by Coastside County Water District (CCWD). Sanitary sewer services are provided by a joint powers authority (JPA), the Sewer Authority Mid-Coastside (SAM), which includes the City of Half Moon Bay, the Granada Community Services District (GCSD), and the Montara Water and Sanitary District (MWSD). Half Moon Bay public schools are governed by the Cabrillo Unified School District (CUSD) and a five-member board of trustees. CUSD serves both the City and the unincorporated coastal San Mateo County.

The City's current contract with Republic Services for solid waste / recycling / street sweeping services expires in December 2017. The City currently is accepting proposals subject to an RFP issued earlier this year.

You can learn more by going to the City's Webpage, <http://www.hmbcity.com>.

II. SCOPE OF SERVICES.

- A. The selected firm will perform all general legal services needed by the City, except for occasional unusual expertise, as well as provide specialized legal services.

General legal services. Your firm must be readily available to provide all of the following, but not limited to, general legal services on a set retainer:

1. Attendance at all city council and planning commission meetings.
2. Regular attendance at executive team meetings in person or by phone.
3. Attendance at other miscellaneous City meetings on an as-needed basis.
4. Respond to general inquiries from the City Council and staff.
5. Draft, review, and approve ordinances and resolutions.
6. Review, draft, and negotiate contracts and leases.
7. Advise on labor and employment related issues.
8. Advise on public records and open meetings issues.
9. Advise on ethics related issues.

Approximate annual proportion of time spent by work area:

Land Use / Planning / Community Development: 30%

Public Works and Environment: 30%

Miscellaneous: 15% (public safety, public meetings, public records, ethics / conflict of interest issues, municipal elections, etc.)

Personnel / Employment: 10%

Finance: 10%

Parks and Recreation: 5%

- B. *Special legal services.* Legal services other than those described above would be provided on a contracted hourly basis beyond the established retainer fee. These would include, but not be limited to, any litigation, arbitration, mediation, code enforcement, eminent domain (condemnation) work, legal services provided at City's request to any independent or separate agency or entity of government where the City Council does not act as a legislative body, or which is not operated as a department or division of the City, attendance at meetings of other agencies at the direction of the City Council or City Manager, preparation of development agreements, subdivision agreements, or special projects or meetings pertaining to such matters for which the City may recover the legal fees or expenses from a third party developer or applicant.

Provide the hourly rate for services outside the scope of the retainer services. Describe any areas of law in which you would need to provide specialized services.

- C. The City will provide office space to a contract City Attorney who will have some office hours at City Hall.

III. REQUESTED INFORMATION.

Proposals shall include the following information at a minimum:

- A. Qualifications for providing City Attorney services, for each attorney likely to provide contract City Attorney services.
- B. Particular areas of knowledge and experience in California law related to cities, including the following:
 - 1. Land use and planning, including CEQA compliance, and specific plans.
 - 2. The California Coastal Act
 - 3. Public contracting for planning, construction, and operation of public facilities such as street / highway, sanitary sewer, stormwater management, and renewable energy facilities.
 - 4. Taxes, fees, charges, assessment districts, bond financing.
 - 5. Public purchasing and contracts.
 - 6. Development agreements.
 - 7. Interagency agreements / contracts.
 - 8. Ordinance and resolution drafting, review, and approval.
 - 9. Personnel matters and labor negotiations.
 - 10. Code enforcement.
 - 11. Affordable housing.
 - 12. Takings law.
 - 13. Recycled water and groundwater management.
 - 14. Open meetings and public records.
 - 15. Government ethics.
- C. Litigation experience.
- D. Affiliations or clients that could cause conflicts of interest regarding likely City matters.
- E. How you propose to provide City Attorney services.
- F. Describe your firm's style of working with the City Council and City Manager and staff, including method and frequency of communication.
- G. Describe any work that would NOT be covered by your compensation proposal.
- H. Describe all charges that could be billed to the city.
- I. Hourly billing rates of each attorney or other legal staff and charges for expenses. The City reserves the right to negotiate with firm on structure of the billing and / or retainer fee.
- J. Two references and contact information.

IV. PROPOSAL EVALUATION.

The City Council Human Resources Subcommittee ("Committee") will review proposals and make recommendations to the full City Council for final approval.

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **April 4, 2017**

TO: Honorable Mayor and City Council

VIA: Magda Gonzalez, City Manager

FROM: Yulia Carter, Finance Director

TITLE: MID-YEAR REVIEW AND ADOPTION OF RESOLUTION TO ADJUST THE FISCAL YEAR 2016-2017 BUDGET

RECOMMENDATION:

Adopt the attached Resolution to adjust the FY 2016 -17 Operating and Capital budget.

FISCAL IMPACT:

General Fund revenues are amended to \$15,038,906, an increase of \$409,390 and General Fund operating expenditures are amended to \$15,780,315, an increase of \$711,875 over the Adopted FY 2016-17 budget. In addition, staff is recommending a total revenue adjustment of \$565,434 and appropriation adjustment of \$1,074,583 to other Non-General Funds.

STRATEGIC ELEMENT:

This recommendation supports the Fiscal Sustainability and Inclusive Governance Elements of the Strategic Plan.

BACKGROUND:

The Finance Department staff completed a Mid-Year Budget Analysis and is proposing adjustments to the FY 2016-17 Adopted Budget.

The City's departments reviewed their budgets and projections at mid-year in order to request amendments if needed. The City Manager and Finance staff met with each department to discuss and finalize the Revised FY 2016-17 Budget recommendations. Staff also incorporated direction from the City Council during the Priority Setting Workshop on March 15, 2017.

Year-end estimates in operating expenditures in excess of the adopted budget by 5% and \$10,000 are considered material in nature and are proposed for a budget adjustment. The year-end estimates in the Mid-Year Financial Analysis will be revisited in the development of the FY 2017-18 budget and significant and material changes will be presented as part of the annual financial presentation.

DISCUSSION:

This fiscal year 2016-17 Mid-year Budget report will focus on the following key objectives:

1. Updating Council on the status of revenues and expenditures within the FY 2016-17 General Fund Revised Budget and requesting appropriation adjustments to the FY 2016-17 General Fund totaling \$711,875, including year-to-date budget appropriation adjustments that were previously approved by Council and resulted in increase of General Fund appropriation by \$479,385;
2. Updating Council on the status of revenues and expenditures within the FY 2016-17 Non-General Fund Revised Budget and requesting appropriation adjustments to the FY 2016-17 (Other) Funds totaling \$1,074,583, of which \$964,583 was previously approved by City Council year-to-date;
3. Updating Council on the projected fund balance structure through June 30, 2017;
4. Preparing for the FY 2017-18 Budget Process.

The FY 2016-17 Annual Operating and Capital Budget was adopted as a balanced budget. After completion of the mid-year analysis, staff is pleased to report that the Revised FY 2016-17 budget continues to be on track. City-wide revenues across the funds are projected to increase by \$974,823 million or 2.8%, while the City-wide expenditures are expected to go up by \$1,786,458 million or 4.3%.

1. Status of General Fund Revenues and Expenditures in FY 2016-17 Revised Budget

FY 2016-17 General Fund Revenues

The General Fund is the City’s primary operating fund and is used to account for most day-to-day activities. It receives unrestricted revenues and provides the City’s general administrative services, law enforcement, and community development related activities such as planning, building, and engineering. Revenue sources include, but are not limited to transient occupancy tax (TOT), sales tax, property tax, business registration, and current fees for services.

The Revised estimates for General Fund revenues are projected to be \$15,038,906 or \$409,390 (2.8%) higher than the Adopted Budget of \$14,629,516. The following table illustrates the FY 2015-16 Actual General Fund Revenues, FY 2016-17 Adopted, and revised budget recommendations.

**City of Half Moon Bay
Revenues by Major Category & Source**

General Fund Revenues	Actual 2015-16	Adopted 2016-17	Mid-Year Proposals	Revised 2016-17	% Change over Adopted
Transient Occupancy Tax	\$ 5,935,558	\$ 5,933,000	\$ -	\$ 5,933,000	
Sales taxes	4,068,786	2,521,837	167,000	2,688,837	6.6%
Property taxes	3,123,236	3,042,150	202,390	3,244,540	6.7%
Other Taxes	808,225	821,100	-	821,100	
Intergovernmental	87,410	11,560	-	11,560	
Charges for services	627,258	748,042	40,000	788,042	5.3%
Other Revenue	1,158,330	1,262,870	-	1,262,870	
Allocation in from Other Funds	288,956	288,956	-	288,956	
Total General Fund Revenues	\$ 16,097,759	\$ 14,629,516	\$ 409,390	\$ 15,038,905	2.8%

General Fund Revenues Adjustments for Council Consideration

The following revenues are projected to reflect significant increases over the FY 2016-17 Adopted Budget, and recommended for budget adjustment:

- **Property tax** is the City's second largest revenue source. The year-end property tax estimates are also projected to increase by \$202,390 or 6.7% due to an unbudgeted payment from the State which represents excess Educational Revenue Augmentation Fund (ERAF).
- **Sales and Use Tax** is the City's third largest revenue source. Based on discussions with the City's sales tax advisor, MuniServices, the local sales activities remain strong and sales tax revenues are projected to exceed the budget by \$167,000 or 6.6%.
- **Charges for Services** revenues are projected to increase by \$40,000 or 5.3% due to increased volume, efficiency and greater recovery in the delivery of planning services, as a result of bringing more planning functions in-house.

FY 2016-17 General Fund Expenditures

Expenditure projections were reviewed based on two categories: personnel costs and general government program budget, as described below. Personnel cost projections are based on the most current payroll cost, and calculated for the remainder of the fiscal year. Overall, FY 2016-17 General Fund operating expenditures are amended to be \$15,780,315, an increase of \$711,875 or 4.7% higher than the Adopted Budget of \$15,068,440.

Staff Adjustments to Budget

During the mid-year budget review process, staff is making a number of minor cleanup changes and adjustments within the department's budgets. Money is moved from various individual line items with savings to other line items within a department budget. This is done when a line item may go over its original budget amount.

These changes are considered routine and have minimal effects on the overall General Fund and Non-General Fund budgets and remain within the Council approved funding levels of the FY 2016-17 Annual Operating Budget.

Previously Approved Changes to the FY 2016-17 Budget

At every Council meeting, staff brings agenda items for Council's consideration and approval. Some of these items require amendments to the original budget. During the mid-year budget review process, Finance staff incorporated all previously approved budget amendments year-to-date into the Revised Budget. These adjustments increased the General Fund appropriation by \$479,385, as further described in Attachment 4.

General Fund Expenditure Appropriation Adjustments for Council Consideration

ERAF Transfer (\$202,930)

City Council has previously directed staff to allocate all excess Educational Revenue Augmentation Fund (ERAF) revenue to fund general capital expenses. Since FY 1992-93, cities, special districts and the County are mandated to shift a portion of their property tax dollars to the ERAF and use these monies to reduce the State's obligation to fund non-basic

aid schools up to the State guaranteed funding level. Excess ERAF, or the amounts remaining in the fund after distribution of the required funds to the schools, are refunded back to local taxing agencies in the same proportion as their contributions. As mentioned above, this revenue was previously unbudgeted due to uncertainty, however it was received in FY 2016-17 and the corresponding transfer to the General Capital Fund (fund 25) is included as a mid-year adjustment.

Personnel Changes

Staff is requesting the following additional positions to the current FY 2016-17 budget:

1. Addition of two Office Assistant I/II positions (\$30,100). (Attachment 6-1)
2. Addition of the Public Works Director Position. (Attachments 6-2)
3. Addition of a Management Analyst Position in the Public Works Department. (Attachments 6-3)

If approved, the positions referenced in items 2 and 3 (above) are projected to be filled in the beginning of FY 2017-18, so there is no budget impact during the current fiscal year. Although no additional appropriation is requested at this time, staff is presenting these changes for Council's approval now as a matter of position control, in preparation for the FY 2017-18 budget, and so that the recruitment process can begin immediately.

2. Status of Non-General Fund Revenues and Expenditures in FY 2016-17 Revised Budget

Non-General Funds include the following categories:

- **Special Revenue and Capital Funds**, including Storm Drain, Main Street Bridge, Gas Tax, Streets and Roads, Measure A, Traffic Mitigation, Library Operating and Capital, Parks Development, Affordable Housing, Citizens' Option for Public Safety (COPS) Grant, Public Facilities, General Capital and Land Assets funds
- **Debt Service Funds**
- **Enterprise Funds**, including Sewer Operating and Capital funds, and
- **Internal Service Funds**, including Vehicle and Equipment Replacement, Risk Management, and Pension Stabilization funds.

In the Adopted FY 2016-17 Budget, these revenues comprise \$20,282,992 or 58.1% of the City's \$34,912,507 total revenue budget. The non-general fund revenues are projected to increase by \$565,434 or 2.8% to \$20,848,426, and \$586,285 of this increase has been previously approved by the Council (Attachment 4).

Non-General Fund expenditures comprise \$26,679,519 or 63.9% of the City's \$41,747,959 total expenditure budget. These expenditures are proposed to be amended by \$1,074,583 to \$27,754,102, and \$964,583 of this increase has been previously approved by Council (Attachment 4).

Non-General Fund Revenue Adjustments for Council Consideration

The following adjustments to non-general fund revenues are presented to Council for consideration and approval:

1. Increase of \$300,000 in revenue estimate in the Parks Development Fund is due to Park

Development Fees received from the Carnoustie development project. This amount was originally budgeted in FY 2015-16 but was not received until FY 2016-17.

2. The aforementioned transfer of ERAF revenue from the General Fund into the Capital General Fund (fund 25), per the City Council's policy on use of ERAF revenues to fund capital improvement.
3. A decrease in revenues in the Sewer Operating and Capital funds in the amount of \$523,241. The sewer revenues were originally estimated based on prior year's budget figures and were adopted prior to the analysis performed in preparation of the assessment roll, which was adopted by the Council in July, 2016 and filed with the County Controller's Office to be included on the San Mateo County Property Tax Roll. Additionally, increased water conservation efforts have been effective in reducing water usage, which is a major factor in calculating sewer charges.

Non-General Fund Expenditure Appropriation Adjustments for Council Consideration

The following adjustments to non-general fund expenditures are presented to Council for consideration and approval:

1. Additional appropriation of \$30,000 in the Capital General Fund (fund 25) to fund the redesign of the front counter at the Ted Adcock Community Center to comply with ADA regulations. This project will commence upon approval and will be completed by the second quarter of FY 2017-18. (Attachment 6-4)
2. Additional appropriation of \$80,000 in the Capital General Fund (fund 25) to fund the "Ted Adcock Center Re-roof" project. This project was originally scheduled for FY 2017-18, but has become a priority due to recent storms. This project will commence upon approval and will be completed by the end of the FY 2016-17. (Attachment 6-5)

3. Projected Fund Balance Structure

Should the Council approve the recommendations listed above, the ending General Fund balance as of June 30, 2017 is projected to be approximately \$9,998,036 which is \$302,485 lower than the Adopted FY 2016-17 budget level of \$10,300,521.

These amounts have been updated from the figures presented in the 2016-17 Adopted budget following the independent audit of FY 2015-16. Under GASB 54, this balance is made up of the following components: *non-spendable* items or portions of fund balance that cannot be liquidated, *restricted* amounts for use by outside agencies, *committed* amounts by Council action such as emergency/contingency reserves, and *assigned* balances to pay off unfunded liabilities and to fund infrastructure improvements. The total of these restricted reserves is projected to be \$5,219,435 leaving an unassigned projected balance of \$4,778,602. The total fund balance of \$9,998,036 equates to 89% of operating expenditures, which is well above the Government Finance Officers Association of the US and Canada (GFOA) recommendation for government entities, and is a good indicator of the City's strong financial health.

GENERAL FUND (RESTRICTED & UNRESTRICTED BALANCES)

Designations	Actual 2015-16 *	Adopted Budget 2016-17	Revised Budget 2016-17
Beginning Fund Balance	\$ 9,542,557	\$ 10,739,446	\$ 10,739,446
Total Revenue	16,097,759	14,629,516	15,038,905
Total Expenditures	14,900,870	15,068,440	15,780,315
Ending Fund Balance	10,739,446	10,300,521	9,998,036
Operating Contingency	(2,634,380)	(3,339,286)	(3,355,816)
Assigned for Measure J	(1,033,619)	(363,619)	(363,619)
Assigned for Main Street Bridge Contingencies	(1,500,000)	(1,500,000)	(1,500,000)
Total Designations	(5,167,999)	(5,202,905)	(5,219,435)
Undesignated Fund Balance	5,571,447	5,097,617	4,778,602
Total Operating Expenses	8,781,267	11,130,952	11,186,052
Ending Fund Balance as % of Expenses	122%	93%	89%

* Fiscal Year 2015-16 numbers have been updated from the original Adopted Budget to reflect audited figures.

Please refer to the attached summary schedule presented in Attachment 5 of this staff report for additional information on the City's revised FY 2016-17 projected fund balances.

4. Preparing for the FY 2017-18 Budget Process

In April 2017, the Finance staff will issue budget instructions for the FY 2017-18 Budget to all departments. Finance staff is now working closely with the City Manager and all departments to develop budget factors and assumptions that will be used to prepare the FY 2017-18 Budget.

Staff will continue the modified zero-based budgeting process methodology implemented for the FY 2016-17 budget. Each department will be provided their Base Budget expenditure allotments consistent with the FY 2016-17 adopted budget at the current service levels, adjusted by known personnel salary and benefit increases, and inflationary increases for most operational expenses. Each department will be given an opportunity to submit prioritized program changes for service level enhancements or reductions to the base budget.

The goal of this budget process is to develop the City's budget by completing a full analysis of the City's current service level to identify necessary and desirable service increase and/or reduction options, which when combined, will reach a balanced and sustainable budget. To this end, the City Manager will formulate a packaged budget recommendation of service enhancements and/or reductions for Council to consider. The staff recommendations will be based on several factors, primarily the Council's FY 2017-18 priorities, other factors include the City's strategic plan, staffing capacity and potential impact to the overall City operation and services provided to the community.

Staff will be preparing for the budget study session with the Council scheduled on May 2, 2017, and final FY 2017-18 budget adoption in June.

ATTACHMENTS:

1. Resolution authorizing adjustments to the FY 2016-17 Operating and Capital Budget
2. FY 2016-17 Summary of Revenues and Transfers by Fund
3. FY 2016-17 Summary of Expenditures and Transfers by Fund

4. FY 2016-17 City Council Previously Approved Budget Amendments
5. FY 2016-17 Fund Balance Summary by Fund
6. FY 2016-17 Budget Adjustments Request Forms

RESOLUTION NO. C-2017-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY
APPROVING ADJUSTMENTS TO THE FY 2016-17 OPERATING AND CAPITAL BUDGET**

WHEREAS, the City Council adopted the Fiscal Year 2016-17 Annual Operating and Capital Budget on June 21, 2016; and

WHEREAS, the City Council has reviewed the Mid-Year Budget analysis and requested adjustments; and

WHEREAS, the City Council desires to amend an appropriations limit, pursuant to California Constitution Article XII B, for fiscal year 2016-17 to \$43,534,417;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Half Moon Bay hereby approves the budget adjustment increasing the City-wide revenues and expenditures as follows:

Revenues		Expenditures	
Fund Name	Adjustments	Fund Name	Adjustments
GENERAL FUND		GENERAL FUND	\$ 711,875
Sales taxes	\$ 167,000	ENTERPRISE FUNDS	\$ 180,098
Property taxes	202,390	SPECIAL REVENUE FUNDS	
Charges for services	40,000	Library Capital	\$ 131,900
TOTAL GENERAL FUND	409,390	Capital General	454,385
ENTERPRISE FUNDS	\$ (523,241)	Drainage Capital	198,200
SPECIAL REVENUE FUNDS		Public Facilities	110,000
Library Capital	\$ 131,900	TOTAL SPECIAL REVENUE	\$ 894,485
Parks Development	300,000	Total All Funds	1,786,458
Capital General	656,775		
TOTAL SPECIAL REVENUE	\$ 1,088,675		
Total All Funds	974,823		

I hereby certify that the foregoing is a full, true and correct copy of a resolution duly PASSED, APPROVED AND ADOPTED by the City Council of the City of Half Moon Bay, San Mateo County, California at a meeting held on the 4th day of April, 2017 by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

Debbie Ruddock, Mayor

ATTEST:

Jessica Blair, City Clerk

**City of Half Moon Bay
FY 2016-17 Budget
Summary of Revenue & Transfers by Fund**

Fund Name			Budget Adjustments		Revised 2016-17	\$ Change over Adopted	% Change over Adopted
	Actual 2015-16	Adopted 2016-17	Previously Approved	Mid-Year Proposals			
GENERAL FUND	\$ 16,097,759	\$ 14,629,516	\$ -	\$ 409,390	\$ 15,038,906	\$ 409,390	2.8%
ENTERPRISE FUNDS							
Sewer Operating	2,822,047	3,014,900	-	(489,241)	2,525,659	(489,241)	-16.2%
Sewer Capital	1,986,956	1,883,100	-	(34,000)	1,849,100	(34,000)	-1.8%
TOTAL ENTERPRISE FUNDS	4,809,004	4,898,000	-	(523,241)	4,374,759	(523,241)	-18.0%
SPECIAL REVENUE FUNDS							
Storm Drain Operating	125,567	50,600	-	-	50,600	-	-
Main Street Bridge	80,118	143,400	-	-	143,400	-	-
Gas Tax	275,465	374,539	-	-	374,539	-	-
Streets and Roads	1,391,521	1,007,100	-	-	1,007,100	-	-
Measure A	250,794	264,660	-	-	264,660	-	-
Traffic Mitigation	220,553	398,570	-	-	398,570	-	-
Library Operation	52,748	10,600	-	-	10,600	-	-
Library Capital	8,365,242	6,272,000	131,900	-	6,403,900	131,900	2.1%
Park/Facilities Development	1,454,961	962,590	-	300,000	1,262,590	300,000	31.2%
Affordable Housing	403,862	358,300	-	-	358,300	-	-
Capital General	-	1,536,628	454,385	202,390	2,193,403	656,775	42.7%
Police Grants	126,969	101,300	-	-	101,300	-	-
Drainage Capital	209,420	973,140	-	-	973,140	-	-
Public Facilities	540,970	222,300	-	-	222,300	-	-
TOTAL SPECIAL REVENUE AND CAPITAL PROJECT FUNDS	13,498,190	12,675,727	586,285	502,390	13,764,401	1,088,675	8.6%
Vehicle Replacement	4,800	3,949	-	-	3,949	-	-
Equipment Replacement	562,959	257,637	-	-	257,637	-	-
Risk Management	434,064	837,134	-	-	837,134	-	-
Pension Stabilization	333,295	414,147	-	-	414,147	-	-
INTERNAL SERVICE FUNDS	1,335,118	1,512,867	-	-	1,512,867	-	-
DEBT SERVICE FUNDS	1,346,783	1,196,398	-	-	1,196,398	-	-
Total Other Funds	20,989,094	20,282,992	586,285	(20,851)	20,848,426	565,434	2.8%
Total All Funds	\$ 37,086,853	\$ 34,912,507	\$ 586,285	\$ 388,538	\$ 35,887,331	\$ 974,824	2.8%

**City of Half Moon Bay
FY 2016-17 Budget
Summary of Expenditures & Transfers by Fund**

Fund Name			Budget Adjustments		Revised 2016-17	\$ Change over 2015-16	% Change over 2015-16
	Actual 2015-16	Adopted 2016-17	Previously Approved	Mid-Year Requests			
GENERAL FUND	\$ 14,900,870	\$ 15,068,440	\$ 479,385	\$ 232,490	\$ 15,780,315	\$ 711,875	4.7%
ENTERPRISE FUNDS							
Sewer Operating	2,827,709	3,322,270	180,098	-	3,502,368	180,098	5.4%
Sewer Capital	508,120	2,156,700	-	-	2,156,700	-	0.0%
TOTAL ENTERPRISE FUNDS	3,335,829	5,478,970	180,098	-	5,659,068	180,098	3.1%
SPECIAL REVENUE FUNDS							
Storm Drain Operating	89,276	49,646	-	-	49,646	-	-
Main Street Bridge	93,185	175,000	-	-	175,000	-	-
Gas Tax	488,246	432,505	-	-	432,505	-	-
Streets and Roads	677,799	1,134,750	-	-	1,134,750	-	-
Measure A	332,793	280,883	-	-	280,883	-	-
Traffic Mitigation	77,245	274,155	-	-	274,155	-	-
Library Operation	43,769	41,000	-	-	41,000	-	-
Library Capital	1,481,726	11,567,000	131,900	-	11,698,900	131,900	1.1%
Park/Facilities Development	1,601,905	1,157,890	-	-	1,157,890	-	-
Affordable Housing	-	60,000	-	-	60,000	-	-
Capital General	-	1,400,100	454,385	-	1,854,485	454,385	32.5%
Police Grants	148,308	100,000	-	-	100,000	-	-
Drainage Capital	232,643	961,022	198,200	-	1,159,222	198,200	0
Public Facilities	325,943	570,490	-	110,000	680,490	110,000	19.3%
Land Assets							
TOTAL SPECIAL REVENUE AND CAPITAL PROJECT FUNDS	5,592,838	18,204,442	784,485	110,000	19,098,927	894,485	4.9%
INTERNAL SERVICE FUNDS	897,046	2,055,578	-	-	2,055,578	-	-
DEBT SERVICE FUNDS	937,704	940,529	-	-	940,529	-	-
Total Other Funds	10,763,417	26,679,519	964,583	110,000	27,754,102	1,074,583	4.0%
Total All Funds*	\$ 25,664,287	\$ 41,747,959	\$ 1,443,968	\$ 342,490	\$ 43,534,417	\$ 1,786,458	4.3%

FY 2016-17
City Council Previously Approved Budget Amendments

Action Item	Department	Fiscal Impact		Council Action Date	Description
		Revenues	Expenses		
General Fund (01)					
COUNCIL COMPENSATION INCREASE	City Council		\$14,000	12/6/2016	Councilmember pay increased (from \$300/month to \$735/month)
AMENDMENT TO AGREEMENT WITH PACIFICA COMMUNITY TELEVISION	Non-Department		\$11,000	7/19/2016	Recording of ad hoc meeting of significant public interest
SIDEWALK REPAIR AND MAINTENANCE	Non-Department		\$150,000	1/17/2017	Transfer to General Capital Fund for repair of 300 identified locations
CORREAS STREET UNDERGROUND UTILITY DISTRICT (2016-01)	Community Development		\$304,385	8/16/2016	Transfer to General Capital Fund for Correas Street Utility District construction costs
	Total General Fund:	\$0	\$479,385		
Sewer Capital Fund (05)					
SEWER SYSTEM ENGINEERING SUPPORT	Non-Department		\$90,000	12/15/2015	VW Housen ongoing contract
	Total Sewer Capital Fund:	\$0	\$90,000		
Sewer Capital Fund (06)					
SEWER AUTHORITY MID-COASTSIDE – RECYCLED WATER PROJECT	Non-Department		\$90,098	10/4/2016	25% Basis of Design related to Sewer Authority Mid-Coastside's Recycled Water Project
	Total Sewer Capital Fund:	\$0	\$90,098		
Drainage Fund (14)					
SEYMOUR DITCH EROSION REPAIR PROJECT *	Community Development		\$198,200	3/21/2017	Seymour Ditch Erosion Repair Costs
	Total Library Fund:	\$0	\$198,200		
Library Fund (15)					
FIRST AMENDMENT TO THE CONSTRUCTION CONTRACT FOR THE LIBRARY PROJECT	Non-Department	(\$131,900)		2/7/2017	Revenue from Friends of HMB Library to support the inclusion of Additive Alternate Bid items
FIRST AMENDMENT TO THE CONSTRUCTION CONTRACT FOR THE LIBRARY PROJECT	Non-Department		\$131,900	2/7/2017	Increase in contract expenses to support the inclusion of Additive Alternate Bid items
	Total Library Fund:	(\$131,900)	\$131,900		
General Capital Fund (25)					
CORREAS STREET UNDERGROUND UTILITY DISTRICT (2016-01)	Community Development	(\$304,385)		8/16/2016	Transfer from General Fund for Correas Street Underground Utility District CIP project costs
CORREAS STREET UNDERGROUND UTILITY DISTRICT (2016-01)	Community Development		\$304,385	8/16/2016	Correas Street Underground Utility District construction costs
SIDEWALK REPAIR AND MAINTENANCE	Non-Department	(\$150,000)		1/17/2017	Transfer from General Fund for repair of 300 identified locations
SIDEWALK REPAIR AND MAINTENANCE	Non-Department		\$150,000	1/17/2017	Expense for repair of 300 identified locations
	Total General Capital Fund:	(\$454,385)	\$454,385		
	Total Non-General Funds:	(\$586,285)	\$964,583		

Total All Funds: (\$586,285) \$1,443,968

* Staff is correcting an error in the March 21, 2017 staff report regarding the Seymour Ditch Erosion Project funding. The project will not require a transfer from the General Fund as originally requested, and should be funded from the Drainage Fund (Fund 14), where there is sufficient fund balance available.

**City of Half Moon Bay
FY 2016-17 Revised Budget
Fund Balances Summary**

	Audit Fund Balance 7/1/2016	Revenues & Trsfrs In Budget	Expenditures & Trsfrs Out Budget	Revenue Over(Under) Expenditures	Projected Fund Balance 6/30/2017
GENERAL FUND					
01 General*	\$10,739,444	\$ 15,038,906	\$ 15,780,315	\$ (741,409)	\$ 9,998,036
ENTERPRISE FUNDS					
05 Sewer Operating ¹	2,927,930	2,525,659	3,502,368	(976,709)	1,951,221
06 Sewer Capital ¹	21,579,281	1,849,100	2,156,700	(307,600)	21,271,681
Total Enterprise Funds ¹	24,507,211	4,374,759	5,659,068	(1,284,309)	23,222,902
SPECIAL REVENUE FUNDS					
07 Storm Drain Operating	149,456	50,600	49,646	954	150,410
09 Main Street Bridge	607,275	143,400	175,000	(31,600)	575,675
10 Gas Tax	109,273	374,539	432,505	(57,967)	51,307
11 Streets and Roads*	4,628,790	1,007,100	1,134,750	(127,650)	4,501,140
12 Measure A*	150,299	264,660	280,883	(16,223)	134,076
13 Traffic Mitigation*	380,980	398,570	274,155	124,415	505,395
15 Library*	126,114	10,600	41,000	(30,400)	95,714
16 Library Capital	10,513,844	6,403,900	11,698,900	(5,295,000)	5,218,844
17 Park/Facilities Development*	406,713	1,262,590	1,157,890	104,700	511,413
19 Affordable Housing	1,795,746	358,300	60,000	298,300	2,094,046
25 Capital General	-	2,193,403	1,854,485	338,918	338,918
22 Police Grants	193,629	101,300	100,000	1,300	194,929
14 Drainage Capital	555,431	973,140	1,159,222	(186,082)	369,349
48 Public Facilities	753,219	222,300	680,490	(458,190)	295,028
79 Land Assets* ²	26,823,920	-	-	-	26,823,920
Total Special Revenue and Capital Project Funds	47,194,690	13,764,401	19,098,927	(5,334,525)	41,860,164
INTERNAL SERVICE FUNDS					
61 Vehicle Replacement ¹	546,360	3,949	61,060	(57,111)	489,249
62 Equipment Replacement ¹	973,956	257,637	756,937	(499,300)	474,656
63 Risk Management ¹	1,530,983	837,134	827,634	9,500	1,540,483
64 Retirement Stabilization Fund ¹	1,015,252	414,147	409,947	4,200	1,019,452
Total Internal Service Funds ¹	4,066,551	1,512,867	2,055,578	(542,711)	3,523,840
DEBT SERVICE FUNDS					
77 Judgment Obligation Bond -Series A*	(5,444)	-	-	-	(5,444)
78 Judgment Obligation Bond -Series B*	11,237,125	1,196,398	940,529	255,869	11,492,993
Total Debt Service Funds	11,231,681	1,196,398	940,529	255,869	11,487,549
Total Other Funds	\$ 87,000,132	\$ 20,848,425	\$ 27,754,102	\$ (6,905,677)	\$ 80,094,455
Total All Funds	\$ 97,739,576	\$ 35,887,331	\$ 43,534,417	\$ (7,647,086)	\$ 90,092,491

¹ Enterprise and Internal Service Fund Balances are presented on a Net Asset basis, in accordance with GASB Statement No. 34.

² Land Assets Fund Balance includes Glenree and Beechwood property values.



CITY OF HALF MOON BAY FY2016-2017 BUDGET MID-YEAR EXPENSE AMENDMENT

PROGRAM: 01-15-5XX – City Clerk’s Office
 REQUEST TITLE: Addition of two temporary Office Assistant I/II positions

Is this a Capital Project? Yes / No **If Yes, is this New or Previously Approved CIP ?**

Strategic Plan Element(s):

Inclusive Governance

Request Summary

The City has undergone a project to update its comprehensive Records Management Program. This includes an inventory of all offsite records, inventory of onsite records, updating the records retention schedule, records management policies and procedures, document imaging policies, and internal filing procedures. City Council has previously approved funds for a consultant and temporary workers to assist with this project. Staff seeks Council approval of the use of two full-time, limited term Office Assistant I/II positions rather than temporary workers. These positions would be filled for no more than six months each.

Factors Driving the Request for Change

The City’s records were not properly maintained for quite some time and as Public Records Act requests are received and projects are ongoing, it is critical that the City’s records be up-to-date and organized effectively. This will improve response times to requests, staff time spent on researching project history and documents, and the overall effectiveness of the organization as a whole.

The City is choosing to place the work into represented positions of the International Union of Operating Engineers, Local 39 after reaching an impasse when requesting to assign this project to temporary, unrepresented positions.

Impact of Change

The addition of these positions will facilitate the completion of the previously approved Records Management project. The community will see an impact by way of faster response times to requests and more effective operation of its government.

The overall cost for two full-time positions for five month assignments each will be \$75,200. The cost applied to the 2016-2017 budget will be \$30,100, based on a hire date for both positions of May 1, 2017.

Alternatives

There are no reasonable staffing alternatives to complete the Records Management project.

Cost Summary

Line Item Description	Fund	Dept/Org	Accnt	Object Code	Project	Total Amount
Operating Expense (list detail on lines below)						30,100
Salary and Benefits	1	15	5XX			30,100
Total Operating Costs						30,100



CITY OF HALF MOON BAY FY 2016-2017 BUDGET MID-YEAR EXPENSE AMENDMENT

PROGRAM: Split between General Fund, Sewer Fund and Various Special Revenue Funds
REQUEST TITLE: Creation of a Public Works Director Position

Is this a Capital Project? Yes / No **If Yes, is this New or Previously Approved CIP ?**

Strategic Plan Element(s):

Infrastructure and Environment, Healthy Communities and Public Safety

Request Summary

Staff is requesting creation of a permanent, full time Public Works Director position. Authorization would be a pre-cursor to the formation of a Public Works Department and the reorganization of the Community Development Department. The new Public Works Department would be responsible for general civil engineering work, sewer engineering, traffic engineering, development review, infrastructure master planning, capital improvement program as well as facilities, infrastructure and parks maintenance. The Public Works Director would also serve as staff liaison to the Sewer Authority of Mid-Coast (SAM), C/CAG TAC and other related functions.

Factors Driving the Request for Change

Currently, traditional Public Works functions are split between two departments. Civil engineering, traffic engineering, development review, master planning and capital improvement program fall under the direction of the Community Development Department. Day-to-day oversight of these functions is provided by the Community Development Director. Public Works Maintenance activities are directed by the City Manager or Deputy City Manager. The City Manager is currently the liaison to SAM and the City's contract sewer engineer.

The City's financial position has greatly improved in recent years giving rise to greater and expanded expectations for the level of maintenance of basic infrastructure (streets, sewer, parks, etc.) as well as expectations for new/enhanced facilities and infrastructure. Compounding this challenge is the backlog of basic and preventive maintenance that was deferred during lean financial times.

Reorganization and restructure will provide much needed support to the Public Works Superintendent and his crew and to align capital projects design and implementation with maintenance coordination. Further, the action provides the opportunity to consider transition of maintenance of the City's sewer collection system maintenance from a contract service. Additionally, transitioning SAM liaison responsibilities will provide capacity in the City Manager's office to assume Recreation related services and activities.

Ultimately, residents will benefit from the action. The restructure results in a efficient, understandable distribution of functions and duties, including traditional Public Works structure. Overall customer service and response time will improve with the restructure.

Impact of Change

The City's sewer authority, engineering staff and public works maintenance staff would all function under one department which will lead to a greater quality of service for the City overall.

- The Public Works staff would work on completion of the City's CIP priority list.

- The Community Development Department would have capacity to address other Council and City priorities such as affordable housing, and a more reasonable span of program oversight.
- The Deputy City Manager position would have capacity to manage the day to day operations of the City Manager’s department.

The ongoing fully burdened annual cost for the Public Works Director position at top step will be \$254,018. This position will be funded by a combination of general fund, sewer fund and various special revenue funds (e.g. Gas Tax, Measure A, Storm Drain). Based on the City’s past practice, most appointments are made at mid-range salary scale, and the actual annual cost is likely to be lower in the first few years once the position is filled. The recruitment for the position is expected to be completed in July 2017, so there will be no budget impact for FY 2016-17. Staff is requesting authorization to include this position on a funded list for the FY 2017-18 budget and begin the classification and recruitment process.

Alternatives

Continue with the current organizational structure, with the Public Works Division and Sewer reporting to the Deputy City Manager and the Engineering staff reporting to the Community Development Director. This will impact the ability to implement Council’s priorities.

Cost Summary

Line Item Description	Fund	Dept/Org	Acct	Object Code	Project	Total Amount
Operating Expense (list detail on lines below)						-
None in FY 2016-17						
Total Operating Costs						-
Net Operating Costs						-



CITY OF HALF MOON BAY FY2016-2017 BUDGET MID-YEAR EXPENSE AMENDMENT

PROGRAM: Split between General Fund, Sewer Fund and Various Special Revenue Funds
REQUEST TITLE: Addition of a Management Analyst Position (Public Works Department)

Is this a Capital Project? Yes / No If Yes, is this New or Previously Approved CIP ?

Strategic Plan Element(s):

Infrastructure and Environment, Healthy Communities and Public Safety

Request Summary

The request is for the creation of a new permanent full time Management Analyst position to provide dedicated analytical support for the newly formed Public Works Department. The newly formed Public Works Department will be responsible for general civil engineering work, sewer engineering, traffic engineering, development review, infrastructure master planning, capital improvement program development and implementation as well as facilities, infrastructure and parks maintenance. The Management Analyst position would offer general administrative and analytical support to the Public Works Director (new position) and the Public Works Superintendent.

Factors Driving the Request for Change

Currently the duties that would be performed by a Management Analyst in the Public Works Department are being shared between a variety of staff in at least three departments, including the Public Works Superintendent, the Management Analyst in the Community Development Department, the Management Analyst in the Finance Department and the Senior Management Analyst in the City Manager's Department. Creating a new position would allow more capacity to manage the day to day operations of the Public Works Department, especially as it relates to the Capital Improvement Plan and Sewer programs.

The City's financial position has greatly improved in recent years giving rise to greater and expanded expectations for the level of maintenance of basic infrastructure (streets, sewer, parks, etc.) as well as expectations for new/enhanced facilities and infrastructure. Compounding this challenge is the backlog of basic and preventive maintenance that was deferred during lean financial times.

Reorganization and restructure will also provide much needed support to the Public Works Superintendent and his crew and to align capital projects design and implementation with maintenance coordination.

The Public Works Department as a result of the reorganization would greatly benefit from a dedicated staff person to perform general administrative functions, respond to community concerns, manage outside contracts, and complete complex analytical projects.

Impact of Change

All of the City's Public Works Department staff would function under one department which will lead to a greater quality of service for the City overall.

- The City Manager's Department would have increased capacity to address other Council and City priorities and to manage the day to day operations of the City Manager's Department.

- A dedicated analyst for the Public Works Department will allow improved control over work prioritization, proactive improvements, resource allocation, and a greater quality of service for the community.

The ongoing fully burdened annual cost for the Management Analyst position at top step will be \$137,123. This position will be funded by a combination of general fund, sewer fund and various special revenue funds (e.g. Gas Tax, Measure A, Storm Drain). Based on the City’s past practice, most appointments are made at mid-range salary scale, and the actual annual cost is likely to be lower in the first few years once the position is filled. The recruitment for the position is expected to be completed in July 2017, so there will be no budget impact for FY 2016-17. Staff is requesting authorization to include this position on a funded list for the FY 2017-18 budget and begin the classification and recruitment process.

Alternatives

Continue with the current organizational structure, with the Public Works Superintendent and the Senior Management Analyst in the City Manager’s Department both providing analytical support for the Public Works Division. This will impact the ability to implement Council’s priorities.

Cost Summary

Line Item Description	Fund	Dept/Org	Acct	Object Code	Project	Total Amount
Operating Expense (list detail on lines below)						-
None in FY 2016-17						
Total Operating Costs						-
Net Operating Costs						-



CITY OF HALF MOON BAY FY 2016-17 BUDGET MID-YEAR EXPENSE AMENDMENT

PROGRAM: 48-92-692-000-PROJ – Public Facilities
 REQUEST TITLE: Ted Adcock Counter Redesign for ADA Compliance

Is this a Capital Project? Yes / No If Yes, is this New or Previously Approved CIP ?

Strategic Plan Element(s):

Infrastructure and Environment, Healthy Communities and Public Safety

Request Summary

Staff requests appropriation in the amount of \$30,000 for the redesign of the Ted Adcock Community Center public service counter to ensure compliance with the Americans with Disabilities Act (ADA). This project will commence upon approval and is anticipated to be completed by the second quarter of FY 2017-18.

Factors Driving the Request for Change

The counter in its current state is not ADA compliant. Staff would like to complete the necessary modifications to bring the building and counter into compliance prior to the commencement of summer recreation classes during the upcoming fiscal year.

Impact of Change

The counter redesign will assist in creating a welcoming facility for all members of the community. The projected will operated in the Public Facilities Fund (fund 48), where there is sufficient fund balance available for the project.

Alternatives

Include project as part of the FY 2017-18 Capital Improvement Program.

Cost Summary

Line Item Description	Fund	Dept/Org	Acct	Object Code	Project	Total Amount
Capital Outlay (list detail on lines below)						30,000
Total Operating Costs	48	92	692	000	PROJ	30,000
Net Operating Costs						30,000



CITY OF HALF MOON BAY FY 2016-17 BUDGET MID-YEAR EXPENSE AMENDMENT

PROGRAM: 48-92-692-000-PROJ – Public Facilities
 REQUEST TITLE: Ted Adcock Center Re-roof Project

Is this a Capital Project? Yes / No If Yes, is this New or Previously Approved CIP ?

Strategic Plan Element(s):

Infrastructure and Environment, Healthy Communities and Public Safety

Request Summary

Staff requests appropriation in the amount of \$80,000 for the Ted Adcock Center Re-roof project. This project was originally scheduled for FY 2017-18 but has become a higher priority due to recent storms. The requested budget has remained unchanged from the approved FY 2017-18 Budget. This project will commence upon approval and is anticipated to be complete by the end of the current fiscal year.

Factors Driving the Request for Change

Recent storms have caused the roof to deteriorate at a higher level, creating potentially unsafe conditions in the community center.

Impact of Change

The re-roof will increase structural integrity of the complex and it will be more prepared for future storms. The project will be operated in the Public Facilities Fund (fund 48), where there is sufficient fund balance available for the project.

Alternatives

Include project as part of the FY 2017-18 Capital Improvement Program.

Cost Summary

Line Item Description	Fund	Dept/Org	Acct	Object Code	Project	Total Amount
Capital Outlay (list detail on lines below)						80,000
Construction	48	92	692	000	PROJ	72,000
PM-CM	48	92	692	000	PROJ	8,000
Total Operating Costs						80,000
Net Operating Costs						80,000

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **April 4, 2017**

TO: Honorable Mayor and City Council

VIA: Magda Gonzalez, City Manager

FROM: Michael Bridges, Management Consultant/Special Advisor to City Manager

TITLE: **AFFIRMATION OF 2017-2018 CITY COUNCIL PRIORITIES**

RECOMMENDATION:

Affirm the 2017-2018 City Council priorities selected at the March 2017 City Council Priority Setting Workshop:

1. Develop an affordable housing strategy (Accessory Dwelling Units, reducing constraints, and land use plan and zoning updates to address issue);
2. Develop a plan to regulate and tax marijuana (Cultivation);
3. Develop a response to homelessness (Remove encampments, especially around creeks and waterways and monitor cleared areas, grant funding);
4. Initiate planning for a new or renovated community wide park; and
5. Expand the Transient Occupancy Tax to other short-term rentals.

FISCAL IMPACT:

Staff will prepare the fiscal impacts of each priority for inclusion in the 2017-2018 budget.

STRATEGIC ELEMENT:

This action supports the Infrastructure and Environment, Healthy Communities and Public Safety, Fiscal Sustainability, and Inclusive Governance Elements of the Strategic Plan.

BACKGROUND:

The City Council held a Priority Setting Workshop on March 15, 2017. The workshop was facilitated by Greg Larson, Management Partners, Inc. The purpose of the workshop was to determine the City Council's top priorities for fiscal year 2017/18, and provide direction for developing the 2017/18 budget.

Prior to the Priority Setting Workshop, Mr. Larson interviewed each of the City Council Members. Additionally, Mr. Larson also facilitated an executive team review of the City Council's current priorities prior to the Council workshop. The Management Partners' report of the workshop is attached.

DISCUSSION:

At the Priority Setting Workshop, Management Partners shared the recent victories mentioned by Council Member and staff during the interviews. Management Partners then shared the priorities mentioned by the City Council and staff during the interviews. After reviewing the priorities, Mr. Larson shared the resources needed to accomplish the priorities mentioned.

The City Council then reviewed the proposed Capital Improvement Program (CIP) for FY 2017-18. The discussion included review of projects recommended for future years given resource constraints. The City Council agreed with the recommended projects for the next fiscal year and provide additional guidance in preparation of the capital budget.

After the CIP discussion, staff presented updates and requested clarification on five topic areas previously discussed at City Council Study Sessions. The topics included immigration, adult use of marijuana regulation and taxation, the sidewalk repair program, homelessness, and affordable housing. The City Council discussed each topic and provided further direction to staff for each area.

Finally, the City Council reviewed each priority; those that were completed or no longer relevant were removed from the list. Council then participated in a voting exercise to determine the priorities staff should focus on and include in the 2017-18 fiscal year budget. The City Council selected the top five priorities:

1. Develop an affordable housing strategy (Accessory Dwelling Units, reducing constraints, and land use plan and zoning updates to address issue)
2. Develop a plan to regulate and tax marijuana (Cultivation)
3. Develop a response to homelessness (Remove encampments, especially around creeks and waterways and monitor cleared areas, grant funding)
4. Initiate planning for a new or renovated community wide park
5. Expand the Transient Occupancy Tax to other short-term rentals

ATTACHMENTS:

Management Partners' City of Half Moon Bay Council Priority Setting Workshop Report, March 2017



**City of Half Moon Bay
Council Priority Setting Workshop
Held March 15, 2017**

March 2017

**Management
Partners**



Table of Contents

City Council Workshop Report.....	1
Workshop Overview.....	1
<i>Workshop Objectives.....</i>	<i>1</i>
<i>Participants.....</i>	<i>1</i>
<i>Workshop Agenda.....</i>	<i>2</i>
<i>Ground Rules.....</i>	<i>2</i>
<i>Workshop Preparation.....</i>	<i>2</i>
Review of Recent Victories.....	3
Review of Priorities Mentioned During Interviews.....	3
Review of the Resources Needed as Mentioned During Interviews.....	4
Discussion of Capital Improvement Program Project Prioritization.....	5
<i>Discussion Summary.....</i>	<i>6</i>
Discussion of Study Session Direction.....	8
<i>Discussion Summary.....</i>	<i>9</i>
Council Priorities Discussion.....	11
Next Steps.....	12
Attachment A – City of Half Moon Bay Fiscal Year 2017-18 Council Priorities Ranking.....	13
<i>Initial Dot Voting Exercise Ranking.....</i>	<i>13</i>
<i>Follow-Up Dot Voting Exercise Prioritization by Council Members.....</i>	<i>14</i>
Attachment B – Workshop Evaluation.....	15

City Council Workshop Report

Workshop Overview

The City of Half Moon Bay held a workshop with the Council, City Manager and staff on Wednesday, March 15, 2017 at the Half Moon Bay Lodge from 9:00 a.m. until 4:00 p.m. The purpose of the workshop was to determine the Council's top priorities and provide direction to staff for developing the fiscal year 2017-18 budget.

Workshop Objectives

- Strengthen the Council/staff collaborative relationship
- Adopt common priorities for the next two years
- Integrate Capital Improvement Program planning into priority setting
- Identify resources needed to achieve Council priorities.

Participants

The following list shows the workshop participants.

- Mayor Debbie Ruddock
- Vice Mayor Deborah Penrose
- Councilmember Adam Eisen
- Councilmember Rick Kowalczyk
- Councilmember Harvey Rarback
- City Manager Magda Gonzalez
- Deputy City Attorney Reed Gallogly
- Yulia Carter, Finance Director
- Russell Brunson, Administrative Services Manager
- John Doughty, Director of Community Development
- Captain John Munsey, Chief of Police Services
- Mike Bridges, Special Advisor/Management Consultant

The workshop was facilitated by Greg Larson with support from Patricia Black, both of whom are with Management Partners.

Workshop Agenda

- Welcome by the Mayor and Call to Order
- Public Comment
- Review Meeting Objectives, Overview of the Day and Ground Rules
- Review Recent Victories
- Review Interview Results – Priorities and Resources Needed
- Discuss Resource Assessment
- Review Capital Improvement Program (CIP) Projects and Priorities
- Clarify Prior Study Session Direction
- Participate in Priority Setting Exercise and Discussion
- Discuss Council Workload Management and Next Steps
- Adjournment (Mayor)

Ground Rules

The facilitator suggested several ground rules to help the group work together and achieve the workshop objectives.

- Seek consensus
- Listen
- Participate
- Focus on the issues
- Be realistic about what is possible

Workshop Preparation

Prior to the workshop, interviews were conducted with members of the City Council. In addition, Management Partners facilitated an executive staff review of current City Council priorities and prior Council study session direction.

Review of Recent Victories

Greg Larson shared the recent victories mentioned by Council Members and staff during interviews. The victories were organized by the number of mentions received, as shown in Table 1 below.

Table 1. Recent Victories Mentioned by Council and Staff During Interviews

Mentions by Interview Participants	Recent Victory
All Participants	<ul style="list-style-type: none"> • Library launched (financing, construction) • Infrastructure (sidewalks, streets, sewer, bridges) <ul style="list-style-type: none"> ○ Skate park ○ Coastal trail bridges ○ Dutra Park, storm water planning, traffic signals, Main Street bridge, and more
Majority of Participants	<ul style="list-style-type: none"> • Staffing, reorganization and new City Manager <ul style="list-style-type: none"> ○ Restoring Parks and Recreation ○ Creating new grant writing function • Financial strength and lawsuit recovery • Community engagement and Spanish language outreach (NET Program)
One or Two Participants	<ul style="list-style-type: none"> • Council transition • Two study sessions held <ul style="list-style-type: none"> ○ Immigration ○ Proposition 64 and Affordable Housing • Transparency (records retention) • Started General Plan update • Bicycle/Pedestrian Master Plan started • Repairing Seymour Street prior to emergency

Review of Priorities Mentioned During Interviews

After reviewing the recent victories, Greg shared the priorities mentioned by Council Members and staff during interviews. The priorities were organized by the number of mentions received, as shown in Table 2 on the next page.

Table 2. Priorities Mentioned by Council and Staff During Interviews

Mentions by Interview Participants	Priorities
Most Participants	<ul style="list-style-type: none"> • Prioritization – the work we’ll be doing today • Housing and affordable housing • Homelessness • Mobility Improvements: <ul style="list-style-type: none"> ○ Traffic ○ Bicycle and Pedestrian Plan • Community engagement and communications, especially with the Latino community
Majority of Participants	<ul style="list-style-type: none"> • Improved inter-agency relations • Consider how best to address the Moonridge area
One or Two Participants	<ul style="list-style-type: none"> • Update General Plan and Local Coastal Plan • Initiate planning for a new multi-purpose community park • Assess City properties for use and disposition • Ensure grant writing is successful • Provide Pilarcitos Creek improvements (access trail with interpretive stations) • Assess Parks and Recreation advisory body and staffing needs • Reconstitute architectural committee for plan review • Integrate and prioritize watershed management and drainage issues • Develop new Downtown Revitalization Strategy • Enhance emergency preparedness with local medical liability support • Manage and tax short term rentals with TOT for revenue generation • Adopt a new, small, visible project annually that is easily achieved

Review of the Resources Needed as Mentioned During Interviews

After reviewing the priorities mentioned during interviews, Greg shared the resources needed to accomplish priorities mentioned by Council Members and staff during interviews. The resources needed were organized by each resource area, as shown in Table 3 on the next page. Following the review of the resources needed, additional discussion focused on staff capacity.

Specifically, a survey of the executive staff revealed that they were working an average of 53 hours per week already, with only 12% of their time available for Council-directed special projects. (The balance of their time is spent overseeing and improving existing day-to-day operations.)

The City Council then reviewed proposed mid-year budget additions to strengthen public works, external communications, restore in-house parks and recreation staff and programs, and initiate a comprehensive staff workload assessment.

Table 3. Resources Needed to Accomplish Priorities Mentioned by Council and Staff During Interviews

Resource Area	Resource Details
Council Capacity and Clarity	<ul style="list-style-type: none"> • Develop Council consensus • Adopt and adhere to a few priorities • Manage new priorities • Address our ability to deal with conflict • Decide how to make quick and clear decisions • Develop Council Code of Conduct and decorum • Understand role of City Manager • Understand limited staff capacity beyond day-to-day operations
Staff Capacity and Direction	<ul style="list-style-type: none"> • Minimize staff feeling overwhelmed • Move to a two-year budget • Perform an organizational staffing analysis • Restore previously eliminated positions • Identify needed staff resources • Ensure effective project management and tracking
Financial Capacity	<ul style="list-style-type: none"> • Be fiscally vigilant • Use limited funds in tangible and visible ways • If funding is needed for a priority, provide it • If more funding is needed, acquire it before spending it
Community Capacity	<ul style="list-style-type: none"> • Discuss divisive issues, particularly on growth and funding • Recognize that most issues have some critical constituents • Involve community more in policy making and service delivery • Provide easier access to information for the public • Manage public input
External Dynamics	<ul style="list-style-type: none"> • Encourage other agencies to perform their roles for City benefit (e.g., Coastal Commission, County) • Work with other agencies to resolve competing priorities and delays • Prepare for natural events (e.g., disaster, weather)

Discussion of Capital Improvement Program Project Prioritization

Community Development Director John Doughty reviewed the CIP with Council. The discussion reviewed mandatory projects the City is required to do during FY 2017-18, current priority projects for FY 2017-18, potential projects for Council members to consider and projects that have been recommended to be postponed due to resource constraints.

Discussion Summary

FY 2017-18 Priority CIP Projects

Key Takeaways

Facilities Assessment

- Facilities assessment will include opportunities for environmental sustainability (e.g., energy efficiency, solar access).

Main Street Bridge

- Previous project called for bridge replacement that was inconsistent with voter initiative
- The assessment by Atkinson-Noland did not address seismic, scour and other related issues
- The new rehabilitation project includes seismic retrofits, street realignment, and bicycle and pedestrian crossing improvements. Costs associated with the bicycle and pedestrian crossing is wrapped into the total cost of the project and will be considered past of the required local funding match
- Public vote on the new bridge repair project expected in June 2018

Highway 1 North Project

- Mobility Committee Council Member would like to review the Highway 1 Project although state requirements must be followed to maintain grant funding
- Signalization and other Highway 1 improvements required apart from the full SMCTA project, and the City would have to fund a portion of those improvements

Main Street Pavement Repairs

- Timing should be moved up from the third quarter, if possible. High season and the Pumpkin Festival are quickly approaching and the work needs to be completed before these events.
- Costs may change
- Outreach campaign targeting shop and homeowners near the affected area as well as the public at large needs to be implemented as soon as project timeline is determined

Poplar Beach Vertical Access

- Larger erosion analysis needs to occur first, but could be integrated into this project
- Scope of work can be expanded to
 - Address drainage issues
 - Improve access
 - Study design
 - Connect to the Coastal Trail
- If project is moved to FY 2017-18, clarify project language to state that this is the start of the project only

General Comments

- Adding one full-time equivalent (FTE) employee would improve staff capacity to achieve more projects
- If the Public Works Department is implemented, capital program management would move out of the Community Development Department and improve internal capacity

Council Direction

Council requests the following from staff.

Emergency Response Fund

- Implement the emergency response funding at the suggested monetary amount

Highway 1 North Project

- Staff to prepare the preliminary design and present to Council:
 - Cost implications of not moving forward with the project
 - Aesthetic features that can be added into the project
 - Caltrans requirements related to the project
 - Incorporate and document related projects and costs (including the design and installation of the Terrace Signal)
- Ensure Council discretion to stop the full highway safety project after preliminary design (30%)

Main Street Pavement Repairs

- Complete the major reconstruction work by fall of 2017
- Review the possibility of making the Downtown an assessment district to address street and sidewalk repairs and other issues (add to the three- to five-year CIP)

Small Projects

- Staff to bring forward rendering for flag pole at Mac Dutra Plaza

Poplar Beach Vertical Access

- Staff perform larger analysis that includes
 - Address drainage issues
 - Improve access
 - Study design
 - Connect to the Coastal Trail
- Consider linkage to and timing with Poplar Complete Streets Project

Staffing

- Council refers staffing considerations to the City Manager

Potential Long-Term Projects to Add to the CIP

Council identified three potential projects to add to the CIP.

- Rehabilitation of the Poplar pedestrian/bicycle trail from Railroad Avenue to the coastal trail
- Determine feasibility of creating a Downtown Assessment District
- Determine the feasibility of acquiring the Peninsula Open Space Trust (POST) property on Highway 1

Discussion of Study Session Direction

Staff presented updates and requested clarification on five topics previously discussed during a Council study session. The topics are immigration, marijuana regulation and taxation, the sidewalk repair program, homelessness, and affordable housing. Council members discussed each topic area and provided the following direction to staff.

Discussion Summary

Immigration

Key Takeaways

- Community groups are forming to help address the issue; one group would like to provide outreach and communication services for the City
- A program is being developed to utilize social media and text messaging to relay information to the community
- Additional staff resources are needed to accomplish project
- Website, Twitter posts and text updates will be linked

Council Direction

Council requests staff to proceed as previously directed.

Marijuana Regulation and Taxation

Key Takeaways

- Multiple changes are needed to City ordinances and codes
- Additional taxes will trigger a ballot election
- Fees need to be developed and implemented
- Licensing system will be required
- Potential for development impact fees
- Additional staff resources are needed to accomplish project
- Focus is on cultivation and manufacturing, not retail

Council Direction

Council requests staff to proceed as previously directed and focus on cultivation and manufacturing of marijuana.

Sidewalk Repair Program

Key Takeaways

- Costs for the program will decrease over time
- Staffing is needed

Council Direction

Council affirms the program outline, proposed budget and 50/50 cost-sharing option as presented and directs staff to proceed.

Homelessness

Staff presented multiple options including cost analyses to address homelessness issues in the City. The options included providing basic services and support, increasing financial support to services provided by external agencies and the County of San Mateo, investing in the jobs program, removing and monitoring homeless encampments, and providing a daytime shelter.

Key Takeaways

- Homelessness requires a comprehensive solution
- San Mateo County should be providing funding as well
- Revenue is needed to address the issue
 - Community Development Block Grant (CDBG)
 - Measure A
 - Ballot measure for sales tax increase
- Removing current encampments may cause new encampments to pop-up elsewhere
- Additional staff resources are needed to accomplish project
- Trail maintenance and creek clean-up will need to occur on a regular basis once encampments are removed

Council Direction

Council requests the following from staff.

- Provide information related to the Park and Ride lease
- Develop a \$50,000 grant application that outlines specific areas of focus for a non-profit to expand homeless services that includes
 - Jobs program expansion
 - Clear grant conditions and specifications
 - Van or shuttle for job and shelter accessibility
- Prioritize encampment removal and monitoring, especially around creeks and waterways

Affordable Housing

Staff presented multiple options to address affordable housing in the City. The options included programs focused on allowing for Accessory Dwelling Units and reducing constraints on development.

General Discussion

- New developments should incorporate modern concepts including co-housing and shared facilities

- Additional planning staff is needed to accomplish projects
- A housing policy needs to be developed that incorporates
 - Affordability
 - Supply and demand
 - Single-family home developments
 - Impact fees based on square footage
 - Water-use regulations and requirements

Key Takeaways

Program 1: Accessory Dwelling Units

- Accessory Dwelling Units (ADU) could include modular constructions
- Program and guidebook should be easy to understand

Program 2: Reduce Constraints to Development

- Explore inclusionary housing options

Program 3: Combination of Programs 1 and 2

- Add a study to the Land-Use Plan (LUP) Update that considers rezoning for Strawflower Plaza, Regency Plaza, etc. to allow for new mixed use development
- Review development processes, including the permitting process, to reduce time and processing burdens that may discourage affordable housing, and include property owners and developers in that review
- Explore opportunities for tiny houses developments

Council Direction

Council requests staff develop Program 3 and include a rezoning study via the LUP.

Council Priorities Discussion

After lunch, Council members reviewed and amended the Council priorities for FY 2017-18. Each priority was reviewed and those that were completed or no longer relevant were removed from the list. Council members and staff participated in a dot voting exercise to determine what priorities staff should focus on during the fiscal year. Council members then further refined the priorities. The results of this discussion can be seen in Attachment A.

The resulting top five priorities for subsequent Council consideration are:

1. Develop an affordable housing strategy (as discussed previously)
2. Develop a plan to regulate and tax marijuana (as discussed previously)
3. Develop a response to homelessness (grant funding, encampment cleanup)
4. Initiate planning for a new or renovated community wide park
5. Expand the Transient Occupancy Tax to other short-term rentals

Management Partners concluded the discussion with a brief overview of practices from other jurisdictions to ensure focus on and completion of the Council-adopted priorities. These other practices include:

- Posting the adopted priorities in the Council Chambers
- Directing which priorities can be delayed or deferred if and when additional priorities or projects are added during subsequent Council meetings during the course of the year
- Requesting biannual or quarterly updates on Council priorities
- Managing Council and constituent referrals to minimize major new work efforts or projects.

Next Steps

Participants ended the workshop by reviewing next steps and completing an evaluation form. Attachment B provides the evaluation and all written comments.

Attachment A – City of Half Moon Bay Fiscal Year 2017-18 Council Priorities Ranking

City of Half Moon Bay Fiscal Year 2017-18 Council Priorities

Initial Dot Voting Exercise Ranking

City Council Priority	Work Underway	Resources Needed	Votes from Council	Votes from Staff	Total Votes
Homelessness	No	Council direction, staff and resources	4	3	7
Immigration	No		3	4	7
Affordable Housing	Yes	Council direction, staff and resources	2	4	6
Community Building Activities	Yes	Council prioritization needed	2	4	6
Marijuana	No		3	2	5
Introduce Transit Occupancy Tax (TOT) for Short-term Rentals	Yes		2	3	5
Create a New Community Park	No	Council direction, staff and resources	3	1	4
Identify and Complete a New, Small Project	No	Council direction, staff and resources	3	1	4
Create a \$100,000 Human Services Fund	No	Council prioritization needed	1	3	4
Design and Build a Beacon Flag Pole	No	Council direction	0	2	2
Improve Inter-Agency Relationships		Council direction, staff and resources	0	2	2
Implement Watershed Management		Council direction, staff and resources	1	1	2
Restore the Architectural Commission		Council direction, staff and resources	1	0	1
Hold Council Meetings in Neighborhoods	No	Council prioritization needed	0	0	0
Support Neighborhood Watch Groups	No	Council prioritization needed	0	0	0
Develop a Downtown Revitalization Strategy	No	Council direction, staff and resources	0	0	0
Design an Emergency Preparedness Plan with Liability Insurance	Yes	Council direction, staff and resources	0	0	0

Follow-Up Dot Voting Exercise Prioritization by Council Members

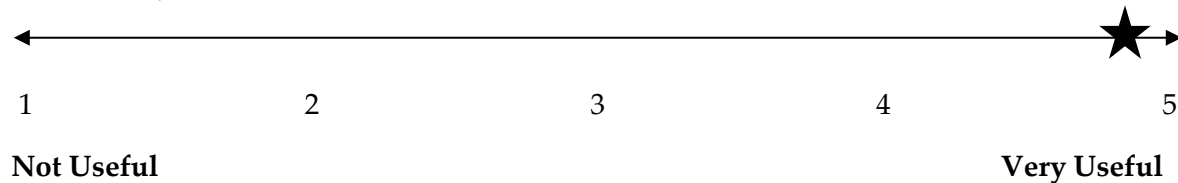
City Council Priority ¹	Notes	Votes from Council
Affordable Housing	Determine an approach that combines Accessory Dwelling Units, reducing constraints and Land Use Plan and zoning updates to address issue	3
Marijuana Regulation and Taxation		3
Homelessness	Remove encampments, especially around creeks and waterways and monitor cleared areas	2
Create a New Community Park or Renovate a Current Park		1
Introduce Transit Occupancy Tax (TOT) for Short-term Rentals		1
Immigration		0
Community Building Activities		0
Identify and Complete a New, Small Project		0
Create a \$100,000 Human Services Fund		0
Design and Build a Beacon Flag Pole		0
Improve Inter-Agency Relationships		0
Implement Watershed Management		0
Restore the Architectural Commission		0
Hold Council Meetings in Neighborhoods		0
Support Neighborhood Watch Groups		0
Develop a Downtown Revitalization Strategy		0
Design an Emergency Preparedness Plan with Liability Insurance		0

¹Priorities highlighted in yellow represent the top five priorities as identified by Council for staff to focus on during FY 2017-18

Attachment B – Workshop Evaluation

At the end of the workshop participants were asked to complete a workshop evaluation form. The following responses are a compilation of answers from 11 of the workshop participants.

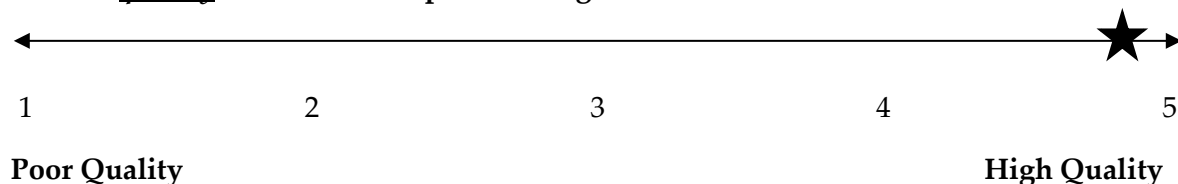
Overall *usefulness* of the workshop (4.8 average)



Workshop participant ratings for the overall usefulness of the workshop

Rating	1	2	3	4	4.5	5
No. of Responses	0	0	1	0	1	9

Overall *quality* of the workshop (4.8 average)



Workshop participant ratings for the overall quality of the workshop

Rating	1	2	3	4	4.5	5
No. of Responses	0	0	0	2	1	8

The best thing about this workshop was...

- Prioritizing the resources of the Council/staff
- Flexibility of the speakers
- Organized, high-level discussion
- Debate and discussion among Council with expert facilitation
- Open, frank discussion
- Chance to express views on Council priorities
- Force prioritization by Council
- Facilitation was great!
- Homelessness and affordable housing sections

- General workshop flow and facilitation
- Having a defined structure and keeping everyone on-track and on-time
- The in-depth discussions
- Narrowing down of priorities
- Leadership and facilitation

Some things that could have been better...

- Prioritization process should have led to a more finite list of items
- More time
- The dot system is a bit weird – gaming the system to decide priorities is not really a good way to decide priorities
- The ranking process
- Time management

Other Comments

- Great work!
- Thank you for your planning and facilitation!
- Thank you for facilitating; it was very productive and helpful
- Got the number of items down to a manageable number