



# CITY OF SOLANA BEACH

SOLANA BEACH CITY COUNCIL, SUCCESSOR AGENCY TO THE REDEVELOPMENT  
AGENCY, PUBLIC FINANCING AUTHORITY, AND HOUSING AUTHORITY

## AGENDA

### Joint REGULAR Meeting

Wednesday, May 12, 2021 \* 6:00 p.m.

Teleconference Location Only-City Hall/Council Chambers, 635 S. Highway 101, Solana Beach, California  
This meeting will be conducted in accordance with Governor Newsom's Executive Order N-29-20 related to the COVID-19 virus.

#### MEETING LOCATION WILL NOT BE OPEN TO THE PUBLIC

Due to the Executive Order to stay home, in person participation at City Council meetings will not be allowed at this time. In accordance with the Executive Order to stay home, there will be no members of the public in attendance at Council Meetings. Alternatives to in-person attendance for viewing and participating in City Council meetings are being provided under provided below.

#### AGENDA MATERIALS

A full City Council agenda packet including relative supporting documentation is posted online [www.cityofsolanabeach.org](http://www.cityofsolanabeach.org) Closed Session Agendas are posted at least 72 hours prior to regular meetings and at least 24 hours prior to special meetings.

#### WATCH THE MEETING

- Live web-streaming: Meetings web-stream live on the City's website on the City's [Public Meetings](#) webpage. Find the large Live Meeting button.
- Live Broadcast on Local Govt. Channel: Meetings are broadcast live on Cox Communications - Channel 19 / Spectrum (Time Warner)-Channel 24 / AT&T U-verse Channel 99.
- Archived videos online: The video taping of meetings are maintained as a permanent record and contain a detailed account of the proceedings. Council meeting tapings are archived and available for viewing on the City's [Public Meetings](#) webpage.

#### PUBLIC COMMENTS

- Written correspondence (supplemental items) regarding an agenda item at an open session meeting should be submitted to the City Clerk's Office at [clerkoffice@cosb.org](mailto:clerkoffice@cosb.org) with a) Subject line to include the meeting date b) Include the Agenda Item # as listed on the Agenda.
- Correspondence received after the official posting of the agenda, but before 3:00 p.m. (or 3 hrs. prior to the meeting start time) on the meeting day, will be distributed to Council and made available online along with the agenda posting. All submittals received before the start of the meeting will be made part of the record.
- Written submittals will be added to the record and not read out loud.
- The designated location for viewing supplemental documents is on the City's website [www.cityofsolanabeach.org](http://www.cityofsolanabeach.org) on the posted Agenda under the relative Agenda Item.

OR

Verbal comment participation: If you wish to provide a live verbal comment during the meeting, attend the virtual meeting via your computer or call in.

#### Before Meeting

- Sign up (register) to speak at the virtual meeting for the Zoom webinar as early as possible and at least 3 hours prior to the start of the meeting so that Staff can manage the speaker list.  
-Public Participation Link:  
-[https://cosb-org.zoom.us/webinar/register/WN\\_3o3NPsjWTrODOG4FwJnNfQ](https://cosb-org.zoom.us/webinar/register/WN_3o3NPsjWTrODOG4FwJnNfQ)  
-Follow the prompts to enter your name and email address and identify the item you are speaking on.
- Join the meeting by locating your confirmation email, that was sent immediately following registration, which will provide your log-in link.
- Join/Log-In to the meeting at least 15 minutes prior to the start time so that the City Clerk can verify you are ready to speak before the meeting begins.
- If your computer does not have a mic to speak or you have sound issues, you can use the call-in audio information (Zoom ID, Participant ID) from a landline or cell phone to join the meeting for the audio accessibility.
- If you call in as well for better audio, mute your computer's speakers to eliminate feedback so that you do not have two audios competing when you are speaking.

#### During Meeting:

- Choose Gallery View to see the presentations, when applicable.
- Participants will be called upon from those who have Registered and their name is identified by the City Clerk calling from the registration list. You will be called on by name and unmuted by the meeting organizer and then you may provide comments for the allotted time. Allotted speaker times are listed under each [Agenda](#) section.

**SPECIAL ASSISTANCE NEEDED - AMERICAN DISABILITIES ACT TITLE 2**

In compliance with the Americans with Disabilities Act of 1990, persons with a disability may request an agenda in appropriate alternative formats as required by Section 202. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to the City Clerk's office (858) 720-2400 [clerkoffice@cosb.org](mailto:clerkoffice@cosb.org) at least 72 hours prior to the meeting.

<b>CITY COUNCILMEMBERS</b>			
<b>Lesa Heebner, Mayor</b>			
<b>Kristi Becker</b> Deputy Mayor	<b>Kelly Harless</b> Councilmember	<b>David A. Zito</b> Councilmember District 1	<b>Jewel Edson</b> Councilmember District 3

Gregory Wade  
**City Manager**

Johanna Canlas  
**City Attorney**

Angela Ivey  
**City Clerk**

**SPEAKERS:**

See Public Participation on the first page of the Agenda for publication participation options.

**READING OF ORDINANCES AND RESOLUTIONS:**

Pursuant to [Solana Beach Municipal Code](#) Section 2.04.460, at the time of introduction or adoption of an ordinance or adoption of a resolution, the same shall not be read in full unless after the reading of the title, further reading is requested by a member of the Council. If any Councilmember so requests, the ordinance or resolution shall be read in full. In the absence of such a request, this section shall constitute a waiver by the council of such reading.

**CALL TO ORDER AND ROLL CALL:**

**CLOSED SESSION REPORT:**

**FLAG SALUTE:**

**PROCLAMATIONS/CERTIFICATES:** *Ceremonial*  
*None at the posting of this agenda*

**PRESENTATIONS:** Ceremonial items that do not contain in-depth discussion and no action/direction.

National Bike Month

**APPROVAL OF AGENDA:**

**ORAL COMMUNICATIONS:**

**Note to Public:** Refer to [Public Participation](#) for information on how to submit public comment.

This portion of the agenda provides an opportunity for members of the public to address the City Council on items relating to City business and not appearing on today's agenda by having submitted written comments for the record to be filed with the record or by registering to join the virtual meeting online to speak live, per the Public Participation instructions on the Agenda.

Comments relating to items on this evening's agenda are taken at the time the items are heard. Pursuant to the Brown Act, no action shall be taken by the City Council on public

comment items. Council may refer items to the City Manager for placement on a future agenda. The maximum time allotted for each speaker is THREE MINUTES (SBMC 2.04.190).

### **COUNCIL COMMUNITY ANNOUNCEMENTS / COMMENTARY:**

*An opportunity for City Council to make brief announcements or report on their activities. These items are not agendaized for official City business with no action or substantive discussion.*

#### **A. CONSENT CALENDAR: (Action Items) (A.1. - A.6.)**

**Note to Public: Refer to [Public Participation](#) for information on how to submit public comment.**

Items listed on the Consent Calendar are to be acted in a single action of the City Council unless pulled for discussion.

Any member of the public may address the City Council on an item of concern by submitting written correspondence for the record to be filed with the record or by registering to join the virtual meeting online to speak live, per the Public Participation instructions on the Agenda. The maximum time allotted for each speaker is THREE MINUTES (SBMC 2.04.190).

Those items removed from the Consent Calendar by a member of the Council will be trailed to the end of the agenda, while Consent Calendar items removed by the public will be discussed immediately after approval of the Consent Calendar.

#### **A.1. Minutes of the City Council.**

Recommendation: That the City Council

1. Approve the Minutes of the March 24, 2021 and April 14, 2021 City Council Meetings.

##### Item A.1. Report (click here)

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

#### **A.2. Register Of Demands. (File 0300-30)**

Recommendation: That the City Council

1. Ratify the list of demands for April 10, 2021 – April 23, 2021.

##### Item A.2. Report (click here)

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

#### **A.3. General Fund Budget Adjustments for Fiscal Year 2020/21. (File 0330-30)**

Recommendation: That the City Council

1. Receive the report listing changes made to the Fiscal Year 2020-2021 General Fund Adopted Budget.

##### Item A.3. Report (click here)

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

**A.4. City of Kindness Council Subcommittee.** (File 0160-80)

Recommendation: That the City Council

1. Consider adoption of **Resolution 2021-059** forming a temporary City of Kindness Council Subcommittee for the upcoming fiscal year and appointing Mayor Heebner and Councilmember Zito to the City of Kindness Council Subcommittee with the Subcommittee and appointments concluding on June 30, 2022.

**Item A.4. Report (click here)**

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**A.5. Quarterly Investment Report.** (File 0350-44)

Recommendation: That the City Council

1. Accept and File the Cash and Investment Report for the quarter ended March 31, 2021.

**Item A.5. Report (click here)**

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**A.6. Resolution of Denial - 330 S. Cedros Ave., Applicant: RAF Pacifica Group, Case: MOD21-002** (File 0600-40)

Recommendation: That the City Council

1. Adopt **Resolution 2021-057** denying the request for a Modification to the approved Development Review Permit, Structure Development Permit, Conditional Use Permit, Minor Exception, and Comprehensive Sign Plan for the conversion of a commercial retail tenant space to a commercial office tenant space in the mixed-use project at 330 S. Cedros Avenue, Solana Beach.

**Item A.6. Report (click here)**

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

**B. PUBLIC HEARINGS: (None)**

**C. STAFF REPORTS: (C.1. – C.3.)**

**Note to Public: Refer to [Public Participation](#) for information on how to submit public comment.**

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**C.1. Sewer Service Charges.** (File 1040-70)

Recommendation: That the City Council

1. Approve **Resolution 2021-060** to maintain sewer service charges at their current level for the next five fiscal years through FY 2025/26 and approve the Reserve Policy.

[Item C.1. Report \(click here\)](#)

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

**C.2. Website Redesign Services.** (File 0190-60)

Recommendation: That the City Council

1. Approve **Resolution 2021-055** authorizing the City Manager to sign an agreement with 360Civic for website redesign services for three years and authorizing extensions of the agreement for hosting and maintenance services for up to two additional years.

[Item C.2. Report \(click here\)](#)

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**C.3. Citizen Commission Vacancies: Public Arts Commission and Parks & Recreation Commission Appointments.** (File 0120-06)

Recommendation: That the City Council

1. Consider the application(s) submitted and make an appointment to the vacancy on the Public Arts Commission with a term ending January 2022 and make two appointments to the vacancies on the Parks & Recreation Commission with terms until January 2022 and January 2023.

[Item C.3. Report \(click here\)](#)

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

**WORK PLAN COMMENTS:**

*Adopted June 12, 2019*

**COMPENSATION & REIMBURSEMENT DISCLOSURE:**

GC: Article 2.3. Compensation: 53232.3. (a) Reimbursable expenses shall include, but not be limited to, meals, lodging, and travel. 53232.3 (d) Members of a legislative body shall provide brief reports on meetings attended at the expense of the local agency "City" at the next regular meeting of the legislative body.

**COUNCIL COMMITTEE REPORTS:** [Council Committees](#)

**REGIONAL COMMITTEES: (outside agencies, appointed by this Council)**

- a. City Selection Committee (meets twice a year) Primary-Heebner, Alternate-Edson
- b. Clean Energy Alliance (CEA) JPA: Primary-Becker, Alternate-Zito
- c. County Service Area 17: Primary- Harless, Alternate-Edson
- d. Escondido Creek Watershed Authority: Becker /Staff (no alternate).
- e. League of Ca. Cities' San Diego County Executive Committee: Primary-Becker, Alternate-Harless. Subcommittees determined by its members.
- f. League of Ca. Cities' Local Legislative Committee: Primary-Harless, Alternate-Becker
- g. League of Ca. Cities' Coastal Cities Issues Group (CCIG): Primary-Becker, Alternate-Harless
- h. North County Dispatch JPA: Primary-Harless, Alternate-Becker
- i. North County Transit District: Primary-Edson, Alternate-Harless
- j. Regional Solid Waste Association (RSWA): Primary-Harless, Alternate-Zito
- k. SANDAG: Primary-Heebner, 1<sup>st</sup> Alternate-Zito, 2<sup>nd</sup> Alternate-Edson. Subcommittees determined by its members.
- l. SANDAG Shoreline Preservation Committee: Primary-Becker, Alternate-Zito
- m. San Dieguito River Valley JPA: Primary-Harless, Alternate-Becker
- n. San Elijo JPA: Primary-Zito, Primary-Becker, Alternate-City Manager
- o. 22<sup>nd</sup> Agricultural District Association Community Relations Committee: Primary-Edson, Primary-Heebner

**STANDING COMMITTEES: (All Primary Members) (Permanent Committees)**

- a. Business Liaison Committee – Zito, Edson.
- b. Fire Dept. Management Governance & Organizational Evaluation – Harless, Edson
- c. Highway 101 / Cedros Ave. Development Committee – Edson, Heebner
- d. Parks and Recreation Committee – Zito, Harless
- e. Public Arts Committee – Edson, Heebner
- f. School Relations Committee – Becker, Harless
- g. Solana Beach-Del Mar Relations Committee – Heebner, Edson

**CITIZEN COMMISSION(S)**

- a. Climate Action Commission: Primary-Zito, Alternate-Becker

**ADJOURN:**

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***Next Regularly Scheduled Meeting is May 26, 2021***

*Always refer the City's website Event Calendar for Special Meetings or an updated schedule.*

*Or Contact City Hall 858-720-2400*

[www.cityofsolanabeach.org](http://www.cityofsolanabeach.org)

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## AFFIDAVIT OF POSTING

STATE OF CALIFORNIA }  
COUNTY OF SAN DIEGO } §  
CITY OF SOLANA BEACH }

I, Angela Ivey, City Clerk of the City of Solana Beach, do hereby certify that this Agenda for the May 12, 2021 Council Meeting was called by City Council, Successor Agency to the Redevelopment Agency, Public Financing Authority, and the Housing Authority of the City of Solana Beach, California, was provided and posted on May 5, 2021 at 2:40 p.m. on the City Bulletin Board at the entrance to the City Council Chambers. Said meeting is held at 6:00 p.m., May 12, 2021, in the Council Chambers, at City Hall, 635 S. Highway 101, Solana Beach, California.

Angela Ivey, City Clerk \* City of Solana Beach, CA

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### **CITIZEN CITY COMMISSION AND COMMITTEE MEETINGS:**

Regularly Scheduled, or Special Meetings that have been announced, are posted on each Citizen Commission's Agenda webpage. See the [Citizen Commission's Agenda webpages](#) or the City's Events [Calendar](#) for updates.

- **Budget & Finance Commission**
- **Climate Action Commission**
- **Parks & Recreation Commission**
- **Public Arts Commission**
- **View Assessment Commission**



# CITY OF SOLANA BEACH

SOLANA BEACH CITY COUNCIL, SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY,  
PUBLIC FINANCING AUTHORITY, AND HOUSING AUTHORITY

## MINUTES

Joint – Closed Session

Wednesday, March 24, 2021 ♦ 5:00 p.m.

Teleconference Location Only-City Hall/Council Chambers, 635 S. Highway 101, Solana Beach, California

This meeting will be conducted in accordance with Governor Newsom's  
Executive Order N-29-20 related to the COVID-19 virus.

### CITY COUNCILMEMBERS

**Lesa Heebner, Mayor**

**Kristi Becker**  
Deputy Mayor

**Kelly Harless**  
Councilmember

**David A. Zito**  
Councilmember  
District 1

**Jewel Edson**  
Councilmember  
District 3

Gregory Wade  
**City Manager**

Johanna Canlas  
**City Attorney**

Angela Ivey  
**City Clerk**

### **CALL TO ORDER AND ROLL CALL:**

Mayor Heebner called the meeting to order at 5:00 p.m.

Present: Lesa Heebner, Kristi Becker, Kelly Harless, David A. Zito, Jewel Edson

Absent: None

Also Present: Gregory Wade, City Manager  
Johanna Canlas, City Attorney

### **PUBLIC COMMENT ON CLOSED SESSION ITEMS (ONLY):** None

*Report to Council Chambers and submit speaker slips to the City Clerk before  
the meeting recesses to closed session.*

### **CLOSED SESSION:**

#### **1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**

Pursuant to Government Code Section 54956.9(d)(1)

- Virginia Grigg v. City of Solana Beach & Does (Case No. 37-2019-00049359-CU-PO-NC)

#### **2. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**

Pursuant to Government Code Section 54956.9(d)(2)

Two (2) Potential case(s).

#### **3. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (added 3-23-21)**

Pursuant to Government Code Section 54956.9(d)(1)

- Coronado, Imperial Beach, Lemon Grove & Solana Beach v. SANDAG, et al (Case No. 37-2020-00033974-CU-MC-CTL)

**No reportable action.**

### **ADJOURN:**

Mayor Heebner adjourned the meeting at 6:10 p.m.

Angela Ivey, City Clerk

Council approved: \_\_\_\_\_

**AGENDA ITEM A.1.**



# CITY OF SOLANA BEACH

SOLANA BEACH CITY COUNCIL, SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY, PUBLIC FINANCING AUTHORITY, AND HOUSING AUTHORITY

## MINUTES

Joint REGULAR Meeting

Wednesday, March 24, 2021 \* 6:00 p.m.

Teleconference Location Only-City Hall/Council Chambers, 635 S. Highway 101, Solana Beach, California  
This meeting was conducted in accordance with Governor Newsom's Executive Order N-29-20 related to the COVID-19 virus.

**Minutes contain a summary of significant discussions and formal actions taken at a City Council meeting.**

- City Council meetings are video recorded and archived as a permanent record. The video recording captures the complete proceedings of the meeting and is available for viewing on the City's website.
- Posted Reports & Supplemental Docs contain records up to the cut off time prior to meetings for processing new submittals. Complete records containing meeting handouts, PowerPoints, etc. can be obtained through a [Records Request](#).

### CITY COUNCILMEMBERS

**Lesa Heebner, Mayor**

**Kristi Becker**  
Deputy Mayor

**Kelly Harless**  
Councilmember

**David A. Zito**  
Councilmember  
District 1

**Jewel Edson**  
Councilmember  
District 3

Gregory Wade  
**City Manager**

Johanna Canlas  
**City Attorney**

Angela Ivey  
**City Clerk**

### SPEAKERS:

See Public Participation on the first page of the Agenda for publication participation options.

### CALL TO ORDER AND ROLL CALL:

Mayor Heebner called the meeting to order at 6:22 p.m.

Present: Lesa Heebner, Kristi Becker, Kelly Harless, David A. Zito, Jewel Edson

Absent: None

Also: Greg Wade, City Manager

Present: Johanna Canlas, City Attorney

Angela Ivey, City Clerk

Dan King, Assistant City Manager

Mo Sammak, City Engineer/Public Works Dir.

Ryan Smith, Finance Dir.

Joseph Lim, Community Development Dir.

**CLOSED SESSION REPORT:** No reported action.

### FLAG SALUTE:

### APPROVAL OF AGENDA:

**Motion:** Moved by Deputy Mayor Becker and second by Councilmember Edson to approve.

**Approved 5/0.** Ayes: Heebner, Becker, Harless, Zito, Edson. Noes: None. Motion carried unanimously.

### ORAL COMMUNICATIONS:

None  
*Note to Public: Refer to [Public Participation](#) for information on how to submit public comment.*

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### **COUNCIL COMMUNITY ANNOUNCEMENTS / COMMENTARY:**

*An opportunity for City Council to make brief announcements or report on their activities. These items are not agendaized for official City business with no action or substantive discussion.*

#### **A. CONSENT CALENDAR: (Action Items) (A.1. - A.8.)**

**Note to Public:** Refer to [Public Participation](#) for information on how to submit public comment.

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Those items removed from the Consent Calendar by a member of the Council will be trailed to the end of the agenda, while Consent Calendar items removed by the public will be discussed immediately after approval of the Consent Calendar.

#### **A.1. Minutes of the City Council.**

Recommendation: That the City Council

1. Approve the Minutes of the February 24, 2021 City Council meetings.

Approved Minutes [http://www.ci.solana-beach.ca.us/index.asp?SEC=F0F1200D-21C6-4A88-8AE1-0BC07C1A81A7&Type=B\\_BASIC](http://www.ci.solana-beach.ca.us/index.asp?SEC=F0F1200D-21C6-4A88-8AE1-0BC07C1A81A7&Type=B_BASIC)

**Motion:** Moved by Councilmember Edson and second by Mayor Heebner to approve. **Approved 5/0.** Ayes: Heebner, Becker, Harless, Zito, Edson. Noes: None. Motion carried unanimously.

#### **A.2. Register Of Demands. (File 0300-30)**

Recommendation: That the City Council

1. Ratify the list of demands for February 20, 2021– March 05, 2021.

[Item A.2. Report \(click here\)](#)

**Motion:** Moved by Councilmember Edson and second by Mayor Heebner to approve Staff recommendation. **Approved 5/0.** Ayes: Heebner, Becker, Harless, Zito, Edson. Noes: None. Motion carried unanimously.

#### **A.3. General Fund Budget Adjustments for Fiscal Year 2020/21. (File 0330-30)**

Recommendation: That the City Council

1. Receive the report listing changes made to the Fiscal Year 2020-2021 General Fund Adopted Budget.

[Item A.3. Report \(click here\)](#)



**Motion:** Moved by Councilmember Edson and second by Mayor Heebner to approve Staff recommendation. **Approved 5/0.** Ayes: Heebner, Becker, Harless, Zito, Edson. Noes: None. Motion carried unanimously.

#### **A.4. Housing Element Annual Progress Report** (File 0610-10)

Recommendation: That the City Council

1. Adopt **Resolution 2021-032** approving the 2020 Housing Element Annual Progress Report and the 2019/20 Housing Successor Annual Report as submitted and direct City Staff to file the report with the California Department of Housing and Community Development and the Governor's Office of Planning and Research.

#### [Item A.4. Report \(click here\)](#)

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**Motion:** Moved by Councilmember Edson and second by Mayor Heebner to approve Staff recommendation. **Approved 5/0.** Ayes: Heebner, Becker, Harless, Zito, Edson. Noes: None. Motion carried unanimously.

#### **A.5. Destruction of Obsolete Records.** (File 0170-50)

Recommendation: That the City Council

1. Adopt **Resolution 2021-036** authorizing the destruction of officially obsolete records.

#### [Item A.5. Report \(click here\)](#)

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**Motion:** Moved by Councilmember Edson and second by Mayor Heebner to approve Staff recommendation. **Approved 5/0.** Ayes: Heebner, Becker, Harless, Zito, Edson. Noes: None. Motion carried unanimously.

#### **A.6. National Wildlife Federation's Mayors' Monarch Pledge.** (File 0480-75)

Recommendation: That the City Council

1. Adopt **Resolution 2021-034** authorizing the Mayor to Sign the National Wildlife Federation's Mayors' Monarch Pledge.

#### [Item A.6. Report \(click here\)](#)

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**Motion:** Moved by Councilmember Edson and second by Mayor Heebner to approve Staff recommendation. **Approved 5/0.** Ayes: Heebner, Becker, Harless, Zito, Edson. Noes: None. Motion carried unanimously.

#### **A.7. Temporary Art Compensation Increase** (File 0910-41)

Recommendation: That the City Council

1. Adopt **Resolution 2021-035** authorizing a modification to the Temporary

Public Arts Program artist compensation from \$500 to \$1,500 for a one-year loan.

[Item A.7. Report \(click here\)](#)

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**Motion:** Moved by Councilmember Edson and second by Mayor Heebner to approve Staff recommendation. **Approved 5/0.** Ayes: Heebner, Becker, Harless, Zito, Edson. Noes: None. Motion carried unanimously.

**A.8. Solana Energy Alliance (SEA) Long-Term Renewable Power Purchase.** (File 1010-45)

Recommendation: That the City Council

1. Approve **Resolution 2021-039** authorizing the City Manager to execute a long-term power purchase agreement, in a form approved by the City Attorney, with Shell Energy to satisfy SEA's long-term procurement obligation under SB 350.

[Item A.8. Report \(click here\)](#)

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**Motion:** Moved by Councilmember Edson and second by Mayor Heebner to approve Staff recommendation. **Approved 5/0.** Ayes: Heebner, Becker, Harless, Zito, Edson. Noes: None. Motion carried unanimously.

**B. PUBLIC HEARINGS:** (B.1. – B.2.)

**Note to Public:** Refer to [Public Participation](#) for information on how to submit public comment.

Any member of the public may address the City Council on an item of concern by submitting written correspondence for the record to be filed with the record or by registering to join the virtual meeting online to speak live, per the Public Participation instructions on the Agenda. The maximum time allotted for each speaker is THREE MINUTES (SBMC 2.04.190).

An applicant or designee(s) for a private development/business project, for which the public hearing is being held, is allotted a total of fifteen minutes to speak, as per SBMC 2.04.210. A portion of the fifteen minutes may be saved to respond to those who speak in opposition. All other speakers have three minutes each.

After considering all of the evidence, including written materials and oral testimony, the City Council must make a decision supported by findings and the findings must be supported by substantial evidence in the record.

**B.1. Public Hearing: 537 North Granados Ave., Applicant: Gladnick, Case DRP20-005/SDP20-009.** (File 0600-40)

The proposed project meets the minimum zoning requirements under the SBMC, may be found to be consistent with the General Plan and may be found, as conditioned, to meet the discretionary findings required as discussed in this report to approve a DRP. Therefore, Staff recommends that the City Council:

1. Conduct the Public Hearing: Open the Public Hearing, Report Council Disclosures, Receive Public Testimony, and Close the Public Hearing.

2. Find the project exempt from the California Environmental Quality Act pursuant to Section 15303 of the State CEQA Guidelines; and
3. If the City Council makes the requisite findings and approves the project, adopt **Resolution 2021-033** conditionally approving a development review permit (DRP) and structural development permit (SDP) to demolish a single family residence, construct a replacement two-story, single-family residence with an attached two-car garage and single carport, and perform associated site improvements at 537 North Granados Avenue, Solana Beach.

[Item B.1. Report \(click here\)](#)

[Item B.1. Updated Report #1 \(added 3-24 at 4:30pm\)](#)

[Item B.1. Supplemental Docs \(added 3-24 at 1:26pm\)](#)

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

Greg Wade, City Manager, introduced the item.

Katie Benson, Sr. Planner, presented a PowerPoint (on file).

Mayor Heebner opened the public hearing.

Council disclosures.

Jennifer Boly, Architect, presented a PowerPoint (on file) and reviewed the concept, materials, views, difficulty of the site, the many revisions made over 6-8 months with neighbors' input, and landscaping.

**Motion:** Moved by Councilmember Zito and second by Councilmember Harless to close the public hearing. **Approved 5/0.** Ayes: Heebner, Becker, Harless, Zito, Edson. Noes: None. Motion carried unanimously.

Council discussed the challenges of the slope and adding a reference to the conditions not superseding the conditions of the City's water efficient landscape regulations.

**Motion:** Moved by Councilmember Zito and second by Councilmember Edson to approve Staff recommendation, and the updated landscape plan, and added language that conditions do not supersede the conditions of the City's water efficient landscape regulations. **Approved 5/0.** Ayes: Heebner, Becker, Harless, Zito, Edson. Noes: None. Motion carried unanimously.

## **B.2. Solana Energy Alliance (SEA) Rate Schedule.** (File 1010-45)

Recommendation: That the City Council

1. Conduct the Public Hearing: Open the Public Hearing, Report Council Disclosures, Receive Public Testimony, and Close the Public Hearing.
2. Adopt **Resolution 2021-038** amending the rate schedule for Solana Energy Alliance.

[Item B.2. Report \(click here\)](#)

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

Greg Wade, City Manager, presented a PowerPoint (on file).

Barb Boswell, CEO, continued the PowerPoint.

Mayor Heebner opened the public hearing.

Council disclosures.

Council discussed that the SEA's negative balance was only due to administrative support by existing City Staff over 1 ½ years, that the analysis of regulatory counsel estimated a 48% fee increase by SDG&E since 2012, the SDG&E fees charged to SEA members are due to SDG&E recovery of liquidating contracts previously entered into which are not being provided to the former customers who are now with the SEA, the fees are charged to SEA customers so that the remaining SDG&E customers would not be negatively impacted by energy not being used but contracted for at the formation of the SEA, that SDG&E includes contractual related charges or losses for long-term renewable energy, short-term resource adequacy and conventional energy, that the Power Charge Indifference Adjustment (PCIA) is not audited, SDG&E is not required to provide the value or other information on their contracts, the SEA rate since June of 2020 has been lower than the originally adopted rate in June 2018, and that some potential legislation would allow a Community Choice Aggregation (CCA) customer to benefit from the value of the energy that they are paying for in fees, and that a PCIA fact sheet is posted on the SEA website.

**Motion:** Moved by Councilmember Zito and second by Councilmember Edson to close the public hearing. **Approved 5/0.** Ayes: Heebner, Becker, Harless, Zito, Edson. Noes: None. Motion carried unanimously.

**Motion:** Moved by Councilmember Zito and second by Councilmember Edson to approve Staff recommendation. **Approved 5/0.** Ayes: Heebner, Becker, Harless, Zito, Edson. Noes: None. Motion carried unanimously.

### **C. STAFF REPORTS: (C.1. – C.2.)**

**Note to Public:** Refer to [Public Participation](#) for information on how to submit public comment.

Any member of the public may address the City Council on an item of concern by submitting written correspondence for the record to be filed with the record or by registering to join the virtual meeting online to speak live, per the Public Participation instructions on the Agenda. The maximum time allotted for each speaker is THREE MINUTES (SBMC 2.04.190).

#### **C.1. 6<sup>th</sup> Cycle Housing Element Update Status.** (File 0610-10)

Recommendation: That the City Council

1. Provide comments and direction on the proposed Draft 6<sup>th</sup> Cycle Housing Element Update changes.

[Item C.1. Report \(click here\)](#)

[Item C.1. Updated Report #1 \(added 3-24 at 10:00am\)](#)

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

Greg Wade, City Manager, introduced the item.

Joe Lim, Community Development Dir., presented a PowerPoint (on file).

Barbara Gordon spoke about being a group leader for Changers, a Hispanic youth group in Solana Beach, concern for some populations disproportionately affected by tobacco and secondhand smoke exposure, that nearly all larger multi-unit housing complexes were 100% smoke-free, and requested that Council add language in the Housing Element that would recommend that privately owned multi-unit projects be 100% smoke-free for the benefit of all residents.

Peggy Walker, San Diego County Tobacco Control, spoke about the efforts for environmental justice and social equity, accommodating very low to low/moderate income and affordability level housing often affecting minority families living in multi-unit housing, adding language that recommends that privately owned development projects consider a smoke-free, vape-free policy for the benefit of residents' health and wellbeing. She said that the benefits would include fire safety for economic and insurance benefits, environmental benefits with the elimination of second and third-hand smoke hazards, and that it would demonstrate the City's commitment to fair housing goals with equity sensitive language.

Council and Staff discussed adding this recommendation outside of the Housing Element document, Council could consider directing Staff to explore a program to recommend that private developments adopt smoke-free units, that city funded and city sponsored events were already a consideration, and whether this language would matter to HCD (Housing and Community Development) or whether it would see it as a constraint that was not evaluated when the draft was released to the public, adding it to the Work Plan, and the April 15<sup>th</sup> deadline to adopt the element or act on a 120-day state extension.

Nick Chen, Kimley-Horn, consultant, said that the element includes identified housing dating back for eight years.

Council and Staff discussed developing guidelines to build Accessory Dwelling Units (ADUs) in the fire zone and hillside overlay zone, the loss of naturally affordable units seen from some gentrification, more ways to increase the number of ADUs, and a potential Council policy or resolution for a program for private owners to develop a non-smoking community within their control.

No action required.

## **C.2. La Colonia Park/Fletcher Cove Park Playground Design.** (File 0720-30, 0730-40)

Recommendation: That the City Council

1. Adopt **Resolution 2021-030** authorizing the City Manager to execute a Professional Services Agreement, in an amount not to exceed \$111,250, with Van Dyke Landscape Architects for design of a new playground at La Colonia Park and design of new playground equipment at Fletcher Cove Park.

[Item C.2. Report \(click here\)](#)

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City*

Clerk's Office.

Greg Wade, City Manager, presented a PowerPoint (on file).

Council and Staff discussed posting the project schedules online and posting a 'coming soon' sign at the tot lots.

Mitch Phillip, Van Dyke, said that they were looking forward to working with the community and Staff on the project.

**Motion:** Moved by Councilmember Edson and second by Mayor Heebner to approve Staff recommendation. **Approved 5/0.** Ayes: Heebner, Becker, Harless, Zito, Edson. Noes: None. Motion carried unanimously.

**WORK PLAN COMMENTS:**

*Adopted June 12, 2019*

**COMPENSATION & REIMBURSEMENT DISCLOSURE:** None

GC: Article 2.3. Compensation: 53232.3. (a) Reimbursable expenses shall include, but not be limited to, meals, lodging, and travel. 53232.3 (d) Members of a legislative body shall provide brief reports on meetings attended at the expense of the local agency "City" at the next regular meeting of the legislative body.

**COUNCIL COMMITTEE REPORTS:** [Council Committees](#)

**REGIONAL COMMITTEES: (outside agencies, appointed by this Council)**

**STANDING COMMITTEES: (All Primary Members) (Permanent Committees)**

**CITIZEN COMMISSION(S)**

**ADJOURN:**

Mayor Heebner adjourned the meeting at 8:33 p.m.

Angela Ivey, City Clerk

Council Approved: \_\_\_\_\_





# CITY OF SOLANA BEACH

SOLANA BEACH CITY COUNCIL, SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY,  
PUBLIC FINANCING AUTHORITY, AND HOUSING AUTHORITY

## MINUTES

Joint – Closed Session

Wednesday, April 14, 2021 ♦ 4:00 p.m.

Teleconference Location Only-City Hall/Council Chambers, 635 S. Highway 101, Solana Beach, California

This meeting will be conducted in accordance with Governor Newsom’s  
Executive Order N-29-20 related to the COVID-19 virus.

### CITY COUNCILMEMBERS

**Lesa Heebner, Mayor**

**Kristi Becker**  
Deputy Mayor

**Kelly Harless**  
Councilmember

**David A. Zito**  
Councilmember  
District 1

**Jewel Edson**  
Councilmember  
District 3

Gregory Wade  
City Manager

Johanna Canlas  
City Attorney

Angela Ivey  
City Clerk

### **CALL TO ORDER AND ROLL CALL:**

Mayor Heebner called the meeting to order at 4:00 p.m.

Present: Lesa Heebner, Kristi Becker, Kelly Harless, David A. Zito, Jewel Edson  
Absent: None  
Also Present: Gregory Wade, City Manager  
Johanna Canlas, City Attorney

### **PUBLIC COMMENT ON CLOSED SESSION ITEMS (only):** None

*Report to Council Chambers and submit speaker slips to the City Clerk  
before the meeting recesses to closed session.*

### **CLOSED SESSION:**

#### **1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**

Pursuant to Government Code Section 54956.9(d)(2)

**No reportable action.**

### **ADJOURN:**

Mayor Heebner adjourned the meeting at 4:09 p.m.

Angela Ivey, City Clerk

Council approved: \_\_\_\_\_



# CITY OF SOLANA BEACH

SOLANA BEACH CITY COUNCIL, SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY, PUBLIC FINANCING AUTHORITY, AND HOUSING AUTHORITY

## MINUTES

### Joint Special Meeting

Wednesday, April 14, 2021 \* 4:30 p.m.

Teleconference Location Only-City Hall/Council Chambers, 635 S. Highway 101, Solana Beach, California

**Minutes contain a summary of significant discussions and formal actions taken at a City Council meeting.**

**This meeting was conducted in accordance with Governor Newsom’s Executive Order N-29-20 related to the COVID-19 virus.**

- City Council meetings are video recorded and archived as a permanent record. The video recording captures the complete proceedings of the meeting and is available for viewing on the City's website.
- Posted Reports & Supplemental Docs contain records up to the cut off time prior to meetings for processing new submittals. Complete records containing meeting handouts, PowerPoints, etc. can be obtained through a [Records Request](#).

### CITY COUNCILMEMBERS

**Lesa Heebner, Mayor**

**Kristi Becker**  
Deputy Mayor

**Kelly Harless**  
Councilmember

**David A. Zito**  
Councilmember  
District 1

**Jewel Edson**  
Councilmember  
District 3

Gregory Wade  
City Manager

Johanna Canlas  
City Attorney

Angela Ivey  
City Clerk

### CALL TO ORDER AND ROLL CALL:

Mayor Heebner called the meeting to order at 4:32 p.m.

Present: Lesa Heebner, Kristi Becker, Kelly Harless, David A. Zito, Jewel Edson

Absent: None

Also Greg Wade, City Manager

Present: Johanna Canlas, City Attorney

Angela Ivey, City Clerk

Dan King, Assistant City Manager

Mo Sammak, City Engineer/Public Works Dir.

Ryan Smith, Finance Dir.

Joseph Lim, Community Development Dir.

**CLOSED SESSION REPORT:** None

### CALL TO ORDER AND ROLL CALL:

### FLAG SALUTE:

### APPROVAL OF AGENDA:

**Motion:** Moved by Councilmember Zito and seconded by Councilmember Edson to approve. **Approved 5/0.** Motion carried unanimously.

## **D. STAFF REPORTS: (D.1.)**

**Note to Public:** Refer to [Public Participation](#) for information on how to submit public comment.

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### **D.1. Draft Work Plan for Fiscal Year 2021/2022** (File 0410-08).

Recommendation: That the City Council

1. Receive public input and review, discuss and provide direction on potential modifications to the draft Fiscal Year 2021/22 Work Plan and provide direction to Staff.

[Item D.1. Report \(click here\)](#)

[Item D.1. Updated Report #1 \(upd. 4-14 at 2:45pm\)](#)

[Item D.1. Supplemental Docs \(upd. 4-14 at 2:45pm\)](#)

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Greg Wade, City Manager, introduced the item.

Dan King, Assistant City Manager, Joe Lim, Community Development Dir., Mo Sammak, Public Works/Engineering Dir., Ryan Smith, Finance Manager, presented sections of the PowerPoint (on file).

Jonathan Goodmacher, Shawn McGarry, Peter Zahn, and Heidi Dewar presented a PowerPoint (on file) regarding the Climate Action Commissioners' recommendations for the 2021-2022 Work Plan including Electric Vehicles (EV) charging stations, charger ready wiring in commercial, multi-family and residential structures, grant funding for more EV chargers, EV parking, increasing bicycle commuting, decarbonizing electricity supply and electrify transportation and buildings, trees and vegetation for climate resilience and adaptation, renewing implementation of a 2019 Ordinance related to disposable plastics, further implementation of the Organic Waste Reduction Program, increased education and outreach regarding the Climate Action Plan, and development of a social equity component.

Johnathon Collopy spoke about the Kindness Project, City staff serving on the Kindness Team, a kindness logo, encouraging outreach and the spread of the kindness culture through e-blasts, an events and celebrations calendar, a landing page on the website, an App or phone number to report kind acts in the City, social media, banners, murals, and working with the Chamber of Commerce, schools, businesses, and residents.

Captain Jason Shook, Marine Safety, Chief Mike Stein, Solana Beach Fire Department, and Captain Herb Taft, San Diego County Sheriff's Department, continued presenting sections of the PowerPoint (on file) related to Public Safety.

Council discussed executing the "committed" elements that are within the housing plan during this fiscal year, maintaining some of the outdoor dining areas, extending the Covid dining TUP through the Summer, workshops for the Eden Garden Specific Plan, possible grants for the Marine Safety Center remodel, the parcel purchased next to La Colonia Park, the La

Colonia Master Plan, moving and updating the heritage museum, adding Nardo Avenue to traffic calming projects, addressing speed concerns on Santa Helena, permitting legal biking in the Loma Santa Fe Corridor, City Hall upgrades, repairs and updates at Fletcher Cove, constructing a pedestrian bridge over Highway 101, Glenmont Park and others possible pollinator parks, purple piping at the parks, keeping current with State housing regulations, Netly trenches, social media usage, promoting the Kindness Project, providing free wi-fi at public City facilities, a subcommittee to look at the priorities of the Climate Action Plan, social equity pertaining to the Climate Action Plan, increased recycled water infrastructure throughout the City, induction stations, environmental sustainability outreach, a bike share program, the fire benefit fee, and collaboration with Encinitas on a short-term vacation rental study.

**ADJOURN:**

Mayor Heebner adjourned the meeting at 7:28 p.m.

Megan Bavin, Deputy City Clerk

Council Approved: \_\_\_\_\_



# CITY OF SOLANA BEACH

SOLANA BEACH CITY COUNCIL, SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY, PUBLIC FINANCING AUTHORITY, AND HOUSING AUTHORITY

## MINUTES

### Joint REGULAR Meeting

Wednesday, April 14, 2021 \* 6:00 p.m.

Teleconference Location Only-City Hall/Council Chambers, 635 S. Highway 101, Solana Beach, California

This meeting will be conducted in accordance with Governor Newsom’s Executive Order N-29-20 related to the COVID-19 virus.

**Minutes contain a summary of significant discussions and formal actions taken at a City Council meeting.**

- City Council meetings are video recorded and archived as a permanent record. The video recording captures the complete proceedings of the meeting and is available for viewing on the City's website.
- Posted Reports & Supplemental Docs contain records up to the cut off time prior to meetings for processing new submittals. Complete records containing meeting handouts, PowerPoints, etc. can be obtained through a [Records Request](#).

#### CITY COUNCILMEMBERS

**Lesa Heebner, Mayor**

**Kristi Becker**  
Deputy Mayor

**Kelly Harless**  
Councilmember

**David A. Zito**  
Councilmember  
District 1

**Jewel Edson**  
Councilmember  
District 3

Gregory Wade  
**City Manager**

Johanna Canlas  
**City Attorney**

Angela Ivey  
**City Clerk**

#### CALL TO ORDER AND ROLL CALL:

Mayor Heebner called the meeting to order at 7:43 p.m.

Present: Lesa Heebner, Kristi Becker, Kelly Harless, David A. Zito, Jewel Edson

Absent: None

Also Greg Wade, City Manager

Present: Johanna Canlas, City Attorney

Angela Ivey, City Clerk

Dan King, Assistant City Manager

Mo Sammak, City Engineer/Public Works Dir.

Ryan Smith, Finance Dir.

Joseph Lim, Community Development Dir.

**CLOSED SESSION REPORT:** None

#### FLAG SALUTE:

#### APPROVAL OF AGENDA:

**Motion:** Moved by Councilmember Zito and second by Councilmember Edson to approve and move Item C.1. to Consent. **Approved 5/0.** Ayes: Heebner, Becker, Harless, Zito, Edson. Noes: None. Motion carried unanimously.

#### ORAL COMMUNICATIONS:

**Note to Public:** Refer to [Public Participation](#) for information on how to submit public comment.

This portion of the agenda provides an opportunity for members of the public to address the City Council on items relating to City business and not appearing on today’s agenda by having

submitted written comments for the record to be filed with the record or by registering to join the virtual meeting online to speak live, per the Public Participation instructions on the Agenda. Comments relating to items on this evening's agenda are taken at the time the items are heard. Pursuant to the Brown Act, no action shall be taken by the City Council on public comment items. Council may refer items to the City Manager for placement on a future agenda. The maximum time allotted for each speaker is THREE MINUTES (SBMC 2.04.190).

Julie Van de Auwera, Parks & Recreation Commission, spoke about many events being cancelled during COVID and being able to coordinate Santa's Sleigh ride at the holiday. She shared some stories from citizens eager to share how the parks have played a part in significant moments in their lives. She said that the Parks & Recreation Commission would like to collect these stories and memories and post on the Parks & Recreation Commission webpage.

Keith McCormick spoke about being a long-term volunteer for the American Cancer Society, his support for adding a smoke free housing policy on a future agenda, his request to help protect the public from the dangers of smoking and second-hand smoke, lower insurance rates for landlords, that the City of Carlsbad had implemented a smoke-free policy recently, and science and society support this action.

### **COUNCIL COMMUNITY ANNOUNCEMENTS / COMMENTARY:**

*An opportunity for City Council to make brief announcements or report on their activities. These items are not agendaized for official City business with no action or substantive discussion.*

#### **A. CONSENT CALENDAR: (Action Items) (A.1. - A.6.)**

**Note to Public:** Refer to [Public Participation](#) for information on how to submit public comment.

Items listed on the Consent Calendar are to be acted in a single action of the City Council unless pulled for discussion.

Any member of the public may address the City Council on an item of concern by submitting written correspondence for the record to be filed with the record or by registering to join the virtual meeting online to speak live, per the Public Participation instructions on the Agenda. The maximum time allotted for each speaker is THREE MINUTES (SBMC 2.04.190).

Those items removed from the Consent Calendar by a member of the Council will be trailed to the end of the agenda, while Consent Calendar items removed by the public will be discussed immediately after approval of the Consent Calendar.

#### **A.1. Minutes of the City Council.**

Recommendation: That the City Council

1. Approve the Minutes of the March 10, 2021 City Council Meetings.

Approved Minutes [http://www.ci.solana-beach.ca.us/index.asp?SEC=F0F1200D-21C6-4A88-8AE1-0BC07C1A81A7&Type=B\\_BASIC](http://www.ci.solana-beach.ca.us/index.asp?SEC=F0F1200D-21C6-4A88-8AE1-0BC07C1A81A7&Type=B_BASIC)

**Motion:** Moved by Councilmember Edson and second by Councilmember Harless to approve. **Approved 5/0.** Ayes: Heebner, Becker, Harless, Zito, Edson. Noes: None. Motion carried unanimously.

#### **A.2. Register Of Demands. (File 0300-30)**

Recommendation: That the City Council

1. Ratify the list of demands for March 6, 2021 – March 26, 2021.

#### **[Item A.2. Report \(click here\)](#)**

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City*



Clerk's Office.

**Motion:** Moved by Councilmember Edson and second by Councilmember Harless to approve. **Approved 5/0.** Ayes: Heebner, Becker, Harless, Zito, Edson. Noes: None. Motion carried unanimously.

### **A.3. General Fund Budget Adjustments for Fiscal Year 2020/21.** (File 0330-30)

Recommendation: That the City Council

1. Receive the report listing changes made to the Fiscal Year 2020-2021 General Fund Adopted Budget.

#### [Item A.3. Report \(click here\)](#)

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

**Motion:** Moved by Councilmember Edson and second by Councilmember Harless to approve. **Approved 5/0.** Ayes: Heebner, Becker, Harless, Zito, Edson. Noes: None. Motion carried unanimously.

### **A.4. 2020 Street Maintenance & Repair Project – Notice of Completion.**

(File 0820-35)

Recommendation: That the City Council

1. Adopt **Resolution 2021-042:**
  - a. Authorizing the City Council to accept, as complete, the 2020 Street Maintenance & Repair Project, Bid No. 2020-03, performed by TC Construction.
  - b. Authorizing the City Clerk to file a Notice of Completion.

#### [Item A.4. Report \(click here\)](#)

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

**Motion:** Moved by Councilmember Edson and second by Councilmember Harless to approve. **Approved 5/0.** Ayes: Heebner, Becker, Harless, Zito, Edson. Noes: None. Motion carried unanimously.

### **A.5. Safe Routes to School Master Plan.** (File 0860-35)

Recommendation: That the City Council

1. Adopt **Resolution 2021-037:**
  - a. Authorizing the City Manager to execute a Professional Services Agreement, in an amount not to exceed \$220,000, with Chen Ryan Associates, Inc. for preparation of a Safe Routes to School Master Plan.
  - b. Appropriating \$165,000 to the State Grants revenue account and to the Safe Routes to School Master Plan project account.
  - c. Appropriating \$55,000 in TransNet funds to the Safe Routes to School Master Plan project account.
  - d. Authorizing the City Treasurer to amend the FY 2020/21 Adopted Budget accordingly.

#### [Item A.5. Report \(click here\)](#)

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new*

submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.

**Motion:** Moved by Councilmember Edson and second by Councilmember Harless to approve. **Approved 5/0.** Ayes: Heebner, Becker, Harless, Zito, Edson. Noes: None. Motion carried unanimously.

*This item was moved to Consent per the Agenda Approval.*

**C.1. Railroad Pedestrian Undercrossing Agreements.** (File 0820-48)

Recommendation: That the City Council

1. Adopt **Resolution 2021-044** authorizing the City Manager to execute a Memorandum of Understanding and License Agreement between NCTD, Nature Collective and the City of Solana Beach for the use of the NCTD right of way and the undercrossing for pedestrian trail purposes.
2. Adopt **Resolution 2021-045** authorizing the City Manager to execute the Harbaugh Trails Maintenance and Indemnity Agreement between Nature Collective and the City of Solana Beach for the operation and maintenance of the pedestrian trail system within NCTD right of way.

[Item C.1. Report \(click here\)](#)

[Item C.1. Updated Report #1 \(added 4-12-21 at 2:05pm\)](#)

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

**Motion:** Moved by Councilmember Edson and second by Councilmember Harless to approve. **Approved 5/0.** Ayes: Heebner, Becker, Harless, Zito, Edson. Noes: None. Motion carried unanimously.

**B. PUBLIC HEARINGS: (B.1. – B.3.)**

**Note to Public:** Refer to [Public Participation](#) for information on how to submit public comment.

Any member of the public may address the City Council on an item of concern by submitting written correspondence for the record to be filed with the record or by registering to join the virtual meeting online to speak live, per the Public Participation instructions on the Agenda. The maximum time allotted for each speaker is THREE MINUTES (SBMC 2.04.190).

An applicant or designee(s) for a private development/business project, for which the public hearing is being held, is allotted a total of fifteen minutes to speak, as per SBMC 2.04.210. A portion of the fifteen minutes may be saved to respond to those who speak in opposition. All other speakers have three minutes each.

After considering all of the evidence, including written materials and oral testimony, the City Council must make a decision supported by findings and the findings must be supported by substantial evidence in the record.

**B.1. 6<sup>th</sup> Cycle Housing Element Adoption.** (File 0610-10)

Recommendation: That the City Council

1. Adopt **Resolution 2021-041** adopting the 6<sup>th</sup> Cycle Housing Element and submitting the document to the California Department of Housing and Community Development for certification.

[Item B.1. Report \(click here\)](#)

[Item B.1. Updated Report #1 \(added 4-14-21 at 11:30am\)](#)

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

Clerk's Office.

Greg Wade, City Manager, introduced the item.

Joe Lim, Community Development Dir., presented a PowerPoint (on file).

Mayor Heebner opened the public hearing.

Council disclosures.

Council, Nick Chen, Kimley-Horn, and Staff discussed that the final census records were not yet released, that the 13% vacancy factor would be based on the 2017 5-year estimate which is benchmarked from the 2010 census and that no comments had been received from Housing and Community Development (HCD) yet.

**Motion:** Moved by Councilmember Edson and second by Councilmember Zito to close the public hearing. **Approved 5/0.** Ayes: Heebner, Becker, Harless, Zito, Edson. Noes: None. Motion carried.

**Motion:** Moved by Councilmember Zito and second by Councilmember Edson to approve Staff recommendation. **Approved 5/0.** Ayes: Heebner, Becker, Harless, Zito, Edson. Noes: None. Motion carried.

**B.2. Public Hearing: 475 Marview Lane, Applicant: Anderson, Case No: 17-18-17.**  
(File 0600-40)

The proposed project meets the minimum zoning requirements under the SBMC, may be found to be consistent with the General Plan, and may be found, as conditioned, to meet the discretionary findings required as discussed in this report to approve a DRP. Therefore, Staff recommends that the City Council:

1. Conduct the Public Hearing: Open the Public Hearing, Report Council Disclosures, Receive Public Testimony, Close the Public Hearing.
2. Find the project exempt from the California Environmental Quality Act pursuant to Section 15303 of the State CEQA Guidelines; and
3. If the City Council makes the requisite findings and approves the project, adopt **Resolution 2021-043** conditionally approving a DRP to demolish a single-family residence, construct a replacement, two-story, single-family residence with an attached two-car garage and a partially subterranean lower level, and perform associated site improvements at 475 Marview Lane, Solana Beach.

[Item B.2. Report \(click here\)](#)

[Item B.2. Updated Report #1 \(added 4-13-21 at 1pm\)](#)

[Item B.2. Supplemental Docs \(updated 4-14-21 at 250pm\)](#)

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

Mayor Heebner recused due to her owning property within 500 ft. of the project.

Greg Wade, City Manager, introduced the item.

Katie Benson, Sr. Planner, presented a PowerPoint (on file).

Deputy Mayor Becker opened the public hearing.

Council disclosures.

Bob Scott, Applicant, and Rich Bokal, Architect, presented a PowerPoint (on file).

Council and Applicant representative discussed the electrical vehicle charging units being added to the garage and that they have catch basins that are 12x12 inches without water but with a dry towel underneath.

**Motion:** Moved by Councilmember Zito and second by Councilmember Harless to close the public hearing. **Approved 4/0/1** (Recused: Heebner). Ayes: Becker, Harless, Zito, Edson. Noes: None. Absent: Heebner (Recused). Motion carried.

**Motion:** Moved by Councilmember Zito and second by Deputy Mayor Becker to approve Staff recommendation and stating that landscaping was subject to conditions of landscape details in both email communications of the applicant and the neighbor regarding an updated landscape plan. **Approved 4/0/1** (Recused: Heebner). Ayes: Becker, Harless, Zito, Edson. Noes: None. Absent: Heebner (Recused). Motion carried.

**B.3. Public Hearing: 457 Dell Court, Applicant: Ohman and Claxton, Case No.: DRP20-013.** (File 0600-40)

The proposed project could be found to be consistent with the General Plan and the underlying SBMC could be found, as conditioned, to meet the discretionary findings required as discussed in this report to approve a DRP. Therefore, Staff recommends that the City Council:

1. Conduct the Public Hearing: Open the Public Hearing, Report Council Disclosures, Receive Public Testimony, and Close the Public Hearing.
2. Find the project exempt from the California Environmental Quality Act pursuant to Section 15303 of the State CEQA Guidelines; and
3. If the City Council makes the requisite findings and approves the project, adopt **Resolution 2021-040** conditionally approving a DRP to allow for the construction of a first-story addition and remodel to an existing two-story, single-family residence with an attached garage at 457 Dell Court.

[Item B.3. Report \(click here\)](#)

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

Councilmember Harless recused herself from the project due to a personal relationship with the applicant.

Greg Wade, City Manager, introduced the item.

Tiffany Wade, Assistant Planner, presented a PowerPoint (on file).

Mark Ohman, Applicant, spoke about their project and its unchanged footprint since its original construction, their intent to remodel to make a first floor primary bedroom and modernize and enlarge the kitchen and family room, the structural changes barely being noticeable from the street, meeting with 17 neighbors, their agreement to maintain their privacy screening of vegetation, the non-conformity that would be grandfathered in, water discharge and no need for detention basins but they had added an increase in the amount of pervious surface, and installing a desilting basin.

**Motion:** Moved by Councilmember Edson and second by Deputy Mayor Becker to close the public hearing. **Approved 4/0/1** (Recused: Harless). Ayes: Heebner, Becker, Harless, Zito, Edson. Noes: None. Absent: Harless (Recused). Motion carried.

**Motion:** Moved by Councilmember Edson and second by Councilmember Zito to approve Staff recommendation. **Approved 4/0/1** (Recused: Harless). Ayes: Heebner, Becker, Harless, Zito, Edson. Noes: None. Absent: Harless (Recused). Motion carried.

### **C. STAFF REPORTS: (C.1. – C.2.)**

**Note to Public:** Refer to [Public Participation](#) for information on how to submit public comment.

Any member of the public may address the City Council on an item of concern by submitting written correspondence for the record to be filed with the record or by registering to join the virtual meeting online to speak live, per the Public Participation instructions on the Agenda. The maximum time allotted for each speaker is THREE MINUTES (SBMC 2.04.190).

#### **C.2. Firearm-Related Legislation SB-264 and AB-452.** (File 0480-70)

Recommendation: That the City Council

1. Consider adopting **Resolution 2021-046** expressing support of SB 264 and AB 452.

[Item C.2. Report \(click here\)](#)

[Item C.2. Supplemental Docs \(updated 4-14-21 at 2:50pm\)](#)

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

Greg Wade, City Manager, introduced the item.

Kathy Murphy said she was a Solana Beach resident and spoke about the residents' involvement in the passage of restricting gun and ammunition sales at the Del Mar Fairgrounds, and her support of this resolution further expanding continuing efforts to make the City and State free from gun violence.

**Motion:** Moved by Councilmember Harless and second by Mayor Heebner to approve. **Approved 5/0.** Ayes: Heebner, Becker, Harless, Zito, Edson. Noes: None. Motion carried unanimously.

#### **A.6. Granados Avenue Partners, LLC – Draft Covenants, Conditions and Restrictions (CC&Rs).** (File 0600-40)

Recommendation: That the City Council

1. Adopt **Resolution 2021-052** approving the CC&Rs for the development at 127-129 N. Granados Avenue, Solana Beach, CA.

[Item A.6. Report \(click here\)](#)

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

Greg Wade, City Manager, introduced the item stating that on June 10, 2020 the City Council approved the DRP and SDP and minor subdivision permit to approve a detached condominium project with a condition that Council would review the approved CC&Rs to ensure that they clearly restricted the garage space to vehicle parking only and not be converted for any other use.

Council and Staff discussed at the original approval of the project requiring that the trash cans be moved to inside the garage to facilitate the planters that would be in the front of the parking garage area, that trash can location were not specified in the CC&R, that no additional conditions on the project could be approved at this meeting since it was not noticed for that purpose, and that this request could be given to the applicant to update the CC&Rs with this specification.

**Motion:** Moved by Councilmember Edson and second by Mayor Heebner to approve Staff recommendation and direct Staff to work with the applicant to include in the CC&Rs that the trash cans would be stored in the garage and the planters would be placed in the front of the garage area. **Approved 5/0.** Ayes: Heebner, Becker, Harless, Zito, Edson. Noes: None. Motion carried unanimously.

**COMPENSATION & REIMBURSEMENT DISCLOSURE:** None

GC: Article 2.3. Compensation: 53232.3. (a) Reimbursable expenses shall include, but not be limited to, meals, lodging, and travel. 53232.3 (d) Members of a legislative body shall provide brief reports on meetings attended at the expense of the local agency "City" at the next regular meeting of the legislative body.

**COUNCIL COMMITTEE REPORTS:** [Council Committees](#)

**REGIONAL COMMITTEES: (outside agencies, appointed by this Council)**

**STANDING COMMITTEES: (All Primary Members) (Permanent Committees)**

**CITIZEN COMMISSION(S)**

**ADJOURN:**

Mayor Heebner adjourned the meeting at 9:31 p.m.

Angela Ivey, City Clerk

Council Approved: \_\_\_\_\_





# STAFF REPORT CITY OF SOLANA BEACH

**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Gregory Wade, City Manager  
**MEETING DATE:** May 12, 2021  
**ORIGINATING DEPT:** Finance  
**SUBJECT:** Register of Demands

## **BACKGROUND:**

Section 3.04.020 of the Solana Beach Municipal Code requires that the City Council ratify a register of demands which represents all financial demands made upon the City for the applicable period.

Register of Demands- 04/10/21 through 04/23/21

Check Register-Disbursement Fund (Attachment 1)	\$	1,120,230.53
Net Payroll	April 2, 2021	162,645.66
Federal & State Taxes	April 2, 2021	44,411.94
PERS Retirement (EFT)	April 2, 2021	46,694.96

TOTAL	\$	<u>1,373,983.09</u>
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## **DISCUSSION:**

Staff certifies that the register of demands has been reviewed for accuracy, that funds are available to pay the above demands, and that the demands comply with the adopted budget.

## **CEQA COMPLIANCE STATEMENT:**

Not a project as defined by CEQA.

## **FISCAL IMPACT:**

The register of demands for April 10, 2021 through April 23, 2021 reflects total expenditures of 1,373,983.09 from various City sources.

## **WORK PLAN:**

N/A

CITY COUNCIL ACTION: _____ _____
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**OPTIONS:**

- Ratify the register of demands.
- Do not ratify and provide direction.

**DEPARTMENT RECOMMENDATION:**

Staff recommends that the City Council ratify the above register of demands.

**CITY MANAGER'S RECOMMENDATION:**

Approve Department Recommendation.



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Gregory Wade, City Manager

Attachments:

1. Check Register – Disbursement Fund

PENTAMATION  
 DATE: 04/26/2021  
 TIME: 18:04:36

CITY OF SOLANA BEACH, CA  
 CHECK REGISTER - DISBURSEMENT FUND

PAGE NUMBER: 1  
 ACCTPA21

SELECTION CRITERIA: transact.ck\_date between '20210410 00:00:00.000' and '20210423 00:00:00.000'  
 ACCOUNTING PERIOD: 10/21

FUND - 001 - GENERAL FUND

CASH ACCT	CHECK NO	ISSUE DT	VENDOR	NAME	BUDGET UNIT	-----DESCRIPTION-----	SALES TAX	AMOUNT
1011	98859	04/15/21	4706	24 HOUR ELEVATOR, INC	00165006570	ELVTR MAINT-APR	0.00	168.00
1011	98860	04/15/21	1135	AFFORDABLE PIPELINE SERV	50900007700	I-SEWER CLEANING	0.00	425.00
1011	98861	04/15/21	4832	AT&T CALNET 3	00160006120	9391012280 2/24-3/23	0.00	777.39
1011	98861	04/15/21	4832	AT&T CALNET 3	00160006150	9391012275 2/24-3/23	0.00	166.16
TOTAL CHECK							0.00	943.55
1011	98862	04/15/21	1120	BAKER IRON WORKS INC	45994566510	9456.21 2 CULVERT COVE	0.00	4,271.00
1011	98863	04/15/21	5029	BILL SMITH FOREIGN CAR S	00160006170	FRNTR-OIL/FILTER	0.00	44.80
1011	98864	04/15/21	557	BURKE, WILLIAMS & SORENS	12050005460	PROF SERV PE 11/30/20	0.00	52.50
1011	98864	04/15/21	557	BURKE, WILLIAMS & SORENS	00150005250	PROF SERV PE 11/30/20	0.00	52.50
1011	98864	04/15/21	557	BURKE, WILLIAMS & SORENS	00150005250	PROF SERV PE 11/30/20	0.00	70.00
1011	98864	04/15/21	557	BURKE, WILLIAMS & SORENS	00150005250	PROF SERV PE 11/30/20	0.00	105.00
1011	98864	04/15/21	557	BURKE, WILLIAMS & SORENS	00150005250	PROF SERV PE 11/30/20	0.00	122.50
1011	98864	04/15/21	557	BURKE, WILLIAMS & SORENS	55000007750	PROF SERV PE 11/30/20	0.00	350.00
1011	98864	04/15/21	557	BURKE, WILLIAMS & SORENS	12050005460	PROF SERV PE 11/30/20	0.00	385.00
1011	98864	04/15/21	557	BURKE, WILLIAMS & SORENS	00150005250	PROF SERV PE 11/30/20	0.00	781.50
1011	98864	04/15/21	557	BURKE, WILLIAMS & SORENS	00150005250	PROF SERV PE 11/30/20	0.00	989.50
1011	98864	04/15/21	557	BURKE, WILLIAMS & SORENS	00150005250	PROF SERV PE 11/30/20	0.00	2,397.50
1011	98864	04/15/21	557	BURKE, WILLIAMS & SORENS	00150005250	PROF SERV PE 11/30/20	0.00	5,500.00
TOTAL CHECK							0.00	10,806.00
1011	98867	04/15/21	1914	US BANK	00150005150	DOCUMENT RECORDING	0.00	0.89
1011	98867	04/15/21	1914	US BANK	00160006120	LIGHT PLUG	0.00	8.52
1011	98867	04/15/21	1914	US BANK	00150005450	HOSTING DOMAINS-JAN	0.00	9.95
1011	98867	04/15/21	1914	US BANK	00150005150	DOCUMENT RECORDING	0.00	11.60
1011	98867	04/15/21	1914	US BANK	00160006120	MEASURING TOOL	0.00	13.33
1011	98867	04/15/21	1914	US BANK	00160006170	LABEL TAPE	0.00	17.56
1011	98867	04/15/21	1914	US BANK	00160006170	BLEACH	0.00	4.30
1011	98867	04/15/21	1914	US BANK	00160006120	SPARK PLUG	0.00	49.10
1011	98867	04/15/21	1914	US BANK	00160006120	METER KEY	0.00	53.50
1011	98867	04/15/21	1914	US BANK	00150005450	CONTANT CONTACT-FEB	0.00	55.00
1011	98867	04/15/21	1914	US BANK	50900007700	SMOG INSPECTION	0.00	59.95
1011	98867	04/15/21	1914	US BANK	00160006120	HONDA AIR FILTER	0.00	19.38
1011	98867	04/15/21	1914	US BANK	00160006170	WINDSHIELD WIPER	0.00	21.54
1011	98867	04/15/21	1914	US BANK	00160006140	COLORLED CARDSTOCK	0.00	22.60
1011	98867	04/15/21	1914	US BANK	00160006140	FOLDERS	0.00	27.00
1011	98867	04/15/21	1914	US BANK	00160006170	SPACE HEATER	0.00	28.00
1011	98867	04/15/21	1914	US BANK	00160006120	SWTRADING	0.00	30.79
1011	98867	04/15/21	1914	US BANK	00160006170	CORD WINDERS/ROPE	0.00	32.61
1011	98867	04/15/21	1914	US BANK	00155005550	FOLDERS	0.00	36.42
1011	98867	04/15/21	1914	US BANK	00150005150	COUNCIL MTG-01/27/21	0.00	40.50
1011	98867	04/15/21	1914	US BANK	00160006120	WRENCH HOLDER	0.00	48.25
1011	98867	04/15/21	1914	US BANK	00160006140	SMOG INSPECTION	0.00	59.95
1011	98867	04/15/21	1914	US BANK	13550005450	ZOOM SUB	0.00	63.56
1011	98867	04/15/21	1914	US BANK	13550005450	ZOOM SUB	0.00	63.56
1011	98867	04/15/21	1914	US BANK	00150005150	CART/CLIPS/CLNR/PENS	0.00	67.30
1011	98867	04/15/21	1914	US BANK	00160006170	TONER	0.00	67.87
1011	98867	04/15/21	1914	US BANK	00165006520	CLAMP	0.00	77.58

PENTAMATION  
 DATE: 04/26/2021  
 TIME: 18:04:36

CITY OF SOLANA BEACH, CA  
 CHECK REGISTER - DISBURSEMENT FUND

PAGE NUMBER: 2  
 ACCTPA21

SELECTION CRITERIA: transact.ck\_date between '20210410 00:00:00.000' and '20210423 00:00:00.000'  
 ACCOUNTING PERIOD: 10/21

FUND - 001 - GENERAL FUND

CASH ACCT	CHECK NO	ISSUE DT	VENDOR	NAME	BUDGET UNIT	-----DESCRIPTION-----	SALES TAX	AMOUNT
1011	98867	04/15/21	1914	US BANK	00165006570	LIGHT BULB	0.00	81.89
1011	98867	04/15/21	1914	US BANK	00155005560	FOLDERS	0.00	89.63
1011	98867	04/15/21	1914	US BANK	00150005400	TONER	0.00	108.71
1011	98867	04/15/21	1914	US BANK	13550005450	ADOBE SUB	0.00	119.88
1011	98867	04/15/21	1914	US BANK	13550005450	ZOOM SUB	0.00	140.00
1011	98867	04/15/21	1914	US BANK	00165006530	IRRIGATION CONTROLLER	0.00	170.69
1011	98867	04/15/21	1914	US BANK	00160006120	BUILDING CODE BOOKS	0.00	186.41
1011	98867	04/15/21	1914	US BANK	00165006570	PIN NAILER	0.00	192.87
1011	98867	04/15/21	1914	US BANK	13550005450	ADOBE CREATIVE CLOUD	0.00	239.88
1011	98867	04/15/21	1914	US BANK	00165006530	PLUG/CARBTR/FLTR	0.00	405.45
1011	98867	04/15/21	1914	US BANK	00165006520	HOSE/GASKET/CLAMP	0.00	436.52
1011	98867	04/15/21	1914	US BANK	00150005150	NOTARY TRAINING	0.00	528.17
1011	98867	04/15/21	1914	US BANK	00160006120	GRILL	0.00	579.70
1011	98867	04/15/21	1914	US BANK	00150005450	COSB.ORG DOMAIN	0.00	749.25
1011	98867	04/15/21	1914	US BANK	00150005400	STAFF SHIRTS	0.00	938.25
1011	98867	04/15/21	1914	US BANK	00165006520	23 MUTT MITT CARTONS	0.00	1,492.23
TOTAL CHECK							0.00	7,450.14
1011	98868	04/15/21	5822	CALIFORNIA OFFICE CLEANI	00165006570	CLEANING SUPPLIES-MAR	0.00	150.00
1011	98868	04/15/21	5822	CALIFORNIA OFFICE CLEANI	00165006570	JANITORIAL SVC-MAR	0.00	7,305.00
1011	98868	04/15/21	5822	CALIFORNIA OFFICE CLEANI	00165006570	COVID-19 CLN-MAR	0.00	3,484.00
TOTAL CHECK							0.00	10,939.00
1011	98869	04/15/21	101	CAMEO PAPER & JANITORIAL	00160006170	TOWELS/LINERS	0.00	104.03
1011	98870	04/15/21	2165	CULLIGAN OF SAN DIEGO	00160006170	DRNKNG WTR SVC-APR	0.00	48.83
1011	98871	04/15/21	2572	DRIVE AUTO CARE	00165006510	03 DAKOTA-SMOG	0.00	68.20
1011	98872	04/15/21	134	DIXIELINE LUMBER CO INC	00165006530	BLACK TOP PATCH	0.00	94.71
1011	98872	04/15/21	134	DIXIELINE LUMBER CO INC	00165006570	WAX GASKET	0.00	6.10
1011	98872	04/15/21	134	DIXIELINE LUMBER CO INC	00165006560	GORILLA TAPE	0.00	8.61
1011	98872	04/15/21	134	DIXIELINE LUMBER CO INC	00165006560	GLOVES/THREADLOCKER	0.00	19.86
1011	98872	04/15/21	134	DIXIELINE LUMBER CO INC	00165006570	WAX GASKET/GLOVES	0.00	31.30
TOTAL CHECK							0.00	160.58
1011	98873	04/15/21	6008	EVAN L COOPER / AFSANEH	001	RFND-SBGR-399/336 S N	0.00	73,557.80
1011	98874	04/15/21	5399	INBOUND DESIGN INC.	55000007750	SEA WEBSITE MANT-FEB	0.00	49.00
1011	98874	04/15/21	5399	INBOUND DESIGN INC.	55000007750	SEA WEBSITE MANT-APR	0.00	49.00
TOTAL CHECK							0.00	98.00
1011	98875	04/15/21	5098	JOSE GARCIA	00165006530	MILEAGE-04/02/21	0.00	33.60
1011	98876	04/15/21	5889	KOA HILLS CONSULTING, LL	13550005200	PROJ MANAGMNT-MAR	0.00	4,080.00
1011	98876	04/15/21	5889	KOA HILLS CONSULTING, LL	13550005300	PROJ MANAGMNT-MAR	0.00	9,520.00
TOTAL CHECK							0.00	13,600.00
1011	98877	04/15/21	2287	KOPPEL & GRUBER PUBLIC F	20875007580	CRT ADMIN JAN-MAR	0.00	332.50
1011	98877	04/15/21	2287	KOPPEL & GRUBER PUBLIC F	21100007600	ST LGHT ADMIN JAN-MAR	0.00	626.20
1011	98877	04/15/21	2287	KOPPEL & GRUBER PUBLIC F	20475007520	SNTA FE HILLS JAN-MAR	0.00	47.61
1011	98877	04/15/21	2287	KOPPEL & GRUBER PUBLIC F	20775007550	SAN ELJO HILLS JAN-MAR	0.00	25.85

PENTAMATION  
 DATE: 04/26/2021  
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CITY OF SOLANA BEACH, CA  
 CHECK REGISTER - DISBURSEMENT FUND

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SELECTION CRITERIA: transact.ck\_date between '20210410 00:00:00.000' and '20210423 00:00:00.000'  
 ACCOUNTING PERIOD: 10/21

FUND - 001 - GENERAL FUND

CASH ACCT	CHECK NO	ISSUE DT	VENDOR	NAME	BUDGET UNIT	-----DESCRIPTION-----	SALES TAX	AMOUNT
1011	98877	04/15/21	2287	KOPPEL & GRUBER PUBLIC F	20575007530	ISLA VERDE JAN-MAR	0.00	24.49
1011	98877	04/15/21	2287	KOPPEL & GRUBER PUBLIC F	20375007510	OLD HGHWY 101 JAN-MAR	0.00	686.93
1011	98877	04/15/21	2287	KOPPEL & GRUBER PUBLIC F	00150005300	FIRE BENEFIT JAN-MAR	0.00	544.09
1011	98877	04/15/21	2287	KOPPEL & GRUBER PUBLIC F	67685008560	SO SOL SWR JAN-MAR	0.00	423.06
1011	98877	04/15/21	2287	KOPPEL & GRUBER PUBLIC F	20375007510	EXPENSES JAN-MAR	0.00	29.95
TOTAL CHECK							0.00	2,740.68
1011	98878	04/15/21	5407	PJ CASTORENA, INC.	55000007750	CCA WKLY 03/16-03/23	0.00	77.11
1011	98879	04/15/21	111	MISSION LINEN & UNIFORM	50900007700	LAUNDRY-PUB WORKS	0.00	9.53
1011	98879	04/15/21	111	MISSION LINEN & UNIFORM	00165006560	LAUNDRY-PUB WORKS	0.00	13.35
1011	98879	04/15/21	111	MISSION LINEN & UNIFORM	00165006520	LAUNDRY-PUB WORKS	0.00	13.36
1011	98879	04/15/21	111	MISSION LINEN & UNIFORM	00165006530	LAUNDRY-PUB WORKS	0.00	20.98
TOTAL CHECK							0.00	57.22
1011	98880	04/15/21	4522	NISSHO OF CALIFORNIA	00165006560	AS NEED RPR-3/31-LC	0.00	582.22
1011	98880	04/15/21	4522	NISSHO OF CALIFORNIA	00165006530	AS NEEDED RPR-12/31	0.00	413.79
TOTAL CHECK							0.00	996.01
1011	98881	04/15/21	50	OFFICE DEPOT INC	00150005300	LETTER OPENERS	0.00	14.42
1011	98881	04/15/21	50	OFFICE DEPOT INC	00150005350	PAPER	0.00	247.91
TOTAL CHECK							0.00	262.33
1011	98882	04/15/21	113	PITNEY BOWES GLOBAL FINA	00150005150	MAIL SUPPLIES/SEALER	0.00	408.90
1011	98883	04/15/21	5998	READY REFRESH BY NESTLE	00165006570	DRINKING WATER-CH-MAR	0.00	112.23
1011	98883	04/15/21	5998	READY REFRESH BY NESTLE	00165006570	DRINKING WATER-LC-MAR	0.00	30.30
1011	98883	04/15/21	5998	READY REFRESH BY NESTLE	00165006570	DRINKING WATER-PW-MAR	0.00	52.09
TOTAL CHECK							0.00	194.62
1011	98884	04/15/21	257	SAN DIEGO COUNTY SHERIFF	001	CR TOW FEE-JAN	0.00	-218.84
1011	98884	04/15/21	257	SAN DIEGO COUNTY SHERIFF	00160006110	COVID-19 MASK DETAIL	0.00	1,060.64
1011	98884	04/15/21	257	SAN DIEGO COUNTY SHERIFF	00160006110	STAFF CR:01/01-01/31	0.00	-3,852.23
1011	98884	04/15/21	257	SAN DIEGO COUNTY SHERIFF	21960006110	LAW ENFORCEMENT-JAN	0.00	12,482.02
1011	98884	04/15/21	257	SAN DIEGO COUNTY SHERIFF	00160006110	LAW ENFORCEMENT-JAN	0.00	373,283.85
TOTAL CHECK							0.00	382,755.44
1011	98885	04/15/21	5502	SAN DIEGO HUMANE SOCIETY	00160006130	FY21 ANIMAL SVC-FEB	0.00	7,086.00
1011	98885	04/15/21	5502	SAN DIEGO HUMANE SOCIETY	00160006130	FY21 ANIMAL SVC-MAR	0.00	7,086.00
TOTAL CHECK							0.00	14,172.00
1011	98887	04/15/21	141	SANTA FE IRRIGATION DIST	00165006530	011695000 0302-040121	0.00	124.95
1011	98887	04/15/21	141	SANTA FE IRRIGATION DIST	00165006550	011695000 0302-040121	0.00	73.39
1011	98887	04/15/21	141	SANTA FE IRRIGATION DIST	50900007700	005506014 0302-040121	0.00	785.42
1011	98887	04/15/21	141	SANTA FE IRRIGATION DIST	00165006520	005506014 0302-040121	0.00	261.80
1011	98887	04/15/21	141	SANTA FE IRRIGATION DIST	00165006560	005506018 0302-040121	0.00	413.23
1011	98887	04/15/21	141	SANTA FE IRRIGATION DIST	20475007520	005979016 0302-040121	0.00	515.02
1011	98887	04/15/21	141	SANTA FE IRRIGATION DIST	00165006560	005506019 0302-040121	0.00	744.99
1011	98887	04/15/21	141	SANTA FE IRRIGATION DIST	20875007580	005506020 0302-040121	0.00	1,413.51
1011	98887	04/15/21	141	SANTA FE IRRIGATION DIST	50900007700	005979008 0202-040121	0.00	87.70
1011	98887	04/15/21	141	SANTA FE IRRIGATION DIST	20475007520	005979012 0202-040121	0.00	117.34
1011	98887	04/15/21	141	SANTA FE IRRIGATION DIST	20475007520	005979011 0202-040121	0.00	215.10

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1011	98887	04/15/21	141	SANTA FE IRRIGATION DIST	20475007520	005979007 0202-040121	0.00	217.48
1011	98887	04/15/21	141	SANTA FE IRRIGATION DIST	00165006560	005979005 0202-040121	0.00	223.50
1011	98887	04/15/21	141	SANTA FE IRRIGATION DIST	20475007520	005979010 0202-040121	0.00	257.87
1011	98887	04/15/21	141	SANTA FE IRRIGATION DIST	20475007520	005979009 0202-040121	0.00	455.77
1011	98887	04/15/21	141	SANTA FE IRRIGATION DIST	20475007520	005979006 0202-040121	0.00	657.40
1011	98887	04/15/21	141	SANTA FE IRRIGATION DIST	20475007520	005979017 0302-040121	0.00	59.55
1011	98887	04/15/21	141	SANTA FE IRRIGATION DIST	20475007520	005979018 0302-040121	0.00	89.71
1011	98887	04/15/21	141	SANTA FE IRRIGATION DIST	20475007520	005979019 0302-040121	0.00	93.48
1011	98887	04/15/21	141	SANTA FE IRRIGATION DIST	20475007520	005979021 0302-040121	0.00	194.57
1011	98887	04/15/21	141	SANTA FE IRRIGATION DIST	20475007520	005979024 0302-040121	0.00	236.04
1011	98887	04/15/21	141	SANTA FE IRRIGATION DIST	20475007520	005979023 0302-040121	0.00	258.66
1011	98887	04/15/21	141	SANTA FE IRRIGATION DIST	20475007520	005979025 0302-040121	0.00	292.59
1011	98887	04/15/21	141	SANTA FE IRRIGATION DIST	20475007520	005979022 0302-040121	0.00	315.21
1011	98887	04/15/21	141	SANTA FE IRRIGATION DIST	20475007520	005979015 0302-040121	0.00	318.98
1011	98887	04/15/21	141	SANTA FE IRRIGATION DIST	20475007520	005979014 0302-040121	0.00	352.91
1011	98887	04/15/21	141	SANTA FE IRRIGATION DIST	20475007520	005979026 0302-040121	0.00	356.68
1011	98887	04/15/21	141	SANTA FE IRRIGATION DIST	20475007520	005979020 0302-040121	0.00	360.45
TOTAL CHECK							0.00	9,493.30
1011	98888	04/15/21	5743	STANDARD PLUMBING SUPPLY	00165006570	COPPER ADAPTER	0.00	28.73
1011	98888	04/15/21	5743	STANDARD PLUMBING SUPPLY	00165006570	RINGS/CAPS/ELBOWS	0.00	51.02
1011	98888	04/15/21	5743	STANDARD PLUMBING SUPPLY	00165006570	RFND-RINGS/NIPPLES	0.00	-48.63
TOTAL CHECK							0.00	31.12
1011	98889	04/15/21	4959	TELECOM LAW FIRM	21355005550	DUP19003/200 MARINE VI	0.00	22.00
1011	98889	04/15/21	4959	TELECOM LAW FIRM	21355005550	DUP19003/200 MARINE VI	0.00	158.00
TOTAL CHECK							0.00	180.00
1011	98890	04/15/21	4534	TRAFFIC SUPPLY, INC	00165006540	MULTIPLE SIGNS	0.00	893.25
1011	98891	04/15/21	30	VERIZON WIRELESS-SD	00160006140	CODES CELL 2/24-3/23	0.00	141.51
1011	98892	04/22/21	5029	BILL SMITH FOREIGN CAR S	00165006520	CHVY COLRDO-OIL/FLTR	0.00	42.11
1011	98892	04/22/21	5029	BILL SMITH FOREIGN CAR S	00165006530	F250-A/C REPAIR	0.00	310.58
1011	98892	04/22/21	5029	BILL SMITH FOREIGN CAR S	50900007700	F250-A/C RPR/OIL/FLTR	0.00	736.09
TOTAL CHECK							0.00	1,088.78
1011	98893	04/22/21	6006	CLEAR LAW INSTITUTE	001	COVID-19 TRAINING-55	0.00	1,100.00
1011	98893	04/22/21	6006	CLEAR LAW INSTITUTE	001	COVID-19 TRN CUSTOMIZA	0.00	250.00
1011	98893	04/22/21	6006	CLEAR LAW INSTITUTE	00150005400	UNCONSCIOUS BIAS TRN-7	0.00	1,500.00
TOTAL CHECK							0.00	2,850.00
1011	98894	04/22/21	318	COUNTY OF SAN DIEGO ASSE	00165006510	RECORDER 03/23/21	0.00	1,179.00
1011	98895	04/22/21	6009	COUNTY RECORDERS' ASSOCI	00150005150	CNTY RCRDR REF MANUAL	0.00	188.65
1011	98896	04/22/21	108	DEL MAR BLUE PRINT COMPA	00165006520	DOOR HANGERS	0.00	220.76
1011	98897	04/22/21	739	DEPARTMENT OF JUSTICE	00160006140	FINGERPRINT APP-MAR	0.00	64.00
1011	98897	04/22/21	739	DEPARTMENT OF JUSTICE	00150005400	FINGERPRINT APP-MAR	0.00	96.00
TOTAL CHECK							0.00	160.00

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FUND - 001 - GENERAL FUND

CASH ACCT	CHECK NO	ISSUE DT	VENDOR	NAME	BUDGET UNIT	-----DESCRIPTION-----	SALES TAX	AMOUNT
1011	98898	04/22/21	5543	DOMUSSTUDIO ARCHITECTURE	45094496510	9449.01 MS CNTR-MAR	0.00	190.00
1011	98899	04/22/21	5674	EMANUELS JONES AND ASSOC	00150005200	PROF SVC-APR	0.00	2,500.00
1011	98900	04/22/21	322	FIRE ETC.	21460006120	HLMT/BOOTS/ETC-MUNKEN	0.00	929.41
1011	98901	04/22/21	5262	GEORGE HILLS COMPANY, IN	12050005460	CLM.2004 PROF SVC-MAR	0.00	90.00
1011	98901	04/22/21	5262	GEORGE HILLS COMPANY, IN	12050005460	CLM.2104 PROF SCV-MAR	0.00	112.50
1011	98901	04/22/21	5262	GEORGE HILLS COMPANY, IN	12050005460	CLM.1904 PRF SVC-MAR	0.00	45.00
1011	98901	04/22/21	5262	GEORGE HILLS COMPANY, IN	12050005460	CLM.2101 PROF SVC-MAR	0.00	54.00
TOTAL CHECK							0.00	301.50
1011	98902	04/22/21	4023	LIFE-ASSIST, INC	00160006120	COVID-19 THERMOMETERS	0.00	107.90
1011	98903	04/22/21	111	MISSION LINEN & UNIFORM	50900007700	LAUNDRY-PUB WORKS	0.00	9.54
1011	98903	04/22/21	111	MISSION LINEN & UNIFORM	00165006560	LAUNDRY-PUB WORKS	0.00	13.35
1011	98903	04/22/21	111	MISSION LINEN & UNIFORM	00165006520	LAUNDRY-PUB WORKS	0.00	13.35
1011	98903	04/22/21	111	MISSION LINEN & UNIFORM	00165006530	LAUNDRY-PUB WORKS	0.00	20.98
TOTAL CHECK							0.00	57.22
1011	98904	04/22/21	5734	NATIONWIDE MEDICAL SURGI	27060006120	CSA17.21 MIDAZOLAM	0.00	51.60
1011	98905	04/22/21	4522	NISSHO OF CALIFORNIA	00165006530	STREET LNDSCP SVC-MAR	0.00	1,827.01
1011	98905	04/22/21	4522	NISSHO OF CALIFORNIA	00165006560	PRKS LNDSCP SVC-MAR	0.00	11,625.14
1011	98905	04/22/21	4522	NISSHO OF CALIFORNIA	00165006570	PUBFAC LNDSCP SVC-MAR	0.00	2,509.06
1011	98905	04/22/21	4522	NISSHO OF CALIFORNIA	20375007510	MID#33 LNDSCP SVC-MAR	0.00	2,078.87
1011	98905	04/22/21	4522	NISSHO OF CALIFORNIA	20875007580	CRT LNDSCP SVC-MAR	0.00	3,995.90
TOTAL CHECK							0.00	22,035.98
1011	98906	04/22/21	1953	PALOMAR COLLEGE	00160006120	SPRING21-C#33092-SB	0.00	921.00
1011	98906	04/22/21	1953	PALOMAR COLLEGE	001	SPRING21-C#33092-DM	0.00	568.00
TOTAL CHECK							0.00	1,489.00
1011	98907	04/22/21	4797	PAMELA ELLIOTT LANDSCAPE	21355005550	DRP20015/418 S GRANAD	0.00	300.00
1011	98907	04/22/21	4797	PAMELA ELLIOTT LANDSCAPE	21355005550	SDP21001/558 S NARDO	0.00	300.00
1011	98907	04/22/21	4797	PAMELA ELLIOTT LANDSCAPE	21355005550	1718.03/0 IDA AVE	0.00	300.00
1011	98907	04/22/21	4797	PAMELA ELLIOTT LANDSCAPE	21355005550	1719.05/412 N ACACIA	0.00	350.00
1011	98907	04/22/21	4797	PAMELA ELLIOTT LANDSCAPE	21355005550	DRP21004/211 OCEAN ST	0.00	450.00
1011	98907	04/22/21	4797	PAMELA ELLIOTT LANDSCAPE	21355005550	DRP19009/520 N CEDROS	0.00	450.00
1011	98907	04/22/21	4797	PAMELA ELLIOTT LANDSCAPE	21355005550	DRP21003/521 CANYON	0.00	450.00
1011	98907	04/22/21	4797	PAMELA ELLIOTT LANDSCAPE	21355005550	DRP20005/537 N GRANAD	0.00	450.00
TOTAL CHECK							0.00	3,050.00
1011	98908	04/22/21	5361	HABITAT PROTECTION, INC	00160006130	DEAD ANML RVML-04/08	0.00	145.00
1011	98908	04/22/21	5361	HABITAT PROTECTION, INC	00160006130	DEAD ANML RVML-04/12	0.00	145.00
TOTAL CHECK							0.00	290.00
1011	98909	04/22/21	6003	PETER SILVESTER	001	RFND-SBGR-319/335 S	0.00	76,232.00
1011	98910	04/22/21	113	PITNEY BOWES GLOBAL FINA	00150005150	POSTG MTR-01/30-04/29	0.00	704.94
1011	98911	04/22/21	6010	PND CORPORATION	00160006120	WOOD PLUGS/PLG PRMX	0.00	137.00



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FUND - 001 - GENERAL FUND

CASH ACCT	CHECK NO	ISSUE DT	VENDOR	NAME	BUDGET UNIT	-----DESCRIPTION-----	SALES TAX	AMOUNT
1011	98912	04/22/21	257	SAN DIEGO COUNTY SHERIFF	00160006110	COVID-19 MASK DETAIL	0.00	1,567.50
1011	98912	04/22/21	257	SAN DIEGO COUNTY SHERIFF	001	CR TOW FEE-FEB	0.00	-328.26
1011	98912	04/22/21	257	SAN DIEGO COUNTY SHERIFF	00160006110	STAFF CR:02/01-02/28	0.00	-3,479.44
1011	98912	04/22/21	257	SAN DIEGO COUNTY SHERIFF	21960006110	LAW ENFORCEMENT-FEB	0.00	12,457.22
1011	98912	04/22/21	257	SAN DIEGO COUNTY SHERIFF	00160006110	LAW ENFORCEMENT-FEB	0.00	373,308.66
TOTAL CHECK							0.00	383,525.68
1011	98913	04/22/21	5502	SAN DIEGO HUMANE SOCIETY	00160006130	FY21 ANIMAL SVC-APR	0.00	7,086.00
1011	98914	04/22/21	6007		00150005400	LIVESCAN	0.00	28.00
1011	98915	04/22/21	1231	STAPLES CONTRACT & COMME	00150005300	HIGHLTRS/NOTE BK/	0.00	31.54
1011	98915	04/22/21	1231	STAPLES CONTRACT & COMME	00150005300	FLOOR MAT/TONER	0.00	154.28
1011	98915	04/22/21	1231	STAPLES CONTRACT & COMME	00150005350	PPR PLTS/MRKRS/UTNLS	0.00	103.42
1011	98915	04/22/21	1231	STAPLES CONTRACT & COMME	00150005300	RTRN-FLOOR MAT	0.00	-69.81
1011	98915	04/22/21	1231	STAPLES CONTRACT & COMME	00150005350	AIR DUSTER	0.00	16.56
1011	98915	04/22/21	1231	STAPLES CONTRACT & COMME	00150005350	CUPS	0.00	17.00
1011	98915	04/22/21	1231	STAPLES CONTRACT & COMME	00150005300	HANGING FOLDERS	0.00	24.77
TOTAL CHECK							0.00	277.76
1011	98916	04/22/21	3980	TURNOUT MAINTENANCE COMP	21460006120	CLN-COAT/PNTS-MONIKEN	0.00	150.00
1011	98917	04/22/21	1458	THE UNIFORM SPECIALIST	00160006120	EMBRDRY-MONIKEN	0.00	30.85
1011	98918	04/22/21	30	VERIZON WIRELESS-SD	21100007600	PW CELL 03/02-04/01	0.00	13.54
1011	98918	04/22/21	30	VERIZON WIRELESS-SD	50900007700	PW CELL 03/02-04/01	0.00	13.54
1011	98918	04/22/21	30	VERIZON WIRELESS-SD	00165006540	PW CELL 03/02-04/01	0.00	37.23
1011	98918	04/22/21	30	VERIZON WIRELESS-SD	00165006560	PW CELL 03/02-04/01	0.00	37.23
1011	98918	04/22/21	30	VERIZON WIRELESS-SD	00165006510	PW CELL 03/02-04/01	0.00	47.37
1011	98918	04/22/21	30	VERIZON WIRELESS-SD	00165006520	PW CELL 03/02-04/01	0.00	47.39
1011	98918	04/22/21	30	VERIZON WIRELESS-SD	00165006530	PW CELL 03/02-04/01	0.00	47.39
TOTAL CHECK							0.00	243.69
1011	V9000266	04/15/21	11	ICMA PLAN 302817	001	PLAN NUMBER:302817	0.00	12,626.14
1011	V9000267	04/15/21	3859	ICMA RHS 801939	001	PLAN NUMBER:801939	0.00	1,993.01
1011	V9000268	04/15/21	2260	REDFLEX TRAFFIC SYSTEMS,	00165006540	RED LIGHT CAMERA-MAR	0.00	7,158.00
1011	V9000269	04/15/21	4080	JENNIFER REED	00150005350	ADMIN SVC-FEB	0.00	27.50
1011	V9000269	04/15/21	4080	JENNIFER REED	00150005350	ADMIN SVC-JAN	0.00	77.00
TOTAL CHECK							0.00	104.50
1011	V9000270	04/15/21	13	SOLANA BEACH FIREFIGHTER	001	FD DUES PD 04/16/21	0.00	813.50
1011	V9000271	04/15/21	4465	SUN LIFE FINANCIAL	001	APR 21 SUPP LIFE INS	0.00	257.55
1011	V9000271	04/15/21	4465	SUN LIFE FINANCIAL	001	APR 21 LIFE&ADD INS	0.00	1,113.03
1011	V9000271	04/15/21	4465	SUN LIFE FINANCIAL	001	APR 21 LTD	0.00	1,524.92
TOTAL CHECK							0.00	2,895.50
1011	V9000272	04/15/21	5936	TC CONSTRUCTION COMPANY,	24793626510	9362.21ST MNT/RPR-FEB	0.00	11,447.50

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CASH ACCT	CHECK NO	ISSUE DT	VENDOR	NAME	BUDGET UNIT	-----DESCRIPTION-----	SALES TAX	AMOUNT
1011	V9000272	04/15/21	5936	TC CONSTRUCTION COMPANY,	22893626510	9362.21ST M&R RT-FEB	0.00	602.50
1011	V9000272	04/15/21	5936	TC CONSTRUCTION COMPANY,	228	9362.21ST M&R RT-FEB	0.00	-602.50
TOTAL CHECK							0.00	11,447.50
1011	V9000273	04/22/21	5504	ALL CITY MANAGEMENT SERV	001	CRSSNG GRD01/24-02/06	0.00	-4,981.61
1011	V9000273	04/22/21	5504	ALL CITY MANAGEMENT SERV	001	CRSSNG GRD03/07-03/20	0.00	-4,981.61
1011	V9000273	04/22/21	5504	ALL CITY MANAGEMENT SERV	001	CRSSNG GRD03/21-04/03	0.00	-4,942.69
1011	V9000273	04/22/21	5504	ALL CITY MANAGEMENT SERV	001	CRSSNG GRD02/21-03/06	0.00	-4,864.86
1011	V9000273	04/22/21	5504	ALL CITY MANAGEMENT SERV	001	CRSSNG GRD01/10-01/23	0.00	-4,358.91
1011	V9000273	04/22/21	5504	ALL CITY MANAGEMENT SERV	001	CRSSNG GRD02/07-02/20	0.00	-2,451.89
1011	V9000273	04/22/21	5504	ALL CITY MANAGEMENT SERV	001	CRSSNG GRD02/07-02/20	0.00	2,451.89
1011	V9000273	04/22/21	5504	ALL CITY MANAGEMENT SERV	001	CRSSNG GRD01/10-01/23	0.00	4,358.91
1011	V9000273	04/22/21	5504	ALL CITY MANAGEMENT SERV	001	CRSSNG GRD02/21-03/06	0.00	4,864.86
1011	V9000273	04/22/21	5504	ALL CITY MANAGEMENT SERV	001	CRSSNG GRD03/21-04/03	0.00	4,942.69
1011	V9000273	04/22/21	5504	ALL CITY MANAGEMENT SERV	001	CRSSNG GRD03/07-03/20	0.00	4,981.61
1011	V9000273	04/22/21	5504	ALL CITY MANAGEMENT SERV	001	CRSSNG GRD03/07-03/20	0.00	4,981.61
1011	V9000273	04/22/21	5504	ALL CITY MANAGEMENT SERV	001	CRSSNG GRD01/24-02/06	0.00	4,981.61
1011	V9000273	04/22/21	5504	ALL CITY MANAGEMENT SERV	00165006540	CRSSNG GRD02/07-02/20	0.00	1,320.24
1011	V9000273	04/22/21	5504	ALL CITY MANAGEMENT SERV	00165006540	CRSSNG GRD01/10-01/23	0.00	2,347.09
1011	V9000273	04/22/21	5504	ALL CITY MANAGEMENT SERV	00165006540	CRSSNG GRD02/21-03/06	0.00	2,619.52
1011	V9000273	04/22/21	5504	ALL CITY MANAGEMENT SERV	00165006540	CRSSNG GRD03/21-04/03	0.00	2,661.44
1011	V9000273	04/22/21	5504	ALL CITY MANAGEMENT SERV	00165006540	CRSSNG GRD03/07-03/20	0.00	2,682.39
1011	V9000273	04/22/21	5504	ALL CITY MANAGEMENT SERV	00165006540	CRSSNG GRD01/24-02/06	0.00	2,682.39
1011	V9000273	04/22/21	5504	ALL CITY MANAGEMENT SERV	00165006540	CRSSNG GRD02/07-02/20	0.00	2,451.89
1011	V9000273	04/22/21	5504	ALL CITY MANAGEMENT SERV	00165006540	CRSSNG GRD01/10-01/23	0.00	4,358.91
1011	V9000273	04/22/21	5504	ALL CITY MANAGEMENT SERV	00165006540	CRSSNG GRD02/21-03/06	0.00	4,864.86
1011	V9000273	04/22/21	5504	ALL CITY MANAGEMENT SERV	00165006540	CRSSNG GRD03/21-04/03	0.00	4,942.69
1011	V9000273	04/22/21	5504	ALL CITY MANAGEMENT SERV	00165006540	CRSSNG GRD03/07-03/20	0.00	4,981.61
1011	V9000273	04/22/21	5504	ALL CITY MANAGEMENT SERV	00165006540	CRSSNG GRD01/24-02/06	0.00	4,981.61
TOTAL CHECK							0.00	40,894.64
1011	V9000274	04/22/21	5320	BAYSHORE CONSULTING GROU	55000007750	CCA PROF SVC-MAR	0.00	2,070.00
TOTAL CASH ACCOUNT							0.00	1,120,230.53
TOTAL FUND							0.00	1,120,230.53
TOTAL REPORT							0.00	1,120,230.53



# STAFF REPORT CITY OF SOLANA BEACH

**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Gregory Wade, City Manager  
**MEETING DATE:** May 12, 2021  
**ORIGINATING DEPT:** Finance  
**SUBJECT:** **Report on Changes Made to the General Fund Adopted Budget for Fiscal Year 2020/21**

---

**BACKGROUND:**

Staff provides a report at each Council meeting that lists changes made to the current Fiscal Year (FY) General Fund Adopted Budget.

The information provided in this Staff Report lists the changes made through April 28, 2021.

**DISCUSSION:**

The following table reports the revenue, expenditures, and transfers for 1) the Adopted General Fund Budget approved by Council on June 12, 2019 (Resolution 2019-085) and 2) any resolutions passed by Council that amended the Adopted General Fund Budget.

GENERAL FUND - ADOPTED BUDGET PLUS CHANGES						
As of April 28, 2021						

Action	Description	Revenues	Expenditures	Transfers from GF	Net Surplus
Reso 2019-085	Adopted Budget	19,827,600	(19,602,500)	(151,100) (1)	\$ 74,000
Reso 2020-101	FY2020/21 Amended	(495,000)	361,000	80,000 (2)	20,000
Reso 2021-021	Mid-Year Budget Adjustments	354,000	(354,993)	-	19,007
	(1) Transfers to:		151,100		
	Debt Service for Public Facilities			151,100	
	(2) Transfer to:		(80,000)		
	City CIP Fund			(80,000)	

**CEQA COMPLIANCE STATEMENT:**

Not a project as defined by CEQA.

<b>COUNCIL ACTION:</b> <hr style="border: 0; border-top: 1px solid black; margin: 5px 0;"/> <hr style="border: 0; border-top: 1px solid black; margin: 5px 0;"/>
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**FISCAL IMPACT:**

N/A

**WORK PLAN:**

N/A

**OPTIONS:**

- Receive the report.
- Do not accept the report

**DEPARTMENT RECOMMENDATION:**

Staff recommends that the City Council receive the report listing changes made to the FY 2020-2021 General Fund Adopted Budget.

**CITY MANAGER'S RECOMMENDATION:**

Approve Department Recommendation



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Gregory Wade, City Manager



# STAFF REPORT CITY OF SOLANA BEACH

**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Gregory Wade, City Manager  
**MEETING DATE:** May 12, 2021  
**ORIGINATING DEPT:** City Manager's Department  
**SUBJECT:** **Council Consideration of Resolution 2021-059  
Appointing Two Councilmembers to a "City of  
Kindness" Subcommittee**

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## **BACKGROUND:**

The "City of Kindness" initiative is a coalition of organizations working to inspire kindness in the world. Organizations involved in the coalition hope to affect meaningful change among schools, professionals, young people, elected officials and companies. City of Kindness is a project of the Social Impact Fund, a non-profit public charity that supports projects and campaigns that work to advance social good and make a positive difference in the world-at-large.

On July 10, 2019, at the urging of a local community group, the City Council (Council) officially authorized the City to join the City of Kindness coalition. The Council made the City of Kindness a Council Work Plan Priority Item in Fiscal Year (FY) 2019/20 and recently expressed support of keeping it in the draft FY 2021/22 Council Work Plan at the Council Work Plan Workshop on April 14, 2021. At this same Work Plan Workshop, the Council expressed a desire to establish a Council Subcommittee to work with Staff and the community group to prioritize tasks and manage implementation for the coming fiscal year.

This item is before Council to consider adoption of Resolution 2021-059 (Attachment 1) forming a temporary City of Kindness Council Subcommittee for the upcoming fiscal year and appointing two Councilmembers to the City of Kindness Council Subcommittee with the Subcommittee and appointments concluding on June 30, 2022.

CITY COUNCIL ACTION:

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## **DISCUSSION:**

At the April 14, 2021 Council Work Plan Workshop, the City of Kindness community group presented a draft Kindness work plan (Attachment 2) that they would like the City to include in the FY 2021/22 Council Work Plan. The Kindness work plan included a lengthy list of priority items for consideration. The Council expressed their strong support and desire to implement as many items as possible, keeping in mind the overall Staff workload and limited resources available to implement and manage all of the City's priority items in the Council Work Plan. To that end, Council suggested that a Council Subcommittee be formed to assist Staff and the community group in prioritizing and identifying key tasks from the draft Kindness work plan that can reasonably and effectively be implemented in the coming fiscal year. Based on the limited discussion at the Work Plan Workshop, the two Councilmembers that demonstrated interest in this Subcommittee are Mayor Heebner and Councilmember Zito. Therefore, it is being recommended that the entire Council consider the appointment of Mayor Heebner and Councilmember Zito to the Council Subcommittee for the City of Kindness initiative.

## **CEQA COMPLIANCE STATEMENT:**

The action being considered by the City Council is exempt from the California Environmental Quality Act (CEQA) because it is not a "project" under Section 15378(b)(5) of CEQA Guidelines.

## **FISCAL IMPACT:**

There is no fiscal impact as a result of this item. Once the Subcommittee is formed and the key tasks identified, there may be fiscal impacts associated with implementation of the final Kindness work plan. Those items will be presented to Council for consideration if funding is required.

## **WORK PLAN:**

Organizational Effectiveness – City Initiatives – City of Kindness Coalition

## **OPTIONS:**

- Approve Resolution 2021-059 authorizing the appointment of Mayor Heebner and Councilmember Zito to the City of Kindness Council Subcommittee.
- Do not approve Resolution 2021-059.
- Consider alternative Councilmember appointments.
- Provide alternative direction.

## **DEPARTMENT RECOMMENDATION:**

Staff recommends the City Council consider adoption of Resolution 2021-059 forming a temporary City of Kindness Council Subcommittee for the upcoming fiscal year and

appointing Mayor Heebner and Councilmember Zito to the City of Kindness Council Subcommittee with the Subcommittee and appointments concluding on June 30, 2022.

**CITY MANAGER RECOMMENDATION:**

Approve Department Recommendation.



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Gregory Wade, City Manager

Attachments:

1. Resolution 20121-059
2. Draft City of Kindness Priority Work Plan (community group submission)



## RESOLUTION 2021-059

### A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLANA BEACH, CALIFORNIA, APPOINTING TWO COUNCILMEMBERS TO A "CITY OF KINDNESS" SUBCOMMITTEE

**WHEREAS**, kindness is a virtue that seeks to serve and help others through selfless acts and asks nothing in return; and

**WHEREAS**, cities across the United States have embraced kindness as its core value and have challenged their residents, businesses, schools and visitors to embrace and model kindness in their interactions with others; and

**WHEREAS**, on July 10, 2019, at the urging of a local community group, the City Council officially authorized the City to join the City of Kindness coalition; and

**WHEREAS**, the Council made the City of Kindness a Council Work Plan Priority Item in Fiscal Year (FY) 2019/20; and

**WHEREAS**, the Council expressed a desire to establish a Council Subcommittee to work with Staff and the community group to prioritize tasks and manage implementation for the coming fiscal year.

**NOW, THEREFORE BE IT RESOLVED**, the City Council of the City of Solana Beach, California, join together to adopt a culture of kindness in our City of Solana Beach, California, as follows:

1. That the foregoing recitals are true and correct.
2. That the City Council hereby creates a temporary City of Kindness Council Subcommittee for the upcoming fiscal year who will meet and work with Staff and the community group to prioritize kindness tasks and implementation goals for the upcoming fiscal year.
3. That the City Council appoints Mayor Heebner and Councilmember Zito to the City of Kindness Council Subcommittee.
4. That the City of Kindness Council Subcommittee and appointments thereto shall automatically conclude on June 30, 2022.

**PASSED AND ADOPTED** this 12th day of May, 2021, at a regularly scheduled meeting of the City Council of the City of Solana Beach, California, by the following vote:

AYES: Councilmembers –  
NOES: Councilmembers –  
ABSTAIN: Councilmembers –  
ABSENT: Councilmembers –

\_\_\_\_\_  
LESA HEEBNER, Deputy Mayor

APPROVED AS TO FORM:

ATTEST:

\_\_\_\_\_  
JOHANNA N. CANLAS, City Attorney

\_\_\_\_\_  
ANGELA IVEY, City Clerk

1. **Mission Statement of a culture of kindness woven into City Business**
  - A. Policy and Procedures state value and expectation of kind actions
  - B. Establish an official "city of kindness" logo for Solana Beach
  - C. Official city vehicles incorporate "city of kindness" logo
  - D. Official city apparel incorporate "city of kindness" logo
  - E. All representation of City of Solana Beach to utilize kindness logo/statement
  - F. City officials/departments email signature includes city of kindness logo/statement
  - G. Council meetings adopt a procedure to include a "statement" (quote, story, anecdotal account, examples in our city) which Council Members provide on a alternating basis, presenting after the Pledge of Allegiance.
  - H. Council members identify a representative in their area of the community that can participate on the "kind team" and engage their neighborhood in initiatives that the team identifies to move forward within the "Hi Neighbor" program.
  
2. **Monthly Outreach related to Kind Actions to engage our community**
  - A. Beginning of each month, an email blast to encourage our community to practice a particular action of kindness (i.e., "Hi Neighbor" wave and greet those you encounter in the community).
  
3. **City Calendar of Kindness**
  - A. Establish a year round event calendar noting kind activities and celebrations (11/13/20 International Random Acts of Kindness day...)
  - B. Empower city departments and commissions to establish events that weave in kind actions (Parks and Rec, Art Council, etc.)
  - C. City Kindness Challenge: a one week investment by our city government to participate in "Great City Kindness Challenge", focusing on meaningful kind actions by our City Officials/Departments/Services. Recording the actions.
  
4. **City Website representing kindness.**
  - A. Regularly update on our kindness landing page to represent the various representations of kindness in our community, including City Government, Schools, Business, Residents, Religious Community, Hospitality.
  - B. KINDWORKS Provide an auditory record of kind actions that are reported in our city (city app and/or phone number to call in and report kind acts).
  - C. Instagram account of COSB kindness
  
5. **Visual representation of kindness**
  - A. Banners on street lights/poles "city of kindness" and kindness quotes.
  - B. Murals on private/public space to offer reflection/inspiration related to kindness.



# STAFF REPORT CITY OF SOLANA BEACH

**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Gregory Wade, City Manager  
**MEETING DATE:** May 12, 2021  
**ORIGINATING DEPT:** Finance  
**SUBJECT:** **Quarterly Investment Report**

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## **BACKGROUND:**

California Government Code Section 53600 requires timely reporting of local agency investment transactions and portfolio to the agency's legislative body.

This item is before Council to receive a presentation and to accept and file the Cash and Investment Report for the quarter ended March 31, 2021.

## **DISCUSSION:**

The investment objectives for the City of Solana Beach are 1) to provide safety to ensure the preservation of capital in the overall portfolio, 2) to provide sufficient liquidity for cash needs and 3) to generate a market rate of return consistent with the Investment Policy. The performance objective for the portfolio is to earn a total rate of return through a market cycle that is equal to or above the return on the benchmark yield. In order to achieve this objective, the portfolio invests in high-quality fixed income securities that comply with the Investment Policy and all applicable regulations governing the funds.

The attached Quarterly Cash and Investment Report ensures that the City complies with Section 53600. The City's investment portfolio complies with the City's Investment Policy that is approved annually by the City Council. The majority of City funds are invested in Chandler Asset Management (Chandler), Public Agency Retirement Services (PARS), and Local Agency Investment Fund (LAIF).

## **CEQA COMPLIANCE STATEMENT:**

Not a project as defined by CEQA

CITY COUNCIL ACTION:

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**FISCAL IMPACT:**

None

**WORK PLAN:**

N/A

**OPTIONS:**

- Receive reports
- Provide direction

**DEPARTMENT RECOMMENDATION:**

Staff recommends that the City Council accepts and files the attached Cash and Investment Report for the quarter ended March 31, 2021.

**CITY MANAGER'S RECOMMENDATION:**

Approve Department Recommendation



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Gregory Wade, City Manager

Attachments:

1. Cash and Investment Report – March 31, 2021
2. Chandler Asset Quarterly Investment Report- March 31, 2021
3. PARS Monthly Reports – January – March 2021

**City of Solana Beach  
Cash and Investment Report  
March 31, 2021**

Type of Investment	Custodian	Maturity	Current Stated Yield	Percent of Portfolio	Cost Value (Rounded)	Market Value (Rounded)	Current Quarter Yield	Quarter Interest Earned (Rounded)	Fiscal Year to Date Interest Earned (Rounded)
General Checking Account	Union Bank of California	On Demand	<sup>(1)</sup> N/A	11.00%	\$ 4,298,526	\$ 4,298,526	N/A	N/A	N/A
Payroll Account	Union Bank of California	On Demand	<sup>(1)</sup> N/A	0.01%	5,777	5,777	N/A	N/A	N/A
Worker's Comp - Checking	Union Bank of California	On Demand	<sup>(1)</sup> N/A	0.11%	41,388	41,388	N/A	N/A	N/A
Successor Agency - Checking	Union Bank of California	On Demand	<sup>(1)</sup> N/A	0.26%	100,899	100,899	N/A	N/A	N/A
SEA Lockbox	River City Bank	On Demand	<sup>(1)</sup> N/A	0.88%	342,500	342,500	N/A	N/A	N/A
SEA Reserve	River City Bank	On Demand	<sup>(1)</sup> N/A	0.27%	103,873	103,873	0.15%	43	256
Local Agency Investment Fund	State of CA	On Demand	<sup>(1)</sup> N/A	10.45%	4,083,012	4,083,012 <sup>(2)</sup>	2.03%	18,528	34,946
Chandler Asset Management (CMA) Investment Portfolio	US Bank	1 to 3 years	N/A	67.23%	26,270,808	26,796,233 <sup>(5)</sup>	0.24%	177,680 <sup>(6)(7)</sup>	452,934 <sup>(6)(7)</sup>
Public Agency Retirement Services (PARS)	US Bank	Varied	N/A	9.80%	3,828,666	4,311,353 <sup>(3)</sup>	2.08%	17,874 <sup>(7)</sup>	177,159 <sup>(7)</sup>
Blackrock Institutional Funds 2011 SEJPA Revenue Bonds	Union Bank of California (Cash with Fiscal Agent)	Varied	N/A	0.00%	0	0 <sup>(4)</sup>	0.00%	-	-
Blackrock Institutional Funds 2017 Waste Water Revenue Bonds	Union Bank of California (Cash with Fiscal Agent)	Varied	N/A	0.00%	0	0 <sup>(4)</sup>	0.00%	-	-
Wells Fargo Advantage Money Market RDA Refunding Bond Series 2017	Wells Fargo Bank (Cash with Fiscal Agent)	Varied	N/A	0.00%	13	13 <sup>(4)</sup>	N/A	-	1
Total Cash and Investments				100.00%	\$ 39,075,461	\$ 40,083,574		\$ 214,125	\$ 665,295

<sup>(1)</sup> Funds may be withdrawn with 24 hours notice

<sup>(2)</sup> Source: Monthly Pooled Money Investment Account Market Valuation as reported by LAIF (if available)

<sup>(3)</sup> Source: US Bank Asset Summary

<sup>(4)</sup> Source: fiscal agent month-end statements.

<sup>(5)</sup> Source: CMA US Bank statement

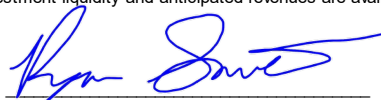
<sup>(6)</sup> Includes accrued interest

<sup>(7)</sup> Includes realized investment gains/losses of current quarter

I certify that this report accurately reflects all pooled investments and is in compliance with Government Code Section 53640-53646 as amended January 1, 1996, as well as the investment policy of the City of Solana Beach as approved annually by the City Council.

Furthermore, I certify that sufficient investment liquidity and anticipated revenues are available to meet the City's budgeted expenditure requirements for the next six months.

Date 05/03/2021



Approved by:  
Ryan Smith  
Finance Director/Treasurer



Prepared by:  
Catherine Wong  
Senior Accountant

# City of Solana Beach

*Period Ending March 31, 2021*

CHANDLER ASSET MANAGEMENT, INC. | 800.317.4747 | [www.chandlerasset.com](http://www.chandlerasset.com)



<b>SECTION 1</b>	<b>Economic Update</b>
<b>SECTION 2</b>	<b>Account Profile</b>
<b>SECTION 3</b>	<b>Portfolio Holdings</b>
<b>SECTION 4</b>	<b>Transactions</b>

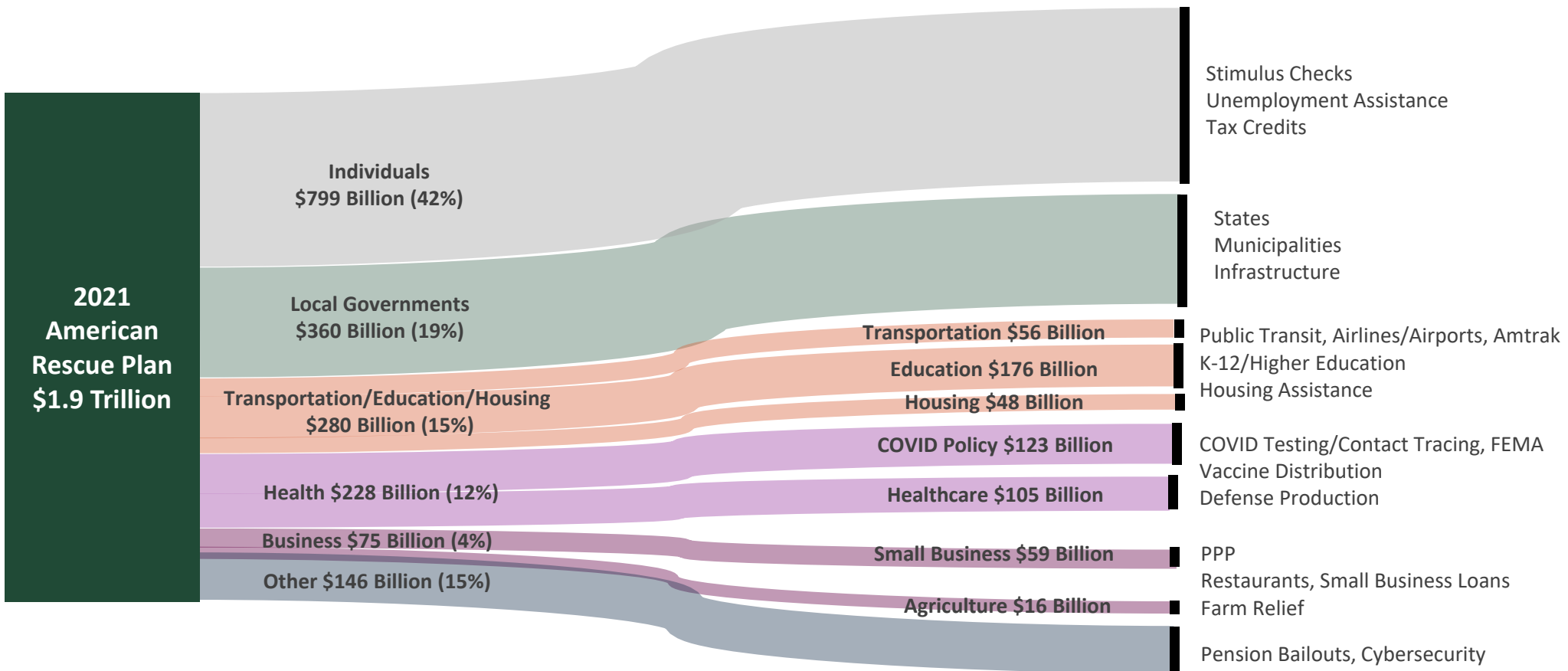
# Section 1 | Economic Update

## Economic Update

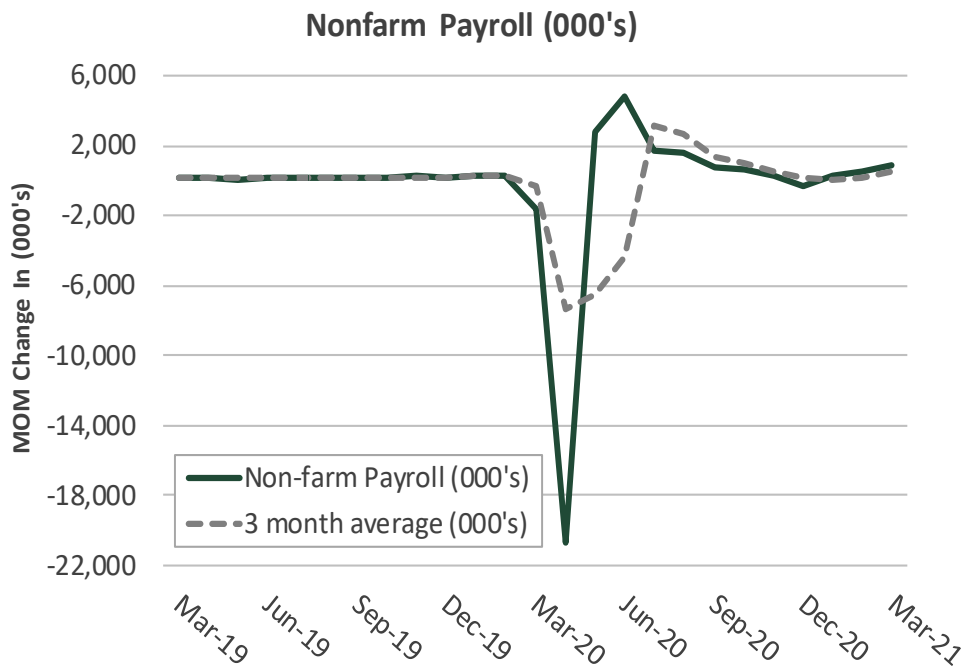
- Economic growth is poised to accelerate meaningfully in the current quarter as vaccine distribution becomes more widespread in the US amid an ongoing backdrop of robust fiscal support, low interest rates, and accommodative monetary policy. The vaccine rollout has been faster than expected and more than 25% of the US population is now fully vaccinated, and about 40% have received at least one dose. Meanwhile, robust fiscal spending along with the Federal Reserve's highly accommodative monetary policy continues to provide support for the economy and financial markets. In March, President Biden signed a \$1.9 trillion fiscal relief plan (bringing the total amount of pandemic-related fiscal relief legislation in the last year to about \$5.5 trillion) and at the end of the month he unveiled a \$2.3 trillion infrastructure spending proposal. We expect some version of an infrastructure spending bill to come to fruition later this year. Estimates for US gross domestic product (GDP) growth this year continue to migrate higher. The current Bloomberg consensus estimate for 2021 US GDP growth is now 6.2%.
- The Federal Open Market Committee kept monetary policy unchanged at their March meeting as expected, with the fed funds target rate in a range of 0.0% to 0.25%. The Fed also continues to purchase \$80 billion of Treasuries per month, and \$40 billion of agency mortgage-backed securities per month. The Fed intends to remain highly accommodative until the labor market has made a strong recovery and inflation is sustainably on track to achieve their 2.0% longer-run target. The majority of Fed policymakers expect to keep the fed funds rate unchanged through 2023. Though inflation rates are likely to increase in the coming months (due to low inflation last year and near-term supply constraints), the Fed believes the increase will be transitory and the Fed intends to remain on the sidelines. Fed Chair Powell emphasized that policymakers will clearly telegraph their outlook for monetary policy well in advance of any future policy changes.
- The yield curve has steepened. As of March month-end, the yield on 2-year Treasuries was about four basis points higher while the yield on 10-year Treasuries was nearly 83 basis points higher, on a year-to-date basis. In April, we have seen a modest retreat in longer-term Treasury yields. Nevertheless, we believe the Treasury yield curve is poised to modestly steepen further as the year progresses, which would be consistent with an improving economic outlook, more widespread vaccine distribution, the anticipation of ongoing fiscal spending, and a moderate pick-up in inflation.

# Will \$5.5 Trillion Stimulus Propel Growth and Inflation?

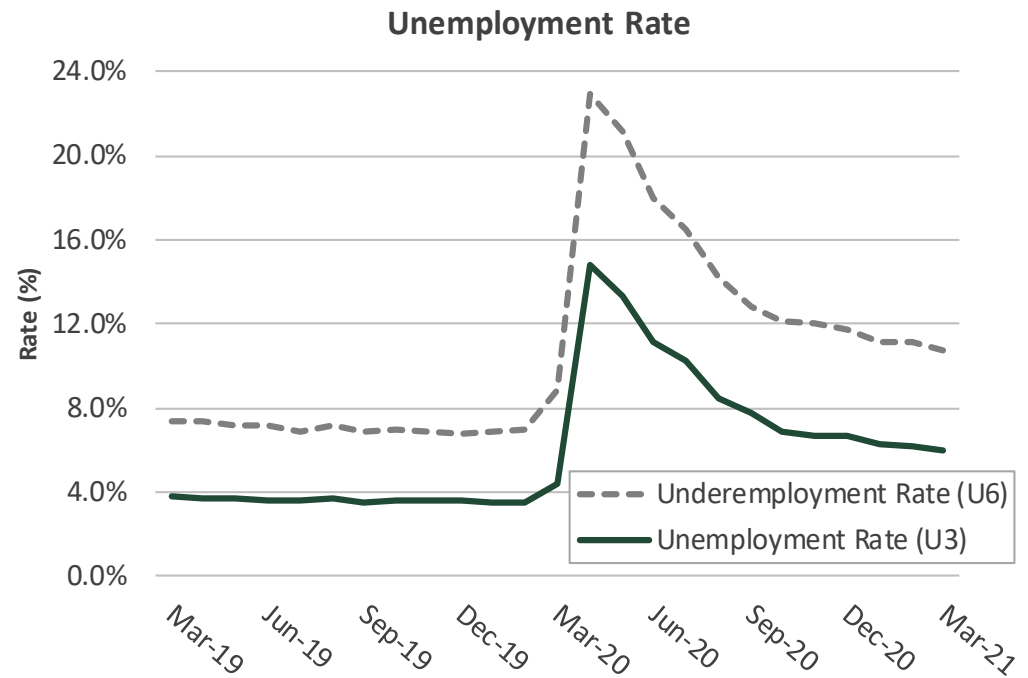
Fiscal Package	Amount
CARES Act	\$2.23 Trillion
Coronavirus Relief Bill	\$484 Billion
Phase 4 Stimulus	\$908 Billion
American Rescue Plan	\$1.9 Trillion
<b>Total So Far</b>	<b>\$5.5 Trillion</b>



# Employment



Source: US Department of Labor

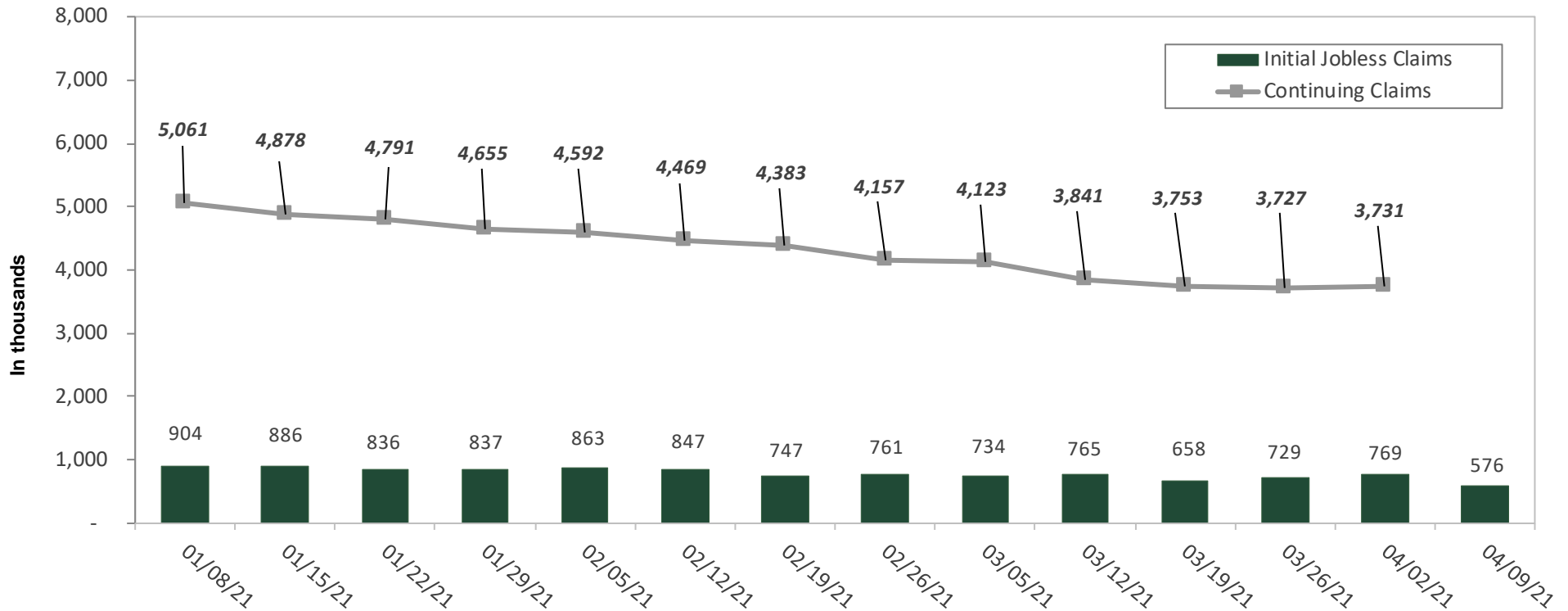


Source: US Department of Labor

U.S. nonfarm payrolls were much stronger than expected in March, up 916,000, versus the Bloomberg consensus forecast of 660,000. February payrolls were also revised higher reflecting a 468,000 gain. Payrolls in the leisure and hospitality sector showed the strongest gains adding another 280,000 jobs. As expected, the unemployment rate declined to 6.0% in March from 6.2% in February. The participation rate increased in March to 61.5% from 61.4% last month but remains below pre-pandemic levels. Although the employment picture continues to improve, payrolls are approximately 8.4 million below the 152.5 million level prior to the pandemic. The U-6 underemployment rate, which includes those who are marginally attached to the labor force and employed part time for economic reasons, declined to 10.7% in March from 11.1% in February.

# Initial Claims for Unemployment

Initial Claims For Unemployment January 08, 2021 - April 09, 2021

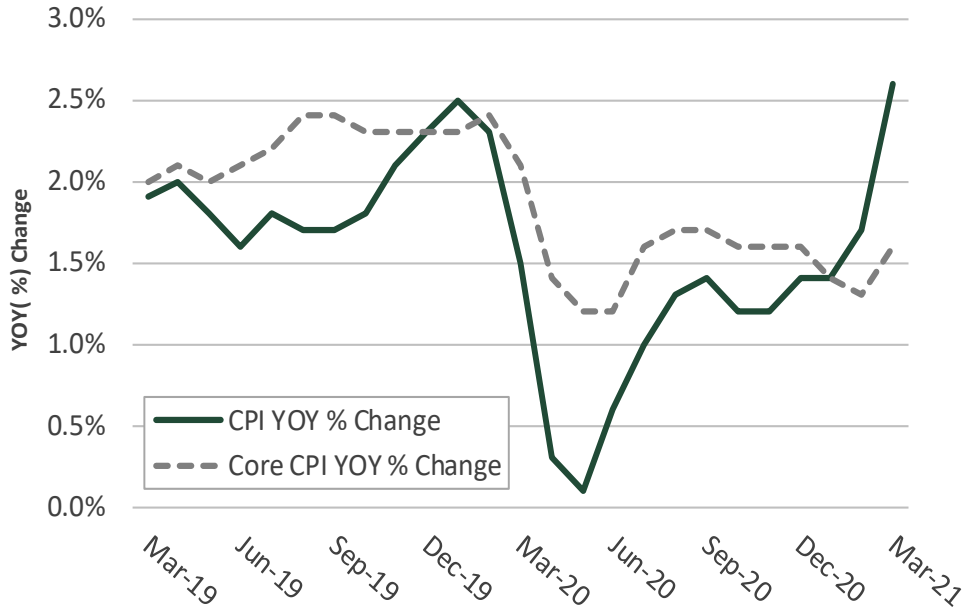


Source: US Department of Labor

In the most recent week, the number of initial jobless claims declined to 576,000 versus 769,000 in the prior week. The level of continuing unemployment claims (where the data is lagged by one week) was little changed at 3.731 million versus 3.727 million in the prior week. Although continuing jobless claims are much lower than the peak of nearly 25 million last May, they remained above the 2019 (pre-pandemic) average of 1.7 million.

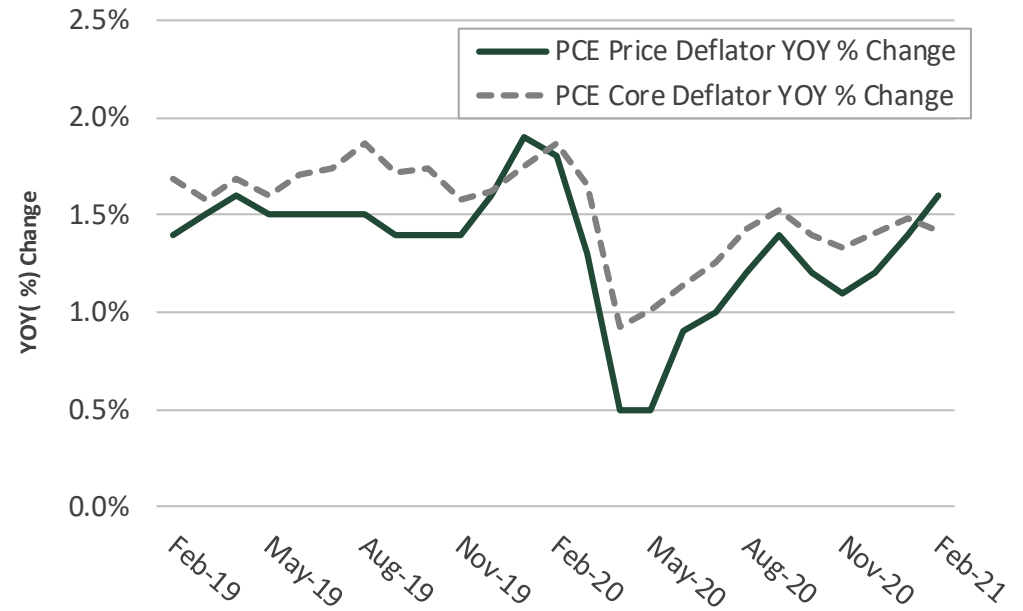
# Inflation

### Consumer Price Index (CPI)



Source: US Department of Labor

### Personal Consumption Expenditures (PCE)

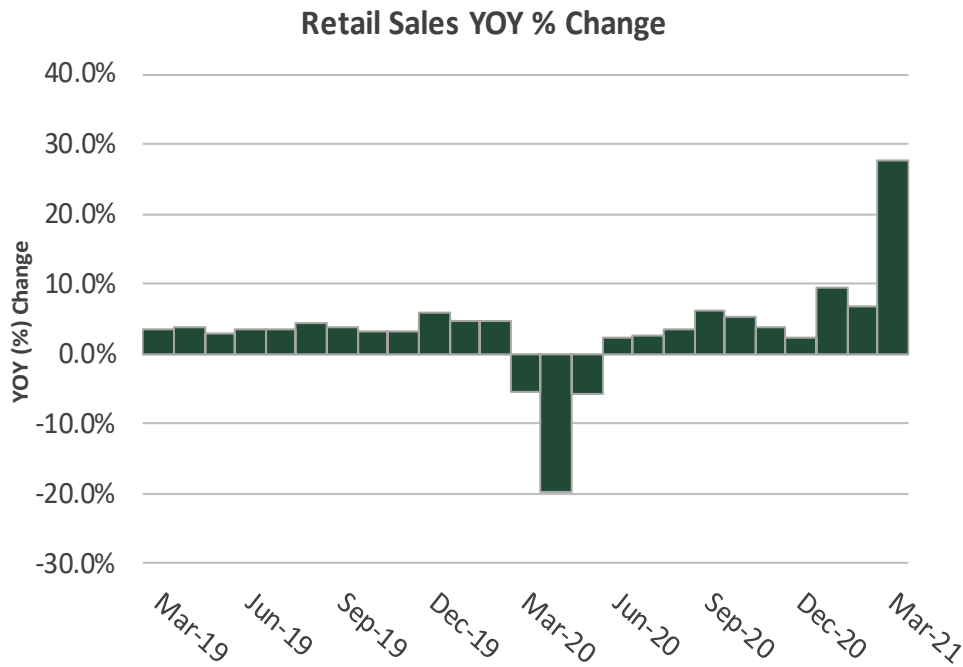


Source: US Department of Commerce

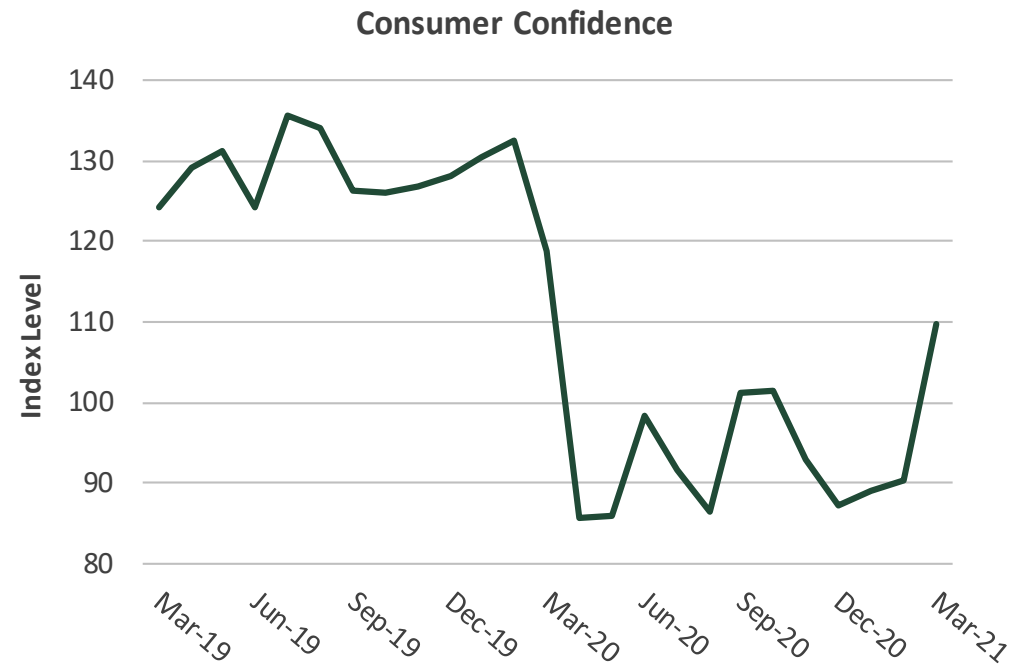
The Consumer Price Index (CPI) was up 2.6% year-over-year in March, versus up 1.7% year-over-year in February. The increase in March was driven by higher energy prices and the base effects of deflationary pressures in the initial stage of the pandemic last year. Core CPI (CPI less food and energy) was up just 1.6% year-over-year in March, versus up 1.3% in February. The Personal Consumption Expenditures (PCE) index was up 1.6% year-over-year in February, versus up 1.4% year-over-year in January. Core PCE, which is the Fed's primary inflation gauge, was up 1.4% year-over-year in February, versus up 1.5% year-over-year in January. Inflation rates are likely to increase as we begin to cycle through the deflationary impact of the pandemic last year, but for now inflation remains below the Fed's longer-run 2.0% target.



# Consumer



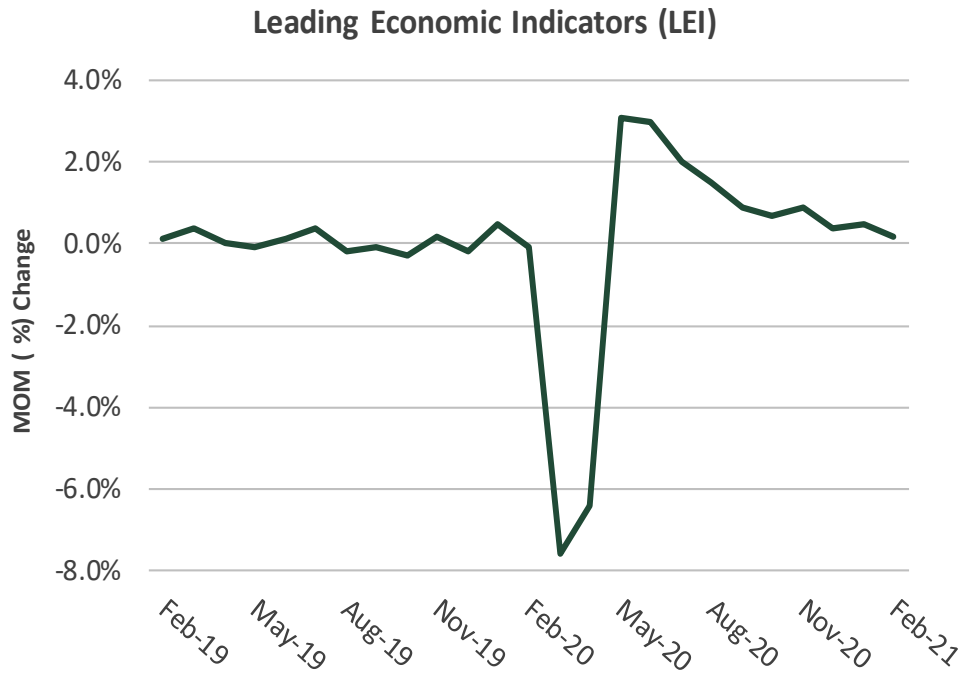
Source: US Department of Commerce



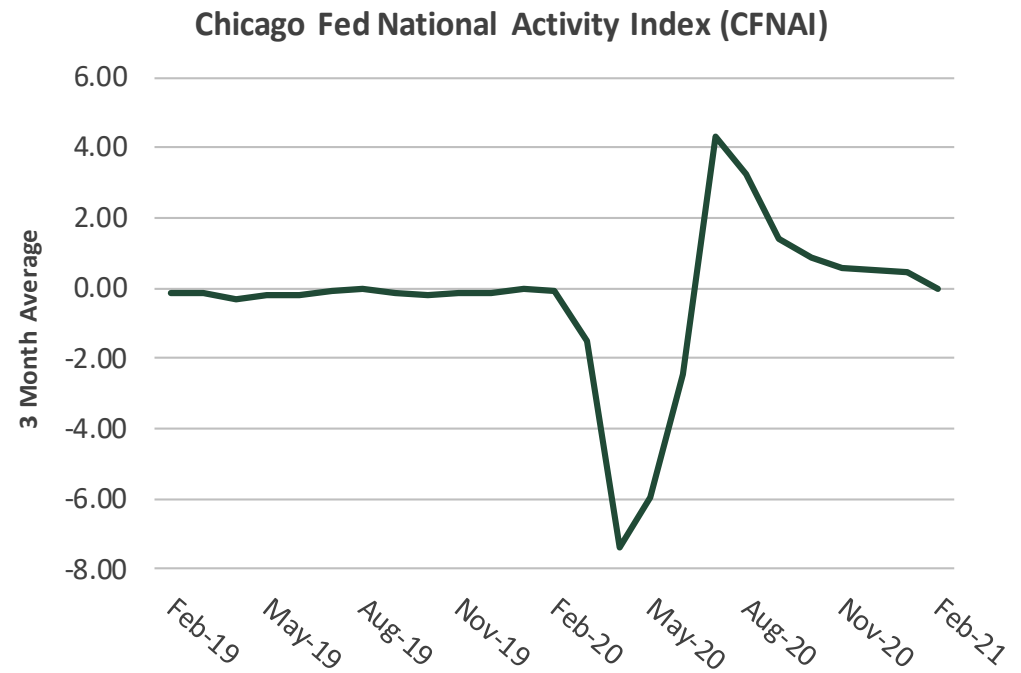
Source: The Conference Board

On a year-over-year basis, retail sales were up 27.7% in March versus up 6.7% in February. On a month-over-month basis, retail sales were even stronger than expected in March, surging 9.8%, following a 2.7% decline in February. The March increase was likely fueled by federal stimulus checks which were delivered early in the month. Pent-up demand, following severe winter weather in February, likely also helped drive March sales. The increase was broad-based across all major categories in March, with particular strength in sporting goods, hobby, instrument & book stores, clothing & accessories, and motor vehicle & parts. The Consumer Confidence index jumped to 109.7 in March from 90.4 in February, which likely helped drive March sales as well.

# Economic Activity



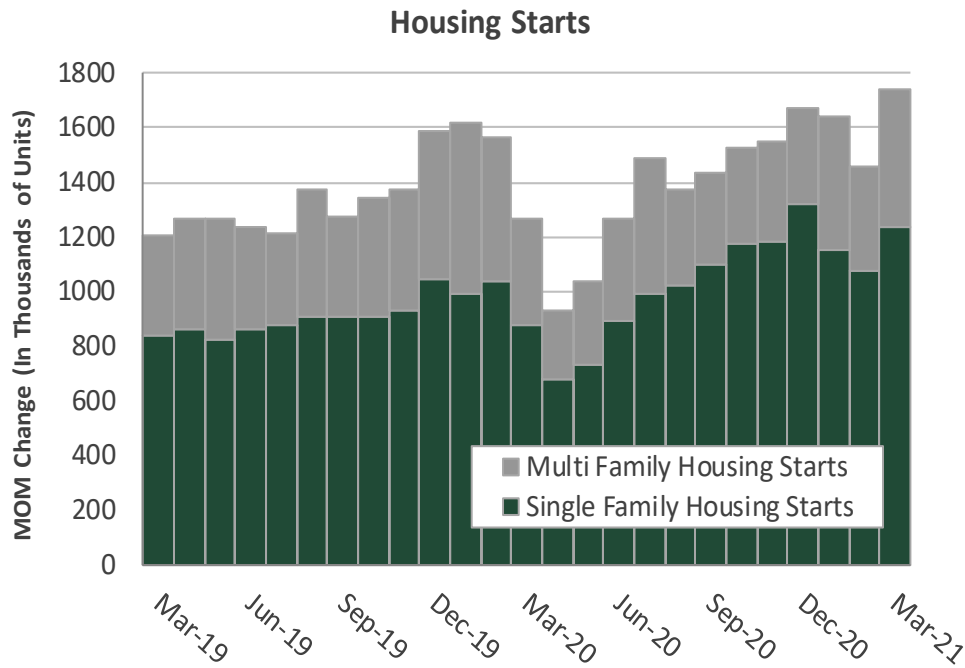
Source: The Conference Board



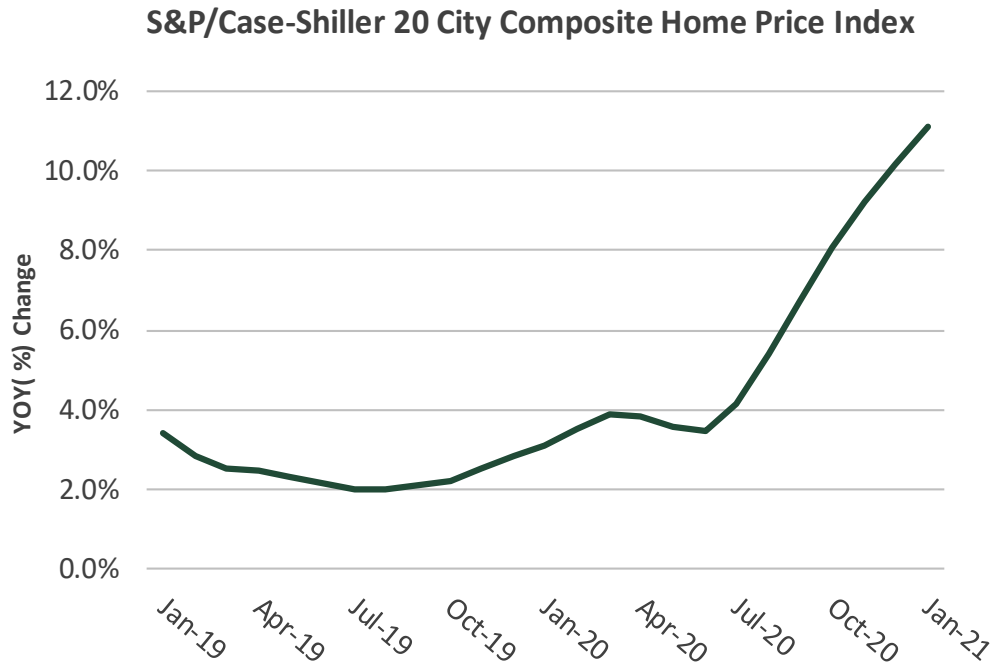
Source: Federal Reserve Bank of Chicago

The Conference Board's Leading Economic Index (LEI) rose 0.2% month-over-month in February (following a 0.4% increase in January) but remained down 1.3% on a year-over-year basis. According to the Conference Board, the index suggests the economy should continue to improve this year. While some components of the LEI showed signs of weakness in February, the Conference Board believes it may have been due to transitory factors such as bad weather and supply-chain disruptions. Severe winter weather likely had a negative impact on the Chicago Fed National Activity Index (CFNAI) in February as well. The CFNAI dropped to -1.09 in February from +0.75 in January. On a 3-month moving average basis, the CFNAI declined to -0.02 in February from 0.46 in January. The index turned negative on both a one month and 3-month basis in February, and a negative index reading corresponds to below trend growth.

# Housing



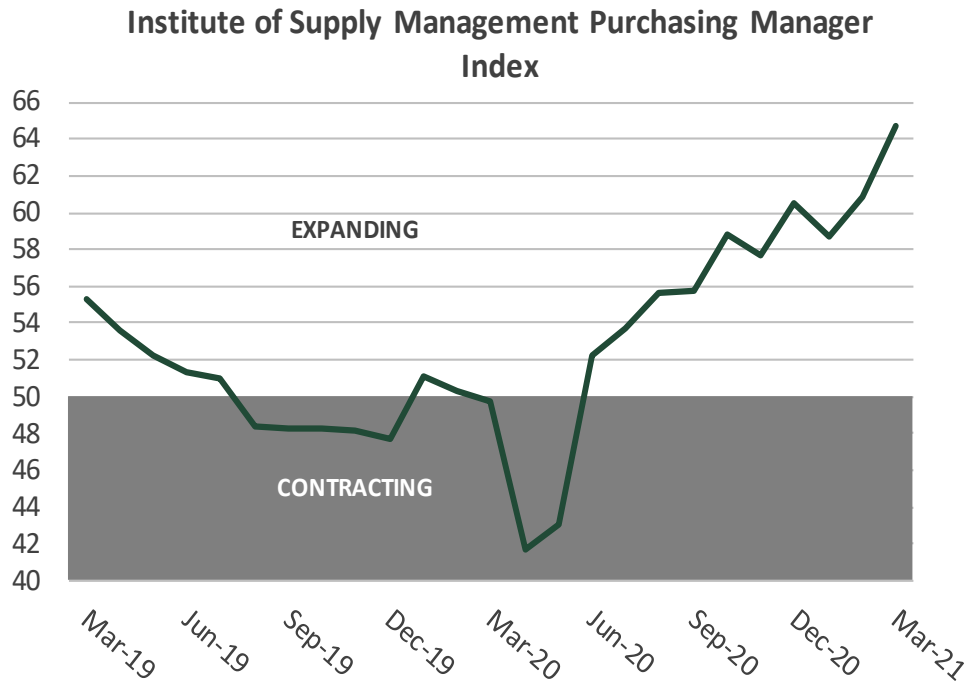
Source: US Department of Commerce



Source: S&P

Total housing starts were stronger than expected in March, up 19.4% to an annual pace of 1,739,000. Single-family starts rose 15.3% in March and multi-family starts were up 30.8%. On a year-over-year basis, housing starts were up 37.0% in March. Permits were also stronger than expected in March, up 2.7% to an annualized rate of 1,766,000. According to the Case-Shiller 20-City home price index, home prices were up 11.1% year-over-year in January versus up 10.2% year-over-year in December. We believe rising mortgage rates may put pressure on home prices in the months ahead.

# Manufacturing



Source: Institute for Supply Management



Source: Federal Reserve

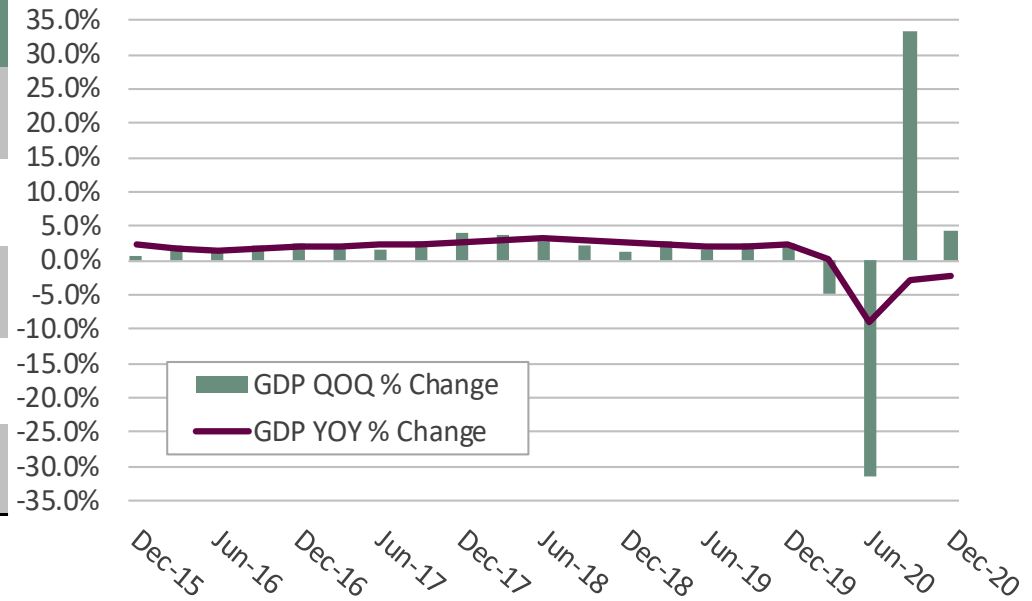
The Institute for Supply Management (ISM) manufacturing index increased to 64.7 in March from 60.8 in February. Readings above 50.0 are indicative of expansion in the manufacturing sector. We believe a weaker US dollar has been supportive of the US manufacturing sector throughout the past year. The Industrial Production index was up 1.0% year-over-year in March, versus down 4.8% in February. On a month-over-month basis, the Industrial Production index increased 1.4% in March, following a 2.6% decline in February. The March rebound was likely driven in part by weather. Capacity Utilization increased to 74.4% in March from 73.4% in February but remains well below the long-run average of 79.8%.

# Gross Domestic Product (GDP)

Components of GDP	3/20	6/20	9/20	12/20
Personal Consumption Expenditures	-4.8%	-24.0%	25.4%	1.6%
Gross Private Domestic Investment	-1.6%	-8.8%	12.0%	4.4%
Net Exports and Imports	1.1%	0.6%	-3.2%	-1.5%
Federal Government Expenditures	0.1%	1.2%	-0.4%	-0.1%
State and Local (Consumption and Gross Investment)	0.1%	-0.4%	-0.4%	-0.1%
<b>Total</b>	<b>-5.0%</b>	<b>-31.4%</b>	<b>33.4%</b>	<b>4.3%</b>

Source: US Department of Commerce

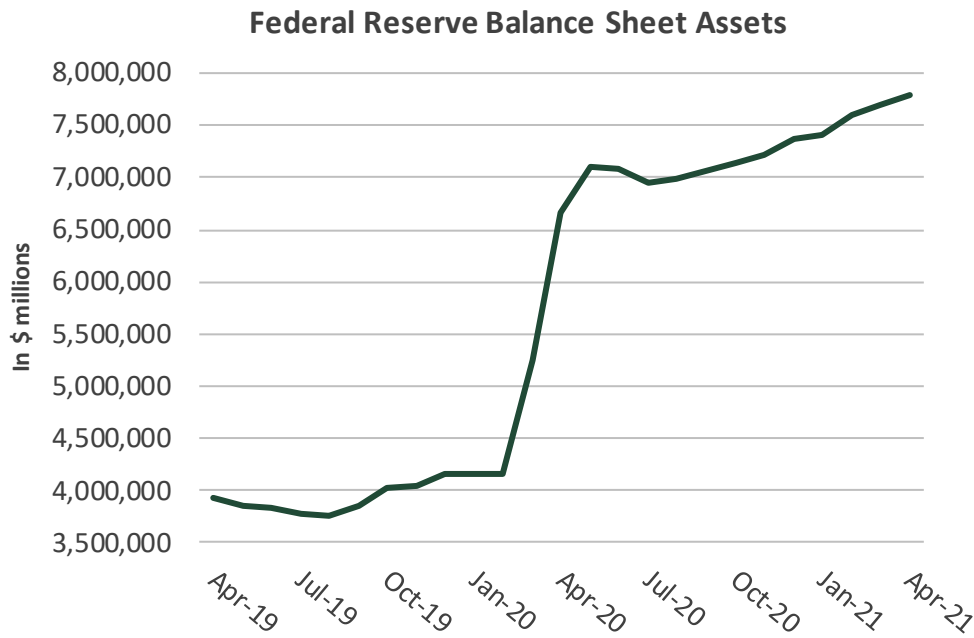
## Gross Domestic Product (GDP)



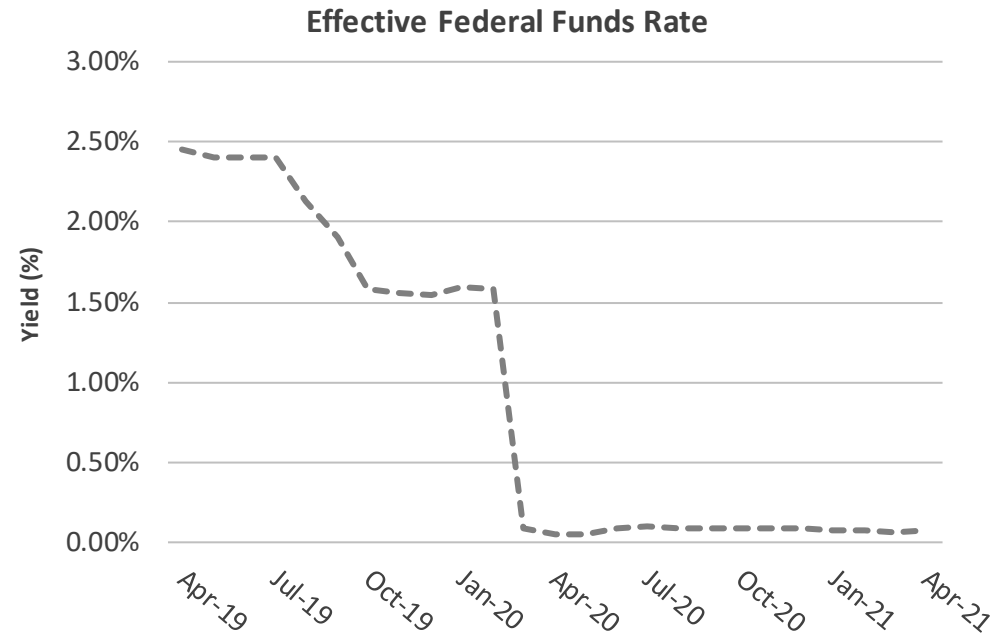
Source: US Department of Commerce

According to the third estimate, real US gross domestic product (GDP) grew at an annualized rate of 4.3% in the fourth quarter of 2020 (slightly higher than the second estimate of 4.1%), following 33.4% growth in the third quarter and a 31.4% annualized decline in the second quarter. Personal consumption expenditures rose at an annual rate of 2.3% in the fourth quarter. The consensus forecast for US gross domestic product growth in 2021 is 6.2%, following a 3.5% decline in 2020.

# Federal Reserve



Source: Federal Reserve



Source: Bloomberg

Last year, the Fed took a wide range of aggressive actions to help stabilize and provide liquidity to the financial markets. The Fed lowered the fed funds target rate to a range of 0.0%-0.25% and continues to purchase Treasury and agency mortgage-backed securities to support smooth market functioning. Last year, policymakers reinstated the Commercial Paper Funding Facility and Money Market Mutual Fund Liquidity Facility. The Fed also established the Primary Market Corporate Credit Facility, Secondary Market Corporate Credit Facility, Term Asset-Backed Securities Loan Facility, Paycheck Protection Program Liquidity Facility, Main Street Lending Facility, and Municipal Liquidity Facility. The Fed has also provided short-term funding through large-scale repo operations and lowered the reserve requirement for depository institutions. Notably, many of the Fed's lending facilities expired at the end of 2020, including the Fed's corporate credit, asset-backed securities, municipal lending, and Main Street Lending programs.

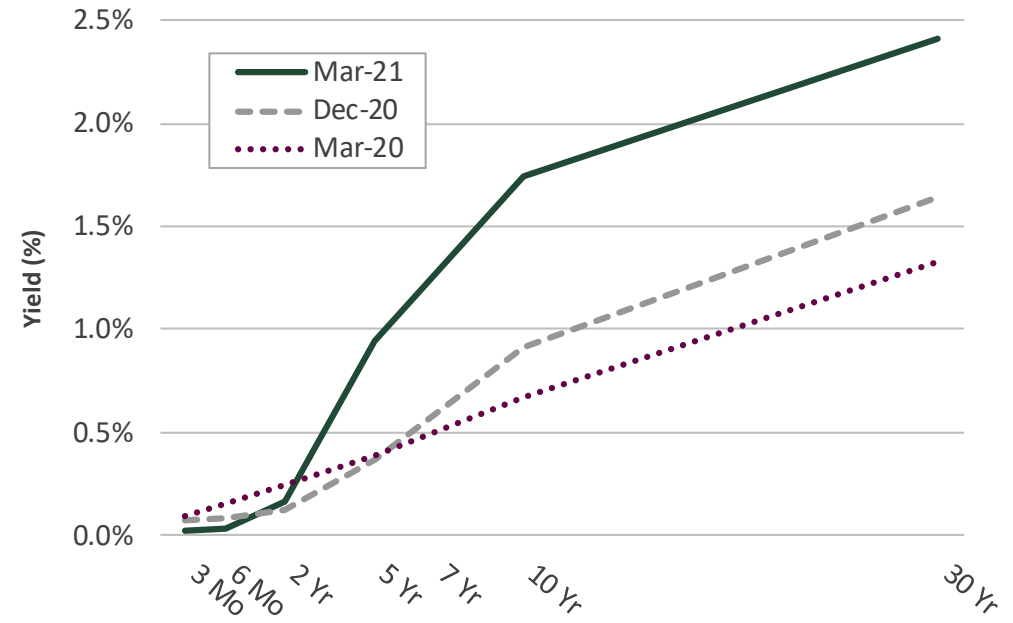
# Bond Yields

### US Treasury Note Yields



Source: Bloomberg

### US Treasury Yield Curve



Source: Bloomberg

The treasury yield curve is much steeper relative to this time last year. The 3-month T-bill yield is about four basis points lower, and the 2-year Treasury yield is about four basis points higher, while the 10-Year Treasury yield is about 83 basis points higher, year-over-year, as of March month-end. Yields declined precipitously in March 2020, with the Fed cutting rates by a total of 150 basis points and a flight to safe-haven assets driving down yields across the curve. Since late 2020, longer-term yields have been rising and the yield curve has steepened. The Fed has signaled plans to keep the front end of the Treasury yield curve anchored near zero until at least 2023.

## Section 2 | Account Profile



## **Investment Objectives**

The investment objectives for the City of Solana Beach, in order of priority, are to provide safety to ensure the preservation of capital in the overall portfolio, provide sufficient liquidity for cash needs, and a market rate of return consistent with the investment program.

## **Chandler Asset Management Performance Objective**

The performance objective for the portfolio is to earn a total rate of return through a market cycle that is equal to or above the return on the benchmark index.

## **Strategy**

In order to achieve this objective, the portfolio invests in high-quality fixed income securities that comply with the investment policy and all regulations governing the funds.

## City of Solana Beach

Assets managed by Chandler Asset Management are in full compliance with state law and the City's investment policy.

Category	Standard	Comment
Treasury Issues	No limitations	Complies
Federal Agencies	25% per agency issuer	Complies
Municipal Securities	"A" or higher by a NRSRO; 30% maximum; 5% max per issuer	Complies
Supranationals	"AA" rated or higher by a NRSRO; 30% max; 10% max per issuer; U.S. dollar denominated; Issued by: IBRD, IFC, IADB	Complies
Corporate Medium Term Notes	"A" or higher by a NRSRO; 30% maximum; 5% max per issuer; Issuer is a corporation organized and operating within the U.S. or by depository institutions licensed by the U.S. or any state and operating within the U.S.	Complies
FDIC insured Time Deposits/ Certificates of Deposit	Amount per institution limited to the max covered under FDIC; 20% maximum (combination of FDIC insured and collateralized TDs/ CDs); 5% max per issuer	Complies
Collateralized Time Deposits/ Certificates of Deposit	20% maximum (combination of FDIC insured and collateralized TDs/ CDs); 5% max per issuer	Complies
Negotiable Certificates of Deposit	No rating required if amount of the NCD is covered by FDIC insured limit; If above FDIC insured limit, requires "A-1" rated or higher by a NRSRO or "A" rated long term issuer by a NRSRO; 30% maximum (inclusive of CDARS); 5% max per issuer	Complies
Banker's Acceptances	"A-1" or higher short-term rating by a NRSRO; or "A" or higher long-term by a NRSRO; 40% maximum; 5% max per issuer; 180 days max maturity	Complies
Commercial Paper	"A-1" or higher short term rating by a NRSRO; "A" rated long term issuer by a NRSRO; 25% maximum; 5% max per issuer; 270 days max maturity; Issuer is a corporation organized and operating in U.S. with assets in excess of \$500 million; 10% max of the issuer's outstanding commercial paper	Complies
Asset-Backed Securities/ Mortgage-Backed Securities	"AA" or higher by a NRSRO; "A" rated issuer rating or higher by a NRSRO; 20% maximum; 5% max per Asset-backed or Commercial Mortgage security issuer; There is no issuer limitation on any Mortgage security where the issuer is the U.S. Treasury or a Federal City/GSE.	Complies
Mutual Funds and Money Market Mutual Funds	Highest rating or "AAA" rated by two NRSROs; or SEC registered adviser with AUM >\$500 million and experience greater than 5 years; 20% maximum combined in Money Market Mutual Funds and Mutual Funds; 10% max per Mutual Fund; 20% max per Money Market Mutual Fund	Complies
Prohibited Securities	Futures and Options; Inverse floaters; Ranges notes, Interest-only strips from mortgaged backed securities; Zero interest accrual securities; Margin; Reverse Repurchase Agreements; Securities lending; Foreign currency denominated; Purchases of securities issued by fossil fuel companies that directly source the majority of their revenue from oil, gas, and or coal production.	Complies
Repurchase Agreements	1 year max maturity; collateralized 102% of market value; Not used by investment adviser	Complies
Local Agency Investment Fund (LAIF)	Maximum amount permitted by LAIF; Not used by investment adviser	Complies
Investment Trust of California (CALTRUST)	Pursuant to CGC; Not used by investment adviser	Complies
Callable Securities	20% maximum (does not include "make whole call" securities)	Complies
Max per Issuer	No more than 5% in any single issuer, except US Gov, Agencies, Supranationals, Money Market Mutual Funds, LAIF, LGIP, or where otherwise specified in the investment policy	Complies
Maximum Maturity	5 years	Complies

# Portfolio Characteristics

As of March 31, 2021

## City of Solana Beach

	3/31/2021		12/31/2020
	Benchmark*	Portfolio	Portfolio
<b>Average Maturity (yrs)</b>	1.86	1.93	1.77
<b>Average Modified Duration</b>	1.83	1.84	1.68
<b>Average Purchase Yield</b>	n/a	1.59%	1.78%
<b>Average Market Yield</b>	0.18%	0.24%	0.16%
<b>Average Quality**</b>	AAA	AA+/Aa1	AA+/Aa1
<b>Total Market Value</b>		26,884,033	26,905,462

\*ICE BAML 1-3 Yr US Treasury/Agency Index

\*\*Benchmark is a blended rating of S&P, Moody's, and Fitch. Portfolio is S&P and Moody's respectively.

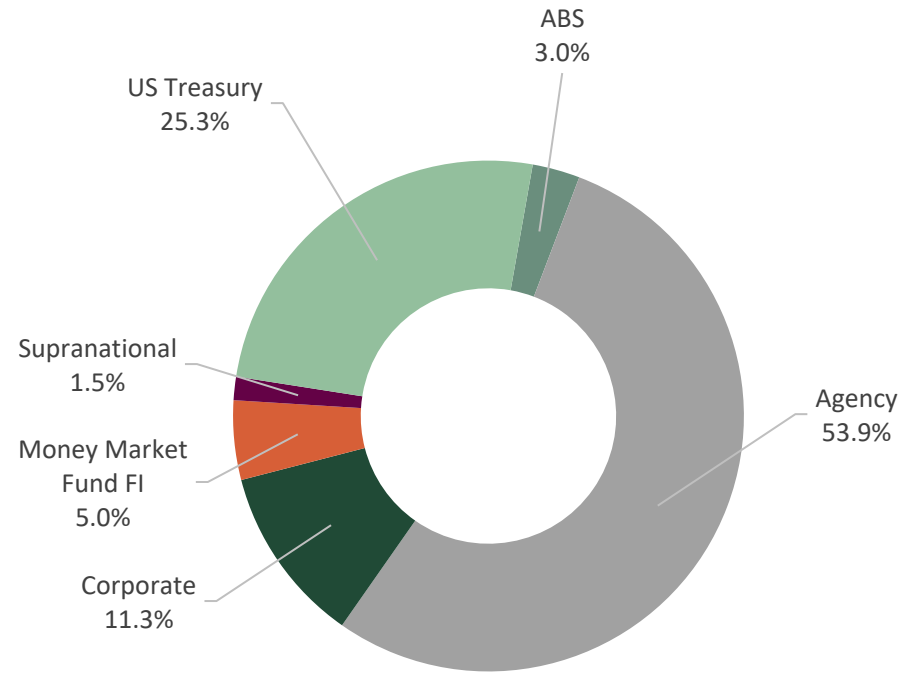
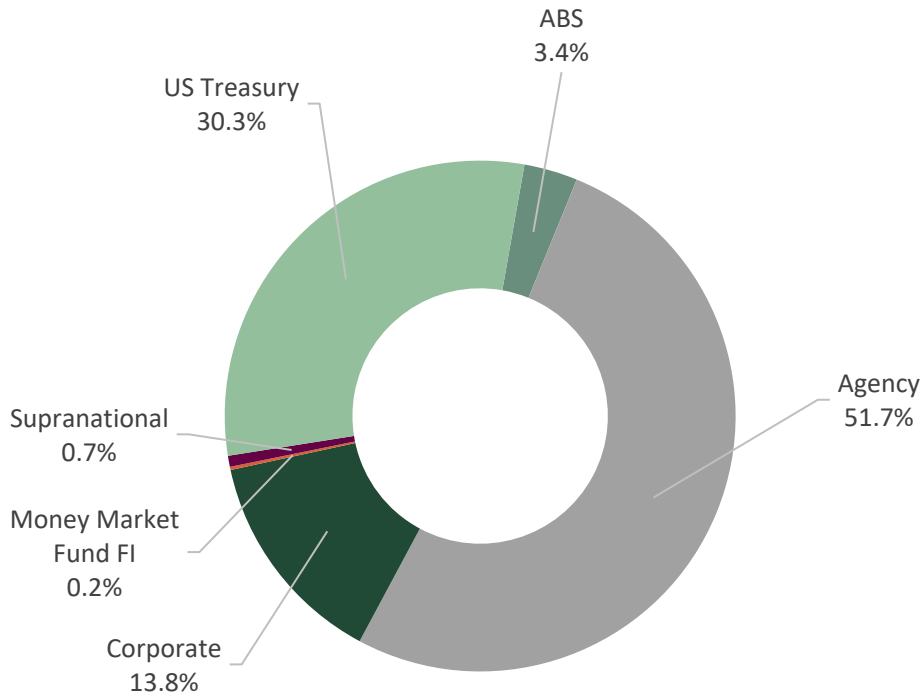
# Sector Distribution

As of March 31, 2021

## City of Solana Beach

March 31, 2021

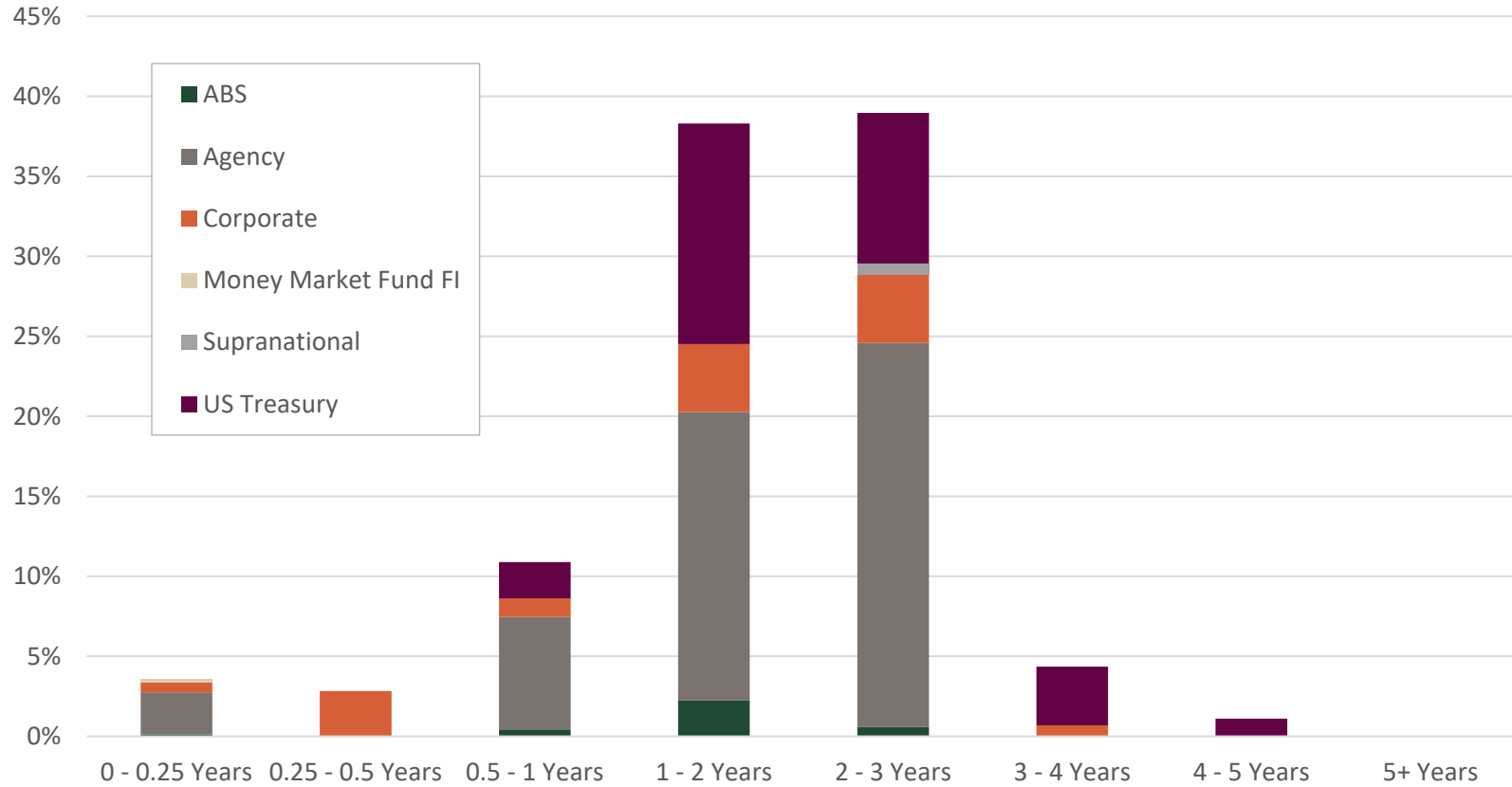
December 31, 2020



# Duration Allocation

As of March 31, 2021

## City of Solana Beach



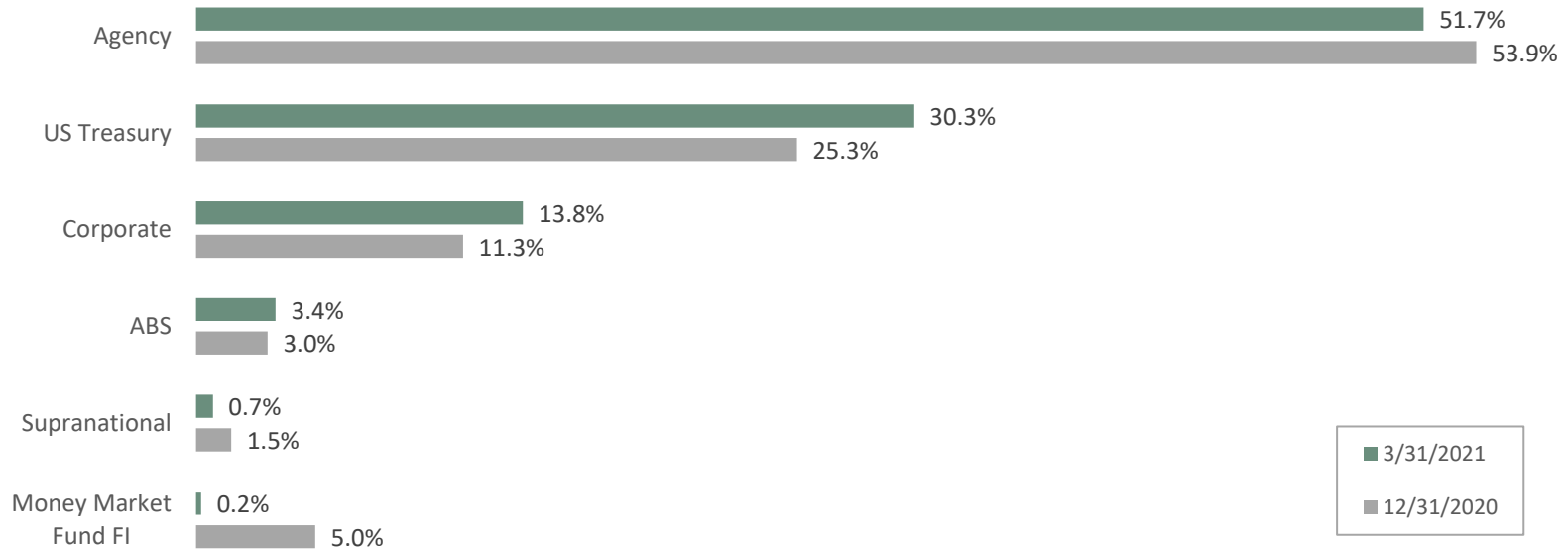
	0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 2	2 - 3	3 - 4	4 - 5	5+
03/31/21	3.6%	2.8%	10.9%	38.3%	39.0%	4.4%	1.1%	0.0%

# Portfolio Allocation & Duration Changes

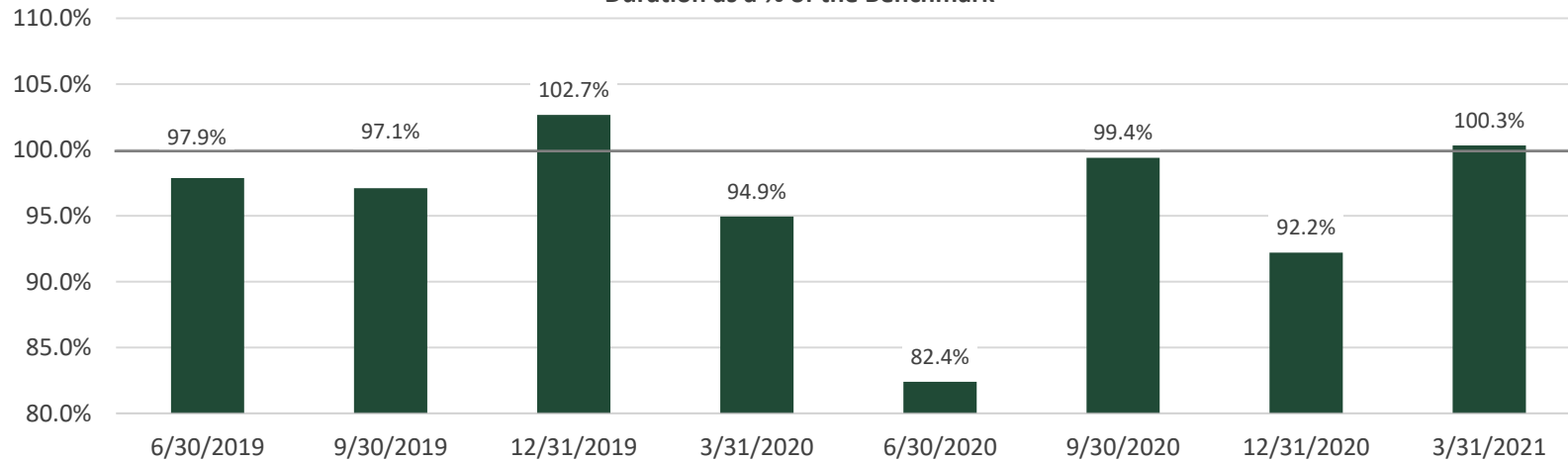
As of March 31, 2021

## City of Solana Beach

### Portfolio Allocation



### Duration as a % of the Benchmark

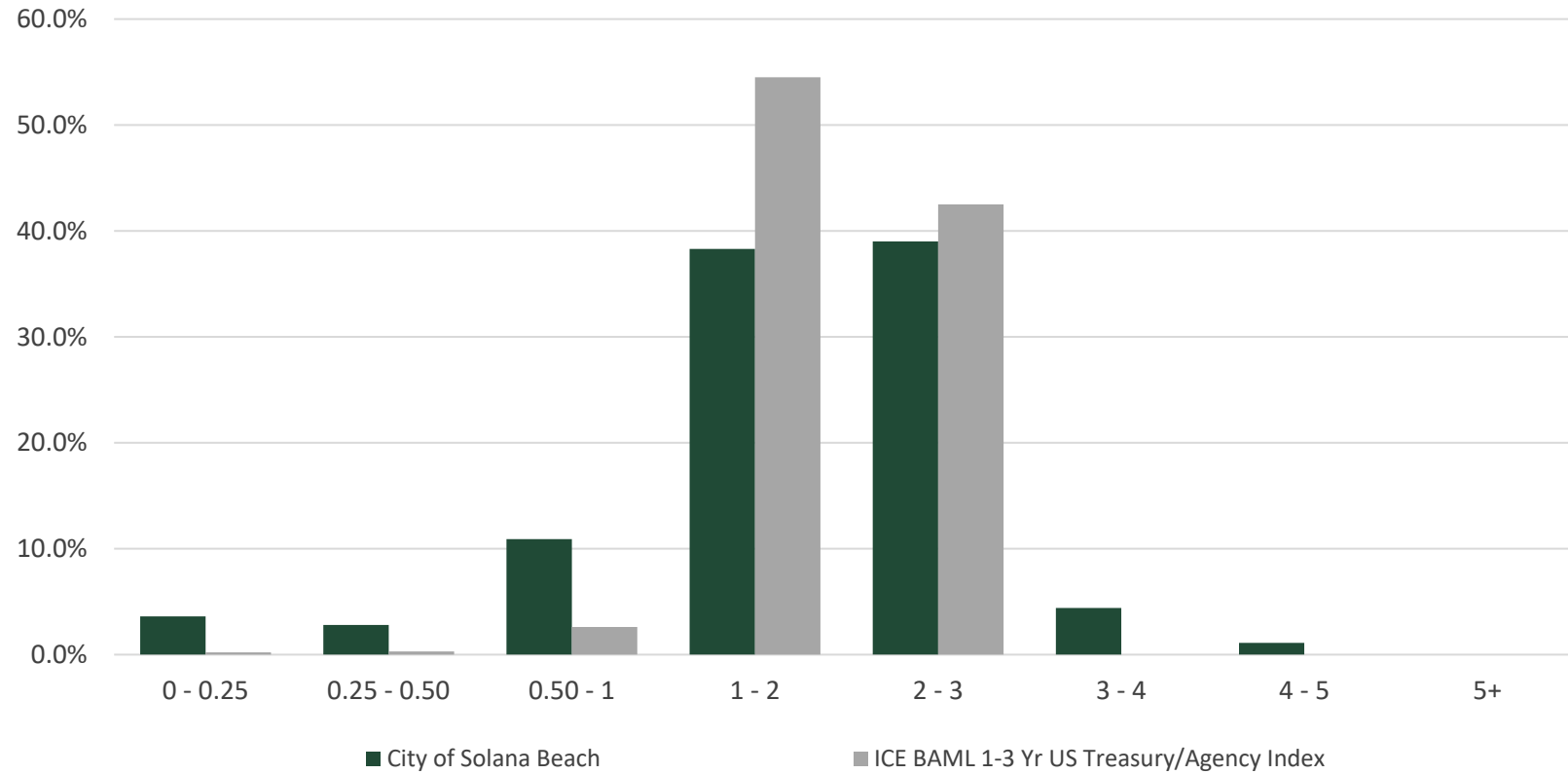


Benchmark: ICE BAML 1-3 Yr US Treasury/Agency Index

# Duration Distribution

As of March 31, 2021

**City of Solana Beach**  
**Portfolio Compared to the Benchmark as of March 31, 2021**



	0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 2	2 - 3	3 - 4	4 - 5	5+
Portfolio	3.6%	2.8%	10.9%	38.3%	39.0%	4.4%	1.1%	0.0%
Benchmark*	0.2%	0.3%	2.6%	54.5%	42.5%	0.0%	0.0%	0.0%

\*ICE BAML 1-3 Yr US Treasury/Agency Index

## City of Solana Beach – Account #10471

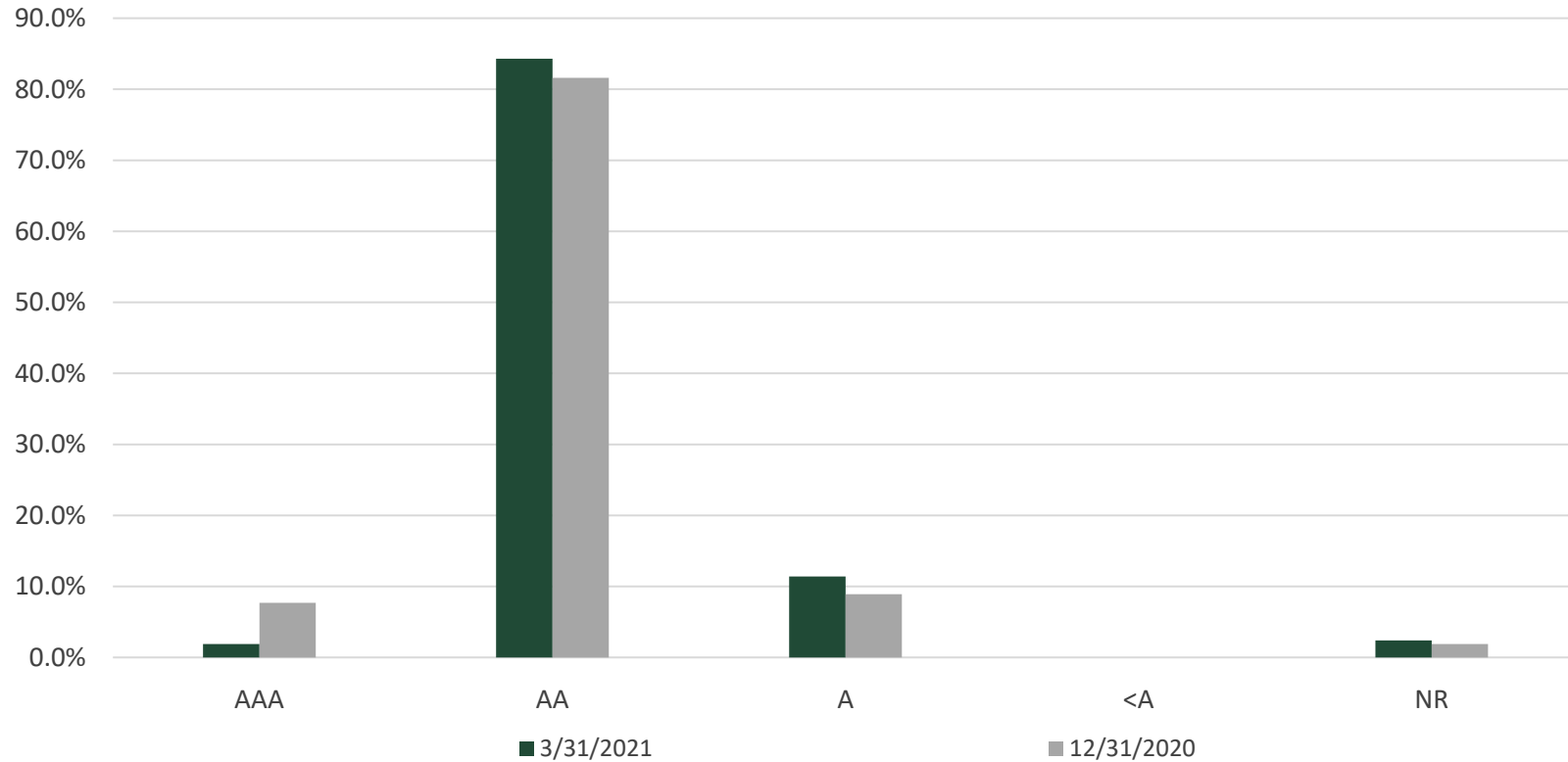
Issue Name	Investment Type	% Portfolio
Government of United States	US Treasury	30.25%
Federal Farm Credit Bank	Agency	16.50%
Federal National Mortgage Association	Agency	14.77%
Federal Home Loan Mortgage Corp	Agency	10.32%
Federal Home Loan Bank	Agency	10.12%
Paccar Financial	Corporate	2.67%
Charles Schwab Corp/The	Corporate	1.72%
United Parcel Service	Corporate	1.53%
Oracle Corp	Corporate	1.51%
Deere & Company	Corporate	1.36%
Berkshire Hathaway	Corporate	1.36%
Bank of New York	Corporate	1.36%
John Deere ABS	ABS	1.36%
Honda ABS	ABS	1.16%
Apple Inc	Corporate	1.00%
Nissan ABS	ABS	0.83%
Intl Bank Recon and Development	Supranational	0.71%
JP Morgan Chase & Co	Corporate	0.68%
Toyota Motor Corp	Corporate	0.57%
First American Govt Oblig Fund	Money Market Fund FI	0.21%
<b>TOTAL</b>		<b>100.00%</b>



# Quality Distribution

As of March 31, 2021

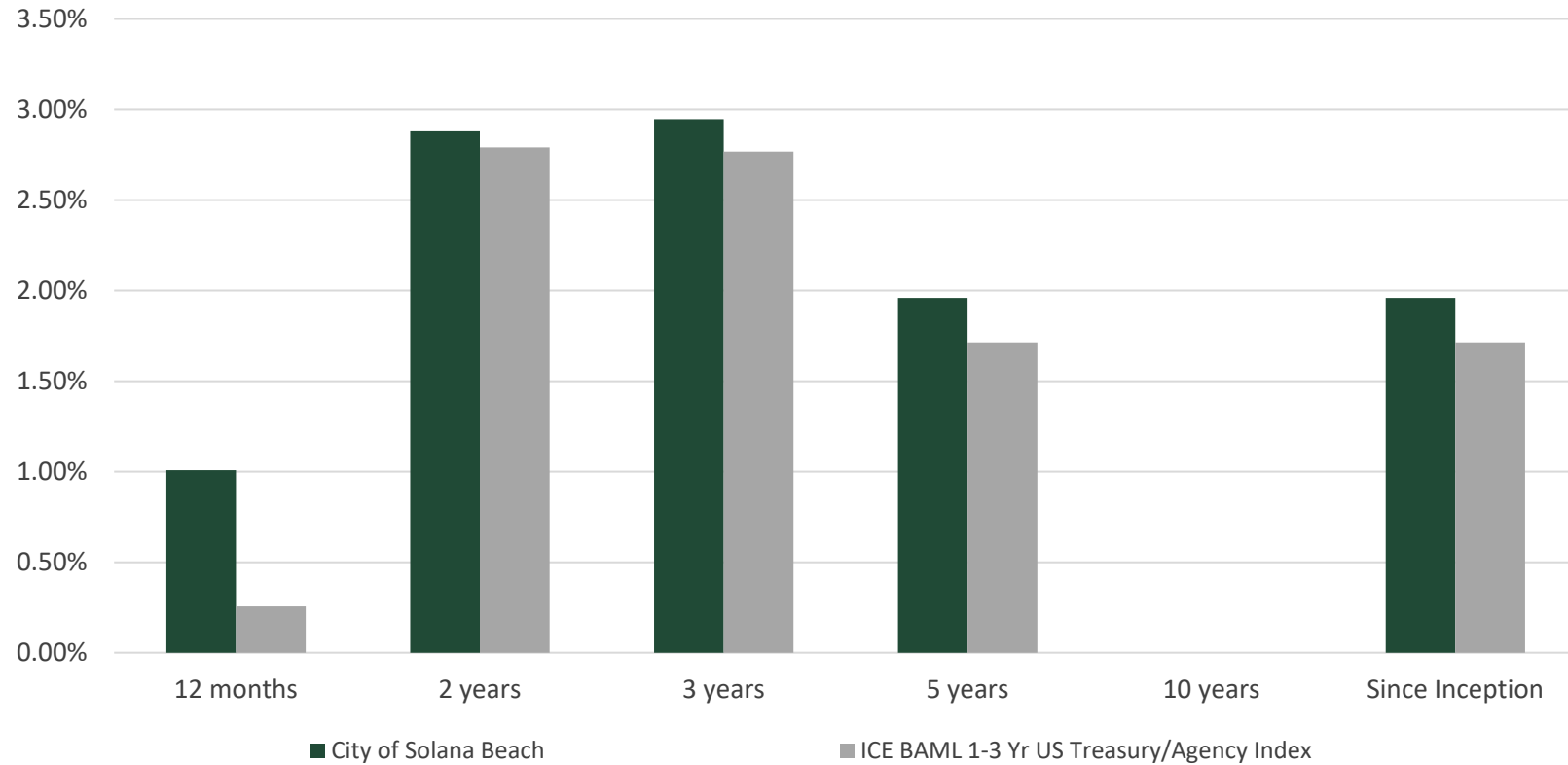
**City of Solana Beach**  
**March 31, 2021 vs. December 31, 2020**



	AAA	AA	A	<A	NR
03/31/21	1.9%	84.3%	11.4%	0.0%	2.4%
12/31/20	7.7%	81.6%	8.9%	0.0%	1.9%

Source: S&P Ratings

## City of Solana Beach Total Rate of Return Annualized Since Inception 03/31/2016



TOTAL RATE OF RETURN	Annualized						
	3 months	12 months	2 years	3 years	5 years	10 years	Since Inception
City of Solana Beach	-0.05%	1.01%	2.88%	2.95%	1.96%	N/A	1.96%
ICE BAML 1-3 Yr US Treasury/Agency Index	-0.05%	0.26%	2.79%	2.77%	1.71%	N/A	1.71%

Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.

# Investment Comparison

As of March 31, 2021

## City of Solana Beach

	LAIF EARNINGS ESTIMATE*	GROSS INCOME EARNED CHANDLER-MANAGED PORTFOLIO	INCOME EARNED CHANDLER-MANAGED PORTFOLIO**
<b>Apr 2016 - Dec 2016</b>	\$113,770	\$185,849	\$169,455
<b>2017</b>	\$327,563	\$439,162	\$410,891
<b>2018</b>	\$628,152	\$553,633	\$524,542
<b>2019</b>	\$716,012	\$600,606	\$573,809
<b>2020</b>	\$339,385	\$513,751	\$488,476
<b>Jan 2021</b>	\$10,665	\$36,364	\$34,336
<b>Feb 2021</b>	\$8,559	\$34,489	\$32,461
<b>Mar 2021</b>	\$8,305	\$34,032	\$32,005
<b>Total:</b>	<b>\$2,152,411</b>	<b>\$2,397,886</b>	<b>\$2,265,975</b>

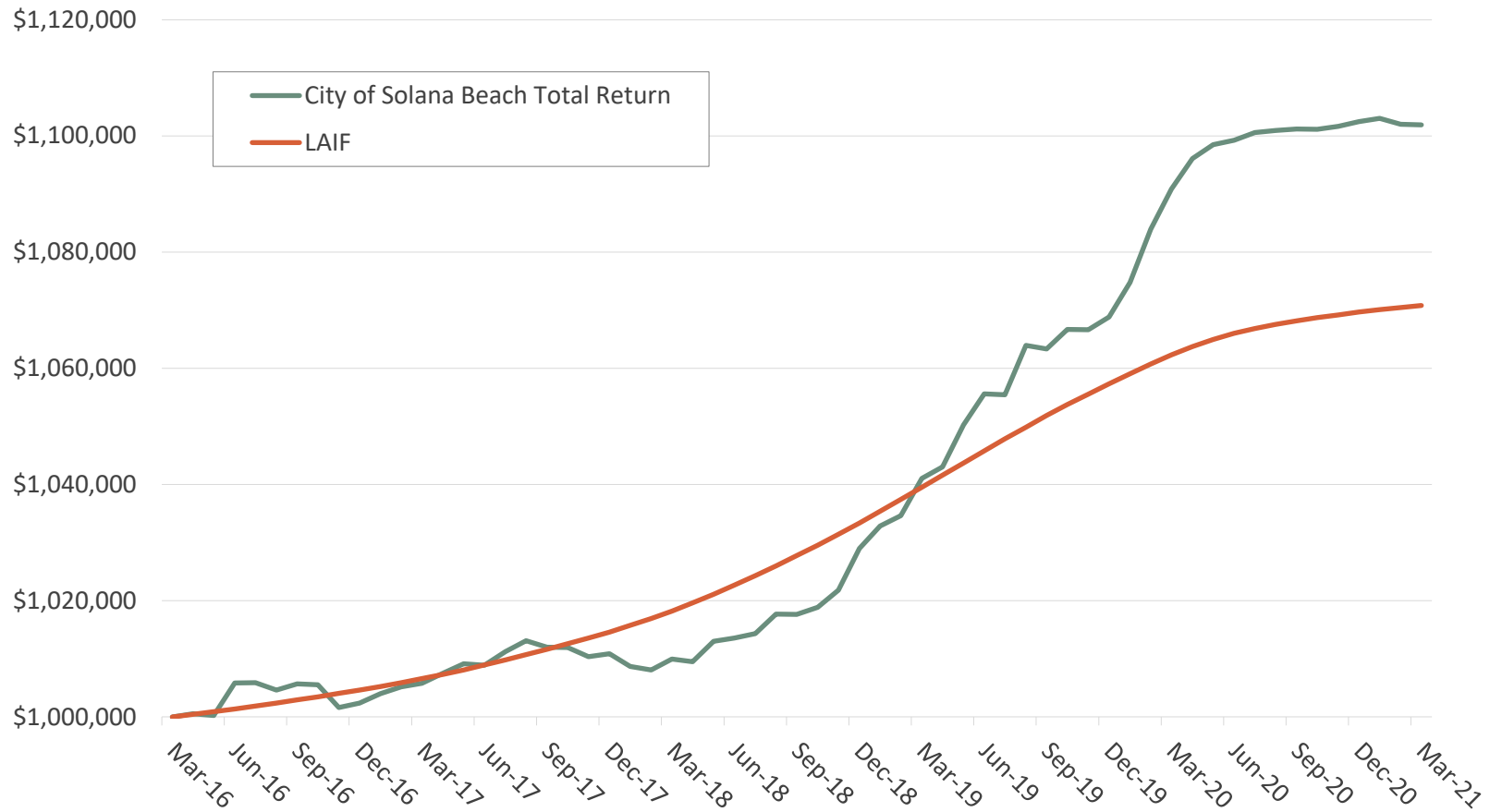
\*LAIF earnings estimate calculated using daily yield

\*\*Income earned net of Chandler fees

# Growth of a Dollar

As of March 31, 2021

## City of Solana Beach



**Historical Return of \$1 Million Invested on March 31,2016**

As of 03/31/2021	Dollar Value	Return
City of Solana Beach Total Return	\$1,101,880	1.96%
LAIF	\$1,070,793	1.38%



## Section 3 | Portfolio Holdings

# Holdings Report

As of March 31, 2021

## City of Solana Beach - Account #10471

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>ABS</b>									
43814UAG4	Honda Auto Receivables Trust 2018-2 A3 3.010% Due 05/18/2022	27,969.08	05/22/2018 3.03%	27,968.47 27,968.47	100.52 0.34%	28,115.78 30.40	0.10% 147.31	NR / AAA AAA	1.13 0.20
477870AC3	John Deere Owner Trust 2019-B A3 2.210% Due 12/15/2023	112,179.65	07/16/2019 2.23%	112,155.83 112,155.83	101.35 0.27%	113,691.61 110.19	0.42% 1,535.78	Aaa / NR AAA	2.71 0.69
43813RAC1	Honda Auto Receivables 2020-1 A3 1.610% Due 04/22/2024	215,000.00	02/19/2020 1.62%	214,957.86 214,957.86	101.62 0.45%	218,484.08 96.15	0.81% 3,526.22	Aaa / NR AAA	3.06 1.38
65479JAD5	Nissan Auto Receivables Owner 2019-C A3 1.930% Due 07/15/2024	220,000.00	10/16/2019 1.94%	219,988.38 219,988.38	101.81 0.30%	223,987.50 188.71	0.83% 3,999.12	Aaa / AAA NR	3.29 1.11
47789KAC7	John Deere Owner Trust 2020-A A3 1.100% Due 08/15/2024	155,000.00	03/04/2020 1.11%	154,990.53 154,990.53	100.87 0.41%	156,346.80 75.78	0.58% 1,356.27	Aaa / NR AAA	3.38 1.25
43813GAC5	Honda Auto Receivables Trust 2021-1 A3 0.270% Due 04/21/2025	65,000.00	02/17/2021 0.27%	64,998.81 64,998.81	99.85 0.35%	64,901.14 4.88	0.24% (97.67)	Aaa / NR AAA	4.06 2.01
47788UAC6	John Deere Owner Trust 2021-A A3 0.360% Due 09/15/2025	95,000.00	03/02/2021 0.37%	94,981.74 94,981.74	99.61 0.52%	94,626.75 19.95	0.35% (354.99)	Aaa / NR AAA	4.46 2.43
<b>TOTAL ABS</b>		<b>890,148.73</b>	<b>1.50%</b>	<b>890,041.62</b>	<b>0.38%</b>	<b>900,153.66</b> <b>526.06</b>	<b>3.35%</b> <b>10,112.04</b>	<b>Aaa / AAA</b> <b>Aaa</b>	<b>3.29</b> <b>1.32</b>
<b>Agency</b>									
3135G0U35	FNMA Note 2.750% Due 06/22/2021	700,000.00	06/28/2018 2.68%	701,295.00 701,295.00	100.61 0.06%	704,242.00 5,293.75	2.64% 2,947.00	Aaa / AA+ AAA	0.23 0.22
3133EJT74	FFCB Note 3.050% Due 11/15/2021	600,000.00	12/11/2018 2.87%	602,994.00 602,994.00	101.84 0.09%	611,046.60 6,913.33	2.30% 8,052.60	Aaa / AA+ AAA	0.63 0.61
3135G0S38	FNMA Note 2.000% Due 01/05/2022	650,000.00	Various 2.04%	649,156.00 649,156.00	101.44 0.11%	659,334.65 3,105.55	2.46% 10,178.65	Aaa / AA+ AAA	0.77 0.76
3133EKBV7	FFCB Note 2.550% Due 03/01/2022	600,000.00	02/28/2019 2.57%	599,718.00 599,718.00	102.26 0.08%	613,572.00 1,275.00	2.29% 13,854.00	Aaa / AA+ AAA	0.92 0.91
313379Q69	FHLB Note 2.125% Due 06/10/2022	700,000.00	06/06/2018 2.81%	681,828.70 681,828.70	102.38 0.13%	716,642.50 4,586.46	2.68% 34,813.80	Aaa / AA+ AAA	1.19 1.18
3135G0W33	FNMA Note 1.375% Due 09/06/2022	580,000.00	09/05/2019 1.49%	577,981.60 577,981.60	101.83 0.09%	590,633.72 553.82	2.20% 12,652.12	Aaa / AA+ AAA	1.44 1.42
3133EKY91	FFCB Note 1.375% Due 10/11/2022	500,000.00	10/08/2019 1.46%	498,715.00 498,715.00	101.84 0.17%	509,176.00 3,246.53	1.91% 10,461.00	Aaa / AA+ AAA	1.53 1.51
3130AFE78	FHLB Note 3.000% Due 12/09/2022	600,000.00	12/20/2018 2.77%	605,208.00 605,208.00	104.75 0.18%	628,479.00 5,600.00	2.36% 23,271.00	Aaa / AA+ AAA	1.69 1.64

# Holdings Report

As of March 31, 2021

## City of Solana Beach - Account #10471

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
3135G0T94	FNMA Note 2.375% Due 01/19/2023	500,000.00	10/04/2018 3.10%	485,610.00 485,610.00	103.98 0.16%	519,895.00 2,375.00	1.94% 34,285.00	Aaa / AA+ AAA	1.81 1.76
3133EKUA2	FFCB Note 1.850% Due 02/01/2023	600,000.00	07/23/2019 1.86%	599,850.00 599,850.00	103.11 0.15%	618,660.60 1,850.00	2.31% 18,810.60	Aaa / AA+ AAA	1.84 1.81
3133ELNW0	FFCB Note 1.450% Due 02/21/2023	600,000.00	02/14/2020 1.45%	599,988.00 599,988.00	102.45 0.15%	614,727.00 966.67	2.29% 14,739.00	Aaa / AA+ AAA	1.90 1.87
3130ADRG9	FHLB Note 2.750% Due 03/10/2023	600,000.00	01/18/2019 2.75%	600,072.00 600,072.00	104.91 0.22%	629,450.40 962.50	2.34% 29,378.40	Aaa / AA+ NR	1.94 1.90
3135G04Q3	FNMA Note 0.250% Due 05/22/2023	500,000.00	08/11/2020 0.25%	499,990.00 499,990.00	100.12 0.19%	500,608.00 447.92	1.86% 618.00	Aaa / AA+ AAA	2.14 2.13
3133834G3	FHLB Note 2.125% Due 06/09/2023	700,000.00	06/10/2019 2.00%	703,318.00 703,318.00	104.21 0.20%	729,444.10 4,627.78	2.73% 26,126.10	Aaa / AA+ NR	2.19 2.14
3133EKS7	FFCB Note 1.770% Due 06/26/2023	500,000.00	06/21/2019 1.89%	497,675.00 497,675.00	103.50 0.20%	517,505.50 2,335.42	1.93% 19,830.50	Aaa / AA+ AAA	2.24 2.19
3137EAES4	FHLMC Note 0.250% Due 06/26/2023	500,000.00	08/11/2020 0.26%	499,875.00 499,875.00	100.08 0.21%	500,394.50 329.86	1.86% 519.50	Aaa / AA+ AAA	2.24 2.23
3135G05G4	FNMA Note 0.250% Due 07/10/2023	520,000.00	07/08/2020 0.32%	518,882.00 518,882.00	100.07 0.22%	520,373.88 292.50	1.94% 1,491.88	Aaa / AA+ AAA	2.28 2.27
3133EL3V4	FFCB Note 0.200% Due 08/14/2023	500,000.00	08/12/2020 0.27%	498,955.00 498,955.00	99.92 0.23%	499,588.00 130.56	1.86% 633.00	Aaa / AA+ AAA	2.37 2.36
3137EAEV7	FHLMC Note 0.250% Due 08/24/2023	475,000.00	08/19/2020 0.28%	474,515.50 474,515.50	100.03 0.24%	475,140.60 122.05	1.77% 625.10	Aaa / AA+ AAA	2.40 2.39
3137EAEW5	FHLMC Note 0.250% Due 09/08/2023	500,000.00	09/29/2020 0.23%	500,310.00 500,310.00	99.98 0.26%	499,879.50 79.86	1.86% (430.50)	Aaa / AA+ AAA	2.44 2.43
3137EAEY1	FHLMC Note 0.125% Due 10/16/2023	400,000.00	10/29/2020 0.24%	398,596.00 398,596.00	99.62 0.28%	398,471.20 229.17	1.48% (124.80)	Aaa / AA+ AAA	2.55 2.53
3137EAEZ8	FHLMC Note 0.250% Due 11/06/2023	525,000.00	11/03/2020 0.28%	524,527.50 524,527.50	99.92 0.28%	524,578.95 532.29	1.95% 51.45	Aaa / AA+ AAA	2.60 2.58
3135G06H1	FNMA Note 0.250% Due 11/27/2023	465,000.00	11/23/2020 0.29%	464,469.90 464,469.90	99.88 0.30%	464,438.75 406.88	1.73% (31.15)	Aaa / AA+ AAA	2.66 2.64
3137EAF2	FHLMC Note 0.250% Due 12/04/2023	375,000.00	12/02/2020 0.28%	374,628.75 374,628.75	99.85 0.31%	374,420.63 304.69	1.39% (208.12)	Aaa / AA+ AAA	2.68 2.66

# Holdings Report

As of March 31, 2021

## City of Solana Beach - Account #10471

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
3133EMRZ7	FFCB Note 0.250% Due 02/26/2024	435,000.00	02/22/2021 0.26%	434,843.40 434,843.40	99.68 0.36%	433,609.31 105.73	1.61% (1,234.09)	Aaa / AA+ AAA	2.91 2.89
<b>TOTAL Agency</b>		<b>13,625,000.00</b>	<b>1.51%</b>	<b>13,593,002.35</b>	<b>0.18%</b>	<b>13,854,312.39</b> <b>46,673.32</b>	<b>51.71%</b> <b>261,310.04</b>	<b>Aaa / AA+</b> <b>Aaa</b>	<b>1.82</b> <b>1.79</b>
<b>Corporate</b>									
808513AW5	Charles Schwab Corp Callable Note Cont 4/21/2021 3.250% Due 05/21/2021	160,000.00	05/17/2018 3.25%	159,995.20 159,995.20	100.14 0.21%	160,216.00 1,877.78	0.60% 220.80	A2 / A A	0.14 0.06
69371RP42	Paccar Financial Corp Note 3.150% Due 08/09/2021	500,000.00	08/06/2018 3.16%	499,845.00 499,845.00	101.04 0.21%	505,215.00 2,275.00	1.89% 5,370.00	A1 / A+ NR	0.36 0.36
68389XBK0	Oracle Corp Callable Note Cont 8/15/2021 1.900% Due 09/15/2021	250,000.00	10/12/2017 2.11%	248,072.50 248,072.50	100.59 0.32%	251,465.00 211.11	0.94% 3,392.50	Baa2 / A BBB+	0.46 0.37
89236TDP7	Toyota Motor Credit Corp Note 2.600% Due 01/11/2022	150,000.00	04/18/2018 3.10%	147,382.50 147,382.50	101.79 0.29%	152,688.15 866.67	0.57% 5,305.65	A1 / A+ A+	0.78 0.77
68389XBB0	Oracle Corp Callable Note Cont 3/15/2022 2.500% Due 05/15/2022	150,000.00	06/13/2018 3.21%	146,086.50 146,086.50	101.95 0.45%	152,925.45 1,416.67	0.57% 6,838.95	Baa2 / A BBB+	1.12 0.94
084664BT7	Berkshire Hathaway Note 3.000% Due 05/15/2022	350,000.00	12/11/2018 3.31%	346,510.50 346,510.50	103.14 0.20%	360,987.90 3,966.67	1.36% 14,477.40	Aa2 / AA A+	1.12 1.10
911312BC9	UPS Callable Note Cont 4/16/2022 2.350% Due 05/16/2022	400,000.00	04/10/2018 2.99%	390,204.00 390,204.00	102.12 0.31%	408,481.20 3,525.00	1.53% 18,277.20	A2 / A- NR	1.13 1.03
24422EUA5	John Deere Capital Corp Note 2.700% Due 01/06/2023	350,000.00	10/29/2019 1.96%	357,889.00 357,889.00	104.15 0.34%	364,510.30 2,231.25	1.36% 6,621.30	A2 / A A	1.77 1.72
037833AK6	Apple Inc Note 2.400% Due 05/03/2023	256,000.00	05/02/2019 2.75%	252,605.44 252,605.44	104.47 0.26%	267,432.19 2,525.87	1.00% 14,826.75	Aa1 / AA+ NR	2.09 2.03
06406FAD5	Bank of NY Mellon Corp Callable Note Cont 6/16/2023 2.200% Due 08/16/2023	350,000.00	09/12/2019 2.15%	350,616.00 350,616.00	104.00 0.38%	363,987.40 962.50	1.36% 13,371.40	A1 / A AA-	2.38 2.16
69371RR24	Paccar Financial Corp Note 0.350% Due 02/02/2024	210,000.00	01/28/2021 0.39%	209,756.40 209,756.40	99.54 0.51%	209,042.40 120.46	0.78% (714.00)	A1 / A+ NR	2.84 2.82
808513BN4	Charles Schwab Corp Callable Note Cont 2/18/2024 0.750% Due 03/18/2024	300,000.00	Various 0.70%	300,409.70 300,409.70	100.51 0.57%	301,534.20 81.25	1.12% 1,124.50	A2 / A A	2.97 2.85



# Holdings Report

As of March 31, 2021

## City of Solana Beach - Account #10471

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
46647PBY1	JP Morgan Chase & Co Callable Note Cont 2/16/2024 0.563% Due 02/16/2025	185,000.00	02/09/2021 0.53%	185,000.00 185,000.00	99.25 0.73%	183,610.84 130.19	0.68% (1,389.16)	A2 / A- AA-	3.88 3.82
<b>TOTAL Corporate</b>		<b>3,611,000.00</b>	<b>2.34%</b>	<b>3,594,372.74</b>	<b>0.35%</b>	<b>20,190.42</b>	<b>87,723.29</b>	<b>A1 / A+</b> <b>A</b>	<b>1.56</b> <b>1.48</b>
<b>Money Market Fund FI</b>									
31846V203	First American Govt Obligation Fund Class Y	57,323.68	Various 0.01%	57,323.68 57,323.68	1.00 0.01%	57,323.68 0.00	0.21% 0.00	Aaa / AAA AAA	0.00 0.00
<b>TOTAL Money Market Fund FI</b>		<b>57,323.68</b>	<b>0.01%</b>	<b>57,323.68</b>	<b>0.01%</b>	<b>0.00</b>	<b>0.00</b>	<b>Aaa / AAA</b> <b>Aaa</b>	<b>0.00</b> <b>0.00</b>
<b>Supranational</b>									
459058JM6	Intl. Bank Recon & Development Note 0.250% Due 11/24/2023	190,000.00	11/17/2020 0.32%	189,591.50 189,591.50	99.72 0.36%	189,471.80 167.57	0.71% (119.70)	Aaa / AAA AAA	2.65 2.63
<b>TOTAL Supranational</b>		<b>190,000.00</b>	<b>0.32%</b>	<b>189,591.50</b>	<b>0.36%</b>	<b>167.57</b>	<b>(119.70)</b>	<b>Aaa / AAA</b> <b>Aaa</b>	<b>2.65</b> <b>2.63</b>
<b>US Treasury</b>									
912828W55	US Treasury Note 1.875% Due 02/28/2022	600,000.00	Various 2.03%	596,216.52 596,216.52	101.61 0.11%	609,679.80 978.26	2.27% 13,463.28	Aaa / AA+ AAA	0.92 0.91
912828XW5	US Treasury Note 1.750% Due 06/30/2022	700,000.00	Various 2.56%	677,368.48 677,368.48	102.04 0.12%	714,246.40 3,079.42	2.67% 36,877.92	Aaa / AA+ AAA	1.25 1.24
9128282P4	US Treasury Note 1.875% Due 07/31/2022	600,000.00	12/16/2019 1.67%	603,187.50 603,187.50	102.34 0.13%	614,015.40 1,864.64	2.29% 10,827.90	Aaa / AA+ AAA	1.33 1.32
912828YA2	US Treasury Note 1.500% Due 08/15/2022	600,000.00	12/31/2019 1.59%	598,593.75 598,593.75	101.90 0.12%	611,390.40 1,118.78	2.28% 12,796.65	Aaa / AA+ AAA	1.38 1.37
912828L24	US Treasury Note 1.875% Due 08/31/2022	600,000.00	04/08/2019 2.30%	591,632.81 591,632.81	102.46 0.13%	614,765.40 978.26	2.29% 23,132.59	Aaa / AA+ AAA	1.42 1.40
912828M80	US Treasury Note 2.000% Due 11/30/2022	600,000.00	11/27/2019 1.61%	606,843.75 606,843.75	103.08 0.15%	618,468.60 4,021.98	2.32% 11,624.85	Aaa / AA+ AAA	1.67 1.64
9128284D9	US Treasury Note 2.500% Due 03/31/2023	500,000.00	02/21/2019 2.51%	499,707.03 499,707.03	104.65 0.17%	523,261.50 34.15	1.95% 23,554.47	Aaa / AA+ AAA	2.00 1.96
912828R28	US Treasury Note 1.625% Due 04/30/2023	450,000.00	12/04/2019 1.60%	450,404.30 450,404.30	102.98 0.19%	463,412.25 3,070.44	1.74% 13,007.95	Aaa / AA+ AAA	2.08 2.04

# Holdings Report

As of March 31, 2021

## City of Solana Beach - Account #10471

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
912828R69	US Treasury Note 1.625% Due 05/31/2023	600,000.00	04/11/2019 2.30%	584,062.50 584,062.50	103.07 0.20%	618,421.80 3,267.86	2.31% 34,359.30	Aaa / AA+ AAA	2.17 2.13
91282CBA8	US Treasury Note 0.125% Due 12/15/2023	550,000.00	01/08/2021 0.22%	548,474.61 548,474.61	99.54 0.29%	547,486.50 202.09	2.04% (988.11)	Aaa / AA+ AAA	2.71 2.70
91282CBE0	US Treasury Note 0.125% Due 01/15/2024	500,000.00	01/12/2021 0.24%	498,222.66 498,222.66	99.48 0.31%	497,422.00 131.22	1.85% (800.66)	Aaa / AA+ AAA	2.79 2.78
91282CBR1	US Treasury Note 0.250% Due 03/15/2024	400,000.00	03/30/2021 0.33%	399,109.38 399,109.38	99.73 0.34%	398,906.40 46.20	1.48% (202.98)	Aaa / AA+ AAA	2.96 2.94
91282Z52	US Treasury Note 1.375% Due 01/31/2025	475,000.00	02/16/2021 0.37%	493,628.91 493,628.91	102.86 0.62%	488,563.63 1,082.53	1.82% (5,065.28)	Aaa / AA+ AAA	3.84 3.73
91282ZF0	US Treasury Note 0.500% Due 03/31/2025	500,000.00	03/03/2021 0.54%	499,257.81 499,257.81	99.32 0.67%	496,601.50 6.83	1.85% (2,656.31)	Aaa / AA+ AAA	4.00 3.95
91282ZL7	US Treasury Note 0.375% Due 04/30/2025	300,000.00	01/13/2021 0.39%	299,765.63 299,765.63	98.71 0.70%	296,121.00 472.38	1.10% (3,644.63)	Aaa / AA+ AAA	4.08 4.03
<b>TOTAL US Treasury</b>		<b>7,975,000.00</b>	<b>1.45%</b>	<b>7,946,475.64</b>	<b>0.26%</b>	<b>8,112,762.58</b> <b>20,355.04</b>	<b>30.25%</b> <b>166,286.94</b>	<b>Aaa / AA+</b> <b>Aaa</b>	<b>2.16</b> <b>2.13</b>
<b>TOTAL PORTFOLIO</b>		<b>26,348,472.41</b>	<b>1.59%</b>	<b>26,270,807.53</b>	<b>0.24%</b>	<b>26,796,120.14</b> <b>87,912.41</b>	<b>100.00%</b> <b>525,312.61</b>	<b>Aa1 / AA+</b> <b>Aaa</b>	<b>1.93</b> <b>1.84</b>
<b>TOTAL MARKET VALUE PLUS ACCRUALS</b>						<b>26,884,032.55</b>			



## Section 4 | Transactions

# Transaction Ledger

As of March 31, 2021

## City of Solana Beach - Account #10471

December 31, 2020 through March 31, 2021

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>ACQUISITIONS</b>										
Purchase	01/11/2021	91282CBA8	550,000.00	US Treasury Note 0.125% Due: 12/15/2023	99.723	0.22%	548,474.61	51.00	548,525.61	0.00
Purchase	01/14/2021	912828ZL7	300,000.00	US Treasury Note 0.375% Due: 04/30/2025	99.922	0.39%	299,765.63	233.08	299,998.71	0.00
Purchase	01/15/2021	91282CBE0	500,000.00	US Treasury Note 0.125% Due: 01/15/2024	99.645	0.24%	498,222.66	0.00	498,222.66	0.00
Purchase	02/02/2021	69371RR24	210,000.00	Paccar Financial Corp Note 0.35% Due: 02/02/2024	99.884	0.39%	209,756.40	0.00	209,756.40	0.00
Purchase	02/16/2021	46647PBY1	185,000.00	JP Morgan Chase & Co Callable Note Cont 2/16/2024 0.563% Due: 02/16/2025	100.000	0.54%	185,000.00	0.00	185,000.00	0.00
Purchase	02/17/2021	912828Z52	475,000.00	US Treasury Note 1.375% Due: 01/31/2025	103.922	0.37%	493,628.91	306.72	493,935.63	0.00
Purchase	02/24/2021	43813GAC5	65,000.00	Honda Auto Receivables Trust 2021-1 A3 0.27% Due: 04/21/2025	99.998	0.27%	64,998.81	0.00	64,998.81	0.00
Purchase	02/26/2021	3133EMRZ7	435,000.00	FFCB Note 0.25% Due: 02/26/2024	99.964	0.26%	434,843.40	0.00	434,843.40	0.00
Purchase	03/04/2021	912828ZF0	500,000.00	US Treasury Note 0.5% Due: 03/31/2025	99.852	0.54%	499,257.81	1,064.56	500,322.37	0.00
Purchase	03/10/2021	47788UAC6	95,000.00	John Deere Owner Trust 2021-A A3 0.36% Due: 09/15/2025	99.981	0.37%	94,981.74	0.00	94,981.74	0.00
Purchase	03/18/2021	808513BN4	155,000.00	Charles Schwab Corp Callable Note Cont 2/18/2024 0.75% Due: 03/18/2024	99.950	0.77%	154,922.50	0.00	154,922.50	0.00
Purchase	03/23/2021	808513BN4	145,000.00	Charles Schwab Corp Callable Note Cont 2/18/2024 0.75% Due: 03/18/2024	100.336	0.63%	145,487.20	15.10	145,502.30	0.00

# Transaction Ledger

As of March 31, 2021

## City of Solana Beach - Account #10471

December 31, 2020 through March 31, 2021

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Purchase	03/31/2021	91282CBR1	400,000.00	US Treasury Note 0.25% Due: 03/15/2024	99.777	0.33%	399,109.38	43.48	399,152.86	0.00
<b>Subtotal</b>			<b>4,015,000.00</b>				<b>4,028,449.05</b>	<b>1,713.94</b>	<b>4,030,162.99</b>	<b>0.00</b>
<b>TOTAL ACQUISITIONS</b>			<b>4,015,000.00</b>				<b>4,028,449.05</b>	<b>1,713.94</b>	<b>4,030,162.99</b>	<b>0.00</b>
<b>DISPOSITIONS</b>										
Sale	02/11/2021	313380GJ0	600,000.00	FHLB Note 2% Due: 09/09/2022	102.978	0.11%	617,868.00	5,066.67	622,934.67	39,510.00
Sale	02/19/2021	3135G0V59	360,000.00	FNMA Note 2.25% Due: 04/12/2022	102.520	0.05%	369,072.00	2,857.50	371,929.50	10,252.80
Sale	02/24/2021	912828W55	100,000.00	US Treasury Note 1.875% Due: 02/28/2022	101.832	0.06%	101,832.03	916.78	102,748.81	2,462.61
Sale	03/04/2021	912828U81	700,000.00	US Treasury Note 2% Due: 12/31/2021	101.586	0.08%	711,101.56	2,436.46	713,538.02	21,875.00
Sale	03/23/2021	912828H86	550,000.00	US Treasury Note 1.5% Due: 01/31/2022	101.238	0.06%	556,810.55	1,162.29	557,972.84	13,232.54
<b>Subtotal</b>			<b>2,310,000.00</b>				<b>2,356,684.14</b>	<b>12,439.70</b>	<b>2,369,123.84</b>	<b>87,332.95</b>
Maturity	01/25/2021	45950KCM0	205,000.00	International Finance Corp Note 2.25% Due: 01/25/2021	100.000		205,000.00	0.00	205,000.00	602.70
<b>Subtotal</b>			<b>205,000.00</b>				<b>205,000.00</b>	<b>0.00</b>	<b>205,000.00</b>	<b>602.70</b>
<b>TOTAL DISPOSITIONS</b>			<b>2,515,000.00</b>				<b>2,561,684.14</b>	<b>12,439.70</b>	<b>2,574,123.84</b>	<b>87,935.65</b>

# Important Disclosures

*As of March 31, 2021*

2021 Chandler Asset Management, Inc, An Independent Registered Investment Adviser.

Information contained herein is confidential. Prices are provided by IDC, an independent pricing source. In the event IDC does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.

Performance results are presented gross-of-advisory fees and represent the client's Total Return. The deduction of advisory fees lowers performance results. These results include the reinvestment of dividends and other earnings. Past performance may not be indicative of future results. Therefore, clients should not assume that future performance of any specific investment or investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Economic factors, market conditions or changes in investment strategies, contributions or withdrawals may materially alter the performance and results of your portfolio.

Index returns assume reinvestment of all distributions. Historical performance results for investment indexes generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results. It is not possible to invest directly in an index.

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Fixed income investments are subject to interest, credit and market risk. Interest rate risk: the value of fixed income investments will decline as interest rates rise. Credit risk: the possibility that the borrower may not be able to repay interest and principal. Low rated bonds generally have to pay higher interest rates to attract investors willing to take on greater risk. Market risk: the bond market in general could decline due to economic conditions, especially during periods of rising interest rates.

Ratings information have been provided by Moody's, S&P and Fitch through data feeds we believe to be reliable as of the date of this statement, however we cannot guarantee its accuracy.

Security level ratings for U.S. Agency issued mortgage-backed securities ("MBS") reflect the issuer rating because the securities themselves are not rated. The issuing U.S. Agency guarantees the full and timely payment of both principal and interest and carries a AA+/Aaa/AAA by S&P, Moody's and Fitch respectively.

## **ICE BAML 1-3 Yr US Treasury/Agency Index**

*The ICE BAML 1-3 Year US Treasury & Agency Index tracks the performance of US dollar denominated US Treasury and nonsubordinated US agency debt issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch). Qualifying securities must have at least one year remaining term to final maturity and less than three years remaining term to final maturity, at least 18 months to maturity at time of issuance, a fixed coupon schedule and a minimum amount outstanding of \$1 billion for sovereigns and \$250 million for agencies. (Index: G1A0. Please visit [www.mlindex.ml.com](http://www.mlindex.ml.com) for more information)*

CITY OF SOLANA BEACH  
PARS Post-Employment Benefits Trust

Account Report for the Period  
1/1/2021 to 1/31/2021

Gregory Wade  
City Manager  
City of Solana Beach  
635 South Highway 101  
Solana Beach, CA 92075

## Account Summary

Source	Balance as of 1/1/2021	Contributions	Earnings	Expenses	Distributions	Transfers	Balance as of 1/31/2021
OPEB	\$1,179,841.63	\$0.00	-\$2,320.88	\$567.75	\$0.00	\$0.00	\$1,176,953.00
PENSION	\$3,049,750.36	\$0.00	-\$5,999.21	\$1,467.58	\$0.00	\$0.00	\$3,042,283.57
<b>Totals</b>	<b>\$4,229,591.99</b>	<b>\$0.00</b>	<b>-\$8,320.09</b>	<b>\$2,035.33</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$4,219,236.57</b>

## Investment Selection

### Source

OPEB	City of Solana Beach
PENSION	City of Solana Beach

## Investment Objective

### Source

OPEB	Individual account based on Moderate HighMark PLUS. The dual goals of the Moderate Strategy are growth of principal and income. It is expected that dividend and interest income will comprise a significant portion of total return, although growth through capital appreciation is equally important. The portfolio will be allocated between equity and fixed income investments.
PENSION	Individual account based on Moderate HighMark PLUS. The dual goals of the Moderate Strategy are growth of principal and income. It is expected that dividend and interest income will comprise a significant portion of total return, although growth through capital appreciation is equally important. The portfolio will be allocated between equity and fixed income investments.

## Investment Return

Source	1-Month	3-Months	1-Year	Annualized Return			Plan's Inception Date
				3-Years	5-Years	10-Years	
OPEB	-0.20%	8.99%	11.69%	6.88%	-	-	3/1/2016
PENSION	-0.20%	9.01%	11.68%	6.90%	-	-	3/1/2016

Information as provided by US Bank, Trustee for PARS; Not FDIC Insured; No Bank Guarantee; May Lose Value

Past performance does not guarantee future results. Performance returns may not reflect the deduction of applicable fees, which could reduce returns. Information is deemed reliable but may be subject to change.  
Investment Return: Annualized rate of return is the return on an investment over a period other than one year multiplied or divided to give a comparable one-year return.  
Account balances are inclusive of Trust Administration, Trustee and Investment Management fees



**CITY OF SOLANA BEACH**  
**PARS Post-Employment Benefits Trust**

**Account Report for the Period**  
**2/1/2021 to 2/28/2021**

Gregory Wade  
City Manager  
City of Solana Beach  
635 South Highway 101  
Solana Beach, CA 92075

## Account Summary

Source	Balance as of 2/1/2021	Contributions	Earnings	Expenses	Distributions	Transfers	Balance as of 2/28/2021
OPEB	\$1,176,953.00	\$0.00	\$17,416.75	\$566.40	\$0.00	\$0.00	\$1,193,803.35
PENSION	\$3,042,283.57	\$0.00	\$45,020.22	\$1,464.06	\$0.00	\$0.00	\$3,085,839.73
<b>Totals</b>	<b>\$4,219,236.57</b>	<b>\$0.00</b>	<b>\$62,436.97</b>	<b>\$2,030.46</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$4,279,643.08</b>

## Investment Selection

Source	
OPEB	City of Solana Beach
PENSION	City of Solana Beach

## Investment Objective

Source	
OPEB	Individual account based on Moderate HighMark PLUS. The dual goals of the Moderate Strategy are growth of principal and income. It is expected that dividend and interest income will comprise a significant portion of total return, although growth through capital appreciation is equally important. The portfolio will be allocated between equity and fixed income investments.
PENSION	Individual account based on Moderate HighMark PLUS. The dual goals of the Moderate Strategy are growth of principal and income. It is expected that dividend and interest income will comprise a significant portion of total return, although growth through capital appreciation is equally important. The portfolio will be allocated between equity and fixed income investments.

## Investment Return

Source	1-Month	3-Months	1-Year	Annualized Return			Plan's Inception Date
				3-Years	5-Years	10-Years	
OPEB	1.48%	3.94%	17.07%	8.29%	8.74%	-	3/1/2016
PENSION	1.48%	3.94%	17.05%	8.31%	8.78%	-	3/1/2016

Information as provided by US Bank, Trustee for PARS; Not FDIC Insured; No Bank Guarantee; May Lose Value

Past performance does not guarantee future results. Performance returns may not reflect the deduction of applicable fees, which could reduce returns. Information is deemed reliable but may be subject to change.

Investment Return: Annualized rate of return is the return on an investment over a period other than one year multiplied or divided to give a comparable one-year return.

Account balances are inclusive of Trust Administration, Trustee and Investment Management fees

CITY OF SOLANA BEACH  
PARS Post-Employment Benefits Trust

Account Report for the Period  
3/1/2021 to 3/31/2021

Gregory Wade  
City Manager  
City of Solana Beach  
635 South Highway 101  
Solana Beach, CA 92075

## Account Summary

Source	Balance as of 3/1/2021	Contributions	Earnings	Expenses	Distributions	Transfers	Balance as of 3/31/2021
OPEB	\$1,193,803.35	\$0.00	\$9,438.71	\$593.31	\$0.00	\$0.00	\$1,202,648.75
PENSION	\$3,085,839.73	\$0.00	\$24,397.94	\$1,533.62	\$0.00	\$0.00	\$3,108,704.05
<b>Totals</b>	<b>\$4,279,643.08</b>	<b>\$0.00</b>	<b>\$33,836.65</b>	<b>\$2,126.93</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$4,311,352.80</b>

## Investment Selection

### Source

OPEB	City of Solana Beach
PENSION	City of Solana Beach

## Investment Objective

### Source

OPEB	Individual account based on Moderate HighMark PLUS. The dual goals of the Moderate Strategy are growth of principal and income. It is expected that dividend and interest income will comprise a significant portion of total return, although growth through capital appreciation is equally important. The portfolio will be allocated between equity and fixed income investments.
PENSION	Individual account based on Moderate HighMark PLUS. The dual goals of the Moderate Strategy are growth of principal and income. It is expected that dividend and interest income will comprise a significant portion of total return, although growth through capital appreciation is equally important. The portfolio will be allocated between equity and fixed income investments.

## Investment Return

Source	1-Month	3-Months	1-Year	Annualized Return			Plan's Inception Date
				3-Years	5-Years	10-Years	
OPEB	0.79%	2.08%	30.64%	8.76%	8.65%	-	3/1/2016
PENSION	0.79%	2.08%	30.62%	8.79%	8.69%	-	3/1/2016

Information as provided by US Bank, Trustee for PARS; Not FDIC Insured; No Bank Guarantee; May Lose Value

Past performance does not guarantee future results. Performance returns may not reflect the deduction of applicable fees, which could reduce returns. Information is deemed reliable but may be subject to change.

Investment Return: Annualized rate of return is the return on an investment over a period other than one year multiplied or divided to give a comparable one-year return.

Account balances are inclusive of Trust Administration, Trustee and Investment Management fees



# STAFF REPORT CITY OF SOLANA BEACH

**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Gregory Wade, City Manager  
**MEETING DATE:** May 12, 2021  
**ORIGINATING DEPT:** Community Development Department  
**SUBJECT:** **Council Consideration of Resolution of Denial for the Proposed Modification to Convert a Commercial Retail Tenant Space to Commercial Office Within the Approved Mixed Use Development at 330 S. Cedros Avenue (Applicant: RAF Pacifica Group, Case No. MOD21-002 Resolution 2021-057)**

---

## **BACKGROUND:**

On April 28, 2021 the Solana Beach City Council conducted a Public Hearing to consider a Modification (MOD) to the approved Development Review Permit (DRP), Structure Development Permit (SDP), Conditional Use Permit (CUP), Minor Exception (MEC), and Comprehensive Sign Plan (CSP) that was approved in 2016 for a Mixed Use Development at 330 S. Cedros Avenue. The Applicant, RAF Pacifica Group, requested the approval of a modification to allow for the conversion of a 747 square foot main floor commercial retail tenant space to a commercial office tenant space for a real estate gallery for Pacific Sotheby's International Realty. At that meeting, the Council heard presentations from Staff and the Applicant as well as comments and concerns from members of the Council and considered comments received from the public.

After conducting the public hearing and receiving public testimony and evidence concerning the project, the Council voted 5-0-0 to deny the application, "without prejudice", and directed Staff to bring forward a Resolution of Denial.

It should be noted that unlike denials "with prejudice", when a project is denied "without prejudice" it may be redesigned and resubmitted for Staff review and subsequent Council consideration without waiting the requisite one year from the Council denial date.

This item is before the Council for consideration and proposed adoption of a Resolution of Denial (Attachment 1) of a MOD for at 330 S. Cedros Avenue.

CITY COUNCIL ACTION:

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**DISCUSSION:**

The Council conducted a Public Hearing to consider the proposed project as noted. The Council's vote to deny the project was based upon the information in the Staff Report that was presented, the oral testimony and written communication submitted to the City and the testimony of the Applicant's representatives at the Hearing. In addition, fifteen letters or emails were submitted to the City from the public in opposition to the project.

Having heard and considered all the information and testimony provided, the City Council found that the project was not consistent with the required findings for a DRP pursuant to SBMC Section 17.68.040(H)(2) and corresponding development review criteria listed under SBMC Section 17.68.040(F)(1) *Relationship with Adjacent Land Use* and Section 17.68.040(F)(2) *Building and Structure Placement*. Adoption of the attached resolution (Attachment 1) will formalize the Council's decision and therefore deny the Modification without prejudice.

The City Council decision on this matter is final unless a petition for a writ of mandate is timely filed. The time within which judicial review of this decision must be sought is governed by the Code of Civil Procedure, Section 1094.6, which has been made applicable in the City of Solana Beach by the Solana Beach Municipal Code, Chapter 2.36.

**CEQA COMPLIANCE STATEMENT:**

The denial of this project is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15270 (Projects which are Disapproved) of the 2020 State CEQA Guidelines.

**FISCAL IMPACT:**

No significant direct impacts identified.

**WORKPLAN:** N/A

**OPTIONS:**

- Approve the adoption of Resolution 2021-057 denying the project.
- Provide alternative direction.

**DEPARTMENT RECOMMENDATION:**

Staff recommends that the City Council adopt Resolution 2021-057 denying the request for a Modification to the approved Development Review Permit, Structure Development Permit, Conditional Use Permit, Minor Exception, and Comprehensive Sign Plan for the

conversion of a commercial retail tenant space to a commercial office tenant space in the mixed use project at 330 S. Cedros Avenue, Solana Beach.

**CITY MANAGER'S RECOMMENDATION:**

Approve Department Recommendation



---

Gregory Wade, City Manager

Attachments:

1. Resolution 2021-057

**RESOLUTION 2021-057**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLANA BEACH, CALIFORNIA, DENYING A REQUEST FOR A MODIFICATION TO AN APPROVED DEVELOPMENT REVIEW PERMIT, STRUCTURE DEVELOPMENT PERMIT, CONDITIONAL USE PERMIT, MINOR EXCEPTION AND COMPREHENSIVE SIGN PLAN TO CONVERT AN EXISTING 747 SQUARE FOOT COMMERCIAL RETAIL TENANT SPACE TO COMMERCIAL OFFICE TO BE OCCUPIED BY PACIFIC SOTHEBY'S INTERNATIONAL REALTY AT 330 S. CEDROS AVENUE, SOLANA BEACH**

**APPLICANT: RAF PACIFICA GROUP – PACIFIC SOTHEBY'S  
CASE NO.: MOD21-002**

**WHEREAS**, RAF Pacifica Group (hereinafter referred to as "Applicant") has submitted a request for modification to the original project approval of a Development Review Permit (DRP), Structure Development Permit (SDP), Conditional Use Permit (CUP), Minor Exception (MEC) and Comprehensive Sign Plan (CSP) for construction of a Mixed-Use, Multi-Tenant Development located at 330 S. Cedros Avenue, pursuant to Title 17 (Zoning), of the Solana Beach Municipal Code (SBMC); and

**WHEREAS**, on April 28, 2021, the City Council held a duly noticed Public Hearing to consider the Project; and

**WHEREAS**, at the Hearing, the City Council received and considered evidence concerning the Project; and

**WHEREAS**, the Hearing was conducted pursuant to the provisions of SBMC Section 17.72.030; and

**WHEREAS**, this decision is based upon the evidence presented at the Public Hearing, the project application and the development plan, and any information the City Council gathered by viewing the site and the area as disclosed at the Hearing; and

**WHEREAS**, pursuant to SBMC Section 17.68.040(H), the City Council found that, as proposed, the Project did not comply with the development review criteria set forth in SBMC Section 17.68.040.F: The development was not found to be designed in a manner that is compatible with, and complimentary, to existing and potential development in the immediate vicinity of the project site.

**NOW, THEREFORE**, the City Council of the City of Solana Beach, California, does resolve as follows:

1. That the above recitations are true and correct.
2. That the denial of the proposed project is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15270 of the 2020 State CEQA Guidelines.
3. That the request for a Modification to the approved Development Review Permit, Structure Development Permit, Conditional Use Permit, Minor Exception, and Comprehensive Sign Plan for the conversion of a commercial retail tenant space to a commercial office tenant space in the mixed use project at 330 S. Cedros Avenue filed on March 15, 2021, on file with the Community Development Department is denied without prejudice, based upon the following Findings.
4. Findings:
  - A. In accordance with Section 17.68.040.H.(Development Review Permits) of the Solana Beach Municipal Code (SBMC), the City Council denied the application for a development permit based on the following findings.
    1. The proposed development does not comply with the development review criteria set forth in SBMC 17.68.040(F) as follows:
      - a. *Relationship with Adjacent Land Uses. The development shall be designed in a manner compatible with and complementary to existing development in the immediate vicinity of the project site and the surrounding neighborhood. The development as proposed shall also be compatible in scale, apparent bulk, and massing with such existing development in the surrounding neighborhood. Site planning on or near the perimeter of the development shall give consideration to the protection of surrounding areas from potential adverse effects.*

The proposed development is not designed in a manner compatible with and it is not complimentary to other development in the immediate vicinity of the project site. Based on the testimony received from the public during the hearing, and other facts submitted into evidence at the hearing, the Council found that the proposed change in use of the tenant space would not preserve and perpetuate the area of the community that affords a unique pedestrian

oriented commercial center. The proposed change in use would create a gap in pedestrian oriented retail along the street.

- b. *Building and Structure Placement. Buildings and structures shall be sited and designed to minimize adverse impacts on the surrounding properties and designed in a manner which visually and functionally enhance their intended use and complement existing site topography. Multi-family residential buildings shall be sited to avoid crowding and to allow for a functional use of the space between buildings.*

The proposed modification was not designed in a manner to visually and functionally enhance their intended use as the intended use was retail. The proposed use would not promote additional retail uses on surrounding properties.

4. The project is therefore denied without prejudice.

**NOTICE REGARDING JUDICIAL REVIEW:** The City Council decision is final unless a petition for a writ of mandate is timely filed. The time within which judicial review of this decision must be sought is governed by the Code of Civil Procedure, Section 1094.6, which has been made applicable in the City of Solana Beach by the Solana Beach Municipal Code, Chapter 2.36. Any petition or other papers seeking judicial review must be filed in the appropriate court not later than the ninetieth (90<sup>th</sup>) day following the date on which this decision shall be made and filed with the Solana Beach City Clerk. This decision is final upon the adoption of this resolution.

12

**PASSED AND ADOPTED** at a regularly scheduled meeting of the City Council of the City of Solana Beach, California held on the 12<sup>th</sup> day of May, 2021 by the following vote:

AYES: Councilmembers –  
NOES: Councilmembers –  
ABSTAIN: Councilmembers –  
ABSENT: Councilmembers –

---

LESA HEEBNER, Mayor



APPROVED AS TO FORM:

ATTEST:

\_\_\_\_\_  
JOHANNA N. CANLAS, City Attorney

\_\_\_\_\_  
ANGELA IVEY, City Clerk



# STAFF REPORT CITY OF SOLANA BEACH

**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Gregory Wade, City Manager  
**MEETING DATE:** May 12, 2021  
**ORIGINATING DEPT:** Finance  
**SUBJECT:** **Council Consideration of Resolution 2021-060 Maintaining the Current Annual Sewer Service Charge for the Next Five Fiscal Years Through FY 2025/26**

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## **BACKGROUND:**

The City of Solana Beach (City) provides for the collection, transportation, and treatment of sewage generated within the community and some properties adjacent to the City's boundaries in the cities of Del Mar and San Diego. The City assesses a sewer service charge that covers the administration, maintenance, debt service, and capital costs of the City's sewer system and the costs of the San Elijo Joint Powers Authority (SEJPA) for wastewater treatment, laboratory services, ocean outfall, and maintenance of pump stations. The sewer service charge is based on historical and projected operating expenses, revenues, capital expenditures, and debt service obligations.

In 2015, the City conducted a sewer rate and revenue study. As a result of that study, the City increased the sewer service charge by 2.5% per year for Fiscal Year (FY) 2015/16 through FY 2019/20 and projected that no further increases would be needed for FY 2020/21 through FY 2024/25. The current annual assessment per Equivalent Dwelling Units (EDU) is \$682.31.

On January 22, 2020, the City Council (Council) authorized the City Manager to execute a contract with Raftelis Financial Consultants (Raftelis) of Murrieta, California to prepare an updated sewer rate and revenue study. The study was intended to recommend appropriate rates to provide sufficient funding for the construction of sewer projects as well as maintenance and operations of the sewer system for a period of five years through FY 2025/26 (Study Period).

This item is before Council to review results of the rate and revenue study and consider adoption of Resolution 2021-060 to maintain sewer service charges at their current level for the next five fiscal years through FY 2025/26.

CITY COUNCIL ACTION:

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**DISCUSSION:**

Fee and rate setting best practices call for a periodic review and update of fees and charges based on factors such as inflation, other cost increases, and adequacy of cost recovery. The scope of work for Raftelis included development of a multi-year financial plan and five-year rate schedule. This financial plan focused on five main areas: Projected Revenues, Operating Expenditures, Capital Improvement Project (CIP) costs, Debt Service, and Reserve Funding. The Rate and Revenue Study (Study) contained in Attachment 2 used all available information and trends to project future revenues, expenditures, and ending fund balances for each of the five years of the Study Period.

As previously noted, the Study concluded that for the period FY 2022 - FY 2026, the current rate of \$682.31 per EDU is sufficient to meet projected revenue requirements as well as maintain reserves well above target reserve goals. As a result, the financial health of the sanitation enterprise fund can be maintained without any rate increases for the next five years.

The following Table 1 is a Summary of the Financial Plan contained in the Study that provides an overview of projected revenues with a 0% rate increase:

**Table 1**

Item	FY 2021 Projected	FY 2022 Projected	FY 2023 Projected	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected
Revenues at Existing Rates	\$ 5,482,904	\$ 5,510,196	\$ 5,537,488	\$ 5,564,780	\$ 5,592,072	\$ 5,619,364
Revenues from Rate Increases	-	-	-	-	-	-
Other Revenues	340,264	344,992	353,207	359,913	364,934	368,211
<b>Total Revenues</b>	<b>\$ 5,823,168</b>	<b>\$ 5,855,188</b>	<b>\$ 5,890,696</b>	<b>\$ 5,924,693</b>	<b>\$ 5,957,006</b>	<b>\$ 5,987,575</b>
<b>Expenditures</b>						
O&M	\$ 3,128,684	\$ 3,238,197	\$ 3,351,523	\$ 3,468,826	\$ 3,590,238	\$ 3,715,897
Debt Service	1,233,129	1,176,119	1,172,719	1,175,894	1,173,294	1,173,144
Rate Funded CIP	1,305,557	1,162,466	1,245,262	1,333,956	1,428,967	1,530,746
<b>Total Expenditures</b>	<b>\$ 5,667,370</b>	<b>\$ 5,576,782</b>	<b>\$ 5,769,503</b>	<b>\$ 5,978,676</b>	<b>\$ 6,192,499</b>	<b>\$ 6,419,787</b>
<b>Net Cash Flow from Operations</b>	<b>\$ 155,798</b>	<b>\$ 278,406</b>	<b>\$ 121,192</b>	<b>\$ (53,983)</b>	<b>\$ (235,492)</b>	<b>\$ (432,211)</b>
<b>Beginning Fund Balance</b>	\$ 9,805,642	\$ 10,407,139	\$ 11,131,244	\$ 11,698,135	\$ 12,089,851	\$ 12,300,058
Net Cash Flow from Operations	155,798	278,406	121,192	(53,983)	(235,492)	(432,211)
Add: 700 Stevens Loan Repayment	445,699	445,699	445,699	445,699	445,699	445,699
<b>Ending Fund Balance</b>	<b>\$ 10,407,139</b>	<b>\$ 11,131,244</b>	<b>\$ 11,698,135</b>	<b>\$ 12,089,851</b>	<b>\$ 12,300,058</b>	<b>\$ 12,313,545</b>

**Reserve Policy**

In conjunction with the Study, Staff has developed an updated Sanitation Enterprise Fund Reserve Policy (Attachment 3) to ensure an adequate level of funds are available to cover both operating and capital needs for the sanitation enterprise fund. The current reserve policy sets a minimum reserve equal to nine months of operating expenses and one year of estimated capital spending. The updated reserve policy has been established using best practices in the water-resources utility industry and categorizes the reserves using

the major cost drivers within the Fund. Staff included two levels in each category of the cash reserves. The Target Reserve Level serves as the most desirable reserve level to drive policy and decision making. The Minimum Reserve Level establishes a reserve floor to provide fiscal stability within the fund. If at any point the reserves of the sanitation enterprise fund fall below the minimum reserve levels, Staff will return to Council with a proposed plan to return the fund to appropriate reserve levels. These reserve levels were incorporated into the Study.

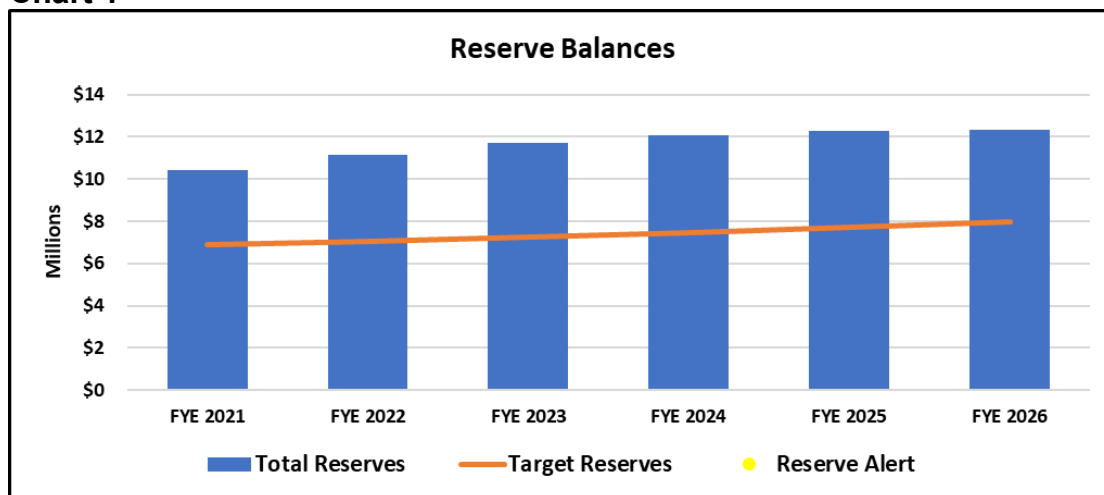
Table 2 shows a summary of the Reserve Goals of both the target and minimum reserve levels along with the actual projected reserves for FY 2021/2022 under the proposed policy. Staff is seeking Council’s approval of the updated Reserve Policy contained in Attachment 3.

**Table 2 – Reserve Goals FY 2022**

Reserve	Underlying Metric	Minimum Reserve (%)	Target Reserve (%)	Minimum Reserve (\$)	Target Reserve (\$)
Operating Capital & Rate Stabilization	Annual Operating Expenditures	30%	65%	\$971,459	\$2,104,828
Debt Service	Annual Debt Service Expenditures	50%	100%	\$588,059	\$1,176,119
Emergency Capital & Equipment	Total Depreciable Assets	10%	15%	\$2,174,169	\$3,261,254
Asset Replacement	Annual Depreciation	105%	115%	\$461,869	\$505,856
<b>Total Reserves</b>				<b>\$4,195,557</b>	<b>\$7,048,057</b>

The current rate study reinforces the findings of the 2015 rate study that resulted in rate increase of 2.5% each year for five fiscal years between FY 2015/16 through FY 2019/20 followed by no projected rate increases between fiscal years 2020/21 through 2024/25. The previous rate increases provided an adequate reserve foundation from which the sanitation fund can operate over the next five years. Chart 1 below displays the projected fund balances, with the target reserve level included for reference for each year during the Study Period.

**Chart 1**



**CEQA COMPLIANCE STATEMENT:**

Not a project as defined by CEQA.

**FISCAL IMPACT:**

Maintaining the annual sewer charge at the current level provides sufficient funding to pay for projected increases in administration, maintenance, debt service, and capital costs for the Sanitation Enterprise Fund and will ensure a fiscally prudent reserve balance is maintained within the fund.

**WORKPLAN:**

N/A

**OPTIONS:**

- Approve Staff recommendation.
- Approve Staff recommendation with alternative amendments / modifications.
- Deny Staff recommendation.
- Provide direction.

**DEPARTMENT RECOMMENDATION:**

Staff recommends that the City Council approve Resolution 2021-060 to maintain sewer service charges at their current level for the next five fiscal years through FY 2025/26 and approving the Reserve Policy outlined in Attachment 3.

**CITY MANAGER'S RECOMMENDATION:**

Approve Department Recommendation



\_\_\_\_\_  
Gregory Wade, City Manager

Attachments

1. Resolution 2021-060
2. Sewer Rate and Revenue Study
3. Sanitation Enterprise Fund Reserve Policy

## RESOLUTION 2021-060

### A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLANA BEACH, CALIFORNIA, MAINTAINING THE CURRENT ANNUAL SEWER SERVICE CHARGE PER EQUIVALENT DWELLING UNIT (EDU) FOR FISCAL YEARS 2021/22 THROUGH FISCAL YEAR 2025/26

**WHEREAS**, the City provides for the collection, transportation and treatment of sewage generated within the community, and assesses a sewer service charge that covers the administration, maintenance, debt service and capital costs of the sewer system and wastewater treatment; and

**WHEREAS**, the sewer service charge is based on historical and projected operating expenses, revenues, capital expenditures and debt service obligations; and

**WHEREAS**, the previous rate study that was prepared in 2015 projected sewer rates through Fiscal Year 2024/25 and the current sewer charge is \$682.31 per EDU; and

**WHEREAS**, the City of Solana Beach hired Raftelis Financial Consultants to prepare a Sewer Rate and Revenue Study in order to recommend a proposed rate schedule to provide sufficient funding for the Capital Improvement Projects, and support the operations and the debt service requirements of the Solana Beach Sanitation District; and

**WHEREAS**, the current rates support the administration, maintenance, debt service and capital costs of the Solana Beach Sanitation District with sufficient reserves; and

**WHEREAS**, the current rates also support the operations, maintenance, costs associated with the San Elijo JPA for the collection, transportation and treatment of sewage for the sanitary sewer system with sufficient reserves; and

**WHEREAS**, there is no need to increase the sewer charge for FY 2020/21 through FY 2025-26 from \$682.31 per EDU.

**NOW, THEREFORE**, the City Council of the City of Solana Beach, California, does resolve as follows:

1. That the above recitations are true and correct.
2. That the City Council approves the Sewer Rate and Revenue Study and the Sanitation Enterprise Fund Reserve Policy dated May 2021.
3. That the sewer service charge will be maintained at its current rate of \$682.31 per Equivalent Dwelling Unit for fiscal years 2021/22 through 2025/26.

4. If, at any point, the reserves of the sanitation enterprise fund fall below the minimum reserve levels, Staff will return to City Council with a proposed plan to return the fund to appropriate reserve levels.

**PASSED AND ADOPTED** this 12<sup>th</sup> day of May, 2021, at a regular meeting of the City Council of the City of Solana Beach, California by the following vote:

AYES: Councilmembers –  
NOES: Councilmembers –  
ABSTAIN: Councilmembers –  
ABSENT: Councilmembers –

\_\_\_\_\_  
LESA HEEBNER, Mayor

APPROVED AS TO FORM:

ATTEST:

\_\_\_\_\_  
JOHANNA N. CANLAS, City Attorney

\_\_\_\_\_  
ANGELA IVEY, City Clerk

CITY OF  
**Solana Beach**

**Wastewater Rate Study**

Final Report / May 4, 2021









May 4, 2021

Mr. Ryan Smith  
Finance Director/City Treasurer  
City of Solana Beach  
635 S. Highway 101  
Solana Beach, CA 92075

**Subject: Wastewater Financial Plan Study Report**

Dear Mr. Smith,

Raftelis Financial Consultants, Inc. (Raftelis) is pleased to provide this 2021 Rate Study Report (Study) to the City of Solana Beach (City) to develop wastewater rates in compliance with the requirements of Proposition 218 and City directives.

The major objectives of the study include the following:

- Development of a financial plan for the wastewater enterprise fund that meets the utilities' revenue requirements, including operations and maintenance (O&M) costs and the capital improvement plan (CIP) .
- Adequately fund reserves in accordance with industry best practices and achieving debt coverage requirements.
- Implementation of five-year rate schedules that are compliant with Proposition 218 while also ensuring financial sufficiency to fund operating and capital costs over the Study period.

The Report summarizes the key findings and recommendations related to the development of the financial plans for Wastewater utilities and the development of updated wastewater rates.

It has been a pleasure working with you, and we thank you and the City Staff (Staff) for the support provided throughout the course of this study.

Sincerely,

A handwritten signature in blue ink that reads "John J. Wright".

**John Wright**  
*Senior Manager*

A handwritten signature in black ink that reads "Edward Takara".

**Edward Takara**  
*Analyst*

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# 1. Executive Summary

## 1.1. Study Background

In 2020, the City of Solana Beach (City) engaged Raftelis to conduct a Wastewater Financial Plan Study (Study) to develop a stable and solvent financial plan for its wastewater operations. The City previously did a rate study in 2015 with the intention of revisiting the rates and financial condition of the wastewater enterprise and conduct another five-year study below. The recommendations in this report are for the study period of Fiscal Year (FY) 2022 through 2026.

The City provides wastewater service to nearly 8,000 Equivalent Dwelling Units (EDU). This study reviews the costs of the City's sewer infrastructure as well as its portion of the San Elijo Joint Powers Authority (SEJPA) costs, where costs of expenses and capital are split evenly with the City of Encinitas.

The current structure of the wastewater rates is an annual assessment on the property roll. The charges are based on EDUs not the class type (Residential, Commercial, etc.). There is no charge based on usage.

## 1.2. Study Objectives

The major objectives of the study include:

1. Development of a financial plan for the wastewater enterprise fund that meets the utility's revenue requirements, including operations and maintenance (O&M) costs and the capital improvement plan (CIP) while adequately funding reserves in accordance with industry best practices and achieving debt coverage requirements.
2. Implementation of five-year rate schedules that are compliant with Proposition 218 while also ensuring financial sufficiency to fund operating and capital costs over the Study period.

For purposes of the analysis set out in this Report, the terms "rate(s)" and "charges(s)" may be used interchangeably. The terms "City" and "wastewater enterprise" may be used interchangeably as well. Numbers shown in all the tables and figures of this report are rounded; therefore, direct calculations based on the displayed numbers, such as summing or multiplying, may not equal the exact results shown. Note that the Rate Study led to the Rate Study Report.

## 1.3. Proposed Reserve Policies

A reserve policy provides guidelines for sound financial management to maintain financial solvency and mitigate any unforeseen risks associated with revenue instability, capital emergencies and debt management. **Table 1-1** provides the City's proposed reserve policy, which includes a minimum reserve and target reserve goal, for FY22.

**Table 1-1: Reserve Goals FY 2022**

Reserve	Underlying Metric	Minimum Reserve (%)	Target Reserve (%)	Minimum Reserve (\$)	Target Reserve (\$)
Operating Capital & Rate Stabilization	Annual Operating Expenditures	30%	65%	\$971,459	\$2,104,828
Debt Service	Annual Debt Service Expenditures	50%	100%	\$588,059	\$1,176,119
Emergency Capital & Equipment	Total Depreciable Assets	10%	15%	\$2,174,169	\$3,261,254
Asset Replacement	Annual Depreciation	105%	115%	\$461,869	\$505,856

## 1.4. Equivalent Dwelling Units

The City does not anticipate significant growth during the study period. Growth (0.50%) and total EDU projections are shown in **Table 1-2** and **Table 1-3**.

**Table 1-2: Growth in Equivalent Dwelling Units**

Projected Growth	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026
Multi-Family Residential	35	35	35	35	35
Commercial/Industrial	5	5	5	5	5
<b>Total Number of Growth Accounts (EDUs)</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>40</b>

**Table 1-3: Total Equivalent Dwelling Units**

Customer Class	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026
Single Family Residential	2,771	2,771	2,771	2,771	2,771
Multi-Family Residential	2,896	2,931	2,966	3,001	3,036
Commercial/Industrial	1,970	1,975	1,980	1,985	1,990
City of San Diego (Commercial)	337	337	337	337	337
Churches	55	55	55	55	55
Institutional	48	48	48	48	48
<b>Total EDUs</b>	<b>8,076</b>	<b>8,116</b>	<b>8,156</b>	<b>8,196</b>	<b>8,236</b>

## 1.5. Financial Plans

One main objective of the wastewater study is to develop a long-term financial plan and to address any necessary rate increases or, alternatively, debt issuance to achieve and maintain financial sufficiency. Current rates are sufficient in addressing revenue requirements while maintaining a healthy reserve, as shown in detail in **Table 1-4**. As a result, new debt issuances are not necessary either as any revenue shortfall or CIP costs can be covered with reserves during that fiscal year.

**Table 1-4: Detailed Financial Plan - Status Quo**

	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026
<b>Revenues</b>					
Revenues from Existing Assessments	\$5,510,196	\$5,537,488	\$5,564,780	\$5,592,072	\$5,619,364
Additional Assessment Revenue	\$0	\$0	\$0	\$0	\$0
Total Other Revenues	\$344,992	\$353,207	\$359,913	\$364,934	\$368,211
<b>Total Revenue</b>	<b>\$5,510,196</b>	<b>\$5,537,488</b>	<b>\$5,564,780</b>	<b>\$5,592,072</b>	<b>\$5,619,364</b>
<b>Total O&amp;M</b>	<b>\$3,238,197</b>	<b>\$3,351,523</b>	<b>\$3,468,826</b>	<b>\$3,590,238</b>	<b>\$3,715,897</b>
<b>Total Debt Service</b>	<b>\$1,176,119</b>	<b>\$1,172,719</b>	<b>\$1,175,894</b>	<b>\$1,173,294</b>	<b>\$1,173,144</b>
<b>Total CIP</b>	<b>\$1,162,466</b>	<b>\$1,245,262</b>	<b>\$1,333,956</b>	<b>\$1,428,967</b>	<b>\$1,530,746</b>
<b>Total Expenditures</b>	<b>\$5,576,782</b>	<b>\$5,769,503</b>	<b>\$5,978,676</b>	<b>\$6,192,499</b>	<b>\$6,419,787</b>
<b>Net Cash Flow (Change in Cash)</b>	<b>\$278,406</b>	<b>\$121,192</b>	<b>(\$53,983)</b>	<b>(\$235,492)</b>	<b>(\$432,211)</b>
<b>Cash Reserves</b>					
Beginning Balance	\$10,407,139	\$11,131,244	\$11,698,135	\$12,089,851	\$12,300,058
Net Cash Flow (Change in Cash)	\$278,406	\$121,192	(\$53,983)	(\$235,492)	(\$432,211)
Bond Proceeds	\$0	\$0	\$0	\$0	\$0
Add: Transfer-in from General Fund for Loan	\$445,699	\$445,699	\$445,699	\$445,699	\$445,699
Ending Balance	\$11,131,244	\$11,698,135	\$12,089,851	\$12,300,058	\$12,313,545
Target Minimum Reserve (Operating and Capital)	\$4,195,557	\$4,323,019	\$4,462,804	\$4,609,371	\$4,767,515
<b>Variance from Target</b>	<b>\$6,935,687</b>	<b>\$7,375,115</b>	<b>\$7,627,048</b>	<b>\$7,690,687</b>	<b>\$7,546,031</b>
<b>Projected Debt Coverage</b>	<b>2.23</b>	<b>2.17</b>	<b>2.09</b>	<b>2.02</b>	<b>1.94</b>
<b>Required Debt Coverage</b>	<b>1.3</b>	<b>1.3</b>	<b>1.3</b>	<b>1.3</b>	<b>1.3</b>

The current financial plan is displayed below in **Figure 1-1**. The upper left graph shows the City’s ability to meet debt coverage during the study period. Rate revenue adjustments are not necessary to meet the required coverage (grey line), with debt coverage (orange line) remaining well above the requirement. The upper right graph shows the financial plan. The stacked bars represent the operating and capital expenses for each fiscal year. As shown, the cashflow turns negative from FY 2024 through FY 2026. The City would use reserves to fund the revenue shortfall as shown by the grey bars below the x-axis. This will not be detrimental to the health of the wastewater funds as seen in the lower right graph. The reserves at the end of each fiscal year are well above reserve goals. As can be seen by the lower left graph, the revenue and reserve funds are healthy enough that all planned CIP can be funded by cash, making debt issuance unnecessary.

**Figure 1-1: Wastewater Financial Plan**

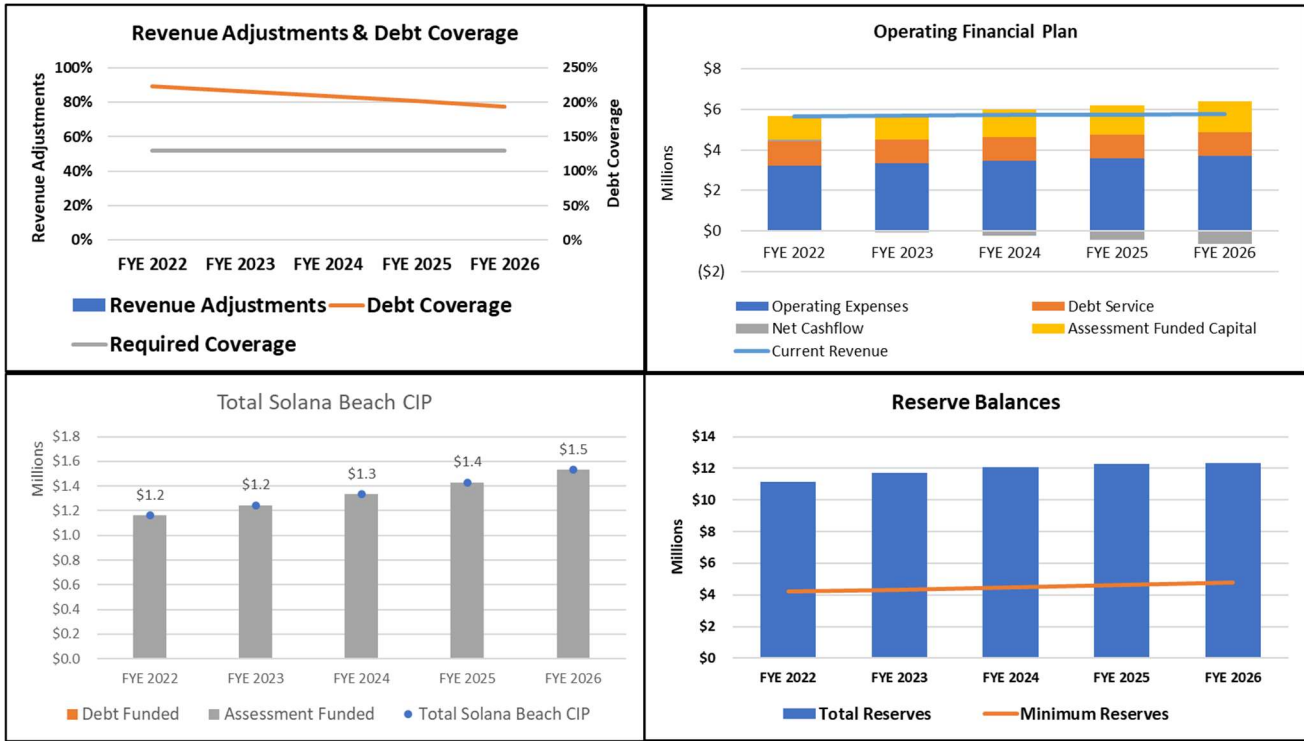


Table 1-5 shows a detail of revenue requirements for FY 2022. Table 1-6 shows a projection of revenue requirements for FY 2022 through FY 2026. The revenue requirements growing in direct portion to the projected growth in EDUs. This table includes the EDU count explained in Table 1-2 and Table 1-3 earlier. As revenue requirements are divided by the EDU count, this results in the calculated rates remaining flat during the study period.

**Table 1-5: Revenue Requirements FY 2022**

Revenue Requirements	Costs
O&M Expenses	\$3,238,197
Existing Debt Service	\$1,176,119
Rate Funded CIP	\$1,162,466
<b>Gross Revenue Requirement</b>	<b>\$5,576,782</b>
<b>Less: Revenue Offsets</b>	
Connection Fees	\$26,775
Investment Interest Earnings/Rentals (Operations)	\$50,907
Investment Interest Earnings/Rentals (Capital)	\$79,451
Miscellaneous Revenues	\$14,352
Reimbursement Agreements	\$0
Del Mar Lease Payment for Operations	\$96,263
Del Mar lease Payment for Capital	\$77,244
Equity in Earnings of SEJPA	\$0
<b>Total Revenue Offsets</b>	<b>\$344,992</b>
<b>Adjustments</b>	
Net Cash flow	(\$278,406)
<b>Total Adjustments</b>	<b>(\$278,406)</b>
<b>Costs to be recovered</b>	<b>\$5,510,196</b>

**Table 1-6: Five-year Revenue Requirements and Rate Calculation**

	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026
Net Rev Requirement from Rates	\$5,510,196	\$5,537,488	\$5,564,780	\$5,592,072	\$5,619,364
EDUs	8,076	8,116	8,156	8,196	8,236
<b>Annual Assessment per EDU</b>	<b>\$682.30</b>	<b>\$682.30</b>	<b>\$682.30</b>	<b>\$682.30</b>	<b>\$682.30</b>

## 1.6. Proposed 5-Year Wastewater Rates

As discussed in Section 1.5, the current rates charged are sufficient to meet revenue requirements. Combined with the current reserve levels in the wastewater fund and no debt issuance, it can safely meet any revenue shortfall or CIP costs while remaining well above target reserve requirements. It is recommended that rates remain unchanged during the five-year period that was evaluated for this study.

**Table 1-7: Proposed Rates**

	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026
<b>Annual Assessment per EDU</b>	<b>\$682.30</b>	<b>\$682.30</b>	<b>\$682.30</b>	<b>\$682.30</b>	<b>\$682.30</b>
<i>% Changed</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>

# 2. Introduction

## 2.1. Study Background

In 2020, the City engaged Raftelis to conduct a wastewater rate study and provide this written Rate Study Report. The City pursued a rate study to update its wastewater financial plans and evaluate the financial conditions for this Report's Study period. This Report provides the methodology, results, and recommendations of the Study to guide the City with evaluating the current and future needs of the wastewater enterprise.

## 2.2. San Elijo Joint Powers Authority

The San Elijo Joint Powers Authority (SEJPA) was established through an agreement between the City of Encinitas and the City of Solana Beach. The agreement created a separate public entity to operate and maintain the San Elijo Water Pollution Control Facility and make necessary upgrades as well. It provides the services of transmission, collection, treatment, and disposal of wastewater.

The City of Solana Beach maintains a sanitary sewer system that pumps sewage to the San Elijo Water Reclamation Facility, located in Cardiff, for treatment and disposal of waste. The original San Elijo Water Pollution Control Facility (now San Elijo Water Reclamation Facility, SEWRF) was placed in service in 1966 to address water quality concerns. This facility was operated by the County of San Diego. In 1986, Solana Beach and Encinitas were incorporated, and ownership was transferred from the County to the San Elijo Joint Powers Authority (SEJPA).

Based on the latest 2008 agreement between the City of Encinitas and the City of Solana Beach, the agreement created a separate public entity to operate and maintain the San Elijo Water Pollution Control Facility and make necessary upgrades. It provides the services of transmission, collection, treatment, and disposal of wastewater or recycling wastewater. Its service area includes Solana Beach, Rancho Santa Fe, Olivenhain and Cardiff communities. Approximately 40,000 people are served in this area with 5.25 million gallons per day of wastewater treatment capacity. Altogether SEJPA owns and operates the San Elijo Water Reclamation Facility, 20 miles of recycle water pipelines, two recycled water reservoirs, and operates nine wastewater lift stations. Governance is provided by a four-member board. City of Solana Beach and City of Encinitas each select two members from their City Council to serve on this board. They are appointed by each city on an annual basis, and there are no term limits in the appointment.

The two cities have a joint "50/50" ownership of SEJPA and share the same 50% rights of the available treatment capacity. Accordingly, City of Encinitas and City of Solana Beach split the operating expenses as well as capital costs equally. In addition to the agreement with City of Encinitas, City of Solana Beach has a 2014 lease agreement with the City of Del Mar for its transportation capacity within its collection systems. This agreement to transport waste to SEJPA facilities is for a term of 30 years. Del Mar will agree to make annual payments to cover their share of capital and operating costs.

## 2.3. Legal Requirements

### 2.3.1. CALIFORNIA CONSTITUTION – ARTICLE XIII D, SECTION 6 (PROPOSITION 218)

In November 1996, California voters approved Proposition 218, which amended the California Constitution by adding Article XIII D. Article XIII D placed substantive limitations on the use of the revenue collected from property-related fees and on the amount of the fee that may be imposed on each parcel.

Additionally, it established procedural requirements for imposing new, or increasing existing, property-related fees. Wastewater service fees are property-related fees.

In accordance with these provisions, a property-related fee must meet all the following requirements:

1. Revenues derived from the fee must not exceed the funds required to provide the property-related service.
2. Revenues from the fee must not be used for any purpose other than that for which the fee is imposed.
3. The amount of a fee imposed upon any parcel or person as an incident of property ownership must not exceed the proportional cost of the service attributable to the parcel.
4. The fee may not be imposed for a service, unless the service is used by, or immediately available to, the owner of the property subject to the fee. A fee based on potential or future use of a service is not permitted, and stand-by charges must be classified as assessments subject to the ballot protest and proportionality requirements for assessments.
5. No fee may be imposed for general governmental services, such as police, fire, ambulance, or libraries, where the service is available to the public in substantially the same manner as it is to property owners.

The five substantive requirements in Article XIII D are structured to place limitations on (1) the use of the revenue collected from property-related fees and (2) the allocation of costs recovered by such fees to ensure that they are proportionate to the cost of providing the service attributable to each parcel.

## 2.4. Rate-Setting Methodology

This study was conducted using industry-standard principles outlined by the Water Environment Federation's (WEF) Financing and Charges for Wastewater Systems. The process and approach Raftelis utilized in the study to determine rates are informed by the City's policy objectives, the current system of rates, and the legal requirements in California (namely, Proposition 218). The resulting financial plans, revenue requirements, and rate design process follows four key steps, outlined below, to determine proposed rates that fulfill the City's objectives, meet industry standards, and comply with relevant regulations. The overall process outlined below generally applies to the each of the water, wastewater, and solid waste rate studies presented in this report. Note that no COS analysis was conducted for the Wastewater Enterprise.

1. **Financial Plan:** The first study step is to develop a multi-year financial plan that projects enterprises' revenues, expenses, capital project financing, annual debt service, and reserve funding. The financial plan is used to determine revenue adjustments needed to recover adequate revenues to fund expenses and reserves.
2. **Revenue Requirement Determination:** After completing the financial plan, the rate-making process begins with the determination of the revenue requirement for the test year, also known as the cost-of service year. The test year for this study is FY 2022. The revenue requirement should sufficiently fund each enterprises' operating costs, annual debt service (including coverage requirements), capital expenditures, and reserve funding needs.



3. **Rate Design:** After allocating the revenue requirement to each customer class, in the case of this study there is only one class by EDU, the rate design and calculation process can begin. Rates do more than simply recover costs; within the legal framework and industry standards, properly designed rates should support and optimize the City’s policy objectives. Rates also act as a public information tool in communicating policy objectives to customers.
  
4. **Administrative Record Preparation and Rate Adoption:** The final step in a rate study is to develop the administrative record in conjunction with the rate adoption process. This report serves as the administrative record for this study. The administrative record documents the study results and presents the methodologies, rationale, justifications, and calculations used to determine the proposed rates. A thorough and methodological administrative record serves two important functions: maintaining defensibility in a stringent legal environment and communicating the rationale for revenue adjustments and proposed rates to customers and other key stakeholders.

# 3. Wastewater Financial Plan

## 3.1. Financial Plan Development

This section describes Wastewater Financial Plan for the City. The following section will review key assumptions, critical inputs such as revenue and expenses as well as policy requirements the City must meet. Once these factors are defined and calculated, they are combined into the Financial Plan to determine the financial outlook during the study period. The next step is to calculate the revenue requirement as well as consider policy decisions to determine the rates that must be implemented to achieve the City's objectives.

## 3.2. Key Assumptions

### 3.2.1. PLANNING HORIZON

The financial plan developed by Raftelis was for the five-year period FY 2022 through FY 2026.

### 3.2.2. OPERATING EXPENSE AND CAPITAL EXPENDITURE PROJECTIONS

The projection of inflation-adjusted operating and maintenance expenses reflected in the financial planning model for the period FY 2022 through FY 2026 were provided by the City. Raftelis discussed the City's inflationary assumptions with Staff and confirmed their use as appropriate for this Study. Many items in the model have already been budgeted by the City and the San Elijo Joint Powers Authority through the study period. In that case Raftelis utilized the budgeted amounts. When necessary, each item was assigned the most appropriate escalation factor to match its best anticipated growth or inflation. Not all items are inflated, some items are projected to remain flat such as connection fees and revenue from reimbursement agreements. Inflationary assumptions in this study are shown in **Table 3-1**.

**Table 3-1: Escalation Factors**

Inflation	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026
Capital Inflator	3.50%	3.50%	3.50%	3.50%	3.50%
Interest Income	1.00%	1.00%	1.00%	1.00%	1.00%
EDU Growth	0.5%	0.5%	0.5%	0.5%	0.5%

### 3.2.3. RESERVES

The City has developed a proposed reserve policy to ensure there are adequate funds to cover both operating and capital needs for the wastewater enterprise. This policy ensures that proper funds are available to cover ongoing operations, debt service requirements, emergency capital & equipment, and asset replacement to absorb any costs that may arise from unforeseen circumstances. The City has decided to create two sets of benchmarks to evaluate the health of their reserve funds. The proposed reserve policy has a minimum reserve amount on the lower end and a target reserve amount on the higher end. **Table 3-2** displays the FY 2022 reserve goals based on projections and metrics. These reserve goals are stated as a percentage of an underlying metric. For example, the minimum reserve for Operating Capital & Rate Stabilization is 30% of annual operating expenditures, while the target reserves are 65% of annual operating expenditures.

**Table 3-2: Reserve Goals for FY 2022**

Reserve	Underlying Metric	Minimum Reserve (%)	Target Reserve (%)	Minimum Reserve (\$)	Target Reserve (\$)
Operating Capital & Rate Stabilization	Annual Operating Expenditures	30%	65%	\$971,459	\$2,104,828
Debt Service	Annual Debt Service Expenditures	50%	100%	\$588,059	\$1,176,119
Emergency Capital & Equipment	Total Depreciable Assets	10%	15%	\$2,174,169	\$3,261,254
Asset Replacement	Annual Depreciation	105%	115%	\$461,869	\$505,856

The following tables show the reserve goals during the study period. **Table 3-3** shows the minimum reserve, while **Table 3-4** shows the target reserve goals for each reserve fund.

**Table 3-3: Minimum Reserve Goals**

Reserve	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026
Operating	\$971,459	\$1,005,457	\$1,040,648	\$1,077,071	\$1,114,769
Debt Service	\$588,059	\$586,359	\$587,947	\$586,647	\$586,572
Emergency Capital & Equipment	\$2,174,169	\$2,253,169	\$2,339,444	\$2,433,571	\$2,536,169
Asset Replacement	\$461,869	\$478,035	\$494,765	\$512,082	\$530,005
<b>Total Reserve Targets</b>	<b>\$4,195,557</b>	<b>\$4,323,019</b>	<b>\$4,462,804</b>	<b>\$4,609,371</b>	<b>\$4,767,515</b>

**Table 3-4: Target Reserve Goals**

Reserve	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026
Operating	\$2,104,828	\$2,178,490	\$2,254,737	\$2,333,655	\$2,415,333
Debt Service	\$1,176,119	\$1,172,719	\$1,175,894	\$1,173,294	\$1,173,144
Emergency Capital & Equipment	\$3,261,254	\$3,379,753	\$3,509,165	\$3,650,356	\$3,804,253
Asset Replacement	\$505,856	\$523,562	\$541,886	\$560,852	\$580,482
<b>Total Reserve Targets</b>	<b>\$7,048,057</b>	<b>\$7,254,523</b>	<b>\$7,481,682</b>	<b>\$7,718,156</b>	<b>\$7,973,212</b>

### 3.2.4. OUTSTANDING DEBT

The City currently has three outstanding debt issuances for wastewater operations at the time of this report. There is a 2011 Refunding Revenue Bond issuance that is scheduled to be paid off at the end of FY2021 and two outstanding bonds will remain thereafter. These two are 2017 Wastewater Refunding Revenue Bonds for Solana Beach and 2017 Revenue Bonds for SEJPA.

The 2017 Wastewater Refunding Revenue Bonds is strictly the responsibility of Solana Beach that was to pay for the City's wastewater infrastructure. The 2017 Revenue Bonds for SEJPA are used to pay for SEJPA infrastructure. **Table 3-5** shows the debt schedule during the study period, the amount shown for the SEJPA bond is the portion of the debt the City is responsible for paying (50%).

**Table 3-5 Debt Service**

Description	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026
2017 Wastewater Refunding Revenue Bonds (SB)	\$508,006	\$504,006	\$506,806	\$504,006	\$504,106
2017 Revenue Bonds (SEJPA)	\$668,113	\$668,713	\$669,088	\$669,288	\$669,038
<b>Total Debt Service</b>	<b>\$1,176,119</b>	<b>\$1,172,719</b>	<b>\$1,175,894</b>	<b>\$1,173,294</b>	<b>\$1,173,144</b>

### 3.3. Equivalent Dwellings Units

The City measures the demand on the wastewater systems in Equivalent Dwelling Units (EDUs). The City last evaluated Equivalent Dwelling Unit determinations in 2015. For example, based on the 2015 review a single-family residence is 1.0 EDU, while a multi-family unit is 0.9 EDU<sup>1</sup>. For this study, the City has decided to stay with the 2015 determination of EDUs and Raffelis did complete an update. A copy of the adopted ordinance addressing EDUs is in **Appendix A**.

The City does not anticipate significant growth going forward, with account growth projected at a rate of 0.50% per year during the study period. The growth will be mainly in Multi-Family and Commercial accounts as shown in **Table 3-6**. The charges for the EDUs are billed annually on the San Diego County property tax bill. In addition, there is a separate agreement with the City of San Diego to send approximately 337 EDUs of wastewater flows for treatment to Solana Beach.

**Table 3-6: EDU Growth**

Projected Growth	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026
Multi-Family Residential	35	35	35	35	35
Commercial/Industrial	5	5	5	5	5
<b>Total Number of Growth Accounts (EDUs)</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>40</b>

The total EDUs serviced for each customer class from FY 2022 through FY 2026 is shown in **Table 3-7**.

**Table 3-7: Equivalent Dwelling Units**

Customer Class	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026
Single Family Residential	2,771	2,771	2,771	2,771	2,771
Multi-Family Residential	2,896	2,931	2,966	3,001	3,036
Commercial/Industrial	1,970	1,975	1,980	1,985	1,990
City of San Diego (Commercial)	337	337	337	337	337
Churches	55	55	55	55	55
Institutional	48	48	48	48	48
<b>Total EDUs</b>	<b>8,076</b>	<b>8,116</b>	<b>8,156</b>	<b>8,196</b>	<b>8,236</b>

### 3.4. Revenues at Existing Rates

Raffelis developed a long-term financial plan model to evaluate the study period. Total Revenues received by the wastewater enterprise are shown in **Table 3-8**, if rates were to remain unchanged through FY 2026. As there are no increase in wastewater rates and accounts are projected to remain mostly flat, the revenue from assessment charges is anticipated to grow only by the rate of EDU increases(.50%) throughout the period. **Table 3-9** shows the revenue from assessment charges that are projected for each fiscal year in the study period. As each EDU is charged the same rate it is not broken down by customer class. The line items under “other revenue” in the table is based on the budget projections provided and inflationary factors discussed in **section 3.2.2**.

<sup>1</sup> Ordinance 458, amending Section 14.08.060 of Chapter 14.08 of Solana Beach Municipal Code. Signed May 27, 2015, adopted June 10, 2015.

**Table 3-8 Revenues at Current Rates**

Description	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026
<b>Revenues from Existing Assessments</b>	\$5,510,196	\$5,537,488	\$5,564,780	\$5,592,072	\$5,619,364
<b>Total Revenue Adjustments</b>	\$0	\$0	\$0	\$0	\$0
<b>Other Revenue</b>					
Connection Fees	\$26,775	\$26,775	\$26,775	\$26,775	\$26,775
Investment Interest Earnings/Rentals (Operations)	\$130,358	\$137,999	\$144,108	\$148,508	\$151,139
Miscellaneous Revenues	\$14,352	\$14,926	\$15,523	\$16,144	\$16,790
Reimbursement Agreements				\$0	
Del Mar Lease Payment for Operations	\$96,263	\$96,263	\$96,263	\$96,263	\$96,263
Del Mar lease Payment for Capital	\$77,244	\$77,244	\$77,244	\$77,244	\$77,244
Equity in Earnings of SEJPA	\$0	\$0	\$0	\$0	\$0
<b>Total Non-Operating Revenue</b>	\$344,992	\$353,207	\$359,913	\$364,934	\$368,211
	\$0	\$0	\$0	\$0	\$0
<b>Total Revenue</b>	<b>\$5,855,188</b>	<b>\$5,890,696</b>	<b>\$5,924,693</b>	<b>\$5,957,006</b>	<b>\$5,987,575</b>

**Table 3-9 Service Charge Calculation**

Description	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026
Annual Assessment	\$682.30	\$682.30	\$682.30	\$682.30	\$682.30
Total EDUs	8,076	8,116	8,156	8,196	8,236
<b>Total Service Charge</b>	<b>\$5,510,196</b>	<b>\$5,537,488</b>	<b>\$5,564,780</b>	<b>\$5,592,072</b>	<b>\$5,619,364</b>

### 3.5. Operations and Maintenance Expenses

The O&M expenses in **Table 3-10** is projected using the same process. The O&M expenses from the City budget is increasing approximately by 3.5% each year during the study period. These expenses are grouped into three main categories as shown below. Note that the City’s portion of SEJPA O&M costs is included in the “Materials, Supplies, and Services” line in the table below.

**Table 3-10 O&M Expenses**

Description	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026
Salaries and Fringe Benefits	\$554,970	\$574,390	\$594,494	\$615,301	\$636,837
Materials, Supplies, and Services	\$2,590,180	\$2,680,830	\$2,774,659	\$2,871,775	\$2,972,287
Other Charges	\$93,047	\$96,303	\$99,673	\$103,162	\$106,773
<b>Total O&amp;M Expenses</b>	<b>\$3,238,197</b>	<b>\$3,351,523</b>	<b>\$3,468,826</b>	<b>\$3,590,238</b>	<b>\$3,715,897</b>

### 3.6. Capital Improvement Program

**Table 3-11** displays the planned capital projects to be conducted in the period of FY2022 through FY2026. The initial project cost estimates were provided to Raftelis by Solana Beach. A cumulative capital inflation rate was then applied to Solana Beach and San Elijo for each year out from FY 2021 as displayed in **Table 3-12**. This method accurately reflects the expected cost increase of the projects in the later years of this study.

**Table 3-11: Uninflated CIP**

Description	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026
Sewer Pipeline Rehabilitation	\$599,135	\$620,104	\$641,808	\$664,271	\$687,521
Improvements (San Elijo)	\$524,021	\$542,361	\$561,344	\$580,991	\$601,326
<b>Total CIP</b>	<b>\$1,123,156</b>	<b>\$1,162,465</b>	<b>\$1,203,152</b>	<b>\$1,245,262</b>	<b>\$1,288,847</b>

**Table 3-12 Capital Inflation**

Description	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026
<b>Inflationary Factor</b>					
Capital Inflation	3.5%	3.5%	3.5%	3.5%	3.5%
Cumulative Inflation	103.5%	107.1%	110.9%	114.8%	118.8%

The forward projected CIP costs are listed in **Table 3-13**.

**Table 3-13: Inflation adjusted CIP**

Description	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026
Solana Beach CIP	\$620,105	\$664,271	\$711,584	\$762,266	\$816,559
San Elijo CIP	\$542,362	\$580,991	\$622,372	\$666,701	\$714,187
<b>Total CIP</b>	<b>\$1,162,466</b>	<b>\$1,245,262</b>	<b>\$1,333,956</b>	<b>\$1,428,967</b>	<b>\$1,530,746</b>

### 3.7. Detailed Summary of Financial Plan

**Table 3-14** shows the detailed financial plan projected from FY 2022 through FY 2026. This includes a detailed breakdown of the financial condition of sewer operations and funds without rate increases, status quo. Revenue calculation are based on **Table 3-8** calculations, while expenditures are from **Table 3-5**, **Table 3-10**, and **Table 3-13**. The reserves section consolidates the revenue, expenditures with the existing cash position. A couple other items are included in this section. There is an annual transfer of \$445,699 from the City's general fund to the sanitation fund for repayment of a \$ 2.8 million loan agreement in FY 2019. These payments are completed at the end of FY 2026.

**Table 3-14: Financial Plan Status Quo**

	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026
<b>Revenues</b>					
Revenues from Existing Assessments	\$5,510,196	\$5,537,488	\$5,564,780	\$5,592,072	\$5,619,364
Additional Assessment Revenue	\$0	\$0	\$0	\$0	\$0
Total Other Revenues	\$344,992	\$353,207	\$359,913	\$364,934	\$368,211
<b>Total Revenue</b>	<b>\$5,855,188</b>	<b>\$5,890,696</b>	<b>\$5,924,693</b>	<b>\$5,957,006</b>	<b>\$5,987,575</b>
<b>Total O&amp;M</b>	<b>\$3,238,197</b>	<b>\$3,351,523</b>	<b>\$3,468,826</b>	<b>\$3,590,238</b>	<b>\$3,715,897</b>
Total Debt Service	\$1,176,119	\$1,172,719	\$1,175,894	\$1,173,294	\$1,173,144
Total CIP	\$1,162,466	\$1,245,262	\$1,333,956	\$1,428,967	\$1,530,746
<b>Total Expenditures</b>	<b>\$5,576,782</b>	<b>\$5,769,503</b>	<b>\$5,978,676</b>	<b>\$6,192,499</b>	<b>\$6,419,787</b>
<b>Net Cash Flow (Change in Cash)</b>	<b>\$278,406</b>	<b>\$121,192</b>	<b>(\$53,983)</b>	<b>(\$235,492)</b>	<b>(\$432,211)</b>
<b>Cash Reserves</b>					
Beginning Balance (Operating & Capital)	\$10,407,139	\$11,131,244	\$11,698,135	\$12,089,851	\$12,300,058
Net Cash Flow (Change in Cash)	\$278,406	\$121,192	(\$53,983)	(\$235,492)	(\$432,211)
Bond Proceeds	\$0	\$0	\$0	\$0	\$0
Add: Transfer In from General Fund for Loan	\$445,699	\$445,699	\$445,699	\$445,699	\$445,699
Ending Balance (Operating & Capital)	\$11,131,244	\$11,698,135	\$12,089,851	\$12,300,058	\$12,313,545
Target Minimum Reserve (Operating and Capital)	\$4,195,557	\$4,323,019	\$4,462,804	\$4,609,371	\$4,767,515
<b>Variance from Target</b>	<b>\$6,935,687</b>	<b>\$7,375,115</b>	<b>\$7,627,048</b>	<b>\$7,690,687</b>	<b>\$7,546,031</b>
<b>Projected Debt Coverage</b>	<b>2.23</b>	<b>2.17</b>	<b>2.09</b>	<b>2.02</b>	<b>1.94</b>
<b>Required Debt Coverage</b>	<b>1.3</b>	<b>1.3</b>	<b>1.3</b>	<b>1.3</b>	<b>1.3</b>

Figure 3-1 below shows the condition of the financial plan without rate adjustments (status quo). The graph shows the O&M expenses as stacked bars, and the blue line is the current revenue. The cashflow turns negative from FY 2024 through FY 2026. The City would use reserves to fund the revenue shortfall as shown by the grey bars below the x-axis.

**Figure 3-1: Operating Financial Plan**

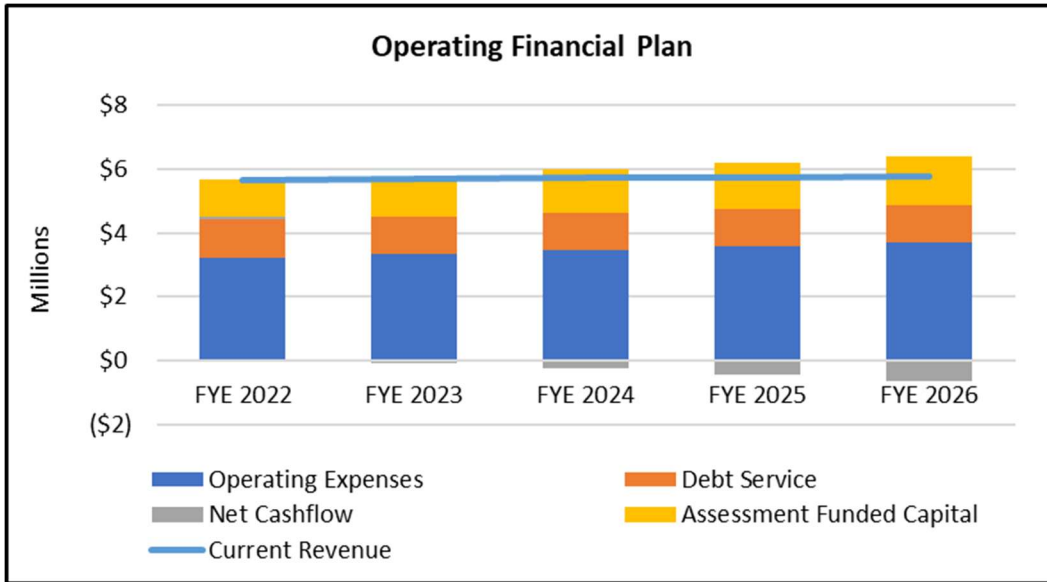


Figure 3-2 shows that CIP will be fully funded each year through the assessment revenue.

**Figure 3-2: Capital Improvement Program**

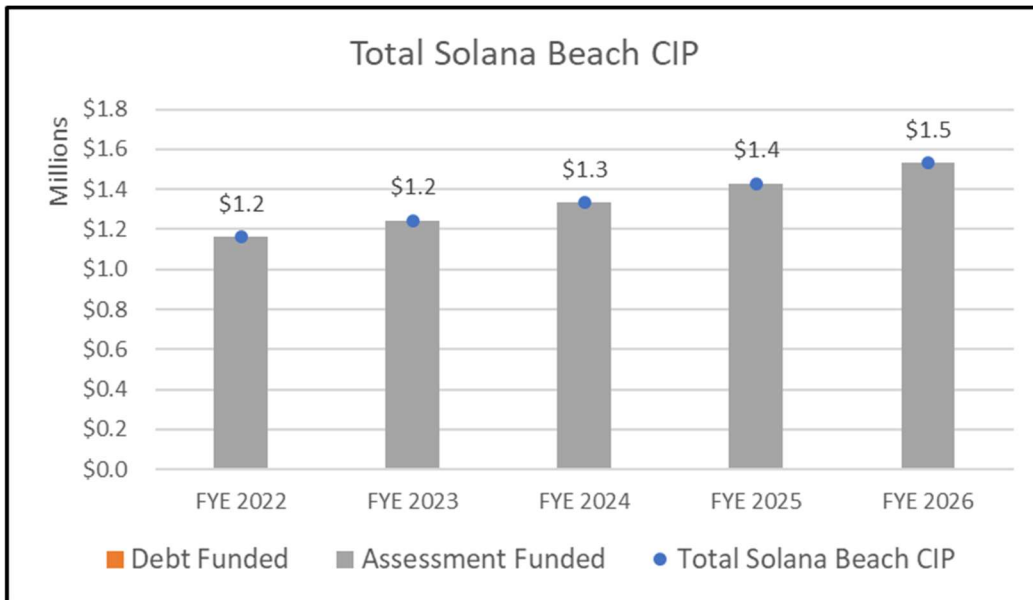
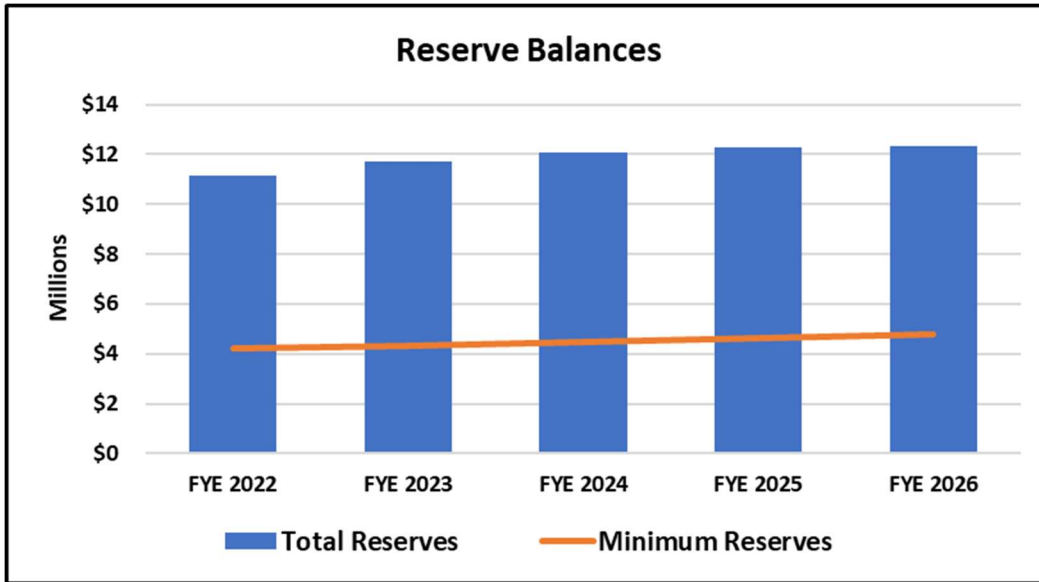


Figure 3-3 shows the ending reserve balance for each year of the study period. As seen by the orange line, the minimum reserves are met each year.



Figure 3-3: Reserve Balance



### 3.8. Projected Revenue Requirement

**Table 3-15** shows the FY 2022 revenue requirement. The revenue requirements include all costs that must be recovered through the assessment revenue. The gross revenue requirements show the expenses of operating the wastewater enterprise. The revenue offsets are then included to calculate the net amount to be recovered from rates. The adjustments are then included for a final offset, this amount is including any increase or decrease in cash reserves due to that year’s cash flow. For the gross revenue requirement, the costs come directly from **Table 3-10**, **Table 3-13**, and **Table 3-5**. Revenue offsets are found in **Table 3-8** and cash flow from **Table 3-14**.

**Table 3-15: Revenue Requirements FY 2022**

Revenue Requirements	Costs
O&M Expenses	\$3,238,197
Existing Debt Service	\$1,176,119
Rate Funded CIP	\$1,162,466
<b>Gross Revenue Requirement</b>	<b>\$5,576,782</b>
<b>Less: Revenue Offsets</b>	
Connection Fees	\$26,775
Investment Interest Earnings/Rentals (Operations)	\$50,907
Investment Interest Earnings/Rentals (Capital)	\$79,451
Miscellaneous Revenues	\$14,352
Reimbursement Agreements	\$0
Del Mar Lease Payment for Operations	\$96,263
Del Mar lease Payment for Capital	\$77,244
Equity in Earnings of SEJPA	\$0
<b>Total Revenue Offsets</b>	<b>\$344,992</b>
<b>Adjustments</b>	
Net Cash flow	(\$278,406)
<b>Total Adjustments</b>	<b>(\$278,406)</b>
<b>Costs to be recovered</b>	<b>\$5,510,196</b>

Table 3-16 shows the projected revenue requirements for the study period.

**Table 3-16: Summary of Revenue Requirement**

Revenue Requirement	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026
O&M Expenses	\$3,238,197	\$3,351,523	\$3,468,826	\$3,590,238	\$3,715,897
Existing Debt Service	\$1,176,119	\$1,172,719	\$1,175,894	\$1,173,294	\$1,173,144
Rate Funded CIP	\$1,162,466	\$1,245,262	\$1,333,956	\$1,428,967	\$1,530,746
Gross Revenue Requirement	\$5,576,782	\$5,769,503	\$5,978,676	\$6,192,499	\$6,419,787
Less: Revenue Offsets	\$344,992	\$353,207	\$359,913	\$364,934	\$368,211
Adjustments	(\$278,406)	(\$121,192)	\$53,983	\$235,492	\$432,211
<b>Costs to be recovered</b>	<b>\$5,510,196</b>	<b>\$5,537,488</b>	<b>\$5,564,780</b>	<b>\$5,592,072</b>	<b>\$5,619,364</b>

# 4. Rate Determination

## 4.1. Rate Calculation

The final section of this study reviews the necessary rates that must be charged to cover the costs of operating the wastewater enterprise. This is calculated by taking the annual net costs and dividing this total amount by the total EDU count for that year. This method will allow the wastewater enterprise to cover the annual costs of operations and distributing those costs to those placing based on demand on the system. In this case, the demand on the system is determined by the EDU count.

## 4.2. Calculated Five-Year Rates

As shown in in **Table 3-15**, the revenue requirements for FY2022 are \$5,510,196, while **Table 3-7** shows an EDU count of 8,076. This results in a revenue requirement per EDU of approximately \$682.30. **Table 4-1** below shows the five-year projection for the EDU rates. This is constructed based on the revenue requirement projections from **Table 3-16** and EDU projections from **Table 3-7**.

**Table 4-1: Calculated Rate Schedule**

	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026
Net Revenue Requirement from Rates	\$5,510,196	\$5,537,488	\$5,564,780	\$5,592,072	\$5,619,364
EDUs	8,076	8,116	8,156	8,196	8,236
<b>Annual Assessment per EDU</b>	<b>\$682.30</b>	<b>\$682.30</b>	<b>\$682.30</b>	<b>\$682.30</b>	<b>\$682.30</b>
Current Rates	\$682.30	\$682.30	\$682.30	\$682.30	\$682.30
% Change	0%	0%	0%	0%	0%

## 4.3. Conclusion

For the period FY 2022 -FY 2026, current rates are sufficient in meeting projected revenue requirements as well as maintaining reserves well above target reserve goals. As a result, the financial health of the wastewater enterprise can be maintained without any rate revenue increases

**Appendix A:**  
**Ordinance 458 - EDU Assignments**

**ORDINANCE 458**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SOLANA BEACH, CALIFORNIA, AMENDING SECTION 14.08.060 OF CHAPTER 14.08 OF THE SOLANA BEACH MUNICIPAL CODE TO MODIFY THE SEWER EQUIVALENT DWELLING UNIT DETERMINATIONS**

**WHEREAS**, the Equivalent Dwelling Unit (EDU) assignments in Section 14.08.060, used for accessing sewer service charges, is based on the County Uniform Sewer Ordinance from the time of City incorporation and has since been repealed and readopted by the County of San Diego; and

**WHEREAS**, the City Council desires to update the EDU assignments to be based on the most current rate data available and be comparable with the County and neighboring cities.

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SOLANA BEACH DOES ORDAIN AS FOLLOWS:**

**SECTION 1:** The above recitals are true and correct and incorporated herein as though set forth in full.

**SECTION 2:** Section 14.08.060 of the Solana Beach Municipal Code is hereby amended to read as follows:

**14.08.060 Equivalent dwelling unit determination.**

The number of equivalent dwelling units (EDU) assigned to each structure is determined as follows:

**A. RESIDENTIAL**

- |  |         |
|--|---------|
| 1. Single Family Residence per each individual dwelling unit, per lot (includes manufactured homes and mobile homes which are on private lots)       | 1.0 EDU |
| 2. Residential single family detached common interest developments per each individual living unit   | 1.0 EDU |
| 3. Apartments and residential multi-family attached common interest developments, per each individual living unit, regardless of number of bedrooms. | 0.9 EDU |
| 4. Accessory Living Units  | 0.8 EDU |

- 5. Mobile Home and Trailer Parks, per each individual space\*
  - a. Mobile Home 0.5 EDU
  - b. Trailer Space 0.5 EDU
  - c. Recreational Vehicle Park, occupied or not 0.5 EDU

\* Any accessory facilities such as laundry, dining, recreational and offices shall be considered separately in addition to trailer spaces, as per this ordinance.

**B. COMMERCIAL / INDUSTRIAL / SCHOOL FACILITIES**

- 1. Food Service Establishments:
  - a. Take-out restaurants with disposable utensils, no dishwasher, and no public restrooms 3.0 EDU
  - b. Miscellaneous food establishments: 3.0 EDU  
ice-cream/yogurt shops, bakeries, or similar (sales on premise only)
  - c. Take-out/eat-in restaurants:
    - i. Restaurants with disposable utensils, seating and public restrooms. 3.0 EDU
    - ii. Restaurants with re-usable utensils, seating and public restrooms (includes cocktail lounges, taverns and bars) with a maximum 18 seats; For over 18 seats, one EDU is assigned for each additional 6-seats. For cocktail lounges, taverns and bars, the number of seats will be equal to eighty percent of the maximum occupant load for the eating area as defined by the current Uniform Building Code. 3.0 EDU (up to 18 seats)  
1.0 EDU for each addition 6-seats over 18 seats
  
- 2. Hotels and Motels: \*
  - Per living unit without kitchen 0.38 EDU
  - Per living unit with kitchen 0.60 EDU

\* Any accessory facilities such as laundry, dining, recreational and offices shall be considered separately in addition to living units, as per this ordinance.
  
- 3. Commercial, Professional, Industrial Buildings, to include Markets, Recreational Facilities, Full-Service Laundries/Dry Cleaners, Mortuaries, and all variations thereof, and Establishments not Specifically Listed Herein:
  - a. Any office, store, motor-vehicle wash, or industrial condominium or establishment:

- |  |         |
|--|---------|
| i. First 1,000 square feet of gross building floor area  | 1.2 EDU |
| ii. Each additional 1,000 square or portion thereof  | 0.7 EDU |
| b. Where occupancy type or usage is unknown at the time of application for service, the following EDU's shall apply. This shall include, but not be limited to shopping centers, industrial parks, and professional office buildings.                                |         |
| i. First 1,000 square feet of gross building floor area  | 1.2 EDU |
| ii. Each additional 1,000 square feet of gross building floor area. Portions less than 1,000 square feet will be prorated.   | 0.7 EDU |
| 4. Self-service Laundry, Per Washer.   | 1.0 EDU |
| 5. Churches, theaters, and auditoriums per each 150 person seating capacity, or fraction thereof. (Does not include office spaces, school rooms, day care facilities, food preparations areas, etc. Additional EDU's will be assigned for these supplementary uses.) | 1.5 EDU |
| 6. Schools, to include day-care centers, boarding schools, or other combined youth educational, recreational and residential facilities:   |         |
| a. Elementary Schools, for 50 pupils or fewer  | 1.0 EDU |
| b. Junior High Schools, for 40 pupils or fewer   | 1.0 EDU |
| c. High Schools, for 24 pupils or fewer  | 1.0 EDU |

Additional EDU's shall be prorated based on above values. The number of pupils shall be based on the average daily attendance of pupils at the school during the preceding fiscal year, computed in accordance with the education code of the State of California. However, where the school has had no attendance during the preceding fiscal year, the City Engineer shall estimate the average daily attendance for the fiscal year for which the fee is to be paid and compute the fee based on such estimate.

- 7. Convalescent Homes: \*
  - a. Skilled nursing care facilities, psychological hospitals, convalescent hospitals, licensed by the Department of Health 0.7 EDU/bed
  - b. Community Care Facilities with 16 or more beds licensed by the State Department of Health 0.5 EDU/bed
  - c. Small Community Care Facilities with 7 to 15 beds licensed by the County Department of Social Services 0.5 EDU/bed
  - d. Community Care Homes with six or fewer total residents, including resident staff and housekeepers (to be the same EDU as a single family residence) 1.0 EDU

\*Any accessory facilities such as laundry, dining, recreational areas and offices shall be considered separately in addition to beds/residents, as per this ordinance.

- 8. Automobile Service Station:
  - a. Four gasoline/diesel/natural gas pumps or less 2.0 EDU
  - b. More than four gasoline/diesel/natural gas pumps 3.0 EDU
  - c. Each floor drain connected to sewer 0.5 EDU
- 9. Warehouse or equivalent, per four fixture unit increment. 1.0 EDU
- 10. In the case of commercial, industrial, and other establishments not included in Commercial/Industrial items (1) through (9) inclusive, or when the EDU's specified in items (1) through (9) are not representative of actual flow due to the number of employees or type of operation, the number of equivalent dwelling units shall be determined in each case by the City Engineer and shall be based upon the estimated volume and type of wastewater discharge into the sewer.

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EFFECTIVE DATE: This Ordinance shall be effective thirty (30) days after its adoption. Within fifteen (15) days after its adoption, the City Clerk of the City of Solana Beach shall cause this Ordinance to be published pursuant to the provisions of Government Code §36933.

**INTRODUCED AND FIRST READ** at a regular meeting of the City Council of the City of Solana Beach, California, on the 27<sup>th</sup> day of May, 2015; and

**THEREAFTER ADOPTED** at a regular meeting of the City Council of the City of Solana Beach, California, on the 10<sup>th</sup> day of June, 2015, by the following vote:

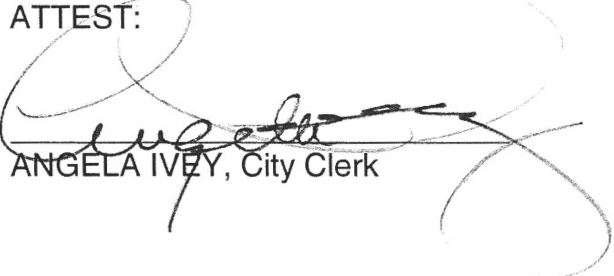
AYES: Councilmembers - Heebner, Zito, Zahn, Nichols, Marshall  
NOES: Councilmembers - None  
ABSTAIN: Councilmembers - None  
ABSENT: Councilmembers - None

  
LESA HEEBNER, Mayor

APPROVED AS TO FORM:

  
JOHANNA N. CANLAS, City Attorney

ATTEST:

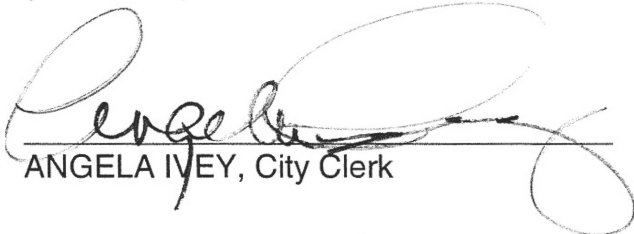
  
ANGELA IVEY, City Clerk



## CERTIFICATION

STATE OF CALIFORNIA)  
COUNTY OF SAN DIEGO) SS.  
CITY OF SOLANA BEACH)

I, ANGELA IVEY, City Clerk of the City of Solana Beach, California, DO HEREBY CERTIFY that the foregoing is a full, true and correct copy of **ORDINANCE 458** amending Section 14.08.060 of Chapter 14.08 of the Solana Beach Municipal Code to modify sewer equivalent dwelling unit determinations as duly introduced on May 27, 2015 and adopted on June 10, 2015, a regular meeting, by the City Council of Solana Beach. This Ordinance has been published as required pursuant to law and the original is filed in the City Clerk's Office. (GC 40806).

  
ANGELA IVEY, City Clerk

Date of this Certification June 18, 2015

## **Appendix B: Financial Model Details**



City of Solana Beach 2021 Wastewater Study  
**Projected Equivalent Dwelling Units**

<b>Projected Customer Accounts (EDUs)</b>						
<b>Customer Class</b>	<b>FYE 2021</b>	<b>FYE 2022</b>	<b>FYE 2023</b>	<b>FYE 2024</b>	<b>FYE 2025</b>	<b>FYE 2026</b>
Single Family Residential	2,771	2,771	2,771	2,771	2,771	2,771
Multi Family Residential	2,861	2,896	2,931	2,966	3,001	3,036
Commercial/Industrial	1,965	1,970	1,975	1,980	1,985	1,990
City of San Diego (Commercial)	337	337	337	337	337	337
Churches	55	55	55	55	55	55
Institutional	48	48	48	48	48	48
<b>Total Number of Accounts (EDUs)</b>	<b>8,036</b>	<b>8,076</b>	<b>8,116</b>	<b>8,156</b>	<b>8,196</b>	<b>8,236</b>

City of Solana Beach 2021 Wastewater Study  
**Projected Revenues at Existing Rates**

<b>Revenue Summary</b>						
<b>Operating Revenue</b>	<b>FYE 2021</b>	<b>FYE 2022</b>	<b>FYE 2023</b>	<b>FYE 2024</b>	<b>FYE 2025</b>	<b>FYE 2026</b>
<b>Revenues from Existing Assessments</b>	\$5,482,904	\$5,510,196	\$5,537,488	\$5,564,780	\$5,592,072	\$5,619,364
<b>Other Revenue</b>						
Connection Fees	\$26,775	\$26,775	\$26,775	\$26,775	\$26,775	\$26,775
Investment Interest Earnings/Rentals (Operations)	\$126,182	\$130,358	\$137,999	\$144,108	\$148,508	\$151,139
Miscellaneous Revenues	\$13,800	\$14,352	\$14,926	\$15,523	\$16,144	\$16,790
Reimbursement Agreements						
Del Mar Lease Payment for Operations	\$96,263	\$96,263	\$96,263	\$96,263	\$96,263	\$96,263
Del Mar lease Payment for Capital	\$77,244	\$77,244	\$77,244	\$77,244	\$77,244	\$77,244
Equity in Earnings of SEJPA	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Non-Operating Revenue</b>	\$340,264	\$344,992	\$353,207	\$359,913	\$364,934	\$368,211
<b>Total Revenue</b>	<b>\$5,823,168</b>	<b>\$5,855,188</b>	<b>\$5,890,696</b>	<b>\$5,924,693</b>	<b>\$5,957,006</b>	<b>\$5,987,575</b>

City of Solana Beach 2021 Wastewater Study  
**Assessment Calculations**

<b>Current Rates (EDUs)</b>						
<b>Service Charges</b>	<b>FYE 2021</b>	<b>FYE 2022</b>	<b>FYE 2023</b>	<b>FYE 2024</b>	<b>FYE 2025</b>	<b>FYE 2026</b>
<b>Annual Assessment (County Property Taxes)</b>	\$682.30	\$682.30	\$682.30	\$682.30	\$682.30	\$682.30

<b>Projected Customer Accounts (EDUs)</b>						
<b>Customer Class</b>	<b>FYE 2021</b>	<b>FYE 2022</b>	<b>FYE 2023</b>	<b>FYE 2024</b>	<b>FYE 2025</b>	<b>FYE 2026</b>
Single Family Residential	2,771	2,771	2,771	2,771	2,771	2,771
Multi Family Residential	2,861	2,896	2,931	2,966	3,001	3,036
Commercial/Industrial	1,965	1,970	1,975	1,980	1,985	1,990
City of San Diego (Commercial)	337	337	337	337	337	337
Churches	55	55	55	55	55	55
Institutional	48	48	48	48	48	48
<b>Total Number of Accounts (EDUs)</b>	<b>8,036</b>	<b>8,076</b>	<b>8,116</b>	<b>8,156</b>	<b>8,196</b>	<b>8,236</b>

<b>Calculated Service Charge Revenue</b>						
<b>Service (Assessment) Revenue</b>	<b>FYE 2021</b>	<b>FYE 2022</b>	<b>FYE 2023</b>	<b>FYE 2024</b>	<b>FYE 2025</b>	<b>FYE 2026</b>
<b>Annual Service Charge</b>	\$5,482,904	\$5,510,196	\$5,537,488	\$5,564,780	\$5,592,072	\$5,619,364
<b>Total Annual Service Charge</b>	<b>\$5,482,904</b>	<b>\$5,510,196</b>	<b>\$5,537,488</b>	<b>\$5,564,780</b>	<b>\$5,592,072</b>	<b>\$5,619,364</b>
<b>Total Calculated Assessment Revenue</b>	<b>\$5,482,904</b>	<b>\$5,510,196</b>	<b>\$5,537,488</b>	<b>\$5,564,780</b>	<b>\$5,592,072</b>	<b>\$5,619,364</b>

City of Solana Beach 2021 Wastewater Study  
**Operations & Maintenance Expenses**

	<b>FYE 2021</b>	<b>FYE 2022</b>	<b>FYE 2023</b>	<b>FYE 2024</b>	<b>FYE 2025</b>	<b>FYE 2026</b>
<b>Salaries and Fringe Benefits</b>						
Regular Salaries	\$376,600	\$389,781	\$403,423	\$417,543	\$432,157	\$447,283
Overtime	\$1,200	\$1,242	\$1,285	\$1,330	\$1,377	\$1,425
Special Pay	\$1,800	\$1,863	\$1,928	\$1,996	\$2,066	\$2,138
Retirement	\$37,400	\$38,709	\$40,064	\$41,466	\$42,917	\$44,419
Retirement - UAL	\$47,900	\$49,577	\$51,312	\$53,108	\$54,966	\$56,890
Medicare	\$5,500	\$5,693	\$5,892	\$6,098	\$6,311	\$6,532
Flex Credit Benefit	\$52,900	\$54,752	\$56,668	\$58,651	\$60,704	\$62,829
LT Disability Insurance	\$2,000	\$2,070	\$2,142	\$2,217	\$2,295	\$2,375
Life Insurance	\$1,300	\$1,346	\$1,393	\$1,441	\$1,492	\$1,544
Deferred Compensation	\$6,100	\$6,314	\$6,534	\$6,763	\$7,000	\$7,245
Auto Allowance	\$3,500	\$3,623	\$3,749	\$3,881	\$4,016	\$4,157
<b>Total Salaries and Fringe Benefits</b>	<b>\$536,200</b>	<b>\$554,970</b>	<b>\$574,390</b>	<b>\$594,494</b>	<b>\$615,301</b>	<b>\$636,837</b>



	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026
<b>Materials, Supplies, and Services</b>						
Insurance and Surety Bonds	\$27,300	\$28,256	\$29,244	\$30,268	\$31,327	\$32,424
Travel, Conferences, & Meetings	\$1,700	\$1,760	\$1,821	\$1,885	\$1,951	\$2,019
Training	\$700	\$725	\$750	\$776	\$803	\$831
Membership and Dues	\$1,000	\$1,035	\$1,071	\$1,109	\$1,148	\$1,188
Clothing and Personal Expenses	\$500	\$518	\$536	\$554	\$574	\$594
Books, Subscriptions & Printing	\$200	\$207	\$214	\$222	\$230	\$238
Departmental Special Supplies	\$1,000	\$1,035	\$1,071	\$1,109	\$1,148	\$1,188
Small Tools	\$500	\$518	\$536	\$554	\$574	\$594
Vehicle Operating Supplies	\$2,500	\$2,588	\$2,678	\$2,772	\$2,869	\$2,969
Vehicle Maintenance	\$2,000	\$2,070	\$2,142	\$2,217	\$2,295	\$2,375
Advertising	\$100	\$104	\$107	\$111	\$115	\$119
Communications	\$300	\$311	\$321	\$333	\$344	\$356
Rents and Leases	\$600	\$621	\$643	\$665	\$689	\$713
Maintenance of Building	\$500	\$518	\$536	\$554	\$574	\$594
Utilities - Other	\$10,000	\$10,350	\$10,712	\$11,087	\$11,475	\$11,877
Mileage	\$200	\$207	\$214	\$222	\$230	\$238
Professional Services	\$2,125,484	\$2,199,876	\$2,276,872	\$2,356,562	\$2,439,042	\$2,524,408
Damage Claims	\$20,000	\$20,700	\$21,425	\$22,174	\$22,950	\$23,754
Depreciation						
Other Charges	\$1,500	\$1,553	\$1,607	\$1,663	\$1,721	\$1,782
Administrative Charges	\$306,500	\$317,228	\$328,330	\$339,822	\$351,716	\$364,026
<b>Total Materials, Supplies, and Services</b>	<b>\$2,502,584</b>	<b>\$2,590,180</b>	<b>\$2,680,830</b>	<b>\$2,774,659</b>	<b>\$2,871,775</b>	<b>\$2,972,287</b>

	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026
<b>Other Charges</b>						
Claims Liability Charges	\$27,000	\$27,945	\$28,923	\$29,935	\$30,983	\$32,068
Workers' Comp Charges	\$16,700	\$17,285	\$17,889	\$18,516	\$19,164	\$19,834
PERS Side Fund Charges	\$0	\$0	\$0	\$0	\$0	\$0
PARS OPEB Charges	\$26,200	\$27,117	\$28,066	\$29,048	\$30,065	\$31,117
PARS Pension Charges	\$20,000	\$20,700	\$21,425	\$22,174	\$22,950	\$23,754
<b>Total Other Charges</b>	<b>\$89,900</b>	<b>\$93,047</b>	<b>\$96,303</b>	<b>\$99,673</b>	<b>\$103,162</b>	<b>\$106,773</b>

### Summary of Expenses

	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026
Total Salaries and Fringe Benefits	\$536,200	\$554,970	\$574,390	\$594,494	\$615,301	\$636,837
Total Materials, Supplies, and Services	\$2,502,584	\$2,590,180	\$2,680,830	\$2,774,659	\$2,871,775	\$2,972,287
Line Item: Professional Services	\$2,125,484	\$2,199,876	\$2,276,872	\$2,356,562	\$2,439,042	\$2,524,408
Other items	\$377,100	\$390,304	\$403,958	\$418,097	\$432,733	\$447,879
Total Other Charges	\$89,900	\$93,047	\$96,303	\$99,673	\$103,162	\$106,773
<b>Total Expenditures</b>	<b>\$3,128,684</b>	<b>\$3,238,197</b>	<b>\$3,351,523</b>	<b>\$3,468,826</b>	<b>\$3,590,238</b>	<b>\$3,715,897</b>

City of Solana Beach 2021 Wastewater Study  
**Summary Capital Improvement Program**

<b>CIP Summary</b>						
<b>Construction Cost Inflation: Solana Beach Projects</b>	<b>FYE 2021</b>	<b>FYE 2022</b>	<b>FYE 2023</b>	<b>FYE 2024</b>	<b>FYE 2025</b>	<b>FYE 2026</b>
Capital Inflation	0.0%	3.5%	3.5%	3.5%	3.5%	3.5%
Cumulative Inflation	100.0%	103.5%	107.1%	110.9%	114.8%	118.8%
<b>Construction Cost Inflation: San Elijo Projects</b>						
Capital Inflation	0.0%	3.5%	3.5%	3.5%	3.5%	3.5%
Cumulative Inflation	100.0%	103.5%	107.1%	110.9%	114.8%	118.8%
<b>Scenario 1</b>	\$1,305,557	\$1,162,466	\$1,245,262	\$1,333,956	\$1,428,967	\$1,530,746
Solana Beach CIP	\$799,257	\$620,105	\$664,271	\$711,584	\$762,266	\$816,559
San Elijo CIP	\$506,300	\$542,362	\$580,991	\$622,372	\$666,701	\$714,187
<b>Unflated CIP</b>						
	<b>FYE 2021</b>	<b>FYE 2022</b>	<b>FYE 2023</b>	<b>FYE 2024</b>	<b>FYE 2025</b>	<b>FYE 2026</b>
Sewer Pipeline Rehabilitation	\$578,874	\$599,135	\$620,104	\$641,808	\$664,271	\$687,521
Sewer Pump Station	\$220,383	\$0	\$0	\$0	\$0	\$0
Solana Beach CIP Reserve						
Improvements (San Elijo)	\$506,300	\$524,021	\$542,361	\$561,344	\$580,991	\$601,326
<b>Total Scenario 1</b>	<b>\$1,305,557</b>	<b>\$1,123,156</b>	<b>\$1,162,465</b>	<b>\$1,203,152</b>	<b>\$1,245,262</b>	<b>\$1,288,847</b>
<b>Inflated CIP</b>						
	<b>FYE 2021</b>	<b>FYE 2022</b>	<b>FYE 2023</b>	<b>FYE 2024</b>	<b>FYE 2025</b>	<b>FYE 2026</b>
Sewer Pipeline Rehabilitation	\$578,874	\$620,105	\$664,271	\$711,584	\$762,266	\$816,559
Sewer Pump Station	\$220,383	\$0	\$0	\$0	\$0	\$0
Solana Beach CIP Reserve	\$0	\$0	\$0	\$0	\$0	\$0
Improvements (San Elijo)	\$506,300	\$542,362	\$580,991	\$622,372	\$666,701	\$714,187
<b>Total Scenario 1</b>	<b>\$1,305,557</b>	<b>\$1,162,466</b>	<b>\$1,245,262</b>	<b>\$1,333,956</b>	<b>\$1,428,967</b>	<b>\$1,530,746</b>

City of Solana Beach 2021 Wastewater Study  
**Summary of Debt**

<b>Debt Summary</b>						
	<b>FYE 2021</b>	<b>FYE 2022</b>	<b>FYE 2023</b>	<b>FYE 2024</b>	<b>FYE 2025</b>	<b>FYE 2026</b>
<b>Existing Debt Service</b>						
2017 Wastewater Refunding Revenue Bonds (SB)	\$501,556	\$508,006	\$504,006	\$506,806	\$504,006	\$504,106
2017 Revenue Bonds (SEJPA)	\$669,863	\$668,113	\$668,713	\$669,088	\$669,288	\$669,038
2011 Refunding Revenue Bonds (SEJPA)	\$61,710	\$0	\$0	\$0	\$0	\$0
<b>New Proposed Debt</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Debt Service</b>	<b>\$1,233,129</b>	<b>\$1,176,119</b>	<b>\$1,172,719</b>	<b>\$1,175,894</b>	<b>\$1,173,294</b>	<b>\$1,173,144</b>

<b>Existing Debt</b>						
<b>Existing Debt Schedules</b>	<b>FYE 2021</b>	<b>FYE 2022</b>	<b>FYE 2023</b>	<b>FYE 2024</b>	<b>FYE 2025</b>	<b>FYE 2026</b>
	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>
<b>2017 Wastewater Refunding Revenue Bonds (SB)</b>						
Principal	\$285,000	\$300,000	\$305,000	\$320,000	\$330,000	\$340,000
Interest	\$216,556	\$208,006	\$199,006	\$186,806	\$174,006	\$164,106
<b>Total 2017 Wastewater Refunding Revenue Bonds (SB)</b>	<b>\$501,556</b>	<b>\$508,006</b>	<b>\$504,006</b>	<b>\$506,806</b>	<b>\$504,006</b>	<b>\$504,106</b>
<b>2017 Revenue Bonds (SEJPA)</b>						
Principal	\$225,000	\$230,000	\$237,500	\$245,000	\$255,000	\$267,500
Interest	\$444,863	\$438,113	\$431,213	\$424,088	\$414,288	\$401,538
<b>Total 2017 Revenue Bonds (SEJPA)</b>	<b>\$669,863</b>	<b>\$668,113</b>	<b>\$668,713</b>	<b>\$669,088</b>	<b>\$669,288</b>	<b>\$669,038</b>
<b>2011 Refunding Revenue Bonds (SEJPA)</b>						
Principal	\$60,000	\$0	\$0	\$0	\$0	\$0
Interest	\$1,710	\$0	\$0	\$0	\$0	\$0
<b>Total 2011 Refunding Revenue Bonds (SEJPA)</b>	<b>\$61,710</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>



City of Solana Beach 2021 Wastewater Study  
**Consolidated Financial Plan**

<b>Consolidated Financial Plan</b>						
	<b>FYE 2021</b>	<b>FYE 2022</b>	<b>FYE 2023</b>	<b>FYE 2024</b>	<b>FYE 2025</b>	<b>FYE 2026</b>
<b>Revenues</b>						
Revenues from Existing Assessments	\$5,482,904	\$5,510,196	\$5,537,488	\$5,564,780	\$5,592,072	\$5,619,364
Additional Assessment Revenue	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Assessment Revenue</b>	<b>\$5,482,904</b>	<b>\$5,510,196</b>	<b>\$5,537,488</b>	<b>\$5,564,780</b>	<b>\$5,592,072</b>	<b>\$5,619,364</b>
<b>Other Revenues</b>						
Connection Fees	\$26,775	\$26,775	\$26,775	\$26,775	\$26,775	\$26,775
Investment Interest Earnings/Rentals (Operations)	\$51,544	\$50,907	\$51,429	\$50,288	\$47,302	\$42,407
Investment Interest Earnings/Rentals (Capital)	\$74,638	\$79,451	\$86,570	\$93,820	\$101,206	\$108,733
Miscellaneous Revenues	\$13,800	\$14,352	\$14,926	\$15,523	\$16,144	\$16,790
Reimbursement Agreements						
Del Mar Lease Payment for Operations	\$96,263	\$96,263	\$96,263	\$96,263	\$96,263	\$96,263
Del Mar lease Payment for Capital	\$77,244	\$77,244	\$77,244	\$77,244	\$77,244	\$77,244
Equity in Earnings of SEJPA	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Other Revenues</b>	<b>\$340,264</b>	<b>\$344,992</b>	<b>\$353,207</b>	<b>\$359,913</b>	<b>\$364,934</b>	<b>\$368,211</b>
<b>Total Revenues</b>	<b>\$5,823,168</b>	<b>\$5,855,188</b>	<b>\$5,890,696</b>	<b>\$5,924,693</b>	<b>\$5,957,006</b>	<b>\$5,987,575</b>
<b>O&amp;M</b>						
Salaries and Fringe Benefits	\$536,200	\$554,970	\$574,390	\$594,494	\$615,301	\$636,837
Materials, Supplies, and Services	\$2,502,584	\$2,590,180	\$2,680,830	\$2,774,659	\$2,871,775	\$2,972,287
Other Charges	\$89,900	\$93,047	\$96,303	\$99,673	\$103,162	\$106,773
<b>Total O&amp;M</b>	<b>\$3,128,684</b>	<b>\$3,238,197</b>	<b>\$3,351,523</b>	<b>\$3,468,826</b>	<b>\$3,590,238</b>	<b>\$3,715,897</b>

	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026
<b>Debt Service</b>						
2017 Wastewater Refunding Revenue Bonds (SB)	\$501,556	\$508,006	\$504,006	\$506,806	\$504,006	\$504,106
2017 Revenue Bonds (SEJPA)	\$669,863	\$668,113	\$668,713	\$669,088	\$669,288	\$669,038
2011 Refunding Revenue Bonds (SEJPA)	\$61,710	\$0	\$0	\$0	\$0	\$0
New Proposed Debt	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Debt Service</b>	<b>\$1,233,129</b>	<b>\$1,176,119</b>	<b>\$1,172,719</b>	<b>\$1,175,894</b>	<b>\$1,173,294</b>	<b>\$1,173,144</b>
<b>CIP</b>						
Debt Funded	\$0	\$0	\$0	\$0	\$0	\$0
Assessments/Reserves Funded	\$1,305,557	\$1,162,466	\$1,245,262	\$1,333,956	\$1,428,967	\$1,530,746
<b>Total CIP</b>	<b>\$1,305,557</b>	<b>\$1,162,466</b>	<b>\$1,245,262</b>	<b>\$1,333,956</b>	<b>\$1,428,967</b>	<b>\$1,530,746</b>
<b>Total Expenditures</b>	<b>\$5,667,370</b>	<b>\$5,576,782</b>	<b>\$5,769,503</b>	<b>\$5,978,676</b>	<b>\$6,192,499</b>	<b>\$6,419,787</b>
<b>Net Cash Flow (Change in Cash)</b>	<b>\$155,798</b>	<b>\$278,406</b>	<b>\$121,192</b>	<b>(\$53,983)</b>	<b>(\$235,492)</b>	<b>(\$432,211)</b>
<b>Cash Reserves</b>						
Beginning Balance (Operating & Capital)	\$9,805,642	\$10,407,139	\$11,131,244	\$11,698,135	\$12,089,851	\$12,300,058
Net Cash Flow (Change in Cash)	\$155,798	\$278,406	\$121,192	(\$53,983)	(\$235,492)	(\$432,211)
Bond Proceeds	\$0	\$0	\$0	\$0	\$0	\$0
Add: Transfer In from General Fund for Loan	\$445,699	\$445,699	\$445,699	\$445,699	\$445,699	\$445,699
<b>Ending Balance (Operating &amp; Capital)</b>	<b>\$10,407,139</b>	<b>\$11,131,244</b>	<b>\$11,698,135</b>	<b>\$12,089,851</b>	<b>\$12,300,058</b>	<b>\$12,313,545</b>
Target Minimum Reserve (Operating and Capital)	\$4,103,330	\$4,195,557	\$4,323,019	\$4,462,804	\$4,609,371	\$4,767,515
<b>Variance from Target</b>	<b>\$6,303,809</b>	<b>\$6,935,687</b>	<b>\$7,375,115</b>	<b>\$7,627,048</b>	<b>\$7,690,687</b>	<b>\$7,546,031</b>

	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026
<b>Ending Cash Reserve Check</b>						
Ending Operating Cash Reserve from Operating Cashflow	\$3,899,398	\$3,994,335	\$3,924,938	\$3,673,117	\$3,232,400	\$2,587,437
Ending Capital Cash Reserve from Operating Cashflow	\$6,507,741	\$7,136,909	\$7,773,197	\$8,416,735	\$9,067,658	\$9,726,108
Ending Combined Cash Reserve from Operating Cashflow	\$10,407,139	\$11,131,244	\$11,698,135	\$12,089,851	\$12,300,058	\$12,313,545
Ending Consolidated Cash Reserves from Above	\$10,407,139	\$11,131,244	\$11,698,135	\$12,089,851	\$12,300,058	\$12,313,545
Variance	\$0	\$0	\$0	\$0	\$0	\$0

### Debt Service Coverage

Projected Debt Coverage	2.19	2.23	2.17	2.09	2.02	1.94
Required Debt Coverage	1.30	1.30	1.30	1.30	1.30	1.30
Difference	0.89	0.93	0.87	0.79	0.72	0.64
	2.19	2.23	2.17	2.09	2.02	1.94

City of Solana Beach 2021 Wastewater Study  
**Financial Planning Model Dashboard**

Dashboard	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026
Effective Month	July	July	July	July	July	July
Revenue Adjustment		0.00%	0.00%	0.00%	0.00%	0.00%
Debt Proceeds		\$0	\$0	\$0	\$0	\$0
<b>CIP Expenditures</b>						
Debt Funded	\$0	\$0	\$0	\$0	\$0	\$0
Assessment Funded	\$1,305,557	\$1,162,466	\$1,245,262	\$1,333,956	\$1,428,967	\$1,530,746
Total CIP	\$1,305,557	\$1,162,466	\$1,245,262	\$1,333,956	\$1,428,967	\$1,530,746
<b>Reserves</b>						
Operating Reserve - Ending Balance	\$3,899,398	\$3,994,335	\$3,924,938	\$3,673,117	\$3,232,400	\$2,587,437
Operating Reserve - Target	\$938,605	\$971,459	\$1,005,457	\$1,040,648	\$1,077,071	\$1,114,769
Operating Reserve - Variance from Minimum	\$2,960,793	\$3,022,876	\$2,919,481	\$2,632,469	\$2,155,329	\$1,472,668
Capital Reserve - Ending Balance	\$6,507,741	\$7,136,909	\$7,773,197	\$8,416,735	\$9,067,658	\$9,726,108
Capital Reserve - Target	\$3,164,725	\$3,224,098	\$3,317,562	\$3,422,156	\$3,532,299	\$3,652,746
Capital Reserve - Variance from Minimum	\$3,343,016	\$3,912,811	\$4,455,634	\$4,994,579	\$5,535,358	\$6,073,362
Total Reserves	\$10,407,139	\$11,131,244	\$11,698,135	\$12,089,851	\$12,300,058	\$12,313,545
Total Reserve - Min.	\$4,103,330	\$4,195,557	\$4,323,019	\$4,462,804	\$4,609,371	\$4,767,515
Total Reserves - Variance from Minimum	\$6,303,809	\$6,935,687	\$7,375,115	\$7,627,048	\$7,690,687	\$7,546,031
<b>Debt Service Coverage</b>						
Calculated Debt Coverage Ratio	2.19	2.23	2.17	2.09	2.02	1.94
Required Debt Coverage Ratio	1.30	1.30	1.30	1.30	1.30	1.30
Difference	0.89	0.93	0.87	0.79	0.72	0.64



2021 Wastewater Study  
**Financial Plan Reconciliation**

<b>Check on Ending Cash FY22 - FY26</b>	
Total Rate Revenue	\$27,823,901
Total Other Revenue	\$1,791,258
Total Revenue	\$29,615,158
Total O&M	\$17,364,681
Total Debt Service	\$5,871,169
Total O&M and Debt Service	\$23,235,850
Total Net Revenue After Debt Service	\$6,379,308
Bond Proceeds	\$0
General Fund Loan Repayment	\$2,228,495
Total Funds Available for CIP	\$8,607,803
CIP	\$6,701,397
CIP Funding Gap	\$1,906,406
Starting Cash Reserves (CIP Funding Gap + Starting Cash Reserve)	\$10,407,139
Ending Reserves at FY26	\$12,313,545
Check	\$0

## Revenue Requirements

Revenue Requirement Projection						
	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026
Salaries and Fringe Benefits	\$536,200	\$554,970	\$574,390	\$594,494	\$615,301	\$636,837
Materials, Supplies, and Services	\$2,502,584	\$2,590,180	\$2,680,830	\$2,774,659	\$2,871,775	\$2,972,287
Other Charges	\$89,900	\$93,047	\$96,303	\$99,673	\$103,162	\$106,773
<b>Total O&amp;M</b>	<b>\$3,128,684</b>	<b>\$3,238,197</b>	<b>\$3,351,523</b>	<b>\$3,468,826</b>	<b>\$3,590,238</b>	<b>\$3,715,897</b>
	\$0	\$0	\$0	\$0	\$0	\$0
<b>Debt Service</b>						
2017 Wastewater Refunding Revenue Bonds (SB)	\$501,556	\$508,006	\$504,006	\$506,806	\$504,006	\$504,106
2017 Revenue Bonds (SEJPA)	\$669,863	\$668,113	\$668,713	\$669,088	\$669,288	\$669,038
2011 Refunding Revenue Bonds (SEJPA)	\$61,710	\$0	\$0	\$0	\$0	\$0
New Proposed Debt	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Debt Service</b>	<b>\$1,233,129</b>	<b>\$1,176,119</b>	<b>\$1,172,719</b>	<b>\$1,175,894</b>	<b>\$1,173,294</b>	<b>\$1,173,144</b>
	\$0	\$0	\$0	\$0	\$0	\$0
<b>Rate Funded Capital</b>	<b>\$1,305,557</b>	<b>\$1,162,466</b>	<b>\$1,245,262</b>	<b>\$1,333,956</b>	<b>\$1,428,967</b>	<b>\$1,530,746</b>
	\$0	\$0	\$0	\$0	\$0	\$0
<b>Change in Cash</b>	<b>\$155,798</b>	<b>\$278,406</b>	<b>\$121,192</b>	<b>(\$53,983)</b>	<b>(\$235,492)</b>	<b>(\$432,211)</b>
	\$0	\$0	\$0	\$0	\$0	\$0
<b>Gross Revenue Requirement</b>	<b>\$5,823,168</b>	<b>\$5,855,188</b>	<b>\$5,890,696</b>	<b>\$5,924,693</b>	<b>\$5,957,006</b>	<b>\$5,987,575</b>

	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026
<b>Less: Revenue Offsets</b>						
Connection Fees	\$26,775	\$26,775	\$26,775	\$26,775	\$26,775	\$26,775
Investment Interest Earnings/Rentals (Operations)	\$126,182	\$130,358	\$137,999	\$144,108	\$148,508	\$151,139
Miscellaneous Revenues	\$13,800	\$14,352	\$14,926	\$15,523	\$16,144	\$16,790
Reimbursement Agreements						
Del Mar Lease Payment for Operations	\$96,263	\$96,263	\$96,263	\$96,263	\$96,263	\$96,263
Del Mar lease Payment for Capital	\$77,244	\$77,244	\$77,244	\$77,244	\$77,244	\$77,244
Equity in Earnings of SEJPA	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Other Revenues</b>	<b>\$340,264</b>	<b>\$344,992</b>	<b>\$353,207</b>	<b>\$359,913</b>	<b>\$364,934</b>	<b>\$368,211</b>
	<i>\$178,657</i>	<i>\$183,469</i>	<i>\$190,589</i>	<i>\$197,839</i>	<i>\$205,224</i>	<i>\$212,751</i>
<b>Net Revenue Requirement from Rates</b>	<b>\$5,482,904</b>	<b>\$5,510,196</b>	<b>\$5,537,488</b>	<b>\$5,564,780</b>	<b>\$5,592,072</b>	<b>\$5,619,364</b>

2021 Wastewater Study  
**Rate Calculations**

<b>Rates</b>						
	<b>FYE 2021</b>	<b>FYE 2022</b>	<b>FYE 2023</b>	<b>FYE 2024</b>	<b>FYE 2025</b>	<b>FYE 2026</b>
<b>Five-Year Assessment Schedule</b>						
Net Revenue Requirement from Rates	\$5,482,904	\$5,510,196	\$5,537,488	\$5,564,780	\$5,592,072	\$5,619,364
EDUs	8,036	8,076	8,116	8,156	8,196	8,236
Calculated Annual Assessment per EDU	\$682.30	\$682.30	\$682.30	\$682.30	\$682.30	\$682.30
Current Annual Assessment per EDU	\$682.30	\$682.30	\$682.30	\$682.30	\$682.30	\$682.30
Annual Difference		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Percentage Difference		0.00%	0.00%	0.00%	0.00%	0.00%

2021 Wastewater Study

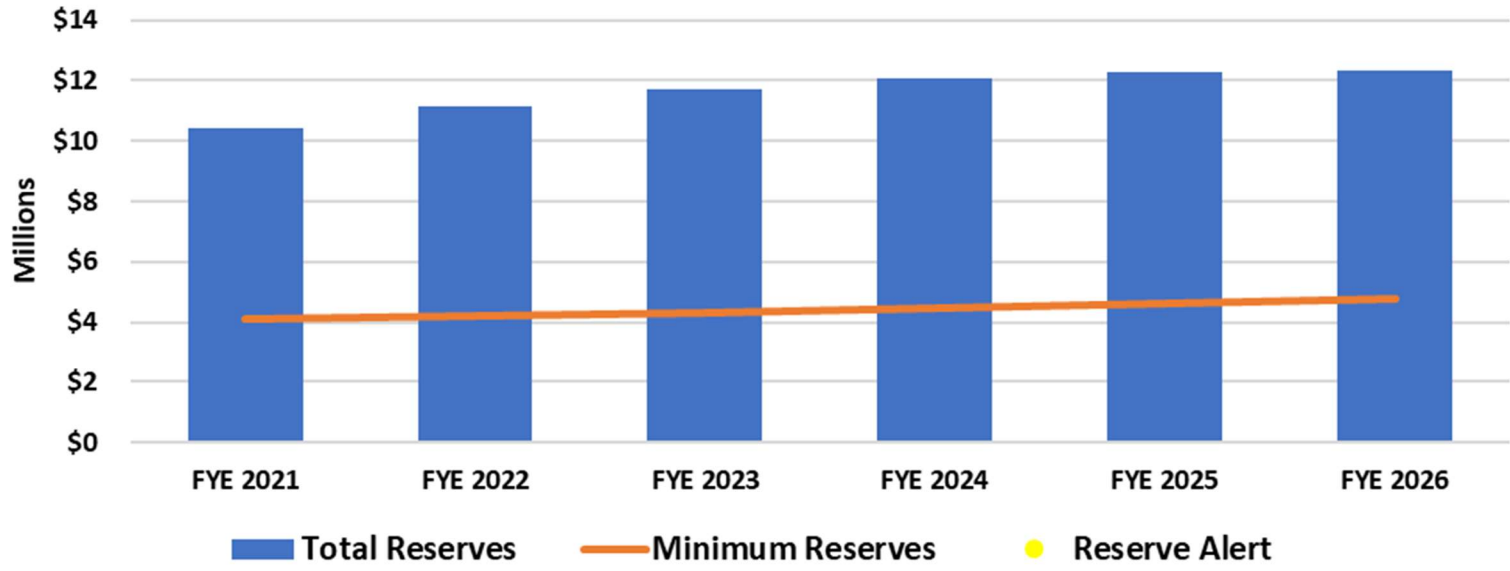
**Detail of Ending Reserves (Minimum Reserve)**

Description	FY2021 (Projected)	FY2022 (Projected)	FY2023 (Projected)	FY2024 (Projected)	FY2025 (Projected)	FY2026 (Projected)
<b>Operating Reserves</b>						
Beginning Balance	\$3,922,257	\$3,899,398	\$3,994,335	\$3,924,938	\$3,673,117	\$3,232,400
Net Cash Flow	(\$22,859)	\$94,936	(\$69,397)	(\$251,821)	(\$440,717)	(\$644,963)
<b>Ending Balance</b>	<b>\$3,899,398</b>	<b>\$3,994,335</b>	<b>\$3,924,938</b>	<b>\$3,673,117</b>	<b>\$3,232,400</b>	<b>\$2,587,437</b>
Minimum Target: 30% of OPEX	\$938,605	\$971,459	\$1,005,457	\$1,040,648	\$1,077,071	\$1,114,769
<b>Variance from Minimum</b>	<b>\$2,960,793</b>	<b>\$3,022,876</b>	<b>\$2,919,481</b>	<b>\$2,632,469</b>	<b>\$2,155,329</b>	<b>\$1,472,668</b>
<b>Capital Reserves</b>						
Beginning Balance	\$5,883,385	\$6,507,741	\$7,136,909	\$7,773,197	\$8,416,735	\$9,067,658
Add: General Fund Loan	\$445,699	\$445,699	\$445,699	\$445,699	\$445,699	\$445,699
Add: From Ops for PAYGO	\$1,305,557	\$1,162,466	\$1,245,262	\$1,333,956	\$1,428,967	\$1,530,746
Add: Connection Fees	\$26,775	\$26,775	\$26,775	\$26,775	\$26,775	\$26,775
Add: Del Mar lease Paymnt (Capital)	\$77,244	\$77,244	\$77,244	\$77,244	\$77,244	\$77,244
Add: Interest/Rentals (Capital)	\$74,638	\$79,451	\$86,570	\$93,820	\$101,206	\$108,733
Less: CIP Expenditures	\$1,305,557	\$1,162,466	\$1,245,262	\$1,333,956	\$1,428,967	\$1,530,746
<b>Ending Balance</b>	<b>\$6,507,741</b>	<b>\$7,136,909</b>	<b>\$7,773,197</b>	<b>\$8,416,735</b>	<b>\$9,067,658</b>	<b>\$9,726,108</b>
<b>Capital Minimum Target</b>						
10% of Depreciable Assets	\$2,101,910	\$2,174,169	\$2,253,169	\$2,339,444	\$2,433,571	\$2,536,169
105 % Annual Depreciation Expense	\$446,250	\$461,869	\$478,035	\$494,765	\$512,082	\$530,005
50 % of Annual Debt Service	\$616,564	\$588,059	\$586,359	\$587,947	\$586,647	\$586,572
<b>Total Minimum Target</b>	<b>\$3,164,725</b>	<b>\$3,224,098</b>	<b>\$3,317,562</b>	<b>\$3,422,156</b>	<b>\$3,532,299</b>	<b>\$3,652,746</b>
<b>Variance from Minimum Target</b>	<b>\$3,343,016</b>	<b>\$3,912,811</b>	<b>\$4,455,634</b>	<b>\$4,994,579</b>	<b>\$5,535,358</b>	<b>\$6,073,362</b>

**Consolidated Reserves (Minimum Reserve)**

Description	FY2021 (Projected)	FY2022 (Projected)	FY2023 (Projected)	FY2024 (Projected)	FY2025 (Projected)	FY2026 (Projected)
<b>Consolidated Operating &amp; Capital</b>						
Year-End Reserves	\$10,407,139	\$11,131,244	\$11,698,135	\$12,089,851	\$12,300,058	\$12,313,545
Total Minimum Reserve Goal	\$4,103,330	\$4,195,557	\$4,323,019	\$4,462,804	\$4,609,371	\$4,767,515
<b>Variance from Minimum Target</b>	<b>\$6,303,809</b>	<b>\$6,935,687</b>	<b>\$7,375,115</b>	<b>\$7,627,048</b>	<b>\$7,690,687</b>	<b>\$7,546,031</b>

### Reserve Balances





2021 Wastewater Study

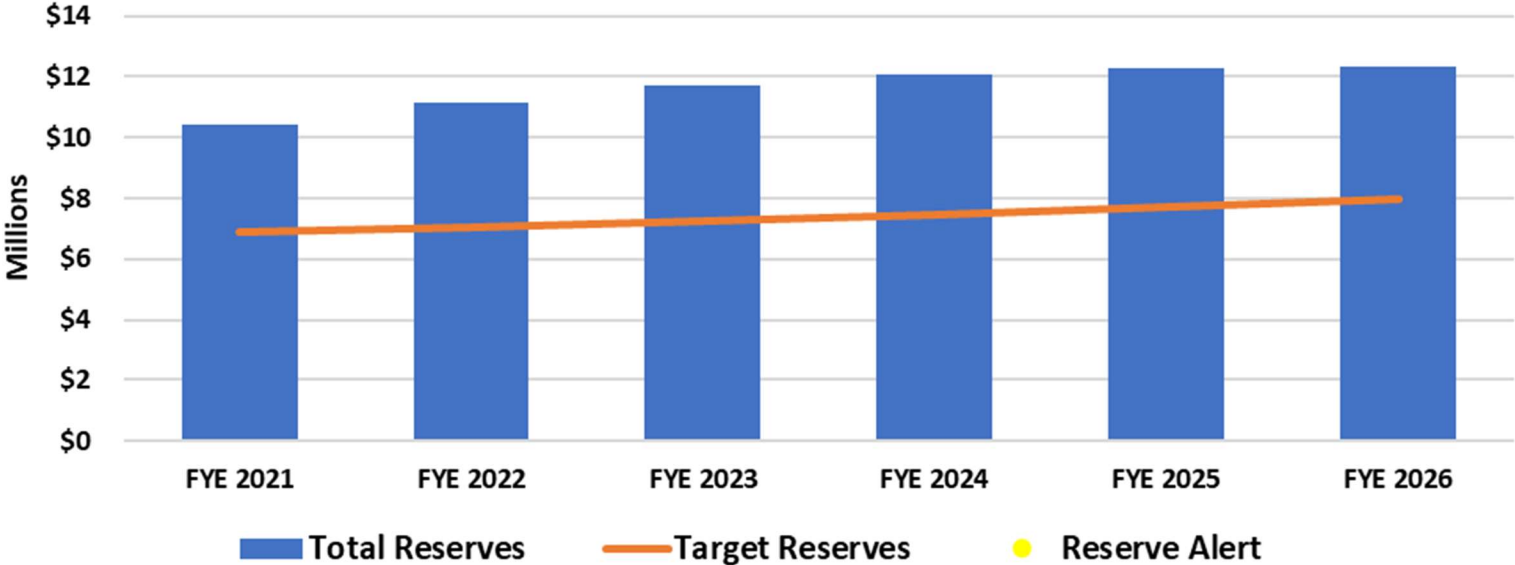
**Detail of Ending Reserves (Target Reserve)**

Description	FY2021 (Projected)	FY2022 (Projected)	FY2023 (Projected)	FY2024 (Projected)	FY2025 (Projected)	FY2026 (Projected)
<b>Operating Reserves</b>						
Beginning Balance	\$3,922,257	\$3,899,398	\$3,994,335	\$3,924,938	\$3,673,117	\$3,232,400
Net Cash Flow	(\$22,859)	\$94,936	(\$69,397)	(\$251,821)	(\$440,717)	(\$644,963)
<b>Ending Balance</b>	<b>\$3,899,398</b>	<b>\$3,994,335</b>	<b>\$3,924,938</b>	<b>\$3,673,117</b>	<b>\$3,232,400</b>	<b>\$2,587,437</b>
Target: 65% of OPEX	\$2,033,645	\$2,104,828	\$2,178,490	\$2,254,737	\$2,333,655	\$2,415,333
<b>Variance from Target</b>	<b>\$1,865,754</b>	<b>\$1,889,507</b>	<b>\$1,746,448</b>	<b>\$1,418,380</b>	<b>\$898,745</b>	<b>\$172,104</b>
<b>Capital Reserves</b>						
Beginning Balance	\$5,883,385	\$6,507,741	\$7,136,909	\$7,773,197	\$8,416,735	\$9,067,658
Add: General Fund Loan	\$445,699	\$445,699	\$445,699	\$445,699	\$445,699	\$445,699
Add: From Ops for PAYGO	\$1,305,557	\$1,162,466	\$1,245,262	\$1,333,956	\$1,428,967	\$1,530,746
Add: Connection Fees	\$26,775	\$26,775	\$26,775	\$26,775	\$26,775	\$26,775
Add: Del Mar lease Paymnt (Capital)	\$77,244	\$77,244	\$77,244	\$77,244	\$77,244	\$77,244
Add: Interest/Rentals (Capital)	\$74,638	\$79,451	\$86,570	\$93,820	\$101,206	\$108,733
Less: CIP Expenditures	\$1,305,557	\$1,162,466	\$1,245,262	\$1,333,956	\$1,428,967	\$1,530,746
<b>Ending Balance</b>	<b>\$6,507,741</b>	<b>\$7,136,909</b>	<b>\$7,773,197</b>	<b>\$8,416,735</b>	<b>\$9,067,658</b>	<b>\$9,726,108</b>
<b>Capital Target Reserves</b>						
15% of Depreciable Assets	\$3,152,865	\$3,261,254	\$3,379,753	\$3,509,165	\$3,650,356	\$3,804,253
115 % Annual Depreciation Expense	\$488,750	\$505,856	\$523,562	\$541,886	\$560,852	\$580,482
100 % of Annual Debt Service	\$1,233,129	\$1,176,119	\$1,172,719	\$1,175,894	\$1,173,294	\$1,173,144
<b>Total Target Reserve</b>	<b>\$4,874,744</b>	<b>\$4,943,229</b>	<b>\$5,076,033</b>	<b>\$5,226,945</b>	<b>\$5,384,501</b>	<b>\$5,557,879</b>
<b>Variance from Target Reserve</b>	<b>\$1,632,997</b>	<b>\$2,193,680</b>	<b>\$2,697,164</b>	<b>\$3,189,790</b>	<b>\$3,683,157</b>	<b>\$4,168,229</b>

**Consolidated Reserves (Target Reserve)**

Description	FY2021 (Projected)	FY2022 (Projected)	FY2023 (Projected)	FY2024 (Projected)	FY2025 (Projected)	FY2026 (Projected)
<b>Consolidated Operating &amp; Capital</b>						
Year-End Reserves	\$10,407,139	\$11,131,244	\$11,698,135	\$12,089,851	\$12,300,058	\$12,313,545
Total Target Reserve	\$6,908,389	\$7,048,057	\$7,254,523	\$7,481,682	\$7,718,156	\$7,973,212
<b>Variance from Target Reserve</b>	<b>\$3,498,750</b>	<b>\$4,083,186</b>	<b>\$4,443,612</b>	<b>\$4,608,169</b>	<b>\$4,581,902</b>	<b>\$4,340,334</b>

### Reserve Balances





# **City of Solana Beach**

## **Sanitation Enterprise Fund Reserve Policy**

### **May 2021**

#### **Purpose**

The Cash Reserve Policy is designed to establish guidelines to ensure the fiscal stability and provide direction to staff in the financial management of the Sanitation Enterprise Fund. A properly designed reserve policy is not only a financial best practice but also helps to achieve and maintain a favorable credit rating. The City will review the level of reserves annually. Goals of the Cash Reserve Policy include:

- Maintain short and long-term financial sustainability of the Sanitation Fund.
- Ensure working capital availability for payment of bills.
- Maintain stable rates for customers and ensure manageable rate increases.
- Ensure cash assets for full and timely payment of debt obligations.
- Provide a source of funds for emergency capital expenses.
- Provide funding for the replacement of Capital Assets and Equipment.

#### **Operating Reserves**

Maintaining adequate operating reserves enhances a system's ability to manage potential risks, provides the ability to manage fluctuations in revenues or expenditures, and the ability to meet working capital needs. Operating reserves are also important when facing fiscal emergencies that can result from emergency repairs, droughts, natural disasters, and unforeseen economic influences.

##### **1. Operating Capital Reserve**

Operating Capital Reserve provides working capital to support the operation, maintenance, and administration of the sewer system. Operating reserve reinforces the City's cash flow needs during normal operations to ensure sufficient resources to pay budgeted operating and maintenance expenses and ensures that operations can continue should there be significant events that impact cash flows.

##### Reserve Level:

The target level of Operational Capital reserve shall be equal to 65% of the annual operating expenditures based on the most recent audited financial statements. The minimum reserve is equal to 30% of the annual operating expenditures based on the most recent audited financial statements.

##### Use:

The Operating Capital reserves are intended to be used in response to temporary cash flow deficiencies due to the timing of the payment of expenditures and receipt of revenues.

##### **2. Debt Service Reserve**

The Debt Service Reserve ensures availability of cash assets for full and timely payment of debt obligations in periods of reduced revenue.

Reserve Level:

The target level of the Debt Service reserve shall be equal to 100% of the annual debt service payments for the upcoming fiscal year. The minimum reserve is equal to 50% of the annual debt service payments for the upcoming fiscal year.

Use:

The Debt service reserve is to be utilized in the event short-term revenues are insufficient to satisfy annual debt service requirements.

**3. Emergency Capital & Equipment Reserve**

The Emergency Capital & Equipment reserve is intended to provide funds to ensure the ability to repair the system or replace equipment in the event of an unanticipated breakdown, failure, or catastrophic event.

Reserve Level:

The target level of the Emergency Capital & Equipment Reserve shall be equal to 15% of the total depreciable assets as reflected in the most recent audited financial statements. The minimum reserve is equal to 10% of the total depreciable assets as reflected in the most recent audited financial statements.

Use:

The Emergency Capital & Equipment Reserve funds are to be used in the event of an unexpected and unbudgeted capital replacement or repair.

**4. Asset Replacement Reserve**

The Asset Replacement Reserve is intended to provide funds to replace assets that have reached the end of their useful life. This reserve helps smooth budgetary needs to replace high valued assets on an infrequent basis.

Reserve Level:

The target level of the Asset Replacement Reserve is to add 115% of the annual asset depreciation to the fund. The minimum reserve level is to add 105% of the annual asset depreciation to the fund.

Use:

The Asset Replacement Reserve funds are to be budgeted to replace fully depreciated assets that have reached the end of their useful life.

**Reserve Withdrawal & Replenishment**

The Sanitation Enterprise Fund will treat the minimum reserve levels as practical reserve floors and allow reserves to increase or decrease within the minimum and target level, as approved by the City Council during the City's two-year budget process or as needed by the fund.

To the extent that Reserves are above the target levels, the City Council has the flexibility to direct staff to use those available funds for any Sanitation Enterprise Fund purpose.

Reserve levels below the minimum targeted reserves would leave the Sanitation Enterprise Fund exposed to significant operational risks. Should the Sanitation Enterprise Fund draw down these reserves below the minimum targeted level, the Sanitation Enterprise Fund and/or the Finance Department will implement plans to return reserves to their minimum targeted levels upon approval of the City Council.

### **Monitoring and Reporting**

Reserve levels will be monitored throughout the fiscal year and reported as a part of the year-end Comprehensive Annual Financial Report (CAFR). The reserve policy will be reviewed and updated during the City's two-year budget process or if there are material changes or new conditions that require changes to the reserve levels.



# STAFF REPORT

## CITY OF SOLANA BEACH

**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Gregory Wade, City Manager  
**MEETING DATE:** May 12, 2021  
**ORIGINATING DEPT:** City Manager's Department  
**SUBJECT:** **Council Consideration of Resolution 2021-055 Authorizing the City Manager to Sign an Agreement with 360Civic for Website Redesign Services for Three Years and Authorizing Extensions of the Agreement for Hosting and Maintenance Services for Up to Two Additional Years**

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### **BACKGROUND:**

The City's current website, which was last updated in 2012, is outdated and difficult to navigate. It also lacks key functions such as a functional search engine that makes navigating the website extremely difficult. In addition, many pages are redundant and not updated with recent information. In the FY 2019/2020 Work Plan, the City Council (Council) prioritized the following objective: Explore options for updating the current website or completely overhauling the website. Staff determined the best approach would be to issue a Request for Proposals (RFP) to solicit proposals for a complete website overhaul.

A RFP was drafted in early 2020, but due to the COVID-19 pandemic, Staff delayed its issuance. The project was revived this year and a RFP was issued in February. The City received 18 responses and an internal panel evaluated and scored all of them. The companies receiving the top four scores were invited to participate in a live interview via Zoom so the panel could gather more information in order to make a final recommendation to Council.

This item is before Council to consider the approval of Resolution 2021-055 (Attachment 1) authorizing the City Manager to sign an agreement (Attachment 2) with 360Civic for website redesign services and authorizing extensions of the agreement for hosting and maintenance services for three years with an option to extend in the City Manager's discretion for up to two additional years.

COUNCIL ACTION:

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## **DISCUSSION:**

The City-issued RFP requested that consultants address at least the following six areas: Design, the Content Management System, the Content Migration Plan, Functional Requirements, Hosting Services, and various other content management features as discussed below.

Design – A primary focus of the updated design should focus on visual and functional improvements and improvements to the user experience. The design should include modern best practices with regard to multi-platform compatibility, the user interface, navigation, and the user experience.

Content Management System – The content management system should be an industry standard solution that utilizes customizable design templates, themes or site skins, which can be modified by Staff without requiring assistance from any particular vendor.

Content Migration Plan – The plan should provide details to migrate old content to the newly designed website and address quality assurance during development and launch.

Functional Requirements – The new website must meet Americans with Disabilities Act (ADA) requirements, have cross browser compatibility and include translation features.

Managed Web Hosting Services – The hosting services should provide a fully managed enterprise level web hosting service to include:

1. Website Datacenter with power and network redundancy for failover.
2. Datacenter facilities that are secure both physically and over the network and periodically reviewed and tested for security vulnerabilities.
3. 24/7/365 Network operations center staffing, website availability and security monitoring and online and telephone technical support.
4. Provide and manage system security and intrusion detection.
5. Website connections must have data backups, vulnerability scanning software, and maintain a secure host.

Following the RFP review and interview process, Staff rated the proposal received from 360Civic as the highest as it addressed all the areas listed above and more. 360Civic recently updated the City of San Diego website which received a second place award in the Center for Digital Government's Best of the Web Awards for the City Portal category. Other 360Civic clients include the City of Santa Ana, City of Beverly Hills, City of Mission Viejo, Superior Court of San Bernardino County and the County of Riverside.

360Civic states their vision for this project is to deliver a website and technology that is relevant for the next 5-10 years, and:

1. Graphically communicates through a responsive and attractive design without being sluggish to load or cluttered;
2. User-friendly, intuitive and invites users to interact with the resources and information on the website;
3. Easy and quick for many different levels of technical knowledge to update and revise content as necessary;
4. Flexible to upgrades, additions of functionality and revisions;
5. Secure and protected against intrusions and hacking;
6. Compatible with social media and mobile devices;
7. Collects key analytics and data;
8. In compliance with ADA accessibility and W3C standards.

During the City's budgeting process, \$75,000 was allocated to a website redesign project in the Information Technology Asset Replacement Fund. 360Civic's redesign proposal has an initial cost of \$30,710 for the redesign and migration services for the first year. Thereafter, there will be a \$7,500 annual subscription for hosting and maintenance services.

**CEQA COMPLIANCE STATEMENT:**

Not a project as defined by CEQA.

**FISCAL IMPACT:**

The Council approved \$75,000 in the Fiscal Year (FY) 2020/21 Information Technology Asset Replacement Fund for the website redesign. The cost proposal from 360Civic is for an initial fee of \$30,710 to redesign the new website in the first year and an annual fee thereafter of \$7,500. If approved, the subsequent two years of annual subscription costs will be appropriated in the respective upcoming budgets.

**WORKPLAN:**

ITEM # B.2. – Organizational Effectiveness.

**OPTIONS:**

- Approve Staff recommendation.
- Approve Staff recommendation with alternative amendments / modifications.
- Deny Staff recommendation.
- Provide direction or feedback.

**DEPARTMENT RECOMMENDATION:**

Staff recommends that the City Council approve Resolution 2021-055 authorizing the City Manager to sign an agreement with 360Civic for website redesign services for three

years and authorizing extensions of the agreement for hosting and maintenance services for up to two additional years.

**CITY MANAGER'S RECOMMENDATION:**

Approve Department Recommendation.



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Gregory Wade, City Manager

Attachments:

1. Resolution 2021-055
2. 360Civic Professional Services Agreement

## RESOLUTION 2021-055

### A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLANA BEACH, CALIFORNIA, AUTHORIZING THE CITY MANAGER TO SIGN AN AGREEMENT WITH 360CIVIC FOR WEBSITE REDESIGN SERVICES FOR THREE YEARS AND AUTHORIZING EXTENSIONS OF THE AGREEMENT FOR HOSTING AND MAINTENANCE SERVICES FOR UP TO TWO ADDITIONAL YEARS

**WHEREAS**, the City would like to redesign and update its website so that it is modern, user-friendly, intuitive and invites users to interact with the resources and information on the website; and

**WHEREAS**, the City would like a website that graphically communicates through a responsive and attractive design that is compatible across platforms and maintains high internet security standards; and

**WHEREAS**, the City would like professional ongoing website hosting and maintenance services that adhere to safety standards required of government agencies; and

**WHEREAS**, the City issued a Request for Proposals (RFP) to solicit proposals from qualified website design companies; and

**WHEREAS**, 360Civic submitted a proposal in response the City's RFP and a review panel determined 360Civic's proposal was superior to the other proposals received for a fair and reasonable price.

**NOW, THEREFORE**, the City Council of the City of Solana Beach, California, does resolve as follows:

1. That the above recitations are true and correct.
2. That the City Council authorizes the City Manager to execute a Professional Services Agreement with 360Civic for website redesign services for three years and authorizing extensions of the agreement for hosting and maintenance services for up to two additional years in the City Manager's discretion.



**PASSED AND ADOPTED** this 12th day of May, 2021, at a regular meeting of the City Council of the City of Solana Beach, California by the following vote:

AYES: Councilmembers –  
NOES: Councilmembers –  
ABSTAIN: Councilmembers –  
ABSENT: Councilmembers –

\_\_\_\_\_  
LESA HEEBNER, Mayor

APPROVED AS TO FORM:

ATTEST:

\_\_\_\_\_  
JOHANNA N. CANLAS, City Attorney

\_\_\_\_\_  
ANGELA IVEY, City Clerk

# City of Solana Beach

## PROFESSIONAL SERVICES AGREEMENT

### FOR WEBSITE REDESIGN, HOSTING AND MAINTENANCE SERVICES

This Professional Services Agreement (“AGREEMENT”) is made and entered into this 12th day of May, 2021 by and between the CITY OF SOLANA BEACH, a municipal corporation (“CITY”), and, 360Civic, Inc a California corporation, (“CONSULTANT”) (collectively “PARTIES”).

**WHEREAS**, the CITY desires to employ a CONSULTANT to furnish PROFESSIONAL SERVICES (“PROFESSIONAL SERVICES”) for A CITY WEBSITE REDESIGN, HOSTING AND MAINTENANCE SERVICES (“PROJECT”); and

**WHEREAS**, the CITY has determined that CONSULTANT is qualified by experience and ability to perform the services desired by CITY, and CONSULTANT is willing to perform such services; and

**WHEREAS**, CONSULTANT will conduct all the work as described and detailed in this AGREEMENT to be provided to the CITY.

**NOW, THEREFORE**, the PARTIES hereto mutually covenant and agree with each other as follows:

#### 1. PROFESSIONAL SERVICES.

- 1.1. **Scope of Services.** The CONSULTANT shall perform the PROFESSIONAL SERVICES as set forth in the written Scope of Services, attached as Exhibit “A” Scope of Services and Fee, at the direction of the CITY. CITY shall provide CONSULTANT access to appropriate staff and resources for the coordination and completion of the projects under this AGREEMENT. For all work to be performed on site in the City, the CITY and CONSULTANT agree that the Scope of Services begins when the CONSULTANT arrives on site and terminates when the CONSULTANT leaves the site. Travel time to and from project site shall not be considered time on the job or compensated by the CITY.
- 1.2. **Project Coordinator.** The Assistant City Manager is hereby designated as the Project Coordinator for CITY and will monitor the progress and execution of this AGREEMENT. CONSULTANT shall assign a single Project Director to provide supervision and have overall responsibility for the progress and execution of this AGREEMENT for CONSULTANT. Assistant City Manager is hereby designated as the Project Director for CONSULTANT.
- 1.3. **City Modification of Scope of Services.** CITY may order changes to the Scope of Services within the general scope of this AGREEMENT consisting of additions, deletions, or other revisions. If such changes cause a change in the CONSULTANT’s cost of, or time required for, completion of the Scope of Services, an equitable adjustment to CONSULTANT’s compensation and/or contract time shall be made, subject to the CITY’S approval. All such changes shall be authorized in writing, executed by CONSULTANT and CITY.

#### 2. DURATION OF AGREEMENT.

- 2.1. **Term.** The term of this AGREEMENT shall be for a period of three (3) years beginning from the date of execution of the AGREEMENT. Time is of the essence in the performance of work under this AGREEMENT, unless otherwise specified.

- 2.2. Extensions.**  If marked, the CITY shall have the option to extend the AGREEMENT for two (2) additional one (1) year periods or parts thereof for an amount not to exceed seven thousand five hundred dollars (\$7,500.00) per AGREEMENT year. Extensions shall be in the sole discretion of the City Manager and shall be based upon CONSULTANT's satisfactory past performance, CITY needs, and appropriation of funds by the City Council. The CITY shall give written notice to CONSULTANT prior to exercising the option.
- 2.3. Delay.** Any delay occasioned by causes beyond the control of CONSULTANT may merit an extension of time for the completion of the Scope of Services. When such delay occurs, CONSULTANT shall immediately notify the Project Coordinator in writing of the cause and the extent of the delay, whereupon the Project Coordinator shall ascertain the facts and the extent of the delay and grant an extension of time for the completion of the PROFESSIONAL SERVICES when justified by the circumstances.
- 2.4. City's Right to Terminate for Default.** Should CONSULTANT be in default of any covenant or condition hereof, CITY may immediately terminate this AGREEMENT for cause if CONSULTANT fails to cure the default within ten (10) calendar days of receiving written notice of the default.
- 2.5. City's Right to Terminate without Cause.** Without limiting its rights in the event of CONSULTANT's default, CITY may terminate this AGREEMENT, without cause, by giving written notice to CONSULTANT. Such termination shall be effective 30 days after receipt of the written notice. CONSULTANT shall be compensated for all effort and material expended on behalf of CITY under the terms of this AGREEMENT, up to the effective date of termination. All personal property remaining in CITY facilities or on CITY property thirty (30) days after the expiration or termination of this AGREEMENT shall be, at CITY's election, considered the property of CITY.

### **3. COMPENSATION.**

- 3.1. Total Amount.** The total cost for all work described in the Scope of Services and Fee (Exhibit "A") shall not exceed thirty thousand seven hundred ten dollars (\$30,710.00) for redesign services in the first year and seven thousand five hundred dollars (\$7,500) annually thereafter for hosting and maintenance services without prior written authorization from CITY. CONSULTANT shall bill the CITY for work provided and shall present a written request for such payment annually.
- 3.2. Additional Services.** CITY may, as the need arises or in the event of an emergency, request additional services of CONSULTANT. Should such additional services be required, CITY and CONSULTANT shall agree to the cost prior to commencement of these services.
- 3.3. Costs.** Any costs billed to the CITY shall be approved in writing in advance and in accordance with any terms negotiated and incorporated herein as part of Exhibit "A" Scope of Services and Fee.

### **4. INDEPENDENT CONTRACTOR.**

- 4.1.** CONSULTANT is, for all purposes arising out of this AGREEMENT, an independent contractor. The CONSULTANT has and shall retain the right to exercise full control and supervision of all persons assisting the CONSULTANT in the performance of said services hereunder, the CITY only being concerned with the finished results of the work being performed. Neither CONSULTANT nor CONSULTANT's employees shall in any event be entitled to any benefits to which CITY employees are entitled, including, but not limited to, overtime, retirement benefits, workers' compensation benefits, injury leave or other leave benefits. CONSULTANT is solely responsible for all such matters, as well as compliance with social security and income tax withholding and all other regulations and laws governing such matters.

- 4.2 PERS Eligibility Indemnification.** In the event that CONSULTANT's employee providing services under this AGREEMENT claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS of the CITY, CONSULTANT shall indemnify, defend, and hold harmless CITY for the payment of any employer and employee contributions for PERS benefits on behalf of the employee as well as for payment of any penalties and interest on such contributions which would otherwise be the responsibility of the CITY. Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, CONSULTANT's employees providing service under this AGREEMENT shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation and benefit including but not limited to eligibility to enroll in PERS as an employee of CITY and entitlement to any contributions to be paid by CITY for employer contributions and/or employee contributions for PERS benefits.
- 4.3 Indemnification for Employee Payments.** CONSULTANT agrees to defend and indemnify the CITY for any obligation, claim, suit or demand for tax, retirement contribution including any contribution to the PERS, social security, salary or wages, overtime payment, or workers' compensation payment which the CITY may be required to make for work done under this AGREEMENT.
- 4.4** The provisions of this section 4 are continuing obligations that shall survive expiration or termination of this AGREEMENT.

## **5. STANDARD OF PERFORMANCE.**

While performing the PROFESSIONAL SERVICES, CONSULTANT shall exercise the reasonable professional care and skill customarily exercised by reputable members of CONSULTANT's profession practicing in the metropolitan Southern California Area, and will use reasonable diligence and best judgment while exercising its professional skill and expertise.

## **6. WARRANTY OF CONSULTANT'S LICENSE.**

CONSULTANT warrants that CONSULTANT is properly licensed with the applicable government agency(ies) for any PROFESSIONAL SERVICES that require a license. If the CONSULTANT lacks such license, this AGREEMENT is void and of no effect.

## **7. AUDIT OF RECORDS.**

- 7.1.** At any time during normal business hours and as often as may be deemed necessary the CONSULTANT shall make available to a representative of CITY for examination all of its records with respect to all matters covered by this AGREEMENT and shall permit CITY to audit, examine and/or reproduce such records. CONSULTANT shall retain such financial and program service records for at least four (4) years after termination or final payment under this AGREEMENT.
- 7.2.** The CONSULTANT shall include the CITY's right under this section in any and all of their subcontracts, and shall ensure that these sections are binding upon all subcontractors.

## **8. CONFIDENTIALITY AND SECURITY.**

- 8.1. Confidential Work Product.** All professional services performed by CONSULTANT, including but not limited to all drafts, data, correspondence, proposals, reports, research and estimates compiled or composed by CONSULTANT, pursuant to this AGREEMENT, are for the sole use of the CITY, its agents and employees. Neither the documents nor their contents shall be released to any third party without the prior written consent of the CITY. This provision does not apply to information that (a) was publicly known, or otherwise known to CONSULTANT, at the time that it was disclosed to CONSULTANT by the CITY, (b) subsequently becomes publicly known through no act or omission of CONSULTANT or (c) otherwise becomes known to CONSULTANT other than through disclosure by the CITY. Except for any subcontractors that may be allowed upon prior agreement, neither the documents nor their contents shall be released

to any third party without the prior written consent of the CITY. The sole purpose of this section is to prevent disclosure of CITY's confidential and proprietary information by CONSULTANT or subcontractors.

**8.2. Confidentiality.** Both parties recognize that their respective employees and agents, in the course of performance of this AGREEMENT, may be exposed to confidential information and that disclosure of such information could violate the rights of private individuals and entities, including the parties and third parties. Confidential information is nonpublic information that a reasonable person would believe to be confidential and includes, without limitation, personal identifying information (e.g., social security numbers) and trade secrets, each as defined by applicable state law, and all other information protected by applicable law ("Confidential Information"). The party receiving Confidential Information ("Receiving Party") of the other ("Disclosing Party") shall not, and shall cause its employees and agents who are authorized to receive Confidential Information, not to, use Confidential Information for any purpose except as necessary to implement, perform or enforce this AGREEMENT or comply with its legal obligations. Receiving Party will use the same reasonable efforts to protect the Confidential Information of Disclosing Party as it uses to protect its own proprietary information and data. The Receiving Party will not disclose or release Confidential Information to any third person without the prior written consent of the Disclosing Party, except for where required by law or for authorized employees or agents of the Receiving Party. Prior to disclosing the Confidential Information to its authorized employees or agents, Receiving Party shall inform them of the confidential nature of the Confidential Information and require them to abide by the terms of this AGREEMENT. Receiving Party will promptly notify Disclosing Party if Receiving Party discovers any improper use or disclosure of Confidential Information and will promptly commence all reasonable efforts to investigate and correct the causes of such improper use or disclosure. If Receiving Party believes the Confidential Information must be disclosed under applicable law, Receiving Party may do so provided that, to the extent permitted by law, the other party is given a reasonable notice and opportunity to contest such disclosure or obtain a protective order. Confidential Information does not include information that: (i) is or becomes known to the public without fault or breach of the Receiving Party; (ii) the Disclosing Party regularly discloses to third parties without restriction on disclosure; or (iii) the Receiving Party obtains from a third party without restriction on disclosure and without breach of a non-disclosure obligation. Confidential Information does not include any information that is required to be provided to the public pursuant to the laws of the United States and/or California such as the California Public Records Act, due to the nature of CITY being a local governmental agency. The non-disclosure and non-use obligations of this AGREEMENT will remain in full force with respect to each item of Confidential Information for a period of ten (10) years after the Receiving Party's receipt of that item.

**8.3. Security.**

**8.3.1. Implementation.** CONSULTANT shall implement commercially reasonable administrative, technical and physical safeguards designed to: (i) ensure the security and confidentiality of data and information provided by the CITY or used in connection with providing services under this AGREEMENT, including data or information about third parties ("CITY'S Data"); (ii) protect against any anticipated threats or hazards to the security or integrity of CITY'S Data; and (iii) protect against unauthorized access to or use of CITY'S Data. CONSULTANT shall review and test such safeguards on no less than an annual basis.

**8.3.2. Network.** If CONSULTANT makes CITY'S Data accessible through the Internet or other networked environment, CONSULTANT shall be solely responsible for all aspects of Internet use, and shall maintain, in connection with the operation or use of CITY'S Data, adequate technical and procedural access controls and system security requirements and devices, necessary for data privacy, confidentiality, integrity, authorization, authentication and non-repudiation and virus detection and eradication.

**8.3.3. Personal Data.** If CONSULTANT processes or otherwise has access to any personal data or personal information on CITY's behalf when performing CONSULTANT's services and obligations under this AGREEMENT, then: (i) CITY shall be the data controller (where "data controller" means an entity which alone or jointly with others determines purposes for which and the manner in which any personal data are, or are to be, processed) and CONSULTANT shall be a data processor (where "data processor" means an entity which processes the data only on behalf of the data controller and not for any purposes of its own); (ii) CITY shall ensure that it has obtained all necessary consents and it is entitled to transfer the relevant personal data or personal information to CONSULTANT so that CONSULTANT may lawfully use, process and transfer the personal data and personal information in accordance with this AGREEMENT on CITY's behalf in order for CONSULTANT to provide the services and perform its other obligations under this AGREEMENT; (iii) CONSULTANT shall process the personal data and personal information only in accordance with any lawful and reasonable instructions given by CITY from time to time and in accordance with the terms of this AGREEMENT; and (iv) each party shall take appropriate technical and organizational measures against unauthorized or unlawful processing of the personal data and personal information or its accidental loss, destruction or damage so that, having regard to the state of technological development and the cost of implementing any measures, the measures taken ensure a level of security appropriate to the harm that might result from such unauthorized or unlawful processing or accidental loss, destruction or damage in relation to the personal data and personal information and the nature of the personal data and personal information being protected. If necessary, the parties will cooperate to document these measures taken.

**8.3.4. Information Security.** CONSULTANT represents and warrants that its collection, access, use, storage, disposal and disclosure of Confidential Information accessed and/or collected from CITY does and will comply with all applicable federal and state privacy and data protection laws. In the event of any security breach, CONSULTANT shall: (a) Provide CITY with the name and contact information for an employee who shall serve as CITY's primary security contact and shall be available to assist CITY twenty-four (24) hours per day, seven (7) days per week as a contact in resolving obligations associated with a security breach; and (b) Notify CITY of a security breach as soon as practicable, but no later than twenty-four (24) hours after CONSULTANT becomes aware of it. Immediately following CONSULTANT's notification to CITY of a security breach, the parties shall coordinate with each other to investigate the security breach. CONSULTANT agrees to fully cooperate with CITY in CITY's handling of the matter. CONSULTANT shall use best efforts to immediately remedy any security breach and prevent any further security breach at CONSULTANT's own expense in accordance with applicable privacy rights, laws, regulations and standards. CONSULTANT agrees to provide, at its expense, up to one year of credit monitoring services to third parties impacted by any data breach involving the loss of personally identifiable information.

- 8.4. Indemnity.** CONSULTANT shall defend (with counsel acceptable to CITY), indemnify and hold CITY harmless from and against all claims, actions, proceedings, losses, costs (including attorney fees and other charges), liabilities, damages, judgments, settlements, and court awarded attorney's fees resulting from, arising out of or related to a security or data breach unless the breach is proven to be caused solely by CITY. The terms of this section shall survive termination of this AGREEMENT. For purposes of this provision, "security breach" means any act or omission that compromises either the security, confidentiality, or integrity of Confidential Information or the physical, technical, administrative or organizational safeguards put in place by CONSULTANT or any authorized persons that relate to the protection of the security, confidentiality or integrity of Confidential Information or a breach or alleged breach of this AGREEMENT relating to such privacy practices or privacy obligations imposed by any applicable law.
- 8.5. Notice and Remedy of Breaches.** Each party shall promptly give notice to the other of any actual or suspected breach by it of any of the provisions of Section 8 of this AGREEMENT, whether or not intentional, and the breaching party shall, at its expense, take all steps reasonably requested by the other party to prevent or remedy the breach.
- 8.6. Enforcement.** Each party acknowledges that any breach of any of the provisions of Section 8 of this AGREEMENT may result in irreparable injury to the other for which money damages would not adequately compensate. If there is a breach, then the injured party shall be entitled, in addition to all other rights and remedies which it may have, to have a decree of specific performance or an injunction issued by any competent court, requiring the breach to be cured or enjoining all persons involved from continuing the breach.

## **9. CONFLICTS OF INTEREST.**

- 9.1.** CONSULTANT shall at all times comply with all federal, state and local conflict of interest laws, regulations, and policies applicable to public contracts and procurement practices, including but not limited to California Government Code Section 81000 *et seq.* (Political Reform Act) and Section 1090 *et seq.* CONSULTANT shall immediately disqualify itself and shall not use its official position to influence in any way any matter coming before the CITY in which the CONSULTANT has a financial interest as defined in Government Code Section 87103. CONSULTANT represents that it has no knowledge of any financial interests which would require it to disqualify itself from any matter on which it might perform services for the CITY.
- 9.2.** If, in performing the PROFESSIONAL SERVICES set forth in this AGREEMENT, the CONSULTANT makes, or participates in, a "governmental decision" as described in Title 2, Section 18700.3(a) of the California Code of Regulations, or performs the same or substantially all the same duties for the CITY that would otherwise be performed by a CITY employee holding a position specified in the department's conflict of interest code, the CONSULTANT shall be subject to a conflict of interest code requiring the completion of one or more statements of economic interests disclosing the CONSULTANT's relevant financial interests.
- 9.3.**  If checked, the CONSULTANT shall comply with all of the reporting requirements of the Political Reform Act. Specifically, the CONSULTANT shall file a Fair Political Practices Commission Form 700 (Assuming Office Statement) within thirty (30) calendar days of the CITY's determination that the CONSULTANT is subject to a conflict of interest code. The CONSULTANT shall also file a Form 700 (Annual Statement) on or before April 1 of each year of the AGREEMENT, disclosing any financial interests held during the previous calendar year for which the CONSULTANT was subject to a conflict of interest code.
- 9.4.** CITY represents that pursuant to California Government Code Section 1090 *et seq.*, none of its elected officials, officers, or employees has an interest in this AGREEMENT.

## 10. DISPOSITION AND OWNERSHIP OF DOCUMENTS.

- 10.1. All documents, data, studies, drawings, maps, models, photographs and reports prepared by CONSULTANT under this AGREEMENT, whether paper or electronic, shall become the property of CITY for use with respect to this PROJECT, and shall be turned over to the CITY upon completion of the PROJECT or any phase thereof, as contemplated by this AGREEMENT.
- 10.2. Contemporaneously with the transfer of documents, the CONSULTANT hereby assigns to the CITY and CONSULTANT thereby expressly waives and disclaims, any copyright in, and the right to reproduce, all written material, drawings, plans, specifications or other work prepared under this AGREEMENT, except upon the CITY's prior authorization regarding reproduction, which authorization shall not be unreasonably withheld. The CONSULTANT shall, upon request of the CITY, execute any further document(s) necessary to further effectuate this waiver and disclaimer.

## 11. INSURANCE

- 11.1. CONSULTANT shall procure and maintain for the duration of the AGREEMENT insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the CONSULTANT, their agents, representatives, employees or subcontractors. Insurance shall be placed with insurers with a current A.M. Best's rating of no less than "A" and "VII" unless otherwise approved in writing by the CITY's Risk Manager.
- 11.2. CONSULTANT's liabilities, including but not limited to CONSULTANT's indemnity obligations, under this AGREEMENT, shall not be deemed limited in any way to the insurance coverage required herein. All policies of insurance required hereunder must provide that the CITY is entitled to thirty (30) days prior written notice of cancellation or non-renewal of the policy or policies, or ten (10) days prior written notice for cancellation due to non-payment of premium. Maintenance of specified insurance coverage is a material element of this AGREEMENT.
- 11.3. **Types and Amounts Required.** CONSULTANT shall maintain, at minimum, the following insurance coverage for the duration of this AGREEMENT:
  - 11.3.1.  **Commercial General Liability (CGL).** If checked the CONSULTANT shall maintain CGL Insurance written on an ISO Occurrence form or equivalent providing coverage at least as broad as CG 00 01 which shall cover liability arising from any and all personal injury or property damage, including ongoing and completed operations, in the amount no less than \$1,000,000.00 per occurrence and subject to an annual aggregate of \$2,000,000.00. If limits apply separately to this project (CG 25 03 or 25 04) the general aggregate limit shall not apply. There shall be no endorsement or modification of the CGL limiting the scope of coverage for either insured vs. insured claims or contractual liability. All defense costs shall be outside the limits of the policy. If the CONSULTANT or subcontractor maintains higher limits than the limits shown above, the CITY shall be entitled to coverage for the higher limits maintained by the CONSULTANT and their subcontractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the CITY. Any excess or umbrella policies being used to meet the required limits of insurance will be evaluated separately and must meet the same qualifications as the CONSULTANT's primary policy.
  - 11.3.2.  **Commercial Automobile Liability.** If checked the CONSULTANT shall maintain Commercial Automobile Liability Insurance for all of the CONSULTANT's automobiles including owned, hired and non-owned automobiles, automobile insurance written on an ISO form CA 00 01 12 90 or a later version of this form or an equivalent form providing coverage at least as broad for bodily injury and property damage for a combined single limit no less than \$1,000,000.00 per occurrence. Insurance certificate shall reflect coverage for any automobile (any auto).



- 11.3.3.**  **Workers' Compensation.** If checked the CONSULTANT shall maintain Worker's Compensation insurance for all of the CONSULTANT's employees who are subject to this AGREEMENT and to the extent required by applicable state or federal law, a Workers' Compensation policy providing at minimum \$1,000,000.00 employers' liability coverage. The CONSULTANT shall provide an endorsement that the insurer waives the right of subrogation against the CITY and its respective elected officials, officers, employees, agents and representatives.
- 11.3.4.**  **Professional Liability.** If checked the CONSULTANT shall also maintain Professional Liability (errors and omissions) coverage with a limit no less than \$1,000,000 per claim and \$2,000,000 annual aggregate. The CONSULTANT shall ensure both that (1) the policy retroactive date is on or before the date of commencement of the Scope of Services; and (2) the policy will be maintained in force for a period of three years after substantial completion of the Scope of Services or termination of this AGREEMENT whichever occurs last. The CONSULTANT agrees that for the time period defined above, there will be no changes or endorsements to the policy that increase the CITY's exposure to loss. All defense costs shall be outside the limits of the policy. If CONSULTANT maintains higher limits than the limits shown above, the CITY shall be entitled to coverage for the higher limits maintained by the CONSULTANT. Any available proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the CITY.
- 11.3.5.**  **Cyber Liability.** If checked the CONSULTANT shall also maintain Cyber Liability coverage on an occurrence basis with a limit of \$2,000,000 per occurrence or claim and \$2,000,000 annual aggregate. Coverage shall be sufficiently broad to respond to the duties and obligations as are undertaken by CONSULTANT in this AGREEMENT and shall include claims involving infringement of intellectual property, infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion and network security. The policy shall provide coverage for breach response costs as well as regulatory fines and penalties as well as credit monitoring expenses with limits sufficient to respond to such obligations. All defense costs shall be outside the limits of the policy.
- 11.4. Self-Insured Retentions.** Any self-insured retentions are the responsibility of the CONSULTANT and must be declared to and approved by the CITY. At the option of the CITY, either (1) the insurer shall reduce or eliminate such self-insured retentions as respects the CITY, its officers, officials, employees and volunteers, or (2) the CONSULTANT shall provide a financial guarantee satisfactory to the CITY guaranteeing payment of losses and related investigations, claim administration, and defense expenses.
- 11.5. Additional Required Provisions.** The commercial general liability, including any excess or umbrella policies being used to meet the required limits of insurance, and automobile liability policies shall contain, or be endorsed to contain, the following provisions:
- 11.5.1.** The CITY, its officers, officials, employees, and representatives shall be named as additional insureds with respect to liability arising out of work or operations performed by or on behalf of the CONSULTANT including materials, parts, or equipment furnished in connection with such work or operations. The CITY's additional insured status must be reflected on additional insured endorsement form (20 10 1185 or 20 10 1001 and 20 37 1001) which shall be submitted to the CITY.

**11.5.2.** The policies are primary and non-contributory to any insurance that may be carried by the CITY, as reflected in an endorsement at least as broad as CG 20 01 04 13 which shall be submitted to the CITY. Any insurance or self-insurance maintained by the CITY, its officers, officials, employees, or representatives shall be excess of the CONSULTANT's insurance and shall not contribute with it.

**11.6. Verification of Coverage.** CONSULTANT shall furnish the CITY with original certificates and amendatory endorsements effecting coverage required by this Section 11, as well as a complete, certified copy of any general liability policy being used to meet the required limits of insurance, which shall include the declaration pages, a schedule of forms listing all policy endorsements, and all policy forms. The endorsements should be on forms approved by the CITY or on other than the CITY's forms provided those endorsements conform to CITY requirements. All certificates and endorsements are to be received and approved by the CITY before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them. The CITY reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time.

**11.7. Special Risks or Circumstances.** CITY reserves the right to modify these requirements, including limits, based on the nature of risk, prior experience, insurer, coverage, or other special circumstances.

## **12. INDEMNIFICATION.**

CONSULTANT agrees to indemnify, defend (with counsel acceptable to CITY), and hold harmless the CITY, and its officers, officials, agents and employees from any and all claims, demands, costs or liabilities that arise out of, or pertain to, or relate to the negligence, recklessness, or willful misconduct of CONSULTANT, its employees, agents, and subcontractors in the performance of or failure to perform services or obligations under this AGREEMENT. CONSULTANT's duty to indemnify under this section shall not include liability for damages for death or bodily injury to persons, injury to property, or other loss, damage or expense arising from the sole negligence or willful misconduct by the CITY or its elected officials, officers, agents, and employees. CONSULTANT's indemnification obligations shall not be limited by the insurance provisions of this AGREEMENT. The PARTIES expressly agree that any payment, attorney's fees, costs or expense CITY incurs or makes to or on behalf of an injured employee under the CITY's self-administered workers' compensation is included as a loss, expense, or cost for the purposes of this section, and that this section will survive the expiration or early termination of this AGREEMENT.

## **13. SUBCONTRACTORS.**

**13.1.** The CONSULTANT's hiring or retaining of third parties (i.e. subcontractors) to perform services related to the PROJECT is subject to prior written approval by the CITY.

**13.2.** All contracts entered into between the CONSULTANT and its subcontractor shall also provide that each subcontractor shall obtain insurance policies which shall be kept in full force and effect during any and all work on this PROJECT and for the duration of this AGREEMENT. The CONSULTANT shall require the subcontractor to obtain, all policies described in Section 11 in the amounts required by the CITY, which shall not be greater than the amounts required of the CONSULTANT.

**13.3.** In any dispute between the CONSULTANT and its subcontractor, the CITY shall not be made a party to any judicial or administrative proceeding to resolve the dispute. The CONSULTANT agrees to defend and indemnify the CITY as described in Section 12 of this AGREEMENT should the CITY be made a party to any judicial or administrative proceeding to resolve any such dispute.

**14. NON-DISCRIMINATION.**

CONSULTANT shall not discriminate against any employee or applicant for employment because of sex, race, color, age, religion, ancestry, national origin, military or veteran status, disability, medical condition, genetic information, gender expression, marital status, or sexual orientation. CONSULTANT shall take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their sex, race, color, age, religion, ancestry, national origin, military or veteran status, disability, medical condition, genetic information, gender expression, marital status, or sexual orientation and shall make reasonable accommodation to qualified individuals with disabilities or medical conditions. Such action shall include, but not be limited to the following: employment, upgrading, demotion, transfer, recruitment, or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. CONSULTANT agrees to post in conspicuous places available to employees and applicants for employment any notices provided by CITY setting forth the provisions of this non-discrimination clause.

**15. NOTICES.**

All communications to either party by the other party shall be delivered to the persons listed below. Any such written communications by mail shall be conclusively deemed to have been received by the addressee five (5) calendar days after the deposit thereof in the United States mail, postage prepaid and properly addressed as noted below.

Dan King, Assistant City Manager  
City of Solana Beach  
635 S. Highway 101  
Solana Beach, CA 92075

Carlos Martinez, Project Manager  
1845 W. Orangewood Avenue  
Suite 101  
Orange, CA 92868

**16. ASSIGNABILITY.**

This AGREEMENT and any portion thereof shall not be assigned or transferred, nor shall any of the CONSULTANT’s duties be delegated or sub-contracted, without the express written consent of the CITY.

**17. RESPONSIBILITY FOR EQUIPMENT.**

CITY shall not be responsible nor held liable for any damage to persons or property consequent upon the use, misuse, or failure of any equipment used by CONSULTANT or any of CONSULTANT’s employees or subcontractors, even if such equipment has been furnished, rented, or loaned to CONSULTANT by CITY. The acceptance or use of any such equipment by CONSULTANT, CONSULTANT’s employees, or subcontractors shall be construed to mean that CONSULTANT accepts full responsibility for and agrees to exonerate, defend, indemnify and hold harmless CITY from and against any and all claims for any damage whatsoever resulting from the use, misuse, or failure of such equipment.

**18. CALIFORNIA LAW; VENUE.**

This AGREEMENT shall be construed and interpreted according to the laws of the State of California. Any action brought to enforce or interpret any portion of this AGREEMENT shall be brought in the county of San Diego, California. CONSULTANT hereby waives any and all rights it might have pursuant to California Code of Civil Procedure Section 394.

**19. COMPLIANCE WITH LAWS.**

The Consultant shall comply with all laws, ordinances, regulations, and policies of the federal, state, and local governments applicable to this AGREEMENT whether now in force or subsequently enacted. This includes maintaining a City of Solana Beach Business Certificate.

**20. ENTIRE AGREEMENT.**

This AGREEMENT sets forth the entire understanding of the PARTIES with respect to the subject matters herein. There are no other understandings, terms or other agreements expressed or implied, oral or written, except as set forth herein. No change, alteration, or modification of the terms or conditions of this AGREEMENT, and no verbal understanding of the PARTIES, their officers, agents, or employees shall be valid unless agreed to in writing by both PARTIES.

**21. NO WAIVER.**

No failure of either the City or the Consultant to insist upon the strict performance by the other of any covenant, term or condition of this AGREEMENT, nor any failure to exercise any right or remedy consequent upon a breach of any covenant, term, or condition of this AGREEMENT shall constitute a waiver of any such breach of such covenant, term or condition.

**22. SEVERABILITY.**

The unenforceability, invalidity, or illegality of any provision of this AGREEMENT shall not render any other provision unenforceable, invalid, or illegal.

**23. DRAFTING AMBIGUITIES.**

The PARTIES agree that they are aware that they have the right to be advised by counsel with respect to the negotiations, terms and conditions of this AGREEMENT, and the decision of whether or not to seek advice of counsel with respect to this AGREEMENT is a decision which is the sole responsibility of each Party. This AGREEMENT shall not be construed in favor of or against either Party by reason of the extent to which each Party participated in the drafting of the AGREEMENT.

**24. CONFLICTS BETWEEN TERMS.**

If an apparent conflict or inconsistency exists between the main body of this AGREEMENT and the Exhibits, the main body of this AGREEMENT shall control. If a conflict exists between an applicable federal, state, or local law, rule, regulation, order, or code and this AGREEMENT, the law, rule, regulation, order, or code shall control. Varying degrees of stringency among the main body of this AGREEMENT, the Exhibits, and laws, rules, regulations, orders, or codes are not deemed conflicts, and the most stringent requirement shall control. Each Party shall notify the other immediately upon the identification of any apparent conflict or inconsistency concerning this AGREEMENT.

**25. EXHIBITS INCORPORATED.**

All Exhibits referenced in this AGREEMENT are incorporated into the AGREEMENT by this reference.

**26. SIGNING AUTHORITY.**

- 26.1.** The representative for each Party signing on behalf of a corporation, partnership, joint venture, association, or governmental entity hereby declares that authority has been obtained to sign on behalf of the corporation, partnership, joint venture, association, or entity and agrees to hold the other Party or PARTIES hereto harmless if it is later determined that such authority does not exist.
- 26.2.**  If checked, a proper notary acknowledgement of execution by CONSULTANT must be attached.

**IN WITNESS WHEREOF**, the PARTIES hereto have executed this AGREEMENT the day and year first hereinabove written.

CITY OF SOLANA BEACH, a municipal corporation

360Civic, Inc., a California Corporation

By:

By:

\_\_\_\_\_  
City Manager, Gregory Wade

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Ron Zayas, CEO

ATTEST:

\_\_\_\_\_  
City Clerk, Angela Ivey

APPROVED AS TO CONTENT:

\_\_\_\_\_  
Assistant City Manager, Dan King

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney, Johanna N. Canlas

**EXHIBIT "A"**  
**SCOPE OF SERVICES AND FEE**

**Strategy**

- All client contact and meetings.
- All public meetings, workshops and committee review meetings.
- Creation of development timeline and workflow architecture.
- Creation of ADA guidelines for site design and features/functionality.
- Determine administrative and CMS editor privileges and access.

**Design**

- All client contact and meetings.
- Redesign of public-facing website, including landing pages for each department.
- Dynamic image display (rotating photos/banner ads).
- Reporting structure/flow design.
- Ongoing review of designs, user tools and site assets for ADA compliance.

**Implementation**

- Content Management System customization.
- Reporting functionality.
- Administrative Reporting capabilities.
- Content migration.
- Creation of new content as needed.
- Integration with required APIs.

**Quality Control/Testing**

- Comprehensive testing of all site applications functionality, features and reporting.
- Testing of CMS editing, permissions and publishing assets.
- Final ADA review of website public-facing pages, all content types and functionality of applications.

**Training/Launch**

- Unlimited technical support after launch, including unlimited phone, email and online support during normal business hours.
- Training for in-person.
- Delivery of training documentation, including Training and User Guide.

**Year 1 Total Cost: \$30,710**

## Year 1 Time and Materials Fee Schedule

Team Member	Hourly Rate	Strategy		Design		Implementation		Quality Assurance/Testing		Training and Launch		Total Cost
		Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	
Ron Zayas-Team Leader	\$150.00	8	\$1,200.00	2	\$300.00	8	\$1,200.00	2	\$300.00	4	\$600.00	\$3,600.00
Carlos Carrasco-Project Manager	\$125.00	8	\$1,000.00	8	\$1,000.00	32	\$4,000.00	8	\$1,000.00	4	\$500.00	\$7,500.00
Marc Frost-Technical Lead	\$135.00	2	\$270.00	2	\$270.00	8	\$1,080.00	2	\$270.00	2	\$270.00	\$2,160.00
Rodrigo Gava-Creative Director	\$135.00	4	\$540.00	20	\$2,700.00	2	\$270.00	2	\$270.00	2	\$270.00	\$4,050.00
Sara Lopes-Training	\$125.00	2	\$250.00	2	\$250.00	8	\$1,000.00	8	\$1,000.00	20	\$2,500.00	\$5,000.00
Emilee Beck-CMS Implementation	\$100.00	4	\$400.00	8	\$800.00	60	\$6,000.00	8	\$800.00	4	\$400.00	\$8,400.00
<b>Total</b>		<b>28</b>	<b>\$3,660.00</b>	<b>42</b>	<b>\$5,320.00</b>	<b>118</b>	<b>\$13,550.00</b>	<b>30</b>	<b>\$3,640.00</b>	<b>36</b>	<b>\$4,540.00</b>	<b>\$30,710.00</b>

## Years 2–5 (Minimum of 3-year subscription): \$7,500/year

### Includes:

- Mobile application.
- Hosting and CMS maintenance.
- Unlimited phone, email, online training and support provided for the life of subscription.
- Guaranteed support response time:
  - P1—Emergency Priority. Situation with severe overall impact that is defined as a loss of website capabilities for functions. Response time: Less than 1 hour
  - P2—High Priority. Incident that requires technical support that has moderate business impact such as inability to upload items such as meeting agendas, posting of public hearings or other time-sensitive documents. Response time: 2 hours
  - P3—Medium Priority. Incident has a lower business impact or modern impact. For example, support to help with uploading a large file, video or photos. Response time: 8 hours
  - P4—Low Priority. Situations that would fall into the low priority category include scheduling online training for new City employees. Response time: 48 hours.

### **Hosting and Maintenance Includes:**

Redundant hosting servers; daily, automated back-ups; tier-one hosting facility; clustered failover database backends; support technical issues; errors and reliability; 24/7 support; 99.9% guaranteed uptime; online reports on bandwidth, traffic, mobile users, search engine placement and trends; and a monthly call to explain the statistics and usage for the site and areas of opportunities or concerns.

### **Mobile Application Includes:**

User access to City resources from the app; report issues to the City using built in GPS and have that information routed to the correct City department for service requests—and integrate to existing systems for reporting and tracking; updates on local and/or major projects; automatically publish alerts, news items, videos, events and content using CMS; integrate with your billing system for bill payment and collect credit card information using our secure payment processing.





# STAFF REPORT

## CITY OF SOLANA BEACH

**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Gregory Wade, City Manager  
**MEETING DATE:** May 12, 2021  
**ORIGINATING DEPT:** City Clerk's Department  
**SUBJECT:** **Citizen Commission Vacancies: Public Arts Commission and Parks & Recreation Commission Appointments**

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### **BACKGROUND:**

Pursuant to California Government Code section 54974(a), when an unexpected vacancy occurs on a Council Appointed Citizen Commission, a Notice of Vacancy is required to be posted no earlier than 20 days prior to the resignation and no later than 20 days after the vacancy occurs.

There were three resignations from two Citizen Commissions which are all appointed by the Council-at-large. There is one vacancy on the Public Arts Commission (PAC) and two vacancies on the Parks & Recreation Commission (PRC). Christine de Pagter resigned from the PAC on March 29<sup>th</sup>, Richard Lebert resigned from the PRC on March 21<sup>st</sup>, and Danielle King resigned from the PRC on April 21<sup>st</sup>. Two vacancies have terms ending January 2022 and one of the PRC vacancies has a term ending January 2023, when these positions will expire and be open for appointment or re-appointment.

This item is before Council to review applications received for three Citizen Commission vacancies.

### **DISCUSSION:**

Appointments to City Commissions and Committees are conducted in accordance with Council Policy No. 5 - *Appointment of Private Citizens to Committees, Boards, Task Forces* (Attachment 1). Per Solana Beach Municipal Code section 2.64.020, members of the PAC and PRC are all appointed by the Council-at-large. Therefore, the nominations may be made by any Councilmember and a majority vote of the City Council is required for appointment.

#### *Noticing*

On April 8, 2021, the City Clerk posted a Notice of Vacancy for the PAC and PRC to refill the positions and bring the Commissions to full membership as quickly as possible with a deadline of April 20, 2021. An additional Notice of Vacancy for the PRC was posted on April 29, 2021 with deadline of May 7<sup>th</sup>. At the April 28<sup>th</sup> Council meeting, the City Council

CITY COUNCIL ACTION:

decided to postpone making appointments, so the first Notice of Vacancy that was due on April 20<sup>th</sup> was extended to the May 7<sup>th</sup> deadline.

Recruitment notices were posted on the City's Official bulletin board and the City's website, e-blast notices were sent out, and past applicants were notified.

#### *Applicant Submittals*

As of the preparation of this report, the May 7<sup>th</sup> deadline will not have been reached, therefore, the application list (Attachment 3) will be updated online at 5:00 p.m. on May 7<sup>th</sup> and Council will be sent the applications for consideration. As in the past, if applications are received after the deadline, they will not be forwarded to Council for consideration, as directed by Council in January 2019 to no longer consider late applications.

#### *Applications*

The Applications (Attachment 4) listed on the application list will be presented to Council on May 7<sup>th</sup> after 5:00 p.m. They are not posted online but are available for public access by contacting the City Clerk's Office.

#### *Appointment at Mid or Late Term*

If an appointment is made to a vacancy with a nearing term, the applicant will be made aware that when the term expires, they can re-apply utilizing the re-submittal short application form, making this process less cumbersome.

**CEQA COMPLIANCE STATEMENT:** Not a project as defined by CEQA.

**FISCAL IMPACT:** N/A

**WORK PLAN:** N/A

#### **OPTIONS:**

- Make appointments to the Public Arts Commission and the Parks and Recreation Commission.
- Provide alternative direction.

#### **DEPARTMENT RECOMMENDATION:**

Staff recommends that the City Council consider the application(s) submitted and make an appointment to the vacancy on the Public Arts Commission with a term ending January 2022 and make two appointments to the vacancies on the Parks & Recreation Commission with terms until January 2022 and January 2023.

**CITY MANAGER'S RECOMMENDATION:**

Approve Department recommendation.



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Gregory Wade, City Manager

Attachments:

1. Council Policy No. 5
2. Vacancy Notice
3. List of Applicants
4. Applications

<b>CITY OF SOLANA BEACH</b>	<b>Policy No. 5</b>
<b>COUNCIL POLICY</b>	Adopted: May 15, 1989 Revised: January 23, 2008 by Resolution 2008-23
<b>GENERAL SUBJECT:</b> Citizen Boards, Commissions & Committees	
<b>SPECIFIC SUBJECT:</b> Appointments of Citizens to Boards, Commissions, Committees and Task Forces.	

**PURPOSE:**

The purpose of this policy is to establish a consistent process and procedure for appointments to City sponsored Citizen Boards, Commissions, Committees and Task Forces.

**POLICY STATEMENT:**

Appointments to Citizen Boards, Commissions, Committees and Task Forces are made in accordance with the municipal code and/or specific guideline, as provided, to provide consistency.

**POLICY PROCEDURES:**

1. All private citizens interested in serving on any Board, Commission, Committee or Task Force or similar group must complete and file with the City Clerk a Citizen Interest Form (application) which may be obtained from the City Clerk's office.
2. Nominations  
Councilmembers may nominate private citizens for appointment subject to ratification by a majority of the City Council. Such ratification shall take place at a regular City Council meeting and a duly docketed agenda item.
3. Appointment Protocol
  - a. Appointments will be made in accordance with municipal code requirements. For example, the municipal code may require that a Commission have five positions appointed by individual Councilmembers.
  - b. Appointments that are not outlined in the municipal code and are at-large appointment positions may be nominated by any Councilmember. In the event of multiple appointments, appointments may be divided among individual Councilmembers to share the appointment responsibilities. If the appointments are

shared, it will be for that one time and will not be construed as official individual appointments that would carry forward.

- c. The decision to proceed with an individual appointment alternative for at-large positions will be subject to majority vote of the City Council with such vote taking place at a regular City Council Meeting.

4. Appointments to Outside Agencies

When the City is asked by an outside agency to recommend a private citizen to serve on a Board, Commission, Committee or Task Force or similar group, such recommendation shall be made by the Council and approved by a majority vote of the City Council.



## PUBLIC NOTICE

### CITIZEN COMMISSION POSITION VACANCY DEADLINE EXTENSION

#### CITY OF SOLANA BEACH VOLUNTEERS SERVING ON BEHALF OF THE CITY COUNCIL

Applications are currently being accepted through **Friday, May 7, 2021 by 5:00 p.m.** City Council is scheduled to make appointments at the May 12, 2021 City Council Meeting.

## PARKS & RECREATION COMMISSION

The Parks and Recreation Commission is directly responsible for planning, implementing, and working special events hosted by the Commission and/or the City. [Agenda Posting page](#)  
*One vacancy – term will expire January 2022*



Regular Meetings: 2<sup>nd</sup> Thursday of each month at 4:00 p.m.

Requirements: At least 18 yrs. old ♦ Resident of the City.

[Composition](#): 7 members who are all appointed by the Council At-large.

Staff Liaison: Kirk Wenger 858-720-2453 [kwenger@cosb.org](mailto:kwenger@cosb.org)

## PUBLIC ARTS COMMISSION

The Public Arts Commission participates in reviewing certain matters regarding community art opportunities and conducts certain City events. [Agenda Posting page](#)  
*One vacancy – term will expire January 2022*



Regular Meetings: 4<sup>th</sup> Tuesday of each month at 5:30 p.m.

Requirements: At least 18 yrs. old ♦ Resident of the City.

[Composition](#): 7 members who are all appointed by the Council At-large.

Staff Liaison: Kayla Moshki 858-720-2438 [kmoshki@cosb.org](mailto:kmoshki@cosb.org)

- ❖ **Attend a Citizen Commission public meeting.** It is recommended that new applicants attend a Commission meeting prior to being considered for an appointment. *Agendas are posted on the City's website. See the City's website for members, expiring positions, and further information.*

[Citizen Interest Forms](#) (Applications) and additional information on the Commissions can be found on the City's website at [www.cityofsolanabeach.org](http://www.cityofsolanabeach.org) (Left tabs: City Government, City Clerk, Citizen Committees) OR at City Hall, 635 S. Highway 101, Solana Beach, (858) 720-2400. Please contact the City Clerk with any questions regarding the recruitment/appointment process.

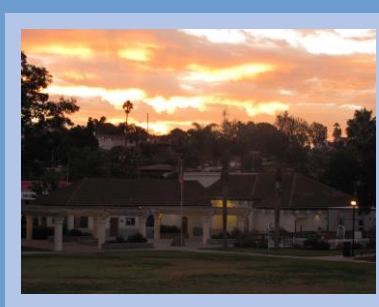
*For specific questions about the Commission, contact the Commission Staff Liaison above.*



## PUBLIC NOTICE CITIZEN COMMISSION POSITION VACANCY

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*For specific questions about the Commission, contact the Commission Staff Liaison above.*

**City of Solana Beach  
Citizen Commission Member  
Appointment by City Council**

**This list will be provided after May 7<sup>th</sup> 5:00 p.m.**

**List of Applicants**

**PUBLIC ARTS COMMISSION**

<b>Applicant</b>	<b>Application Received</b>	<b>Application Status</b>

**PARKS & RECREATION COMMISSION**

<b>Applicant</b>	<b>Application Received</b>	<b>Application Status</b>



# APPLICATIONS

***This Attachment is not posted online but is available by contacting the City Clerk's Office.***