

**CITY OF UKIAH
CITY COUNCIL AGENDA
Regular Meeting
CIVIC CENTER COUNCIL CHAMBER
300 Seminary Avenue
Ukiah, CA 95482
April 5, 2017
6:00 p.m.**

1. ROLL CALL

2. PLEDGE OF ALLEGIANCE

3. PROCLAMATIONS/INTRODUCTIONS/PRESENTATIONS

- a. Introduction of New Employee – Alicia Tlelo.
- b. Status Report, Discussion and Possible Action Regarding the Ukiah Valley Sanitation District's Litigation Against the City of Ukiah Related to the Operation of the Sanitary Sewer System.

4. PETITIONS AND COMMUNICATIONS

5. APPROVAL OF MINUTES

- a. Minutes of March 15, 2017, a Regular Meeting.
- b. Minutes of March 29, 2017, a Special Meeting.

6. RIGHT TO APPEAL DECISION

Persons who are dissatisfied with a decision of the City Council may have the right to a review of that decision by a court. The City has adopted Section 1094.6 of the California Code of Civil Procedure, which generally limits to ninety days (90) the time within which the decision of the City Boards and Agencies may be judicially challenged.

7. CONSENT CALENDAR

The following items listed are considered routine and will be enacted by a single motion and roll call vote by the City Council. Items may be removed from the Consent Calendar upon request of a Councilmember or a citizen in which event the item will be considered at the completion of all other items on the agenda. The motion by the City Council on the Consent Calendar will approve and make findings in accordance with Administrative Staff and/or Planning Commission recommendations.

- a. Update on the Ukiah Valley Golf Course and Request Approval for the City Manager to Execute an Extension of the Amendment to the Lease Agreement for the Upcoming Fiscal Year.
- b. Adoption of Resolution Making Reappointments to the Design Review Board and Planning Commission.
- c. Adoption of Resolution Authorizing Access to Criminal History Information for Marijuana Dispensary Licensing.
- d. Receive Report Regarding the Annual Software Renewal and Enterprise Support Agreement for the City of Ukiah's Checkpoint Perimeter Firewall in the Amount of \$28,099.

- e. Award Professional Services Agreement in the Amount of \$39,586, to Omni-Means, Ltd., to Complete an Update of the City of Ukiah's Speed Zone Surveys and Approve Budget Amendment.
- f. Award Professional Services Agreement in the Amount of \$5,276 to EBA Engineering to Prepare Bid Documents for Well Abandonment and for Removal of the Remediation System and Approve Budget Amendment.
- g. Notification of Purchase of Replacement Pump for the Percolation Pond Distribution Structure at the Wastewater Treatment Plant from Cascade Pump Company in the Amount of \$28,593.75.
- h. Notification of Acquisition of Professional Services from SHN Consulting Engineers and Geologist for Materials and Compaction Testing Services for the Sewer and Water Main Replacement Project, Specification No. 16-10 in the Amount of \$16,520.
- i. Reject Bid for Orchard Substation Power Transformer Repair and Testing, Specification No. 17-03 (EUD).
- j. Authorize Execution of Amendment to the Agreement with GHD in Professional Land Surveying Services for the Talmage Interchange Project and Approve Budget Amendment in the Amount of \$13,965.
- k. Discussion and Consideration of Adding North Coast Opportunities to the 2017 Council Special Assignment List and Appointing Tami Bartolomei as the Council's Appointed Representative for the City of Ukiah on the Governing Board.

8. AUDIENCE COMMENTS ON NON-AGENDA ITEMS

The City Council welcomes input from the audience. If there is a matter of business on the agenda that you are interested in, you may address the Council when this matter is considered. If you wish to speak on a matter that is not on this agenda, you may do so at this time. In order for everyone to be heard, please limit your comments to three (3) minutes per person and not more than ten (10) minutes per subject. The Brown Act regulations do not allow action to be taken on audience comments in which the subject is not listed on the agenda.

9. COUNCIL REPORTS

10. CITY MANAGER/CITY CLERK REPORTS

11. PUBLIC HEARINGS (6:15 PM)

12. UNFINISHED BUSINESS

- a. Consider the Establishment of the Measure P Oversight Committee and Appointment of Committee Members.
- b. Discussion and Direction Regarding Next Steps with the Downtown Hotel Feasibility Study.
- c. Approval of Amendment with Green Valley Consulting Engineers in the Amount of \$14,875 for Additional Design Services Related to the 2016 Sewer and Water Main Replacement Project, Specification No. 16-10, and Corresponding Budget Amendment.
- d. Presentation and Approval of the Electric Utility Public Benefit Programs (EUD).

13. NEW BUSINESS

- a. Authorize City Manager to Execute a Memorandum of Understanding Between the County of Mendocino, the City of Ukiah and the Ukiah Valley Trail Group Regarding the Maintenance and Improvement of Low Gap Regional Park and Adoption of the Ukiah Valley Trail Group 2015 Low Gap Park Trail Plan.
- b. Discuss and Introduce, by Title Only, an Ordinance Amending Chapter 1, Division 9, Adding a New Section of the Ukiah City Code Entitled "Corrections, Amendments, or Modifications" Related to Subdivisions.
- c. Receive and File 2015-16 Comprehensive Annual Financial Report (CAFR) and Related Auditor Communication.
- d. Discussion of Interest in a Resolution Regarding Potential Loss of Federal Funds for Local Programs.
- e. Presentation and Discussion of the Ukiah Fire Department and Ukiah Valley Fire District Operations Quarterly Reports Resulting in a "True Up" for Payments to Ukiah Valley Fire District.
- f. Discuss the Continued Reorganization of the City Manager's Office Including Consideration of the Reclassification of the Senior Management Analyst to Deputy City Manager as Included in the Fiscal Year 16/17 Budget and the Addition of a Communication Manager.

14. CLOSED SESSION – Closed Session may be held at any time during the meeting.

- a. **Conference with Legal Counsel – Existing Litigation**
(Cal. Gov't Code Section 54956.9(d)(1))
Name of case: *City of Ukiah v. Questex, LTD, et al*, Mendocino County Superior Court, Case No. SCUK- CVPT-15-66036 (Palace Hotel)
- b. **Conference with Legal Counsel – Existing Litigation**
(Government Code Section 54956.9(d)(1))
Name of case: *Ukiah Valley Sanitation District v. City of Ukiah*, Sonoma County Superior Court, Case No. SCV 256737 (UVSD)
- c. **Conference with Legal Counsel – Existing Litigation**
(Cal. Gov't Code Section 54956.9(d)(1))
Name of case: *Howard Jarvis Taxpayers Assn., et al. v. City of Ukiah*, Mendocino County Superior Court, Case No. SCUK-CVG-17-68588 (Measure Y and Z)
- d. **Conference with Real Property Negotiators**
(Cal. Gov't Code Section 54956.8)
Property: 429 South Dora St. Ukiah, CA 95482
Negotiator: Sage Sangiacomo, City Manager; Negotiating Parties: City of Ukiah and Ukiah Unified School District; Under Negotiation: Price & Terms of Payment

15. ADJOURNMENT

Please be advised that the City needs to be notified 72 hours in advance of a meeting if any specific accommodations or interpreter services are needed in order for you to attend. The City complies with ADA requirements and will attempt to reasonably accommodate individuals with disabilities upon request. Materials related to an item on this Agenda submitted to the City Council after distribution of the agenda packet are available for public inspection at the front counter at the Ukiah Civic Center, 300 Seminary Avenue, Ukiah, CA 95482, during normal business hours, Monday through Friday, 8:00 am to 5:00 pm.

I hereby certify under penalty of perjury under the laws of the State of California that the foregoing agenda was posted on the bulletin board at the main entrance of the City of Ukiah City Hall, located at 300 Seminary Avenue, Ukiah, California, not less than 72 hours prior to the meeting set forth on this agenda.

Dated this 31st day of March, 2017.
Kristine Lawler, City Clerk



ITEM NO.: 3a

MEETING DATE: April 5, 2017

AGENDA SUMMARY REPORT

SUBJECT: INTRODUCTION OF NEW EMPLOYEE – ALICIA TLELO

Summary: The City Council will join the City of Ukiah Team in welcoming Alicia Tlelo to the Finance/Utility Billing Department.

Background and Discussion: The City of Ukiah and the Finance/Utility Billing Department are pleased to introduce our new employee:

Alicia Tlelo, CSRIII: Alicia was born in Ukiah, and has made her home here with her husband of 14 years and 6 children. Alicia and her family enjoy camping in the summer months, and relaxing together while watching a good movie. When she's not dropping her kids off to their various sports practices or games, she is continuing her education to further her career prospects. Alicia has a very outgoing personality and is full of energy, and she is a welcome member to our family and we look forward to Alicia having a long career with the City of Ukiah.

Please join us in welcoming Alicia Tlelo.

FISCAL IMPACT:				
Budgeted Amount in 16-17 FY	New Appropriation Source of Funds (Title & No.)	Account Number	Budget Amendment Required	Previous Contract or Purchase Order No.
N/A	N/A	N/A	Yes ☐ No ☒	N/A

RECOMMENDED ACTION(S): Welcome New Team Member to the City of Ukiah.

ALTERNATIVES: N/A

Citizens advised: N/A
Requested by: N/A
Prepared by/Contact: Lori Martin, Billing and Customer Services Manager
Coordinated with: Sheri Mannion, Human Resources Director; Daniel Buffalo, Finance Director
Presenter: Dan Buffalo, Finance Director
Attachments: None

COUNCIL ACTION DATE: _____: ☐ Approved ☐ Continued to _____ ☐ Other _____

RECORDS APPROVED: ☐ Agreement: _____ ☐ Resolution: _____ ☐ Ordinance: _____

Note: Please write Agreement No. in upper right corner of agreement when drafted.

Approved: 
Sage Sangiacomo, City Manager



ITEM NO.: 3b

MEETING DATE: April 5, 2017

AGENDA SUMMARY REPORT

SUBJECT: STATUS REPORT, DISCUSSION AND POSSIBLE ACTION REGARDING THE UKIAH VALLEY SANITATION DISTRICT'S LITIGATION AGAINST THE CITY OF UKIAH RELATED TO THE OPERATION OF THE SANITARY SEWER SYSTEM

Summary: Staff will provide the latest status report on the Ukiah Valley Sanitation District's Litigation against the City of Ukiah related to the operation of the sanitary sewer system.

The City of Ukiah continues to request that the District consider a change in process outside of litigation to resolve the dispute and restore a working relationship, recognizing there is simply too much at stake for the ratepayers, system operations, and the community.

Background (*Chronologic History of Recent Correspondence and Activity*): In September 2013, the Ukiah Valley Sanitation District (UVSD) filed a claim for damages with the City, and one month later filed its lawsuit. In its lawsuit, the District seeks damages for alleged breaches of the various agreements between the City and the District related to the operation of the sanitary sewer system, starting with the original 1955 agreement.

The lawsuit will have significant adverse financial impacts to both agencies, as well as the ratepayers and the community, and the City is seeking an alternative to litigation to resolve this dispute. Attached is the letter that was sent on September 14, 2016, by the City Council to the District Board, formally requesting that the District drop the lawsuit with terms that would allow the District to refile if agreement cannot be reached (*UVSD Litigation Update Box File #1*), as well as an informational piece that details the background/impacts (*UVSD Litigation Update Box File #2*).

On September 21, 2016, the City Council received a presentation (*UVSD Litigation Update Box File #3*) from staff that explained the relationship between the two agencies and provided responses to some of the most frequently asked questions about this matter to better inform the public about the consequences of the litigation. This information along with a video link to the September 21st presentation/discussion are accessible at <http://www.cityofukiah.com/projects/uvsd-vs-cou/>.

The UVSD submitted a letter dated September 20, 2016, (*UVSD Litigation Update Box File #4*) which inaccurately asserts that the City's request is for the District to drop the lawsuit until after the recycled water project funding is received. In fact, the City's request is for the District to dismiss its lawsuit and that the

Continued on Page 2

RECOMMENDED ACTION(S): Receive status report. If desired, discuss and provide direction to Staff and/or consider any action(s) related to the matter.

ALTERNATIVES: N/A

Citizens advised: N/A
Requested by: City Council (Councilmembers Crane and Doble)
Prepared by: Sage Sangiacomo, City Manager and Sean White, Director of Water and Sewer.
Coordinated with: David Rapport, City Attorney and Tim Eriksen, Director of Public Works.
Presenter: Sage Sangiacomo, City Manager
Attachments: UVSD Litigation Update Box Files located at:
<https://cityofukiah.box.com/v/UVSDLitigationUpdates>

COUNCIL ACTION DATE: _____: ☐ Approved ☐ Continued to _____ ☐ Other _____

RECORDS APPROVED: ☐ Agreement: _____ ☐ Resolution: _____ ☐ Ordinance: _____

Note: Please write Agreement No. in upper right corner of agreement when drafted.

Approved: 
Sage Sangiacomo, City Manager

City and District devote their time, money and resources to solving the costly issues confronting the sewer system and improving their working relationship. The City's goal is to eliminate the lawsuit altogether. The City has offered to include terms that would allow the District to refile the lawsuit, if the parties fail to reach agreement, but the City never suggested that the District would simply refile the lawsuit once state funding was obtained. Also, the City never suggested that dismissing the lawsuit is all that would be necessary to obtain State funding. In addition to dismissal of the lawsuit, there would have to be an agreement between the City and the District regarding the recycled water project that would satisfy the State Water Resources Control Board.

At the conclusion of the September 21st discussion, the Council directed the City Manager to contact the UVSD District Manager to explore possible alternatives. The City Manager attempted to contact the District Manager by email, but due to a reported medical leave, Mr. McMichael was not available to provide a timely/detailed response. On October 5th the City Attorney received an email correspondence from Duncan James (Attorney representing the District) responding to the City Manager's email to Mr. McMichael. Mr. James indicated in the email that the District had accepted the City's request to meet and formed a committee consisting of Frank McMichael, District Manager; Jim Ronco, Board Chair; Bob Page, Board Member; and legal counsel. The City Manager issued a supplemental memo to the City Council for the October 5th City Council meeting regarding this email exchange and included a recommendation to Council for the formation of a City Council ad hoc committee to meet with the District (*UVSD Litigation Update Box File #5*). At the City Council meeting, Mr. Doug Losak with the Law Offices of Duncan James delivered and read aloud a letter containing some additional allegations, but in the end, agreed to meet with the City. The City Council formed an ad hoc committee consisting of Councilmembers Crane and Doble. The City immediately made efforts to schedule the first meeting between the District's committee and the City's ad hoc.

At the October 19, 2016, meeting, the City Council discussed the latest correspondence from the District including the District's request to hold the ad hoc meetings in private and require the City to consent to a confidentiality agreement. The City Manager provided the Council with the correspondence to date from the District regarding the confidentiality condition (*UVSD Litigation Update Box File #6*) for consideration. At the time of the meeting, the District had not provided a draft of the proposed confidentiality agreement. By consensus, the City Council continued to object to private meetings that do not provide the public with the opportunity to be informed. However, the City Council did direct the ad hoc to meet with the District's ad hoc to discuss the process for such meetings and report back to the City Council at its regular meeting on November 2, 2016.

Prior to the ad hoc meeting, the City Attorney received a letter from Duncan James' Office regarding the District's request for a confidentiality agreement for the ad hoc meetings along with a draft of the agreement (*UVSD Litigation Update Box File #7*). The City Attorney issued a response (*UVSD Litigation Update Box File #8*) indicating that such agreement would need to be discussed at the first joint ad hoc meeting and ultimately considered by the City Council.

In addition, the City Council received correspondence from the District Manager related to the recycled water project dated October 21st (*UVSD Litigation Update Box File #9*). Most of the questions referenced in the letter had already been either answered or provided to the District. Nonetheless, City staff welcomed the dialogue and discussion in a sincere effort to move this critical project forward. Staff provided a response to the District Manager on October 27, 2016 (*UVSD Litigation Update Box File #10*).

On October 28, 2016, the City's ad hoc met with the District's ad hoc. At the meeting, the District presented the City with a take it or leave it condition imposing confidentiality on the ad hoc discussions.

On November 2nd and 4th, the City Council considered the District's confidentiality condition on the ad hoc discussions and approved a letter (*UVSD Litigation Update Box File #11*) that confirmed agreement to the condition if the District Board would agree to either stay further proceedings in the lawsuit or dismiss the lawsuit without prejudice. The City's proposal, if accepted, would halt the costly litigation fees currently being incurred by both agencies, but would not preclude the District from terminating the stay or refiling the

lawsuit if the District wasn't satisfied with the discussions/negotiations. The District issued a response to the City's proposal on November 8, 2016 (*UVSD Litigation Update Box File #12*) that continues to impose a confidentiality condition on the joint ad hoc meetings. The District further stated "the lawsuit needs to otherwise remain in motion" except to provide a limitation on any discovery requests for a period of 4 weeks.

It's important to note that the District's legal team has predominately utilized the Public Information Act (PRA) rather than formal discovery to obtain information. Because the City of Ukiah is a public agency, the District's attorneys have used the PRA process to obtain information, which does not require the District to justify its requests by showing how they are relevant to the issues in the case. In a typical lawsuit, the discovery process is used to obtain documents and is overseen and controlled by the court to prevent burdensome or oppressive requests. The City continues to expense a tremendous amount of staff resources responding to the District's PRA requests for information dating back to 1955. To date, the District has submitted over 41 requests (with multiple parts) under the PRA process. The City has diligently been responding to the requests for the past 12 months. Suspension of the formal discovery process will not prevent the continued practice by the District nor will it limit the escalating litigation expenses during this proposed period.

With regard to the recycled water project, the City received additional correspondence from the District Manager indicating the need for more information (*UVSD Litigation Update Box File #13*). However, the correspondence did not identify any specific questions or information that had not otherwise been provided. The City Manager issued a response on November 15th (*UVSD Litigation Update Box File #14*) and included a BOX link to all relevant information on the recycled water project (<https://cityofukiah.box.com/v/uvsdpointsofinterest>). Most, if not all, of the information and/or documents have already been provided to the District. Furthermore, the City Manager requested a determination from the District regarding its position on the project and offered to provide any other information and/or presentations that would be necessary for a determination.

On November 16th, the City Council instructed the City Attorney to contact the lawyers for the Ukiah Valley Sanitation District to work out the details for mediating the outstanding disputes including selecting a mediator. Furthermore, and as a first step in the mediation, the City Council requested the District to provide a detailed written response and any counter proposals to the City's written proposal that was submitted to the District in March 2014, during the original mediation between the City and the District. On November 17th, the City Attorney sent correspondence to the UVSD's lawyer to initiate mediation as directed (*UVSD Litigation Update Box File #15*). As of the publication of the report for the December 7th City Council meeting, the District had not responded.

Additional correspondence between the City and District had also been exchanged related to the recycled water project (*UVSD Litigation Update Box File #16 & #17*). Despite continued attempts to engage and provide the District with information, the District had yet to conclude that the recycled water project is the superior alternative of disposing treated wastewater. In an effort to bring this item to a conclusion, the City Manager proposed in a December 1st correspondence to the District Manager a joint meeting between the City Council and the District Board to discuss and resolve any remaining questions/issues related to the project. As of the publication of the report for the December 7th City Council meeting, the District had not responded.

Related to the Fiscal Year 16/17 Budget, the District has not yet identified the District's timeline for their previously identified budget review process that reportedly extends through various staff, committee and District Board stages before a final joint meeting with the City can be scheduled. The previously approved continuing resolution for the budget was scheduled to expire on December 31, 2016. The City had made inquiries as to the District's progress and anticipated review timeline (*UVSD Litigation Update Box File #18*). Staff recognized some level of District review was underway given recent engagement (since November 11th) on the budget, but the District Manager had not provided a timeline for completion of their review and/or indicated readiness for a joint budget meeting. As of the publication of the report for the December 7th City Council meeting, the District had not responded.

At the December 7th City Council meeting, the Council adopted a resolution to secure funding for the construction of the recycled water system using water revenues as an alternate to the City's wastewater revenues. While this was a less desirable option for securing project funding, it was considered a better alternative to losing the project funds altogether. The Ukiah Valley Sanitation District's lawsuit remains the only impediment to securing project funding with the wastewater revenues given the City must be able to demonstrate to the State an unconstrained revenue source to guarantee repayment of the loan funds. City staff reported that they were vetting the details of the water revenue alternative with the State Water Resources Control Board. The UVSD continued to be unresponsive to the City Manager's proposal for a joint meeting between the City Council and the District Board to discuss and resolve any remaining questions/issues related to the recycled water project.

Related to the Fiscal Year 16/17 Budget, the City Council and the District Board approved a continuing budget resolution at their respective meetings on December 7th and December 27th. The City's continuing resolution was set to expire on January 18, 2017, unless otherwise extended. The City requested a joint meeting with the District Board prior to the expiration of the resolution. While the District had taken action to extend the continuing resolution beyond December 31, 2016, it had yet to identify a timeline for the completion of its budget review or response to the City's request for a joint meeting.

At the January 4, 2017, City Council meeting, the City Manager and staff reported that terms for mediation continue to be discussed and the District had not responded to the City's requests for a joint meeting on the Fiscal Year 16/17 budget or the recycled water project. It was further reported that the City received a notice from the District Chair related to communication in the absence of the District Manager due to an extended medical leave (*UVSD Litigation Update Box File #19*).

At the January 18, 2017, City Council meeting, the City Manager and staff reported that terms for mediation continue to be discussed and the District had not responded to the City's continued requests for a joint meeting on the Fiscal Year 16/17 budget or the recycled water project.

Development of the City's wastewater operating budget is a joint process between the City and the Ukiah Valley Sanitation District (UVSD). The process had been delayed significantly despite efforts by the City to move it forward expeditiously. In the interim, the City had been operating its wastewater enterprise on a continuing resolution, carrying forward the adopted appropriations from Fiscal Year 2015-16. At its meeting of December 7, 2016, the City Council determined that continuing to do so impeded its ability to effectively, efficiently, and responsibly provide wastewater services to the citizens of Ukiah and the UVSD and voted to move the budget process forward with its consideration and potential adoption at its regularly scheduled meeting on January 18, 2017. The City notified UVSD of its intentions and again called on it to schedule a meeting with the City Council to complete the budget review process. As of the January 18th City Council meeting, the UVSD continued to be unresponsive to the requests to meet. As such, the City Council unilaterally considered and approved the FY 16-17 Wastewater Budget (*UVSD Litigation Update Box File #20*).

At the February 1, 2017, City Council meeting, the City Manager and staff reported that terms for mediation continue to be discussed with a location and mediator agreed to, but a date not finalized. Furthermore, the District had not responded to the City's continued requests for a joint meeting on the Fiscal Year 16/17 budget or the recycled water project.

At the February 15, 2017, City Council meeting, the City Attorney reported that a date (May 11th) had been finalized for the first session of mediation. In addition, the City had accepted the District's conditions that the mediation be subject to a confidentiality agreement in addition to the Evidence Code mediation privilege and to conduct the mediation in Santa Rosa using a mediator from the Judicial Arbitration and Mediation Service (JAMS). The City Manager also reported the District had not responded to the City's continued requests for a joint meeting on the Fiscal Year 16/17 budget or the recycled water project.

At the March 1, 2017, City Council Meeting, the City Manager reported that the District remains nonresponsive to the requests for a joint meeting on the Fiscal Year 16/17 budget and recycled water project.

At the March 15, 2017, City Council Meeting, the City Manager reported the District continues to remain nonresponsive to the City's requests for a joint meeting on the Fiscal Year 16/17 budget and recycled water project. The City Manager also reported that District Manager McMichael had responded to the City's request for a staff meeting to prepare the bid package to rebid the installation of the barscreen at the Wastewater Treatment Plant as previously directed by the City Council and District Board. The barscreen meeting took place on the morning of March 15th.

Discussion: The impacts of the District's litigation continues to negatively impact the ratepayers, system operations, and the community. At the April 5th City Council meeting, Staff will provide the latest status report on the Ukiah Valley Sanitation District's Litigation against the City of Ukiah related to the operation of the sanitary sewer system including the most recent correspondence from/to the District (if any).

As of the date of publication of this report, the UVSD continues to be nonresponsive to the City's continued requests for a joint meeting on the FY 16-17 Budget and recycled water project. At the District's March 16, 2017 Board meeting, the City Manager reiterated the City's request for the joint meeting during public comment on non-agenda items. In addition, the City continues to respond to budget and billing inquiries from Mr. Dickerson and public information requests from the District's legal counsel.

The Council may elect to discuss the matter further and, if desired, provide direction to Staff and/or consider any related action(s). As part of this agenda item, the Council does not intend to consult with legal counsel regarding the litigation itself and does not intend to waive evidentiary privileges for attorney-client communication or attorney work product.

**CITY OF UKIAH
CITY COUNCIL MINUTES
Regular Meeting
CIVIC CENTER COUNCIL CHAMBERS
300 Seminary Avenue
Ukiah, CA 95482
March 15, 2017
6:00 p.m.**

1. ROLL CALL

Ukiah City Council met at a Regular Meeting on March 15, 2017, having been legally noticed on March 10, 2017. Mayor Brown called the meeting to order at 6:02 p.m. Roll was taken with the following **Councilmembers Present:** Stephen G. Scalmanini, Douglas F. Crane, Maureen Mulheren, Kevin Doble, and Jim O. Brown. **Staff Present:** Sage Sangiacomo, City Manager; David Rapport, City Attorney; and Kristine Lawler, City Clerk.

MAYOR BROWN PRESIDING

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Darcy Vaughn, Assistant City Attorney.

3. PROCLAMATIONS/INTRODUCTIONS/PRESENTATIONS

a. Status Report, Discussion and Possible Action Regarding the Ukiah Valley Sanitation District's Litigation Against the City of Ukiah Related to the Operation of the Sanitary Sewer System – Administration.

Presenter: Sage Sangiacomo, City Manager.

No action taken.

4. PETITIONS AND COMMUNICATIONS

5. APPROVAL OF MINUTES

a. Minutes of February 27, 2017, a Special Meeting.

b. Minutes of March 1, 2017, a Regular Meeting.

Motion/Second: Mulheren/Crane to approve Minutes of February 27, 2017, a Special Meeting; and March 1, 2017, a Regular Meeting as submitted. Motion **carried** by the following roll call votes: AYES: Scalmanini, Crane, Mulheren, Doble, and Brown. NOES: None. ABSENT: None. ABSTAIN: None.

6. RIGHT TO APPEAL DECISION

7. CONSENT CALENDAR

a. Report of Disbursements for the Month of February 2017 – Finance.

b. ~~Annual Review of the Mobilehome Park Rent Stabilization Fees per Resolution 2012-17 and Approval to Waive Fees for 2017 Billing Cycle – City Clerk. Pulled by Councilmember Crane and placed as Agenda Item 13e.~~

- c. Authorize the City Manager to Execute Annual Renewal Agreement (COU No. 1617-175) with Liebert Cassidy Whitmore (LCW) for Legal Services as Needed, Notification of Exceeding \$20,000, and Approve Corresponding Budget Amendment – *Human Resources*.
- d. Request Approval of Adjustment to Principal Planner and Building Official Salary Range and Change Title of Principal Planner to Planning Manager – *Human Resources*.

Motion/Second: Crane/Mulheren to approve Consent Calendar Items 7a and c-d. Motion **carried** by the following roll call votes: AYES: Scalmanini, Crane, Mulheren, Doble, and Brown. NOES: None. ABSENT: None. ABSTAIN: None.

8. AUDIENCE COMMENTS ON NON-AGENDA ITEMS

Presenter: Phil Baldwin.

9. COUNCIL REPORTS

Presenters: Vice Mayor Doble and Councilmember Crane.

10. CITY MANAGER/CITY CLERK REPORTS

Presenters: Sage Sangiacomo, City Manager and Kristine Lawler, City Clerk.

11. PUBLIC HEARINGS (6:15 PM)

12. UNFINISHED BUSINESS

a. Status Report of New Courthouse Project and Consideration of Memorandum of Understanding with North Coast Railroad Authority (NCRA) Regarding Future Improvements to the Rail Crossing at Clay Street – Administration.

Presenter: Shannon Riley, Senior Management Analyst.

Public Comment: Roger Vincent and Phil Baldwin.

Motion/Second: Crane/Mulheren to authorize the City Manager to negotiate and execute the Addendum to the Memorandum of Understanding (COU No. 1617-176) between the City of Ukiah and NCRA, and to include the Council discussion in the record. Motion **carried** by the following roll call votes: AYES: Scalmanini, Crane, Mulheren, Doble, and Brown. NOES: None. ABSENT: None. ABSTAIN: None.

Note: The requested discussion can be heard in the audio/video portion of the record located at <http://www.cityofukiah.com/meetings>, under the March 15, 2017, Minutes, Agenda Item 12a.

13. NEW BUSINESS

a. Consideration and Possible Nomination to the City Selection Committee for an Alternate Cities Representative for LAFCo – City Clerk.

Presenter: Kristine Lawler, City Clerk.

Council Consensus to not put a nomination forward at this time and to support a coastal representative.

b. Presentation, Discussion and Consideration of Implications of AB 2299, SB 1069, and AB 2406 for City's Existing Second Unit Ordinance – Administration.

Presenter: Darcy Vaughn, Assistant City Attorney and Kevin Thompson, Interim Planning Director.

Public Comment: Phil Baldwin and Greg Foss, Les Marston, and Becky Thune.

Council Consensus directs staff to:

- Refer this presentation and related issues in the existing code to the Planning Commission for their input;
- Develop a fact sheet to help the public and council identify and explain complexities of the new legislation, and show a path for approval that clearly outlines available options; and
- Bring a proposed local ordinance back to Council for consideration.

c. Authorize the City Manager to Negotiate and Execute an Emergency Management Mutual Aid Memorandum of Agreement Between the City of Ukiah and the City of Lakeport – Administration – Administration.

Presenter: Sage Sangiacomo, City Manager

Motion/Second: Crane/Mulheren to Authorize the City Manager to negotiate and execute an Emergency Management Mutual Aid Memorandum of Agreement (COU No. 1617-177) between the City of Ukiah and the City of Lakeport. Motion **carried** by the following roll call votes: AYES: Scalmanini, Crane, Mulheren, Doble, and Brown. NOES: None. ABSENT: None. ABSTAIN: None.

d. Discussion and Consideration of the Funding Allocation Agreement Between the County of Mendocino and the City of Ukiah Fire Department for a Portion of the County's Proposition 172 Funds – Fire.

Presenter: Kirk Thomsen, Interim Fire Chief, Sage Sangiacomo, City Manager, and Dan Buffalo, Finance Director.

Motion/Second: Scalmanini/Crane to not sign the Funding Allocation Agreement with the County of Mendocino. Motion **carried** by the following roll call votes: AYES: Scalmanini, Crane, Mulheren, Doble, and Brown. NOES: None. ABSENT: None. ABSTAIN: None.

Council Consensus for Mayor Brown to attend and represent the City's interests at the Mendocino County Association of Fire Districts meeting on April 19, 2017.

e. Annual Review of the Mobilehome Park Rent Stabilization Fees per Resolution 2012-17 and Approval to Waive Fees for 2017 Billing Cycle – City Clerk. From Consent Calendar Agenda Item 7b.

Presenter: Kristine Lawler, City Clerk.

Public Comment: Phil Baldwin.

Motion/Second: Crane/Doble to approve waiving annual fee for mobilehome park rent stabilization fund and direct City Clerk to send a corresponding letter to the mobilehome park owners and direct staff to come back with anticipated current costs for Council's consideration by the end of the calendar year. Motion **carried** by the following roll call votes: AYES: Scalmanini, Crane, Mulheren, Doble, and Brown. NOES: None. ABSENT: None. ABSTAIN: None.

THE CITY COUNCIL ADJOURNED TO CLOSED SESSION AT 8:44 P.M.

14. CLOSED SESSION

a. Conference with Legal Counsel – Anticipated Litigation

(Cal. Gov't Code Section 54956.9(d)(2))

Significant exposure to litigation (1 case) (Coastside Settlement)

b. Conference with Legal Counsel – Existing Litigation

(Cal. Gov't Code Section 54956.9(d)(1))

Name of case: *City of Ukiah v. Questex, LTD, et al*, Mendocino County Superior Court, Case No. SCUK- CVPT-15-66036 (Palace Hotel)

c. Conference with Legal Counsel – Existing Litigation

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

Name of case: *Ukiah Valley Sanitation District v. City of Ukiah*, Sonoma County Superior Court, Case No. SCV 256737 (UVSD)

d. Conference with Legal Counsel – Existing Litigation

(Cal. Gov't Code Section 54956.9(d)(1))

Name of case: *Howard Jarvis Taxpayers Assn., et al. v. City of Ukiah*, Mendocino County Superior Court, Case No. SCUK-CVG-17-68588 (Measure Y and Z)

e. Conference with Real Property Negotiators

(Cal. Gov't Code Section 54956.8)

Property: 429 South Dora St. Ukiah, CA 95482

Negotiator: Sage Sangiacomo, City Manager; Negotiating Parties: City of Ukiah and Ukiah Unified School District; Under Negotiation: Price & Terms of Payment

THE CITY COUNCIL RECONVENED IN OPEN SESSION AT 8:57 P.M.

City Attorney Rapport reported out of Closed Session that in connection with agenda item 14a, the City and the contractor, Coastside Construction, negotiated a proposed settlement agreement, which the Council considered in Closed Session and are prepared to consider a motion to approve the agreement.

Motion/Second: *Crane/Doble* to approve a proposed settlement agreement (COU No. 1617-180). Motion **carried** by the following roll call votes: AYES: Scalmanini, Crane, Mulheren, Doble, and Brown. NOES: None. ABSENT: None. ABSTAIN: None.

THE CITY COUNCIL RETURNED TO CLOSED SESSION AT 8:59 P.M.

15. ADJOURNMENT

There being no further business, the meeting adjourned at 10:17 p.m.

Kristine Lawler, City Clerk

CITY OF UKIAH
CITY COUNCIL MINUTES
Special Meeting
UKIAH VALLEY CONFERENCE CENTER
200 South School Street
Ukiah, CA 95482
March 29, 2017
5:00 p.m.

Workshop on Water

1. ROLL CALL

Ukiah City Council met at a Special Meeting on March 29, 2017, having been legally noticed on March 24, 2017. Mayor Brown called the meeting to order at 5:02 p.m. Roll was taken with the following **Councilmembers Present:** Douglas F. Crane, Maureen Mulheren, Kevin Doble, and Jim O. Brown. **Councilmember Absent by Prearrangement:** Stephen G. Scalmanini, **Staff Present:** Sage Sangiacomo, City Manager; David Rapport, City Attorney; and Kristine Lawler, City Clerk.

MAYOR BROWN PRESIDING

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Devon Jones, Ukiah Valley Farm Bureau.

3. AUDIENCE COMMENTS ON NON-AGENDA ITEMS

No public comment was received.

4. WATER SUPPLY PLANNING WORKSHOP

a. Overview and Discussion of the City of Ukiah's Water Supply Including Sources, Demand, Water Rights, and Pending Change Petitions – Water and Sewer.

Presenters: Sean White, Water and Sewer Director and Matt Kennedy, GHD, Inc.

Public Comment: Steve Johnson; Bill Koehler, Redwood Valley and Mill View Water Districts; Al White; Phil Baldwin; Linda Bailey; Sarah Reith, Mendo Voice; Phil Baldwin; Susan Knopf; Steve Johnson; Linda Bailey; Susan Knopf; Phil Baldwin; Tamara Alaniz, Russian River Flood Control District; Don Crawford; (unidentified man); Phil Baldwin; Susan Knopf; Tamara Alaniz, Russian River Flood Control District; Bill Koehler, Redwood Valley and Mill Views Water Districts; Linda Bailey; Steve Johnson; Phil Baldwin; Bill Koehler, Redwood Valley and Mill Views Water Districts; Susan Knopf;

(PowerPoint Presentation Attached)

THE CITY COUNCIL ADJOURNED TO CLOSED SESSION AT 7:06 P.M.

5. CLOSED SESSION

a. Conference with Real Property Negotiators

(Cal. Gov't Code Section 54956.8)

Property: APN Nos. 002-153-04 and 002-153-30

Negotiator: Sage Sangiacomo, City Manager

Negotiating Parties: City of Ukiah and Guillon, Inc.

Under Negotiation: Price & Terms

There was no action taken on Closed Session item.

6. ADJOURNMENT

There being no further business, the meeting adjourned at 7:35 p.m.

Kristine Lawler, City Clerk

DRAFT

March 29, 2017

Water Supply Planning:

Water Supply

The City's Portfolio is comprised of three "source" components

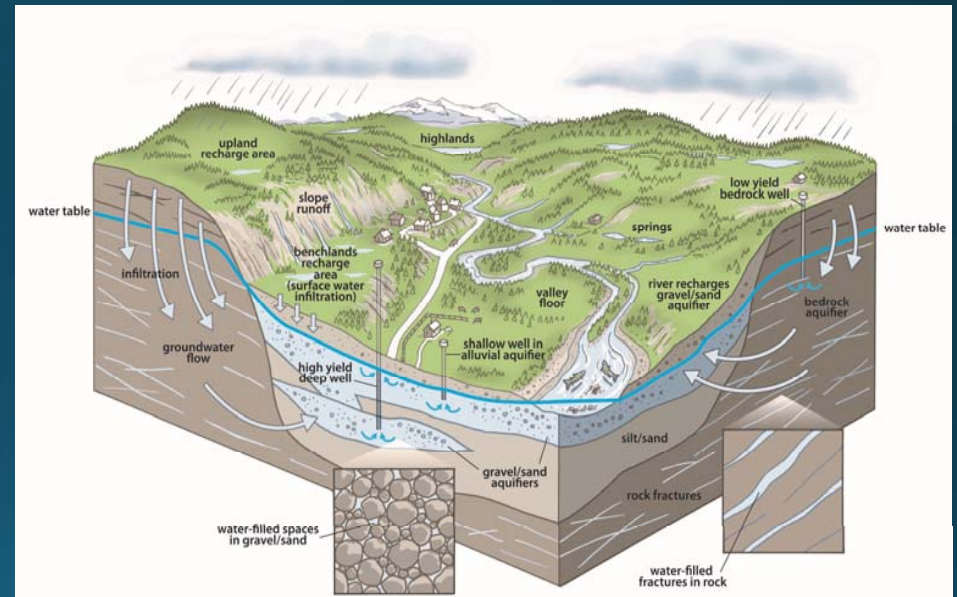
- Surface Water
- Groundwater
- Recycled Water



Water Supply

All are interrelated, but each source has factors that determine its “value” as a resource

- Volume
- Reliability
- Regulatory Restrictions



Surface Water

Defined by the USGS as "*water that is on the Earth's surface, such as in a stream, river, lake, or reservoir.*"



Surface Water

Regulated since 1914 by the SWRCB thru "water rights"

- Riparian
- Pre-1914
- Appropriative
- Contract (RRFC)



CORR. OCT. 1918

WATER WORKS: Ukiah Water & Improvement Co. (Private Corporation). - Gravity & Direct press. systems. Source of supply: from 200,000 gal. reservoir (located 3/4 mi. N. of, & elev. 162' abv. Court Ho.), which is supplied in winter from Gibson Creek, at a point in foot-hills, N.W. of town. - In summer, reservoir is supplied from 3 dug wells each 22' deep & located 2 mi. N.E. of town, by an elec. driven centrif. pump (capy: 890 gal. per min.). - About 9 mi. 10" 8", 6", 4", & 2" iron mains, laid in 1896. - #2 single & 1 dbl. hydr. Arge. press, both direct & gravity, about 65 lbs.

Surface Water

Water rights may have a number of constraints including:

- Annual volume
- Diversion rate
- Point of diversion (POD)
- Place of use (POU)
- Beneficial use
- Season of use
- Seniority
- Abandonment

STATE OF CALIFORNIA—STATE WATER RIGHTS BOARD

Application No. 15704 Filed January 25, 1954, at 3:58 P.M.
(Applicant must not fill in the above blanks)

APPLICATION TO APPROPRIATE UNAPPROPRIATED WATER
AMENDED APPLICATION RECEIVED 7-12-54

I, City of Ukiah
Name of applicant
of Ukiah County of Mendocino
Address
State of California, do hereby make application for a permit to appropriate the following described unappropriated waters of the State of California, **SUBJECT TO VESTED RIGHTS:**

Source, Amount, Use and Location of Diversion Works

1. The source of the proposed appropriation is Russian River (underflow)
Give name of stream, lake, etc., if named; if unnamed state nature of source and that it is unnamed
located in Mendocino County, tributary to Pacific Ocean

2. The amount of water which applicant desires to appropriate under this application is as follows:

(a) For diversion to be directly applied to beneficial use 20 cubic feet per second equals 48 acre-feet or 464,112 gallons per day
second, to be diverted from January 1 to December 31 of each year.
Beginning date Closing date

(b) For diversion to be stored and later applied to beneficial use _____ acre-feet
per annum, to be collected between _____ and _____ of each season.
Beginning date Closing date

Note.—Answer (a) or (b) or both (a) and (b) as may be necessary. If amount under (a) is less than .025 cubic foot per second, state in gallons per day. Neither the amount nor the season may be increased after application is filed. If underground storage is proposed a special supplemental form will be supplied by the State Water Rights Board upon request.

3. The use to which the water is to be applied is municipal
Domestic, irrigation, power, municipal, mining, industrial, recreational
_____ purposes.

4. The point of diversion is to be located See supplement
State bearing and distance or coordinate distance from section or quarter section corner
Assumed by order of _____

being within the _____
State 40-acre subdivision of public land survey or projection thereof

of Section _____, T. _____, R. _____, B. & M., in the County of Mendocino
Projected

5. The main conduit terminates in SE¹ of SW¹ of Sec. 18, T. 15N, R. 12W, M. D. & M.
State 40-acre subdivision of U. S. Government survey or projection thereof

Surface Water

City of Ukiah has several sources via water rights

- Pre 1914
- Appropriative
 - Permit 012952
 - RRFC Contract

	Pre-1914	Permit	Contract
Annual Volume	2023	14,479.6	800
Diversion Rate	2.8	20	n/a
POD		Yes	Yes
POU		Yes	Yes
Beneficial Use		Municipal	All
Season of Use		All Year	All Year
Seniority	Pre-1914	1954	1949
Abandonment	*	*	*

Surface Water

Production Facilities

- Ranney Collector
 - Built in 1966
 - 9027 gpm
- Well 3
 - Built in 1949
 - 300 gpm
- Divert underflow from Russian River



Groundwater

Defined by the USGS as "*water that flows or seeps downward and saturates soil or rock, supplying springs and wells.*"



Groundwater

Unlike Surface Water there is no “water rights” system for Groundwater

- There are also no corresponding constraints
- Reliable
- Low cost
- Sustainable Groundwater Management Act (SGMA) may eventually regulate diversions



Groundwater

Production Facilities

- Well 4 (1000 gpm)
- Well 7 (650 gpm)
- Well 8 (300 gpm)
- Well 9 (700 gpm)



Groundwater

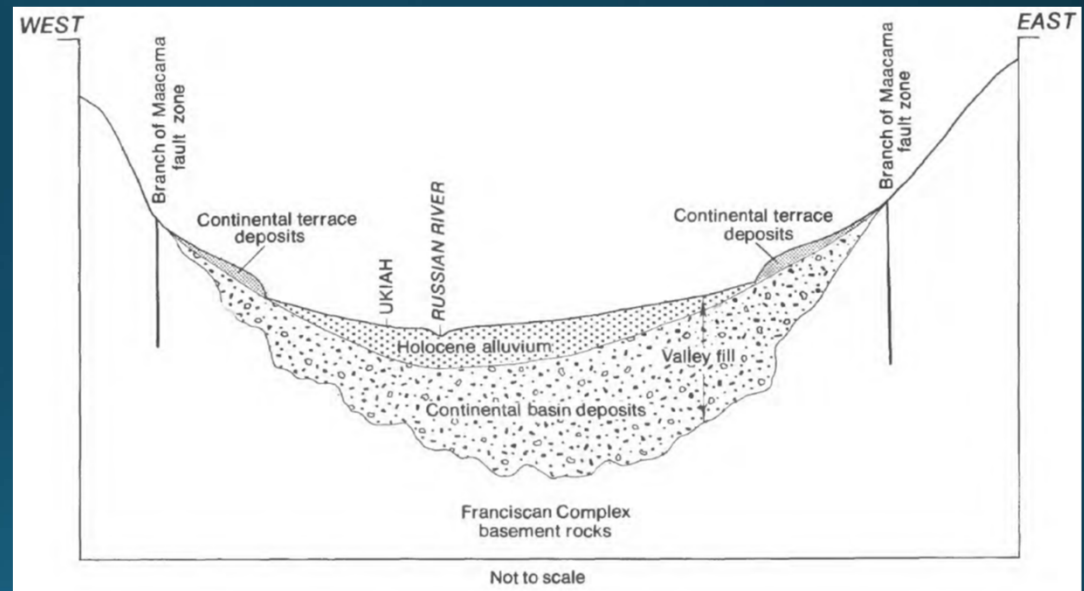
City facilities designed to expressly avoid confrontation with limitations of Surface Water.

Matt Kennedy
Project Manager
GHD



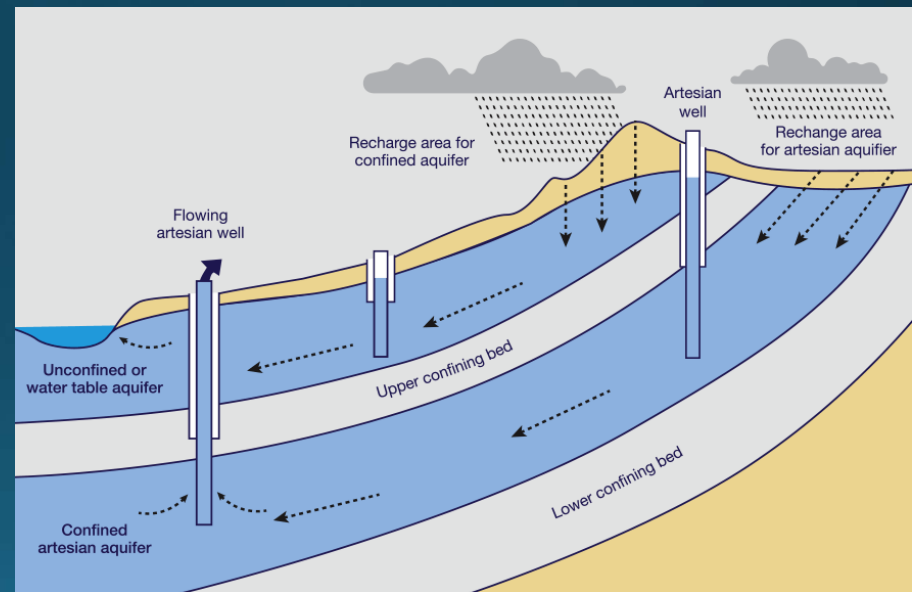
Groundwater: Ukiah Valley

- Holocene alluvium is the water bearing unit in Ukiah Valley
- Alluvium is deposits from flood and landslide events
- Wells in this zone can produce more than 1,000 gallons per minute



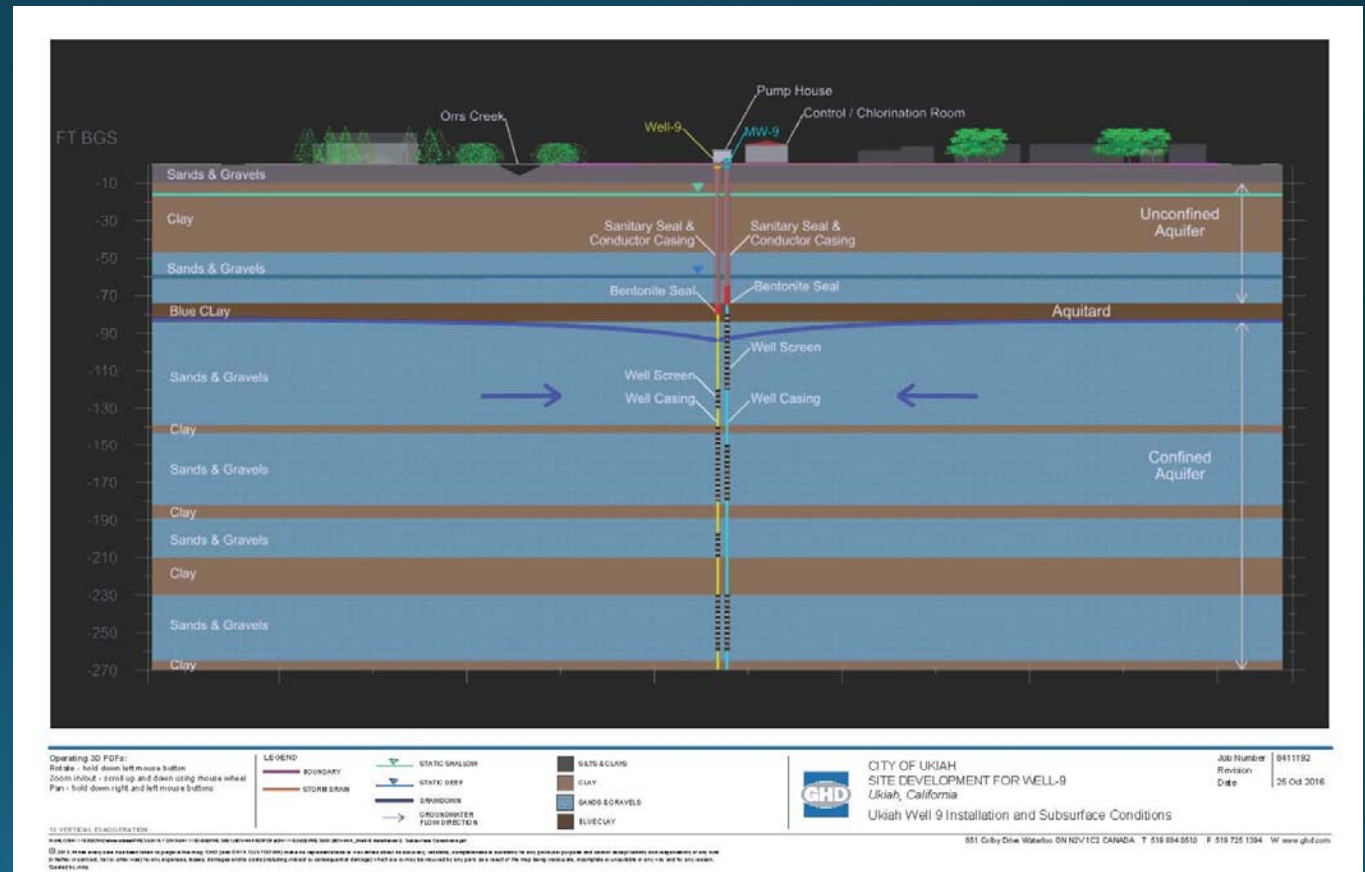
Groundwater: Confined vs Unconfined

- Groundwater in the alluvium is either unconfined (shallow) or confined (deeper)
- Confining layers are composed of fat clays (high organics).
- City of Ukiah wells 4, 7, 8 and 9 are located in the confined aquifer zone



Groundwater: City of Ukiah Wells

- Blue Clay is very consistent across valley area where City wells are located.
- Encountered at both Well 4 and Well 9.
- Wells are sealed to the Blue Clay



Recycled (reclaimed) Water

Defined by the USGS as
"wastewater-treatment plant effluent that has been diverted for beneficial uses such as irrigation, industry, or thermoelectric cooling instead of being released to a natural water way or aquifer"



Recycled Water

Regulated by the SWRCB

- Place of use
- Beneficial Use
- WQ

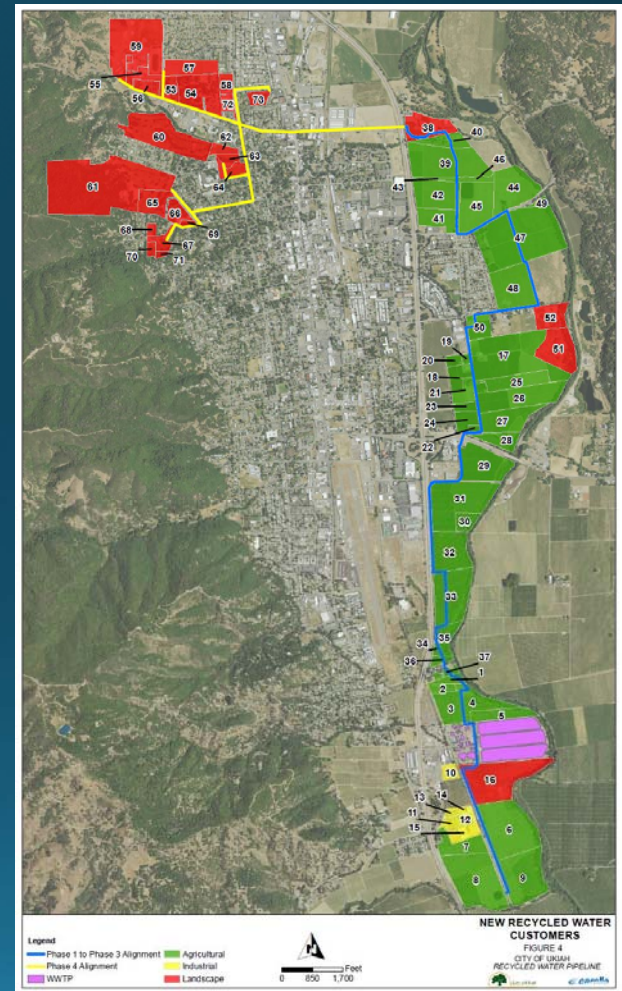
Drought resistant



Recycled Water

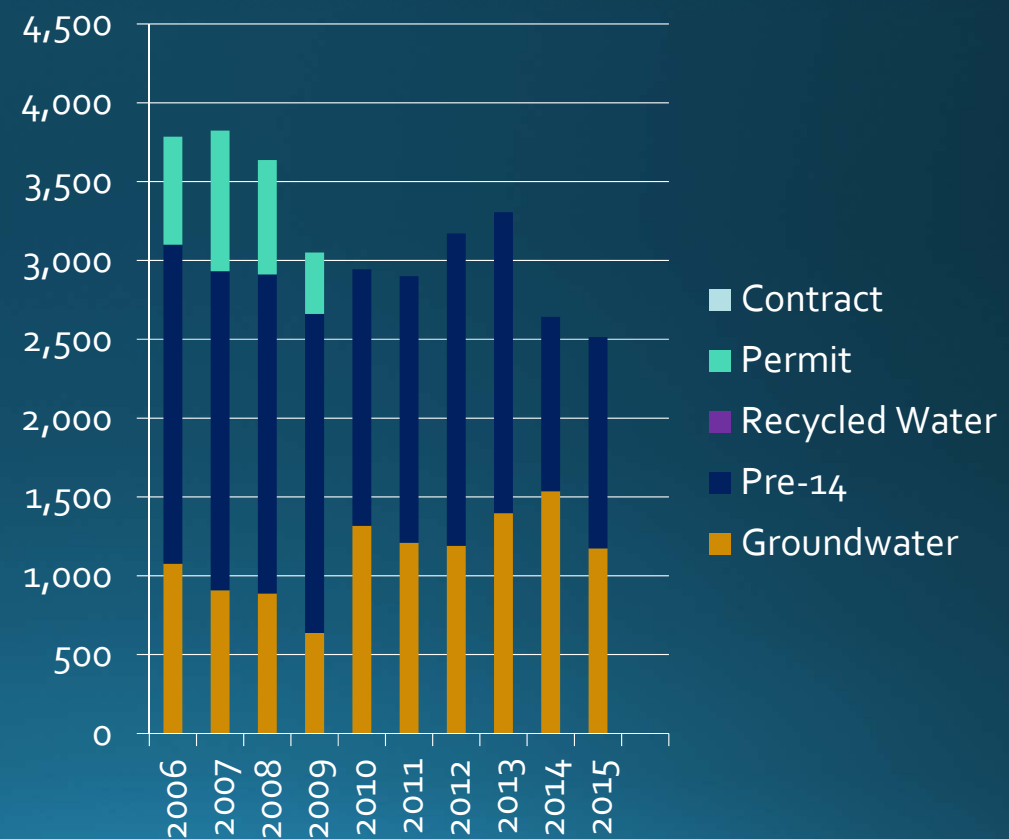
Production Facilities

- Phases 1-3 (2018)
 - 1000 afy
- Phase 4 (TBD)
 - 400 afy



Supply vs Demand

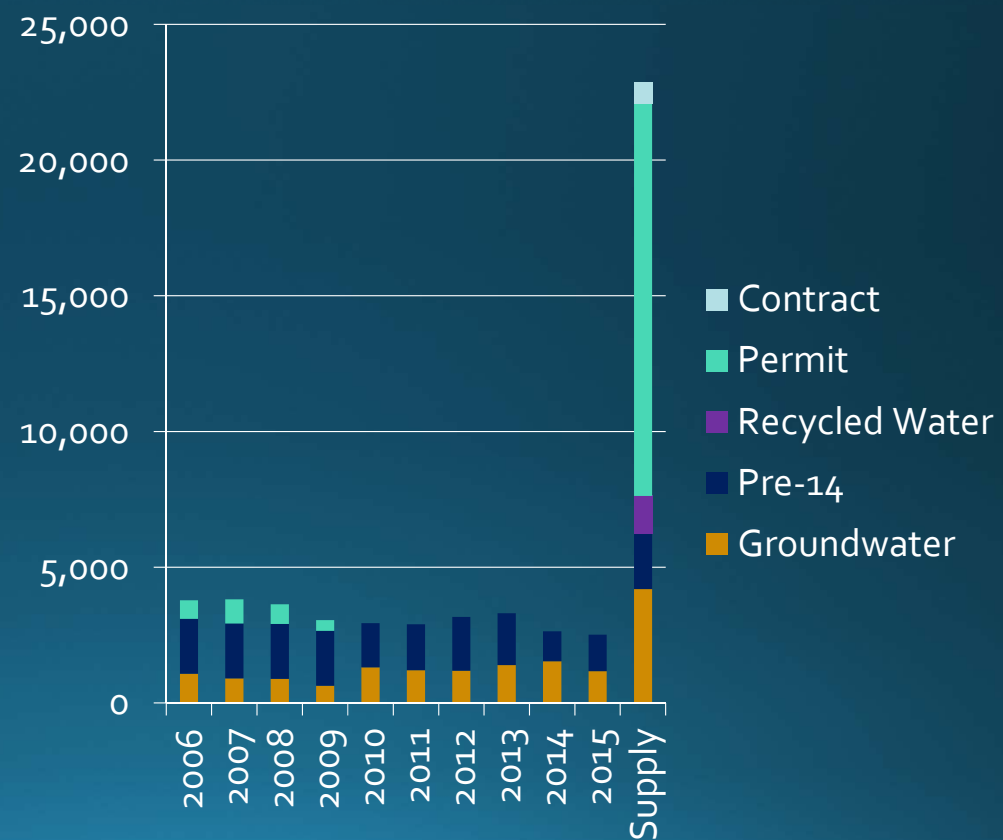
City's average demand since 2006 is 3,178 AFY



Supply vs Demand

Total supply (22,702 AFY) greatly exceeds demand (3,178 AFY)

- Groundwater (4,000 AFY)
- Pre-1914 (2,023 AFY)
- Appropriative (14,479 AFY)
- Contract Water (800 AFY)
- Recycled Water (1,400 AFY)



Abandonment vs Growth

Abandonment is a serious liability for the City.

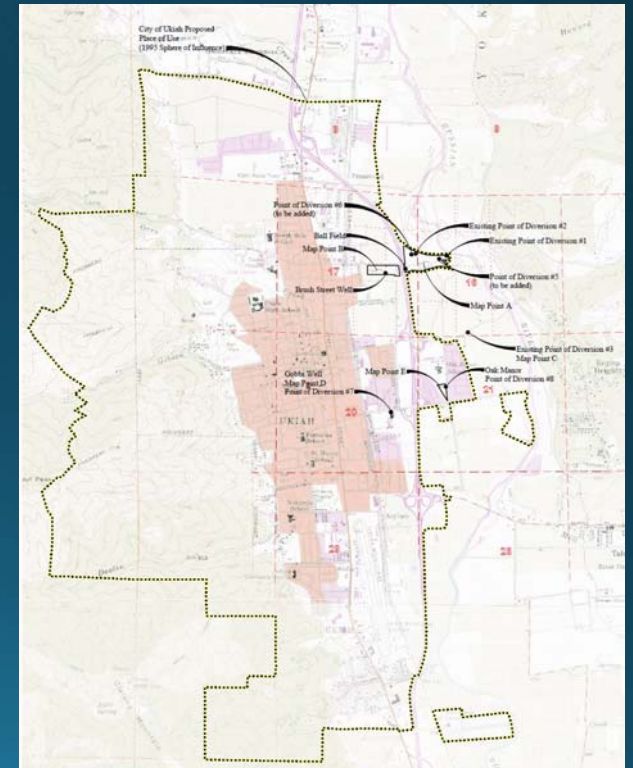
- Protecting City's rights were the focus of past workshops
- Change Petition filed in 2002
 - Expand POU
 - Adding wells as PODs
 - Transfers



Abandonment vs Growth

Expand Place of Use (POU)

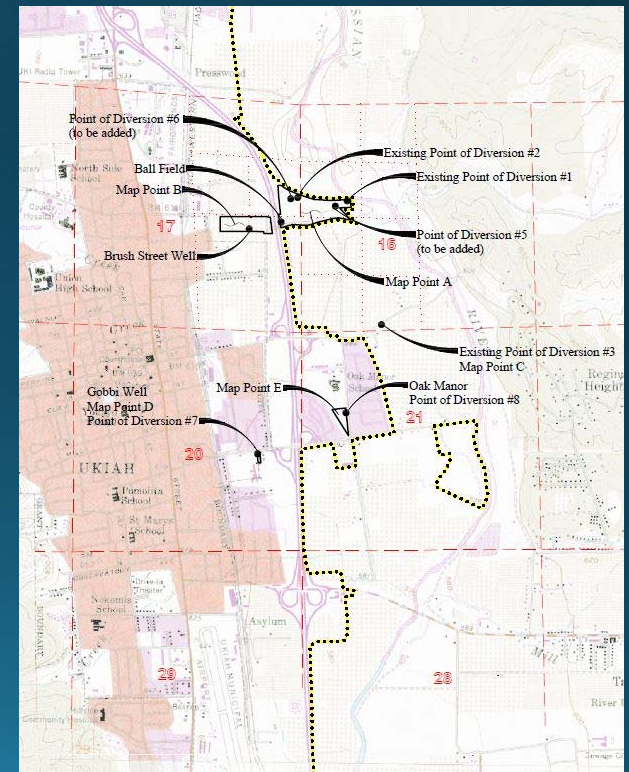
- Larger POU could increase use
 - Partially overlaps other Districts
 - Insufficient unmet demand
 - Concerns regarding growth
- Coterminous with 1995 Sphere of Influence
 - 1995 Sphere withdrawn



Abandonment vs Growth

Increase use by adding wells as POD

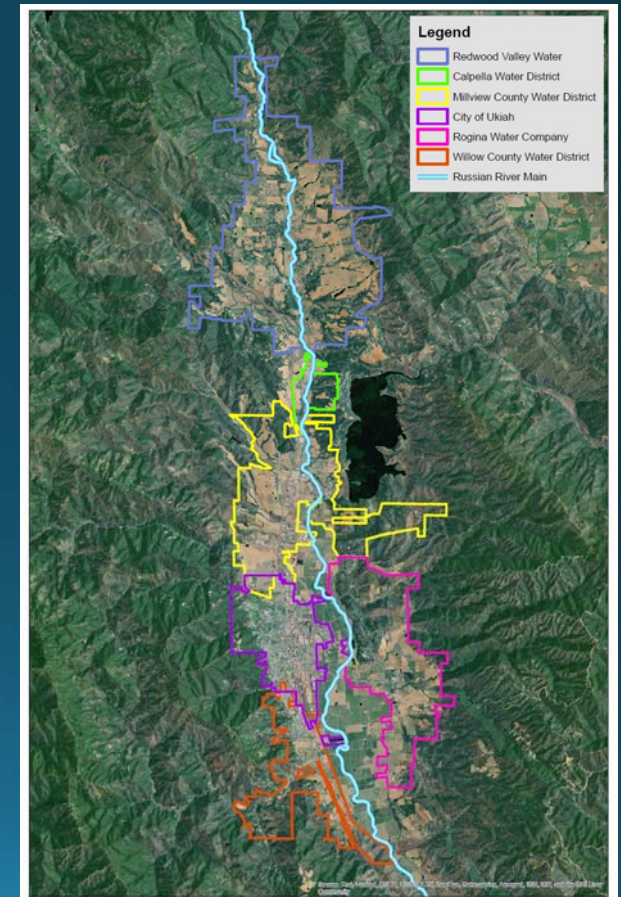
- Reclassifying wells as surface water would heavily restrict use of City's most versatile source.



Abandonment vs Growth

Transfers

- Concerns regarding growth
- Expiration
- Significant unmet demand only in Redwood Valley
 - Can be remedied without petition



Abandonment vs Growth

Change Petition not approved

- Concerns regarding growth
- Resulted in Numerous protests
- EIR incomplete



Opportunities

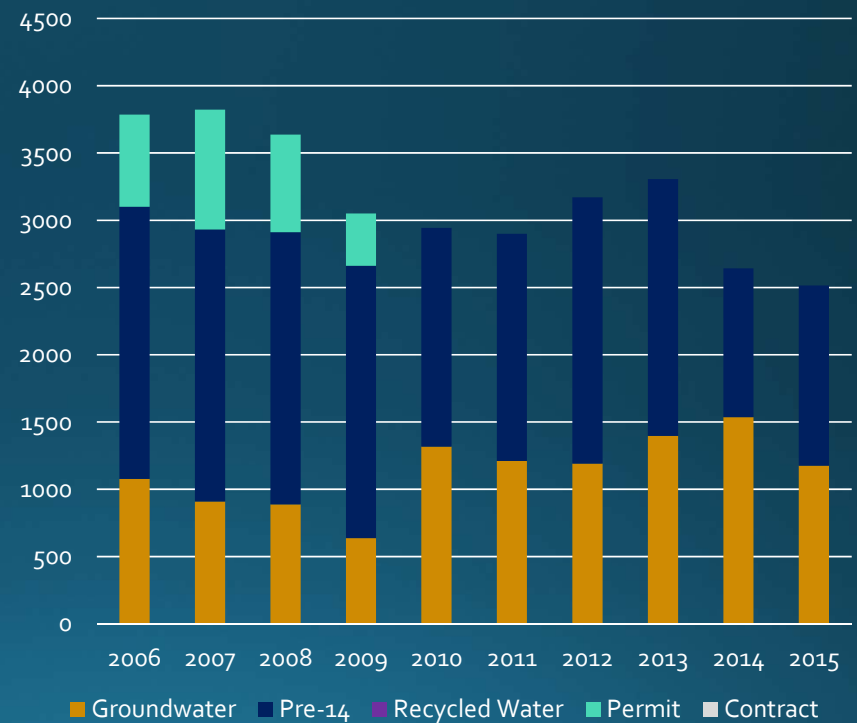
Three ways to protect the City's rights that also help the greater community

- Change operations
- Return RRFC contract water
- Repurpose unused supply



Opportunities

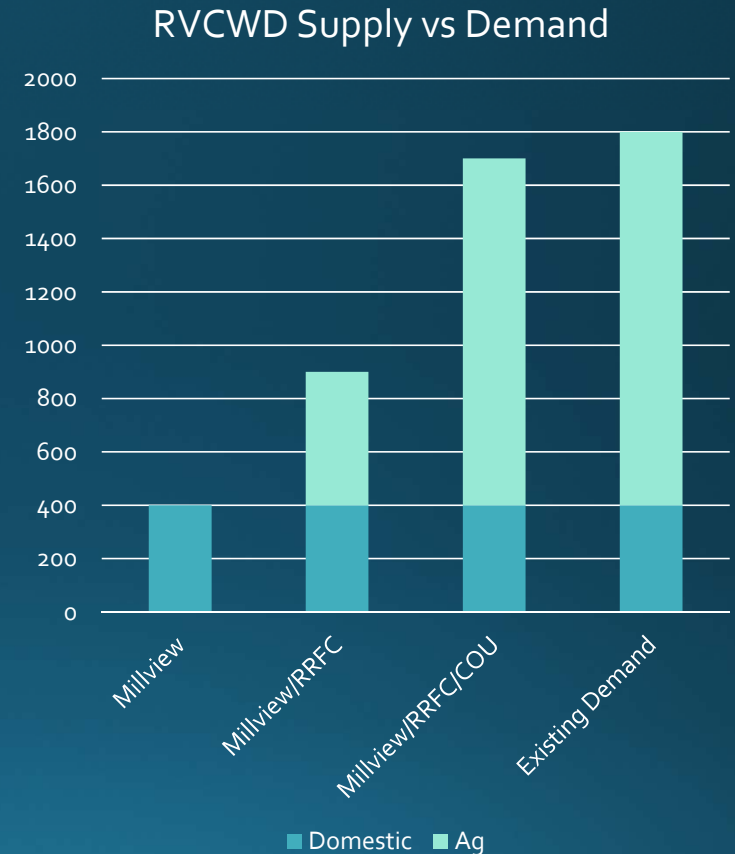
- Change operations
 - Utilize surface water facilities (Ranney and Well 3) whenever feasible
 - Turbidity
 - Cost



Opportunities

Return RRFC contract water

- Redwood Valley currently underserved
- Addition of COU contract would still not meet average demand
- Preserving agriculture deters urbanization and growth
- Save COU \$40k annually



Opportunities

Repurpose unused supply

"Under certain conditions, a reduction or loss of the appropriative water right may not occur due to: (1) water conservation efforts; (2) use of recycled, desalinated, or polluted water; and/or (3) conjunctive use of groundwater and surface water.

Any credit claim based on conservation of water (Water Code section 1011), water quality and wastewater reclamation (section 1010), or conjunctive use of surface water and groundwater (section 1011.5) must be reported."



Opportunities

- Conservation
 - Baseline established in UWMP
- Recycled Water
 - Scale is significant
- Conjunctive Use
 - Recharge helps with SGMA
 - Could assist with achieving zero-discharge at WWTP
 - Ideal site at Riverside Park



Future Direction

Protect City's water rights without using additional water

- Change operations
- Return RRFC contract water
- Report Conservation and Recycled Water
- Develop Conjunctive Use
- Amend or retract Petition
 - Approach
 - Footprint
- Water Rights Attorney



Questions?



ITEM NO.: 7a

MEETING DATE: April 5, 2017

AGENDA SUMMARY REPORT

SUBJECT: UPDATE ON THE UKIAH VALLEY GOLF COURSE AND REQUEST APPROVAL FOR THE CITY MANAGER TO EXECUTE AN EXTENSION OF THE AMENDMENT TO THE LEASE AGREEMENT FOR THE UPCOMING FISCAL YEAR

Summary: Council to receive an update on the operations of the Ukiah Valley Golf Course and discuss approval for the City Manager to execute a possible extension and/or adjustment to the lease with Tayman Park Golf Group to ensure the ongoing short and long term success of the Ukiah Valley Golf Course.

Background: The public/private partnership between the City and Tayman Park Golf Group (Tayman) has evolved from an agreement for the operation of the Pro Shop in 2006, to in June of 2012, Council approving the transfer of the operations and maintenance of the Ukiah Valley Golf Course ("the Course") to the full responsibility of Tayman (COU No. 070112). The goal for this full transfer of operations was for Tayman to better mitigate rising operational costs. The Course also continues to benefit from active community partnerships with the Ukiah Men's and Women's Golf Clubs.

In September of 2016, City Council approved an amendment to the lease with Tayman Park for the Fiscal Year 2015/2016 (COU No. 1617112). This modification of the lease allowed Tayman Park short-term financial relief as solutions to the high water cost of the Course were researched. Staff and Tayman considered this amendment a short term option and requested the review of this item by Council to be scheduled before the conclusion of the fiscal year. Thus allowing time for staff and Tayman to prepare additional analysis and consider alternatives to bring forward, also allowing the consideration for any further modifications to be made before the Fiscal Year 2017/2018 budget is adopted.

The first amendment to the lease has been beneficial to Tayman and allowed funds to be directly put towards Course improvements. Unfortunately, the next phase of the recycled water project has yet to commence. Furthermore, the continued trend of low round revenues, combined with high water costs, warrants the need for continued considerations.

Discussion: Keeping the Course in good condition and available for the community has many benefits including its use by local schools and for community fundraisers. The most obvious benefit of the Course is that it offers recreation to people of all ages and outdoor enjoyment. In addition, the presence of the Course increases property values and the aesthetics of the surrounding area, as well as creating jobs and

Continued on Page 2

RECOMMENDED ACTION(S): Receive update on the Ukiah Golf Course and authorize the City Manager to negotiate and execute a second amendment to the lease with Tayman Park Golf Group, with additional review by Council to be put on the agenda planning calendar before the conclusion of the following Fiscal Year.

ALTERNATIVES: Reject the recommended action and remand to staff with direction.

Citizens advised: Ukiah Men's Club President; Frank Johnson & Jimmy Stewart, Tayman Park Golf Group, Inc.; and the City's Parks, Recreation and Golf Commission.

Requested by: N/A

Prepared by: Maya Simerson, Project Administrator and Tami Bartolomei, Community Services Administrator.

Coordinated with: Sage Sangiacomo, City Manager

Presenter: Tami Bartolomei, Community Services Administrator.

Attachments: 1. Agreement with Tayman Park with Amendment #1
2. Proposed Amendment (#2) to the Agreement with Tayman Park

COUNCIL ACTION DATE: _____: ☐ Approved ☐ Continued to _____ ☐ Other _____

RECORDS APPROVED: ☐ Agreement: _____ ☐ Resolution: _____ ☐ Ordinance: _____

Note: Please write Agreement No. in upper right corner of agreement when drafted.

Approved: Sage Sangiacomo
Sage Sangiacomo, City Manager

encouraging economic growth. The Course also creates and preserves greenspace on land that might otherwise be developed.

After it was determined that no on-site water source was feasible and with water being the greatest variable in terms of availability and cost, Tayman approached the City with concerns about the operation of the Course and demonstrated that cost relief was necessary for maintaining operations on the Course. It should continue to be noted that Tayman has done an exceptional job in achieving cost savings from labor and other management areas; but the rising costs of water and declining revenue caused by significant impacts from the recent drought and economic downturn have been difficult to mitigate. The solutions available to the Course, at this point, are the installation of a new irrigation system that will conserve water significantly and will also be ready to receive recycled water should it become available.

The City has entered into a Professional Services Contract with an irrigation designer who is currently developing plans and specifications for a newly designed irrigation system. Drafted plans and specifications are anticipated to be ready in June 2017, and will be available for use as support documentation to the next round of recycled water grant funding.

The first amendment to the agreement modified, for the short term, the amount of rent payment from Tayman to the City and suspends the contribution by Tayman to the Capital Improvement Project Fund. The adjustment was to remain in effect for one fiscal year. The modification allowed Tayman to shift approximately \$68,100 towards daily operations. These funds would likely improve conditions on the Course and should increase rounds played in direct correlation to the course improvements. While some Course improvements have been realized many areas will take longer than one season to correct. Tayman has also been looking for new ways to increase revenue, including an expanded food and beverage service and full liquor license.

The original agreement with the first amendment is included as Attachment #1, and the proposed second amendment to the Lease Agreement with Tayman Park Golf Group is included as Attachment #2. As staff finalizes the Fiscal Year 2017/2018 budget the final amounts of the lease reduction will be determined and expenditures in the Golf Enterprise Fund will be covered by the remaining rent payment, this will allow the City to cover enterprise fund-related costs and not incur added debt. Debt payment on the internal loan for the back-nine land purchase and past operational debt will be suspended for another year.

Staff has engaged in outreach and discussion with the golfing community and has received support from representatives of the Ukiah Men's and Women's Golf Clubs and the City's Parks, Recreation and Golf Commission to move forward with a second amendment to the Tayman lease. Furthermore, the Men's Club has continued to provide valuable support and contributions towards the Capital Improvement Program and will be focusing on improvements to the patio area and the Todd Grove Clubhouse with Tayman. Staff is available for comments and to answer any questions. Please contact Tami Bartolomei, Community Services Administrator at 467-5765 or tbartolomei@cityofukiah.com.

For the benefit to our community and for the success of our partnership with Tayman, staff is recommending that Council authorize the City Manager to negotiate and execute a second amendment to the Tayman lease.

FISCAL IMPACT:				
Budgeted Amount in 17-18 FY	New Appropriation Source of Funds (Title & No.)	Account Number	Budget Amendment Required	Previous Contract or Purchase Order No.
N/A	Lease Revenue	#72000000.46380	Yes ☐ No ☒	COU No. 070112, COU No. 1617112

CON 070112

ATTACHMENT #1

UKIAH MUNICIPAL GOLF COURSE

LEASE AGREEMENT

CITY OF UKIAH

"City"

and

TAYMAN PARK GOLF GROUP, INC

"Lessee"

Dated July 1, 2012

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CS:

EXHIBIT "A"	DEPICTION OF REAL PROPERTY
EXHIBIT "B-1"	INVENTORY OF FURNISHINGS, FIXTURES & EQUIPMENT SOLD TO LESSEE
EXHIBIT "B-2"	INVENTORY OF EQUIPMENT SOLD TO LESSEE AND SHARED BY THE CITY
EXHIBIT "C"	INTREGATED PEST MANAGEMENT PROGRAM
EXHIBIT "D"	TREE MANAGEMENT POLICY GUIDELINES
EXHIBIT "E"	CREEK MAINTENANCE POLICY AND PROCEDURES
EXHIBIT "F"	MAINTENANCE LEADWORKER JOB DESCRIPTION
EXHIBIT "G"	RENT AS PERCENTAGE OF GROSS REVENUE
EXHIBIT "H"	CAPITAL IMPROVEMENT PROJECT FUND
EXHIBIT "I"	INSURANCE REQUIREMENTS

UKIAH MUNICIPAL GOLF COURSE

LEASE AGREEMENT

Between

CITY OF UKIAH

And

TAYMAN PARK GOLF GROUP, INC.

This Lease Agreement ("Agreement") is entered into on July 1, 2012, by and between the CITY OF UKIAH ("Lessor" or "City"), a California general law municipal corporation ("City"), and TAYMAN PARK GOLF GROUP, INC. ("Lessee"), a corporation duly formed under and in compliance with the laws of the State of California. City and Lessee may be referred to herein as "Party" and collectively as "Parties."

RECITALS

1. CITY owns the Ukiah Municipal Golf Course located at 599 Park Blvd. in Ukiah, CA and related facilities and property (collectively the "Golf Course"). The Golf Course includes an 18-hole golf course consisting of fairways, roughs, sand traps, water areas, maintenance yard, irrigation system, roads, cart paths, trees, shrubs, planter areas, other landscaping, fencing, lawn, lavatory facilities, concession facilities, a clubhouse, a pro shop, a parking lot, and any other improvements.

2. Lessee represents that it is qualified in the management, operation, repair, supervision and maintenance of all aspects of golf course properties and their related facilities, and that Lessee is qualified to manage, operate, repair, supervise and maintain the Golf Course.

3. City desires to lease the Premises to Lessee and Lessee desires to lease the Premises from City to manage, operate, repair, supervise and maintain the Golf Course.

4. Effective as of the date first stated above, this Agreement will supersede any prior agreements, representations or understandings between the parties, including the Agreement For Golf Professional & Golf Course Concession Services dated May 24, 2006, and all subsequent amendments or representations thereto.

NOW, THEREFORE, in consideration of the foregoing recitals, which are hereby incorporated into the Agreement as though fully set forth below, the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, City and Lessee hereby agree as follows:

AGREEMENT

1. LEASED PREMISES

City hereby leases to Lessee and Lessee hereby leases from City, for the term and upon the terms and conditions set forth in this Agreement, the following (collectively, "Premises"):

Real Property

Those parcels of land commonly known as the Ukiah Municipal Golf Course, located at 599 Park Blvd., Ukiah, CA. 95482 and depicted and described with more specificity in Exhibit "A," which is attached to this Agreement and made a part of this Agreement for all purposes, together with all buildings, including the Clubhouse and Todd Grove Room (collectively, "the Clubhouse"), fixtures and other improvements located on said land and all easements, covenants and other appurtenant rights (the "Real Property").

1.A. PERSONAL PROPERTY

1A.1 Conveyance of personal property – The tools, fixtures, furniture, equipment, consumable supplies and inventory listed and described in the attached Exhibit B-1 and B-2 shall be purchased by and conveyed to Lessee, effective July 1, 2012. Upon conveyance, these items of personal property belong to Lessee which assumes the responsibility to maintain, repair or replace them as needed to comply with the provisions of this Lease and to operate the Premises to the standards required by this Lease.

1A.2 Shared use of equipment – Subject to the following, Lessor shall have the right to use the equipment for City operations and maintenance:

a. Lessor shall have the right to use the equipment identified in Exhibit B-2, when it is not needed by Lessee. First priority for use is for Golf Course operations. Lessee shall not unreasonably deny the City's request for use. The City and Lessee shall cooperate in good faith in scheduling the use of the equipment.

b. The Lessee shall maintain the equipment in good working condition, until said equipment has exceeded its useful life as agreed between the City and Lessee and must be replaced;

c. Lessor shall clean, refuel and lubricate the equipment after each use;

d. Lessor shall repair or reimburse Lessee for the cost to repair the equipment, if it is damaged while being used by or in the possession or control of Lessor or its officers or employees.

e. Lessor's use of the equipment is subject to the condition that it provide adequate training to its employees in the proper use of the equipment and that its employees comply with all applicable laws in its use, including, but not limited to, laws relating to worker and workplace safety.

f. With the use of the Aerator and Soil Reliever, the City and Tayman shall each use their own tines.

g. Lessor hereby agrees to defend, indemnify and hold Lessee harmless as to any and all property damage and personal injuries whether to Lessor or its employee's, representatives or contractors, Lessee or its employees, the Premises or any third party, which may occur as a result of Lessor's use of the equipment., and shall name Lessee as an additional insured on all liability insurance which Lessor may have from time to time which would cover Lessee's exposure for such loss.

1.B. STANDARDS OF PERFORMANCE; FIDUCIARY DUTY.

Lessee acknowledges that there is a relationship of trust and confidence between Lessee and City, and that Lessee has a fiduciary duty to City pursuant to this Agreement. Lessee shall use Lessee's best skill and judgment in performing its duties and obligations hereunder, and shall at all times provide such management, operating, supervision and maintenance services in a manner which maintains the good name of City; perform its duties and obligations under this Agreement in an efficient, expeditious, prudent and economical manner, consistent with the best interest of City, in accordance with generally approved practices and standards followed by similarly-situated public golf courses in Northern California.

2. USE OF LEASED PREMISES

As set forth in more detail below, Lessee shall use the Premises only for the operation of a daily fee golf course and other activities customarily associated with or incidental to the operation of a daily fee golf course, including the sale or rental of golf related merchandise at a golf shop, furnishing of lessons by a golf professional, and sales of food and beverages, including liquor sales. Lessee shall not use the Premises for any unlawful purpose and shall comply with all valid laws, rules and regulations applicable to the Premises or the businesses conducted on the Premises. Throughout the Term, Lessee shall, subject to any restrictions

or limitations set forth elsewhere in this Agreement, perform or cause to be performed all tasks necessary or appropriate in connection with the ongoing operation, management, supervision, maintenance, repair and upkeep of the Golf Course. In performing such tasks and use of the Premises, the Lessee shall, at a minimum, do each of the following:

2.1 General Duties and Obligations

- a. Fully comply, and cause the Golf Course and all Equipment and Supplies and operation thereof to fully comply with all Legal Requirements

"Legal Requirements" shall, for the purposes of this Agreement, include without limitation any reporting, notice or other requirements and any and all laws, statutes, ordinances, codes, orders, rules, regulations, permits, licenses, authorizations, entitlements, official orders and requirements of, and conditions imposed by, all federal, state and local governmental regulatory agencies and authorities (collectively, "Regulations") which are applicable as to Lessee's operations under this Agreement as of the date hereof or hereafter become applicable to the Golf Course, the Equipment and Supplies, or the operation thereof. This paragraph shall not be deemed as requiring Lessee to make any improvement or addition to the Clubhouse or the Golf Course, except to comply with any Regulations, applicable to the Lessee's operations under the Lease, where such Regulation is either (i) invoked as a result of a significant change or expansion of the Lessee's use of or operations on the Premises; or (ii) is implemented or changed after the date of this Lease. The responsibility for all other improvements or additions shall lie with the City. Lessee shall not perform any acts or carry on any practices that may damage the facilities and improvements located upon the Golf Course or Clubhouse or that may be a nuisance or menace to customers.

- b. Apply for, obtain and maintain in full force and effect, all permits, licenses and authorizations required, whether by City or by any other governmental agency, that are necessary or appropriate for the management, operation and maintenance of the Golf Course; provided, however, that City shall waive building permit fees, except plan check fees, when City contracts with an engineering firm to perform plan check services.
- c. Act as liaison between the City and various golf organizations affiliated with the golf course and actively represent the City to the public in matters related to the Golf Course and its operation. This includes attending any meeting at the request of

the City Manager or designee when a Golf Course related issue is scheduled to be discussed or needs to be presented.

- d. In connection with the Lessee's operation of the Premises, Lessee shall, on or before February 28 of each year during the term of this Agreement, submit to the City an annual maintenance, and capital improvement plan for the Premises (the "Annual Capital Improvement Plan"). The Annual Capital Improvement Plan shall also identify future projects needed and/or desired for the continued operation and improvement of the course.
- e. Lessee shall meet with City Representatives at the City's request to review operations. Lessee shall consider in good faith the requests and recommendations of the City Manager or designee to increase play and revenue or to enhance maintenance and operations.

2.2 Operation of the Golf Course – Lessee shall maintain, repair, manage, operate and supervise the golf course, Clubhouse and maintenance operations. To adequately perform these services, Lessee shall:

- a. Implement all policies and procedures and to perform any act deemed necessary or desirable for the operation and management of the Premises, provided that said policies and procedures are consistent with City ordinances and applicable laws and codes.
- b. Determine and set all green fees, membership fees, cart fees, rental fees, and all other charges associated with the operation of the Premises.
- c. Determine all personnel requirements, recruitment schedules and compensation levels and employ, train, promote, discharge and supervise all personnel performing services in and about the Premises, except the Maintenance Leadworker as long as he or she is a City employee.
- d. Purchase and/or lease all furnishings, equipment, tools, and operating supplies necessary or desirable for the operation of the Premises.
- e. Manage all Clubhouse operations, including collection and accounting of all fees, categorical recording of rounds played, and selecting and acquiring all golf related merchandise and

supplies for retail merchandising adequate to respond to demand.

- f. Maintain critical business systems, including, but not limited to, scheduling all tournaments/events and daily tee times, collecting all fees, preparing and submitting audits, completing asset inventories, paying all applicable taxes, and providing monthly reports and accounting of business activity to the City.
- g. Maintain an integrated accounting and electronic point of sale system designed specifically for golf operations and capable of tee-time reservations; rapid daily close out with a detailed summary; member statements displaying detailed or summarized transactions; efficient inventory control with bar code scanning; full accounting package that integrates retail sales, accounts receivable, accounts payable, member billing, purchase orders, inventory control and payroll into general ledger; full daily, monthly, quarterly, and annual operating statements; expansive report library customized specifically to the needs of operations and programs; budgeting function to measure actual performance; and quick touch point-of-sale designed for fast check-in and customer sales in Clubhouse. During the term of this Agreement, the ownership of this system shall remain with Lessee. Upon termination of this Agreement, Lessee shall provide the data in the system to the City for its subsequent use at no cost to the City. If permitted by the terms of its software license, upon City's request, Lessee shall sell the accounting software to the City at its, then, fair market value. If the City does not exercise its right to purchase the accounting software or the Lessee is not permitted under the terms of its license to sell the software to the City, the data shall be furnished in a form that can be converted to a standard electronic format.
- h. Maintain an on-line marketing program that includes a website, hosting, collection of customer data and a platform to advertise services and discounts. Upon termination of this Agreement, Lessee shall provide the data in the system to the City for its subsequent use at no cost to the City. If permitted by the terms of its software license, upon City's request, Lessee shall sell the marketing software to the City at its, then, fair market value. If the City does not exercise its right to purchase the marketing software or the Lessee is not permitted under the terms of its license to sell the software to the City, the data shall be furnished in a form that can be converted to a standard electronic format.

- i. Maintain a computerized tee sheet reservation system that is integrated with the point of sale system and website. Upon termination of this Agreement, Lessee shall provide the data in the system to the City for its subsequent use at no cost to the City. If permitted by the terms of its software license, upon City's request, Lessee shall sell the reservation software to the City at its, then, fair market value. If the City does not exercise its right to purchase the tee sheet reservation software or the Lessee is not permitted under the terms of its license to sell the software to the City, the data shall be furnished in a form that can be converted to a standard electronic format
- j. Maintain rental sets of men's, women's, and youth golf clubs and push carts adequate to respond to public demand.
- k. Maintain a Clubhouse lounge area that shall include (at a minimum) seating, tables, and one large screen television with cable/satellite programming.
- l. Develop a golf instruction program and employ at least one fulltime golf professional with a Class A golf professional certification from the Professional Golfer's Association ("PGA").
- m. Develop and implement a junior golf development program.
- n. In the event that a driving range is established, develop a complete and comprehensive golf instruction program and junior golf development program.
- o. Develop and implement a comprehensive marketing strategy for promotion of the golf facility, including, but not limited to, promotion of special group and tournament play programs and recruitment of out of area play, particularly during low play periods. At no additional cost to the City, the City will make all City related marketing methods available to the Lessor including billing stuffer inserts, the City's website, social media sites, recreation related publications, and banner program (collectively, the "City Media"). The City has a right to review, edit and deny any content which is to be distributed under the City Media that is not in the best interest of the City.
- p. Provide food and beverage concessions of sufficient quality and variety to meet customer demand, including, but not limited to, sandwiches, hot dogs, chips and snack foods, soda, bottled water and alcoholic beverages. For purposes of this Agreement, the provision of beer shall be deemed to satisfy the "alcoholic

beverage" requirements; provided, however, that wine shall be added at such time as changes in food service would allow for the conversion of the existing Type 40 on-sale beer license from the Alcoholic Beverage Control Board ("ABC") to a Type 41 on-sale beer and wine license and to acquire a Type 47 alcoholic beverage license for an eating establishment at such time as changes in food service would support a full bar. The City shall fully cooperate with Lessee and provide written approvals or other information that would aid in any application by Lessee to change to a Type 41 or acquire a Type 47 license.

- q. Provide golf related merchandise for purchase of sufficient quality and quantities to satisfy consumer demand.
- r. In cooperation with the City, explore the feasibility for the operation of a full service food and beverage facility on site and the feasibility of uses related to the golf course, including a driving range, miniature golf, and batting cages.
- s. The Lessee shall operate the Todd Grove Room as a public rental facility until such time as the Lessee has the need to utilize the room for expanded retail and/or food/beverage operations.
- t. Until such time as the Todd Grove Room is used for expanded retail and/or food/beverage operations by the Lessee and subject to availability based on Lessee's scheduled events/rentals, the City shall be granted use at no cost for limited City sponsored events/meetings, day camp and recreation division activities, and Sundays in the Park, as the Parties mutually agree. Lessee shall not unreasonably deny such use. The City shall be responsible for cost of cleaning and any damages related to the City's use of the facility.
- u. In cooperation with the City, explore the feasibility of a full service practice range facility on- or off-site.
- v. Enforce all rules and regulations which are adopted by the City Council, which shall be deemed to be incorporated herein and by reference made a part of this Agreement so long as they remain in effect; provided that, in the event that there is a rule or regulations which is adopted after the date of this Agreement and which would adversely affect Lessee's rights under this Agreement, Lessee shall have the right to terminate this Agreement on written notice to Lessor.

- w. Regulate the rate of play and the play and conduct of the players in such a way as to provide for the safety of the players and others.
- x. Police the Golf Course through a regularly scheduled marshaling program at key times, minimizing slow play and preserving order, including keeping off trespassers, preventing injury to the Golf Course by players and others.
- y. Prevent any person from playing without first having paid green fees unless otherwise directed by City..
- z. Act as starter of play, and supervisor of cart usage.
- aa. Keep the Golf Course and practice area open for play during a schedule of reasonable hours approved by City.
- bb. Administer the privately owned golf cart program for use of carts on the golf course including collection of registration certificates, registration or other applicable fees, and certificates of insurance.
- cc. Lessee shall not install or permit installation or use of any vending machine, pinball machine or similar equipment without the prior written consent of the City which the City shall grant or deny in its sole discretion.
- dd. Lessee shall not allow any newspaper rack or other object to be placed and maintained outside of the Clubhouse whether attached thereto or freestanding, or anywhere on the Premises unless otherwise approved by the City Manager or designee.
- ee. Lessee shall not permit vendors to display or sell goods, wares or merchandise either within the interior or exterior of the Clubhouse or anywhere on the Premises, except in the ordinary course of the merchandising and/or promoting the golf course or the Lessees merchandise, programs and services unless otherwise approved by the City Manager or designee.
- ff. With the approval of the City, the Lessee shall make the Premises available for use at no cost to local schools and youth programs including team/league programs offered through Ukiah Unified School District and day camp activities offered by the City of Ukiah's Recreation Division. This usage shall be coordinated with the Lessee and will be programmed to limit impacts on revenue producing services and activities.

gg. Any charitable gifts or complementary services must be approved by both the Lessee and the City Manager or designee.

2.3 Rental Carts. Lessee shall provide and maintain at its sole expense a fleet of golf carts adequate to respond to demand, including tournaments. To satisfy this obligation Lessee shall:

- a. Assign the golf cart to the proper individual.
- b. Provide Instructions for the renter on how to use the cart properly, and enforce proper usage on the Golf Course. Direct the renter to and from first and ninth tee as needed.
- c. If necessary, request driver's license or other suitable identification from renter as and verification of age.
- d. Move carts in and out of proper housing daily.
- e. Thoroughly wash each cart as frequently as needed.
- f. Promptly repair of body damage to carts.
- g. Maintain the golf carts so that not less than 90% of all carts must be operable at all times.
- h. Properly maintain each cart when it is returned to assure safe mechanical condition.

2.4 Maintenance Operations. Lessee shall hire, train and supervise a group of employees qualified in golf course maintenance operations. All areas of the golf course, facility and grounds will be maintained in a professional manner to ensure that paying customers will enjoy their experience and return to play again or to use the facilities. The list of areas that will be maintained by the City's Maintenance Leadworker and Lessee's Staff include:

- a. Clubhouse - The Clubhouse is to be preserved and kept in a professional manner. Lessee's staff shall keep area clean, organized and presentable to all visiting players, guests and members of the community. Landscape shall enhance the first impression that golfers and visitors receive when they arrive at the course.
- b. Parking Lot - The parking lot shall be free of debris and dust at

all times. The parking lot is the first impression that all players, guests and members of the community receive when they arrive at the course.

c. Outside Eating & Viewing Area - This area is located just outside of all entrance doors. This important area lends itself to the development of a picnic and seating area for outdoor use on sunny days.

d. Routine Inspections - Routinely inspect the Premises on a regular basis as need to ensure that all aspects, features, areas, buildings, grounds, amenities are clean, safe, in good condition and free from hazards.

e. Maintenance Facilities - Establish and maintain facilities for the maintenance of equipment and supplies that comply or assure compliance with all applicable City ordinances, and state and federal statutes, regulations and policies, including policies pertaining to Hazardous Materials and workplace safety.

f. Golf Course - The Golf Course shall be maintained per the following specifications to ensure an enjoyable playing experience and the continuous improvement of the Premises. The Parties recognize that the following represent customary maintenance requirements and that Lessee shall use its best efforts to provide maintenance and operation of the Premises that exceeds these customary requirements. The Parties expect the Lessee to maintain the Golf Course in a manner that is equivalent to or exceeds practices and standards followed by similarly-situated public golf courses in Northern California.

- 1) Purchase and maintain all of the supplies, tools, equipment necessary to maintain, repair and improve the Premises and operate the Golf Course.
- 2) Water greens, tees, fairways, and landscape areas.
- 3) Change cup locations no less than three days per week.
- 4) Rake traps and repair divots daily.
- 5) Edge all sand traps twice monthly.
- 6) Vertical cut all greens not less than four times per year, and more if needed.
- 7) Fertilize greens, collars and heavy traffic areas every eight weeks.
- 8) Aerate greens twice annually, or more if needed.
- 9) Top dress all greens twice per year, or more if needed.
- 10) Aerate tees twice annually, or more if needed.

- 11) Top dress tees twice annually. Seed and sand divots and move tee markers daily.
- 12) Mow greens at least four times per week in the months of March through October, and at least twice per week in the months of November through February, or more if needed.
- 13) Spray greens, tees and fairways when needed for broad leaf grasses and damaging fungus/disease/pests, all in accordance with the City's Integrated Pest Management Program attached hereto as Exhibit C
- 14) Mow fairways twice weekly during the months of March through October, and at least once a week during the months of November through February, or more if needed.
- 15) Mow collars and tees twice each week.
- 16) Mow all rough areas twice monthly.
- 17) Routinely survey and inspect trees located on the Premises, promptly pruning or removing trees that pose a risk of personal injury or property damage, all in accordance with the Tree Management Policy Guidelines attached hereto as Exhibit D.
- 18) Lessee must comply with all safety and environmental regulations for cleaning and servicing maintenance equipment.
- 19) Maintain creeks and waterways located on or adjacent to the Premises in accordance with the City's Creek Maintenance Policies and Procedures, a true and correct copy of which is attached hereto as Exhibit E.

2.5 Maintenance Leadworker. The Lessee will contract with the City for the services of the Maintenance Leadworker currently employed by the City. The term "Maintenance Leadworker" includes any future change to this employee's job title or classification. Lessee shall reimburse City for its cost to employ the Maintenance Leadworker in accordance with Section 4.1.d. The Maintenance Leadworker shall perform the duties and receive the compensation set forth in the job description, attached hereto as Exhibit F.

- a. The Maintenance Leadworker shall be subject to day-to-day supervision of Lessee and, subject to Lessee's supervision, shall oversee and direct the work of the golf course maintenance crew employed by Lessee. The Lessee and the Maintenance Leadworker shall cooperate as necessary to facilitate the Maintenance Leadworker's authority to direct the work of the golf course maintenance crew, recognizing that the Lessee is the maintenance crew's employer and is ultimately responsible for

their performance and for compliance with applicable labor and worker safety and workers' compensation laws and regulations.

- b. Except as otherwise specifically set forth in this Agreement, the Maintenance Leadworker shall be treated as any other City employee, subject to the same rules, regulations and policies as apply to similarly situated employees in the City, including rules, regulations and policies concerning compensation, pay increases, evaluations, discipline, and lay-off.
- c. Lessor and Lessee shall cooperate in monitoring and evaluating the Maintenance Leadworker's performance. City shall give due consideration to Lessee's evaluation of the Maintenance Leadworker's performance in making decisions regarding continued employment and any pay or benefit increases. If the currently employed Maintenance Leadworker's employment by the City terminates, for any reason, Lessee shall replace him with an employee hired by Lessee or a mutually agreeable employee of the City, as the parties shall agree.

2.6 Cooperation. The City recognizes and acknowledges that its assistance to and cooperation with Lessee should be made available to assist Lessee in performing its covenants and obligations under this Agreement. Lessee recognizes and acknowledges that City may assist Lessee, when the City has the capacity and availability of resources to provide that assistance, when it is sought by Lessee. Lessee agrees that its obligations under this Lease are not conditioned on the City providing assistance under the terms of this paragraph 2.5

- a. The City further agrees it shall designate a specific officer or employee having appropriate experience and authority whose responsibility it is to work with Lessee in assisting Lessee to obtain the cooperation and assistance of the City, subject to the terms of this Agreement and all applicable laws.
- b. The City agrees it shall execute such documents and do such further acts and things as Lessee reasonably requests in order to assist Lessee in fulfilling its obligations under this Agreement.
- c. The parties recognize that they share a mutual interest in the maintenance, repair and operation of the Premises. At the City's sole discretion, the City Manager or designee can make equipment and personnel, available to Lessee, including for use in repaving areas on the Premises, such as parking lots and cart paths, when that can be done without undue interference with the City's primary responsibilities and in accordance with

applicable legal requirements.

- d. Whenever, Lessee requests assistance that will require the services of a City employee or the use of City owned equipment to perform maintenance or repair work or other direct services at the Golf Course or Club House, Lessee shall reimburse the City for the pro-rated cost of the employees' salary and benefits and of the equipment. The rates of reimbursement shall be based on actual costs. Costs incurred by City shall be paid as an additional lease payment due with the next lease payment after the City has sent Lessee an invoice for such expenses.
- e. The City Manager may permit Lessee to purchase fuel from the City to fuel equipment used by Lessee to operate and maintain the Golf Course.

2.7 City use of Premises. The retains the right to use the Premises for municipal purposes as long as its use does not unduly interfere with the Lessee's use of the Premises pursuant to this Lease. Such retained use includes, but is not limited to, City property or facilities located on the Premises or adjacent thereto. City shall maintain all roads leading to the large water tanks located on the Premises. Lessor and Lessee shall share the cost to maintain all roads leading to the large water tanks located on the Premises based on the relative use of the roads by Lessor and Lessee, the specific allocation of the costs to be agreed upon by Lessor and Lessee.

3. TERM

3.1 Initial Term - The initial term of this Agreement shall be for Ten (10) years, beginning on July 1, 2012 (the "Commencement Date"), and ending Ten (10) years thereafter (the "Initial Term").

3.2. Option to Extend by Lessee - Lessee shall have the right and option to extend the term of this Agreement at the end of the Initial Term, under all of the terms, covenants and conditions contained in this Agreement, for two (2) five (5) year option periods (the "Option Periods"). The right to exercise these options is dependent upon Lessee not being in material default under this Agreement (after the expiration of any applicable cure periods) on the date each Option Period is to commence. Lessee must give City written notice of its intention to exercise such option not less than one hundred eighty (180) days prior to the end of the Initial Term and, if applicable, the second Option Period.

3.3. Surrender upon Agreement Expiration -

- a. Upon the expiration or earlier termination of this Agreement, Lessee shall surrender and restore to City immediate possession of the Premises in its equal or better condition than it was in on the commencement of the Initial Term, excepting ordinary reduction in useful life, damages caused by Acts of God, and ordinary wear and tear, assuming as to each of the foregoing exceptions, maintenance by Lessee as required under this Lease.
- b. All tenant improvements, including trade fixtures, shall become the property of the City upon expiration or termination of this Lease.
- c. The City shall have the option to purchase at its then fair market value any personal property acquired by Lessee as provided in this Agreement or during the term of this Agreement primarily for Lessee's use in operating or maintaining the Premises. The City must provide written notice of its intent to exercise the option no later than sixty (60) days after this Lease terminates or expires. The parties shall negotiate in good faith the amount that constitutes fair market value and the terms of payment.

4. RENT

In consideration of City executing this Agreement and granting the rights provided in this Agreement, Lessee shall pay to City Rent as indicated below.

4.1 Rent.

Lessee shall pay:

- a. Percentage Rent to City as provided in the attached Exhibit G;
- b. The Purchase Price for the personal property described in Exhibits B-1 and B-2, which is \$60,000 payable in 120 equal monthly installments of \$500; and
- c. Reimbursement for labor and equipment as provided in Section 2.5.d

d. Reimbursement for the City's cost of employing the Maintenance Leadworker, limited to the actual, direct costs of the City's payments for Maintenance Leadworker's salary and benefits during the term that the Maintenance Leadworker provides services to the Lessee under this Agreement, excluding severance pay or other expenses associated with termination of his employment by the City. The costs include the full annual cost of the Maintenance Leadworker's salary and benefits payable in twelve monthly installments each Lease Year. Each monthly installment shall be invoiced by the City to Lessee, in arrears, on the fifth of each month and shall be payable by Lessee to the City on the 25th of the following month after receipt of written invoice from the City.

4.2 Contribution to Capital Improvement Project Fund.

Lessee shall contribute \$40,000 per year to a Capital Improvement Project ("CIP") Fund to be administered in accordance with the attached Exhibit H, which is incorporated herein. The contribution shall be made no later than June 30 of each year, commencing on June 30, 2013. A contribution received after the due date shall be treated as delinquent rent with the fee and interest to be added to the CIP Fund, less the City's collection costs. After five years of contributions, commencing July 1, 2017 (the "Initial CPI Adjustment Date"), the amount contributed to the CIP fund shall be adjusted up or down by the percentage change in the average monthly CPI over the twelve (12) months preceding July 1 as compared to the CPI for the previous twelve months. CPI means the Consumer Price Index For San Francisco-Oakland-San Jose, CA, All Items (base year 1982-1984 = 100), published by the United States Department of Labor, Bureau of Labor Statistics. In the event the CPI is discontinued or otherwise not available, "CPI" shall mean such comparable statistics on the purchasing power of the consumer dollar as is reasonably agreed on between the City and Lessee.

4.3 Payment of Rent.

Subject to the credits required by Section 4.5, Rent as set forth in Section 4.1.a – d shall be paid monthly in arrears by no later than the 25th day of each month. If the 25th day is a holiday for the City, the rent shall be due on the next business day. Rent payments not received by the City when due shall be considered delinquent. Lessee shall pay a late fee of \$250 for each delinquent rent payment and interest on the unpaid balance of delinquent rent from the date due until paid in full. The annual interest rate shall be 2% above the WSJ prime rate pro-rated based on a 365 day year.

4.4 Rent Audit.

City shall have the right to audit Lessee's Gross Revenue at any time as further provided in Section 6. If the audit reveals that rent in any month has been underpaid by more than 1%, the actual, direct and reasonable cost of the audit shall be considered additional rent. An underpayment or overpayment of rent of more than 1% of the rent paid shall be payable, respectively, by Lessee or Lessor within 15 days after the parties have received written notice of the amount underpaid or overpaid. If not paid within that time, the amount under- or overpaid shall be subject to interest at 2% over the WSJ prime rate, from the due date until paid in full. .

4.5 Prorations.

4.5.1 The City has issued gift certificates and maintains credited funds for these certificates based on payments made prior to honoring the certificates. The City also has received payments for annual golf course memberships which cover a period of time before and after the commencement date. On or before the commencement date, the parties shall determine the outstanding balance of gift certificate credits redeemable after the commencement date. City shall provide lessee with a credit against rent equal to said outstanding balance. The annual golf course membership fees shall be pro-rated based on a percentage where the denominator is 365 and the numerator is the number of days of the membership remaining after the commencement date. The City shall provide lessee with a credit against rent equal to the pro-rated portion of the annual membership fees.

4.5.2 Within thirty (30) days after the termination of this Lease for any reason, Lessee shall pay Lessor an amount of money equal to the gift certificate and credit book credits outstanding as of the termination date and the pro-rated portion of fees actually received by Lessee from players or customers of golf course facilities for the remaining portion of the year after the termination date reduced by any rent paid by Lessee on that income.

5. MAINTENANCE AND EXAMINATION OF RECORDS.

Lessee shall maintain financial records in accordance with generally accepted accounting standards consistently applied which accurately record and reflect all income and expenses incurred in its performance under this Lease during a period of four (4) years. Further, if City has reasonable cause to believe that Lessee's financial condition may be adversely affecting its performance under this Lease or could lead to a

default or material breach of the Lease, these financial records shall, upon at least ten (10) business days' prior written request from City to Lessee, be open and available to City or City's representative for an examination at all reasonable times during business hours at a location within 50 miles of the Premises. Except as provided in 6.4, the City shall treat any financial information received from Lessee as proprietary information under the California Public Records Act, specifically Government Code Section 6254.15, or any amended or successor provision, and, unless compelled by court order, shall not disclose such information to any member of the public and shall restrict its disclosure to City staff or contractors who require the information to enforce the City's rights under this Lease.

6. ACCOUNTING AND FINANCIAL STATEMENTS.

6.1 Financial Record Keeping. Lessee shall install and maintain a system of cash management, records and accounts, in a form approved by the City, and which complies with Generally Accepted Accounting Principles ("GAPP"), consistently applied to Gross Revenues from all sources and any computation of Adjusted Gross Revenues or rental payments under Paragraph 4 of this Lease. Lessee shall permit City, through its designated representatives, to inspect and audit such gross revenue accounts of Lessee pertaining to the performance of this Agreement as provided in paragraphs 5, above, and 6.4, below.

6.2 Accounting. Lessee shall keep true and accurate books and records in accordance with GAPP, consistently applied, which reflect Gross Revenues of the Golf Course by type, and tee time reservations and categorical rounds played at the Golf Course, and which are subject to audit in accordance with GAPP, showing all transactions related to the operations covered by this Agreement. Lessee, within ninety (90) days after the close of each fiscal year of July 1 through June 30 ("Fiscal Year") for the term of this Agreement, shall provide the City in a form satisfactory to the City, an accounting of Gross Revenue and deductions for computing Adjusted Gross Revenue and the resulting rent payments,. The accounting shall include, but not be limited to, all Gross Revenue by type. The Lessee shall furnish a written statement and an opinion directed to the City prepared by the Certified Public Accountant that the statement of revenues of the preceding year have been made within the terms and conditions of this Agreement and that all revenues are completely and accurately reported. Such statement shall contain a list of the revenues as shown upon the books and records of the Lessee which were used to compute the payments to the City during the period covered by the statement. City shall be entitled at any time within two (2) years after the conclusion of a Lease Year or six months after the terminate or expiration of the Lease to question the sufficiency of any rent payments or the accuracy of the report furnished by Lessee.

6.3. Inventory fixed assets. Lessee shall, each year, inventory all Capital Improvements, Furnishings, Fixtures and Equipment. Ownership of all Capital Improvements and Furnishings, Fixtures and Equipment is property of the City.

6.4. Audit. The City reserves the right to designate its own employee representative(s) or its contracted representatives who shall have the right to audit the Lessee's accounting procedures and internal controls of the Lessee's financial systems and to examine any cost, revenue, payment, claim, other records or supporting documentation which comprises Gross Revenues and exclusions from the same resulting from any items set forth in this Agreement. Any such audit(s) shall be undertaken by City or its representative(s) at reasonable times and in conformance with generally accepted auditing standards, provided that (1) at least 10 days advance written notice is given to Lessee, and (2) an audit is not performed more frequently than one each Lease Year. Lessee agrees to fully cooperate with any such audit(s). Any information obtained by City in conducting an audit of Lessee's books and records shall be treated as confidential except in any litigation or proceeding between City and Lessee, or excepting any information required to be disclosed under a Public Records Act request. The right to audit shall extend during the length of this Agreement and for a period of four (4) years, or longer if required by law, following the date of final payment under the Agreement. Lessee agrees to retain all necessary records/documentation for the entire length of this audit period.

The Lessee will be notified in writing of any exception taken as a result of an audit. Lessee shall have fifteen (15) days from the presentation of such findings to review such exception and City and Lessee shall cooperate on resolution of any issues which may arise. Any adjustments and/or payments which must be made as a result of any such audit or inspection of the Lessee's invoices and/or records shall be made within thirty (30) days from presentation of City's findings to Lessee. If Lessee fails to make such payment, Lessee agrees to pay late fees and interest as set forth in Section 4.2 and 4.3. If an audit inspection or examination in accordance with this section, discloses overcharges (of any nature) by the Lessee to the City in excess of one percent (1%) of the value of that portion of the contract that was audited, the actual cost of the City's audit shall be reimbursed to the City by the Lessee

7. CONDITION OF PREMISES.

Lessee agrees that neither City nor City's agents have made any representations or promises with respect to the physical condition of the Clubhouse, the Golf Course, parking lots, cart storage, revenues or expenses of the operation, or any other matter related to the Golf Course and associated facilities except as herein expressly set forth in the provisions of the Agreement. Lessee agrees that neither City nor any agent of the City has made any representation or warranty as to the suitability of the Clubhouse for the conduct of the Lessee's business. Lessee agrees to accept the premises as is.

8. HAZARDOUS MATERIALS.

8.1. Definition As used herein, the term "Hazardous Material" shall mean any waste, material or substance (whether in the form of a liquid, a solid, or a gas and whether or not air-borne), which is or is deemed to be a pollutant or a contaminant, or

which is or is deemed to be hazardous, toxic, ignitable, reactive, corrosive, dangerous, harmful or injurious, or which presents a risk, to public health or to the environment, or which is or may become regulated by or under the authority of any applicable local, state or federal laws, judgments, ordinances, orders, rules, regulations, codes or other governmental restrictions, guidelines or requirements, or any amendments or successor(s) thereto.

8.2. Hold Harmless Lessee and City shall indemnify, defend and hold harmless the other party and its officers, officials, employees and agents with respect to all losses arising out of or resulting from the release of any Hazardous Material in or about the Golf Course, or the violation of any law enacted for the protection of the environment or regulating Hazardous Material, by that party or that party's agents, Lessees, employees or invitees. Lessee shall be responsible for the proper containment and disposal of Hazardous Material released or used in connection with the cleaning, maintenance or repair of tools or equipment used by Lessee in the operation and maintenance of the Premises. This indemnification includes all losses, liabilities, obligations, penalties, fines, claims, actions (including remedial or enforcement actions of any kind and administrative or judicial proceedings, orders, or judgments), damages (including consequential and punitive damages), and costs (including attorney, consultant, and expert fees and expenses) resulting from the release or violation. This indemnification shall survive the expiration or termination of this Agreement.

8.3. Allowable Materials Subject to the provisions of Exhibit C to this Lease, Lessee shall not use or bring onto the Golf Course any Hazardous Material other than Hazardous Materials commonly used for the operation of the Golf Course, including but not limited to vehicles and equipment or household hazardous materials commonly used in connection with cleaning. Lessee shall use, store and dispose of all such Hazardous Material in strict compliance with all applicable statutes, ordinances and regulations in effect during the term of this Agreement.

9. PARKING AND CART STORAGE.

9.1. Lessee shall have the non-exclusive right to use the existing Golf Course parking lots for guest and employee parking.

9.2 City, through a lease with the Men's Golf Club, shall continue to provide, at no cost to Lessee, an area sufficient to house up to 40 of the Lessee's carts within the existing cart barn located on the Golf Course. Per the provisions of the lease with the Men's Golf Club, additional space may be negotiated if needed.

10. FURNISHINGS AND EQUIPMENT.

Lessee shall furnish the Clubhouse at no cost to the City, all such furnishings shall remain the property of Lessee and shall be removed by the Lessee upon termination of this Agreement, subject to City's option to purchase as provided in Section 3.3.c.

11. TAXES.

11.1. Definition. As used in this Agreement, the term "Taxes" shall include any form of tax or assessment, license fee, license tax, tax or excise on rent, or any other levy, charge, expense or imposition (individually and collectively "impositions") imposed by any Federal, State, County or City, on any interest of Lessee in the Golf Course or clubhouse, its improvements, fixtures, inventory, or any other aspect of its business.

11.2. Payment of Taxes by Lessee. Lessee shall pay all taxes when due and payable.

11.3. Possessory Interest Tax. Lessee acknowledges that they have been informed that under Section 107 of the Revenue and Taxation Code of the State of California, the Mendocino County Assessor is required to place a value on all possessory interests. Possessory interest is defined as the right of a private taxable person or entity to use property owned by a tax-exempt agency for private purposes. A possessory interest tax will, therefore, be levied by the County Assessor on this property against the Lessee as of the lien date, which is March 1 of each year. Lessee shall make payment directly to the Mendocino County Tax Collector as directed on the tax bill. Lessee has the right to challenge the Assessor's value through the Assessor's appeal process. Lessee's failure to pay said tax will be considered a breach to be cured per Section 21.

12. INSURANCE.

Lessee shall at all times during the term hereof, produce and continue in force Comprehensive General or Commercial Liability Insurance, Automobile Insurance, Fire insurance on Lessee's inventory, equipment and fixtures, Workers' Compensation and Employer's Liability Insurance, and maintain property loss insurance, including loss resulting from fire, or other perils, insuring the Golf Course, the Clubhouse and the other improvements on the Golf Course for replacement cost, all in accordance with Exhibit "I" of this agreement; provided that the CGL or Commercial Liability or Automobile Liability insurance includes and does not exclude owned and non-owned golf carts. The City shall be named as a loss payee under said insurance. City may require increases in all of Lessee's insurance policy limits for all insurance to be carried by Lessee as set forth in this Section, if such increases are commercially reasonable. Neither party shall be required to carry earthquake insurance.

13. WAIVER OF SUBROGATION.

Lessee and City hereby waive and release any and all right of recovery against the other, including employees and agents, arising during the Term for any and all loss or damage to any property located within or constituting a part of the building in which the Clubhouse is located, including loss of rental income, which loss or damage arises from the perils covered by Fire and Extended Coverage Policy to the extent such loss or

damage is not within a deductible and is actually paid under the policy. This mutual waiver is in addition to any other waiver or release contained in this Agreement. Lessee shall each have its insurance policies issued in such form as to waive any right of subrogation which might otherwise exist.

14. INDEMNITY.

Lessee shall indemnify, defend, and hold harmless City and its officers, officials, employees, agents and volunteers from and against any and all liability, loss, damage, expense, costs (including without limitation costs and fees of litigation) of every nature occurring at the Premises, or arising out of or in any way connected with Lessee's operations under this Agreement, except such loss or damage which was caused by the sole negligence or willful misconduct of City. Lessee shall promptly notify City of any death, injury or property damage occurring on or about the Golf Course or Clubhouse. This indemnification includes all of the City's losses, liabilities, obligations, penalties, fines, claims, actions (including remedial or enforcement actions of any kind and administrative or judicial proceedings, orders, or judgments), damages (including consequential and punitive damages), and costs (including attorney, consultant, investigator and expert fees and expenses). This indemnification shall survive the expiration or termination of this Agreement.

15. UTILITIES.

Lessee shall bear full costs of all utilities.

- 1 If available and provided by or through the City, the golf course property is approved to qualify for the commercial and/or municipal rate for water, garbage, electric and/or sewer service(s)..
- 2 Cost of water and electric services for irrigation purposes shall be deducted from Gross Revenue as provided in Section 4.4.

16. RIGHT OF ENTRY.

The lease granted to Lessee does not restrict the City and its authorized officers, employees or contractors from entering the Premises at any time for any legitimate municipal purpose, including, but not limited, to inspection, repair, maintenance or emergency response. City shall exercise due care when entering the Premises to avoid harm to or loss of trade fixtures, inventory, equipment or other personal property owned by Lessee which is located within the clubhouse.

17. ALTERATIONS.

17.1. Prior Consent. Lessee shall not, without City's prior written consent, make any structural alterations, improvements, or additions of a structural nature, major alterations of the configuration of the golf course, or exterior design modifications in, or

install any exterior lights, signs, decoration or painting, or build any fences, or install any radio or television antennae, loud speakers, sound amplifiers or similar devices on the roof or exterior of the Premises, or make any changes to the exterior of the clubhouse or any of the surrounding areas (hereinafter "Alterations") without City's prior written consent.

17.2. Proposal for Alterations. Any Alterations shall be presented to City in written form for conceptual approval. If conceptually approved, Lessee shall submit proposed detailed plans. City shall respond to any such submission promptly within thirty (30) working days after receipt. If City fails to respond within such thirty-day period, Lessee may give City ten (10) days written notice of its intention to proceed with the proposed Alteration. If City fails to respond within such ten-day period, City shall be deemed to have given its consent to the proposed Alteration. If City shall give its consent, the consent shall be deemed conditioned upon Lessee acquiring all permits to do the work from appropriate governmental agencies, the furnishing of a copy thereof to City prior to the commencement of the work and the compliance by Lessee with all conditions of said permit in a prompt and expeditious manner.

17.3. Quality of Work All work with respect to alterations must be performed either by employees and/or volunteers with training and experience qualifying them to perform the work or licensed contractors with the appropriate general or specialty contractor's licenses from the Contractor's State Licensing Board and shall be performed in a workman like manner and diligently prosecuted to completion to the end that the improvements on the Golf Course or Clubhouse shall at all times be a completed unit except during the period of work. Any such Alterations shall be performed and done strictly in accordance with the laws and ordinances relating thereto. Lessee shall have the work performed in such a manner so as not to unreasonably obstruct the access of any other Lessee in the Building.

18. MECHANICS LIENS.

18.1. Responsibility for Payment Lessee hereby agrees that it will pay or cause to be paid all costs for work done by it or caused to be done by it on the Clubhouse, and it will keep the Clubhouse free and clear of all mechanics' liens on account of work done by Lessee or persons claiming under it.

18.2. Security If Lessee shall desire to contest any claim of lien it shall furnish City adequate security pursuant to Section 3143 and such other applicable provisions of the California Civil Code, plus estimated costs and interest, or a bond of a responsible corporate surety in such amount as is necessary to release the lien, or provide City with evidence that enforcement of the lien is stayed. If a final judgment establishing the validity or existence of a lien for any amount is entered, Lessee shall pay and satisfy the same at once.

18.3. In Case of Default. If Lessee shall be in default in paying any charge for which a mechanics' lien claim and suit to foreclose the lien have been filed, and shall

not have given City security to protect the Golf Course or Clubhouse and City against such claims of Lien, then City may, but shall not be obligated to, pay the said claim and any costs, and the amount so paid, together with reasonable attorneys' fees incurred in connection therewith, shall be immediately due and owing from Lessee to City, and Lessee agrees to and shall pay the same with interest at the legal rate.

18.4. Notice of Lien. Should any claims of lien be filed against the Golf Course or Clubhouse or any action affecting the title to such property be commenced, the party receiving notice of such lien or action shall forthwith give the other party written notice thereof.

19. DAMAGE AND DESTRUCTION.

If the buildings or other improvements on the Premises should be partially damaged or totally destroyed by fire or other casualty, Lessee shall, from the Capital Improvement Fund as established in Exhibit H or, if to the extent that that fund is insufficient or the use of the fund is not approved in accordance with Exhibit H, at Lessee's sole expense, immediately commence repair, reconstruction or replacement of the building or improvement, and shall diligently and expeditiously restore the building or improvement in a good and workmanlike manner to a condition as good or better than the condition of the building or improvement prior to its damage or destruction. If the damage or destruction is within the scope of coverage under the insurance Lessee is required to maintain under Section 12, the Lessee shall use the proceeds from such policy or policies in the restoration of the damaged building or improvement. If the cost of restoration exceeds the proceeds from such policy or policies, the Lessee shall make up the difference.

Notwithstanding anything contained in this Section to the contrary, if any such damage or destruction is caused by a casualty which is not covered by the insurance or exceeds the policy limits required under Section 12. Lessee may, upon ninety (90) days written notice to City, either (i) terminate this Lease, or (ii) elect to make the repairs or reconstruction. If Lessee gives notice of termination, the City may avoid such termination by giving written notice to Lessee within sixty (60) days of its receipt of the Lessee's termination notice that City elects to fund the costs of restoration; provided that if such damage or destruction materially affects Lessee's operations on the Premises, the City commences such restoration work within a reasonable time, not to exceed ninety (90) days, and the City diligently proceeds to complete the work. If the overall time to complete the improvements is projected to exceed six (6) months from the occurrence of the damages, Lessee shall have the right to terminate this Lease.

20. LESSEE DEFAULTS.

The occurrence of any one or more of the following events shall constitute a material default and breach of this Agreement by Lessee:

20.1. Material default and breach:

a. Any failure by Lessee to make any payment to City required hereunder as and when due, including all payments due under paragraphs 4.1, 4.2 and 4.3, including late fees and interest, where such failure continues for ten (10) days after written notice from City to Lessee that the such payment is past due.

b. The failure of Lessee to operate and maintain the Premises, or any part thereof, including the Clubhouse, for any period of 24 consecutive business hours shall be deemed an abandonment and vacation except when prevented by fire, earthquake, war, strike or other calamity beyond its control.

c. A failure by Lessee to observe and perform any other provisions of this Agreement to be observed or performed by Lessee, where such failure continues for thirty (30) days after written notice thereof by City to Lessee; provided, however, that if the nature of such default is such that the same cannot reasonably be cured within such thirty (30) day period, Lessee shall not be deemed to be in default if Lessee shall within such period commence such cure and thereafter diligently prosecute the same to completion.

d. Lessee having committed repeated material defaults for an unreasonable period of time. Lessee shall be deemed to have committed repeated material defaults for an unreasonable number of times, if Lessee fails to perform the same provision more than three times over the course of this agreement or the Lessee commits more than three material breaches of this Agreement over a period of twelve consecutive months and each time City gives Lessee notice of such violation, even if Lessee subsequently cures the violation.

e. The making by Lessee of any general assignment for the benefit of creditors; the filing by or against Lessee of a petition to have Lessee adjudged a bankrupt or of a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Lessee, the same is dismissed within sixty (60) days); the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises, or of Lessee's interest in this Agreement, where possession is not restored to Lessee within thirty (30) days; or the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the Golf Course or Clubhouse or of Lessee's interest in this Agreement, where such seizure is not discharged within thirty (30) days. Without limiting the foregoing, the parties agree and will not contest in any proceeding, including a proceeding in the United States Bankruptcy Court, that this Agreement is an executory contract or lease under 11 U.S.C. § 365, which Lessee would be required to either assume or reject within 60 days of filing the bankruptcy petition, and under which the Lessee must not be in default and with respect to which the Lessee would be required to provide adequate assurances that it would fully perform in the future. The parties further agree that Lessee's failure to make all deposits and payments due under this Agreement after a bankruptcy petition is filed shall constitute "cause," as that term is

defined under Section 362(d)(1) of the Bankruptcy Code, and shall require the bankruptcy court, following a hearing on an order shortening time, to lift the automatic stay to permit recovery by City of the Premises. Customer agrees that all post-petition deposits and payments due hereunder are administrative obligations and that they shall be so treated in any plan to be submitted by a debtor-in-possession.

20.2. Right to Terminate Lease. In the event of any such material default by Lessee, then in addition to any other remedies available to City at law or in equity, City shall have the immediate option to terminate this Agreement and all rights of Lessee hereunder by giving written notice of such intention to terminate.

21. CITY DEFAULTS; LESSEE TERMINATION RIGHTS

If City should be in default in the performance of any of its obligations under this Agreement, which default continues for a period of more than thirty (30) days after receipt of written notice from Lessee specifying such default, or if such default is of a nature to require more than thirty (30) days to remedy and continues beyond the time reasonably necessary to cure (provided City must have undertaken procedures to cure the default within such thirty (30) day period and diligently pursue such efforts to cure to completion), , Lessee may, in addition to availing itself of any other remedies available at law and in equity, at its option, upon written notice, terminate this Agreement.

22. SURRENDER OF PREMISES.

Upon expiration or termination of this Agreement, Lessee shall quit and surrender the Premises with all the improvements thereon in as good state and condition as the same were when Lessee commenced the use thereof pursuant to this Agreement, reasonable wear and tear excepted. Upon expiration or termination of this Agreement, Lessee agrees, unless otherwise permitted in writing by City, to remove all personal property belonging to Lessee. Lessee shall, at its own expense, repair all damage to the Golf Course or Clubhouse including, but not limited to, any damages caused by the removal of its personal property. All improvements shall remain the property of the City and shall not be removed by Lessee. All personal property belonging to the City or purchased with City funds shall remain the property of the City and shall not be removed by Lessee.

23. SUBORDINATION.

Lessee shall, upon City's request, subordinate this Agreement in the future to any first lien placed by City upon the Golf Course or Clubhouse or building of which the Clubhouse forms a part or agree to an assignment of the City's rights to payment under this Lease (and pursuant to which City retains its rights to receive payments under this Agreement, unless it is in default under the loan agreements) with an insurance company, bank or any other institutional lender, provided that such lender executes a non-disturbance agreement providing that if Lessee is not then in default under this Agreement, this Agreement shall not terminate as a result of the foreclosure of such

lien, or conveyance in lieu thereof, Lessee's rights under this Agreement shall continue in full force and effect and its possession be undisturbed except in accordance with the provisions of this Agreement. Lessee shall reasonably cooperate with and provide any documents, materials and information which may be required by any lender for such loan including any financial records which are otherwise required to be delivered by Lessee to Lessor under the terms of this Agreement.

24. ASSIGNMENT.

Lessee acknowledges that City has entered into this Lease Agreement based upon the unique qualifications of Lessee. Accordingly, Lessee shall not assign this Agreement, enter into a franchise, license or concession agreement with respect thereto transfer this Agreement or any interest, right or obligation therein, or make or suffer any change in the majority ownership or control of Lessee without first procuring the written consent of City, which consent the City may grant or deny in its sole and unlimited discretion.

Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties and their successors and assigns.

25. NOTICES.

Whenever notice, payment or other communication is required or permitted under this Agreement, it shall be deemed to have been given when personally delivered, fax or deposited in the United States mail with proper first class postage affixed thereto and addressed as follows:

LESSEE

Tayman Park Golf Group, Inc.
Attn: James Stewart
488 Norman Ranch Lane
Santa Rosa, CA 95403
Fax: (707)284-3522

CITY

City of Ukiah
c/o City Manager
Ukiah Civic Center
300 Seminary Ave.
Ukiah, CA. 95482
Fax: 707-463-6204

Either party may change the address to which notices must be sent by providing notice of that change as provided in this paragraph.

26. LAWS OF CALIFORNIA.

The laws of the State of California shall govern the validity, performance and enforcement of this Agreement. Should either party institute legal suit or action for enforcement of any obligation contained herein, it is agreed that the venue of such suit or action shall be in Ukiah, Mendocino County.

27. INTEGRATION OF REPRESENTATIVES.

It is understood that there are no oral agreements or representations between City and Lessee which affect this agreement. This agreement supersedes and cancels any and all previous agreements, negotiations, arrangements, advertisements, or representations and understandings between the City and Lessee or displayed to Lessee by City with respect to the Golf Course or Clubhouse operation. There are no other representations or warranties between the parties.

28. MODIFICATIONS OF AGREEMENT.

No modification to the terms of this Agreement shall be enforceable, unless approved by Lessee and the City and set forth in a written addendum or amendment of this Agreement signed by authorized representatives of the parties. The City Manager may approve amendments to this Lease on behalf of the City that do not change the term or rent or the description of the leased premises or otherwise alter the purpose of the lease. All other amendments must be approved by the City Council.

29. TITLES.

The titles of Articles and sections herein are for convenience only and do not in any way define, limit or construe the contents thereof.

30. FORCE MAJEURE.

Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain labor or other materials or reasonable substitutes therefore, governmental restrictions, governmental regulations, governmental controls, enemy or hostile governmental action, civil commotion, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform any term, covenant or condition of this Agreement, shall excuse the performance by such party for a period equal to any such prevention, delay or stoppage except the obligations imposed with regard to rental and other charges to be paid by Lessee pursuant to this Agreement.

31. COMPLIANCE WITH GOVERNMENT REGULATIONS.

Lessee shall promptly comply with all Fire Code, Building Code and State Fire Marshal requirements and make necessary corrections in a timely manner. Lessee shall promptly comply with all laws, ordinances, orders, and regulations promulgated by any governmental agency and affecting the Golf Course or Clubhouse and their cleanliness, safety, occupation and use, including the maintenance of all permits and licenses required by law for the sale or consumption of alcoholic beverages in the areas under the Lessee's control or supervision (collectively, "Regulations"). This paragraph shall not be deemed as requiring Lessee to make any improvement or addition to the Clubhouse or the Golf Course, except to comply with any Regulation applicable to Lessee's operations under the Lease where such Regulation is either (i) invoked as a

result of a significant change or expansion of the Lessee's use of or operations on the Premises; or (ii) is implemented or changed after the date of this Lease. The responsibility for all other improvements or additions shall lie with the City. Lessee shall not perform any acts or carry on any practices that may damage the facilities and improvements located upon the Golf Course or Clubhouse or that may be a nuisance or menace to customers.

32. INSPECTIONS.

City or its duly authorized representatives, or agents and other persons for it, may enter upon the Golf Course and Clubhouse at any and all reasonable times during the term of this agreement for the purpose of determining whether or not Lessee is complying with the terms and conditions hereof or for any other purpose incidental to the rights of City.

33. INTEREST IN OTHER COURSES.

Lessee shall not have any financial or other interest in the control, operation or promotion of any other golf course, driving range or golf establishment within Mendocino County without first obtaining written permission from the City Manager or his/her designee. The City may not unreasonably deny such interest.

34. ORGANIZATIONS.

Lessee shall not become an officer or member of any Ukiah golf club or organization of golfers formed or to be formed at the Golf Course or in any organization in which participation would conflict with the orderly and efficient operation of the course, and particularly in the granting of starting time or playing privileges.

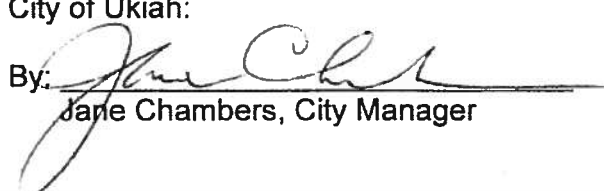
35. AUTHORITY.

Lessee shall have no authority to bind and shall not attempt to bind, City to any contracts or other obligations of any nature.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

City of Ukiah:

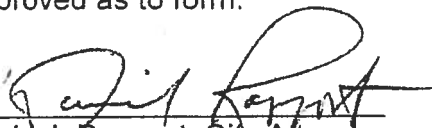
By:


Jane Chambers, City Manager

Attest:


Linda Brown, City Clerk

Approved as to form:


David J. Rapport, City Attorney

TAYMAN PARK GOLF GROUP, INC.,
Lessee

By: 

Its:  PRESIDENT

EXHIBITS:

EXHIBIT "A"	DEPICTION OF REAL PROPERTY
EXHIBIT "B-1"	INVENTORY OF FURNISHINGS, FIXTURES & EQUIPMENT SOLD TO LESSEE
EXHIBIT "B-2"	INVENTORY OF EQUIPMENT SOLD TO LESSEE AND SHARED WITH THE CITY
EXHIBIT "C"	INTREGRATED PEST MANAGEMENT PROGRAM
EXHIBIT "D"	TREE MANAGEMENT POLICY GUIDELINES
EXHIBIT "E"	CREEK MAINTENANCE POLICY AND PROCEDURES
EXHIBIT "F"	MAINTENANCE LEADWORKER JOB DESCRIPTION
EXHIBIT "G"	RENT AS PERCENTAGE OF GROSS REVENUE
EXHIBIT "H"	CAPITAL IMPROVEMENT PROJECT FUND
EXHIBIT "I"	INSURANCE REQUIREMENTS

EXHIBIT "A"
DEPICTION OF REAL PROPERTY

**EXHIBIT A: DEPICTION OF REAL PROPERTY
UKIAH MUNICIPAL GOLF COURSE**

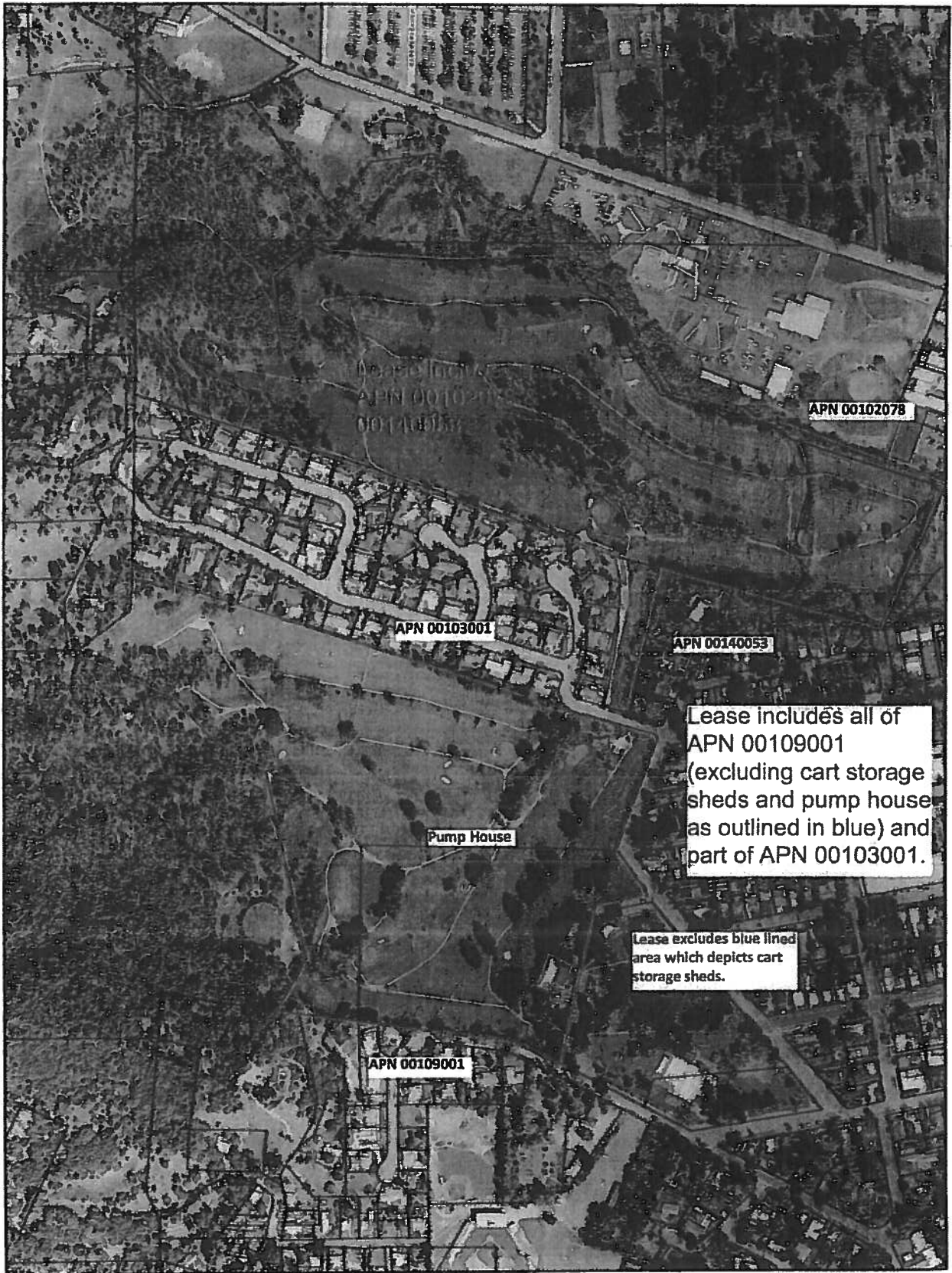


EXHIBIT "B-1"

**INVENTORY OF FURNISHINGS, FIXTURES & EQUIPMENT
SOLD TO LESSEE**

Exhibit B-1: Inventory of Personal Property To Be Sold To Tayman Park

Large Equipment

Equip #	Description
1210	Jacobsen Turf Tractor
3290	Nissan Truck with tanks
3570	Ford Ranger Truck
4955	Club Car Marshal Cart
4970	Club Car Carry All
4971	John Deere Gator 4x2
4980	Club Car Carry All
5200	Toro GM 1000 Walking Greens Mower
5400	Toro 6500 D Fairway Mower
5401	Toro 4000 D Rough Mower
5412	Toro 6500 D Fairway Mower
5433	Toro 3100 Tee Mower
5442	Toro 3050 Greens Mower (Parts only)
5443	Toro 3100 Greens Mower
5450	Kubota F 2400 Mower/Blower
5460	National Mower
5810	Lilly Spreader
5871	Toro Top Dresser 2500

Misc. Small and Supplies Equipment

Equip #	Description
5530	Stihl FS 100x4 Mix Weedeater
5531	Stihl FS 86 Weedeater
5533	Stihl FS 110 - 4 Mix Weedeater
5665	Stihl Br 550 Blower
5666	Stihl Br 600 Blower
5669	Stihl Br 420 c Blower
5690	Stihl Br 400 Blower
7261	Honda WB 20x Trash Pump
7410	Dayton Generator
7465	Stihl Pole Saw
7522	Echo CS-3400 Chain saw
7551	Stihl 029 Chainsaw
	Craftsman Bench Grinder
	2 Back Lapping machines
	2 Dewalt cordless drills
	2 Dewalt cordless saws alls
	Bosch drill with bits
	Makita grinder
	2 Accu gauges
	Craftsman tool boxes
	Tools (wrenches, sockets, screw drivers)

Work bench with vice
Bearing tools with puller
Parts washer
2 spot lights, 2 mag lights
Shop vac
Air compressor
Bed knife grinder
Reel grinder (not working)
Air tools
Grease gun/drain pans
Floor jack with stands
Fuel locker with cans
2 steele drags
2 broom drags
2 large pipe wrenches
3 spreaders 1 drop
2 water jugs
trash cans
paint materials
irrigation wire
1 back pack sprayer
25 gal sprayer
Hand tools (rakes, brooms, etc)
5 gal propane heater
2 chains, 2 tow straps
3 cup cutters
8 ft ladder
trimmers
auger
drainage (pipe, fittings)
drain boxes
tree cages
fabric
erosion control
2 bridge planks
small T-posts
tee supplies
pigtails/rope
irrigation parts
fertilizer
pesticides
equipment parts
lube/filters
4 sets triplex heads 1 verticut
rack for heads

Todd Grove Room Equipment

Description

Overhead Projector

130 Lifetime chairs with 4 carts

12 - 60" round Lifetime tables with 2 carts

8 - 2'x6' Rectangular Lifetime table with 1 cart
--

Podium

Exhibit B-2: Inventory of Personal Property To Be Sold To Tayman Park and Shared with City

City Equipment

Equip #	Description
1420	John Deere 301 Loader
5424	Toro 4000 D Rough Mower
5732	Toro Pro Core 648 Aerator
5735	SR 72 Soil Reliever
6110	Trailer 8x4



INTEGRATED PEST MANAGEMENT POLICIES

FOR THE

CITY OF UKIAH

Revised May 7, 2003

CITY OF UKIAH

INTEGRATED PEST MANAGEMENT POLICY

Purpose

To provide procedural guidelines for the management of various pest species in areas maintained by the City of Ukiah Parks Department.

Definition

Integrated Pest Management (IPM) is a pest management strategy that focuses on long-term prevention or suppression of pest problems with minimum impact on human health, the environment and non-target organisms. These strategies require the selection, integration and implementation of various pest control techniques considering the various economic, ecological and sociological consequences.

Policy Goals

It is the policy goal of the City of Ukiah, that these policies and practices concerning pest management remain active and ever changing based upon pest industry standards, community input, application limitations and staff recommendations. The City of Ukiah's general goals regarding our IPM program should involve the following:

- a. Provide training on a regular basis regarding IPM practices and techniques for all departments engaged in pest application use.
- b. Reduce pesticide use when appropriate, given the limitations of organic or manual eradication procedures.
- c. Establish and maintain pesticide use reports and record keeping to enhance employee training, community awareness and public safety.
- d. Continue City department inventory to determine what pest practices are being used and how to best coordinate safety programs for our employees.

Procedures

The following procedures for maintenance and application of pesticides shall apply to all Departments within the City of Ukiah .

- a. All departments that are involved with the IPM plan should establish a record-keeping system.
- b. The city will be responsible for providing training to appropriate personnel on how to recognize pests and how to cope with pest infestations.
- c. No pest application procedures can take place unless, the city employee applying the pest measures receives prior authorization from his or her Supervisor coordinating the pest eradication program in their division or department. Any

use of chemical controls must be justified and approved in accordance with these policies and practices.

- d. When applying herbicides in a park the subject area perimeter shall also be posted 24 hours in advance and postings shall remain for 24 hours after the spray application has been completed. The use and safety requirements associated with any chemical pesticide shall be in compliance with all state and federal regulations.
- e. Pesticides shall only be applied by certified applicators who have been trained in the application process, in accordance with the manufactures MSDS. Supervisors shall be responsible for providing safety training on the application of all pesticides used by the City of Ukiah.
- f. Records of all chemical applications shall be kept by each department for a period of two years and in conformance with MSDS requirements. All records shall be made available to the public and employees on a regular basis when requested.
- g. Mechanical means of weed abatement including use of discs, weed mowers, string trimmers, hoes, and hand pulling shall be used where appropriate

Cultural and Biological Activities

The City of Ukiah shall seek every opportunity to control weeds and minimize use of chemical herbicides through the following cultural and biological alternative methods:

- a. Providing conditions conducive to healthy plant growth.
- b. Modification of the environment to disrupt the pest cycle such as in alteration of irrigation times, frequency, amount and adjustments to mowing heights of turf.
- c. Provide conditions that allow for increase in populations of beneficial organisms.
- d. Use of "biological" or non-chemical pesticides.
- e. Selection of plant materials suited to the site.
- f. Selection of resistant plant materials.
- g. Systematic removal of problem plants and replacement with appropriate plant species.

Planning and Design Activities

During the process of acquiring open space, or other areas for city facilities, staff will work diligently on landscape planning and design in order to limit pest habitats. Planning and design may involve: Suitable landscaping to prevent certain pests, rodents or weeds from becoming part of the environment. Design decisions and recommendations on land use shall focus on strategies that minimize pest infestations. City staff will work on plant selections and landscape configurations that provide for natural resistance to pests. In example, enhancing the use of mulching, mowing, screening and hand weeding can prevent many landscape pests.

Chemical Applications

Chemical weed abatement shall be conducted under the following criteria.

- a. Use of natural or organic pesticide alternatives (typically those which are derived from plants which have pesticidal properties).
- b. Use of "least-toxic" pesticides.
- c. Selection and use of traditional pesticides that provide acceptable control with consideration given to human health and environmental effects.

Specific Areas of Use

The city has a limited base stock use of pesticides given the type of pests that have been identified by staff. Currently, three departments are involved with the use of pesticides or water base component products. The departments include the following:

Utilities:

- a. Water Plant
- b. Waste Water Plant
- c. Electric substations

Public Works:

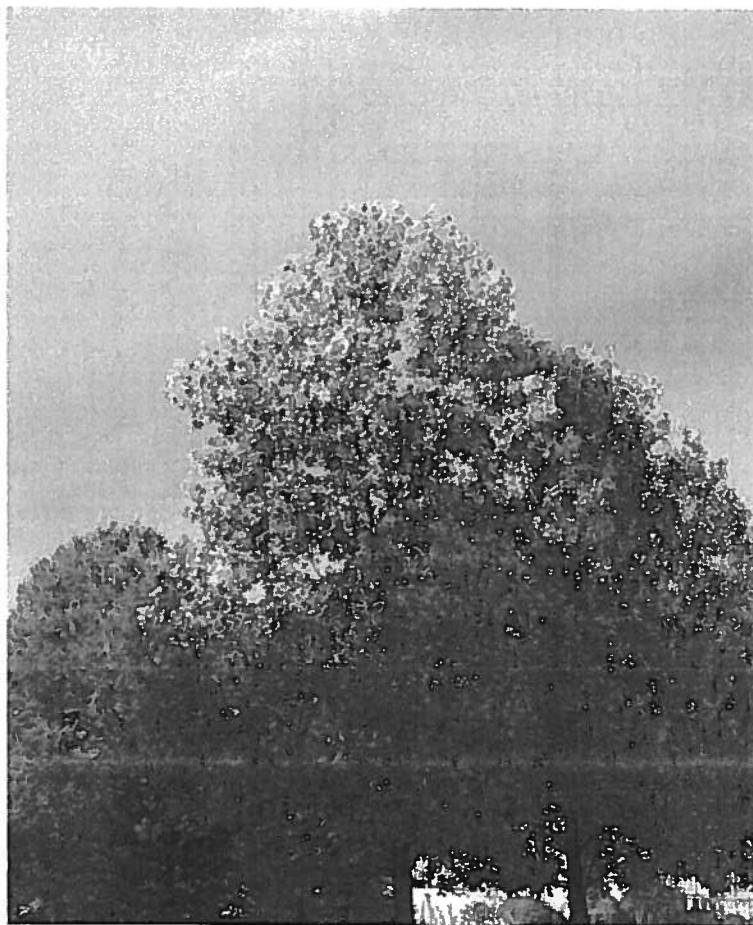
- a. Airport (mostly controlled by mowing)
- b. Right-of-Way Locations
- c. Parking Lots
- d. Corporation Yard

Parks & Community Services:

Todd Grove Park	McGarvey
Observatory	Vinewood
Carpenter	Alex Thomas Plaza
Orchard	Anton Stadium
Oak Manor	Civic Center
Giorno	Seminary Avenue Median
Golf Course	

CITY OF UKIAH
TREE MANAGEMENT GUIDELINES

TREE MANAGEMENT POLICIES FOR THE
PROTECTION, OPERATION AND MAINTENANCE OF CITY PROPERTY



Adopted December 1, 2010

TREE MANAGEMENT GUIDELINES AND POLICIES FOR THE OPERATION AND MAINTENANCE OF CITY PROPERTY

1.0 PURPOSE STATEMENT

The purpose of this document is to provide policy guidelines for the preservation, maintenance and enhancement of the urban forest in parks and other areas maintained by the staff and contractors of the City of Ukiah. These guidelines are based on policy from the *City of Ukiah General Plan Growth Management Program* adopted by the City Council December 6, 1995 and amended June 16, 2004 and the *City of Ukiah Community Forest Management Plan*, adopted by the City Council on November 3, 1993.

" Trees are a precious legacy which improve our quality of life and enhance our community image and pride. Trees enrich air and water quality, provide wildlife habitat, increase aesthetic value, reduce soil erosion, and help us to maintain a sense of rural community."

Community Forest Management Plan Vision Statement

2.0 DEPARTMENTS AFFECTED

- 2.1 Community Services Department
- 2.2 Public Works Department
- 2.3 Electric Utility Department
- 2.4 Planning and Community Development Department

3.0 RESPONSIBILITY

The department directors shall be responsible for the implementation of these policies and guidelines and all staff shall be trained and shall abide by these guidelines and policies as outlined in this document. City Council shall approve any significant amendments or changes to the *Tree Management Guidelines and Policies* proposed by staff and community partners before they are adopted.

- 3.1** The Directors of the departments are responsible for the preservation, care and maintenance of trees as follows:

- 3.1.1 Community Services Department is responsible for all trees in public parks.
- 3.1.2 Public Works Department is responsible for all trees in the public right of way and creeks.
- 3.1.3 Electric Utility Department is responsible for trimming of trees to maintain clearance from primary electric lines and facilities
- 3.1.4 Planning and Community Development Department is responsible for oversight of all landscaping plans filed by the applicant.

- 3.2 Partnerships:** Volunteers and/or community groups shall be important partners to achieve objectives for urban forestry.

TREE MANAGEMENT GUIDELINES AND POLICIES FOR THE OPERATION AND MAINTENANCE OF CITY PROPERTY

4.0 TRAINING

City staff shall receive training on all procedures listed in this document, including on-site classes and/or training provided by Mendocino College and assorted qualified arboricultural professionals on a regular schedule to ensure that proper methods are utilized.

All City of Ukiah staff performing tree care duties within the City's urban forest shall attend a minimum of two training workshops annually.

A workshop for dormant care of trees will be held in the Fall/Winter months. A second workshop will occur in the Spring/Summer to train for the growing season. Workshops will include, but not limited to: proper seasonal maintenance; best practices for soil conditioning; proper pruning techniques; and plant identification. Workshops will generally be held in the field and last about two hours and will be run by a qualified arboricultural professional with expertise in best practices for urban forest care.

5.0 POLICY GOALS

The Tree Management Guidelines focus on long-term protection of the City's trees and have been developed for the preservation, planting, care, removal or disposition of trees, replacement planting in parks, along streets and in other public areas.

The City of Ukiah intends that these guidelines and policies shall remain in effect, however, they will be subject to change based upon arboricultural standards, community input and staff recommendations. Suggestions for changes to the Guidelines must be submitted in writing to a department director. They will then be discussed with community partners and staff and then submitted to the City Council for approval.

6.0 GUIDELINES FOR TREE CARE AND MAINTENANCE

Staff and contracted professionals shall utilize International Society of Arboriculture's Best Management Practices (ISA BMP) and/or American National Standards Institute (ANSI). A Glossary of terms is included in Section 9.0.

Specific criteria as detailed in the ISA BMP shall be established and applied to for the removal and/or pruning of trees located in or on City property. The same criteria shall be used to evaluate the overall public benefit of the proposed work. In all cases, safety concerns shall receive priority. In addition, priority will be given to limiting removal, increasing forest canopy, and preserving appropriate vegetation on park property.

6.1 Tree Preservation: The health and physical state of trees shall be maintained and protected whenever possible. Instances not specifically covered elsewhere in this policy include:

TREE MANAGEMENT GUIDELINES AND POLICIES FOR THE OPERATION AND MAINTENANCE OF CITY PROPERTY

- 6.1.1 **Conservation of Landmark Trees:** These are individual trees that are considered unique because of size, species, historical significance and shall be given extra protections and consideration for retention. Refer to the Glossary of Terms.
 - 6.1.2 **Existing Trees:** Staff shall change use patterns in root zones whenever practical. For example: Vehicles parked or materials stored in the root zone shall be subject to an education and/or enforcement campaign to reverse the damage to the tree roots; pathways causing excessive compaction around tree roots shall be relocated if other options are deemed insufficient. Fencing, boulders, logs and landscaping are reasonable deterrents to reduce further damage and shall be used whenever practical. Refer to ISA BMP *Integrated Vegetation Management*.
 - 6.1.3 Special consideration shall be given for unique situations. Every effort shall be made to protect trees growing near underground streams.
 - 6.1.4 Storm water flooding and sedimentation of drainage areas shall be properly considered before tree removal.
 - 6.1.5 The relationship of vegetation to slope stability will be a primary consideration in all proposed vegetation management on slopes.
 - 6.1.6 **Diseased or Infested Plants That Pose Risk to Trees:** Action shall be taken to effectively decrease risk to other trees from pests and diseases. This may include removal and destruction of affected materials, pesticide treatments and/or alternative cultural practices. Other qualified experts shall be consulted as needed. Refer to ISA BMP *Integrated Pest Management*; *City of Ukiah Integrated Pest Management Plan*.
 - 6.1.7 **Damage, Vandalism and Illegal Cutting:** Action shall be taken whenever possible to investigate and prosecute vandalism and illegal cutting of city-owned trees. Compensation for damages shall be sought based on the appraised value in accordance with The Guide for Plant Appraisal as authored by the Council of Tree and Landscape Appraisers.
- 6.2 Planting:** Planning before planting can ensure that the right tree is planted in the right location. Proper tree selection and placement prevents tree damage and costly maintenance like trimming. Consideration of water requirements and climate and surrounding infrastructure such as sidewalks, sewer lines and overhead/underground power lines shall improve the chances for optimum growth potential. Refer to the *City of Ukiah's Master Tree List*; *City of Ukiah Tree Planting and Maintenance Recommendations*; ISA BMP *Tree Planting*; and ISA BMP *Tree Support Systems*.

TREE MANAGEMENT GUIDELINES AND POLICIES FOR THE OPERATION AND MAINTENANCE OF CITY PROPERTY

6.3 Root Environment and Tree Root Zones: Refer to the Glossary of Terms. Whenever feasible, a pro-active program of cultural practices shall be implemented to maintain the health and vitality of City trees. Refer to ISA BMP *Tree and Shrub Fertilization*.

6.3.1 Trees in parks, fields and all other areas both developed and undeveloped:

6.3.1.1 Soil Compaction: Every effort shall be made to avoid the compaction of soil in root zones and to encourage penetration of rainfall deep into the soil.

6.3.1.2 Mulch: Organic material such as mulch and leaves shall not be removed under the tree canopy.

6.3.1.3 Crews shall, when feasible and practical, establish and maintain the areas under tree canopies free of turf and invasive plant species. The use of native grasses and plants are encouraged, as are plants associated with the trees above them. Special consideration shall be given to oak trees and the use of drought tolerant plants near them.

6.3.1.4 Parking: Vehicles and equipment should be parked on paved areas, streets and parking lots.

6.3.1.5 Pavement: The use of pavement within park and garden areas shall be limited as much as possible, especially under tree canopies. Whenever pavement is necessary the use of permeable materials is preferred.

6.3.1.6 Leaf Blowers: The use of leaf blowers is discouraged. Leaf blowers should not be used to blow debris with native soil.

6.3.1.7 Pesticides: The use of pesticides is discouraged. Please refer to the City Integrated Pest Management policy.

6.3.1.8 Stakes: In the unusual situation when stakes are needed they should be driven in outside the root ball. ISA BMP Tree Support Systems shall be followed.

6.4 Construction around Trees: Protection devices shall be installed to protect the tree and root zones when near or within construction zones. The root system extends at least to the edge of the canopy or drip line of the tree with most of the fine feeder roots active in the top few inches of the soil. These roots need air to stay healthy in order to provide the tree with nutrients and water. This root zone shall be protected from compaction, changes in soil grade, digging, or other disturbances.

Protective fencing and warning signage will be required around the root zone. All tree protection devices shall be visible, well-anchored, and approved in the field by the Supervisor or designee prior to clearing, grading, or beginning of construction and shall remain in place and maintained until the project is completed. Refer to *ISA BMP Managing Trees During Construction* and *ANSI Construction Management and Standard*.

TREE MANAGEMENT GUIDELINES AND POLICIES FOR THE OPERATION AND MAINTENANCE OF CITY PROPERTY

- 6.5 Consultation with a Qualified Arboricultural Professional:** When planning and designing a public improvement project the City shall seek the appropriate qualified expert when the project involves or is near a tree or trees.
- 6.6 Pruning Standards:** The latest pruning standards established by the International Society of Arboriculture shall be used in the maintenance of trees and are detailed in the ISA Best Maintenance Practice booklets. Refer to ISA BMP *Tree Pruning*; ISA BMP *Utility Pruning of Trees*. Such maintenance will include:
- 6.6.1 General pruning for clearance to prevent injuries and to facilitate maintenance and vehicle clearance.
 - 6.6.2 Pruning dead, dying, and diseased sections to improve the health and appearance of the tree and to prevent accidents.
 - 6.6.3 Pruning for clearance around lighting and overhead lines.
 - 6.6.4 Pruning back for authorized passage on service roads, walkways and paths.
 - 6.6.5 Pruning requested by a private property owner. Such requests do not obligate the Department to prune trees, shrubs, and/or vegetation. It is the responsibility of the business owner to plan their signage so that visibility is not affected by growing trees.
 - 6.6.6 Pruning in park areas identified as places of illegal or inappropriate activity in order to improve general visibility and increased police surveillance.
- 6.7 Birds and Nesting:** Except in emergencies nesting birds or nests shall not be disturbed or harassed by pruning or removal activities. To avoid nesting season such activities shall occur between September 1st and March 31st. Fish and Game Code 3503: "It is unlawful to take, possess, or needlessly destroy the nest or eggs of any bird..." The Migratory Birds Treaty Act of 1918 also applies.
- 6.8 Unnecessary Wounding:** Because "topping" of trees can cause permanent damage by promoting decay, as well as unnatural, dense and weak branching structure, topping shall not be practiced or permitted except under special circumstances. Not only can a tree sustain wounds to the branches or top, it can also sustain wounds to the trunk. Therefore, these policies shall reinforce the protection of the trunk area from wounds associated with a lawn mower or other equipment.
- 6.9 Hazardous Tree Management:** Public health, safety and general welfare will be maintained through the use of generally accepted professional practices of evaluation and treatment to reduce risks to people and property from hazardous trees. Attention to proper selection, planting and maintenance of new trees shall also be pursued to achieve long-term risk reduction.
- 6.9.1 The City of Ukiah shall assess and manage the risk of tree failure within the limits of available fiscal and human resources. Priority shall be given to locations and situations with high probability of failure and high potential damage or injury that may result.

TREE MANAGEMENT GUIDELINES AND POLICIES FOR THE OPERATION AND MAINTENANCE OF CITY PROPERTY

6.9.2 Corrective action for high hazard rated trees shall be reasonable and prudent and may include:

- Moving any at-risk structures, equipment, fixtures or recreational sites;
- Correction of the defect by pruning, cabling and bracing, or tree removal;
- Closure of the area

7.0 Tree Removal: The City shall provide 72 hours of advance notice of the intended tree or trees that shall be removed by posting a sign at the work site when feasible. The sign shall contain the reason for the removal of the tree and the appropriate city department's telephone number that the public may contact for further information. Tree removal will include:

7.0.1 Trees that pose substantial risk or hazard to the public, adjacent properties or to public facilities.

7.0.2 Dead, dying or diseased trees.

7.0.3 Removal from properties being improved or developed under an approved design, however, prior consideration to retention shall be given whenever possible. Preference is to retain existing healthy trees when designing any development rather than attempting mitigation.

7.0.4 Trees that block trails, drains or otherwise obstruct the use and function of infrastructure elements.

7.0.5 Trees on sites that were over planted by design or are crowded from natural competition. As the landscape grows, the Supervisor with consultation with a qualified expert shall selectively remove trees on a site to maintain spacing for optimal tree growth and function.

7.0.6 Removal requested by a private property owner. However, such requests do not obligate the City of Ukiah to remove or allow removal of any trees, shrubs, and/or vegetation.

7.0.7 Consideration shall be given for providing trunk and limbs for service projects such as constructing benches and picnic tables. The use of wood chips for mulching material around trees and vegetation in the parks is encouraged.

TREE MANAGEMENT GUIDELINES AND POLICIES FOR THE OPERATION AND MAINTENANCE OF CITY PROPERTY

- 7.1 Tree Replacement:** At least one tree shall be planted for every tree that is removed from City property. Replacement tree species shall be selected so that overall mature canopy volume will be maintained or increased. It is preferable to plant the replacement tree in close proximity to the original tree's location. The replacement tree may be located elsewhere, if local conditions contributed to the previous tree's failure (See Section 6.2). New locations should be found on the same site or in the same neighborhood at a location of similar or greater value. Preference shall be given for planting native trees whenever feasible.
- 7.2 Replacement Plantings** The City shall undertake the task of replacement plantings to mitigate the effects of vegetation removal and to reestablish the landscape and increase overall mature forest canopy. The City shall determine the species of tree to be planted on City property and the planting location. Every effort shall be made to select a species compatible with the existing tree plantings on the street, (the neighborhood identity), the maturity of the trees, space available for growth, the presence of underground and overhead utility lines, utility poles, streetlights, driveway approaches and fire hydrants.
- 7.3 Phasing:** The City of Ukiah when appropriate shall consider a phased approach to vegetation management to reduce potential short-term negative aesthetic and/or wildlife habitat impacts (associated with such actions).
- 7.4 Wildlife and Habitat:** Trees and forested areas are recognized as important habitat for native wildlife and providing vital wildlife corridors. Trees, undeveloped landscapes and creeks will be managed to optimize them for wildlife habitat. Refer to the City of Ukiah Creeks Maintenance Policies and Procedures.

8.0 SUMMARY

These guidelines are set in place to enhance the urban forest within the City of Ukiah. As industry standards change in regard to tree care, this document shall remain flexible to incorporate needed changes.

TREE MANAGEMENT GUIDELINES AND POLICIES FOR THE OPERATION AND MAINTENANCE OF CITY PROPERTY

9.0 GLOSSARY OF TERMS

For additional definitions, refer to the International Society of Arboriculture Best Management Practices

- 9.1 **Developed landscape** is property that has been graded and/or planted, and contains plantings that are distinct from typical native forest. These active and/or passive recreational landscape areas are routinely maintained by park staff for public use. Developed landscapes shall include, but are not limited to: lawns, athletic fields, boulevards, golf courses including pitch and putt, lawn bowling greens, play areas, squares, places, triangles, and swimming beaches.
- 9.2 **Hazardous Tree** is a tree that can be predicted to fail and has a high probability of striking people or property causing injury or damage.
- 9.3 **Invasive exotic vegetation** consists of species of plants that are not native to our region and exhibit aggressive growth to the exclusion of native or planted landscapes and wildlife.
- 9.4 **Landmark Trees** are individual trees that have been designated as unique because of size, historical/commemorative association, and distinct form, as an outstanding specimen or are important for wildlife habit. Such trees will be given extra protection and consideration for retention.
- 9.5 **Topping** is the removal of the terminal shoot of a tree to a stub or lateral branch that is not sufficiently large enough to assume a terminal role or cannot be expected to achieve wound closure to inhibit decay.
- 9.6 **Tree Failure** is the breaking and falling of a tree or any substantial part of a tree. This does not include falling leaves or fruit.
- 9.7 **Tree Root Zone** is the area from the trunk to the drip line or the edge of the unpruned canopy around a mature, uninjured tree or the anticipated root zone of a young tree.
- 9.8 **Qualified Arboricultural Professional** is a tree care professional with a minimum of two years experience in the evaluation and care of trees in combination with a professional license or certification that measures minimum competency in relevant subjects, including protection of public health, safety and welfare. Acceptable titles include Certified Arborist, Registered Consulting Arborist, Registered Professional Forester, and Landscape Architect.
- 9.9 **Undeveloped Landscape** is property that contains native or volunteer (self-propagated) plants and is not intended for recreational use except along designated trails. Undeveloped landscapes are (usually) not as intensively maintained as developed landscapes.

TREE MANAGEMENT GUIDELINES AND POLICIES FOR THE OPERATION AND MAINTENANCE OF CITY PROPERTY

10.0 **ADDITIONAL RESOURCES**

Additional City and other tree-related documents that incorporate tree guidelines are available electronically through the Intranet. The Department Directors shall provide the *The International Society of Arboriculture Best Management Practice* booklets, American National Standards Institute related documents, and Mendocino County ReLeaf materials to their employees.

These documents are:

- Municipal Code Article 2, Chapter 5, Number 5420 Street Tree Policy, Purpose and Intent (Ordinance 869, adopted 1987)
- Community Forest Management Plan
- Tree Protection and Enhancement Policy
- Tree Planting and Maintenance Recommendations
- Master Tree List
- Tree Protection During Construction
- Integrated Pest Management Plan, Community Service Department
- Creek Maintenance Policies & Procedures
- Form Based Zoning Preservation Tree List (in progress)
- General Plan, Open Space and Conservation Element, adopted 12/6/1995; amended 6/16/2004
- Landscaping and Streetscape Design Guidelines
- Commercial Development Design Guidelines
- International Society of Arboriculture Best Management Practices (ISA BMP): *Managing Trees During Construction; Tree Pruning; Integrated Pest Management; Tree Support Systems; Utility Pruning of Trees; Tree and Shrub Fertilization; Tree Planting; Tree Inventories; Integrated Vegetation Management*
- American National Standards Institute (ANSI): *Construction Management Standards*
- Mendocino County ReLeaf Tree Care Guide
- Hillside Ordinance 9135



Creek Maintenance Policies and Procedures



**An upper stretch of Gibson Creek
Spring 2000**

**Prepared by the
Ukiah Paths, Open Space and Creeks Commission
May 2010**

Dedicated to Bill Randolph

This Document is fondly dedicated to Bill Randolph, the first Chairman of the City of Ukiah Paths, Open Space, and Creeks Commission, and a true champion of our local creeks. Bill not only worked politically to protect and enhance the creeks, but also as an educator of children in the community, and as a lead worker - clearing debris, planting trees, and at times, watering young tree saplings by hand during the hot summer months.

Bill was serious about the health and vitality of our creeks, but he also had fun with his work. During the springtime one year when the water was flowing hard in Gibson Creek, Bill donned a head lamp and rode an air mattress down the creek along the open reaches and through the box culverts. Bill knew the creeks inside and out.



A lower stretch of Orrs Creek near where Bill Randolph lived

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Preface

This document was prepared by the City of Ukiah Paths, Open Space and Creeks Commission (POSCC) at the direction of the City Council. It was prompted by citizen concerns regarding how the local creeks were being maintained for flood control purposes. The primary concern centered on the amount and type of vegetation that was being removed and that the health and ecology of the creeks were being damaged.

The POSCC worked closely with the City Department of Public Works, Department of Planning and Community Development, the Community Services Department, and the Friends of Gibson Creek. Information was gathered about how the work crews performed the vegetation removal, how they were supervised, what the City's needs were for flood control, and what other communities were doing to manage and maintain creeks. The POSCC members reviewed the City's General Plan, Creek Master Plans, State Department of Fish and Game rules and regulations, and other documents in an effort to understand the big picture in regard to local creeks. They also toured one of the creeks with a lead crew member from the Department of Public Works to hone in on how the crews operated and to learn more about the need to control flood waters.

The Friends of Gibson Creek participated in the review and editing of the document, provided technical information, and assisted with its final production.

This document establishes the policies and procedures for the City crews and other agencies and organizations to follow when performing creek maintenance activities, including vegetation management, culvert and bridge maintenance, and garbage and rubbish removal. It strikes a balance between the public health and safety need to control flood waters and the community goal of protecting and restoring the local creeks and their riparian corridors.



The Gibson Creek Fish Hatchery 1887-1930's

Ukiah Creeks



Orrs Creek: Orrs Creek is the largest creek running through the City of Ukiah to the Russian River. It has historically been an important waterway for the City. Once it was a healthy and complex tributary to the Russian River, supporting a wide variety of wildlife, as well as a strong anadromous salmonid population. As it passes through the City, Orrs Creek no longer supports the diversity of wildlife and native fish populations that it once did. However, the California Department of Fish and Game believes it may be possible to rehabilitate the Creek so that it can once again provide spawning grounds for salmon and other native fish populations. Recently, mature and hatchling Steelhead Trout have been observed in the creek.

Gibson Creek: Gibson Creek is a tributary to Doolin Creek, a tributary to the Russian River, a tributary to the Pacific Ocean. It drains a watershed of approximately 2.77 square miles. Elevations range from about 584 feet at the mouth of the creek to 2,772 feet in the headwater areas. Hardwood forest dominates the watershed. The watershed is primarily privately owned. Steelhead trout (*Oncorhynchus mykiss*) are a threatened salmonid species present in the Gibson Creek watershed. (From CDFG Gibson Creek Inventory Report, 2005)

Doolin Creek: Doolin Creek is a tributary to the Russian River, a tributary to the Pacific Ocean, located in Mendocino County. It is a third order stream and has approximately 4.26 miles of solid blue line stream according to the USGS Ukiah 7.5 minute quadrangle. Doolin Creek drains a watershed of approximately 2.63 square miles. Elevations range from about 587 feet at the mouth of the creek to 2,730 feet in the headwater areas. Hardwood dominates the watershed. The watershed is primarily privately owned. Steelhead trout (*Oncorhynchus mykiss*) are a threatened salmonid species present in the Doolin Creek watershed. (From CDFG Doolin Creek Inventory Report, 2006)

Mendocino Creek: Mendocino Creek is much smaller than Orrs, Gibson and Doolin Creeks, and is not a blue line stream according to the USGS Ukiah 7.5 minute quadrangle. It is approximately 3.5 miles in length and flows from the west to join Doolin Creek at Talmage Road. The two creeks coalesce and then join Gibson Creek at Babcock Lane and flow to the Russian River.



Fish in Gibson Creek

NOTE: A "Blue Line Stream" is a stream shown as a blue-line on a U.S.G.S. topographic map and its headwaters are thought to flow all-year around.

NOTE: All unbranched streams as first order streams. When two first order streams meet, the resulting channel is a second order stream. Where two second order streams meet a Third Order Stream results.

The Process

After a series of discussions with concerned members of the public and City Staff, the Paths, Open Space and Creeks Commission (POSCC) identified issues, conducted research, discussed solutions, and gave direction to Staff to prepare a preliminary draft set of policies and procedures based on their thoughts and conclusions. The preliminary draft was prepared and submitted to the Commission for review and editing prior to the distribution to interested members of the public, agencies and organizations for review, comments and suggestions.

The *Friends of Gibson Creek* submitted a comment letter with suggested revisions to the document and attended a series of meetings with the POSCC to discuss their suggestions. The POSCC agreed with many but not all of the suggestions, and directed Staff to make changes before presenting the document to the City Council for discussion and possible adoption.



The Ukiah General Plan

The Open Space and Conservation Element of the Ukiah General Plan calls for the protection and restoration of the local creeks both for environmental and flood control purposes. The Summary of Major Findings for creeks and streams begins with this statement:

"Creeks and streams provide spiritual, aesthetic, and material sustenance to human and other resident species and must be preserved, or where necessary, restored as corridors of riparian vegetation and habitat within both the urban and rural areas. Creekside greenbelts can be used to contain and define city neighborhoods and enhance air quality. The creeks provide drainage channels for groundwater recharge, domestic and agricultural water supply, flood mitigation, and fish and other aquatic life."

Guiding Principles

The Guiding Principles for this document include maintaining a healthy tree canopy and natural riparian zone along the creeks; insuring that the creeks flow cleanly and provide habitat for fish populations; and reducing the potential for flooding during storm events. Its aim is to preserve current healthy riparian areas while providing practical maintenance guidelines to manage flood waters.

Creek Maintenance Policies

The following creek maintenance policies are intended to address and fulfill the General Plan vision for the preservation of creeks and streams, and to guide City initiated creek maintenance activities.

This document is not intended to provide guidance and direction for creek restoration projects such as tree planting, bank stabilization, and retaining wall repair. Its intent is to guide creek maintenance activities so that creek and riparian vegetation are preserved and enhanced and flood waters can be controlled.

- Policy 1:** Creek maintenance activities shall not discharge pollutants or deposit new material into the creeks.
- Policy 2:** Creek maintenance activities shall not result in modifications to the natural flow of water or result in a reduction of the water carrying capacity of the creek.
- Policy 3:** Creek maintenance activities shall not result in increased flooding.
- Policy 4:** Creek maintenance activities shall not adversely affect the Riparian Corridor, including Riparian Vegetation, animal wildlife or degrade its visual appearance.
- Policy 5:** Creek maintenance activities shall not degrade the visual quality & natural appearance of the riparian corridor.

- Policy 6:** Creek maintenance activities shall not endanger public or private property.
- Policy 7:** Creek maintenance activities shall not directly or indirectly threaten the public's health or safety.
- Policy 8:** Creek maintenance activities shall not conflict with any Federal Emergency Management Agency (FEMA) regulations for floodway or floodplain management.
-
- Policy 9:** The Director of Public Works, Director of Planning and Community Development, and Public Works Staff Crew Supervisor shall meet annually with the Paths, Open Space, and Creeks Commission and any interested group, organization, or citizen to discuss issues and problems, and to sound-board solutions.
- Policy 10:** Residents within 100 feet of planned work in a creek or on a creek bank shall receive 72 hours advance notice of the work when feasible.

Vegetation Management Procedures

Active management along the riparian zones of Ukiah's creeks is required to ensure that storm water runoff is not obstructed and that flooding does not occur. However, vegetation removal must be performed with care so as not to damage the natural ecology of the creek. The following vegetation management procedures are established for City Public Works crews or contract providers performing vegetation management in the creeks:

1. Prior to the start of the rainy season, perform creek reconnaissance to identify obstructions to storm water flow, and document accordingly.
2. The City shall apply for and secure all required permits from the State Department of Fish and Game and any other permitting agency prior to commencing work.
3. City Public Works Staff Supervisor shall meet with City crew or contract provider to discuss the required creek maintenance policies and procedures. Ensure that crew supervisors understand the policies and procedures and how they apply to the specific job being undertaken.
4. The City shall provide direct supervision to all City crew and any contract providers to ensure that the creek maintenance policies are not violated. Copies of the Policies and Procedures shall be provided and explained to all workers.
5. Every effort shall be made to preserve all native riparian trees. No tree shall be removed unless it creates an obvious and significant obstruction to storm water runoff, is in imminent danger of falling and obstructing future storm

water flows, or significantly reduces the carrying capacity of the creek. The City Engineer shall have final authority to determine whether an obstruction is obvious and significant.

6. Before any tree is removed, the City Staff Supervisor shall consider the necessity of removal, and whether or not its removal will negatively impact the health of the creek.
7. The pruning of trees shall be limited to branches that create an obvious and significant obstruction to storm water runoff.
8. City Staff Supervisor shall perform routine monitoring of City crew staff or contract providers during the work days to ensure that the creek maintenance policies are not violated.
9. Vegetation removal shall emphasize non-native species such as periwinkle (*Vinca major*), Himalayan blackberry, pampas grass, English ivy, giant reed (*Arundo donax*) and other species. Removal techniques shall be performed by tarping, mowing, root removal, use of hand tools and small machinery and equipment. The use of herbicides shall not be permitted within 25-feet of the riparian corridor, unless it is determined to be the least damaging technique to remove exotic plants.

Culvert and Bridge Maintenance Procedures

Periodic inspections and maintenance of culverts and bridges are necessary to remove obstructions that cause the back-up of storm waters and localized flooding. Gravel has historically been removed from culverts at the direction of the State Bridge Inspectors to preclude damage to the metal culverts and ultimately the bridges. The following procedures are established for culvert and bridge maintenance:

1. Prior to the rainy season, perform creek reconnaissance to identify obstructions to storm water flow, and document accordingly.
2. The City shall apply for and secure all required permits from the State Department of Fish and Game and any other permitting agency prior to commencing work.
3. The City Staff Supervisor shall meet with City crew staff to discuss the City creek maintenance policies and culvert and bridge maintenance procedures. Ensure that crew supervisors understand the policies and procedures.
4. Remove all logs and debris that are blocking culverts, lodged against bridges, or causing a significant obstruction to the flow of storm water.
5. Gravel shall be removed from culverts and redistributed in the stream channel pursuant to the techniques and procedures established by the State Department of Fish and Game.

6. Routinely monitor all culverts and bridges during storm events and remove logs and debris that are obstructing the flow of storm water.



Orrs Creek at the Ford Street Bridge

Garbage and Rubbish Removal Procedures

Garbage and rubbish are discarded near and in the creeks and cause damage to the creek ecology. These discarded materials also accumulate and form obstructions to the flow of storm water. The City crews and dedicated community groups occasionally remove garbage and rubbish from the creeks when available to do so. The following procedures are established for the removal of garbage and rubbish from creeks:

1. City crews shall perform annual creek clean-ups to remove the identified obstructions before the start of the rainy season. The City shall encourage and support volunteer creek clean-up efforts.



Shopping Cart in Orrs Creek

2. Identifiable items such as shopping carts shall be reported to the City Code Compliance Coordinator who shall contact the owners and notify them of possible violations of the Ukiah City Code.
3. Support the efforts of community groups, schools, and others who organize volunteer creek clean-up activities.



**Gibson Creek clean-up
near the Ukiah Historic Train Depot in 2003**

Project Participants

Ukiah City Council

Benj Thomas, Mayor
Mari Rodin, Vice-Mayor
Phil Baldwin
Mary Anne Landis
Doug Crane
John McCowen (Former Member)

Ukiah Paths, Open Space and Creeks Commission

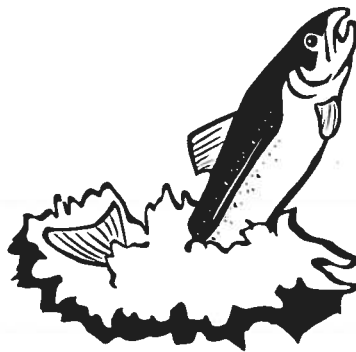
Bob Neale, Chairperson
Beth Lang, Vice-Chairperson
Suzanne Farris
Jamie Connerton
Hannah Bird
Howie Hawkes (Former Member)
Lindsey Leland (Former Member)
Dan Holbrook (Former Member)

Friends of Gibson Creek

Linda Sanders
Susan Knopf
Bruni Kobbi

City Staff

Charley Stump, Director of Planning and Community Development
Tim Eriksen, Director of Public Works/City Engineer
Sage Sangiacomo, Assistant City Manager/Director of Community Services
Jerry Whitaker, Public Works Supervisor



APPENDIX A

List of Important Ukiah Riparian Vegetation

Trees

Valley Oak (*Quercus lobata*) (40'-125')
Garry Oak (*Quercus garryana*) (35'-60')
Interior Live Oak (*Quercus wislizeni*) (25'-75')
Black Oak (*quercus kelloggi*) (30'-80')
Fremont Cottonwood (*Populus Fremont*) (40'-100')
Black Cottonwood (*Populus trichocarpa*) (40'-100')
California Black Walnut (*Jugiana*) (30'-70')
Oregon Ash (*Fraxinus latifolia*) (*F. oragona*) (30'-70')
California Bay (*Umbellularia californica*) (20'-75')
Redwood (*Sequoia sempervirens*) (100'-340')
White Alder (*Ainus rhombifolia*) (40'-100')
Box Elder (*Acer negundo* var. *californicum*) (20'-40')
Big Leaf Maple (*Acer macrophyllum*) (30'-100')
Willow species (*salix* spp.)
 S. laevigata (Red or Smooth Willow) (15'-40')
 S. lasiandra (Yellow or Black Willow) (the inland sp.) (15'-45')
 S. lasiolepis (Arroyo Willow or White Willow) (10'-30')
 S. hindsiana (Sandbar Willow) (5'-25')
 Other possible Willow species: *S. mackenziana* and *S. melanopsis*

Shrubs (understory for wildlife cover and corridor)

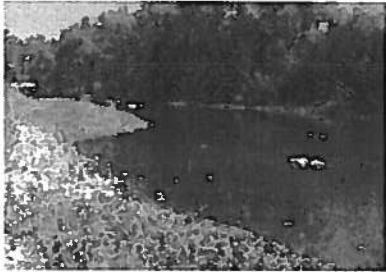
Coyote Bush of Chaparral broom (*baccharis pilularis* var. *consanguinea*)
Blue Elderberry (*Sambucus caerulea*)
California Wild Rose (*Rosa californica*)
California Hazelnut (*Corylus cornuta* var. *californica*)
Gooseberries & Currants (native *Ribes* spp.)
Snowberry (*Symphoricarpos rivularis* and *S. ainus*)

Vines (understory for wildlife cover and corridor)

California Wild Grape (*Vitis californica*)
Twinberry or Honeysuckle (*Loricera involucrate*)
Rubus spp.: Salmonberry (*R. spectabilis*), Thimbleberry (*R. parviflorus*)
California Native Blackberry (*Rubus unsinus*)

APPENDIX B

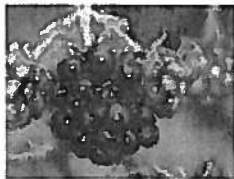
Photos of Common Invasive Plants in Ukiah



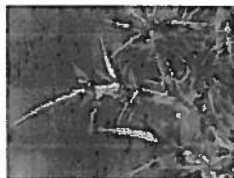
Ludwigia



Periwinkle (Vinca Major)



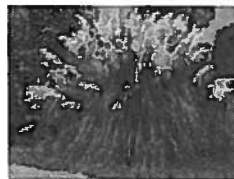
Himalayan Blackberry



Gorse



English Ivy



Pampas Grass

APPENDIX C

List of Creek Related Documents

1. The Riparian Vegetation of Ukiah: A Preliminary Discussion of the Ecology of the Ukiah Valley in View of Renaturalizing our Streams. Mark Albert, California Native Plant Society, April 1992.
2. Ukiah General Plan Open Space and Conservation Element, City of Ukiah, 1995
3. A History of the Salmonid Decline in the Russian River, Steiner Environmental Consulting, 1996
4. Orrs Creek Habitat Enhancement and Flood Control Study, City of Ukiah, 1999
5. Orrs Creek Stream Inventory Report, State Department of Fish and Game, (Draft) 1999
6. Gibson Creek Habitat Enhancement and Public Access Study, 2001
7. Doolin Creek Enhancement Plan, City of Ukiah, (Draft), 2002
8. Doolin Creek Stream Inventory Report, State Department of Fish and Game, 2005
9. Gibson Creek Stream Inventory Report, State Department of Fish and Game, 2006
10. City of Ukiah Tree Protection and Enhancement Policy, 1993
11. City of Ukiah Community Forest Management Plan, 1994

APPENDIX D

State Department of Fish and Game

Notification Requirements and Questions and Answers

PART I: NOTIFICATION REQUIREMENT

Fish and Game Code ("FGC") section 1602 requires any person, state or local governmental agency, or public utility to notify the Department of Fish and Game ("Department") before beginning any activity that will do one or more of the following:

- 1) Substantially obstruct or divert the natural flow of a river, stream, or lake.
- 2) Substantially change the bed, channel, or bank of a river, stream, or lake.
- 3) Use any material from the bed, channel, or bank of a river, stream, or lake.
- 4) Deposit or dispose of debris, waste, or other material containing crumbled, flaked, or ground pavement where it can pass into a river, stream, or lake.

FGC section 1602 applies to all perennial, intermittent, and ephemeral rivers, streams, and lakes in the state. *If you are not certain that a particular project requires notification, the Department recommends that you notify.*

Note: Although a person other than the applicant may complete the notification, "you" or "your" as used in this document refers to the applicant proposing the project because the applicant will be responsible for submitting and signing the notification.

NOTIFYING THE DEPARTMENT

To notify the Department of any of the activities described above, complete the following steps:

Step 1: Complete the Notification of Lake or Streambed Alteration form (Form FG 2023 (Rev. 7-06)) ("notification form"). See Part II for instructions to complete this form.

Note: If the project is part of a timber harvest plan ("THP"), you may notify the Department by submitting the THP and correct fee to the Department regional office that serves the county where the project will take place. In that case, you do not need to submit a notification form, provided the THP includes, at a minimum, the information listed in Fish and Game Code section 1611.

Step 2: Determine the notification fee that will need to be submitted with the completed notification form or THP by referring to the enclosed fee schedule. Notification fees cover the Department's costs to process notifications and prepare Lake and Streambed Alteration Agreements ("agreements").

Step 3: Submit the completed notification form, or the THP, with all required enclosures and fees to the Department regional office that serves the county where the project will occur.

Note: If the notification relates to timber harvesting activities in Humboldt or Del Norte County or the west portion of Trinity County, the notification must be submitted to the Department's Northern California and North Coast office in Eureka, rather than Redding. If you are not sure whether the Eureka or Redding office will review your notification or THP, contact either office for guidance to avoid any delay in processing your notification or THP.

Northern California and North Coast
(Region 1 – *Redding*)
LSAA Program
601 Locust Street
Redding, CA 96001
(530) 225-2300

Northern California and North Coast
(Region 1 – *Eureka*)
LSAA Program
619 Second Street
Eureka, CA 95501
(707) 445-6493

Sacramento Valley and Central Sierra
(Region 2)
LSAA Program
1701 Nimbus Road
Rancho Cordova, CA 95670
(916) 358-2900

Central Coast
(Region 3)
LSAA Program
Mailing address:
Post Office Box 47
Yountville, CA 94599
Street address:
7329 Silverado Trail
Napa, CA 94558
(707) 944-5520

San Joaquin Valley and Southern Sierra
(Region 4)
LSAA Program
1234 East Shaw Avenue
Fresno, CA 93710
(559) 243-4005

South Coast
(Region 5)
LSAA Program
4949 Viewridge Ave
San Diego, CA 92123
(858) 636-3160

Eastern Sierra and Inland Deserts
(Region 6)
LSAA Program
4665 Lampson Avenue, Suite J
Los Alamitos, CA 90720
(562) 430-7212

Questions and Answers

1. When must I notify the Department?

Fish and Game Code section 1602 requires any person, state or local governmental agency, or public utility to notify the Department before beginning any activity that will do one or more of the following: 1) Substantially divert or obstruct the natural flow of any river, stream or lake; 2) substantially change or use any material from the bed, channel, or bank of, any river, stream, or lake; or 3) deposit or dispose of debris, waste, or other material containing crumbled, flaked, or ground pavement where it may pass into any river, stream, or lake. Fish and Game Code section 1602 applies to all perennial, intermittent, and ephemeral rivers, streams, and lakes in the state. If you are not certain that your proposed activity requires notification, the Department recommends that you notify.

2. How do I notify the Department?

In order to notify the Department, a person, state or local governmental agency, or public utility must submit a complete notification package and fee to the Department regional office that serves the county where the activity will take place. The notification package is available from any Department regional office and the Department's website www.dfg.ca.gov/1600/notification_pkg.html. The fee schedule-section 698.5 in title 14 of the California Code of Regulations- is included in the notification package. The Department's regional offices and the counties they serve are listed in the notification package and on the Department's website at www.dfg.ca.gov/regions/regions.html.

3. What happens after I notify the Department?

After you notify the Department, the Department will determine whether your notification package is complete. The Department will make this determination within 30 calendar days of receiving the notification package if you are applying for a regular agreement (i.e., an agreement for a term of five years or less). If the notification package is incomplete, the Department will contact you and specify the information you need to provide to make it complete. The Department will not process your notification package until it receives the additional information. If your notification package is complete, the Department will process it as described below. The 30-day time period does not apply to notifications for long-term agreements (i.e., agreements for a term greater than five years).

After the Department receives a complete notification package, it will determine whether you will need a Lake or Streambed Alteration Agreement for your activity. An agreement will be required if the activity could substantially adversely affect an existing fish and wildlife resource. If an agreement is required, the Department will conduct an onsite inspection, if necessary, and submit a draft agreement to you. The draft agreement will include measures to protect fish and wildlife resources while conducting the project. If you are applying for a regular agreement, the Department will submit a draft agreement to you within 60 calendar days after your notification is complete. The 60-day time period will not begin until your notification is complete. The 60-day time period does not apply to notifications for long-term agreements.

After you receive the draft agreement, you will have 30 calendar days to notify the Department whether the measures in the draft agreement are acceptable. If you agree with the measures included in the draft agreement, you will need to sign the agreement and submit it to the Department. If you disagree with any measures in the draft agreement, you must notify the Department in writing and specify the measures that are not acceptable. Upon written request, the Department will meet with you within 14 calendar days of receiving the request to resolve the disagreement. If you fail to respond, in writing, within 90 calendar days of receiving the draft agreement, the Department may withdraw that agreement.

After the Department receives the signed draft agreement, it will make it final by signing it. However, the Department will not sign the agreement until it receives your notification fee and complies with the California Environmental Quality Act (Pub. Resources Code, § 21000, et seq.) (see "4" below). After you receive the final agreement, you may begin the project the agreement covers, provided you have obtained any other necessary local, state, and federal authorizations. If you disagree with any measures in the draft agreement and you and the Department cannot resolve the disagreement informally, you may request an arbitration panel to resolve the disagreement. If you request arbitration, a panel of arbitrators will be established within 14 calendar days of receiving the request. The panel will comprise three persons: your representative, a Department representative, and a third person mutually agreed upon by you and the Department who will serve as the panel's chair. If you and the Department cannot agree upon the third person within the 14-day period, a court will appoint the third person. The third person must have scientific expertise relevant to the fish and wildlife resources your project could affect and to the measures in the draft agreement that are in dispute. Each party will be required to pay the expenses of their selected representative and pay one-half the expenses of the third person. The panel will issue a decision within 14 days after it is established. The decision must be based on the best scientific information reasonably available at the time of the arbitration, and will be issued in the form of a final agreement. The decision will be binding on you and the Department unless you or the Department successfully petition a court to correct or vacate the decision.

The time periods described above may be extended at any time by mutual agreement. The notification package explains how to complete the notification package and the agreement process.

4. Does the Department need to comply with other state laws or regulations before issuing a Lake or Streambed Alteration Agreement?

Yes. The Department must comply with the California Environmental Quality Act (CEQA) (Pub. Resources Code, § 21000, et seq.) before it may issue a final Lake or Streambed Alteration Agreement. Issuance of a final Lake or Streambed Alteration Agreement occurs after the Department receives a draft Lake or Streambed Alteration Agreement from the applicant and the Department signs it. In many instances, the Department will receive a signed draft Lake or Streambed Alteration Agreement from an applicant before the lead agency has fully complied with CEQA. In those instances, the Department must wait for the lead agency to fully comply with CEQA before it may sign the draft Lake or Streambed Alteration Agreement, thereby making it final.

Under CEQA, the "lead agency" is the local or state governmental agency that has the principal responsibility for carrying out or approving the activity. All other local or state agencies with discretionary approval authority are "responsible agencies."

The lead agency must determine first whether the activity is exempt from CEQA. If the activity is not exempt, the lead agency must prepare an environmental document, which will be a negative declaration, a mitigated negative declaration, or an environmental impact report. A lead agency is entitled to recover all of its CEQA-related costs from the applicant. If the Department acts as the lead agency for the activity your draft agreement covers, it will instruct you to submit an initial deposit to cover its initial CEQA-related costs. The deposit and any further CEQA-related costs will be in addition to your notification fee.

If the Department is a responsible agency, you must submit with your notification package a copy of any document prepared by the lead agency pursuant to CEQA, if one already has been prepared. You must also identify in your notification package the lead agency. Also, Fish and Game Code section 711.4 requires the lead agency to collect a fee on behalf of the Department whenever the lead agency prepares an environmental document, unless the activity is exempt

from the fee. Current CEQA fees are found in Fish and Game Code Section 711.4, available at www.leginfo.ca.gov/calaw.html.

For a detailed explanation of CEQA, you should consult the statute itself, the CEQA Guidelines (Cal. Code Regs., tit. 14, § 15000 et seq.) that implement CEQA, and CEQA handbooks and guides. CEQA and the CEQA Guidelines are available at www.ceres.ca.gov/planning.

5. Should I contact other governmental agencies regarding my proposed activity?

Depending on the activity you are proposing, in addition to a Lake or Streambed Alteration Agreement, you might need to obtain a permit, agreement, or other authorization from one or more governmental agencies. You should first contact your city and county planning departments to determine whether you need to obtain any local permits. The State and federal agencies listed below might also have permitting authority over your activity. You should contact these agencies if you are not familiar with their permitting requirements.

State agencies

- o Coastal Commission
- o Department of Conservation
- o Department of Forestry
- o Department of Water Resources
- o Regional Water Quality Control Boards
- o State Lands Commission
- o State Water Resources Control Board

Federal agencies

- o NOAA Fisheries
- o U.S. Army Corps of Engineers
- o U.S. Fish and Wildlife Service
- o U.S. Forest Service

6. Do I need to notify the Department or obtain a Lake or Streambed Alteration Agreement for emergency work?

You do not need to notify the Department or obtain a Lake or Streambed Alteration Agreement before beginning the following emergency work: 1) immediate emergency work necessary to protect life or property; 2) immediate emergency repairs to public service facilities necessary to maintain service as a result of a disaster in an area in which the Governor has proclaimed a state of emergency; and 3) emergency projects undertaken, carried out, or approved by a state or local governmental agency to maintain, repair, or restore an existing highway, within the existing right of-way of the highway, that has been damaged as a result of fire, flood, storm, earthquake, land subsidence, gradual earth movement, or landslide, within one year of the damage. Although notification is not required before beginning the emergency work, you must notify the Department in writing within 14 days after beginning the work.

**Parks/Golf Maintenance Leadworker Job Description
Exhibit F**

JOB DESCRIPTION

PARKS/GOLF MAINTENANCE LEADWORKER



DEFINITION

Under general supervision, to perform and lead a crew in semi-skilled and skilled work in the maintenance of parks, golf course, facilities, playground equipment, and other recreational and landscaped areas; and to do related work as assigned.

EXAMPLES OF DUTIES (These examples are intended only as illustrations of the various types of work performed in positions allocated to this class. The examples of work performed are neither restricted to or all-encompassing of the duties to be performed under this job title.) (E=Essential Duty; M=Major Portion of Time)

- Planning, organizing, and supervising the work of a crew engaged in maintenance of parks, golf course, recreational facilities, parking lots and related areas (E-M).
- Supervise a crew and participate in turf and landscape maintenance including mowing, edging, watering, weeding, mulching, pruning, pest control, and litter pick-up. (E-M)
- Lead a crew and participate in maintenance and repair of pathways, fences, playgrounds, park furnishings, equipment, and irrigation systems. (E-M)
- Conduct and/or coordinate trainings for Park, Buildings and Golf staff. (E-M)
- Assist with maintaining work records including schedules, trainings, receipts, safety reports, and pesticide use logs. (E-M)
- Assist with purchasing equipment, janitorial supplies, and furnishings. (E)
- Participate in landscape construction and facility renovation planning and prepare cost estimates for repairs or improvements. (E-M)
- Prune and spray trees and scrubs. (E)
- Operate and maintain all types of mowers and turf maintenance equipment. (E)
- Clean, paint, and perform repairs to park and golf course buildings and related facilities.
- Operate trucks, power mowers, hedge clippers, and related golf course and park maintenance equipment. (E)
- Perform preventative maintenance and minor repairs to assigned equipment.
- Keep tools and equipment in clean and safe working condition.
- Respond to emergency calls after normal duty hours.
- Install and repair sprinkling systems and playground equipment. (E)
- Maintain swimming pool facilities.
- Maintain park and golf course restrooms and facilities, and empty trash receptacles. (E)
- Work well and maintain effective communications with the Golf Professional and public. (E)
- Respond to citizen inquiries and requests for information.
- Assist in the training and education of employees. (E)
- Work flexible hours, including weekends and holidays. (E)
- Perform other related duties as assigned.

QUALIFICATIONS

Knowledge of:

- Methods, tools, techniques, and supplies used in gardening, and parks and golf maintenance work.
- Basic characteristics of plant and tree pests and diseases and techniques for their control, including pesticides, herbicides, and their related spraying equipment.
- Sprinkler design and installation.
- Plant design and use.
- Safe work practices.

- Supervision and training techniques.
- Care and maintenance of golf course greens, tees and fairways.
- Turf disease identification.

Ability to:

- Communicate effectively, both verbally and in writing.
- Perform a wide variety of park and golf maintenance work without close supervision.
- Lead a crew in a productive manner.
- Use the hand and power tools and equipment required in general grounds maintenance work.
- Read construction plans and specifications.
- Perform heavy manual labor and lift up to 100 pounds.
- Understand and carry out oral and written directions.
- Establish and maintain cooperative relationships with those contacted in the course of work.
- Work flexible hours, including weekends and holidays.
- Accommodate outside work in extreme weather conditions.

Experience:

Three years of experience in park, golf course, or other grounds keeping or related maintenance work; Experience demonstrating mechanical aptitude and supervision skills preferred.

Education:

Completion of formal or informal education sufficient to assure the ability to read and write at the level required for successful job performance.

Necessary Special Requirements:

- Possession of a valid Class B California Driver's License within six months of appointment. (This position will be subject to the United States Department of Transportation and Federal Highway Administration regulations relating to controlled substance and alcohol use and testing.)
- Possession of a State of California Pesticide Applications certificate within one year of appointment.
- Possession of a Certified Pool Operator certificate within six months of appointment.
- Possession of CPR for infant, child and adult, and Standard First Aid Certificates within six months of appointment.
- Possession of a Playground Inspector Certificate within one year of appointment.
- Ability to work weekends and holidays.

RENT AS A PERCENTAGE OF GROSS REVENUE

Exhibit G

Summary

Lessee shall collect all revenue and pay the City rent based on a percentage of the Gross Revenues and on whether the revenues are generated from Golf Fees or Merchandise & Concessions. The rent payment shall be made on a monthly basis for revenue collected in the previous month. Rent calculated from Golf Fees is based on a sliding scale from 10% to 20% based on Gross Revenue but the percentage is applied to Adjusted Gross Revenue. Rent calculated from Merchandise & Concessions is based on a fixed rate of 10% of Adjusted Gross Revenue.

Definitions

Golf Fees: Golf Fees include all revenue and income, excluding only Lessons and Merchandise & Concessions, collected by the Lessee in performing under this Lease including, but not limited to, daily fees, admissions, punch card fees, memberships, rental cart fees, push cart fees, club rentals, private cart fees, rental of the Premises, and advertisement income.

Merchandise and Concessions: Merchandise and Concessions include revenue collected by the Lessee from the sale of inventory and consumables, including merchandise, food, and beverages.

Gross Revenue: Gross Revenue includes all revenues and income collected or received by the Lessee in performing under this Lease. The following are examples that do not constitute revenue and income collected or received from the sale of inventory and consumables: (1) Cash refunds or credits allowed on returns by customers; (2) The actual uncollectible amount of: (i) any check or bank draft received by Lessee as payment for goods or services and returned to Lessee from a customer's bank as being uncollectible (commonly "non-sufficient funds" checks); or (ii) any charge or credit account (commonly "bad debts") incurred by Lessee for the sale of merchandise or services; (3) Only revenue from lessons is excluded from Gross Revenue.

* **Adjusted Gross Revenue:** For purposes of calculating Percentage Rent, the term "Adjusted Gross Revenue" means monthly Gross Revenue minus the following monthly deductions:

- a. The actual amount paid for water and electric services for irrigation purposes furnished to the Premises.
- b. Payments to the Capital Improvement Project Fund pursuant to Section 4.2 as divided equally over the 12 months of the lease year.
- c. The total compensation paid to the City for the services of the Maintenance Supervisor employed by the City as provided in Section 2.4 as divided over the 12 months of the lease year. This deduction shall not apply to a Maintenance Supervisor or equivalent employee hired by Lessee to replace said Maintenance Supervisor, unless otherwise agreed by the City and Lessee.

Percentage Split: The percentage Gross Revenue attributable to Golf Fees and to Merchandise & Concessions will be calculated for each month.

Example: If the monthly Gross Revenue for the month is \$100,000 of which \$70,000 is from Golf Fees and \$30,000 from Merchandise & Concessions, the percentage of monthly Gross Revenue attributable to Golf Fees would be 70% and Merchandise & Concessions would be 30%.

Rent Rate: The percentage of monthly Adjusted Gross Income payable as monthly rent shall be determined from the following table titled *Rent Percentage Rate By Gross Revenue and Type*. The annual Gross Revenue for the previous 12 month period will be used for this determination.

Rent Percentage Rate By Gross Revenue and Type		
Annual Gross Revenue	Golf Fees	Merchandise & Concessions
\$970,000 and less	0.10	0.10
\$995,000	0.11	0.10
\$1,020,000	0.12	0.10
\$1,045,000	0.13	0.10
\$1,070,000	0.14	0.10
\$1,095,000	0.15	0.10
\$1,120,000	0.16	0.10
\$1,145,000	0.17	0.10
\$1,170,000	0.18	0.10
\$1,195,000	0.19	0.10
\$1,220,000 and more	0.20	0.10

Formula for Rent Payment

[(Percentage Split for monthly Golf Fees x monthly Adjusted Gross Revenue) x Rent Rate for Golf Fees] + [(Percentage Split for monthly Merchandise & Concessions x monthly Adjusted Gross Revenue) x Rent Rate for Merchandise & Concessions] = Rent Payment

EXHIBIT "H"

CAPITAL IMPROVEMENT PROJECT FUND

Capital Improvement Project Fund Exhibit H

The Capital Improvement Project Fund, consisting of funds contributed by Lessee under Paragraph 4.2 of the Lease and funds contributed by the Men's Golf Club pursuant to Paragraph 3 of the lease between the City and the Men's Golf Club, dated July 1, 2012 ("Cart Barn Lease"), will be managed and controlled by an Advisory Team comprised of three representatives, one from the Men's Golf Club, one from the Golf Professional, and one from the City of Ukiah. Each of the organizations represented shall select its representative and notify the other organizations of the name of and contact information for its representative. The representatives serve at the will and pleasure of the organization they represent. The Advisory Team shall maintain the Fund at a bank or savings and loan approved by the City of Ukiah and shall review, approve and prioritize for implementation Lessee's annual Capital Improvement Plan as provided for under paragraph 2.1 of this Lease. The Advisory Team shall meet, review and approve or disapprove all or part of the Capital Improvement Plan and propose other additions or changes within 30 days after its submission by Lessee. Approval or denial shall be on a line item basis. The Advisory Team shall maintain adequate financial records for the Fund to permit an audit by any of the represented organizations of all income and expenditures. The records shall be available for inspection and copying by any of the represented organizations at all reasonable times. The Fund shall be used exclusively to pay for Capital Improvement Projects as set forth in the approved Capital Improvement Plan and for youth scholarship programs. The first priority of the Fund shall be for projects with long term benefit to the Premises and operation of the Course, i.e. irrigation system. Prior to the expenditure of funds from the account, the Advisory Team's approved expenditures shall be submitted for review by the Ukiah City Council and the public at a City Council Meeting.

The City shall enforce Paragraph 3 of the Cart Barn Lease that obligates the Men's Golf Club to deposit specified revenues to the Capital Improvement Program Fund. If the City should terminate the Cart Barn Lease for failure of the Men's Golf Club to comply with Paragraph 3, thereof, Lessee shall have the option to lease the Cart Barn from the City under the same terms and conditions and for the term remaining on the Cart Barn Lease, if it had not been terminated by the City. Any such lease to the Lessee shall be subject to termination, if the Men's Golf Club successfully challenges the termination of the Cart Barn Lease through administrative or judicial proceedings.



INSURANCE REQUIREMENTS FOR LESSEE

Exhibit I

Lessee shall procure and maintain for the duration of the contract, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the Lessee's operation and use of the leased premises. The cost of such insurance shall be borne by the lessee.

I. Minimum Scope of Insurance

Coverage shall be at least as broad as:

- A. Insurance Services Office **Commercial General Liability** coverage (Form No. CG 20 10 10 01).
- B. **Workers' Compensation** insurance as required by the State of California and Employer's Liability insurance (for lessees with employees).
- C. **Property insurance** against all risks of loss to any tenant improvements or betterments.
- D. Insurance Services Office **Automobile Coverage** (Form No. CA 0001 (Ed. 1/87), Code 1; "any auto").

II. Minimum Limits of Insurance

Lessee shall maintain limits no less than:

- A. General Liability: \$2,000,000 per occurrence for bodily injury, personal injury and property damage. Insurance must be written on an occurrence basis.
- B. Employer's Liability: \$2,000,000 per accident for bodily injury or disease.
- C. Property Insurance: Full replacement cost with no coinsurance penalty provision.
- D. Automobile Liability: \$2,000,000 per accident for bodily injury and property damage.

III. Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the City. The City may require the insurer to reduce or eliminate such deductibles or self-insured retentions with respect to the City, its officers, officials, employees and volunteers; or the Lessee to provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration and defense expenses; or to approve the deductible without a guarantee.

IV. REQUIRED INSURANCE PROVISIONS

Proof of **General Liability and Automobile Liability** policies are to contain, or be endorsed to contain, the following provisions:

- A. The City, its officers, officials, employees and volunteers are to be covered as **ADDITIONAL INSURED** with respect to liability arising out automobiles owned, leased, hired or borrowed by or on behalf of the Lessee; and with respect to liability arising out of ownership, maintenance or use of that part of the premises leased to the lessee.
- B. The **Workers' Compensation** policy is to be endorsed with a **waiver of subrogation**. The insurance company, in its endorsement, agrees to waive all rights of subrogation against the City, its officers, officials, employees and volunteers for losses paid under the terms of this policy which arises from the work performed by the named insured.
- C. The lessee's insurance coverage shall be **primary insurance** with respect to the City, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees or volunteers shall be in excess of the Lessee's insurance and shall not contribute with it.
- D. Each insurance policy required by this clause shall be endorsed to state that coverage shall **not be canceled** by either party, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given the City.

V. Rating -- Acceptability of Insurers

Insurance is to be placed with admitted California insurers with a current A.M. Best's rating of no less than A- for financial strength, AA for long-term credit rating and AMB-1 for short-term credit rating.

VII. Verification of Coverage

Lessee shall furnish the City with original certificates and amendatory endorsements affecting coverage required by this clause. The endorsements should be on **forms provided by the City**. If endorsements are on forms other than the City's forms, endorsements must provide coverage that is equivalent to or better than the forms requested by the City. All certificates and endorsements are to be received and approved by the City before work commences. 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.

If you have questions regarding our insurance requirements contact:

Risk Manager
(707)-463-6287 Fax: (707) 463-6204

Revised: 11/20/08

**ADDENDUM NO. 1 TO LEASE AGREEMENT
CITY OF UKIAH
AND
TAYMAN PARK GOLF CROUP, INC.**

This Addendum No. 1 ("Addendum") to the Lease Agreement ("Agreement") between the City of Ukiah ("Lessor" or "City") and Tayman Park Golf Group, Inc. ("Lessee"), dated July 1, 2012, is entered into in Ukiah, California by City and Lessee, effective July 1, 2016 ("Effective Date").

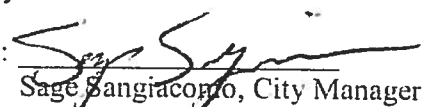
1. Section 4.1 of the Agreement incorporating the calculation of rent under the heading: Formula for Rent Payment in Exhibit G to the Agreement is hereby amended by substituting for the Formula for Rent Payment the payment of a fixed rent of \$39,900 for the 2016 to 2017 Fiscal Year (July 1-June 30).

2. Section 4.2 of the Agreement incorporating Exhibit H to the Agreement is amended by suspending all payments for FY 2016/17 that the Lessee is obligation to contribute to a Capital Improvement Program.

3. The term of this Addendum is one year, commencing on July 1, 2016, and terminating on June 30, 2017, unless the Agreement is extended or amended in writing by the parties prior to its expiration. Upon expiration of the term of this Addendum, the Agreement, as it read prior to the Effective Date, shall continue in full force and effect. During the term of this Addendum all provisions of the Agreement not amended by this Addendum remain in full force and effect.

WHEREFORE, this Addendum is entered on the Effective Date.

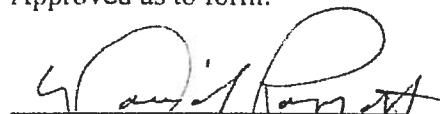
City of Ukiah

By: 
Sage Sangiacomo, City Manager

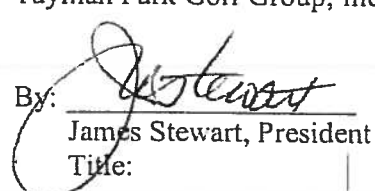
ATTEST:


Kristine Lawler, City Clerk

Approved as to form:


David J. Rapport, City Attorney

Tayman Park Golf Group, Inc.

By: 
James Stewart, President
Title:

**ADDENDUM NO. 2 TO LEASE AGREEMENT
CITY OF UKIAH
AND
TAYMAN PARK GOLF GROUP, INC.**

This Addendum No. 2 ("Addendum") to the Lease Agreement ("Agreement") between the City of Ukiah ("Lessor" or "City") and Tayman Park Golf Group, Inc. ("Lessee"), dated July 1, 2012, is entered into in Ukiah, California by City and Lessee, effective July 1, 2017 ("Effective Date").

1. Section 4.1 of the Agreement incorporating the calculation of rent under the heading: Formula for Rent Payment in Exhibit G to the Agreement is hereby amended by substituting for the Formula for Rent Payment the payment of a fixed rent of \$38,000 for the 2017 to 2018 Fiscal Year (July 1-June 30).

Commented [MS1]: This amount will be finalized during the FY17/18 budget process.

2. Section 4.2 of the Agreement incorporating Exhibit H to the Agreement is amended by suspending for FY 2017/18 the Lessee's obligation to contribute to a Capital Improvement Program.

3. The term of this Addendum is one year, commencing on July 1, 2017, and terminating on June 30, 2017, unless the Agreement is extended or amended in writing by the parties prior to its expiration. Upon expiration of the term of this Addendum, the Agreement, as it read prior to the Effective Date, shall continue in full force and effect. During the term of this Addendum all provisions of the Agreement not amended by this Addendum remain in full force and effect.

WHEREFOR, this Addendum is entered on the Effective Date.

City of Ukiah

By: _____
Sage Sangiacomo, City Manager

ATTEST:

Kristine Lawler, City Clerk

Approved as to form:

David J. Rapport, City Attorney

Tayman Park Golf Group, Inc.

By: _____
Name:
Title:



ITEM NO.: 7b

MEETING DATE: April 5, 2017

AGENDA SUMMARY REPORT

SUBJECT: ADOPTION OF RESOLUTION MAKING REAPPOINTMENTS TO THE DESIGN REVIEW BOARD AND PLANNING COMMISSION

Summary: Council will consider adopting a resolution making reappointments to the Design Review Board and Planning Commission maintaining the board and commission selections of Councilmembers Crane and Scalmanini for the term ending January 2020.

Background: On November 8, 2016, Councilmembers Crane and Scalmanini were reelected to the Ukiah City Council. Pursuant to City Code Sections §1151 and §1161, at or near the beginning of a Councilmember's four-year term they may nominate one Design Review Board Member and one Planning Commissioner who shall be appointed if approved by a majority vote of the City Council. The Commissioner/Member's term coincides with the appointing Councilmember's term.

The Design Review Board qualifications are outlined in City Code Division 1, Chapter 4, Section §1163; and the Planning Commission requirements are outlined in City Code Division 1, Chapter 4, Section §1151 (Attachment #1). All four (4) incumbents have submitted applications for reappointment (Attachment #2). Councilmembers Crane and Scalmanini have provided nomination letters recommending the reappointments (Attachment #3).

Design Review Board: Two (2) Councilmember appointed seats are available for *Member – Community at Large*. The incumbents, Alan Nicholson and Thomas Hise have expressed interest in being reappointed to their positions.

Planning Commission: Two (2) Councilmember appointed seats are available for *Planning Commissioner*. The incumbents Linda Sanders and Michael Whetzel have expressed interest in being reappointed to these positions.

Discussion: Staff is recommending Council enact all four (4) appointments by a single motion and roll call vote approving the proposed resolution (Attachment #4), to be included in the approval of consent calendar items. Alternately, Councilmembers may pull this item for further discussion where any of the nominations

Continued to Page 2

RECOMMENDED ACTION(S): Approve the listed table of nominations and associated resolution making appointments to the Design Review Board and Planning Commission.

ALTERNATIVES: Do not approve the nominations and remand staff with direction.

Citizens advised:	Alan Nicholson, Thomas Hise, Linda Sanders, and Michael Whetzel.
Requested by:	Kristine Lawler, City Clerk
Contact/Prepared by:	Ashley Cocco, Deputy City Clerk
Coordinated with:	Kristine Lawler, City Clerk and David Rapport, City Attorney.
Presenter:	Ashley Cocco, Deputy City Clerk
Attachments:	1. City Code – Commissions and Boards 2. Applications 3. Nomination Letters 4. Proposed Resolution of Appointments

COUNCIL ACTION DATE: _____: ☐ Approved ☐ Continued to _____ ☐ Other _____

RECORDS APPROVED: ☐ Agreement: _____ ☐ Resolution: _____ ☐ Ordinance: _____

Note: Please write Agreement No. in upper right corner of agreement when drafted.

Approved: 
Sage Sangiacomo, City Manager

may be discussed and voted on separately. The balance of the nominations may be enacted by a single motion and roll call vote by the City Council.

BOARD/ COMMISSION	NAME	POSITION	NOMINATED BY COUNCIL- MEMBER	TERM ENDING
Design Review Board	Alan Nicholson - <i>incumbent</i>	Member – Community at Large	Scalmanini	December 2020
Design Review Board	Thomas Hise - <i>incumbent</i>	Member – Community at Large	Crane	December 2020
Planning Commission	Linda Sanders - <i>incumbent</i>	Commissioner	Scalmanini	December 2020
Planning Commission	Michael Whetzel <i>incumbent</i>	Commissioner	Crane	December 2020

FISCAL IMPACT:				
Budgeted Amount in 16/17 FY	New Appropriation Source of Funds (Title & No.)	Account Number	Budget Amendment Required	Previous Contract or Purchase Order No.
N/A	N/A	N/A	Yes ☐ No ☒	N/A

CHAPTER 4 COMMISSIONS AND BOARDS

ARTICLE 4. PLANNING COMMISSION

SECTION:

- §1150: Creation
- §1151: Members; Appointment
- §1152: Terms Of Members
- §1153: Expenses Of Members; No Compensation
- §1154: Chairman; Officers
- §1155: Meetings; Rules; Record
- §1156: Appointment Of Officers And Employees; Contract For Services; Limitations
- §1157: Duties Of The Commission
- §1158: Other Powers And Duties Of Commission

§1150 CREATION

There is hereby created a planning commission for the city. (Ord. 396, §1, adopted 1947)

§1151 MEMBERS; APPOINTMENT

Said commission shall consist of five (5) members who shall be registered voters of the city. At or near the beginning of his or her four (4) year term of office, each member of the city council may nominate one commissioner who shall be appointed to the commission, if approved by a majority vote of the city council. Each commissioner's term of office shall coincide with the four (4) year term of office of the city council member who nominated him or her, regardless of whether that city council member serves his or her full four (4) year term.

If a commissioner vacates his or her office before the expiration of his or her term of office, the city council member who nominated that commissioner (or a city council member elected or appointed to fill the remaining unexpired term of office of the city council member who appointed the commissioner) may nominate a replacement to serve the remainder of that commissioner's term of office, who shall be appointed, if the nomination is approved by a majority vote of the city council.

If a city council member's nomination receives less than a majority vote, he or she may nominate additional candidates, one at a time, until one of them is appointed by a majority vote of the city council. Commissioners shall be nominated and voted upon at a single city council meeting, unless a different procedure is approved by a majority vote of the city council. If a city council member fails to nominate a commissioner within sixty (60) days after the vacancy occurs, a majority of the city council shall fill the vacancy following the procedure used to appoint members to other city commissions and boards. (Ord. 396, §1, adopted 1947; Ord. 632, §1, adopted 1973; Ord. 710, §1, adopted 1978; Ord. 718, §5, adopted 1978; Ord. 958, §1, adopted 1995; Ord. 1055, §1, adopted 2004; Ord. 1085, §1, adopted 2006; Ord. 1094, adopted 2007)

§1152 TERMS OF MEMBERS

A commissioner's term of office shall coincide with the four (4) year term of the city council member who appointed that commissioner, regardless of whether that city council member serves the full four (4) years of his or her term of office. (Ord. 396, §1, adopted 1947; Ord. 710, §1, adopted 1978; Ord. 958, §1, adopted 1995; Ord. 1055, §1, adopted 2004; Ord. 1094, adopted 2007)

§1153 EXPENSES OF MEMBERS; NO COMPENSATION

The members of the commission shall receive no compensation, except such traveling expenses as are authorized by law. (Ord. 396, §1, adopted 1947)

§1154 CHAIRMAN; OFFICERS

The commission shall elect a chairman from among the appointed members for a term of one year and, subject to other provisions of law, may elect such other officers as it may determine. (Ord. 396, §2, adopted 1947)

§1155 MEETINGS; RULES; RECORD

The commission shall hold at least one regular meeting each month. It shall adopt rules for the transaction of business and shall keep a record of its resolutions, transactions, findings and determinations, which record shall be a public record. (Ord. 396, §2, adopted 1947)

§1156 APPOINTMENT OF OFFICERS AND EMPLOYEES; CONTRACT FOR SERVICES; LIMITATIONS

The commission may appoint officers and employees and contract for services, subject to the provisions of law, provided that all expenditures of the commission, exclusive of gifts, shall be within the amounts appropriated for the purpose by the city council. (Ord. 396, §2, adopted 1947)

§1157 DUTIES OF THE COMMISSION

It shall be the function and duty of the planning commission to prepare, make and adopt, subject to the provisions of law, a master plan for the physical development of the city, and of any land situated outside the boundaries thereof which in the commission's judgment bears relation to the planning thereof. (Ord. 396, §3, adopted 1947)

§1158 OTHER POWERS AND DUTIES OF COMMISSION

The planning commission shall have such other powers and duties as are prescribed by law, and shall be governed by the procedure provided by law. (Ord. 396, §4, adopted 1947)

CHAPTER 4 COMMISSIONS AND BOARDS

ARTICLE 4B. DESIGN REVIEW BOARD

SECTION:

- §1160:** Creation
- §1161:** Members; Appointment
- §1162:** Residency
- §1163:** Qualifications Of Board Members
- §1164:** Expenses Of Members; No Compensation
- §1165:** Chairman; Officers
- §1166:** Meetings; Rules; Record
- §1167:** Attendance
- §1168:** Board To Act In Advisory Capacity
- §1169:** Duties Of The Board

§1160 CREATION

There is hereby created a Design Review Board for the City of Ukiah ("City"). (Ord. 1136, §2, adopted 2012)

§1161 MEMBERS; APPOINTMENT

Board shall consist of a total of five (5) members, of which at least three (3) members shall be residents of the City or a business owner in the City and up to two (2) members shall be at-large without a residence or business located within the City. If no at-large candidates are available, the City Council may fill the board seats with City residents or City business owners. At or near the beginning of his or her four (4) year term of office, each member of the City Council may nominate one Board member who shall be appointed to the Board, if approved by a majority vote of the City Council. Each Board member's term of office shall coincide with the four (4) year term of office of the City Council member who nominated him or her, regardless of whether that City Council member serves his or her full four (4) year term.

If a Board member vacates his or her office before the expiration of his or her term of office, the City Council member who nominated that Board member (or a City Council member elected or appointed to fill the remaining unexpired term of office of the City Council member who appointed the Board member) may nominate a replacement to serve the remainder of that Board member's term of office, who shall be appointed, if the nomination is approved by a majority vote of the City Council.

If a City Council member's nomination receives less than a majority vote, he or she may nominate additional candidates, one at a time, until one of them is appointed by a majority vote of the City Council. Board members shall be nominated and voted upon at a single City Council meeting, unless a different procedure is approved by a majority vote of the City Council. If a City Council member fails to nominate a Board member within sixty (60) days after the vacancy occurs, a majority of the City Council shall fill the vacancy following the procedure used to appoint members to other City Commissions and Boards. (Ord. 1136, §2, adopted 2012)

§1162 RESIDENCY

If Board members, other than the at-large members, move outside the City limits after appointment or they no longer own a business in the City limits for Board members qualified to serve on that basis, their terms are thereby terminated. (Ord. 1136, §2, adopted 2012)

§1163 QUALIFICATIONS OF BOARD MEMBERS

Board members shall have sufficient education and/or experience to perform and fulfill the duties required in section 1169 of this code. This education and/or experience may consist of a college degree, professional license, or employment experience in architecture and design, landscape architecture, building contracting, urban planning, civil engineering, or similar field of study. Alternatively, the City Council may determine that a combination of education and/or experience in lieu of a college degree, professional license, or employment experience may qualify a candidate for the Board. (Ord. 1136, §2, adopted 2012)

§1164 EXPENSES OF MEMBERS; NO COMPENSATION

The members of the Board shall receive no compensation. (Ord. 1136, §2, adopted 2012)

§1165 CHAIRMAN; OFFICERS

The Board shall elect a chairperson from among the appointed members for a term of one year and, subject to other provisions of law, may elect such other officers, such as a vice-chairperson, as it may determine. (Ord. 1136, §2, adopted 2012)

§1166 MEETINGS; RULES; RECORD

The Board shall hold at least one regular meeting each month at a time and place established by the Board, unless a lack of business or a lack of a quorum occurs. The Board shall adopt rules for the conduct of business and shall keep a written record of its findings and determinations, and overall business, which record shall be a public record. The City Manager may assign a City staff member to serve as the Board's recording secretary, who shall prepare minutes for the Board's approval. Alternatively, if no recording secretary is assigned to the Board, the Board may assign meeting recording duties to a Board member, who shall prepare minutes for the Board's approval. (Ord. 1136, §2, adopted 2012)

§1167 ATTENDANCE

If a Board member absents himself or herself from four (4) regular meetings in any twelve (12) month period without the prior approval of the Board, the City Council member who appointed him or her may vacate that Board member's seat and fill it as any other vacancy. (Ord. 1136, §2, adopted 2012)

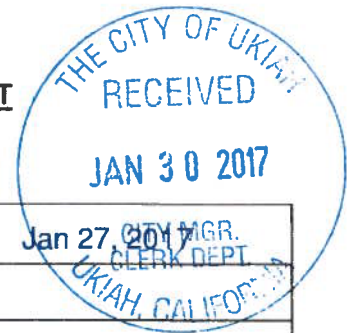
§1168 BOARD TO ACT IN ADVISORY CAPACITY

Such Board shall act in an advisory capacity to the City staff, Zoning Administrator, Planning Commission and City Council in all matters pertaining to site development permit applications, planned development applications and precise development plans, and urban design. (Ord. 1136, §2, adopted 2012)

§1169 DUTIES OF THE BOARD

It shall be the function and duty of the Design Review Board to review proposed site development permit applications, planned development applications and precise development plans, work with staff and the applicants to ensure design consistency with the Ukiah General Plan, Zoning Code, and Design Review Guidelines, and make recommendations concerning architecture, site design layout, landscaping, parking, signage, exterior lighting, and other aspects of urban design to City staff, Zoning Administrator, Planning Commission and City Council as appropriate. (Ord. 1136, §2, adopted 2012)

CITY OF UKIAH
DESIGN REVIEW BOARD APPLICATION FOR APPOINTMENT

**A. General Information**

Full Name	Alan Nicholson			Date	Jan 27, 2017		
Residence Address (Physical Address, not PO)	REDACTED						
Mailing Address (if different from above)	P.O. Box 577, Talmage, CA. 95481						
Home Phone	REDACTED			Work Phone	707. 972. 8879		
Email	REDACTED			Cell Phone	REDACTED		
Employer	alan nicholson Design Studio						
Business Address	P.O. Box 577, Talmage, CA. 95481						
Job Title/Position	Firm Principal			Employed Since	2005		
How long have you resided in:	Ukiah?	40 yrs.	Mendocino County?	40 yrs.	California?	70 yrs.	
Please list community groups or organizations you are affiliated with and list any offices held.	Please see attached letter						

B. Please answer the following on a separate sheet(s) of paper and attach.

1. Why are you applying to serve on the City of Ukiah's Design Review Board?
2. What is your understanding of the purpose, role and responsibility of the Design Review Board?
3. Do you live within the Ukiah City Limits?
4. Do you own a business in the Downtown District?
5. How do you believe your own skills, experience, expertise and perspectives will be beneficial to the work of the Design Review Board?
6. What type of design/architectural experience do you have?
7. Are there any other City of Ukiah Committees/Commissions in which you are interested, and on which you would be willing to serve?
8. What type of design/architectural experience do you have? Or, do you have experience in community, city, urban or environmental planning, construction trades, engineering or surveying, historical or cultural preservation, or are you a director of the Ukiah Main Street Program.

REDACTED

Signature of Applicant

Date

1/27/2017

Thank you for your interest in serving your community and the City of Ukiah.

Please return this application and attachments to the City Clerk's office at 300 Seminary Avenue, Ukiah, CA 95482. If you have any questions, please contact the City Clerk's office at (707) 463-6217.

27. January. 2017

City of Ukiah
300 Seminary Avenue
Ukiah, CA.
95482

Dear City Council Members, Staff of the City of Ukiah
and Design Review Board,

I very much appreciate this opportunity and privilege of applying for a seat on the City of Ukiah, Design Review Board.

In the field of architecture, I have worked with the City of Ukiah, City Council, Planning Department, Planning Commission, and the Downtown Design Review Board over the years to bring architectural projects through the process of development including these various city agencies. I have always considered myself an advocate for the benefit of public good, and tried to represent the ideas of good planning and design to the clients I represent.

My understanding of the purpose of the Design Review Board is to encourage quality building design and site planning that enhances the character of the city. The Board will initially review proposed development projects within the City commercial building area for consistency with adopted design standards.

It is my observation that the character of a city cannot only be defined by a specific checklist of design details. Good design should be strong enough to link and enliven the city fabric and support the adopted design standards. For example, new and fresh ideas may jar the eye at first, but fit in and age better than slavish "olde tyme" imitation and skin deep pastiche. Of equal importance, historical preservation is fundamental to the vitality and character of the downtown district and the City where ever the opportunity exists. I hope the Design Review Board will inspire quality design and the building of a better community in those who bring their projects through this process.

I have worked in several local Architects offices locally and in San Francisco before opening my own office in Ukiah in 2005. With over 30 years of experience managing architectural projects from inception to completion, including residential, commercial, educational, religious and cultural institutions. This experience in site planning, design development, selection of materials and finishes, and good communication and presentation skills will offer a positive element to the City of Ukiah Design Review Board.

Alan Nicholson Design Studio is a small personalized architecture and design practice. We believe that every project has the potential for great architecture to be created when it is derived from sensitivity to the client's goals and the context of the site.

My professional and personal affiliations are and have been:

Member, American Institute of Architects, 1997-present, and member of the Board of Directors as Director of Associate Education & Training Program, in 1999

Member, Board of Directors of The Inland Mendocino County Land Trust, 2004 - present. Conserving the health and vitality of inland Mendocino open space, with their agricultural, riparian and wildlife habitats.

Member, City of Ukiah Design Review Board, 2007-to present.

Member, City of Ukiah Parks, Recreation, and Golf Commission, 2014-to present.

I am eagerly looking forward to working with the City of Ukiah as a part of the Downtown Design Review Committee on this very special assignment.

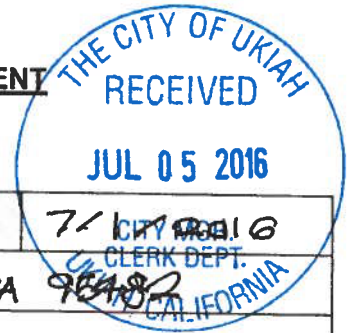
In considering the significance of this work and its vision for the future of this special district, it is to become a lasting testament to the stewardship of those committed to a better Downtown.

Sincerely,

REDACTED

Alan Nicholson

**CITY OF UKIAH
DESIGN REVIEW BOARD APPLICATION FOR APPOINTMENT**



A. General Information

Full Name	Thomas Hibe			Date	7/1/2016		
Residence Address (Physical Address, not PO)	REDACTED						
Mailing Address (if different from above)	(same) Ukiah, CA 95482						
Home Phone	REDACTED			Work Phone	(707) 744-1921		
Email	REDACTED			Cell Phone	REDACTED		
Employer	self employed / Architect						
Business Address	(same)						
Job Title/Position	Architect			Employed Since	1976		
How long have you resided in:	Ukiah?		Mendocino County?	25 yrs	California?	70 yrs	
Please list community groups or organizations you are affiliated with and list any offices held.	(please see attached Biography)						

B. Please answer the following on a separate sheet(s) of paper and attach.

1. Why are you applying to serve on the City of Ukiah's Design Review Board?
2. What is your understanding of the purpose, role and responsibility of the Design Review Board?
3. Do you live within the Ukiah City Limits?
4. Do you own a business in the Downtown District?
5. How do you believe your own skills, experience, expertise and perspectives will be beneficial to the work of the Design Review Board?
6. What type of design/architectural experience do you have?
7. Are there any other City of Ukiah Committees/Commissions in which you are interested, and on which you would be willing to serve?
8. What type of design/architectural experience do you have? Or, do you have experience in community, city, urban or environmental planning, construction trades, engineering or surveying, historical or cultural preservation, or are you a director of the Ukiah Main Street Program.

REDACTED

Signature of Applicant

Date

7/1/2016

Thank you for your interest in serving your community and the City of Ukiah.

Please return this application and attachments to the City Clerk's office at 300 Seminary Avenue, Ukiah, CA 95482. If you have any questions, please contact the City Clerk's office at (707) 463-6217.

PROFESSIONAL BIOGRAPHY

▪ PROFESSIONAL BACKGROUND

- *Registered Architect: State of California #C014042 (since 1983)*
- *Owner & Principal Architect / Thomas Hise AIA Architects*
- *Licensed General Building Contractor: State of California #B369767 (since 1979)*
Supplemental Specialty License C-6: Cabinet & Millwork
- *Member Redwood Empire Chapter of the American Institute of Architects (AIA)*
- *Chair of City of Ukiah Design Review Board (2009 to 2014)*
- *Vice Chair of City of Palo Alto Architectural Review Board (1991 to 1994)*
- *Guest Lecturer San Francisco Institute of Architecture / Masters of Architecture Program*
- *Instructor of Design & House Building / Building Education Center / Berkeley, CA (1980 to 1992)*
- *Expert Witness in Architecture, Construction Technology, & Land Development*

▪ EDUCATIONAL BACKGROUND

- *Bachelor of Science in Architecture (5 yr. Professional Degree / 1975)*
California State Polytechnic University / San Luis Obispo, CA
- *Associate of Arts in Architecture / Modesto Community College, Modesto, CA (1970)*
- *Green Professional Certificate Program / Sonoma State University*
- *Advanced Professional Training / American Disabilities Act (ADA), California Building Code, & Teambuilding & Leadership Trainings (too numerous to list)*

▪ MILITARY SERVICE

- *United States Army / Sargent (E-4) Active Duty Non-Combat Training Specialist (1966 to 1968)*
Inactive Army Reserve (1968 to 1972)

▪ PUBLISHED PROJECTS

- *Chesavage Residence: Fine Home Building Magazine*
- *Treese Residence: San Francisco Examiner Home Magazine*
- *Killeen Residence: San Jose Mercury News Home Magazine*
- *Strate-Hise Kitchen Renovation: San Francisco Examiner Feature Project*

▪ AWARDS & HONORS

- *Santa Clara Valley Chapter of American Institute of Architects*
Honor Award for Furniture Design / Palo Alto Community Church Renovation
- *Society of American Registered Architects / Design Excellence Award*
Lenzen Avenue Senior Housing / (94) Units / Lenzen Avenue, San Clara, CA
Architectural Design Group, Palo Alto CA

▪ COMMUNITY SERVICE

- *Chairman of the Board of Directors / Alex Rorabaugh Recreation Center (2013 to present)*
Active Member of the Board of Directors (1997 to present)
- *South Ukiah Rotary Club Vice President (2002 to 2003) President (2003 to 2004)*
- *City of Ukiah Façade Improvement Study (2008 to 2011)*
- *City of Ukiah Downtown Improvement Plan Participant / Smart Code Zoning Program ((2008)*
- *International Professional Exchange Program / Architectural Intern Mentor*
Graduate Student, Lima, Peru (2005 to 2007)
- *Leadership Mendocino Graduate Class V (1994)*
- *President of Hopland Chamber of Commerce (1995 to 1998)*
- *Pro-Bono Clients*
School of the Performing Arts & Cultural Education (SPACE) / Ukiah, CA
Ukiah Valley Association for the Handicapped (UVAH) Ukiah, CA
Other Church & Civic Organizations (too numerous to list)

PERSONAL & PROFESSIONAL REFERENCES

- *Allan Autentico / Construction Cost Estimator*
REDACTED

- *Tod Kong / CPA*
Alden & Kong Accounting
REDACTED

- *Dave Duncan / Structural Engineer*
REDACTED

- *Ron Franz / Franz Engineering & Surveying*
REDACTED

- *Carlisle Becker / Landscape Architect*
Founder & Chair of the Environmental Design Program
University of California Berkeley
REDACTED

- *Dana O'Bergin / Low Income Housing Developer*
REDACTED

- *Reverend Stanford Hampson / (Retired)*
Unity Spiritual Center of Palo Alto
REDACTED

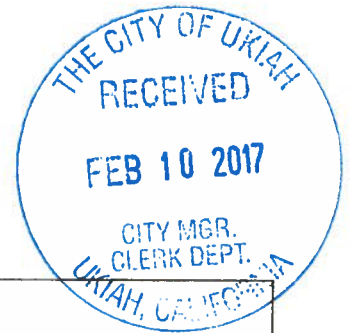
- *John Moon / Construction Manager (Retired)*
REDACTED

Planning Commission Appointee

Councilmember making Appointment		Stephen G. Scalmanini					
Full Name		Linda Susan Sanders				Date	2/22/2017
Residence Address (Physical Address, not PO)		REDACTED Ukiah, CA 95482					
Mailing Address (if different from above)		Same					
Home Phone		REDACTED			Work Phone	(888)590-2706 x19211	
Email		REDACTED			Cell Phone		
Employer		Social Security Administration					
Job Title/Position		Service Representative				Employed Since	2001
How long have you resided in:		Ukiah?	1995	Mendocino County?	1995	California?	Since birth
Please list community groups or organizations you are affiliated with and list any offices held.		M/C Re Leaf; City of Ukiah Tree Advisory Group; Friends of Gibson Creek; City of Ukiah Paths, Open Space, and Creeks Commission, Planning Commission from 2008 - 2014					
Additional Comments?		Organized, committed, thorough, attentive, and attends relevant trainings.					
Signature		/ REDACTED					



Planning Commission Appointee



Councilmember making Appointment		Councilmember Crane			
Full Name	Michael L. Whetzel			Date	2/7/17
Residence Address (Physical Address, not PO)	REDACTED				
Mailing Address (if different from above)	Same				
Home Phone	REDACTED		Work Phone	(707)462-1417	
Email	REDACTED		Cell Phone	REDACTED	
Employer	T&M AVIATION / SELF				
Job Title/Position	OWNER			Employed Since	1995
How long have you resided in:	Ukiah?	22	Mendocino County?	22	California? 52
Please list community groups or organizations you are affiliated with and list any offices held.	UKIAH RIFLE & PISTOL CLUB, PRESIDENT				
Additional Comments?					
Signature					



CITY OF UKIAH MEMORANDUM

Date: March 23, 2017
To: Kristine Lawler, City Clerk
From: Stephen G. Scalmanini, Councilmember
Subject: Nominations for Design Review Board and Planning Commission

I nominate Alan Nicholson for the Design Review Board as a *Member – Community at Large*, and Linda Sanders for the Planning Commission as a *Commissioner*, to be considered at the April 5, 2017, Regular City Council meeting.

Signature Stephen G. Scalmanini





CITY OF UKIAH MEMORANDUM

Date: March 23, 2017
To: Kristine Lawler, City Clerk
From: Douglas F. Crane, Councilmember
Subject: Nominations for Design Review Board and Planning Commission

I nominate Thomas Hise for the Design Review Board as a *Member – Community at Large*, and Michael Whetzel for the Planning Commission as a *Commissioner*, to be considered at the April 5, 2017, Regular City Council meeting.

Signature



RESOLUTION NO. 2017-**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UKIAH APPROVING THE NOMINATIONS AND REAPPOINTING INCUMBENTS ALAN NICHOLSON AND THOMAS HISE TO THE DESIGN REVIEW BOARD, TERM ENDING DECEMBER 2020, AND INCUMBENTS LINDA SANDERS AND MICHAEL WHETZEL TO THE PLANNING COMMISSION, TERM ENDING DECEMBER 2020**

WHEREAS, Alan Nicholson and Thomas Hise are requesting reappointment to the Design Review Board as Members - Community at Large, terms ending December of 2020; and

WHEREAS, Linda Sanders and Michael Whetzel are requesting reappointment to the Planning Commission as Commissioners, terms ending December of 2020; and

WHEREAS, the City Clerk's office has received a written nomination from Councilmember Scalmanini nominating Alan Nicholson to the Member – Community at Large position on the Design Review Board and Linda Sanders to the Commissioner position on the Planning Commission; and

WHEREAS, the City Clerk's office has received a written nomination from Councilmember Crane nominating Thomas Hise to the Member – Community at Large position on the Design Review Board and Michael Whetzel to the Commissioner position on the Planning Commission.

NOW, THEREFORE, BE IT RESOLVED, that the Ukiah City Council approves the nominations, submitted and does hereby reappoint the following persons and terms:

BOARD/ COMMISSION	NAME	POSITION	NOMINATED BY COUNCIL- MEMBER	TERM ENDING
Design Review Board	Alan Nicholson <i>incumbent</i>	Member – Community at Large	Scalmanini	December 2020
Design Review Board	Thomas Hise <i>incumbent</i>	Member – Community at Large	Crane	December 2020
Planning Commission	Linda Sanders <i>incumbent</i>	Commissioner	Scalmanini	December 2020
Planning Commission	Michael Whetzel <i>incumbent</i>	Commissioner	Crane	December 2020

PASSED AND ADOPTED this 5th day of April, 2017, by the following roll call vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Jim O. Brown, Mayor

ATTEST:

Kristine Lawler, City Clerk



ITEM NO.: 7c

MEETING DATE: April 5, 2017

AGENDA SUMMARY REPORT

SUBJECT: ADOPTION OF RESOLUTION AUTHORIZING ACCESS TO CRIMINAL HISTORY INFORMATION FOR MARIJUANA DISPENSARY LICENSING

Summary: Recently, the City of Ukiah adopted a Marijuana Dispensary Ordinance (Ordinance No. 1176), which includes a number of operating requirements, including the requirement that applicants and employees have not been convicted of specific crimes. Adoption of the proposed resolution will authorize the City of Ukiah personnel access to criminal history information for the purpose of employment, licensing, and certification of marijuana dispensaries within the City of Ukiah.

Background: On February 15, 2017, the Ukiah City Council amended the Ukiah City Code to include Ordinance No. 1176, authorizing and regulating marijuana dispensaries within the City of Ukiah (Attachment #1).

Section §5708 defines the Operating Requirements and UCC section §5708 (A) states:

Criminal History. Any applicant, his or her agent or employees, volunteer workers, or any person exercising managerial authority of a Dispensary on behalf of the applicant shall not have been convicted of any of the felony offenses enumerated in Health and Safety Code Section 19323(b)(5), or of a felony or misdemeanor involving moral turpitude, or on probation for a drug offense, or engaged in misconduct related to the qualifications, functions or duties of a permittee.

Section §5709 defines the Application Preparation and Filing, and UCC section §5709 (F)(10) states:

Criminal Background. A background investigation verifying whether the person or person having the management or supervision of applicant's business has been convicted of a crime(s), the nature of such offense(s), and the sentence(s) received therefor;

Section §5710 defines the criteria for Review and Renewal of a Dispensary Use Permit, and UCC section §5710 (O) states:

That the applicant, his or her agent or employees, or any person who is exercising managerial authority on behalf of the applicant has not been convicted of a felony, or of a misdemeanor involving moral turpitude, or has engaged in misconduct related to the qualifications, functions or duties of a permittee.

Continued on Page 2

RECOMMENDED ACTION(S): Adopt the Resolution authorizing access to criminal history information for Marijuana Dispensary Licensing.

ALTERNATIVES: Provide Staff with alternate direction.

Citizens advised:	N/A
Requested by:	N/A
Prepared by/Contact:	Chris Dewey, Chief of Police
Coordinated with:	Kevin Thompson, Interim Planning and Community Development Director
Presenter:	Chris Dewey, Chief of Police
Attachments:	1. Ordinance No. 1176 2. Resolution

COUNCIL ACTION DATE: _____: ☐ Approved ☐ Continued to _____ ☐ Other _____

RECORDS APPROVED: ☐ Agreement: _____ ☐ Resolution: _____ ☐ Ordinance: _____

Note: Please write Agreement No. in upper right corner of agreement when drafted.

Approved: 
Sage Sangiacomo, City Manager

Discussion: To perform a criminal history background investigation, the Ukiah Police Department utilizes a fingerprint Livescan criminal history records check. These checks allow the department to receive a summary of criminal history from both the California Department of Justice and the F.B.I., for out-of-state criminal records.

In addition, this check can allow the Ukiah Police Department to receive notifications of future arrests and convictions of crimes which may be in conflict with an applicant's permit. But, to receive these future notifications, an applicant's fingerprints must be attached to a specific purpose – like our City's application for employment, licensing or certification purposes in regards to marijuana dispensary licensing.

In order to establish a new Livescan category for the Ukiah Police Department for marijuana dispensary licensing, and receive subsequent notification of arrests and convictions, the California Department of Justice and the F.B.I. require that our City adopt a resolution authorizing access to criminal history information for marijuana dispensary employment, licensing and certification purposes.

The California Department of Justice has provided a sample resolution for our city to consider, and staff has reviewed and completed that sample for our City Council's consideration (Attachment #2).

Recommendations: Staff recommends that the Ukiah City Council adopt the attached resolution authorizing our personnel access to criminal history information for the purpose of marijuana dispensary licensing within the City of Ukiah.

FISCAL IMPACT:				
Budgeted Amount in 16-17 FY	New Appropriation Source of Funds (Title & No.)	Account Number	Budget Amendment Required	Previous Contract or Purchase Order No.
N/A	N/A	N/A	Yes ☐ No ☒	N/A

ORDINANCE NO. 1176**ORDINANCE OF THE CITY COUNCIL OF THE CITY OF UKIAH AMENDING CHAPTER 8 IN DIVISION 6; TABLE 3 IN SECTION 9223.1 OF ARTICLE 18, CHAPTER 2 IN DIVISION 9; AND SECTION 9254 IN ARTICLE 19, CHAPTER 2 IN DIVISION 9 OF THE UKIAH CITY CODE, ENTITLED "MEDICAL MARIJUANA DISPENSARIES"**

The City Council of the City of Ukiah hereby ordains as follows.

SECTION 1

Chapter 8 in Division 6 of the Ukiah City Code is hereby amended to read as follows:

§ 5700 FINDINGS AND PURPOSE

The City Council adopts the ordinance codified in this Chapter based upon the following findings:

(A) In 1970, Congress enacted the Controlled Substances Act ("CSA") which, among other things, makes it illegal to import, manufacture, distribute, possess or use marijuana in the United States.

(B) In 1996, the voters of the state of California approved Proposition 215, or the Compassionate Use Act of 1996, codified at Health and Safety Code §11362.5 *et seq.* (the "Act").

(C) The Act creates a limited exception from criminal liability for seriously ill persons who are in need of medical marijuana for specified medical purposes and who obtain and use medical marijuana under limited, specified circumstances.

(D) On January 1, 2004, SB 420 went into effect. SB 420, codified as Health and Safety Code §§ 11362.7 – 11362.83 and known as the "Medical Marijuana Program" ("MMP") was enacted by the state legislature to clarify the scope of the act and to allow cities and other governing bodies to adopt and enforce rules and regulations consistent with SB 420.

(E) After the enactment of the MMP and in response to the MMP's explicit reservation of local authority to regulate medical marijuana cultivation and distribution, the City Council took legislative notice of the fact that California cities and counties that had permitted the establishment of medical marijuana dispensaries had experienced serious adverse impacts associated with and resulting from such dispensaries, including an increase in crime, including burglaries, robberies, violence, illegal sales of marijuana, use of marijuana by minors and other persons without medical need in the areas immediately surrounding such medical marijuana dispensaries; and malodorous smells, indoor fire hazards, mold, fungus, and pests caused by indoor cultivation at dispensaries.

(F) To address these potential adverse impacts, in 2007, the City Council enacted Ordinance 1095, §1 ("Medical Marijuana Dispensaries Ordinance"), which prohibited and declared a public nuisance medical marijuana dispensaries in the City of Ukiah.

(G) The 2007 Medical Marijuana Dispensaries Ordinance also states that the City Council's intention is to prohibit the operation and location of dispensaries in the City "until such time as their legality is clearly established and a proposal can be developed that would satisfy the city council that the facility could operate without causing [serious adverse impacts]".

(H) On October 9, 2015, the Governor signed into law AB 266, AB 243, and SB 643, which together comprise the Medical Marijuana Regulation & Safety Act ("MMRSA"). The MMRSA, which went into effect on January 1, 2016, created a statewide regulatory structure for the medical marijuana industry that also allows local governments to regulate the operation of marijuana businesses within their jurisdiction, pursuant to local ordinances. Specifically, the MMRSA allows the City of Ukiah to issue permits or licenses to operate marijuana businesses or prohibit their operation, to regulate or expressly prohibit the delivery of medical marijuana within its boundaries, and to regulate or expressly prohibit the cultivation of marijuana within its boundaries. Pursuant to the MMRSA, if the City opts not to expressly prohibit or regulate the cultivation, processing, delivery, and/or dispensing of medical marijuana, the State will be the sole licensing authority for these activities in the City.

(I) To protect the public health, safety, and welfare, it is the desire of the City Council to modify the City Code consistent with the MMP and the MMRSA, regarding the location and operation of medical marijuana dispensaries, delivery of medical marijuana within the boundaries of the City, and cultivation of medical marijuana within the boundaries of the City.

(J) There have been a number of marijuana dispensing-related incidents in California, some including acts of violence committed by persons without a legitimate medical need to use marijuana.

(K) The City Council finds that medical marijuana dispensing which exceeds the limitations set forth in these regulations will likely result in an unreasonable risk of crime and other adverse impacts and will likely create offensive odors to persons living nearby.

(L) It is the City Council's intention that nothing in this Chapter shall be construed to (1) allow persons to engage in conduct that endangers others or causes a public nuisance; (2) allow the use of marijuana for non-medical purposes; or (3) allow any activity relating to the distribution or consumption of marijuana that is otherwise illegal.

(M) Pursuant to California Health and Safety Code § 11362.71 *et seq.*, the State Department of Health through the state's counties, is to be responsible for establishing and maintaining a voluntary medical marijuana identification card program for qualified patients and primary caregivers.

(N) Health and Safety Code § 11362.71(b) requires every county health department, or its designee, to implement a procedure to accept and process applications from those seeking to join the identification program in the manner set forth in § 11362.71 *et seq.*

(O) This Chapter is compatible with the general objectives of the general plan, in that a Medical Marijuana Dispensary use will be conditionally permitted in commercial and industrial districts, being similar to other permitted and conditionally permitted uses, such as pharmacies and medical clinics, and in that the use will be subject to strict review and conditions.

(P) This Chapter will not be detrimental to the public health, safety and general welfare or adversely affect the orderly development of property, because the uses permitted under this Chapter will be subject to careful review, limited in scope and location, and subject to strict operating requirements, avoiding or limiting potential negative effects.

(Q) It is the purpose and intent of this Chapter to regulate medical marijuana dispensaries in order to promote the health, safety, morals, and general welfare of residents and businesses within the City.

§ 5701 INTERPRETATION AND APPLICABILITY.

(A) This Chapter is not intended to create a positive conflict with the CSA, but rather to implement the MMRSA and related state laws.

(B) Nothing in this Chapter is intended, nor shall it be construed, to exempt any marijuana-related activity from any and all applicable local and state construction, electrical, plumbing, land use, or any other building, fire, or land use standards or permitting requirements.

(C) Nothing in this Chapter is intended, nor shall it be construed, to make legal any cultivation, transportation, sale, or other use of marijuana that is otherwise prohibited under California law.

(D) All processing and distribution of medical marijuana within City limits shall be subject to the provisions of this Chapter, even if the processing, distribution, or cultivation existed or occurred prior to adoption of this Chapter.

(E) Nothing in this Chapter is intended, nor shall it be construed, to allow or permit any "commercial cannabis activity," as defined in Business and Professions Code § 19300.5(j), or any commercial or non-commercial activity involving marijuana use for recreational or other non-medical purposes that is not otherwise authorized in the Ukiah City Code.

§ 5702 DEFINITIONS.

For the purpose of this Chapter, the following words and phrases shall have the following meaning:

(A) "Accessory building" shall have the same meaning as set forth in City Code § 9278.

(B) "Applicant" means a person who is required to file an application for a permit under this Chapter, including an individual owner, managing partner, officer of a corporation, or any other operator, manager, employee, or agent of a Dispensary.

(C) "City" means the City of Ukiah.

(D) "Delivery" shall have the same definition as set forth in California Business and Professions Code § 19300.5, and as it may be amended.

(E) "Dispensary Use Permit" means a permit required to operate a Medical Marijuana Dispensary within the City and that is issued pursuant to this Chapter.

(F) "Drug paraphernalia" or "paraphernalia" shall have the same definition as set forth in City Code § 6071.

(G) "Identification card" shall have the same definition as in California Health and Safety Code § 11362.7, and as it may be amended.

(H) "Medical Marijuana Dispensary" or "Dispensary" means a "Dispensary" as defined in California Business and Professions Code § 19300.5, as it now reads or may be amended in the future.

(I) "On-Site" means an activity or accessory use that is related to the primary use – i.e. lawful, retail distribution of medical marijuana – and is located on the same legal parcel as the primary use.

(J) "Permittee" means the person to whom a Dispensary Use Permit is issued.

(K) "Person" means any individual, partnership, co-partnership, firm, association, joint stock company, corporation, limited liability company or combination of the above in whatever form or character.

(L) "Person with an identification card" shall have the same definition as set forth in California Health and Safety Code § 11362.7, and as it may be amended.

(M) "Physician" means a licensed medical doctor (M.D.) or a doctor of osteopathic medicine (D.O.).

(N) "Primary caregiver" shall have the same definition as set forth in California Health and Safety Code § 11362.7, and as it may be amended.

(O) "Qualified patient" shall have the same definition as set forth California Health and Safety Code § 11362.7, and as it may be amended.

(P) "School" means an institution of learning for minors, whether public or private, offering a regular course of instruction required by the California Education Code. This definition includes an elementary school, middle or junior high school, senior high school, or any special institution of education, but it does not include a vocational or professional institution of higher education, including any other college or university.

(Q) "Use Permit" shall have the same definition as set forth in City Code § 9261 and as it may be amended.

(R) "Youth-oriented facility" means a public park, church, museum, library, or licensed daycare facility.

(S) "Zoning Administrator" means the Zoning Administrator of the City of Ukiah or the authorized representative thereof.

§ 5703 DISPENSARY USE PERMIT REQUIRED TO OPERATE.

(A) It is unlawful for any person to engage in, conduct or carry on, or to permit to be engaged in, conducted or carried on, in or upon any premises in the City the operation of a Medical Marijuana Dispensary unless the person first obtains and continues to maintain in full force and effect a Dispensary Use Permit from the City as required in this Chapter.

(B) After January 1, 2018, or such time when State implementing regulations are in effect for the MMRSA, whichever is earlier, it shall be unlawful to operate any business or conduct any activity in the City for which a State license is required under the MMRSA without also having a valid State license pursuant to the MMRSA. Prior to implementation of the State license program pursuant to MMRSA, any operation of a Dispensary, cultivation of medical marijuana, or delivery of medical marijuana permitted by the City shall be conducted in accordance with this Chapter, the City's Zoning and Land Use Ordinances, and all laws pertaining to the equivalent license classification under the MMRSA.

(C) The grant of a Dispensary Use Permit by the City shall not create an entitlement or vested right in the permittee to any permit or license to operate any commercial, non-medical marijuana businesses or conduct any commercial, non-medical marijuana activities within the City.

§ 5704 TERM OF PERMITS AND RENEWALS REQUIRED.

(A) Dispensary Use Permits issued under this Chapter shall expire one year following the date of their issuance which date shall appear on the face of the permit.

(B) Dispensary Use Permits may be renewed by the Zoning Administrator for additional one-year periods upon application by the permittee, unless the permit is suspended or revoked in accordance with the provisions of this Chapter.

(C) Applications for renewal shall be made at least 45 days before the expiration date of the permit and shall be accompanied by the nonrefundable application fee referenced in Section 5706 and all information necessary for the Zoning Administrator to evaluate the renewal request in light of the criteria listed in (F) below. In acting on an application for renewal the Zoning Administrator shall follow the procedures set forth in Section 5711(B) and (C), except that all references therein to the Planning Commission shall be deemed to refer to the Zoning Administrator. Upon timely application to renew a permit, the permit being renewed shall remain in effect until final action is taken to grant or deny the renewal application.

(D) Applications for renewal made less than 45 days before the expiration date shall be processed in the same manner as a timely renewal application but shall not stay the expiration date of the permit.

(E) Renewal applications shall be subject to duly noticed public hearings in accordance to the procedures set forth for minor use permit applications in Section 9262 of Division 9, Chapter 2, Article 20 of the City Code.

(F) In determining whether to renew a Dispensary Use Permit, the Zoning Administrator will consider the following non-exclusive criteria, in addition to those criteria set forth in this Chapter at Section 5710:

(1) Whether the Dispensary operated by the permittee has generated an excessive number of calls for police service compared to similarly situated businesses of the same size as the Dispensary.

(2) Whether there have been excessive secondary criminal or public nuisance impacts in the surrounding area or neighborhood, including, but not limited to, disturbances of the peace, illegal drug activity, marijuana use in public, harassment of passersby, littering, loitering, illegal parking, loud noises, or lewd conduct.

(3) Whether the Dispensary operated by the permittee has a history of inadequate safeguards or procedures that show it is likely that it will not comply with the operating requirements and standards in this Chapter.

(4) Whether the Dispensary has failed to pay fees, penalties, or taxes required by this Code or has failed to comply with the production of records or other reporting requirements of this Chapter.

(5) Whether it appears that the permittee has, in its renewal application, provided a false statement of material fact or has knowingly omitted a material fact.

(6) Whether the renewal applicant or one or more of its officers, employees, partners, managers or members with management responsibilities ("Managers") has been convicted of a felony, or has engaged in misconduct that is substantially related to the qualifications, functions or duties of a Dispensary operator. A conviction within the

meaning of this Chapter means a plea or verdict of guilty, or a conviction following a plea of nolo contendere. Notwithstanding the above, an application shall not be denied solely on the basis that the applicant or any Manager has been convicted of a felony, if the person convicted has obtained a certificate of rehabilitation (expungement of felony record) under California law or under a similar federal statute or state law where the expungement was granted.

(7) Whether the renewal applicant or Dispensary has previously or is currently engaged in unlawful, fraudulent, unfair, or deceptive business acts or practices.

(G) The Zoning Administrator shall make findings of fact and either grant, grant conditionally, or deny the application for renewal of a Dispensary Use Permit. An applicant aggrieved by the Zoning Administrator's decision to issue or to deny a Dispensary Use Permit renewal may appeal such decision to the Planning Commission by filing an appeal. All determinations of the Zoning Administrator regarding Dispensary Use Permit renewals shall be final unless a written appeal, stating the reasons for the appeal, and the appeal fee, if any, as established by resolution of the City Council from time to time, are filed with the Planning Department within ten (10) days of the date the decision was made. The appeal fee will be in addition to the nonrefundable renewal application fee. Appeals may be filed by an applicant.

The Planning Commission shall conduct a duly noticed public hearing on the appeal in accordance to the applicable procedures as set forth in Section 9266 of Division 9, Chapter 2, Article 20 of the City Code, except that all references therein to the City Council shall be deemed to refer to the Planning Commission. At the close of the public hearing, the Planning Commission may affirm, reverse, or modify the appealed decision of the Zoning Administrator. All Planning Commission decisions on appeals of the Zoning Administrator's decision with regard to an application for a Dispensary Use Permit renewal are final for the City.

§ 5705 GENERAL TAX LIABILITY.

As a prerequisite to obtaining a permit pursuant to the terms hereof, an operator of a Dispensary shall also be required to apply for and obtain a Business License or exemption from the City of Ukiah and obtain a seller's permit or exemption from the State Board of Equalization pursuant to Division 2, Part 2, Chapter 2, Article 2 of the Cal. Revenue and Taxation Code, commencing with Section 6066e. Dispensary sales shall be subject to sales tax consistent with State law.

§ 5706 IMPOSITION OF FEES.

Every application for a Dispensary Use Permit or renewal shall be accompanied by an application fee, as established by resolution of the City Council from time to time. This application or renewal fee shall not include fingerprinting, photographing, and background check costs and shall be in addition to any other business license fee or permit fee imposed by this Code or other governmental agencies. Fingerprinting, photographing, and background check fees will be as established by resolution adopted by the City Council from time to time.

§ 5707 LIMITATION ON LOCATION OF DISPENSARIES.

(A) A Dispensary may only be located within the C1, C2, CN, M, and PD (Commercial) zoning districts and in the GU, UC, and DC downtown zoning districts as designated in the General Plan, Zoning Map.

(B) A Dispensary shall be in a visible location that provides good views of the Dispensary entrance, windows and premises from a public street.

(C) A Dispensary shall not be allowed in the following areas at the time of its permitted establishment:

(1) Within 600 feet of a School, with that distance measured as the horizontal distance in a straight line from the property line of the School to the closest property line of the lot on which the Dispensary is to be located without regard to intervening structures, pursuant to California Health and Safety Code § 11362.768; or

(2) Within 250 feet of a Youth-oriented facility other than a School, or another Dispensary, with that distance measured by street frontage from the property line of the Youth-oriented facility to the closest property line of the lot on which the Dispensary is to be located, and not radial distance; or

(3) Abutting, on any side of the parcel upon which the Dispensary is located, a parcel occupied by a Youth-oriented facility, a School, or another Dispensary; or

(4) Within any residential zoned parcel or primary land use, or any property with an underlying residential or mobile homes general plan land use designation.

(5) On a parcel having a residential unit, or on a parcel directly abutting a residentially-zoned property, unless there are intervening non-residential uses between the Dispensary and the residential unit or the residentially-zoned property that the Planning Commission or, on appeal, the City Council determines sufficient to provide an appropriate separation.

(D) A waiver of the provisions in subsections (C)(2)-(5) of this Section may be granted if the applicant demonstrates on plans and materials presented for review and the Planning Commission determines that a physical barrier or other condition exists which achieves the same purpose and intent as the distance separation requirements established herein, and that, as a result, the Planning Commission makes a finding of no adverse impact resulting from the proposed location of the Dispensary.

§ 5708 OPERATING REQUIREMENTS.

Dispensary operations shall be established and managed only in compliance with the following standards:

(A) Criminal History. Any applicant, his or her agent or employees, volunteer workers, or any person exercising managerial authority of a Dispensary on behalf of the applicant shall not have been convicted of any of the felony offenses enumerated in Health and Safety Code § 19323(b)(5), or of a felony or misdemeanor involving moral turpitude, or on probation for a drug offense, or engaged in misconduct related to the qualifications, functions or duties of a permittee.

(B) Minors.

(1) It is unlawful for any permittee, operator, or other person in charge of any Dispensary to employ any person who is not at least 21 years of age.

(2) Persons under the age of 18 shall not be allowed on the premises of a Dispensary unless they are a qualified patient or a primary caregiver, and they are in the presence of their parent or guardian.

(3) The entrance to a Dispensary shall be clearly and legibly posted with a notice indicating that persons under the age of 18 are precluded from entering the premises unless they are a qualified patient or a primary caregiver, and they are in the presence of their parent or guardian.

(4) The burden of proof is on the Dispensary personnel to establish compliance with this subsection (B) by clear and convincing evidence.

(C) Dispensary Access.

(1) The entrance into the Dispensary building shall be locked at all times with entry strictly controlled; e.g., a buzz-in electronic/mechanical entry system with a vestibule is highly encouraged. A viewer shall be installed in the door that allows maximum angle of view of the exterior entrance.

(2) Dispensary personnel shall monitor site activity, control loitering and site access.

(3) Only Dispensary staff, primary caregivers, qualified patients and persons with bona fide purposes for visiting the site shall be allowed on the premises at a Dispensary.

(4) Potential patients or caregivers shall not visit a Dispensary without first having obtained a valid written recommendation from their physician recommending use of medical marijuana.

(5) Only a primary caregiver and qualified patient shall be in the designated dispensing area with Dispensary personnel. All other authorized visitors shall remain in the designated waiting area in the front entrance/lobby.

(6) Restrooms shall remain locked and under the control of management.

(D) Dispensing Operations.

(1) The Dispensary may possess no more dried marijuana or plants per qualified patient or caregiver than permitted in strict accordance with California Health and Safety Code § 11362.77 and any other applicable State law, and as amended.

(2) A Dispensary shall only dispense to qualified patients or caregivers with:

(a) a currently valid physician's approval or recommendation in compliance with the criteria in California Health and Safety Code § 11362.5 *et seq.* and valid official identification, such as a Department of Motor Vehicles driver's license or State Identification Card, or

(b) a currently valid California Medical Marijuana Identification Card or a Patient ID Center Identification Card.

(3) For qualified patients or caregivers without a California Medical Marijuana Identification Card or a Patient ID Center Identification Card, prior to dispensing medical marijuana, the Dispensary shall obtain verbal, online, or signed verification from the recommending physician's office personnel that the individual requesting medical marijuana is a qualified patient.

(4) A Dispensary shall not have a physician on-site to evaluate patients and provide a recommendation for medical marijuana.

(5) Patient records shall be maintained and verified as needed, and at least annually verified with the qualifying patient's medical doctor or doctor of osteopathy unless the patient has provided a California Medical Marijuana Identification Card or a Patient ID Center Identification Card.

(6) Information on prior year's operations shall be provided annually, as required in this Chapter. The operator shall adjust the operations as necessary to address issues.

(E) Hours of Operation. Hours of Operation are limited to 9:00 a.m. to 9:00 p.m., seven days a week.

(F) Consumption Restrictions.

(1) Marijuana shall not be consumed on the premises of the Dispensary. The term "premises" includes the actual building, as well as any accessory structures, parking areas, or other surroundings within 200 feet of the Dispensary's entrance.

(2) Dispensary operations shall not result in illegal redistribution of medical marijuana obtained from the Dispensary, or use in any manner that violates local, State or City Codes.

(3) No person may consume marijuana, by smoking or vaporization, in any public places. Public places shall include, but are not limited to, city owned parks and/or city

sponsored events where designated as nonsmoking areas by resolution of the City Council, streets, sidewalks, alleys, highways, public parking lots as defined in City Code § 6000 and as amended, enclosed places and places of employment as defined in City Code §§ 4503 and 4505 and as amended, and any other property owned or leased by the City, or in which the City holds a right-of-way easement, and which is open to members of the general public, except while actively passing through on the way to another destination. Nothing in this Section is intended, nor shall it be construed to be inconsistent with the California Indoor Clean Air Act of 1976, Health and Safety Code § 118875 *et seq* and as amended.

(G) Retail Sales and Cultivation.

(1) No cannabis shall be cultivated on the premises of the Dispensary, except in compliance with this Chapter and with City Code §§ 6093 and 9254 and Health and Safety Code § 11362.5 *et seq*. The space devoted to on-site cultivation at a permitted Dispensary shall not exceed twenty-five percent of the total floor area, but in no case more than five hundred square feet. Cultivation shall be limited to interior areas of buildings.

(a) Except for immature nursery stock marijuana plants, marijuana plants grown by the Dispensary shall only be utilized for production of processed marijuana to dispense to patients.

(b) A security plan for the growing area shall be submitted to the Ukiah Police Chief for review and approval. Such plan shall include: security alarms and surveillance systems; physical measures to prevent access to the area by anyone other than Dispensary staff; and physical measures to prevent vehicle penetration of the growing area.

(c) The cultivation area shall include a one-hour firewall assembly and shall not create excessive humidity or mold conditions. The cultivation area shall have an air treatment system that prevents odors generated from the cultivation of marijuana on the Dispensary property from being detected by any reasonable person of normal sensitivity outside the Dispensary property, as set forth in City Code § 5708(l)(4). The medical marijuana cultivation area shall be in compliance with the current, adopted edition of the California Building Code as regards Natural Ventilation or Mechanical Ventilation.

(d) Cultivation facilities are strongly encouraged to utilize the most water-efficient and environmentally-responsible cultivation practices available. The City reserves the right to require annual reports on cultivation facility practices, including but not limited to cultivation mediums and water use methods.

(e) The cultivation use shall comply with applicable stormwater, wastewater, and Building Code requirements and any applicable State or Federal law, including the Clean Water Act, 33 U.S.C. § 1251 *et seq*.

(2) With the approval of the Planning Commission, a Dispensary may conduct or engage in the commercial sale of specific products, goods or services in addition to the provision of medical marijuana and other items permitted by these regulations on terms and conditions consistent with this Chapter and applicable law.

(3) Up to 150 square feet of the total square footage of the Dispensary may be utilized for display and sales of devices necessary for administering medical marijuana, including but not limited to rolling papers and related materials and devices, pipes, water pipes, and vaporizers. Such devices may only be provided to qualified patients or primary caregivers and only in accordance with Health and Safety Code § 11364.5 and as amended.

(4) Retail sales of medical marijuana that violate California law or this Chapter are expressly prohibited.

(5) A Dispensary shall meet all the operating criteria for the dispensing of medical marijuana as is required pursuant to California Health and Safety Code § 11362.5 *et seq* and as amended.

(6) The provision of locally-grown and organic marijuana is encouraged.

(H) Operating Plans.

(1) Floor Plan. A Dispensary shall have a lobby waiting area at the entrance to receive clients, and a separate and secure designated area for dispensing medical marijuana to qualified patients or designated caregivers. The primary entrance shall be located and maintained clear of barriers, landscaping and similar obstructions so that it is clearly visible from public streets, sidewalks or site driveways.

(2) Storage. A Dispensary shall have suitable locked storage on premises, identified and approved as a part of the security plan, for after-hours storage of medical marijuana.

(3) Minimum Staffing Levels. The premises shall be staffed with at least one person during hours of operation who shall not be responsible for dispensing medical marijuana.

(4) Odors Control. The Dispensary shall have an air treatment system that prevents odors generated from the storage and cultivation of marijuana on the Dispensary property from being detected by any reasonable person of normal sensitivity outside the Dispensary property. To achieve this, both the storage and cultivation areas shall be, at minimum, mechanically ventilated with a carbon filter or superior method.

(5) Security Plans. A Dispensary shall provide adequate security on the premises, as approved by the Chief of Police and reviewed by the Planning Commission, including lighting and a premise and panic alarm system monitored by a licensed operator, to insure the safety of persons and to protect the premises from theft.

(6) Security Cameras. Security surveillance cameras shall be installed to monitor the main entrance and exterior of the premises to discourage loitering, crime, illegal or nuisance activities.

(7) Security Video Retention. Security video shall be maintained for 90 days.

(8) Alarm System. Professionally monitored premise and panic alarm system shall be installed and maintained in good working condition.

(9) Emergency Contact. A Dispensary shall provide the Chief of Police with the name, e-mail address, phone number and facsimile number of an on-site community relations staff person to whom one can provide notice if there are operating problems associated with the Dispensary. The Dispensary shall make every good faith effort to encourage neighborhood residents to call this person to try to solve operating problems, if any, before any calls or complaints are made to the City.

(I) Signage and Notices.

(1) A notice shall be clearly and legibly posted in the Dispensary indicating that smoking, ingesting or consuming marijuana on the premises or in the vicinity of the Dispensary is prohibited. The notice shall be posted in both English and Spanish.

(2) Signs on the premises shall not obstruct the entrance or windows.

(3) Address identification shall comply with illuminated address signs requirements.

(4) Business identification signage shall be limited to that needed for identification only, consisting of a single window sign or wall sign that shall comply with City Code § 3227 and any other City Code provisions regulating signage.

(J) Employee Records. Each owner or operator of a Dispensary shall maintain a current register of the names of all volunteers and employees currently working at or employed by the Dispensary, and shall disclose such registration for inspection by any City officer or official for purposes of determining compliance with the requirements of this Chapter.

(K) Patient Records. Information identifying the names of patients, their medical conditions, or the names of their primary caregivers is confidential and such disclosure is prohibited pursuant to the federal Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. Sec. 1320d *et seq.*) and the Confidentiality of Medical Information Act (California Civil Code § 56 *et seq.*). In order to protect patient confidentiality, the Dispensary shall maintain records of all qualified patients with a valid identification card and primary caregivers with a valid identification card using only the identification card number issued by the State, or its agent, pursuant to California Health and Safety Code § 11362.7 *et seq.* Such records may be maintained on or off-site, and shall be made available for inspection by any City official authorized to enforce this Chapter for purposes of determining compliance with the requirements of this Chapter.

(L) Staff Training. Dispensary staff shall receive appropriate training for their intended duties to ensure understanding of rules and procedures regarding dispensing in compliance with state and local law, and the Dispensary shall employ properly trained or use professionally-hired security personnel in accordance with the conditions of its permit.

(M) Site Management.

(1) The operator of the establishment shall take all reasonable steps to discourage and correct objectionable conditions that constitute a nuisance in parking areas, sidewalks, alleys and areas surrounding the premises and adjacent properties during business hours if directly related to the patrons of the subject Dispensary.

(a) "Reasonable steps" shall include calling the police in a timely manner; and requesting those engaging in objectionable activities to cease those activities, unless personal safety would be threatened in making the request.

(b) "Nuisance" includes, but is not limited to, disturbances of peace, open public consumption of marijuana or alcohol, excessive pedestrian or vehicular traffic, illegal drug activity, harassment of passersby, excessive littering, excessive loitering, illegal parking, excessive loud noises, especially late at night or early in the morning hours, lewd conduct or excessive police detentions and arrests.

(2) The operator shall take all reasonable steps to reduce loitering in public areas, sidewalks, alleys and areas surrounding the premises and adjacent properties during business hours.

(3) The operator shall provide Dispensary patients with a list of the rules and regulations governing medical marijuana use and consumption within the City and recommendations on sensible marijuana etiquette.

(N) Compliance with Other Requirements. The operator shall comply with all applicable provisions of local, state or federal laws, regulations or orders, as well as any condition imposed on any permits issued pursuant to applicable laws, regulations or orders.

(O) Confidentiality. The information provided for purposes of this Section shall be maintained by the City as confidential information, and shall not be disclosed as public records unless pursuant to subpoena issued by a court of competent jurisdiction or otherwise compelled by court order.

(P) Display of Permit. Every Dispensary shall display at all times during business hours the permit issued pursuant to the provisions of this Chapter for such Dispensary in a conspicuous place so that the same may be readily seen by all persons entering the Dispensary.

(Q) Reporting and Payment of Fees. Each permittee shall file an annual statement with the Planning Department: (1) indicating the number of patients served by the Dispensary within the previous calendar year, (2) the continuing accuracy of the information in the prior year's

Dispensary Use Permit application, (3) documenting any changes or additions to that information as of the date for renewal of the Permit, any citizen complaints, City Code violations, and calls for law enforcement during the prior year, the applicant's compliance with applicable City and State law governing the operation of dispensaries, and (4) including any additional information the Planning Department deems necessary to administer this Chapter, and pay all annual permit fees.

(R) Alcoholic Beverages. No Dispensary shall hold or maintain a license from the State Division of Alcoholic Beverage Control for the sale of alcoholic beverages, or operate a business on the premises that sells alcoholic beverages. No alcoholic beverages shall be allowed or consumed on the premises.

(S) Dispensaries shall comply with the parking requirements for medical office uses.

(T) Inspections. During normal business hours, Dispensaries permitted under this Chapter shall provide access for administrative inspections by City officials or officers to verify compliance with this Chapter. Any Dispensary's refusal to comply with this Section shall be deemed a violation of this Chapter.

§ 5709 APPLICATION PREPARATION AND FILING.

(A) Application Filing. A complete Dispensary Use Permit application submittal packet shall be submitted in accordance with City Code § 9262, including a detailed written statement as to how the proposed Dispensary complies with Sections 5707 and 5708, and any other information or submissions required by this Chapter. All applications for Dispensary Use Permits shall be filed with the Planning Department, using forms provided by the City, and accompanied by the applicable filing fee and any other applicable fees or charges. It is the responsibility of the applicant to provide information required for approval of the permit. The application shall be made under penalty of perjury.

(B) Eligibility for Filing. Applications may only be filed by the owner of the subject property, or person with a lease signed by the owner or duly authorized agent allowing them to occupy the property for the intended use. If the applicant is a lessee, a copy of the duly executed lease currently in effect must accompany the application.

(C) Filing Date. The filing date of any application shall be the date when the City receives the last submission of information or materials required in compliance with the submittal requirements specified herein.

(D) Effect of Incomplete Filing. Upon notification that an application submittal is incomplete, the applicant shall submit any additional documents or information required to complete the application within thirty (30) days of the date the applicant is notified in writing by the Planning Department that the application is incomplete. If the applicant fails to complete the application within said thirty (30) days, the application shall be deemed withdrawn and a new application submittal that complies with Sections 5709(A) and (F) shall be required in order to proceed with the application.

(E) Effect of Other Permits or Licenses. The fact that an applicant possesses other types of state or City permits or licenses does not exempt the applicant from the requirement of obtaining a Dispensary Use Permit.

(F) Submittal Requirements. Any application for a Dispensary Use Permit shall include the following information.

(1) Applicant(s) Name. The full name (including any current or prior aliases, or other legal names the applicant is or has been known by, including maiden names), present address, and telephone number of the applicant;

(2) Applicant(s) Mailing Address. The address to which notice of action on the application is to be mailed;

(3) Previous Addresses. Previous addresses for the past five years immediately prior to the present address of the applicant;

(4) Verification of Age. Written proof that the applicant is over the age of 21 years of age;

(5) Physical Description. Applicant's height, weight, color of eyes and hair;

(6) Photographs. Passport quality photographs for identification purposes;

(7) Employment History. All business, occupation, or employment of the applicant for the five years immediately preceding the date of the application;

(8) Tax History. The Dispensary business tax history of the applicant, including whether such person, in previously operating in this or another city, county or state under license has had a business license revoked or suspended, the reason therefor, and the business or activity or occupation in which the applicant engaged subsequent to such action of suspension or revocation;

(9) Management Information. The name or names and addresses of the person or persons having the management or supervision of applicant's business;

(10) Criminal Background. A background investigation verifying whether the person or person having the management or supervision of applicant's business has been convicted of a crime(s), the nature of such offense(s), and the sentence(s) received therefor;

(11) Employee Information. Number of employees, volunteers, and other persons who will work at the Dispensary;

(12) Plan of Operations. A plan of operations describing how the Dispensary will operate consistent with the intent of State law and the provisions of this Chapter, including but not limited to:

(a) Ensuring that the Dispensary will not engage in retail sales of medical marijuana that violate California law or this Chapter.

(b) Controls that will assure medical marijuana will be dispensed to qualifying patients or caregivers only.

(c) Controls that will ensure access to Dispensary premises is adequately monitored and restricted to pre-approved qualified patients and caregivers.

(13) Written Project Description. A written description summarizing the proposed Dispensary use size, number of patients, characteristics and intent;

(14) Written Response to Dispensary Standards. The applicant shall provide a comprehensive written response identifying how the Dispensary plan complies with the each of the standards for review in this Chapter, specifically the limitation on location and operating requirements in Sections 5707 and 5708;

(15) Written Response to Criteria for Review Section. The applicant shall provide a written response indicating the method by which each of the criteria for review enumerated in Section 5710 has been satisfied;

(16) Security Plan. A detailed security plan outlining the proposed security arrangements for insuring the safety of persons and to protect the premises from theft. The plan shall include installation of security cameras, a premise and panic alarm system monitored by a licensed operator, and a security assessment of the site conducted by a qualified professional;

(17) Floor Plan. A sketch or diagram showing the interior configuration of the premises, including a statement of the total floor area occupied by the Dispensary. The sketch or diagram need not be professionally prepared, but must be drawn to a designated

scale or drawn with marked dimensions of the interior of the premises to an accuracy of plus or minus six inches;

(18) Site Plan. A sketch or diagram showing exterior configuration of the premises, including the outline of all structures, parking and landscape areas, and property boundaries. The sketch or diagram need not be professionally prepared, but must be drawn to a designated scale or drawn with marked dimensions to an accuracy of plus or minus six inches;

(19) Accessibility Evaluation. A written evaluation of accessibility to and within the building, and identification of any planned accessibility improvements.

(20) Neighborhood Context Map. An accurate straight-line drawing depicting the building and the portion thereof to be occupied by the Dispensary, and: (a) the property lines of any School within 600 feet of the property line of the Dispensary for which a permit is requested, (b) the property lines of any Dispensary within 250 feet of the primary entrance of the Dispensary for which a permit is requested, and (c) the property lines of any youth-oriented facility or residential zone or use within 250 feet of the primary entrance of the Dispensary;

(21) Lighting Plan. A lighting plan showing existing and proposed exterior premises and interior lighting levels that would be the minimum necessary to provide adequate security lighting for the use and comply with all City standards regarding lighting design and installation. All lighting shall be fully hooded and downcast, and shall not shine towards the night sky, adjacent property or any street.

(22) City Authorization. Written authorization for the City, its agents and employees to seek verification of the information contained within the application;

(23) Statement of Owner's Consent. A statement in writing by the applicant that he or she certifies under penalty of perjury that the applicant has the consent of the property owner and landlord to operate a Dispensary at the location;

(24) Applicant's Certification. A statement in writing by the applicant that he or she certifies under penalty of perjury that all the information contained in the application is true and correct;

(25) Other Information. Such other information as deemed necessary by the Planning Department to demonstrate compliance with this Chapter including all City and State Codes, including operating requirements established in this Chapter.

(G) Renewal. Applications for one-year renewal shall be accompanied by the following minimum information:

(1) The operator shall report the number of patients served and pay applicable fees, as required by this Chapter.

(2) The operator shall provide a detailed description of any adjustments and changes proposed or that have occurred in Dispensary operations to address issues, or comply with laws.

(3) The operator shall identify any problems encountered during operations and how they have been addressed.

(4) The operator shall identify how the Dispensary has managed its operations to comply with the operating requirements of this Chapter and with State law.

§ 5710 CRITERIA FOR REVIEW.

In addition to the findings required in City Code § 9262, the Planning Commission shall consider the following criteria in determining whether to grant or deny a Dispensary Use Permit, and the Zoning Administrator shall consider the following criteria in determining whether to grant or deny renewals of a Dispensary Use Permit:

(A) That the Dispensary Use Permit is consistent with the intent of the Compassionate Use Act of 1996, the MMRSA, and related State law, the provisions of this Chapter and the City Code, including the application submittal and operating requirements herein.

(B) That the Dispensary location is not identified as having significant crime issues (e.g., based upon crime reporting statistics as maintained by the Police Department).

(C) That there have not been significant numbers of calls for police service, crimes or arrests in the area or to an existing Dispensary location.

(D) That an applicant or employee is not under 21 years of age.

(E) That all required application materials have been provided and/or the Dispensary has operated successfully in a manner that shows it would comply with the operating requirements and standards specified in this Chapter.

(F) That all required application or annual renewal fees have been paid and reporting requirements have been satisfied in a timely manner.

(G) That the location is not prohibited by the provisions of this Chapter or any local or state law, statute, rule or regulation and no significant nuisance issues or problems are anticipated or have resulted from Dispensary operations.

(H) That the site plan, floor plan, and security plan have incorporated features necessary to assist in reducing potential crime-related problems and as specified in the operating requirements in Section 5708. These features may include, but are not limited to, security on-site; procedure for allowing entry; openness to surveillance and control of the premises; the perimeter, and surrounding properties; reduction of opportunities for congregating and obstructing public ways and neighboring property; illumination of exterior areas; and limiting furnishings and features that encourage loitering and nuisance behavior.

(I) That no Dispensary use, owner, permittee, agent, or employee has violated any provision of this Chapter including grounds for suspension, modification or revocation of a permit.

(J) That all reasonable measures have been incorporated into the plan and/or consistently taken to successfully control the establishment's patrons' conduct resulting in disturbances, vandalism, crowd control inside or outside the premises, traffic control problems, marijuana use in public, or creation of a public or private nuisance, or interference with the operation of another business.

(K) That the Dispensary would not adversely affect the health, peace or safety of persons living or working in the surrounding area, overly burden a specific neighborhood with special needs or high impact uses, or contribute to a public nuisance; or that the Dispensary has resulted in repeated nuisance activities including disturbances of the peace, illegal drug activity, marijuana use in public, harassment of passersby, excessive littering, excessive loitering, illegal parking, excessive loud noises, especially late at night or early in the morning hours, lewd conduct, or police detentions or arrests.

(L) That any provision of the City Code or condition imposed by a City issued permit, or any provision of any other local, or State law, regulation, or order, or any condition imposed by permits issued in compliance with those laws has not been violated.

(M) That the applicant has not violated any local or State law, statute, rule or regulation respecting the distribution, possession, or consumption of marijuana.

(N) That the applicant has not knowingly made a false statement of material fact or has knowingly omitted to state a material fact in the application for a permit.

(O) That the applicant, his or her agent or employees, or any person who is exercising managerial authority on behalf of the applicant has not been convicted of a felony, or of a misdemeanor involving moral turpitude, or has engaged in misconduct related to the qualifications, functions or duties of a permittee.

(P) That the applicant has not engaged in unlawful, fraudulent, unfair, or deceptive business acts or practices.

(Q) That adequate parking will be provided at a rate of one space for every 200 gross square feet of retail space, office space, and similar floor areas, pursuant to City Code § 9198(F)(1).

§ 5711 INVESTIGATION AND ACTION ON APPLICATION.

After the making and filing of a complete application for the Dispensary Use Permit and the payment of the fees, the applicant shall complete a fingerprint background check and the Police Department shall conduct an investigation of the application. In processing the application:

(A) The Planning Department shall refer the application to any other City departments as necessary to complete the review of the application.

(B) Following provision of complete application materials, inter-departmental review, and compliance with the California Environmental Quality Act, the Planning Department shall schedule the Dispensary Use Permit for Planning Commission review. In making a decision to grant or deny the application the Planning Commission shall follow the notice and hearing procedures and make the findings required by City Code § 9262(C)-(F) and shall either grant or deny the application in accordance with the provisions of this Chapter.

(C) In approving a Dispensary Use Permit, the Planning Commission may impose conditions, restrictions or require revisions to the proposal to comply with the purpose and intent of this Chapter.

(D) The Planning Department shall cause a written notice of the Planning Commission decision to issue or deny a permit to be mailed to the applicant by U.S. mail.

§ 5712 APPEAL FROM PLANNING COMMISSION DETERMINATION.

(A) An applicant aggrieved by the Planning Commission decision to issue or to deny a Dispensary Use Permit may appeal such decision to the City Council by filing an appeal. All determinations of the Planning Commission regarding Dispensary Use Permits shall be final unless a written appeal, stating the reasons for the appeal, and the appeal fee, if any, as established by resolution of the City Council from time to time, are filed with the City Council within ten (10) days of the date the decision was made. Appeals may be filed by an applicant or any interested party. An interested party may appeal only if he or she appeared and stated his or her position during the hearing on the decision from which the appeal is taken.

(B) The City Council shall conduct a duly noticed public hearing on the appeal in accordance to the procedures applicable to an appeal of a decision to grant or deny a use permit as set forth in Division 9, Chapter 2, Article 20 of the City Code. At the close of the public hearing, the City Council may affirm, reverse, or modify the appealed decision of the Planning Commission. All City Council decisions on appeals of the Planning Commission's decision with regard to an application for a Dispensary Use Permit are final for the City.

§ 5713 REVOCATION.

(A) Any Dispensary Use Permit issued under the terms of this Chapter may be revoked by the Zoning Administrator, when it shall appear to the Administrator that the use for which the Dispensary Use Permit was granted is not being conducted in compliance with the Dispensary Use Permit as conditioned, the permittee has violated any of the requirements of this Chapter, or the Dispensary is operated in a manner that violates the provisions of this Chapter, including the criteria for review and operating requirements sections, or conflicts with State law.

(B) The Zoning Administrator shall conduct revocation proceedings in compliance with Section 9262(H) of this Code, except that all references therein to the Planning Commission shall be deemed to refer to the Zoning Administrator. Notice of the hearing required by said Section shall be given in compliance with Section 9262(C). In addition, notice of the revocation hearing, including a description of the facts and violations relied upon in seeking revocation, shall be served on the permit holder by personal service, overnight courier or registered United States Mail, return receipt requested, not later than ten (10) day prior to the hearing. Service shall be deemed complete when received by the permit holder or forty-eight hours after deposit in the United States Mail, whichever occurs first. Notice shall be sent to the address as shown on the permit application or to an address which the permit holder has requested in writing that the City use for official communications. The address shall not be a Post Office box, but must be a physical address.

(C) If any person holding a permit or acting under the authority of such permit under this Chapter is convicted of a public offense in any court for any offense that would constitute a violation of their Dispensary Use Permit or this Chapter, the Zoning Administrator may revoke such permit forthwith without any further action thereof, other than giving notice of revocation to the permittee.

(D) The final decision of the Zoning Administrator to revoke a Dispensary Use Permit may be appealed to the Planning Commission. The appeal hearing shall be conducted in compliance with City Code Section 9266, except that all references therein to the City Council in an appeal of a Zoning Administrator decision shall be deemed to refer to the Planning Commission.

§ 5714 EFFECT OF REVOCATION.

When a final decision has been made revoking any Dispensary Use Permit provided for in this Chapter, no new application for a Dispensary Use Permit shall be accepted from the applicant and no such Permit shall be issued to such person or to any corporation or other business entity, including but not limited to, a partnership or limited liability company, in which he or she shall have any direct or indirect beneficial, financial or ownership interest for a period of three years after the action revoking the Permit.

§ 5715 TRANSFER OF PERMITS.

(A) A permittee shall not operate a Dispensary under the authority of a Dispensary Use Permit at any place other than the address of the Dispensary stated in the application for the permit.

(B) A permittee shall not transfer ownership or control of a Dispensary, including by transferring a controlling interest in the permittee, or transfer a Dispensary Use Permit to another person or entity unless and until the transferee obtains its own Dispensary Use Permit. Any other assignment of a Dispensary Use Permit is prohibited.

(C) No Dispensary Use Permit may be transferred when the Zoning Administrator or Planning Commission have notified the permittee that the permit has been or may be revoked.

(D) Any attempt to transfer a Dispensary Use Permit either directly or indirectly in violation of this Section is declared void, and the permit shall be deemed revoked.

§ 5716 TIME LIMIT FOR FILING APPLICATIONS UPON ANNEXATION.

Any Dispensary that was legally established in Mendocino County ("County") and which is subsequently annexed into the City must apply for and obtain a Dispensary Use Permit in compliance with the provisions of this Chapter within 90 days from the date the annexation becomes effective. Continued operation of a Dispensary without a permit more than 90 days after annexation shall constitute a violation of this Chapter, unless an extension of the 90 day period is approved by the Planning Commission upon the applicant's demonstration of reasonable grounds to do so.

§ 5717 MARIJUANA DELIVERY.

(A) A permitted Dispensary located in the City may deliver marijuana to qualified patients and caregivers at their residence in the City. Such permissible delivery of marijuana to qualified patients shall be limited to delivery by lawfully-operated, permitted dispensaries located within the jurisdictional limits of the City. Any individual engaging in the activity of delivering medical marijuana from a permitted Dispensary to a qualified patient must have a business license in accordance with Division 2, Chapter 1, Article 3 of the City Code.

All other marijuana delivery is a prohibited activity in the City, except where the City is preempted by federal or state law from enacting a prohibition on such activity.

(B) In conformity with City Code § 6001, it shall be unlawful for any qualified individual engaging in the activity of delivering medical marijuana from a permitted Dispensary to a qualified patient to be in an intoxicated condition or under the influence of narcotic drugs within the corporate City limits of the City in, on, or about any automobile, motorcycle, motor vehicle, street car, railroad car or other vehicle.

§ 5718 VIOLATIONS.

(A) It is unlawful for any person, individual, partnership, co-partnership, firm, association, joint stock company, corporation, limited liability company or combination of the above in whatever form or character to violate any provision or fail to comply with any of the requirements of this Chapter.

(B) A violation of this Chapter shall be subject to the enforcement and penalties specified in City Code § 5722.

§ 5719 REMEDIES.

This Chapter shall be subject to enforcement pursuant to Division 8, Article 22 of this Code.

§ 5720 SEPARATE OFFENSE FOR EACH DAY.

Any person who violates any provision of this Chapter shall be guilty of a separate offense for each and every day during any portion of which any such person commits, continues, permits, or causes a violation thereof, and shall be penalized accordingly.

§ 5721 HOLD HARMLESS.

As a condition of approval of any permit issued pursuant to this Chapter for medical marijuana cultivation, processing, or distribution, the permittee shall indemnify, defend and hold harmless the City of Ukiah and its agents, officers, elected officials, and employees for any claims, damages, or injuries brought by a permittee's clients or employees, adjacent or nearby property owners or other third parties due to permitted uses or operations, and for any expense incurred by City as a result of or in defense of any such claim..

§ 5722 PENALTIES.

(A) It shall be unlawful and constitute a misdemeanor for any person to violate the provisions of this Chapter, punishable by a fine of not more than one thousand dollars (\$1,000.00) or imprisonment in the county jail for a period of not more than six (6) months or both. This penalty shall not apply, if prohibited by state law.

(B) The penalty provided herein is in addition to any other penalty or remedy available at law or in equity, whether civil or criminal, for any violation of this Chapter or engaging in activity requiring a City license or permit, including, without limitation, a business license or building permit, without first obtaining such permit or license.

§ 5723 JUDICIAL REVIEW.

Judicial review of a decision made under this Chapter may be had by filing a petition for a writ of mandate with the superior court in accordance with the provisions of the California Code of Civil Procedure § 1094.5.

Any such petition shall be filed within 90 days after the day the decision becomes final as provided in California Code of Civil Procedure § 1994.6 which shall be applicable for such actions.

SECTION 2

Table 3 in Section 9223.1 of Article 18, Chapter 2 in Division 9 of the Ukiah City Code is hereby amended by adding a new permit category, DUP – Use Allowed with a Dispensary Use Permit, to the heading column entitled "Use Categories and Specific Uses", by specifying that a Medical marijuana dispensary is an allowable use with a Dispensary Use Permit in the General Urban (GU), Urban Center (UC), and Downtown Core (DC) zoning districts, and replacing the reference to section 5702 in the column entitled "Additional Zoning Requirements by Code Section" with references to Section 5703 and Section 5707.

SECTION 3

Section 9254 in Article 19, Chapter 2 in Division 9 of the Ukiah City Code is hereby amended to read as follows (unchanged text is omitted and is shown by “* * *”):

§9254 MARIJUANA CULTIVATION

* * *

B. Cultivation of Marijuana:

* * *

2. Indoor Cultivation: Except as permitted in Chapter 8 in Division 6 of this Code, it is hereby declared to be unlawful and a public nuisance for any person owning, leasing, occupying, or having charge or possession of any parcel within any residential zoning district (R-1, R-2, R-3 and CN districts) in the city of Ukiah to cause or allow such parcel to be used for the cultivation of more than twelve (12) mature and twenty four (24) immature marijuana plants within a fully enclosed and secure structure on the parcel.

3. Indoor Cultivation Of Marijuana Restricted To Qualified Patients And Primary Caregivers: It is hereby declared to be unlawful and a public nuisance for any person owning, leasing, occupying, or having charge or possession of any parcel within the city of Ukiah to cause or allow such parcel to be used for the cultivation of marijuana, unless (a) the person is a qualified patient or primary caregiver, growing the amount of marijuana per qualified patient authorized by Health and Safety Code section 11362.77(a) – (b) and (d) – (f), not to exceed the per parcel limit in subsection B2 of this Section, or (b) the person is operating a Medical Marijuana Dispensary pursuant to a valid Dispensary Use Permit, within the C1, C2, CN, M, and PD (Commercial) zoning districts and in the GU, UC, and DC downtown zoning districts, and the space devoted to on-site cultivation at the permitted Dispensary does not exceed twenty-five percent of the total floor area, but in no case more than five hundred square feet.

SECTION 4.

1. SEVERABILITY.

If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, is for any reason held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases of this Ordinance, or its application to any other person or circumstance. The City Council of the City of Ukiah hereby declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof, irrespective of the fact that any one or more other sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases hereof be declared invalid or unenforceable.

2. EFFECTIVE DATE.

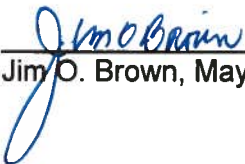
This Ordinance shall be published as required by law in a newspaper of general circulation in the City of Ukiah, and shall become effective thirty (30) days after its adoption.

Introduced by title only on January 18, 2017, by the following roll call vote:

AYES: Councilmembers Scalmanini, Mulheren, Doble, and Mayor Brown
NOES: None
ABSENT: Councilmember Crane
ABSTAIN: None

Adopted on February 15, 2017, by the following roll call vote:

AYES: Councilmembers Scalmanini, Crane, Mulheren, Doble, and Mayor Brown
NOES: None
ABSENT: None
ABSTAIN: None



Jim O. Brown, Mayor

ATTEST:



Kristine Lawler, City Clerk

RESOLUTION NO. 2017-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UKIAH AUTHORIZING ACCESS TO STATE AND FEDERAL LEVEL SUMMARY CRIMINAL HISTORY INFORMATION FOR EMPLOYMENT AND LICENSING OF MARIJUANA DISPENSARY USE PERMITS

WHEREAS, Penal Code Sections 11105(b)(11) and 1330(b)(11) authorize cities to access state and local summary criminal history information for employment, licensing or certification purposes; and

WHEREAS, Penal Code Section 11105(b)(11) authorizes cities to access federal level criminal history information by transmitting fingerprint images and related information to the Department of Justice to be transmitted to the Federal Bureau of Investigation; and

WHEREAS, Penal Code Sections 11105(b)(11) and 13300(b)(11) require that there be a requirement or exclusion from employment, licensing, or certification based on specific criminal conduct on the part of the subject of the record; and

WHEREAS, Penal Code Sections 11105(b)(11) and 13300(b)(11) requires the City Council to specifically authorize access to summary criminal history information for employment, licensing, or certification purposes.

NOW, THEREFORE, BE IT HEREBY RESOLVED, that the City Council hereby authorizes accessing state and federal level summary criminal history information for employment (including volunteers and contract employees), licensing of Marijuana Dispensary Use Permits or certification for Marijuana applicants, his or her agent or employees, or any person who is exercising managerial authority on behalf of an applicant, for purposes of obtaining a Marijuana Dispensary Use Permit, and may not disseminate the information to a private entity.

PASSED AND ADOPTED this 5th day of April, 2017, by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Jim O. Brown, Mayor

ATTEST:

Kristine Lawler, City Clerk



ITEM NO.: 7d

MEETING DATE: April 5, 2017

AGENDA SUMMARY REPORT

SUBJECT: RECEIVE REPORT REGARDING THE ANNUAL SOFTWARE RENEWAL AND ENTERPRISE SUPPORT AGREEMENT FOR THE CITY OF UKIAH'S CHECKPOINT PERIMETER FIREWALL IN THE AMOUNT OF \$28,099

Summary: Council to receive a report regarding the annual software renewal and enterprise support agreement with Portola Systems (Channel Partner), in the amount of \$28,099.

Background: The City of Ukiah utilizes a Checkpoint perimeter firewall to protect our network from outside threats that can originate from the internet. Equipment and services provided in the agreement include:

Detects and controls application usage

- Identifies, allows, blocks or limits usage of applications, and features within them which enables safe Internet use while protecting against threats and malware
- Leverages the world's largest application library with more than 6,600 web 2.0 applications

Supports advanced identity awareness for stress-free policy enforcement

- Creates granular policy definitions per user and group
- Integrates seamlessly with Active Directory and protects our environments containing social media and internet applications

Provides proven gateway security in a single, dedicated appliance

- Provides the benefits of application control and intrusion protection (IPS), as well as extensibility support for additional security capabilities

Discussion: The City issued a purchase order to Portola Systems for the software licensing renewal of Checkpoint Security, as well as Enterprise support, in the amount of \$28,099. Portola is the Channel Partner for Checkpoint Technologies. Staff is requesting that City Council receive this report. Funds are budgeted and available in the Information Technology fund #20922900.54320.

FISCAL IMPACT:				
Budgeted Amount in 16-17 FY	New Appropriation Source of Funds (Title & No.)	Account Number	Budget Amendment Required	Previous Contract or Purchase Order No.
\$28,099.00	I.T. Software	#20922900.54320	Yes ☐ No ☒	COU No. 1314-234 COU No. 1516-188

RECOMMENDED ACTION(S): Receive report regarding the annual software renewal and enterprise support agreement for the City of Ukiah's Checkpoint Perimeter Firewall in the amount of \$28,099.

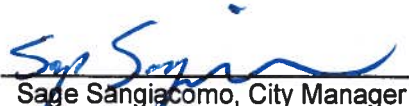
ALTERNATIVES: Do not approve recommended action, and provide alternate direction to staff.

Citizens advised: N/A
Requested by: N/A
Contact/Prepared by: Mary Horger, Procurement Manager and Scott Shaver, Information Technology Administrator.
Coordinated with: Sage Sangiacomo, City Manager
Presenter: Scott Shaver, Information Technology Administrator
Attachments: N/A

COUNCIL ACTION DATE: _____: ☐ Approved ☐ Continued to _____ ☐ Other _____

RECORDS APPROVED: ☐ Agreement: _____ ☐ Resolution: _____ ☐ Ordinance: _____

Note: Please write Agreement No. in upper right corner of agreement when drafted.

Approved: 
Sage Sangiacomo, City Manager



ITEM NO.: 7e

MEETING DATE: April 5, 2017

AGENDA SUMMARY REPORT

SUBJECT: AWARD PROFESSIONAL SERVICES AGREEMENT IN THE AMOUNT OF \$39,586, TO OMNI-MEANS, LTD., TO COMPLETE AN UPDATE OF THE CITY OF UKIAH'S SPEED ZONE SURVEYS AND APPROVE BUDGET AMENDMENT

Summary: The City Council will consider awarding a professional services agreement to Omni-Means, Ltd. to complete an update of the City of Ukiah's speed zone surveys. The City Council will also consider approving a budget amendment for this work.

Background and Discussion: This project will complete the required update to the City's speed zone surveys. Staff issued a request for proposals (RFP) and sent it to four prospective consultants and to Integrated Marketing Services (IMS). IMS utilizes the internet and electronic notification to inform prospective consultants regarding RFPs. In response to the City's RFP, one consulting firm, Omni-Means, Ltd. submitted a proposal (Attachment #1).

The consultant will be responsible for conducting speed zone surveys on fifty-three (53) street sections in accordance with the Caltrans Traffic Manual procedures, the California Vehicle Code requirements, and the Manual on Uniform Traffic Control Devices and the respective California Supplement. Speed zone surveys are updated every five years.

The Mendocino Council of Governments has provided funding for this project through the Overall Work Program in an amount not to exceed \$40,000. Staff has reviewed the proposal from Omni-Means and found the proposed fee to be commensurate with the scope of work. Staff recommends approval of a professional services agreement for this work and approval of the corresponding budget amendment.

FISCAL IMPACT:				
Budget Amendment Amount	New Appropriation Source of Funds (Title & No.)	Account Number	Budget Amendment Required	Previous Contract or Purchase Order No.
\$39,586	MCOG 508	#50824210.52100	Yes ☒ No ☐	N/A

RECOMMENDED ACTION(S): Award professional services agreement to Omni-Means, Ltd., in the amount of \$39,586, to complete an update of the City of Ukiah's speed zone surveys and approval of proposed budget amendment.

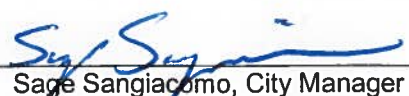
ALTERNATIVES: Choose not to approve recommended action and provide direction to staff.

Citizens advised: Kamesh Vedula and Douglas J. Ries, Omni-Means, Ltd.
Requested by: Tim Eriksen, Director of Public Works
Contact/Prepared by: Rick Seanor, Deputy Director of Public Works
Coordinated with: Sage Sangiacomo, City Manager
Presenter: Tim Eriksen, Director of Public Works
Attachment: 1. proposal from Omni-Means, Ltd.

COUNCIL ACTION DATE: _____: ☐ Approved ☐ Continued to _____ ☐ Other _____

RECORDS APPROVED: ☐ Agreement: _____ ☐ Resolution: _____ ☐ Ordinance: _____

Note: Please write Agreement No. in upper right corner of agreement when drafted.

Approved: 
Sage Sangiacomo, City Manager

Proposal for:
Update of City of Ukiah's Speed Zone Surveys



Submitted to:
Rick Seanor, Deputy Director of Public Works
City of Ukiah
Department of Public Works
300 Seminary Avenue
Ukiah, CA 95482



Prepared by:
Omni-Means
943 Reserve Drive, Suite 100
Roseville, CA 95678
Contact: Kamesh Vedula
916.782.8688





March 24, 2017

Rick Seanor, Deputy Director of Public Works
City of Ukiah
Department of Public Works
300 Seminary Avenue
Ukiah, CA 95482-5400

Re: Proposal: Update of City of Ukiah's Speed Zone Surveys

Dear Mr. Seanor:

We recognize that the setting of enforceable speed limits can often be a controversial and emotional process; however, it requires a rational and defensible approach to maintain public confidence. Our team has extensive experience completing defensible Engineering and Traffic Survey (Speed Zone Surveys) for various jurisdictions throughout California. H. Ross Ainsworth, PE, TE, will be the Principal-in-Charge, and Kamesh Vedula, PE, TE, will serve as the Project Manager. Kamesh was responsible for much of the analysis required for the previous speed zone work we conducted for the City. Both Kamesh and Ross are registered Traffic Engineers.

Our approach to your project will be "hands on"! First, our experienced team will personally review each and every roadway segment to determine the existing field conditions. Based upon our first-hand knowledge, the exact location of the speed survey's will be determined and reviewed with City staff before each survey is conducted. As identified in *Section 2B.13 Speed Limit Sign (R2-1) - Engineering and Traffic Survey (E&TS) - Guidance* of the California Manual of Uniform Traffic Control Devices (MUTCD), a location (for speed survey) should be selected where prevailing speeds are representative of the entire speed zone, and if the speeds vary on a given route, more than one speed zone section may be required with separate measurements for each section.

Each survey will be conducted with a recently calibrated hand-held radar gun from an inconspicuously parked vehicle. Every effort will be made to ensure that the presence of the vehicle in no way affects the speed of the surveyed traffic. Only free-flowing vehicles will be surveyed. New daily roadway traffic volume counts will be conducted for each segment.

Based upon the methodologies discussed above, individual E&TS reports will be completed for each of the fifty-three (53) study roadway segments. These reports will include the observed parameters of a radar speed study including the location of the spot speed survey, the direction of travel, the date and day of week, time of the survey, and posted speed limit, along with weather and roadway classification. Calculated parameters will include the 50th percentile (average) speed, the 85th percentile (critical) speed, the 10 mph pace, and the percent of vehicles observed within the 10 mph pace, the range of speeds observed, and the total number of vehicles observed. Based upon the information, a recommended speed limit for the roadway (or zone) will be provided in a draft and final report.



Omni-Means will attend a City Council meeting to assist in presentation of the speed zone report. Additionally, we will provide the City with a compatible GIS layer file containing all of the speed zone data for each roadway section represented in color coding or other forms.

We look forward to being selected to provide these services and working with the City of Ukiah on this important engineering project.

Sincerely,

Omni-Means, Ltd.
A GHD Company

Kamesh Vedula, PE, TE
Project Manager

Douglas J. Ries, PE
Principal
Signing Authority

*PS: Mr. Ries has the authority to bind Omni-Means contractually.
This proposal is valid for a period of 30 days after the proposal opening.*

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Project Approach and Schedule

Project Approach

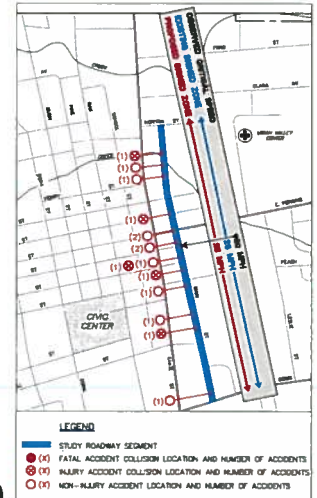
Based upon our understanding of the Request for Proposal (RFP), the City wishes to select a professional consultant to complete traffic surveys for the City, in conformance with the California Vehicle Code (CVC) as required by local jurisdictions. The surveys shall also be conducted in accordance with the applicable sections of the Manual of Uniform Traffic Control Devices (MUTCD), California Edition 2014. Procedures should follow the 2014 California Manual for Setting Speed Limits, which is further clarified in the MUTCD. As such, this Proposal will be for newly incorporated streets and those surveys that have expired or will soon expire and are deemed urgent for renewal, to allow for electronic speed enforcement.

Although not specifically stated in the RFP, it is our understanding - and will be identified in our Project Approach - that the City wishes the consultant to implement a detailed procedure that will adhere to current standards and comply with necessary regulations to assist law enforcement agencies in enforcing basic speed laws of California.

We recognize that the setting of enforceable speed limits can often be a controversial and emotional process; however, it requires a rational and defensible approach to maintain public confidence. It is our understanding of the adopted rules and regulations prescribing uniform standards and specifications for all official traffic control devices that allows us to continually provide defensible Engineering & Traffic Survey (Speed zone surveys) for local jurisdictions.

Speed zone surveys will be conducted at the locations listed in the Scope of Work. For each speed survey, a Vehicle Speed Data Sheet will be prepared summarizing the measured vehicle speed

characteristics, such as average speed, critical speed (85th percentile speed), pace speed, and the posted speed limit. In addition, a map illustrating the roadway location, existing posted speed limit, speed survey location, and recommended speed limit will also be prepared.



Supplemental field data will be collected by Omni-Means for all fifty-three (53) survey locations. Each of the radar speed surveys will be made from an inconspicuously parked vehicle. Every effort will be made to ensure that the presence of the vehicle in no way effects the speed of the surveyed traffic. Only free flowing vehicles will be surveyed. The results derived from this technique will accurately demonstrate a balance among the speed, capacity, and general use of a segment.

Project Schedule

The schedule below is from the RFP and assumes that no additional studies will be needed to complete the project.

- Initiate and complete update to speed zone surveys: April 5-August 4, 2017.
- Submit draft speed zone survey report for review: August 7, 2017.
- Review/comment on draft speed zone survey report: August 7-18, 2017.
- Consultant submits final speed zone report: September 1, 2017.
- Attend City Council meeting to presentation speed zone report: September 20, 2017.

Project Understanding

California Vehicle Code

In order to set and maintain speed limits on City streets, Engineering & Traffic Speed Surveys (E&TS) must be periodically conducted as set forth in the California State Vehicle Code in order to provide proper and enforceable speed limits. Speed limits are set based on various factors, including radar measured speeds, physical roadway characteristics, accident history, daily traffic volumes, and

VEHICLE SPEED DATA SHEET		ROADWAY	State Street					
		SEGMENT	29: Gobb Street to Norton Street					
LENGTH	3950	WIDTH	50					
		TRAVEL LANES	4					
DIRECTION: Both		RADAR LOCATION	Mid-Block					
TIME: 12:30 PM		DATE	5/11/2012					
MPH	5	10	15	20	25	30	TOTAL VEH	TOTAL SPEED
50							0	0
49							0	0
48							0	0
47							0	0
46							0	0
45							0	0
44							0	0
43							0	0
42							0	0
41							0	0
40							0	0
39							0	0
38							0	0
37							0	0
36							0	0
35							0	0
34							0	0
33							0	0



Project Approach and Schedule

adjacent land uses. Speed zoning, or the application of designated vehicle speed limits on public streets, is regulated by the California Vehicle Code (CVC) and the California Manual of Uniform Traffic Control Devices (MUTCD). Typically, speed zoning is warranted on streets and thoroughfares where there are “appreciable” amounts of traffic volumes and where speed zones would help contribute to the “orderly movement” of traffic by increasing driver awareness of a reasonable speed. The basic goal of speed zoning is to prevent motorists from operating at a wide range of speeds along a thoroughfare that could create vehicle conflicts. Speed zoning allows motorists to travel at or near the same speeds.

Speed limits range from absolute to prima facie. Absolute speed limits are usually found on highways and freeways where the maximum speed limit (e.g., 55 mph to 70 mph) cannot be exceeded. Prima facie speed limits are usually established through speed zoning studies. In some instances, there are automatic prima facie speed limits. These include a 25 mph speed limit on any street, other than a state highway, in any business or residence district unless a different speed is determined by local authority under procedures set forth in the latest CVC and California MUTCD.

CVC 235 defines a “business district” as that portion of a highway and the property contiguous thereto (a) upon one side of which highway, for a distance of 600 feet, 50 percent or more of the contiguous property fronting thereon is occupied by buildings in use for business, or (b) upon both sides of which highway, collectively, for a distance of 300 feet, 50 percent or more of the contiguous property fronting thereon is so occupied. A business district may be longer than the distances specified in this section if the above ratio of buildings in use for business to the length of the highway exists.

CVC 515 defines “residence district” as that portion of a highway and the property contiguous thereto, other than a business district, (a) upon one side of which highway, within a distance of a quarter mile, the contiguous property fronting thereon is occupied by 13 or more separate dwelling houses or business structures, or (b) upon both sides of which highway, collectively, within a distance of a quarter of a mile, the contiguous property fronting thereon is occupied by 16 or more separate dwell-

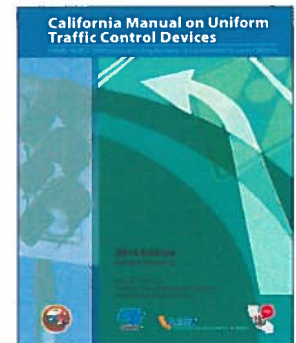
ing houses or business structures. A residence district may be longer than one quarter of a mile if the above ratio of separate dwelling houses or business structures to the length of highway exists.

Additionally, a “speed trap” must be avoided when establishing prima facie speed limits as indicated in CVC 40802. Prima facie speed limits must be justified by an E&TS conducted within five years prior to the date of the alleged violation when enforcement of the speed limit involves the use of radar or any other electronic device that measures the speed of moving objects. However, this does not apply to a local street, road, or school zone. Per CVC 40802, a local street or road is defined by the latest functional usage and federal aid system maps submitted to the Federal Highway Administration. Per subdivision(c) of CVC 40802, the life of the E&TS may be extended to seven years if certain criteria are met, and up to a maximum of ten years if a registered engineer evaluates the section of the highway and determines that no significant changes in roadway or traffic conditions have occurred, including, but not limited to, changes in adjoining property or land use, roadway width, or traffic volumes.

Overview of Speed Limit Laws

The California MUTCD requires that an E&TS include consideration of all the following:

- ◆ Prevailing speeds as determined by traffic engineering measurements.
- ◆ Collision records.
- ◆ Highway, traffic, and roadside conditions not readily apparent to the driver.



Traffic engineering measurements are typically accomplished through radar speed studies. The observed parameters of a radar speed study include the location of the spot speed survey, the direction of travel, the date and day of week, time of the survey, posted speed limit, weather, and roadway classification. Calculated parameters include the 50th percentile (average) speed, the 85th percentile (critical) speed, the 10 mph pace and the percent of vehicles observed within the 10 mph pace, the range of speeds observed, and the total number of



vehicles observed. A brief explanation of some of these parameters follows.

50th Percentile Speed

The 50th percentile speed is that speed above and below which 50 percent of the sample speeds lie. This is also known as the median or average speed.

85th Percentile Speed

The 85th percentile speed is that speed at or below which 85 percent of the observed vehicles are traveling. The 85th percentile (critical) speed of a spot speed survey is the primary indicator of a speed limit that might be imposed. For City/County roadways, the speed limit normally should be established at the first five mile per hour increment closest to the 85th percentile speed. However, in matching existing conditions with the traffic safety needs of the community, engineering judgment may indicate the need for further reduction of five miles per hour. Factors affecting the decision to further decrease the speed limit include accident experience, traffic volumes, road features, or other special situations.

10 MPH Pace

The 10 mph pace is the 10 mile per hour increment of observed speeds that contains the greatest number of vehicles. In most of the cases, the 85th percentile speed and the recommended speed limit lie somewhere within the pace, frequently in the middle to upper ranges. This is another indicator used to determine appropriate speed limits. The percent of vehicles in pace is an indication of the "bunching" of vehicular speeds. The higher the percent of vehicles within the pace speed, the better the speed distribution. The percent in the pace is often between 63% and 78%.

Besides measuring the 85th percentile speed, other physical or demographic factors regarding a roadway segment can be involved in determining the optimal vehicle speeds, including type of adjacent land use, presence of on-street parking, geometric limitations (horizontal/vertical alignment, narrow cross-section, limited shoulder widths, etc.), and/or proximity to schools. The current California MUTCD regarding policy and procedure for setting speed limits in California will be referenced and used (2014).

Engineering & Traffic Survey Reports

Based upon the methodologies previously discussed above, individual E&TS reports will be completed for each of the roadway segments listed in the RFP by the City of Ukiah. The roadways listed include fifty-three (53) segments. As identified in *Section 2B.13 Speed Limit Sign (R2-1) - Engineering and Traffic Survey (E&TS) - Guidance*, of the California MUTCD, a location (for speed survey) should be selected where prevailing speeds are representative of the entire speed zone, and if the speeds vary on a given route more than one speed zone section may be required with separate measurements for each section. Field review would be conducted to determine the appropriate homogeneous speed zone locations. In addition to E&TS reports, Spot Speed Survey forms and Speed Survey forms will be provided for each location. To the extent that previous forms conducted for 2012 surveys can be used/updated, this will be included.

City of Ukiah Public Works Department Speed Limit Engineering and Traffic Survey (E&TS)			
Street: Larraine Street		Prepare By: Omni-Means	
Limits: Marlene Street to Talmage Road		Field Observer: R. Tuma	
		Date: 8/16/2012	
Features			
A. PREVAILING SPEED DATA			
Location of Survey	Mid-Block		
Direction	Both		
85th Percentile	19 MPH	23 MPH	
10 mph Pace	14 MPH		
Percent in Pace	69%		
Posted Speed Limit	15 MPH		
B. COLLISION HISTORY			
Date Range Covered	From Jan-05 To Apr-11	Duration/Years 3 years	
Total Collisions	Fatal 0 Injury 0 Non-Injury 3		
C. TRAFFIC FACTORS			
Average Daily Traffic	1,858		
Length of Segment	1.160		
Width of Segment	35		
Number of Travel Lanes	2		
D. CONDITIONS NOT READILY APPARENT			
Conditions	None		
Roadway Geometrics	None		
Comments	There are no conditions that are not readily apparent to the driver.		
E. ADJACENT LAND USE			
	Residential		
SURVEY RESULTS			
Posted Speed Limit	15 MPH		
Critical Speed*	20 MPH		
Reduction in Speed For Conditions Not Readily Apparent To Driver?	No		
Speed Limit Change?	n/a		
Recommended Speed Limit	15 MPH		
* nearest 5 MPH			
Approved and Authorized for release			
Russ Wankam, P.E.	Date 7/8/2012		
Name			
Project Manager			
Title			

Project Approach and Schedule

Scope of Work

Task 1 - Initiate Study

Omni-Means will verify with City staff the relevant data collection needs, including the required number of radar survey locations, Average Daily Traffic (ADT) volumes, and collision history information. At a minimum, the locations listed in Task 2 will be included in the study. Additional locations or multiple speed survey locations within each segment will be discussed with City staff. All of the roadway segments will be field inspected to determine geometrics and other conditions prior to commencing surveys.

Task 2 - Radar Speed Survey and Data Collection

Omni-Means will conduct radar speed surveys on the fifty-three (53) roadway segments (refer to Table below) that the City has identified for analysis. Due to the length of several of the study streets, radar surveys may be required at more than one location in order to properly assess the conditions of the entire street segment. Our budget for radar surveys is estimated to be a maximum of fifty-five (55) locations. At each location, a minimum of 100 vehicle speed observations will be recorded.

ID No.	Roadway	Segment
1	Lorraine Street	Marlene Street to Talmage Road
2	Betty Street	Cooper Lane to Talmage Road
3	Church Street	State Street to Highland Avenue
4	Clara Avenue	State Street to Orchard Avenue
5	Clay Street	State Street to Dora Street
6	Despina Drive	Low Gap Road to North City Limits
7	Elm Street	Empire Drive to Magnolia Street
8	Ford Street	State Street to Orchard Avenue
9	Gobbi Street	Dora Street to Leslie Street
10	Jones Street	Dora Street to McPeak Street
11	Leslie Street	Gobbi Street to Perkins Street
12	Live Oak Avenue	Walnut Avenue to Maple Avenue
13	Lockwood Drive	Empire Drive to Arlington Drive
14	Lorraine Street	Betty Street to Marlene Street
15	Main Street	Gobbi Street to Norton Street
16	Maple Avenue	Live Oak Avenue to End
17	Mason Street	Perkins Street to Clara Avenue
18	Mendocino Drive	Gardens Avenue to Dora Street
19	Mill Street	State Street to Highland Drive
20	Oak Manor Drive	Gobbi Street to Perkins Street

ID No.	Roadway	Segment
21	Oak Street	Perkins Street to Low Gap Road
22	Observatory Avenue	State Street to Helen Avenue
23	Perkins Street	State Street to Highland Avenue
24	Pine Street	Low Gap Road to Arlington Drive
25	Pomo Drive	Yosemite Drive to Washo Drive
26	School Street	Mill Street to Scott Street
27	Spring Street	Jones Street to Walnut Avenue
28	Standley Street	State Street to West End
29	State Street	Gobbi Street to Norton Street
30	Walnut Avenue	Dora Street to Live Oak Avenue
31	Washo Drive	Yosemite Drive to Gobbi Street
32	Waugh Lane	Talmage Road to Gobbi Street
33	Airport Park Blvd.	Talmage Road to South End
34	Bush Street	Grove Avenue to North City Limit
35	Clay Street	Dora Street to Highland Avenue
36	Dora Street	South City Limit to Grove Avenue
37	Gobbi Street	Leslie Street to Oak Manor Drive
38	Grove Avenue	Pine Street to Live Oak Avenue
39	Helen Avenue	Mendocino Drive to Doolan Canyon Drive
40	Low Gap Road	State Street to Bush Street
41	Low Gap Road	Bush Street to West City Limits
42	Orchard Avenue	Ford Street to Gobbi Street
43	Perkins Street	State Street to Highway 101
44	State Street	North City Limits to Norton Street
45	State Street	Gobbi Street to Talmage Road
46	Wabash Avenue	State Street to Dora Street
47	Washington Avenue	State Street to Helen Avenue
48	Perkins Street	Highway 101 to Oak Manor Drive
49	State Street	Talmage Road to Beacon Lane
50	Talmage Road	State Street to Airport Park Blvd.
51	Babcock Lane	South City Limits to Gobbi Street
52	Gibson Street	N. State Street to N. Oak Street
53	S. Orchard Avenue	Gobbi Street to Marlene Street

{Note: If extremely low volume segments are present, a smaller sample size may be necessary, but these exceptions would be established in Task 1 in concurrence with the City.}

In accordance with standard practice, the radar surveys will reflect the following:

- Vehicles not impeded by congestion problems;
- Vehicles in free flow operation;
- Random inclusion of lower and higher speed vehicles; and
- Relative proportion of truck observations.



In addition to recording vehicle speeds, we will note other characteristics (adjacent land uses, alignment, side street traffic, etc.). This road condition data will assist in the final identification of appropriate speed limits.

Task 3 - Daily Traffic Volume Counts

BayMetrics will conduct roadway segment daily traffic counts for each of the fifty-three (53) roadway segments included in the speed survey study as listed in the Table above. These counts will be summarized into a report that includes volumes by directions, summarized by 15-minute time periods.

Task 4 - Data Reduction/Analysis

Omni-Means will enter the roadway speed survey data into a software program that will provide a summary sheet for each roadway segment that graphs the 85th percentile speed (or "critical speed"), average speed, pace, and other relevant information regarding the survey.

Omni-Means will collect accident data from the City (and other sources as appropriate) and accidents will be identified for each roadway segment. Based on daily traffic count data conducted in Task 3, accident rates (per million vehicle miles) will be calculated and compared with statewide averages for similar roadway types.

For each study location, Omni-Means will review the data relevant to identifying preliminary recommended speed limits. These preliminary findings will be discussed with City staff and, if appropriate, adjusted to reflect additional input.

Task 5 - Prepare Draft Report

Omni-Means will prepare a report with attached appendices that summarizes the data collection, analyses, and recommendations for speed limits at each of the fifty-three (53) study locations. The report will include the following:

- Introduction
- Background Methodology
- Data Collection
- Field Survey Results
- Engineering Analysis
- E&TS by Roadway Segment to include:
 - Figure illustrating roadway segment including:
 - Fatal Accidents

- Injury Accidents
- Non-Injury Accidents
- Observed Critical Speed
- Existing Signed Speed Zones
- Proposed Signed Speed Zones
- Vehicle Speed Data Sheet, including:
 - Speed Survey Data Graph (per MPH)
 - Average Speed
 - Critical Speed (85th Percentile)
 - Pace Speed
 - Percent Over Pace
 - Percent In Pace
 - Percent Under Pace
 - Total Number of Vehicles Surveyed
 - Posted Speed
- Cumulative Speed Curve
- E&TS Form, including:
 - Street Name
 - Limits
 - Date
 - Prevailing Speed Data (summary of Vehicle Speed Data Sheet - see above)
 - Collision History
 - Traffic Factors, including:
 - Average Daily Traffic Volume
 - Length of Segment
 - Width of Segment
 - Number of Travel lanes
 - Conditions Not Readily Apparent
 - Adjacent Land Use
 - Speed Survey Results, including:
 - Posted Speed Limit
 - Critical Speed
 - Reduction in Speed for Conditions Not Readily Apparent To Drive
 - Speed Limit Change
 - Recommended Speed Limit

Deliverables:

- *Bound copies of the draft speed zone report.*

Task 6 - Prepare Final Report

Following review of the Draft Report by the City, Omni-Means will incorporate all comments and then finalize the report. The report will be delivered to the City.

Deliverables:

- *Twelve (12) bound copies of the final speed zone report, one (1) unbound copy of the final speed zone report, and one (1) electronic copy of the final speed zone report (PDF format).*



Project Approach and Schedule

Task 7 - Prepare GIS Layer

Omni-Means will prepare a GIS layer compatible with the City's existing GIS software that contains the final posted speed attribute for each roadway segment link within the GIS system. In addition, the link attributes will be modified to correspond to the posted speed limit to allow a graphical color representation of this data.

Deliverables:

- ♦ One (1) electronic copy of the GIS data layer for the speed zones.

Task 8 - Meetings

Omni-Means will attend a total of three (3) meetings. These will include two (2) meetings with staff: an initial start-up meeting and a subsequent meeting to discuss preliminary results (which could occur with completion of a draft report). We will also work with City staff to present the speed limit findings at a City Council meeting if required.

Schedule

Task	Task Description	April	May	June	July	August	September
Project Schedule							
Phase I - Initiate Study/Compile Data							
Task 1	Initiate Study						
Task 2	Radar Speed Survey & Data Collection						
Task 3	Daily Traffic Volume Counts						
Phase II - Location Analyses/Report							
Task 4	Data Reduction/Analysis						
Task 5	Prepare Draft Report						
Task 6	Prepare Final Report						9/1/2017
Task 7	Prepare GIS Layer						
Task 8	Meetings						9/20/2017





943 Reserve Drive, Suite 100
Roseville, CA 95678
P. 916.782.8688
F. 916.782.8689

Project Manager
Kamesh Vedula, PE, TE

Certifications
DIR Number: #1000001372

Length of Time in Business
36 years

Office Locations

- Napa
- Redding
- Roseville
- San Luis Obispo
- Walnut Creek
- Visalia

Speed Survey Experience

- City of American Canyon
- City of Avenal
- City of Benicia
- City of Concord
- City of Dublin
- City of Farmersville
- Madera County
- Mono County
- City of Paso Robles
- City of San Pablo
- City of Shasta Lake
- City of Ukiah
- Town of Loomis

Omni-Means

Omni-Means was founded in 1981 as a multi-disciplinary consulting firm designed to meet transportation engineering, and planning needs. In 2017, we merged with GHD, a privately held international engineering firm, as a wholly owned subsidiary. As a result of this merger, it has bolstered our ability to provide services to you from more locations throughout California. We are confident that our skill-set will match your needs. Our services include:

- ♦ Transportation Planning
- ♦ Traffic Engineering
- ♦ Roundabout Services
- ♦ Transportation Engineering & Design
- ♦ Land Planning & Development
- ♦ Landscape Architecture
- ♦ Land/Construction Surveying
- ♦ Construction Management

Omni-Means' dedication to engineering solutions causes constant growth. Our staff is educated in all aspects of planning, design, and construction management and offer almost all services internally to deliver a complete project from conception to construction. The firm has a staff of over 50 people in six offices that house registered Civil Engineers, Traffic Engineers, Land Surveyors, and Landscape Architects. The continued growth of Omni-Means reflects success in establishing an organization staffed with experienced and talented engineers and planners dedicated to their profession.

Speed Surveys Experience

Omni-Means has worked on multiple Engineering and Traffic Speed Survey projects. The following tasks outline Omni-Means' approach for providing these surveys/analyses. We assist agencies with:

- ♦ Conducting Field Inspection of Roadways
- ♦ Analyzing Accident Rate Analysis
- ♦ Performing Speed Survey and Data Collection
- ♦ Helping to Establish Speed Limits
- ♦ Providing Traffic Flow and Speed Survey Maps
- ♦ Any Needed Reports (Initial Studies to Draft and Final Reports)
- ♦ Attending any Needed Meetings Throughout the Project



Your Project Manager

Mr. Vedula has been with Omni-Means over 12 years. During that time, he has worked on several radar surveys, speed surveys, and Engineering & Traffic Surveys (E&TS). He was the Traffic Engineer for the:

- ♦ City of Ukiah Speed Zone E&TS
- ♦ Mono County Speed Zone E&TS
- ♦ City of Concord Speed Zone E&TS



Baymetrics

Role

Traffic Data Collection

Address

2501 Mira Vista Drive
El Cerrito, CA 94530
P. 510.232.1271

Certifications

DBE #28904/SBE #32497

Speed Survey Experience

- City of Concord
- City of Dublin

Subconsultant

BayMetrics will perform any needed traffic data collection. BayMetrics is a traffic data-collection company founded in 1989 and since, has been providing accurate traffic survey, data collection, and objective analysis to our California clients. Their business is to support clients in improving existing traffic conditions and meeting future transportation needs. They provide the following specialized services to our clients with the most updated technologies and innovative software, as well as by teams of capable and experienced data collectors performing:

- ♦ Data collection including automatic traffic recording, axle classification, turning movement, pedestrian and bicycle traffic counts.
- ♦ Traffic surveys including parking lot, origin-destination and vehicle license plate surveys.
- ♦ Traffic analysis including classification, speed & delay, gap, queue lane, travel time studies, vehicle occupancy count and speed radar survey.

Collaborative Projects

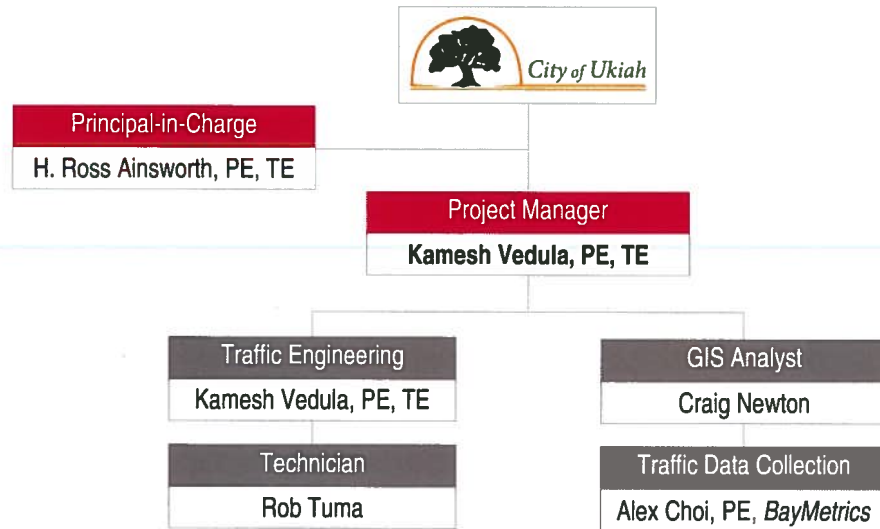
Omni-Means has collaborated with BayMetrics on hundreds of projects since 1998. Below is a sample list of projects since 2013.

- ♦ 2013 Radar Speed Surveys - Dublin
- ♦ City of Concord Speed Studies - Concord
- ♦ Citywide and Gleason Drive Radar/Speed Limits - Dublin
- ♦ 2900 Silverado Winery TIS - Napa
- ♦ Araujo Wine TIS - Calistoga
- ♦ Atrium II and Birch Street Focused TIS - Newark
- ♦ Bell Wine Cellars Focused TIS - Yountville
- ♦ Bethel Church Collyer Drive Site - Redding
- ♦ Brickway Bridge Extension Project - Sonoma
- ♦ Bridge View Villas Tentative Map - Redding
- ♦ Clearlake Walmart TIS - Clearlake
- ♦ CVS Pharmacy TIS - Crescent City
- ♦ Downtown Area Specific Plan Services - Cotati
- ♦ Fox Glove Shopping Center TIS - Madera
- ♦ Frog's Leap Winery TIS - Rutherford
- ♦ Glenn Medical Center - Willows
- ♦ Hayward Library TIS - Hayward
- ♦ Healdsburg Avenue Bridge Over Russian River - Healdsburg
- ♦ Linen TIS and Traffic Warrant Operations - Newark
- ♦ Northbay Wellness Center Traffic Analysis - Vacaville
- ♦ Opus One Winery Expansion - Oakville
- ♦ Rancheria Interchange Traffic Operations - Trinidad
- ♦ Redwood/Center Intersection Calming - Martinez
- ♦ Rhonda Road Extension - Anderson
- ♦ SR 49/McKnight Way Intersection ICE - Grass Valley
- ♦ SR 99/Fulkerth Road Improvements - Tulare
- ♦ SR 116 Commercial TIS - Cotati
- ♦ Saranap Village TIS - Contra Costa County
- ♦ Five-Way Intersection Improvements ICE - Napa
- ♦ Sinegal Estate Winery TIS - St. Helena
- ♦ Tehama Community Corrections - Tehama County
- ♦ Tierra Robles (Chatham Ranch) Subdivision TIS - Shasta County



Organizational Chart

The following Organizational Chart outlines the key personnel and their roles on your project. Resumes for your project team members can be found at the end of this section.



Work Assignments

Below are the current work assignments for the key personnel on your project. All of the staff listed have time available to complete your project.

H. Ross Ainsworth, PE, TE

- ♦ CSU Humboldt Parking Lot - Arcata
- ♦ City of Napa Measure T - Napa
- ♦ County Road 98 Bike & Safety Improvements - Yolo County

Kamesh Vedula, PE, TE

- ♦ I-80 at Gilman Interchange PA/ED - Berkeley
- ♦ Ashby/16th Street ICE - Merced County
- ♦ Franklin-Beachwood Model and TIF - Merced County
- ♦ Vacaville Starbucks TIS - Vacaville

Craig Newton

- ♦ Deuel Vocational Institution Firehouse - Tracy
- ♦ 17 Mile Drive/Holman Hwy 68/Hwy 1 Roundabout - Monterey
- ♦ City of Napa Measure T - Napa

Rob Tuma

- ♦ Holbrook School TIS - Concord
- ♦ Clayton Valley Charter High School Traffic Analysis - Concord
- ♦ Davis Estates Winery Update TIS - Napa

Alex Choi, PE

- ♦ Freeway Corridor Management Study Phase II - SFCTA
- ♦ City of Alameda On-Call - Alameda

Man Hours

- ♦ H. Ross Ainsworth, PE, TE - 11 Hours
- ♦ Kamesh Vedula, PE, TE - 26 Hours
- ♦ Craig Newton - 32 Hours
- ♦ Rob Tuma - 110 Hours
- ♦ Alex Choi, PE - Lump Sum Fee (No Hours)

Project Team (Project Experience)

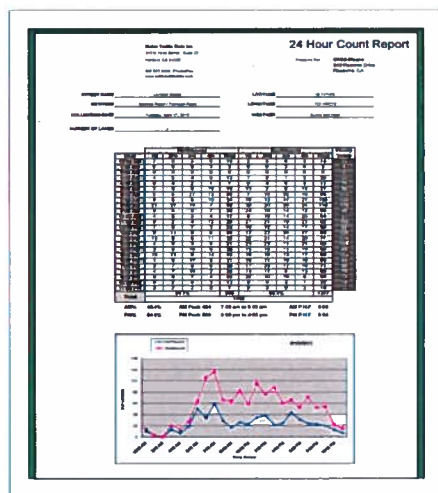
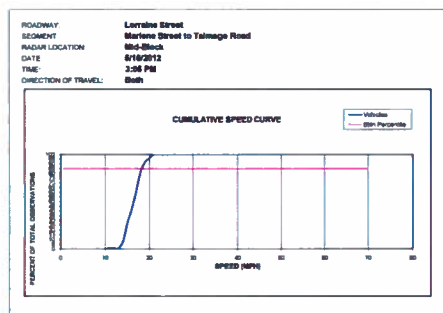
Reference:

Richard Seanor, PE
Deputy Director of Public Works
City of Ukiah
707.463.6296

Ukiah Speed Zone Engineering & Traffic Surveys

Omni-Means prepared an update for speed zone surveys for 51 roadway segments in 2012. The locations were identified by the City's Public Works Engineer. Radar speed measurements were conducted by a trained observer using a hand-held radar unit along each of these roadway segments. The survey was conducted at more than one location due to the length of the study streets. A minimum of 100 vehicle speed observations were recorded as per the MUTCD guidelines for speed survey. Additional information including collision history, traffic factor such as average daily traffic volume, width, and length of the roadway, conditions not readily apparent such as stopping sight distance, and adjacent land uses.

All of these factors were used in the determination of appropriate speed limits and a roadway speed database was prepared for each roadway segment. The reports were finalized after review by the City Engineer. As a part of the study, Omni-Means prepared a GIS map layer (compatible with the City's base) to include the new speed limit data. Also, new traffic volume data (obtained as a part of the study) was added to the City's GIS.



**City of Ukiah Public Works Department
Speed Limit
Engineering and Traffic Survey (E&T)**

Street: Lorraine Street
Location: Mariano Street to Talmage Road
Survey By: Chris Seanor
Field Observer: D. L. Linn
Date: 8/16/2012

A. PREPARED SPEED DATA

Speed (MPH)	Count	Percentage
0-10	1	1.0%
11-15	1	1.0%
16-20	1	1.0%
21-25	1	1.0%
26-30	1	1.0%
31-35	1	1.0%
36-40	1	1.0%
41-45	1	1.0%
46-50	1	1.0%
51-55	1	1.0%
56-60	1	1.0%
61-65	1	1.0%
66-70	1	1.0%
71-75	1	1.0%
76-80	1	1.0%
81-85	1	1.0%
86-90	1	1.0%
91-95	1	1.0%
96-100	1	1.0%

B. COLLISION HISTORY

Year	Count	Percentage
2011	1	1.0%
2010	1	1.0%
2009	1	1.0%
2008	1	1.0%
2007	1	1.0%
2006	1	1.0%
2005	1	1.0%
2004	1	1.0%
2003	1	1.0%
2002	1	1.0%
2001	1	1.0%
2000	1	1.0%
1999	1	1.0%
1998	1	1.0%
1997	1	1.0%
1996	1	1.0%
1995	1	1.0%
1994	1	1.0%
1993	1	1.0%
1992	1	1.0%
1991	1	1.0%
1990	1	1.0%

C. TRAFFIC FACTORS

Factor	Value
ADT	1,000
Length of Road	1.00
Width of Road	1.00
Number of Lanes	2

D. CONDITIONS NOT READILY APPARENT

Conditions: None
Roadway Conditions: None
Comments: There are no conditions that are not readily apparent to the driver.

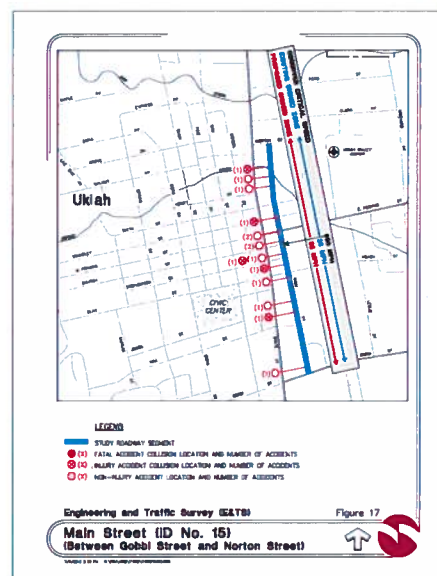
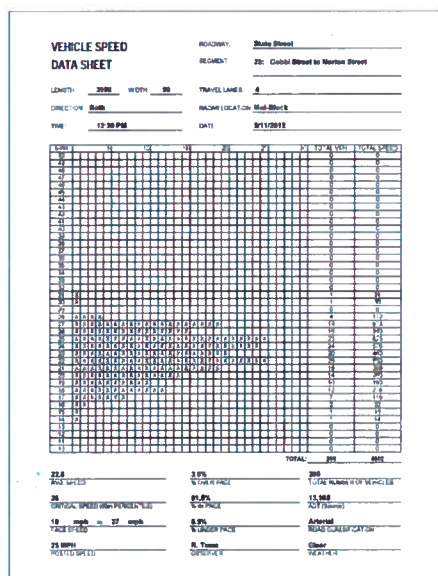
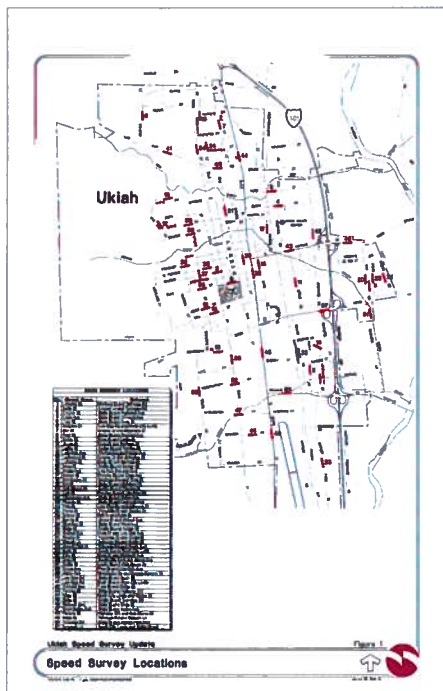
E. ADJACENT LAND USE

Residential

SURVEY RESULTS

Speed Limit	Count	Percentage
10 MPH	1	1.0%
15 MPH	1	1.0%
20 MPH	1	1.0%
25 MPH	1	1.0%
30 MPH	1	1.0%
35 MPH	1	1.0%
40 MPH	1	1.0%
45 MPH	1	1.0%
50 MPH	1	1.0%
55 MPH	1	1.0%
60 MPH	1	1.0%
65 MPH	1	1.0%
70 MPH	1	1.0%
75 MPH	1	1.0%
80 MPH	1	1.0%
85 MPH	1	1.0%
90 MPH	1	1.0%
95 MPH	1	1.0%
100 MPH	1	1.0%

Recommended Speed Limit: 10 MPH



Project Team (Project Experience)

Reference:

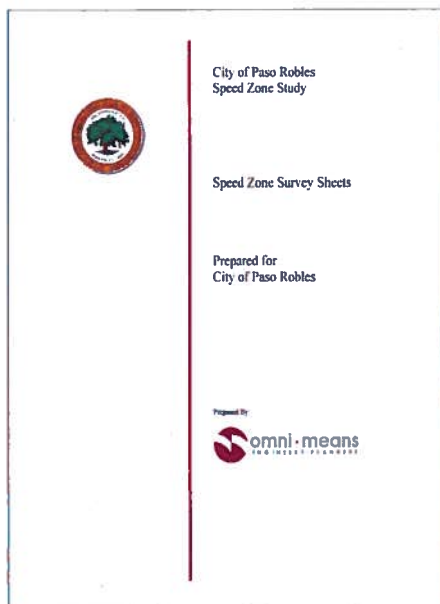
Ditas Esperanza, PE
Capital Projects Engineer
City of Paso Robles
805.237.3861

City of Paso Robles Speed Zone Study

Speed zone surveys were conducted for 52 locations along 35 roadways. The survey was conducted to assist in setting appropriate and safe speed limits for these key streets. Field data was collected from November through the first two weeks of January along the indicated roadway segments and survey locations. Each of the Radar Speed Surveys (RSS) were made from an inconspicuously parked vehicle.

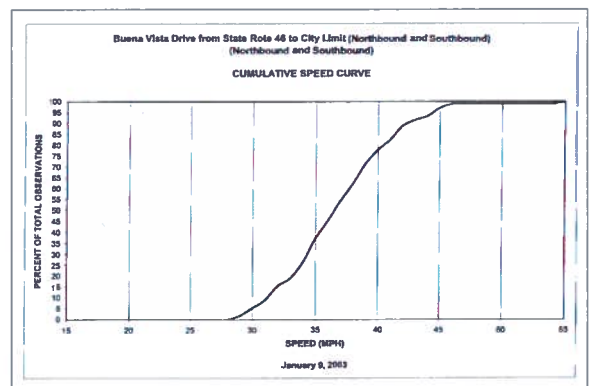
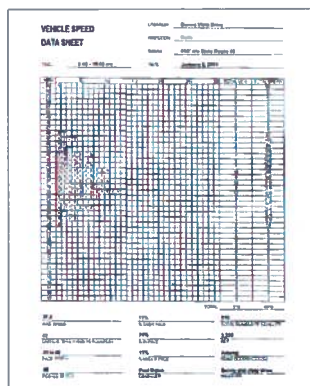
An effort was made to ensure that the presence of the vehicle in no way affected the speed of the traffic being surveyed. Field information was recorded on forms and later electronically coded for computer analysis. Along sections of roadways where traffic flows more freely, only the lead vehicle of bunches or vehicles alone were recorded. Traffic accident data and traffic volumes were obtained to assist the engineer's decision-making process pertaining to speed limits. The calculations derived from this technique accurately demonstrate a balance among the speed, capacity, and general use of a segment.

The City then requested that Omni-Means perform the **Union Road Speed Surveys**. We prepared the RSS and E&TS for the road during construction while traffic was detoured to Montebello Oaks Drive, Skyview Drive, and Riverglen Drive, all of which were two-lane residential collectors. We conducted a post construction speed survey study for the corridor at three separate locations along the newly improved road in order to set appropriate speed limits for the newly improved corridor. Based upon the results of the surveys, we recommended that all three of the posted speed limits be raised by 10 mph from 35-45 mph.



Montebello Oaks Drive b/w Union Road and Skyview Drive									
SPEED ZONE	MILES	ZONING		ZONING		ZONING		ZONING	
		EXISTING	PROPOSED	EXISTING	PROPOSED	EXISTING	PROPOSED	EXISTING	PROPOSED
15	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
20	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
30	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
35	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
40	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
45	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
50	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
55	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
60	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
65	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
70	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
75	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
80	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
85	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
90	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
95	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
100	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CITY OF PASO ROBLES	
SPEED ZONE ENGINEERING AND TRAFFIC SURVEY - 2003	
STREET NAME: Buena Vista Drive	
FROM: State Route 48	TO: North City Limit
DATE: January 8, 2003	
RECOMMENDED SPEED LIMIT = 40	
OBSERVED SPEED - CRITICAL = 42	
OBSERVED SPEED - PAD = 33 to 42	
EXISTING SIGNED ZONE = 35	
AVERAGE DAILY TRAFFIC = 3,220	
ACCIDENT HISTORY: 3 Accidents	



Project Team *(Project Experience)*

Reference:

Brian Fragio
Town Engineer
Town of Loomis
916.652.1840

Town of Loomis Speed Survey Update

Omni-Means updated the Town of Loomis' speed zone surveys in 2000, and again in 2005. Before that, the Town had last updated their speed zone surveys in 1994. In order to remain in compliance with the State of California Vehicle Code requirements, cities are required to update their speed zone surveys every five years to ensure proper speed limits and radar enforcement.

For each of the 28 street segments surveyed, two-way radar speed measurements were recorded. This data was considered along with other factors, including roadway characteristics, adjacent land uses, side street traffic, and sight distances. Typically, roadway speed limits are established based upon a combination of these factors along with the measured "critical vehicle speed", usually at or about the 85th percentile speed. The Town Council subsequently adopted the recommended speed zones.

Omni-Means has, in addition to the Speed Survey update, provided the Town with the ***Bankhead Road Speed Surveys & Traffic Calming Measures*** (between Sierra College Boulevard and King Road) project to evaluate current traffic conditions and recommend potential traffic calming/speed reduction measures. We have also provided the ***Del Mar Avenue Traffic Calming "After" Evaluation*** that included conducting new traffic speed zone surveys and daily traffic counts on the traffic calming measures installed.



Project Team *(Project Experience)*

Reference:

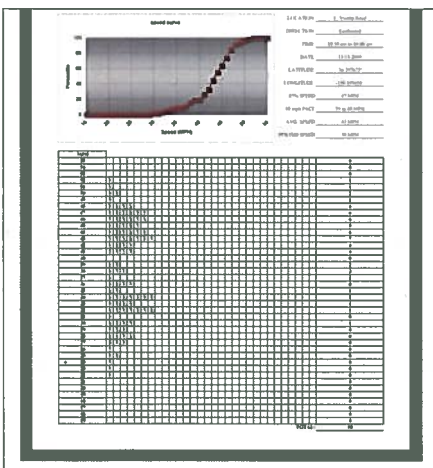
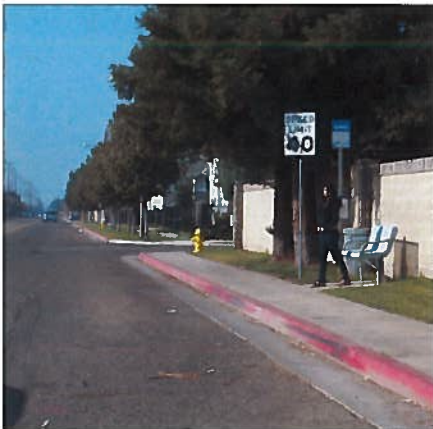
Mario Krstic
Police Chief (Former Interim City
Manager)
City of Farmersville
559.747.0458



City of Farmersville Speed Survey Study

Omni-Means conducted a Citywide E&TS at 12 locations throughout the City. Field data was collected for all 12 survey locations. Each of the RSS was made from an inconspicuously parked vehicle. An effort was made to ensure that the presence of the vehicle in no way affected the speed of the traffic being surveyed. The data includes the location of the spot speed survey, the direction of travel, and the date and time of the survey. The existing speed limit, if posted, was also noted. Calculated values include the average speed, the 85th percentile (critical) speed, the 10 mph pace speed, the range of speeds observed, and the total number of vehicles observed.

Based on the results of the survey, it was recommended that one of the posted speed limits be raised, four of the limits be reduced, and seven to remain unchanged.



Project Team *(Project Experience)*

Reference:

Obaid Khan, PE
Civil Engineer
City of Dublin
925.833.6634



City of Dublin Radar Speed Surveys and E&TS Speed Limit Analyses

Omni-Means has been working since 2007 to periodically update and provide the City of Dublin with the needed engineering speed surveys/analyses throughout the City. These studies have involved up to several streets with multiple survey locations. In the development areas, new City streets have been added to the network and engineering surveys have been required to establish the initial speed limits. A number of streets have changed character as development has matured, and speed limit analyses have reflected these changes. Each location has had a detailed survey form completed, providing a consistent and easily understood format for considering speed limit findings. The analysis of each street segment included radar speed measurements, specific street characteristics, and reviewing accident histories. The studies evaluated streets with established speed limits, as well as setting speed limits on new roadways. Projects include:

- ♦ **Radar Speed Surveys and E&TS Speed Limit Analyses for Eight Street Segments - 2016.** Project included one radar survey on six separate street segments (Amador Valley Boulevard, Arnold Road, Bay Laurel Street, Davona Drive, Hacienda Drive, and Sierra Court) and two radar surveys on two street segments (Amador Valley Boulevard between Village Parkway and Stagecoach Road and Davona Drive).
- ♦ **Radar Speed Surveys and E&TS Speed Limit Analyses for Six Street Segments - 2015.** Project included RSS, E&TS, and speed limit analyses for Sierra Lane, Summerglenn Drive, Brannigan Street, Brighton Drive, Donohue Drive, and Starward Drive.
- ♦ **Gleason Drive Radar Speed Surveys and Speed Limit Analyses - 2014.** Project included RSS and speed limit analyses for two street segments on Gleason Drive that were between Tassajara Road and Grafton Street and between Grafton Street and Fallon Road.
- ♦ **East Dublin Radar and Speed Limits - 2014.** Project included RSS and speed limit analyses for street segments on Dublin Boulevard, Fallon Road, and Bent Tree Drive. Project included seven street segments that required 13 radar surveys.
- ♦ **2013 Radar Speed Surveys and Speed Limit Analyses for Various Streets - 2013.** Project included eight street segments that required 15 radar surveys.
- ♦ **East Dublin Speed Limit Survey Study at Four Street Segments - 2010.** Conducted speed limit E&TS on the following four streets:
 - ♦ Dublin Boulevard from Tassajara Road to Fallon Road
 - ♦ Central Parkway from Tassajara Road to Fallon Road
 - ♦ Fallon Road from the City Limit at freeway to Bent Tree Drive
 - ♦ Lockhart Street from Dublin Boulevard to Gleason Drive
- ♦ **Citywide Radar Speed Survey Update - 2009.** Project included 34 street segments that required 41 radar surveys.
- ♦ **Citywide Traffic Speed Study and Turning Movement Counts at Dublin Boulevard/Regional Street - 2007.** Project included 40 street segments that required 56 radar surveys.

CITY OF DUBLIN
SUPPLEMENTAL HIGHWAY, TRAFFIC, AND ROADSIDE CONDITIONS
ENGINEERING / TRAFFIC SURVEY

Street: Brannigan Drive Limits: between Village Pkwy. and Langstaff Ln.
Length (feet): 3,307

CONDITIONS NOT NECESSARILY APPARENT TO DRIVER & PEDESTRIAN/BICYCLIST SAFETY

ADJACENT LAND USE

Yes ☐ No ☒

Pre-School/Daycare ☐
Elementary School ☐
Middle School ☐
High School ☐
Senior Center / Facility ☐
Hospital / Medical Office ☐
Retail/Commercial Activity ☐
Recreation / Park/Recreation Facility ☐
Other: ☐ (If multiple, list all applicable items and street access to them.)
Other: ☐ (Additional street use and use of the road to access.)

ROADWAY CHARACTERISTICS

Yes ☐ No ☒

Roadway Horizontal Alignment Change ☐
Roadway Vertical Alignment Change ☐
Narrow Lanes (≤ 12 feet width) ☐
Narrow Lanes and/or Right-of-Way Adjacent to Roadway ☐
Designated Safe-Road-to-School ☐
Designated Truck Route ☐
Designated Bus Route ☐
Other ☐

PARKING & SIDE STREET CHARACTERISTICS

Yes ☐ No ☒

On-Street Parking Allowed ☐ (If multiple, list all applicable items and street access to them.)
Parking Occupancy ☐ High ☐ Medium ☐ Low
Parking Turnover ☐ High ☐ Medium ☐ Low
Commercial Delivery Activity ☐ High ☐ Medium ☐ Low
Direct Residential Driveway Access / Vehicles Turning in & Backing Out ☐

CITY OF DUBLIN
SPEED LIMIT
ENGINEERING / TRAFFIC SURVEY

Street: Brannigan Street Limits: between Dublin Blvd. and Kohnen Way
Length (feet): 3,307

SURVEY

Location of Survey ☐ See 3.1 to 3.10
Date Taken: 4/16/15
Project Speed: 25 mph
Post Speed: 25 mph
% in Post, Above, Below: 0% 0% 12%
Critical Speed (MPH): 25 mph
Range of Speeds: 17-28 mph

ROADWAY DESIGN AND TRAFFIC CHARACTERISTICS

Width (ft): 36-50 No Lane: ☐ Classification: Collector
Average Daily Traffic: 1,700 Time Taken: 40:15
Special Conditions (Parking, Roadway Alignment, Land Use, School Area, etc.): Special right-of-way
Special Conditions (Intersection with adjacent street, adjacent street, etc.): See 3.10, 3.11, 3.12, 3.13, 3.14, 3.15, 3.16, 3.17, 3.18, 3.19, 3.20, 3.21, 3.22, 3.23, 3.24, 3.25, 3.26, 3.27, 3.28, 3.29, 3.30, 3.31, 3.32, 3.33, 3.34, 3.35, 3.36, 3.37, 3.38, 3.39, 3.40, 3.41, 3.42, 3.43, 3.44, 3.45, 3.46, 3.47, 3.48, 3.49, 3.50, 3.51, 3.52, 3.53, 3.54, 3.55, 3.56, 3.57, 3.58, 3.59, 3.60, 3.61, 3.62, 3.63, 3.64, 3.65, 3.66, 3.67, 3.68, 3.69, 3.70, 3.71, 3.72, 3.73, 3.74, 3.75, 3.76, 3.77, 3.78, 3.79, 3.80, 3.81, 3.82, 3.83, 3.84, 3.85, 3.86, 3.87, 3.88, 3.89, 3.90, 3.91, 3.92, 3.93, 3.94, 3.95, 3.96, 3.97, 3.98, 3.99, 4.00, 4.01, 4.02, 4.03, 4.04, 4.05, 4.06, 4.07, 4.08, 4.09, 4.10, 4.11, 4.12, 4.13, 4.14, 4.15, 4.16, 4.17, 4.18, 4.19, 4.20, 4.21, 4.22, 4.23, 4.24, 4.25, 4.26, 4.27, 4.28, 4.29, 4.30, 4.31, 4.32, 4.33, 4.34, 4.35, 4.36, 4.37, 4.38, 4.39, 4.40, 4.41, 4.42, 4.43, 4.44, 4.45, 4.46, 4.47, 4.48, 4.49, 4.50, 4.51, 4.52, 4.53, 4.54, 4.55, 4.56, 4.57, 4.58, 4.59, 4.60, 4.61, 4.62, 4.63, 4.64, 4.65, 4.66, 4.67, 4.68, 4.69, 4.70, 4.71, 4.72, 4.73, 4.74, 4.75, 4.76, 4.77, 4.78, 4.79, 4.80, 4.81, 4.82, 4.83, 4.84, 4.85, 4.86, 4.87, 4.88, 4.89, 4.90, 4.91, 4.92, 4.93, 4.94, 4.95, 4.96, 4.97, 4.98, 4.99, 5.00, 5.01, 5.02, 5.03, 5.04, 5.05, 5.06, 5.07, 5.08, 5.09, 5.10, 5.11, 5.12, 5.13, 5.14, 5.15, 5.16, 5.17, 5.18, 5.19, 5.20, 5.21, 5.22, 5.23, 5.24, 5.25, 5.26, 5.27, 5.28, 5.29, 5.30, 5.31, 5.32, 5.33, 5.34, 5.35, 5.36, 5.37, 5.38, 5.39, 5.40, 5.41, 5.42, 5.43, 5.44, 5.45, 5.46, 5.47, 5.48, 5.49, 5.50, 5.51, 5.52, 5.53, 5.54, 5.55, 5.56, 5.57, 5.58, 5.59, 5.60, 5.61, 5.62, 5.63, 5.64, 5.65, 5.66, 5.67, 5.68, 5.69, 5.70, 5.71, 5.72, 5.73, 5.74, 5.75, 5.76, 5.77, 5.78, 5.79, 5.80, 5.81, 5.82, 5.83, 5.84, 5.85, 5.86, 5.87, 5.88, 5.89, 5.90, 5.91, 5.92, 5.93, 5.94, 5.95, 5.96, 5.97, 5.98, 5.99, 6.00, 6.01, 6.02, 6.03, 6.04, 6.05, 6.06, 6.07, 6.08, 6.09, 6.10, 6.11, 6.12, 6.13, 6.14, 6.15, 6.16, 6.17, 6.18, 6.19, 6.20, 6.21, 6.22, 6.23, 6.24, 6.25, 6.26, 6.27, 6.28, 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Reference:

Abul Hossain, PE
Transportation Program Manager
City of Concord
925.671.3181



**City of Concord
Engineering and Traffic Survey (E&TS)
Summary**

Project: Ygnacio Valley Road
Location: Ygnacio Valley Road
Client: City of Concord
Contract No.: 151000000
Date: 11/15/2015

1. PROJECT INFORMATION

Location of Survey: City of Concord
Survey Type: 85th Percentile
Survey Date: 11/15/2015
Survey Time: 7:00 AM
Survey Duration: 1.5 hours

2. SURVEY PURPOSE

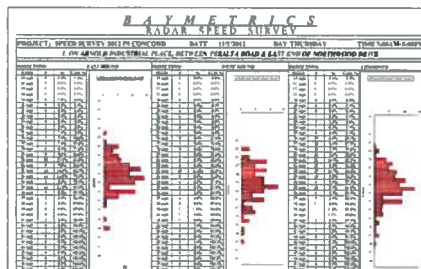
Survey Purpose: To determine the 85th percentile speed of traffic on Ygnacio Valley Road between Ayers Road and Campus Drive.

3. SURVEY RESULTS

85th Percentile Speed: 45 mph
Mean Speed: 40 mph
Standard Deviation: 5 mph

4. RECOMMENDATIONS

Recommended Speed Limit: 45 mph
Justification: The 85th percentile speed is 45 mph, which is consistent with the current speed limit of 45 mph.



City of Concord Speed Zone E&TS

In 2012, Omni-Means performed Speed E&TS for citywide roadways with the basic goal of speed survey to be consistent with the new MUTCD criteria. Radar surveys and speed measurements were conducted on 86 separate roadway sections throughout the City by a trained observer using a hand-held radar unit along each of these roadway segments. The results of the speed measurements were considered, along with other factors, including collision records, roadway characteristics, adjacent land uses, accident reviews, and sight distances including horizontal and vertical curvatures with special attention provided to prima facie roadways. All of these factors were used in the determination of appropriate speed limits. For each speed survey, we recommended speed limits along with justifications for speed limits.

Recent Radar Speed Survey Projects

Since this project, Omni-Means has been continuing these services to the City on the following projects:

- ♦ **San Miguel Radar Surveys - 2017.** Conducted RSS for San Miguel Road from Systron Drive to Tioga Road and from Tioga Road to Homewood Drive.
- ♦ **Rolling Woods Radar Speed Surveys - 2017.** Conducted RSS from December to February on the following streets:
 - ♦ Clayton Road - Ayers Road to Washington Boulevard
 - ♦ Commercial Circle east side between Dean Leshner Drive and Bates Avenue (eastside)
 - ♦ Concord Boulevard between Denkinger Road and Ayers Road, east of Bailey Road
 - ♦ Concord Boulevard between Denkinger Road and Ayers Road, west of Bailey Road
 - ♦ Detroit Avenue between Clayton Road and Lynn Avenue/Sunshine Drive
 - ♦ Rolling Woods Way between North Boundary of Crystyl Ranch Development and Crystyl Ranch Drive
 - ♦ Rolling Woods Way between Pine Hollow Rd and North Boundary of Crystyl Ranch Development
- ♦ **Ygnacio Valley Road Radar Speed Surveys - 2016.** Project included RSS on Ygnacio Valley Road from Ayers Road/Campus Drive to Cowell Road/Montecito Drive and from Alberta Way/Pine Hollow Road and Ayers Road/Campus Drive.
- ♦ **Bailey Road Curve Advisory Speed - 2015.** Performed a focused engineering study to determine the recommended advisory speed to be posted for the curve on Bailey Road located north of the Myrtle Drive intersection. RSS were conducted on Bailey Road at three locations: within the curve, the straight section just north of the curve, and the straight section just south of the Myrtle Drive intersection.
- ♦ **Concord Salvio Street Analysis - 2014.** Project included RSS on Salvio Street both eastbound and westbound between Date Street and Elm Street.

Reference:

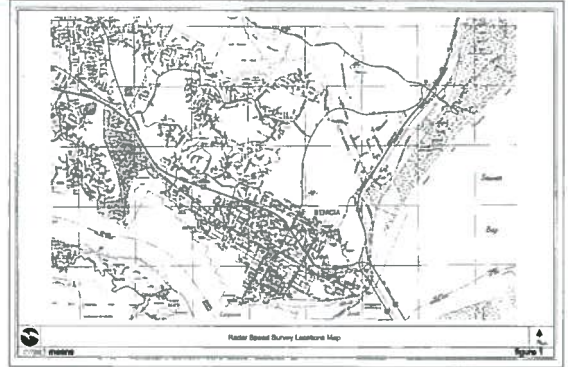
Mike Roberts, PE
Senior Civil Engineer
City of Benicia
707.746.4240



City of Benicia Speed Limit E&TS and Speed Surveys

The City of Benicia commissioned Omni-Means to conduct an engineering and traffic speed survey on street segments throughout the City. This study was conducted to allow the City to maintain and set appropriate vehicle speed limits consistent with California State Vehicle Code requirements and enforceability by policing agencies.

The analysis evaluated at least 69 street segments throughout the City using both radar survey results and field observations of the specific street characteristics. Working closely with City of Benicia police enforcement officers to review and gain input on existing speed limits and measured vehicle speeds, 65 of 69 street segments were recommended for maintaining existing speed limits.

**Reference:**

Steven Sopp
Community Development Director
City of Avenal
559.386.5766



City of Avenal Speed Survey Study

The City of Avenal retained Omni-Means to assist in setting appropriate and safe speed limits for four key City streets. For each street segment surveyed, radar speed measurements were conducted. This data was considered along with other factors, including roadway characteristics, adjacent land uses, side street traffic, traffic accidents, and sight distances.

For each survey, a RSS worksheet was prepared summarizing the measured vehicle characteristics such as average speed, the critical speed, the pace speed, and the posted speed limit. Based upon the results of the surveys, it was recommended that all four of the posted speed limits be raised by 5 mph above the posted speed limit of 30 mph.



Baymetrics

BayMetrics specialized services are essential to any transportation and infrastructural projects. BayMetrics has been providing these services to clients on time and on schedule.

Areas of Expertise

- Speed Radar Traffic Surveys
- Vehicle Classification
- Pedestrian Counts
- Turning Movements
- Parking Survey
- Questionnaire Survey
- Vehicle Occupancy
- Annual Traffic Monitoring



San Francisco Freeway Corridor Management Study Phase II



Kaiser Hospital San Francisco



Oakland Coliseum

Benicia Citywide Speed Radar Traffic Survey - Benicia. BayMetrics conducted the Speed Radar Traffic Survey.

Concord Citywide Speed Radar Traffic Survey - Concord. BayMetrics conducted the Speed Radar Traffic Survey.

City of Alameda On-Call Services - Alameda. Since 2009, BayMetrics services include survey for pedestrian, bike, and traffic movement counts, gap study, radar speed survey, vehicle classification counts, speed ADT, license plate survey, and parking occupancy survey.

San Francisco Freeway Corridor Management Study Phase II - San Francisco Transportation Authority. BayMetrics conducted mainline occupancy counts, classification volume traffic counts, and traffic data collection and analysis.

On-Call Civil/Structural Engineering Traffic Count - San Francisco Municipal Transportation Agency. BayMetrics conducted ITMC counts with P, B, & V, ADT tube counts, approach volume, vehicle classification counts, speed survey, and parking occupancy.

On-Call Santa Clara County Expressway Project - Santa Clara County. BayMetrics conducted traffic counts with P, B, & V, ADT tube counts, HOV lane occupancy counts, vehicle classification counts, and traffic data collection and analysis.

Program for Arterial System Synchronization (PASS) Project - Metropolitan Transportation Commission. BayMetrics conducted work for traffic data collection and analysis since 2011 in Antioch, Concord, Danville, Foster City, Fremont, Hayward, Lafayette, Los Gatos, Menlo Park, Mountain View, Oakland, Palo Alto, Santa Clara, San Mateo, San Ramon, Suisun City, and Walnut Creek.

California High Speed Rail Authority Corridor Projects - San Francisco to Bakersfield, California. BayMetrics conducted traffic data collection and analysis.

Contra Costa Congestion Management Program Multi-Modal Transportation Service Objectives Monitoring Project - Contra Costa. BayMetrics conducted traffic data collection and analysis.

Alta Bates/Kaiser Project - Oakland. BayMetrics conducted traffic data collection and analysis.

US 50 HOV Lane Project - Caltrans District 3. BayMetrics conducted traffic data collection and analysis, ramp intersection counts, ramp connectors, vehicle occupancy counts, travel time runs, and 24-hour classification ADT counts.



Kamesh Vedula, PE, TE

Project Role

Project Manager

Registration/Affiliations

- Traffic Engineer, CA #2546
- Civil Engineer, CA #79926

Education

- BS, Civil Engineering - Nagarjuna University, Bapatla, India
- MS, Transportation - Kansas State University, Manhattan, KS

Professional Skills

- Transportation Engineering
- Transportation Planning
- Traffic Engineering
- Travel Demand Modeling
- Master Planning
- Roundabout Planning and Design
- Traffic Operations Analysis
- Traffic Circulation Studies
- Traffic Impact Studies
- Traffic Impact Fees

Software Expertise

- VISSIM
- Synchro
- SimTraffic
- Traffix
- HCS-2000
- SIDRA
- RODEL
- Cube/Voyager
- ArcMap
- TransCAD

Qualifications

Kamesh Vedula, your Project Manager, will serve as the primary point of contact for this project. He will be responsible for project administration, technical review, and managing the project specifics. He will work collaboratively with the City, our staff, and subconsultants to ensure the project team provides you with a successful project.

His project management experience includes public outreach, E&TS, travel surveys, traffic operations analysis, traffic accident analysis, traffic signal design including signal systems, coordinated traffic signal timing, and street lighting design, capital improvement program development, prioritization of improvement needs, matrix analysis of transportation alternatives, transportation financing analysis, roundabout designs, and travel demand forecasting.

Project Experience

- ♦ **City of Ukiah E&TS - Ukiah.** Project Engineer. Responsible for radar surveys along 51 roadway sections and preparation of E&TS reports.
- ♦ **Mono County Speed Zone E&TS - Mono County.** Project Engineer. Responsible for radar surveys along 21 roadway along 90 miles of the counties rural roadways.
- ♦ **City of Concord Speed Studies - Concord.** Project Manager. Prepared the Speed Zone E&TS where he oversaw data collection effort for 78 roadway sections and preparation of vehicle speed data sheets, charts displaying vehicle speeds vs. percent of cars, and illustrations maps.
- ♦ **City of Shasta Lake Speed Surveys - Shasta Lake.** Project Manager. Prepared the Speed Zone E&TS where he oversaw data collection effort for 20 roadway sections and preparation of E&TS reports.
- ♦ **City of American Canyon E&TS - American Canyon.** Project Manager. As part of On-Call contract, managed Speed Zone E&TS for various segments.
- ♦ **Union Road Speed Survey and E&TS - Paso Robles.** Project Engineer. Oversaw the completion of the E&TS Survey for the initial speed survey that included radar speed measurements along each of the streets within the detour route; Montebello Oaks Drive, Skyview Drive, and Riverglen Drive. Oversaw the post construction radar speed study between River Road and Kleck Road that was conducted at three separate locations along the newly improved road.
- ♦ **City of Paso Robles Speed Zone Study - Paso Robles.** Project Engineer. Oversaw the completion of the speed zone surveys conducted for 52 locations along 35 roadways on key City streets to assist the City in setting appropriate and safe speed limits.
- ♦ **Chandler Ranch Area Specific Plan Traffic Impact Study - Paso Robles.** Traffic Engineer. Responsible for operations analysis and preparation of traffic study.
- ♦ **SR 46E/Airport Road PSR - Paso Robles.** Traffic Engineer.
- ♦ **Templeton Traffic Model.** Traffic Engineer. Responsible for preparation of transportation operations report in support of the PSR.

H. Ross Ainsworth, PE, TE

Project Role

Principal-in-Charge

Registration/Affiliations

- Civil Engineer, CA #19642, NV, and OR
- Traffic Engineer, CA #TR 0708
- American Public Works Association
- Institute of Transportation Engineers

Education

- ME, Transportation Engineering - Pennsylvania State University
- BS, Civil Engineering - University of Southern California

Training

ICE Workshop. Presented ICE case studies at an ICE Workshop hosted by Caltrans District 11. The workshop was attended by over 120 Caltrans, FHWA, and local city and county officials. Workshop was designed to impart Omni-Means knowledge on the recently implemented ICE process.

Qualifications

H. Ross Ainsworth is a Project Manager and leads the firm's Business Development. He is usually the Principal-in-Charge and Quality Control Officer for projects. He is responsible for managing client coordination, project scheduling, budget control, technical analysis, corporate management, and companywide business development. His experience in both the public and private sectors give him the capabilities and talent needed to serve as a liaison with government review agencies, a representative at public workshops, open houses, and presentations for our clients. He has attended several workshops and conferences over the last few years as a speaker presenting.

Project Experience

- ♦ **City of Paso Robles Speed Zone Study - Paso Robles.** Principal-in-Charge/Project Manager. Oversaw the completion of the speed zone surveys conducted for 52 locations along 35 roadways on key City streets to assist the City in setting appropriate and safe speed limits.
- ♦ **Union Road Speed Survey and E&TS - Paso Robles.** Principal-in-Charge/Project Manager. Oversaw the completion of the Engineering and Traffic Speed Survey for the initial speed survey that included radar speed measurements along each of the streets within the detour route; Montebello Oaks Drive, Skyview Drive, and Riverglen Drive. Oversaw the post construction radar speed study between River Road and Kleck Road that was conducted at three separate locations along the newly improved road.

Presentations

- ♦ Valley Center Road and Mirar de Valle Roundabout - Vacaville. Valley Center Community Planning Group - February 2016.
- ♦ Antelope Creek Drive/Galleria Circle - Roseville. Transportation Research Board 90th Annual Meeting, Washington D.C. - January 2011; and the International Roundabout Conference, Carmel, Indiana - May 2011.
- ♦ Rocklin Road Complete Street Roundabout Corridor. Southern California Association of Governments, Los Angeles - February 2012; and the Central Valley Institute of Traffic Engineers, Fresno - April 2012.

Government Relations

- ♦ Director of Traffic and Transportation for the City of Reno, NV.
- ♦ City of Escondido Traffic Engineer.
- ♦ Rocklin General Plan Update Member & Residential Standards Committee.
- ♦ City of Rocklin: Mayor 1987; City Council Member; 1984-1987.
- ♦ Director of SACOG; 1986-1987.
- ♦ President and Director of Rocklin Chamber of Commerce; 1988.
- ♦ Director for Roseville Community Health Foundation; 1989-1991.
- ♦ Director of Sierra College Foundation; 1993-1995.
- ♦ Director of South Placer Transportation Management Authority; 1994-1996.

Robert Tuma

Project Role Technician

Education

BS, Environmental Science - UC Berkeley

Professional Skills

Transportation planning studies include:

- Analysis of planned developments, multiple and single unit developments, mixed-use and residential projects
- Single-tenant retail units, neighborhood commercial projects, regional shopping centers
- Office complex developments, including industrial centers and warehousing facilities

Data collection management and analysis experience includes:

- Traffic studies requiring data, including speed surveys (existing speed evaluation, spot speed identification, and recommended speed limit traffic engineering studies); vehicle queuing analysis; and timing surveys
- Parking studies including field surveys/analysis of project-related impacts to city street and off-street parking, and parking structures

Qualifications

Robert Tuma's responsibilities include traffic data collection, analyses of traffic operations, and preparation of technical reports. In this capacity, he has independently completed a number of highly detailed traffic operations analyses throughout California. He has a broad range of experience conducting transportation planning studies incorporating various elements, including analysis of regional impacts on traffic operations, site-specific traffic impact assessment, parking studies, and citywide data collection management.

Project Experience

He was the Project Technician for the projects listed below. He assists with the RSS and the E&TS and performs daily traffic counts, data collection, analyze and/or evaluate the street segments using data including radar speed measurements, specific street characteristics, and reviewing accident histories. He prepares studies to establish speed limits as well as setting speed limits on new roadways.

- ♦ **Bailey Road Curve Advisory Speed - Concord.** Performed an engineering study to determine the advisory speed to be posted for the curve on Bailey Road located north of Myrtle Drive.
- ♦ **Citywide Radar Speed Survey Update - Dublin.** Project included 34 street segments that required 41 radar surveys.
- ♦ **Citywide Traffic Speed Study and Turning Movement Counts at Dublin Boulevard/Regional Street - Dublin.** Project included 40 street segments that required 56 radar surveys.
- ♦ **City of Benicia Speed Limit E&TS Speed Surveys - Benicia**
- ♦ **City of Ukiah Citywide Radar Surveys/Speed Zone Update - Ukiah.**
- ♦ **Concord Salvio Street Analysis - Concord.** Project included RSS on Salvio Street both eastbound and westbound between Date Street and Elm Street.
- ♦ **Gleason Drive Radar Speed Surveys and Speed Limit Analyses - Dublin.** RSS and speed limit analyses for two street segments on Gleason Drive.
- ♦ **East Dublin Speed Limit Survey Study - Dublin.** Conducted speed limit E&TS on four streets.
- ♦ **East Dublin Radar and Speed Limits - Dublin.** Project included three street segments that required 13 radar surveys.
- ♦ **Loomis Speed Zone Survey Update - Town of Loomis.**
- ♦ **Mono County Speed Zone E&TS - Mono County.**
- ♦ **Radar Speed Surveys and Speed Limit Analyses for Various Streets - Dublin.** Project included eight street segments that required 15 radar surveys.
- ♦ **Radar Speed Surveys and E&TS Speed Limit Analyses - Dublin.** Project include one radar survey on six separate street segments and two radar surveys on two street segments.
- ♦ **Radar Speed Surveys and E&TS Speed Limit Analyses - Dublin.** RSS and E&TS speed limit analyses for six street segments.
- ♦ **Rolling Woods Radar Speed Surveys - Concord.** Conducted RSS for six roadway segments.
- ♦ **San Miguel Radar Surveys - Concord.** Conducted RSS for San Miguel Road from Systron Drive to Tioga Road and from Tioga Road to Homewood Drive.

Project Team (Resumes)

Craig Newton

Project Role
GIS Services

Registration/Affiliations

- CM Association of America Member
- UC Davis Construction Management Certificate Program Advisory Board
- Caltrans RE Academy 2013

Education

- BA, Geography - CSU Sacramento
- Graduate Certificate, Geographical Information Science - University of Southern California
- Construction Management Certification Program - UC Davis

Professional Skills

- Roadway/Grading Design
- Infrastructure Design
- Geographic Information Systems
- Traffic Modeling
- Project Construction Staging
- Traffic Handling/Detour Plans

Software

- ArcView GIS
- AutoCAD Civil 3D
- AutoCAD Raster Design
- AutoCAD Map
- AutoTurn
- GuideSign
- AutoCAD Land Desktop

Specialties

- Manages geospatial production applications, standards, and education.
- Extensive experience in construction management and inspection

Qualifications

Craig Newton has been with Omni-Means for over 20 years and is a Project Manager on GIS, roadway design, and construction projects. He has over 30 years of experience providing input into all phases of public works projects typically involving planning and design development, contract document preparation, estimating cost, report preparation, and submittals to review agencies and utility purveyors.

Projects Experience

- **City of Ukiah E&TS - Ukiah.** Mapping/GIS Coordinator. Prepared a GIS map layer (compatible with the base) to include the new speed limit data and new traffic volume data was added to the GIS.
- **Mono County Speed Zone E&TS - Mono County.** Mapping/GIS Coordinator. Prepared a GIS map layer (compatible with the base) to include the new speed limit data and new traffic volume data was added to the GIS.
- **Capital Facilities Fee Update Street - Modesto.** Mapping/GIS Coordinator. Prepared project base mapping and performed data collections. Formatted improvement cost estimate for roadway and intersection improvements. Prepared cost estimates for improvements on the state highway system.
- **Citywide Traffic Model and Circulation Element - Ukiah.** Mapping/GIS Coordinator. Parcel database land analysis, model network, and TAZ development.
- **Citywide Traffic Models - American Canyon, Galt, and Red Bluff.** Mapping/GIS Coordinator. Data acquisition, review network and TAZs, review of land use generalization, and generalization of parcel base land use codes.
- **Fire Department Response Time Study - Atascadero.** Mapping/GIS Coordinator. Leveraged an existing travel demand model to analyze response times for several fire station location scenarios.
- **General Plan Mapping - Taft.** Mapping/GIS Coordinator. Prepared all GIS mapping in support of the GPU.
- **Infrastructure Inventory and Valuation GASB 34 - Weed.** Mapping/GIS Coordinator. Prepared GIS data sets for all City-owned facilities, assessed the condition of each asset, and prepared valuations for each asset based on remaining service life and replacement cost per the GASB 34 requirements.
- **Striping Project - Sierra County.** Mapping/GIS Coordinator. Responsible for development of a countywide base map, mobile data collection, information system design, and road atlas production.
- **Southern Area Region Transportation Fee Study - Shasta County.** Mapping/GIS Coordinator. Data acquisition, parcel database analysis, and model development.
- **SR 29 South Corridor Engineered Feasibility Study and Middleton Community Action Plan - Lake County.** Mapping/GIS Coordinator. Data collection and base mapping for the study area. Reviewed available mapping data sources and prepared data acquisition and base mapping plan. Prepared digital terrain model from commercially available LiDAR data. Reviewed and confirmed adequacy of base mapping for planning level corridor study. Oversight of project document layout for corridor improvements.



Alex Choi, PE

Project Role

Traffic Data Collection

Registration/Affiliations

Civil Engineer, CA #53160

Education

- BS, Civil Engineering - University of Utah
- BS, Mechanical Engineering - University of Utah
- AA, Electrical Engineering - Santa Rosa Jr. College

Years of Experience

- Six years with BayMetrics
- 20+ years with Caltrans

Professional Skills

- Workstation - Highway Design
- TMN - Federal Noise Model to predict existing and future noise level
- EmFac2011 and Caline2011 Models to predict future level of air primary pollutants
- Traffic Data Analyses - Design spreadsheet for traffic data collections

Qualifications

Alex Choi is Chief Project Manager with BayMetrics, experienced in traffic data collection and analysis. He is familiar with the rules and regulations of traffic/transportation in California. His responsibilities include project scheduling and workers' assignment, job coordination and supervision, data analysis and project reporting, quality control, overall project coordination, and management. Mr. Choi's experience with Caltrans prior to BayMetrics involved project planning and supervision, PS&E preparation for highways including hydraulic/drainage plan, data collection and analysis, and assimilating results and reporting.

Project Experience

On-Call Services

- ♦ City of Alameda On-Call - Alameda. Project Manager. Since 2009 includes survey for pedestrian, bike, and traffic movement counts, gap study, speed radar study, classification and speed ADT, license plate survey, and parking occupancy survey.
- ♦ On-Call Traffic Counts - SFMTA-DPW.

Speed Radar Traffic Survey

- ♦ Benicia Citywide Speed Radar Traffic Survey - Benicia.
- ♦ Concord Citywide Speed Radar Traffic Survey - Concord.

Traffic Data Collection and Analysis

- ♦ Alta Bates/Kaiser Project - Oakland.
- ♦ Freeway Corridor Management Study - San Francisco.
- ♦ N. Bayshore Traffic Monitoring - Mountain View.
- ♦ US 50 HOV Lane Project - Caltrans District 3.
- ♦ Santa Clara County Expressway Traffic Counts - Santa Clara County.
- ♦ Contra Costa Congestion Management Program Multi-Modal Transportation Service Objectives Monitoring Project - Contra Costa
- ♦ California High Speed Rail Authority Corridor Project - California
- ♦ Program for Arterial System Synchronization (PASS) Project - Metropolitan Transportation Commission. Work for traffic data collection and analysis since 2011 in Antioch, Concord, Danville, Foster City, Fremont, Hayward, Lafayette, Los Gatos, Menlo Park, Mountain View, Oakland, Palo Alto, Santa Clara, San Mateo, San Ramon, Suisun City, and Walnut Creek.

Roadways

- ♦ I-580 Corridor Improvement - Pleasanton/Livermore.
- ♦ SR 4 Ramp Metering and Ramp Widening - California.
- ♦ US 101 Broadway Interchange Reconstruction - San Mateo.
- ♦ US 101 Traffic Operating Systems/Ramp Metering - Marin County.
- ♦ HW 880 Ramp Metering and Ramp Widening - Alameda County.
- ♦ HW 680 Ramp Metering Project - Alameda County.
- ♦ US 80 Ramp Metering - Solano County.
- ♦ US 101/Old Redwood Highway Interchange Improvement - Cotati.
- ♦ US 101/SR 116 Interchange Widening - Cotati.
- ♦ SR 29 Sosscol Bypass Project - Napa County.



Fee Proposal

Task	Task Description	Principal \$227	Project Manager \$204	Traffic Engineer \$114	GIS Specialist \$176	Direct Costs	Total Hours	Total Cost
Phase I - Initiate Study/Compile Data								
Task 1	Initiate Study	4	4				8	\$1,724
Task 2	Radar Speed Survey & Data Collection		2	12		\$5,748	14	\$7,524
Task 3	Daily Traffic Volume Counts			2		\$7,865	2	\$8,093
Phase II - Location Analyses/Report								
Task 4	Data Reduction/ Analysis		4	40			44	\$5,376
Task 5	Prepare Draft Report	2	4	40			46	\$5,830
Task 6	Prepare Final Report	1	2	16			19	\$2,459
Task 7	Prepare GIS Layer		2		32		34	\$6,040
Task 8	Meetings	4	8				12	\$2,540
		11	26	110	32	\$13,613	179	\$39,586

Omni-Means Professional Staff Rates

Title	Range	Hourly Rates (2016-2017)	Hourly Rates (2017-2018)
Project Manager	1 – 4	140 - 250	152 - 258
Resident Engineer	1 – 3	148 - 215	152 - 224
Engineer	1 – 5	87 - 250	90 - 258
Traffic Engineer	1 – 5	87 - 250	90 - 258
Planner	1 – 4	61 - 190	64 - 201
Landscape Architect	1 – 4	74 - 195	77 - 203
Office Surveyor	1 – 4	61 - 190	64 - 201
Field Surveyor	1 – 4	61 - 190	64 - 201
Field Inspector	1 – 4	61 - 190	64 - 201
Graphic Artist	1 – 3	61 - 110	64 - 116
Designer	1 – 3	77 - 165	80 - 173
Technician	1 – 4	55 - 132	58 - 138
Clerical	1 – 3	37 - 98	40 - 103
Intern	1 – 3	37 - 66	40 - 70
1-Person Survey Crew		166 - 190	172 - 201
2-Person Survey Crew		135 - 275	141 - 281
3-Person Survey Crew		172 - 345	179 - 355

Reimbursable Charges

Reimbursable charges include, but are not limited to, in-house reproduction, travel subsistence, special consultants, outside purchases and services, and other subcontracts. These are charged at 1.10 x cost.

Billing Rates

Billing rates include overhead, equipment, space rental, etc. Billing rates are subject to increases due to union agreements and salary increases. Principal's time on projects is chargeable up to \$335.00 per hour.

Expert Witness Rates

Deposition and trial testimony: \$350 per hour, 4-hour minimum. Meetings and preparation are at normal professional staff rates.

Valid until December 2018



Please feel free to contact any of our clients regarding the projects and any work Omni-Means performed. After speaking with our references, we hope you will understand that we have a reputation for quality projects.



We have included our references on projects that we have performed work similar to your requirements.

Omni-Means

Abul Hossain, PE

Transportation Program Manager, City of Concord
1950 Parkside Drive - Concord, CA 94519, 925.671.3181
Projects - City Speed Zone E&TS, San Miguel RSS, Rolling Woods RSS, Ygnacio Valley Road RSS, Bailey Road Curve Advisory Speed, and Concord Salvio Street Analysis

Jeff Tedder

City Engineer, City of Shasta Lake
1650 Stanton Drive - Shasta Lake, CA 96019, 530.275.7423
Project - City Zone E&TS

Jeff Walters

Assistant Director, Mono County
74 North School Street - Bridgeport, CA 93517, 760.932.5440
Project - County Speed Zone E&TS

Michael Throne

Public Works Director, City of American Canyon
4381 Broadway Street, Suite 201 - American Canyon, CA 94503, 707.647.4562
Project - City E&TS

Ditas Esperanza, PE

Capital Projects Engineer, City of Paso Robles
1000 Spring Street - Paso Robles, CA 93446, 805.237.3861
Projects - City Speed Zone Study, Union Road Speed Survey Study

BayMetrics

Greg Gleichman

AECOM
100 W. San Fernando Street, Suite 200 - San Jose, CA 95113, 408.297.9585
Project - SFCTA Freeway Corridor Management Study Phase II

Virendra Patel

City of Alameda
950 W. Mall Square, Room 110 - Alameda, CA 94501, 510.747.7947
Project - City of Alameda On-Call

Nawid Nessar

Wood Rodgers
3301 C Street, Building 100B - Sacramento, CA 95816, 916.326.4492
Project - US 50 HOV Project



Omni-Means does not have any exceptions to the Scope of Services. Our Counsel reviewed the City's draft professional services agreement and the items listed below show any exceptions to the agreement.

Attachment #A

AGREEMENT FOR PROFESSIONAL CONSULTING SERVICES

6.0 INDEMNIFICATION

C. Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the City. ~~At the option of the City, either the insurer shall reduce or eliminate such deductibles or self insured retentions as respects to the City, its officers, officials, employees and volunteers; or the Consultant shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.~~

Our preference is to remove the above the text

Details of our deductibles and SIR are as follows:

CGL - \$0 deductible

Auto - \$250/\$500 collision/comp deductibles

Professional - \$500,000 SIR

D. Other Insurance Provisions

The policies are to contain, or be endorsed to contain, the following provisions:

3. Professional Liability Coverage

If written on a claims-made basis, the retroactivity date shall be the effective date of this Agreement or earlier. The policy period shall extend for the duration of the work being performed.

4. All Coverages

~~Each Insurance policy required by this clause shall be endorsed to state~~ Consultant shall provide that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City.

F. Verification of Coverage

Consultant shall furnish the City with Certificates of Insurance and with original Endorsements effecting coverage required by this Agreement. The Certificates and Endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The Certificates and Endorsements are to be on forms provided or approved by the City. Where by statute, the City's Workers' Compensation - related forms cannot be used, equivalent forms approved by the Insurance Commissioner are to be substituted. All Certificates and Endorsements are to be received and approved by the City before Consultant begins the work of this Agreement. The City reserves the right to require complete, certified copies of all required insurance policies, ~~at any time~~ in the event a claim arises related to this agreement. If Consultant fails to provide the coverages required herein, the City shall have the right, but not the obligation, to purchase any or all of them. In that event, the cost of insurance becomes part of the compensation due the contractor after notice to Consultant that City has paid the premium.





ITEM NO.: 7f

MEETING DATE: April 5, 2017

AGENDA SUMMARY REPORT

SUBJECT: AWARD PROFESSIONAL SERVICES AGREEMENT IN THE AMOUNT OF \$5,276 TO EBA ENGINEERING TO PREPARE BID DOCUMENTS FOR WELL ABANDONMENT AND FOR REMOVAL OF THE REMEDIATION SYSTEM AND APPROVE BUDGET AMENDMENT

Summary: City Council will consider awarding a professional services agreement to EBA Engineering to prepare bid documents for well abandonment and for removal of the remediation system related to the Corporation Yard contamination from underground storage tanks. The City Council will also consider approving a budget amendment for this work.

Background and Discussion: In order to complete the North Coast Regional Water Quality Control Board's requirements for case closure, the City must now complete the abandonment of all wells which were used for monitoring and remediating contamination related to the former underground storage tanks at the City Corporation Yard. In addition, the City will also remove the remediation system equipment and restore the former treatment compound to its former condition as paved yard area. Staff issued a request for proposals (RFP) and sent it to four prospective consultants. The RFP and its addendum requested the preparation of two separate bid documents: one for the well abandonment and one for removal of the remediation system compound and restoration of the asphalt paving. In addition, the City requested the selected consultant to advise the City as to whether the remediation equipment should be salvaged and sold as surplus or removed and disposed as part of the construction contract. In response to the City's RFP, two consultants, EBA Engineering with a fee of \$5,267 (Attachment 1), and SHN Consulting Engineers and Geologists, Inc. with a fee of \$4,940 (Attachment 2) submitted proposals.

Staff will file a claim for reimbursement from the City's insurance carrier and anticipates reimbursement of the costs to prepare these bid documents. The City's consultant selection committee (CSC) reviewed the two proposals and recommended EBA Engineering for this project. In reviewing the proposals, the CSC found that EBA's proposal fully met the requirements of the RFP and Addendum #1. However, in reviewing SHN's proposal, staff noted the following statement: "SHN does feel strongly that all work associated with the well abandonment work plan and restoration of the site can be accomplished in one complete set of bid documents." This statement by SHN is in conflict with the City's addendum which identified two separate bid documents to be prepared for two clearly separate work scopes which in turn would be completed by construction companies with different State contractor license classifications. Lastly, staff has reviewed the fee proposal from EBA Engineering and found the proposed fee to be

Continued on Page 2

RECOMMENDED ACTION(S): Award professional services agreement in the amount of \$5,276 to EBA Engineering to prepare bid documents for well abandonment and for removal of the remediation System and approve budget amendment.

ALTERNATIVES: Do not approve recommended action and provide direction to staff.

Citizens advised:	Matt Earnshaw, EBA Engineering and Tom Hunt, SHN Consulting Engineers and Geologists
Requested by:	Tim Eriksen, Director of Public Works
Prepared by:	Rick Seanor, Deputy Director of Public Works
Coordinated with:	Sage Sangiacomo, City Manager
Presenter:	Tim Eriksen, Director of Public Works
Attachment:	1. proposal from EBA Engineering 2. proposal from SHN Consulting Engineers and Geologists

COUNCIL ACTION DATE: _____: ☐ Approved ☐ Continued to _____ ☐ Other _____

RECORDS APPROVED: ☐ Agreement: _____ ☐ Resolution: _____ ☐ Ordinance: _____

Note: Please write Agreement No. in upper right corner of agreement when drafted.

Approved: 
Sage Sangiacomo, City Manager

commensurate with the scope of work (Attachment #1). Staff recommends approval of a professional services agreement for this work and approval of the corresponding budget amendment.

FISCAL IMPACT:				
Budget Amendment Amount 16-17 FY	New Appropriation Source of Funds (Title & No.)	Account Number	Budget Amendment Required	Previous Contract or Purchase Order No.
\$5,276	Corporation Yard	#20824300.52100	Yes ☒ No ☐	N/A



March 23, 2017

Mr. Richard Seanor
Department of Public Works
City of Ukiah
300 Seminary Drive
Ukiah, CA 95482

**SUBJECT: REQUEST FOR PROPOSAL
PREPARATION OF BID DOCUMENTS FOR WELL ABANDONMENT
WORKPLAN FOR UKIAH CORPORATION YARD
CITY OF UKIAH CORPORATION YARD UST INVESTIGATION
1320 AIRPORT ROAD, UKIAH, CALIFORNIA
CASE NO. 1TMC201; WDID 1B11104RMEN
*EBA Proposal No. 132-17***

Dear Mr. Seanor,

EBA Engineering (EBA) is pleased to present this Proposal for providing Professional Environmental and Engineering Services to the City of Ukiah (City) in response to the City's Request for Proposal (RFP) dated March 7, 2017 and Addendum No. 1 dated March 21, 2017. EBA is uniquely positioned to perform the scope of services as detailed below for the following reasons:

- EBA supervised, coordinated, and/or performed the installation, development, monitoring and sampling of the onsite and offsite monitoring wells, dual-phase extraction (DPE), ozone-injection wells, and soil vapor sampling points. As such, EBA is very familiar with the site constraints and logistics involved in the abandonment of on-site and off-site wells;
- EBA constructed and negotiated with off-site property owners in the obtaining of access agreements and is familiar with City requirements and protocols for access;
- EBA designed the remediation system, wrote the bid specifications for the construction RFP, and was present during its installation (including electrical and sewer infrastructure installation). EBA also still retains the AutoCad drawings of the original construction and may utilize these drawings in the preparation of the remediation system destruction, and;
- EBA's relationship with City Engineers and City Attorney gives us a working knowledge of the site with respect to the mechanism for financing this project which is an insurance claim through Great American Insurance Company.

The following sections include a discussion of the proposed scope of work, a cost estimate summary, and assumptions. Please also find under separate cover a detailed cost estimate that further defines the estimated costs for the scope detailed herein. EBA is highly qualified and properly staffed to undertake the anticipated scope of work described in the RFP. EBA is fully able to meet any time schedule required as part of the work described herein. Please note that key EBA staff to be assigned to this project include the same individuals involved in the UST investigation at 1320 Airport Road in Ukiah, California as well as the original design of the remediation system.

PROPOSED SCOPE OF WORK

Preparation of Bid Specifications for Well Destruction and Remediation System Demolition

EBA will prepare two separate bid specifications for the City. The first bid specification will include the necessary details required to accurately bid the destruction of monitoring wells, extraction wells, injection wells, and soil vapor points by a licensed C57 Contractor. The bid specifications will detail methodology to be used, notifications, waste management and disposal procedures, and include an inventory of all installed wells and soil vapor points. Please note that the details of the well destruction were included in EBA's Work Plan dated August 11, 2017 and was subsequently approved by the North Coast Regional Water Quality Control Board (NCRWQCB) on August 31, 2017.

The second bid specification will involve the Remediation System Demolition and is not under the oversight of the NCRWQCB. This bid document will include all work to remove the DPE system, ozone sparge system, fencing, and all associated appurtenances. EBA will also review the used equipment and advise on whether or not the equipment should be disposed or reused as part of the construction contract (i.e., included in the bid specifications). The bid specification will also include a description of the work required for the removal and disposal of carbon filter media and also contain provisions for the complete removal of the canopy structure. Other items include removal of the concrete slab, and abandonment in-place of underground piping and tubing. The propane tank shall be disconnected and reused at the City Garage.

ASSUMPTIONS

For the purposes of developing the scope of work and the cost estimate, the following assumptions were made:

- The draft bid specifications is due by June 30, 2017.

- Costs for permit application preparation and associated fees are not included.
 - Includes one (1) onsite inspection totaling eight (8) personnel hours and one-pre bid meeting totaling four (4) personnel hours.
 - There is free and open access to the site.
 - EBA will provide a pdf copy of each bid specification and ten (10) hard copies for the City's use.
-
- The awarding of the contract does not preclude the bidding on future items related to the bid specifications.

CLOSING

Thank you for allowing EBA this opportunity to submit this proposal. Should you have any questions or comments regarding the information contained herein, please contact EBA at (707) 544-0784. EBA will implement this Scope of Work immediately upon the City's approval.

Sincerely,
EBA ENGINEERING



Matthew J. Earnshaw, P.G., C.Hg., QSD
Senior Geologist

Enc: Signed Addendum #1



City of Ukiah

March 21, 2017

ADDENDUM NO. 1

Subject: Request for Proposal – Preparation of Bid Documents for Well Abandonment Workplan for Ukiah Corporation Yard, Case No. 1TMC201; WDID 1B11104RMEN

To all Prospective Consultants:

Included herewith is ADDENDUM NO. 1 for the subject project.

The proposal due date for this project will not be changed and shall remain **March 27, 2017 at 12:00 PM.**

IF YOU SUBMIT A PROPOSAL, ACKNOWLEDGMENT OF THIS ADDENDUM MUST BE SHOWN ON THIS ADDENDUM. IN ADDITION, THIS SIGNED ACKNOWLEDGEMENT MUST BE SUBMITTED WITH THE PROPOSAL.

This Addendum is being sent to you in order that this office may be assured all consultants have received same. It should be noted it is the responsibility of the consultant to notify all prospective sub consultants of any and all changes to this Request for Proposals.

Sincerely,

Richard J. Seanor
Deputy Director of Public Works

ACKNOWLEDGEMENT

I hereby acknowledge that I have received this Addendum No. 1 and have reviewed and considered it before submitting my proposal.

Signed:

Date: 8/23/17



March 23, 2017

Mr. Richard Seanor
Department of Public Works
City of Ukiah
300 Seminary Avenue
Ukiah, CA 95482

**SUBJECT: FEE SCHEDULE
PREPARATION OF BID DOCUMENTS FOR WELL ABANDONMENT
WORKPLAN FOR UKIAH CORPORATION YARD
CITY OF UKIAH CORPORATION YARD UST INVESTIGATION
1320 AIRPORT ROAD, UKIAH, CALIFORNIA
CASE NO. 1TMC201; WDID 1B11104RMEN
*EBA Proposal No. 132-17***

Dear Mr. Seanor,

EBA Engineering (EBA) is pleased to present this Fee Schedule for providing Professional Environmental and Engineering Services to the City of Ukiah (City) in response to the City's Request for Proposal (RFP) dated March 7, 2017 and Addendum No. 1 dated March 21, 2017.

The total not-to-exceed cost to implement the above scopes of work is **\$5,276.00**. A detailed breakdown of the cost estimate is attached. Cost includes all mileage, transportation, per diem, and subcontractors.

Throughout this project, additional information may become available. This new information may result in a change in the Scope of Work, which may result in a change in the cost of the project. EBA will notify the City when there is a change in the cost and will not proceed without prior approval of the changes from the City. Thank you for allowing EBA this opportunity to submit this Fee Schedule. Should you have any questions or comments regarding the information contained herein, please contact EBA at (707) 544-0784.

Sincerely,
EBA ENGINEERING

A handwritten signature in blue ink that reads "Matthew J. Earnshaw". The signature is fluid and cursive, with the first name "Matthew" being more prominent than the last name "Earnshaw".

Matthew J. Earnshaw, P.G., C.Hg., QSD
Senior Geologist

Enc: Cost Estimate and EBA's Standard Schedule of Fees

Cost Estimate for Environmental Services - Preparation of Bid Specifications for Well Destruction and Remediation System Demolition
City of Ukiah Corporation Yard
1320 Airport Road, Ukiah, CA
Client Name: City of Ukiah
EBA Proposal No.: 132-17
Date: March 27, 2017

Task	HOURS				TOTALS LABOR		TOTAL ESTIMATED COSTS
	Senior Geologist \$155.00	Project Engineer \$121.00	Design Drafter \$95.00	Clerical \$59.00	Total EBA Hours	EBA Task Total	
Task 1: Bid Specifications for Well Destruction and Remediation System Demolition	12	20	8	4	44	\$ 5,276.00	\$ 5,276.00
TOTAL:	12	20	8	4	44	\$ 5,276.00	\$ 5,276.00



STANDARD SCHEDULE OF FEES AND RATES

Principal Geologist/Principal Engineer	\$200.00 per hour
Project Manager	\$150.00 - \$190.00 per hour
Senior Geologist/Senior Engineer	\$145.00 - \$190.00 per hour
Senior Project Geologist/Senior Project Engineer	\$135.00 - \$165.00 per hour
Project Geologist/Project Engineer	\$125.00 - \$155.00 per hour
Staff Geologist/Staff Engineer	\$110.00 - \$135.00 per hour
Survey: 3 Man Crew	\$270.00 per hour
Survey: 2 Man Crew	\$240.00 per hour
Survey Travel: 2 Man Crew	\$200.00 per hour
Survey: 1 Man Crew	\$165.00 per hour
Senior Survey Technician	\$110.00 - \$125.00 per hour
Senior Environmental Scientist/Specialist	\$110.00 - \$145.00 per hour
Environmental Scientist/Specialist	\$ 75.00 - \$115.00 per hour
Design Draftsperson	\$110.00 - \$130.00 per hour
Clerical	\$ 60.00 per hour
Administrative	\$ 65.00 per hour
Systems Manager	\$ 70.00 per hour
Depositions or court proceedings	200% of usual rates
Subconsultants	Cost plus 15%
Prints and materials	Cost plus 15%
Miscellaneous expenses	Cost plus 15%

Effective March 2017

**CONSULTING ENGINEERS & GEOLOGISTS, INC.**

335 S. Main St. • Willits, CA 95490-3977 • 707/459-4518 • FAX: 707/459-1884 • willitsinfo@shn-engr.com

Reference: 417000.034

March 27, 2017

Richard J. Seanor, Deputy Director of Public Works
City of Ukiah
300 Seminary Avenue
Ukiah, CA 95482-5400

**Subject: Proposal Submittal for Well Abandonment Work Plan, City of Ukiah
Corporation Yard, Case No. 1TMC201: WDID 1B11104RMEN**

Dear Mr. Seanor:

SHN Consulting Engineers & Geologists, Inc. (SHN) is providing this fee proposal for preparation of bid documents for the well abandonment work plan for the City of Ukiah Corporation Yard. SHN is well versed in site closure responsibilities and understands that the destruction of monitoring and remediation wells is only one component of the process. SHN has closed and restored more than 250 sites in northern California that have been impacted by release from underground storage tanks (USTs). We are well suited to assist the City in the preparation of bid documents.

SHN has provided construction management services for many of these projects, overseeing permitting, construction bid document preparation, hazardous materials disposal, installation and abandonment of monitoring wells and other equipment, and site restoration upon completion of the remediation process. Last year, SHN successfully coordinated the restoration of two similar sites in Humboldt County, both of which had remediation systems, monitoring and remediation wells, and involved multiple property owners, similar to the Corporation Yard site.

Scope of Work

In a letter dated August 31, 2016, the North Coast Regional Water Quality Control Board (RWQCB) approved the well abandonment work plan prepared by EBA Engineering. As part of the closure process, the dual phase extraction system, the an ozone sparge system, and 50 wells associated with monitoring and remediation are required to be removed and/or destroyed under County of Mendocino Health and Human Services (CMHHS) permit. Numerous additional task items identified in the March 7, 2017, proposal that were put in place as part of the UST release will also require removal and disposal or recycling, as appropriate.

Addendum No. 1 dated March 21, 2017, for the well abandonment work plan proposal cites preparation of two separate bid document packages: one related to sole abandonment of the wells, and a second to address proper disposition of remaining construction contract items. We have signed and attached the Addendum No. 1 acknowledgement.

Mr. Richard Seanor
Proposal Submittal for Well Abandonment Work Plan, City of Ukiah Corporation Yard
March 27, 2017
Page 2

SHN will prepare two separate construction bid document packages:

- 1) the abandonment of 22 monitoring wells, and
- 2) the removal of the 12 dual-phase extraction well, the 16 ozone sparge wells, the carbon filter tanks and the associated canopy, and other appurtenant components.

SHN will use the City of Ukiah's current contract document template as a base document to prepare technical specifications and a bid schedule identifying all of the elements to be removed and the condition to which the site is to be restored.

SHN will submit draft bid documents to the City of Ukiah for review no later than June 30, 2017.

Cost Estimate

Our time and expenses not to exceed estimate for providing the required professional services is presented in the accompanying sealed envelope. Minimal travel time is associated with the bid document preparation cost estimate; our office is located in Willits, and no per diem charges will be incurred.

SHN does feel strongly that all the work associated with the well abandonment work plan and restoration of the site can be accomplished in one complete set of bid documents. Preparation of a well defined bid schedule outlining the necessary steps to complete the process is achievable and will save the City money and resources in the long run. A project of this nature will require multiple subcontractors; working under one firm will bring better cohesion and quality control during the process.

Thank you again for this opportunity to provide environmental and construction-related services for bid document preparation to the City of Ukiah. SHN believes that the estimated cost for bid document preparation is reasonable and that the outlined services will be cost effective. We look forward to working with the City of Ukiah to develop an appropriate approach for this project that is in your best interest.

Please call me at 707-459-4518 if you have any questions or require additional clarification regarding this proposal.

Sincerely,

SHN Engineers & Geologists



Thomas A. Hunt, PE
Senior Civil Engineer

TAH/EJN:lms

Attachment: Sealed Cost Estimate



City of Ukiah

March 21, 2017

ADDENDUM NO. 1

Subject: Request for Proposal – Preparation of Bid Documents for Well Abandonment Workplan for Ukiah Corporation Yard, Case No. 1TMC201; WDID 1B11104RMEN

To all Prospective Consultants:

Included herewith is ADDENDUM NO. 1 for the subject project.

The proposal due date for this project will not be changed and shall remain **March 27, 2017 at 12:00 PM.**

IF YOU SUBMIT A PROPOSAL, ACKNOWLEDGMENT OF THIS ADDENDUM MUST BE SHOWN ON THIS ADDENDUM. IN ADDITION, THIS SIGNED ACKNOWLEDGEMENT MUST BE SUBMITTED WITH THE PROPOSAL.

This Addendum is being sent to you in order that this office may be assured all consultants have received same. It should be noted it is the responsibility of the consultant to notify all prospective sub consultants of any and all changes to this Request for Proposals.

Sincerely,

Richard J. Seanor
Deputy Director of Public Works

ACKNOWLEDGEMENT

I hereby acknowledge that I have received this Addendum No. 1 and have reviewed and considered it before submitting my proposal.

Signed: Thomas A. Hunt

Date: 3-27-17

Modifications to the Request for Proposals: The RFP has been modified with the addition of the text shown in *italic, bold* font below and the deletion of text shown with double-strikethrough font.

Would you please provide a brief letter proposal for the preparation of the bid documents (plans, specifications, and estimate) to complete the work identified in the well abandonment workplan for the City of Ukiah Corporation Yard? Your letter proposal should address the work identified in the attached workplan dated August 11, 2016 which was approved per the attached letter from Mr. Jim Tischler, NCRWQCB, dated August 31, 2016.

The consultant shall prepare two separate sets of bid documents. One bid document will involve all work related to the abandonment of the wells identified in the well abandonment workplan.

The other bid document will involve all work to remove the dual phase extraction system, the ozone sparge system, the carbon filter tanks, fencing, and all associated appurtenances. The selected consultant will review the equipment and advise the City on whether or not the equipment should be salvaged and sold as surplus or whether the equipment should be removed and disposed as part of the construction contract. The bid documents will include work related to removal and disposal of the carbon filter media.

~~In addition, the bid documents should include bid items and specifications for the complete removal and disposal of the dual phase extraction system, the ozone sparge system, the carbon filter tanks, and all associated appurtenances.~~ The canopy structure shall be completely removed and disposed. In addition, the concrete slab shall be removed. The footprint of the remediation system shall be repaved upon removal of all described items. Associated underground piping and tubing shall be abandoned in place. Please note that the propane tank shall be disconnected and provided to the City Garage for re-use. The bid documents shall be prepared using the City's standard specification format, attached. The proposal should be in a brief format which clearly and succinctly identifies your firm's qualifications for this type of work.



CONSULTING ENGINEERS & GEOLOGISTS, INC.

335 S. Main St. • Willits, CA 95490-3977 • 707/459-4518 • FAX: 707/459-1884 • willitsinfo@shn-engr.com

Reference: 417000.034

March 27, 2017

Richard J. Seanor, Deputy Director of Public Works
City of Ukiah
300 Seminary Avenue
Ukiah, CA 95482-5400

**Subject: Cost Proposal for Well Abandonment Work Plan, City of Ukiah Corporation Yard,
Case No. 1TMC201: WDID 1B11104RMEN**

Dear Mr. Seanor:

The SHN Consulting Engineers & Geologists, Inc. (SHN) team will provide the services identified in City of Ukiah request for proposal for the well abandonment work plan and subsequent Addendum No. 1 on a time and expenses, not to exceed basis. Our estimated fee to provide these services is Four Thousand Nine Hundred Forty dollars (\$4,940). The following table presents the itemized budget for completion of the two project's tasks. SHN's 2017 Rate Fee Schedule is also attached to this cost proposal.

Well Abandonment Bid Document Cost Proposal City of Ukiah, Corporation Yard				
Task	Scope Element/Personnel	Rate	Hours	Fee
1.0	Well Abandonment			
	Civil Engineer	\$145/hr	4	\$580
	Geologist	\$140/hr	8	\$1,120
	Drafter	\$90/hr	2	\$180
	Clerical	\$75/hr	4	\$300
	Task 1 Total			\$2,180
2.0	System Removal			
	Civil Engineer	\$145/hr	8	\$1,160
	Geologist	\$140/hr	8	\$1,120
	Drafter	\$90/hr	2	\$180
	Clerical	\$75/hr	4	\$300
	Task 2 Total			\$2,760
	Project Total			\$4,940

We appreciate your consideration of our team's proposal. If you have any questions about our proposal, please feel free to call me at 707-459-4518.

Respectfully,

SHN Engineers & Geologists

Thomas A. Hunt, PE
Senior Civil Engineer

TAH/EJN:lms

Attachment: SHN 2017 Fee Schedule



Consulting Engineers & Geologists, Inc.

Fee Schedule January 1, 2017

When accurate definition of the proposed work is not possible, an hourly charge out rate for determining compensation shall be used. Hourly charge rates include payroll costs, overhead, and profit. Hourly services are billed portal to portal and are subject to a 2-hour minimum. Current rates are as follows:

Hourly Charge Rates			
Position ¹	Hourly Rates		
Principal Engineer	\$ 135.00	-	\$180.00
Principal Engineering Geologist	\$ 125.00	-	\$155.00
Principal Surveyor	\$ 125.00	-	\$155.00
Project Manager	\$ 85.00	-	\$155.00
Senior Planner	\$ 100.00	-	\$140.00
Senior Engineer	\$ 115.00	-	\$150.00
Senior Geotechnical Engineer	\$ 125.00	-	\$155.00
Senior Geologist	\$ 115.00	-	\$145.00
Senior Surveyor	\$ 105.00	-	\$135.00
Engineer	\$ 85.00	-	\$120.00
Traffic Engineer	\$ 85.00	-	\$140.00
Geologist	\$ 85.00	-	\$115.00
Certified Industrial Hygienist	\$ 95.00	-	\$140.00
Environmental Specialist	\$ 75.00	-	\$130.00
Environmental Planner	\$ 75.00	-	\$115.00
Staff Surveyor ³	\$ 75.00	-	\$105.00
Assistant Engineer	\$ 75.00	-	\$120.00
Survey Party Chief ³	\$ 75.00	-	\$105.00
Junior Engineer	\$ 65.00	-	\$ 90.00
Engineering Technician/Draftsperson ³	\$ 65.00	-	\$ 90.00
Lab/Field Technician ³	\$ 65.00	-	\$ 100.00
Survey Technician ³	\$ 65.00	-	\$ 90.00
Technical Writer	\$ 55.00	-	\$ 70.00
Clerical	\$ 50.00	-	\$ 70.00
Expert Witness ^{2,4}	\$155.00	-	\$255.00

1 Incidental expenses, i.e., lodging, meals, airplane tickets, etc., are billed at cost plus 15%.

2 Minimum daily charge is four hours.

3 Rates depend on the specific personnel assigned and if prevailing wage rates are required in the area of work.

4 Rates for Expert Witness are charged for preparation and testimony for both deposition(s) and trial(s).

Reimbursables

The following direct charges are charged in addition to the hourly charge rates set forth above.

Direct Charges:

CADD plots (black & white)	\$ 4.00/ea.
CADD plots (color)	\$ 20.00/ea.
Copies	\$.15/ea.
Equipment and other expenditures (required for projects)	Cost + 15%
Field office	Cost + 15%
Filing fees, telephone expense, etc.	Cost + 15%
Iron pipe, monuments, flagging, etc.	Cost + 15%
Mylars	\$ 2.50/sq. ft.
Services of other consultants	Cost + 15%
Stakes, hubs, lath, etc.	Cost + 15%
Subsistence, air travel, etc.	Cost + 15%
Vehicles	\$ 50.00/day

Field Testing and Equipment:

Anchor bolt tension testing	\$ 80.00/day plus operator
CO ₂ Meter	\$ 10.00/day
Concrete Compression Impact Hammer	\$ 25.00/day**
Core Drilling Machine	\$ 75.00/day + \$3.00/inch cored
Dissolved Oxygen Meter	\$ 53.00/day**
Expendable Supplies	\$ 40.00/day**
Fyrite Meter	\$ 33.00/day**
Generator	\$ 53.00/day**
Geophysical Equipment	By Quotation
Grundfos Controller & Pump	\$275.00/day
Hand Auger	\$ 33.00/day
Health & Safety Level D	\$ 35.00/day**
Health & Safety Level C	\$ 60.00/day**
High Pressure Controller	\$ 60.00/day**
Inclinometer	\$200.00/day*
LEL Meter	\$ 66.00/day**
Nuclear Density Testing	\$ 25.00/hour plus operator
Other equipment including drill rigs, backhoes, etc.	Cost + 15%
ORP Meter	\$ 15.00/day
OVA	\$132.00/day**
Peristaltic Pump	\$ 50.00/day**
pH/Conductivity Meter	\$ 53.00/day**
Pumps	\$ 45.00/day**
Quad (ATV)	\$150.00/day
Rebar Locating Device	\$ 40.00/day plus operator

* 1/2 Day Minimum Charge.

+ 25% Weekly Discount, 40% Monthly Discount.

(1) If concrete is sampled and delivered to SHN lab by outside contractor, add \$5.00/ea. for processing and curing per ASTM C-31.

Reimbursables, Continued

Field Testing and Equipment, Continued:

Roto-hammer	\$ 50.00/day*+
Skidmore-Wilhelm Bolt Tension Calibration	\$ 50.00/day
Soil/Gas Purge Pumps	\$ 30.00/day*+
Soil Gas Probes	\$200.00/day*+
Torque Wrench (0 to 250 ft lbs)	\$ 25.00/day
Torque Wrench (250 to 1,000 ft lbs)	\$ 50.00/day
Turbidity Meter	\$ 26.00/day*+
Ultrasonic Test Device	\$ 20.00/hour plus operator
Vapor Extraction System	\$500.00/day*+
Water Level Data Logger	\$ 60.00/day*+
Water Level Meter	\$ 33.00/day*+
Well Point	\$ 50.00/day

Survey Equipment:

GPS Station	\$300.00/day*
Level	\$ 25.00/day*
Resource GPS	\$ 150.00/day*
Robotic Total Station	\$ 200.00/day
Total Station	\$ 7.50/hour
Total Station w/Data Collector	\$ 100.00/day
Toughbook	\$ 150.00/day*
Trimble GeoXT GPS Unit	\$ 150.00/day*

Laboratory Tests:

Asphalt Briquette Compaction	\$ 50.00/ea. ⁽¹⁾
Asphalt Bulk Specific Gravity	\$ 30.00/ea.
Asphalt Content by Nuclear Method	\$ 75.00/test
Asphalt Content Gauge Calibration	\$200.00/ea.
Asphalt Extraction (% Bitumen)	On Request
Asphalt (Hveem) Mix Design	On Request
Brass Tube (Liner)	\$ 5.00/ea.
Cleanness Value (CT 227)	\$ 75.00/ea.
Compaction Curves (ASTM D 1557 or Caltrans CT216):	
4-inch Mold	\$200.00/ea.
6-inch Mold	\$200.00/ea.
Check Point	\$ 75.00/ea.
Concrete Compressive Strength (CT 521 or ASTM C39)	\$ 25.00/ea. ⁽²⁾
Concrete Linear Shrinkage (3 Bars)	\$200.00
Concrete Moisture	\$ 25.00/test (floor test)
Consolidation Test	\$300.00/ea.
Direct Shear, per point: (ASTM D3080)	
Consolidated-Drained (CD)	\$145.00/point
Unconsolidated-Undrained (UU) (Modified ASTM)	\$115.00/point
Consolidated-Undrained (CU) (Modified ASTM)	\$130.00/point
Additional cycles (each)	\$ 65.00/ea.
Disposable Concrete Molds	\$ 2.00/ea.

* 1/2 Day Minimum Charge.

+ 25% Weekly Discount, 40% Monthly Discount.

(1) If asphalt is delivered to SHN lab unmixed, add \$75.00/ea. for processing and mixing per Caltrans CT304.

(2) If concrete is sampled and delivered to SHN lab by outside contractor, add \$5.00/ea. for processing and curing per ASTM C-31.

Reimbursables, Continued

Laboratory Tests, Continued:

Durability Index	\$ 75.00/ea.
Expansion Index	\$175.00/test
Fireproofing Density	\$ 50.00/ea.
Grout Compressive Strength	\$ 40.00/ea.
LA Rattler (abrasion resistance)	\$200.00/test
Liquid Limit	\$100.00/ea.
Masonry Block Compressive Strength	\$ 65.00/ea.
Masonry Block Linear Shrinkage	\$ 85.00/ea.
Masonry Block Prism Compressive Strength	\$125.00/ea.
Masonry Core Shear Test	\$ 50.00/core
Moisture Content	\$ 20.00/ea.
Moisture-Density Test	\$ 30.00/ea.
Particle Size Analysis (ASTM 422)	\$115.00/ea.
Percent Crushed Particles	\$125.00/ea.
Percent Entrained Air In Concrete	\$ 10.00/ea.
Percent Organics	\$ 50.00/ea.
Plastic Limit	\$ 50.00/ea.
Plasticity Index	\$150.00/ea.
R-Value	\$300.00/ea.
Rice Specific Gravity of Asphalt (ASTM D2041)	\$ 75.00/ea.
Sand Equivalent	\$ 50.00/ea.
Sawing Rocks and Concrete Cores	\$ 30.00/unit
Sieve Analysis--Coarse	\$ 50.00/ea.
Sieve Analysis--Fine	\$ 60.00/ea.
Sieve Analysis--Passing 200	\$ 45.00/ea.
Specific Gravity, Rock	\$ 45.00/ea.
Stabilometer of Premixed AC	\$ 75.00/ea.
Sulfate Soundness	\$ 80.00/cycle
Swell Test	\$ 55.00/point
Triaxial Compression	
Unconsolidated Undrained (TXUU) (ASTM D2850)	\$115.00/point
Consolidated Undrained (TXCU) (ASTM D4767)	\$385.00/point
Consolidated Drained (TXCD) (ACOE)	\$500.00/point
Consolidated Undrained (TXCU-3 stage) (ASTM D4767)	\$810.00/test
Consolidated Drained (TXCD-3 stage) (ACOE)	\$860.00/test
USDA Bulk Density Test	\$ 30.00/ea.
USDA Textural Suitability Test	\$ 60.00/ea.
Unconfined Compression	\$ 65.00/ea.
Unit Weight of Lightweight Concrete	\$ 50.00/unit

Notes:

All samples of soil or rock from physical testing are discarded 30 days after submission of final report unless prior arrangements are made. Samples of soil or rock submitted for testing for hazardous substances will be returned to the Client, who is responsible for proper disposal.

This fee schedule is subject to review and adjustment, as required.

Certain services may require prevailing wages or overtime at premium pay to SHN employees. In such circumstances, fees will be adjusted to reflect increased labor costs.



ITEM NO.: 7g

MEETING DATE: April 5, 2017

AGENDA SUMMARY REPORT

SUBJECT: NOTIFICATION OF PURCHASE OF REPLACEMENT PUMP FOR THE PERCOLATION POND DISTRIBUTION STRUCTURE AT THE WASTEWATER TREATMENT PLANT FROM CASCADE PUMP COMPANY IN THE AMOUNT OF \$28,593.75

Summary: Council will receive a report on the purchase of a replacement pump for the percolation pond distribution structure at the Wastewater Treatment Plant.

Background: Per Section §1522 of the Municipal Code staff is reporting to City Council the purchase of a pump from Cascade Pump Company in the amount of \$28,593.75. Several months ago, one of the two pumps that is used to transfer water between the three percolation ponds began to show signs of failure. Staff pulled the pump and sent it to the original manufacturer, Cascade Pump Company, for diagnosis. It was determined that it needed significant repairs in excess of \$15,000. The removal of this pump left only one pump in the structure and eliminated duplicity.

Discussion: Given that the pumps "fabrications" had corroded beyond repair, and the small incremental cost of a new pump staff felt it would be more cost-effective to replace the pump. A quote was requested from Cascade Pump Company for a new pump. During the course of preparing the quote and conversations with the manufacturer, it was determined that the new pump could be designed to better accommodate the actual flows within the structure. The new pump has been optimized to be more efficient than the old pump.

FISCAL IMPACT:				
Budgeted Amount in 16-17 FY	New Appropriation Source of Funds (Title & No.)	Account Number	Budget Amendment Required	Previous Contract or Purchase Order No.
\$160,000	N/A	#84024425.80100	Yes ☐ No ☒	P.O. #44667-00

RECOMMENDED ACTION(S): Receive report.

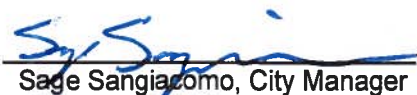
ALTERNATIVES: N/A

Citizens advised: N/A
Requested by: Sean White, Director of Water and Sewer
Prepared by/Contact: Jarod Thiele, Public Works Management Analyst
Coordinated with: Mary Horger, Procurement Manager; Andrew Luke, WWTP Supervisor; and Dave Kirch, Fleet Maintenance Supervisor.
Presenters: Sean White, Director of Water and Sewer and Jarod Thiele, Public Works Management Analyst.
Attachments: N/A

COUNCIL ACTION DATE: _____: ☐ Approved ☐ Continued to _____ ☐ Other _____

RECORDS APPROVED: ☐ Agreement: _____ ☐ Resolution: _____ ☐ Ordinance: _____

Note: Please write Agreement No. in upper right corner of agreement when drafted.

Approved: 
Sage Sangiacomo, City Manager



ITEM NO.: 7h

MEETING DATE: April 5, 2017

AGENDA SUMMARY REPORT

SUBJECT: NOTIFICATION OF ACQUISITION OF PROFESSIONAL SERVICES FROM SHN CONSULTING ENGINEERS AND GEOLOGIST FOR MATERIALS AND COMPACTION TESTING SERVICES FOR THE SEWER AND WATER MAIN REPLACEMENT PROJECT, SPECIFICATION NO 16-10 IN THE AMOUNT OF \$16,520

Summary: Council will receive a report on the acquisition of professional services from SHN Consulting Engineers and Geologist for materials and compaction testing services for the Sewer and Water Main Replacement Project, Specification No. 16-10 in the amount of \$16,520.

Background: On February 21, 2017, a Request for Proposal (Attachment #1) was released for Materials and Compaction Testing Services. Proposals were received until March 7, 2017, at which time three (3) proposals were received. The proposals were reviewed and rated by the selection committee consisting of Tim Eriksen, Director of Public Works; Rick Seanor, Deputy Public Works Director; Ben Kageyama, Senior Civil Engineer; Jarod Thiele, Public Works Management Analyst; and Andrew Stricklin, Engineering Analyst. Proposals were received from RGH Consultants (\$36,333), LACO Associates (\$17,821) and SHN (\$16,520).

Discussion: Upon review and rating, it was determined that SHN Consulting Engineers and Geologists (SHN) was most qualified to perform the work (Attachment #2). The scope of work is for materials and compaction testing of the utility trenches, subgrade and hot mix asphalt for the Sewer and Water Main Replacement Project, Specification No. 16-10, which also includes the complete reconstruction of Washington Avenue from South State Street to South Dora Street, Observatory Avenue from South State Street to Helen Avenue and Observatory Avenue from South State Street. Charges for the materials and compaction testing will be charged to the appropriate fund for each test.

FISCAL IMPACT:					
Budgeted Amount in 16-17 FY	New Appropriation Source of Funds (Title & No.)	Account Number	Budget Amendment Required		Previous Contract or Purchase Order No.
\$20,000	Engineering	#10024210.52100	Yes ☒	No ☐	N/A
\$0	Wastewater Distribution	#84024421.80230	Yes ☒	No ☐	N/A
\$0	Water Capital	#82224413.80230	Yes ☒	No ☐	N/A

RECOMMENDED ACTION(S): Receive report.

ALTERNATIVES: N/A

Citizens advised: N/A
Requested by: Tim Eriksen, Director of Public Works
Prepared by/Contact: Jarod Thiele, Public Works Management Analyst
Coordinated with: Rick Seanor, Deputy Director of Public Works
Presenter: Jarod Thiele, Public Works Management Analyst
Attachments: 1. Request for Proposal
2. SHN Proposal

COUNCIL ACTION DATE: _____: ☐ Approved ☐ Continued to _____ ☐ Other _____

RECORDS APPROVED: ☐ Agreement: _____ ☐ Resolution: _____ ☐ Ordinance: _____

Note: Please write Agreement No. in upper right corner of agreement when drafted.

Approved: 
Sage San Giacomo, City Manager



**PUBLIC WORKS DEPARTMENT
REQUEST FOR PROPOSAL**

**COMPACTION TESTING SERVICES FOR SEWER &
WATER REPLACEMENT PROJECT
Specification No. 16-10**

PROPOSAL DUE: MARCH 7, 2017 AT 2:00 PM

GENERAL INFORMATION / PROJECT LOCATION

The City of Ukiah (City) with a population of 16,075 people, is located approximately 115 miles north of San Francisco, CA on the US Highway 101 corridor. Ukiah is the retail service hub to an area reaching a 50 mile perimeter and experiences a daytime service population exceeding 35,000 people.

The City awarded a contract to Argonaut Constructors for the 2016 Sewer and Water Main Replacement Project (Project) and will be utilizing City staff for project management and inspections during the course of the project.

The Project involves the replacement of existing water mains, sewer mains, sewer manholes, water service lines, sewer laterals from main to back of walk, water valves, fire hydrants, installation of pedestrian facilities and complete street reconstruction. Work will be performed at the following locations:

- 1) Washington Avenue for approximately 1200 feet between South State Street and Dora Street;
- 2) Observatory Avenue for approximately 2530 feet between South State Street and Helen Avenue;
- 3) Luce Avenue for approximately 1220 feet between South State Street and Dora Street; and
- 4) Luce Avenue for approximately 1320 feet between Dora Street and Helen Avenue.

The City of Ukiah requests proposals from qualified firms to provide professional services for the Compaction and Materials Testing for this project.

SCOPE OF SERVICES:

The scope of services COMPACTION TESTING for this project shall include:

- (88) Compaction tests for trench backfill
- (11) Compaction tests for lateral trench backfill
- (5) In-Place density and relative compaction of Asphalt Concrete (nuclear) – one test per day during placement of at least 300 tons AC.

The scope of services for MATERIALS TESTING for the project shall include:

- (3) Material Quality – Trench Backfill
 - Minimum 3 gradation and SE tests

SCHEDULE:

- Construction is scheduled to start February 27, 2017. However, the first compaction testing is not anticipated until Mid-March, 2017 or shortly thereafter
- The City Engineer or his designee will direct the locations of testing and provide consultant 24 hours' notice of each testing day
- The current number of contractor working days is 180 working days though this is likely to increase as additional work is anticipated

SELECTION:

Consultant selection will be made on the basis of qualifications. The following evaluation criteria will be used in evaluating and selecting candidates:

- Candidate's specialized experience and technical competence as applicable to the services required.
- Testing laboratory should be accredited by Caltrans.

CONSULTANT'S PROPOSAL:

Proposals shall be labeled:

"Testing Services for Sewer & Water Replacement Project"

Proposals shall be submitted to:

Jarod Thiele, Management Analyst
City of Ukiah, Department of Public Works
300 Seminary Avenue
Ukiah, CA 95482-5400

Five (5) copies of the PROPOSAL are required. Proposals must be received prior to 2:00 PM, March 7, 2017

Proposals shall include the following:

The proposal should include a brief overview of the specific approach and procedures the firm proposes to complete the tasks described in the Scope of Services. The proposal must be signed by an official authorized to bind the successful firm contractually and shall contain a statement to the effect that the proposal is a firm offer for a minimum period of thirty (30) days after the submittal date. The proposal shall also provide the following: name, title, address, and telephone number of individuals with the authority to negotiate a contract and bind the consultant to the terms of the contract.

Provide a "not to exceed" maximum cost fee proposal for all identified work in the Scope of Services above, including all labor costs for proposed tests. Indicate if travel time, mileage, and per diem will be charged. Include any sub-consultant cost. Additionally, please identify miscellaneous costs associated with this proposal. Submit a copy of your firm's current

itemized hourly rate and testing fee schedule. Consultant selection will be made on the basis of qualifications.

In addition, please provide a unit cost for additional tests, if requested by the City during the course of the project

Lead Times

Please provide the amount of time needed to collect material samples for analysis and the quantity of material needed for each sample. It is assumed the Consultant will collect samples for analysis and coordinate with City and Contractor. Also indicate time for sample to be analyzed for approval/denial.

Qualifications

Describe the qualifications and experience of the firm as related to the project.

References

Provide a list of similar projects for which the firm has completed similar projects with a list of at least three client references associated with these projects. Include client references for any proposed sub-consultants. Provide names of contact person, addresses and telephone numbers for all client references.

Exceptions

Identify any exceptions you are proposing with respect to the Scope of Services. Additionally, if there are any exceptions to the City's insurance requirements and/or the City's draft professional services agreement as shown in the attachments, the Consultant should list the exceptions in the proposal.

SPECIAL PROPOSAL REQUIREMENT

Proposal documents shall be produced on recycled paper, when practicable. The proposal front cover shall be labeled in such a way as to identify that the document was produced on recycled paper and the pages of the proposal shall be produced double sided, where feasible.

INSURANCE REQUIREMENTS

The insurance requirements are set forth in Attachment "B".

RIGHT OF REFUSAL

The City reserves the right to reject any and all proposals without qualifications. Proposals will be considered only in their entirety. The City reserves the right to negotiate the specific requirements and costs using the selected proposal as a basis.

QUESTIONS

Questions shall be directed to Jarod Thiele, Management Analyst, City of Ukiah, Department of Public Works, 300 Seminary Avenue, Ukiah, CA 95482-5400, voice phone: (707) 463-6755, fax phone: (707) 463-6204, email (preferred contact method): jthiele@cityofukiah.com

ATTACHMENT "A"

AGREEMENT FOR PROFESSIONAL CONSULTING SERVICES [Design Professional]

This Agreement, made and entered into this ____ day of _____, 2016 ("Effective Date"), by and between CITY OF UKIAH, CALIFORNIA, hereinafter referred to as "City" and _____, a _____ [sole proprietorship, corporation, partnership, limited partnership, limited liability company, etc] organized and in good standing under the laws of the state of _____, hereinafter referred to as "Consultant".

RECITALS

This Agreement is predicated on the following facts:

- a. City requires consulting services related to _____.
- b. Consultant represents that it has the qualifications, skills, experience and properly licensed to provide these services, and is willing to provide them according to the terms of this Agreement.
- c. City and Consultant agree upon the Scope-of-Work and Work Schedule attached hereto as Attachment "A", describing contract provisions for the project and setting forth the completion dates for the various services to be provided pursuant to this Agreement.

TERMS OF AGREEMENT

1.0 DESCRIPTION OF PROJECT

- 1.1 The Project is described in detail in the attached Scope-of-Work (Attachment "A").

2.0 SCOPE OF SERVICES

- 2.1 As set forth in Attachment "A".
- 2.2. Additional Services. Additional services, if any, shall only proceed upon written agreement between City and Consultant. The written Agreement shall be in the form of an Amendment to this Agreement.

3.0 CONDUCT OF WORK

- 3.1 Time of Completion. Consultant shall commence performance of services as required by the Scope-of-Work upon receipt of a Notice to Proceed from City and shall complete such services within _____ from receipt of the Notice to Proceed. Consultant shall complete the work to the City's reasonable satisfaction, even if contract disputes arise or Consultant contends it is entitled to further compensation.

4.0 COMPENSATION FOR SERVICES

- 4.1 Basis for Compensation. For the performance of the professional services of this Agreement, Consultant shall be compensated on a time and expense basis not to exceed a guaranteed maximum dollar amount of \$---. Labor charges shall be based upon hourly billing rates for the various classifications of personnel employed by Consultant to perform the Scope of Work as set forth in the attached Attachment B, which shall include all indirect costs and expenses of every kind or nature, except direct expenses. The direct expenses

and the fees to be charged for same shall be as set forth in Attachment B. Consultant shall complete the Scope of Work for the not-to-exceed guaranteed maximum, even if actual time and expenses exceed that amount.

- 4.2 Changes. Should changes in compensation be required because of changes to the Scope-of-Work of this Agreement, the parties shall agree in writing to any changes in compensation. "Changes to the Scope-of-Work" means different activities than those described in Attachment "A" and not additional time to complete those activities than the parties anticipated on the date they entered this Agreement.
- 4.3 Sub-contractor Payment. The use of sub-consultants or other services to perform a portion of the work of this Agreement shall be approved by City prior to commencement of work. The cost of sub-consultants shall be included within guaranteed not-to-exceed amount set forth in Section 4.1.
- 4.4 Terms of Payment. Payment to Consultant for services rendered in accordance with this contract shall be based upon submission of monthly invoices for the work satisfactorily performed prior to the date of invoice less any amount already paid to Consultant, which amounts shall be due and payable thirty (30) days after receipt by City. The invoices shall provide a description of each item of work performed, the time expended to perform each task, the fees charged for that task, and the direct expenses incurred and billed for. Invoices shall be accompanied by documentation sufficient to enable City to determine progress made and the expenses claimed.
- 5.0 ASSURANCES OF CONSULTANT
- 5.1 Independent Contractor. Consultant is an independent contractor and is solely responsible for its acts or omissions. Consultant (including its agents, servants, and employees) is not City's agent, employee, or representative for any purpose.

It is the express intention of the parties hereto that Consultant is an independent contractor and not an employee, joint venturer, or partner of City for any purpose whatsoever. City shall have no right to, and shall not control the manner or prescribe the method of accomplishing those services contracted to and performed by Consultant under this Agreement, and the general public and all governmental agencies regulating such activity shall be so informed.

Those provisions of this Agreement that reserve ultimate authority in City have been inserted solely to achieve compliance with federal and state laws, rules, regulations, and interpretations thereof. No such provisions and no other provisions of this Agreement shall be interpreted or construed as creating or establishing the relationship of employer and employee between Consultant and City.

Consultant shall pay all estimated and actual federal and state income and self-employment taxes that are due the state and federal government and shall furnish and pay worker's compensation insurance, unemployment insurance and any other benefits required by law for himself and his employees, if any. Consultant agrees to indemnify and hold City and its officers, agents and employees harmless from and against any claims or demands by federal, state or local government agencies for any such taxes or benefits due but not paid by Consultant, including the legal costs associated with defending against any audit, claim, demand or law suit.

Consultant warrants and represents that it is a properly licensed professional or professional organization with a substantial investment in its business and that it maintains its own offices and staff which it will use in performing under this Agreement.

- 5.2 Conflict of Interest. Consultant understands that its professional responsibility is solely to City. Consultant has no interest and will not acquire any direct or indirect interest that would conflict with its performance of the Agreement. Consultant shall not in the performance of this Agreement employ a person having such an

interest. If the City Manager determines that the Consultant has a disclosure obligation under the City's local conflict of interest code, the Consultant shall file the required disclosure form with the City Clerk within 10 days of being notified of the City Manager's determination.

6.0 INDEMNIFICATION

6.1 Insurance Liability. Without limiting Consultant's obligations arising under Paragraph 6.2 Consultant shall not begin work under this Agreement until it procures and maintains for the full period of time allowed by law, surviving the termination of this Agreement insurance against claims for injuries to persons or damages to property, which may arise from or in connection with its performance under this Agreement.

A. Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Insurance Services Office ("ISO) Commercial General Liability Coverage Form No. CG 20 10 10 01 and Commercial General Liability Coverage – Completed Operations Form No. CG 20 37 10 01.
2. ISO Form No. CA 0001 (Ed. 1/87) covering Automobile Liability, Code 1 "any auto" or Code 8, 9 if no owned autos and endorsement CA 0025.
3. Worker's Compensation Insurance as required by the Labor Code of the State of California and Employers Liability Insurance.
4. Errors and Omissions liability insurance appropriate to the consultant's profession. Architects' and engineers' coverage is to be endorsed to include contractual liability.

B. Minimum Limits of Insurance

Consultant shall maintain limits no less than:

1. General Liability: \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage including operations, products and completed operations. If Commercial General Liability Insurance or other form with a general aggregate limit is used, the general aggregate limit shall apply separately to the work performed under this Agreement, or the aggregate limit shall be twice the prescribed per occurrence limit.
2. Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage.
3. Worker's Compensation and Employers Liability: Worker's compensation limits as required by the Labor Code of the State of California and Employers Liability limits of \$1,000,000 per accident.
4. Errors and Omissions liability: \$1,000,000 per occurrence.

C. Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, either the insurer shall reduce or eliminate such deductibles or self-insured

retentions as respects to the City, its officers, officials, employees and volunteers; or the Consultant shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

D. Other Insurance Provisions

The policies are to contain, or be endorsed to contain, the following provisions:

1. General Liability and Automobile Liability Coverages

- a. The City, its officers, officials, employees and volunteers are to be covered as additional insureds as respects; liability arising out of activities performed by or on behalf of the Consultant, products and completed operations of the Consultant, premises owned, occupied or used by the Consultant, or automobiles owned, hired or borrowed by the Consultant for the full period of time allowed by law, surviving the termination of this Agreement. The coverage shall contain no special limitations on the scope-of-protection afforded to the City, its officers, officials, employees or volunteers.
- b. The Consultant's insurance coverage shall be primary insurance as respects to the City, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees or volunteers shall be in excess of the Consultant's insurance and shall not contribute with it.
- c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the City, its officers, officials, employees or volunteers.
- d. The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

2. Worker's Compensation and Employers Liability Coverage

The insurer shall agree to waive all rights of subrogation against the City, its officers, officials, employees and volunteers for losses arising from Consultant's performance of the work, pursuant to this Agreement.

3. Professional Liability Coverage

If written on a claims-made basis, the retroactivity date shall be the effective date of this Agreement. The policy period shall extend from ----- to -----.

4. All Coverages

Each Insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City.

E. Acceptability of Insurers

Insurance is to be placed with admitted California insurers with an A.M. Best's rating of no less than A- for financial strength, AA for long-term credit rating and AMB-1 for short-term credit rating.

F. Verification of Coverage

Consultant shall furnish the City with Certificates of Insurance and with original Endorsements effecting coverage required by this Agreement. The Certificates and Endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The Certificates and Endorsements are to be on forms provided or approved by the City. All Certificates and Endorsements are to be received and approved by the City before Consultant begins the work of this Agreement. The City reserves the right to require complete, certified copies of all required insurance policies, at any time. If Consultant fails to provide the coverages required herein, the City shall have the right, but not the obligation, to purchase any or all of them. In that event, after notice to Consultant that City has paid the premium, the cost of insurance may be deducted from the compensation otherwise due the contractor under the terms of this Contract.

G. Subcontractors

Consultant shall include all sub-contractors or sub-consultants as insured under its policies or shall furnish separate certificates and endorsements for each sub-contractor or sub-consultant. All coverage for sub-contractors or sub-consultants shall be subject to all insurance requirements set forth in this Paragraph 6.1.

- 6.2 Indemnification. Notwithstanding the foregoing insurance requirements, and in addition thereto, Consultant agrees, for the full period of time allowed by law, surviving the termination of this Agreement, to indemnify the City for any claim, cost or liability that arises out of, or pertains to, or relates to any negligent act or omission or the willful misconduct of Consultant and its agents in the performance of services under this contract, but this indemnity does not apply to liability for damages for death or bodily injury to persons, injury to property, or other loss, arising from the sole negligence, willful misconduct or defects in design by the City, or arising from the active negligence of the City.

"Indemnify," as used herein includes the expenses of defending against a claim and the payment of any settlement or judgment arising out of the claim. Defense costs include all costs associated with defending the claim, including, but not limited to, the fees of attorneys, investigators, consultants, experts and expert witnesses, and litigation expenses.

References in this paragraph to City or Consultant, include their officers, employees, agents, and subcontractors.

7.0 CONTRACT PROVISIONS

- 7.1 Documents and Ownership of Work. All documents furnished to Consultant by City and all documents or reports and supportive data prepared by Consultant under this Agreement are owned and become the property of the City upon their creation and shall be given to City immediately upon demand and at the completion of Consultant's services at no additional cost to City. Deliverables are identified in the Scope-of-Work, Attachment "A". All documents produced by Consultant shall be furnished to City in digital format and hardcopy. Consultant shall produce the digital format, using software and media approved by City.

- 7.2 Governing Law. Consultant shall comply with the laws and regulations of the United States, the State of California, and all local governments having jurisdiction over this Agreement. The interpretation and

enforcement of this Agreement shall be governed by California law and any action arising under or in connection with this Agreement must be filed in a Court of competent jurisdiction in Mendocino County.

- 7.3 Entire Agreement. This Agreement plus its Attachment(s) and executed Amendments set forth the entire understanding between the parties.
- 7.4 Severability. If any term of this Agreement is held invalid by a court of competent jurisdiction, the remainder of this Agreement shall remain in effect.
- 7.5 Modification. No modification of this Agreement is valid unless made with the agreement of both parties in writing.
- 7.6 Assignment. Consultant's services are considered unique and personal. Consultant shall not assign, transfer, or sub-contract its interest or obligation under all or any portion of this Agreement without City's prior written consent.
- 7.7 Waiver. No waiver of a breach of any covenant, term, or condition of this Agreement shall be a waiver of any other or subsequent breach of the same or any other covenant, term or condition or a waiver of the covenant, term or condition itself.
- 7.8 Termination. This Agreement may only be terminated by either party: 1) for breach of the Agreement; 2) because funds are no longer available to pay Consultant for services provided under this Agreement; or 3) City has abandoned and does not wish to complete the project for which Consultant was retained. A party shall notify the other party of any alleged breach of the Agreement and of the action required to cure the breach. If the breaching party fails to cure the breach within the time specified in the notice, the contract shall be terminated as of that time. If terminated for lack of funds or abandonment of the project, the contract shall terminate on the date notice of termination is given to Consultant. City shall pay the Consultant only for services performed and expenses incurred as of the effective termination date. In such event, as a condition to payment, Consultant shall provide to City all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs and reports prepared by the Consultant under this Agreement. Consultant shall be entitled to receive just and equitable compensation for any work satisfactorily completed hereunder, subject to off-set for any direct or consequential damages City may incur as a result of Consultant's breach of contract.
- 7.9 Duplicate Originals. This Agreement may be executed in duplicate originals, each bearing the original signature of the parties. When so signed, each such document shall be admissible in administrative or judicial proceedings as proof of the terms of the Agreement between the parties.
- 8.0 NOTICES
Any notice given under this Agreement shall be in writing and deemed given when personally delivered or deposited in the mail (certified or registered) addressed to the parties as follows:

CITY OF UKIAH _____
DEPT. OF PUBLIC WORKS _____
300 SEMINARY AVENUE _____
UKIAH, CALIFORNIA 95482-5400

- ## 9.0 SIGNATURES

IN WITNESS WHEREOF, the parties have executed this Agreement the Effective Date:

CONSULTANT

BY: _____

Date

PRINT NAME: _____

IRS IDN Number

CITY OF UKIAH

BY: _____

SAGE SANGIACOMO
CITY MANAGER

Date

ATTEST

KRISTINE LAWLER
CITY CLERK

Date

ATTACHMENT "B"

INSURANCE REQUIREMENTS FOR CONSULTANTS

Consultant(s) shall procure and maintain for the duration of the contract 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 by the Consultant(s), his agents, representatives, or employees.

I. Minimum Scope of Insurance

Coverage shall be at least as broad as:

- A. Insurance Services Office **Commercial General Liability** coverage (Form No. CG 20 10 10 01 and Commercial General Liability – Completed Operations Form No. CG 20 37 10 01).
- B. Insurance Services Office form number CA 0001 (Ed. 1/87) covering **Automobile Liability**, code 1 (any auto).
- C. **Workers' Compensation** insurance as required by the State of California and Employer's Liability Insurance.
- D. **Errors and Omissions liability** insurance appropriate to the consultant's profession. Architects' and engineers' coverage is to be endorsed to include contractual liability.

II. Minimum Limits of Insurance

Consultant shall maintain limits no less than:

- A. General Liability: \$1,000,000 per occurrence for bodily injury, personal injury and property damage including **operations, products and completed operations**, as applicable. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit. Insurance must be written on an occurrence basis.
- B. Automobile Liability: \$1,000,000 per accident for bodily injury and property damage. Insurance must be written on an occurrence basis.
- C. Workman's Compensation Employer's Liability: \$1,000,000 per accident for bodily injury or disease.
- D. Errors and Omissions liability: \$1,000,000 per occurrence. If written on a claims-made basis, insurance coverage must cover claims filed within 3 years after contract work completed.

III. Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the City. The City may require the insurer to reduce or eliminate such deductibles or self-insured retentions with respect to the City, its officers, officials, employees and volunteers; or the Consultant to provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration and defense expenses; or to approve the deductible without a guarantee.

IV. REQUIRED Insurance Provisions

Proof of **general liability and automobile liability** policies are to contain, or **be endorsed** to contain, the following provisions:

- A. The City, its officers, officials, employees, and volunteers are to be covered as **ADDITIONAL INSURED** with respect to liability arising out of automobiles owned, leased, hired or borrowed by

or on behalf of the contractor; and 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. General liability coverage can be provided in the form of an endorsement to the Consultant's insurance, or as a separate owner's policy.

B. The workers' compensation policy is to be endorsed with a waiver of subrogation. The insurance company, in its endorsement, agrees to waive all rights of subrogation against the City, its officers, officials, employees and volunteers for losses paid under the terms of this policy which arises from the work performed by the named insured for the City. NOTE: You cannot be added as an additional insured on a workers' compensation policy.

C. For any claims related to this project, the Consultant's insurance coverage shall be **primary insurance** with respect to the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be in excess of the Consultant's insurance and shall not contribute with it.

D. Each insurance policy required by this clause shall be endorsed to state that coverage shall **not be canceled** by either party, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City.

V. RATING - Acceptability of Insurers

Insurance is to be placed with admitted California insurers with a current A.M. Best's rating of no less than A- for financial strength, AA for long-term credit rating and AMB-1 for short-term credit rating.

VI. Verification of Coverage

Consultant shall furnish the City with original certificates and amendatory endorsements effecting coverage required by this clause. The endorsements should be **on forms provided by the City**. If endorsements are on forms other than the City's forms, those endorsements must provide coverage that is equivalent to or better than the forms requested by the City. All certificates and endorsements are to be received and approved by the City before work commences. 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.

VII. Subcontractors

If Consultant uses subcontractors or sub-consultants, it shall cover them under its policies or require them to separately comply with the insurance requirements set forth in Paragraph 6.1 of Attachment "A"

If you have questions regarding our insurance requirements contact:

**Risk Manager
(707) 463-6287 or FAX (707) 463-6204**

Revised: 11/20/08



CONSULTING ENGINEERS & GEOLOGISTS, INC.

335 S. Main St. • Willits, CA 95490-3977 • 707/459-4518 • FAX: 707/459-1884 • willitsinfo@shn-engr.com

Reference: 417000.028

February 28, 2017

Mr. Jarod Thiele, Project Analyst
City of Ukiah
300 Seminary Avenue
Ukiah, CA 95482

Subject: Proposal to Provide Construction Testing Services for the Sewer and Water Replacement Project, Specification No. 16-10

Dear Mr. Thiele:

Thank you for this opportunity for SHN Consulting Engineers & Geologists, Inc. (SHN), to offer the following proposal to the City of Ukiah (City) to provide Construction Materials Testing for the Water and Sewer Replacement Project (Project). Following is a brief discussion of SHN's construction materials testing services qualifications, our project understanding including scope of services, and our proposed fee estimate.

Firm Qualifications

SHN's construction materials testing staff is comprised of civil engineers, certified construction inspectors, and material testers. Our field and laboratory testing technicians are certified by Caltrans, American Concrete Institute (ACI), National Institute for Certification in Engineering Technologies (NICET), International Code Council (ICC) and our laboratory is accredited by Caltrans and the AASHTO Accreditation Program (AAP). Our laboratory and field technicians use state of the art, calibrated testing equipment to provide accurate and timely construction materials compliance analysis. Refer to Attachment B - Technician and Laboratory Certifications.

References

SHN has provided construction materials testing services for the City of Ukiah, Mendocino County, County of Lake, City of Fort Bragg, City of Willits, Frank R. Howard Memorial Hospital, and Mendocino Coast District Hospital among others. Our recent construction materials testing services projects include:

- ❖ North State Street Sewer Main Improvements - City of Ukiah Dept. of Public Works - client contact: Jarod Thiele, 300 Seminary Ave., Ukiah, CA 95482-5400, 707-463-6755
- ❖ Chestnut Street Corridor Improvements - City of Fort Bragg - client contact: Tom Varga, 416 North Franklin Street, Fort Bragg, CA 95437, 707-961-2823
- ❖ Summers Lane Reservoir - City of Fort Bragg - client contact: Sergio Fuentes, 416 North Franklin Street, Fort Bragg, CA, 707-961-2823

Project Understanding and Scope of Work

Our project understanding and scope of work is based upon a review of the Project plans and specifications and the specific items of work identified in the Request for Proposal (RFP) received on February 21, 2017. Following is a discussion of SHN's approach to providing the specific construction materials testing services outlined in the RFP.



Mr. Jarod Thiele

Testing Services for the Sewer and Water Replacement Project, Spec. No. 16-10

February 28, 2017

Page 2

Scheduling and Reporting of Test Results

The request for proposals (RFP) indicates a construction start date of February 27, 2017, however compaction testing of trench backfill is not anticipated until mid-March 2017. SHN will be in direct contact with the City Engineer or his designee for scheduling of any field sampling and/or testing activities, with a minimum notice of twenty four hours. Test results of compaction tests will be provided to our client representative in the field immediately upon completion of testing, followed by a written test report within a forty eight hour period. Results of all laboratory testing will be reported in writing within a forty eight hour period from the time the testing is completed.

Compaction Testing

Based on the anticipated amount of individual compaction tests requested in the RFP (88 on sewer/water trench backfill & 11 on lateral trench backfill), and the cumulative total length and depth of utility trench, and the amount of work days anticipated, we estimate an average of three compaction tests per day, with a testing frequency of one test per two hundred linear feet of pipe installed, at depth intervals of approximately twelve inches, for a total of 33 days. We propose to provide 2 hours of on-site compaction testing services for each site visit. Lateral trenches can be tested for relative compaction on a random basis at the discretion of the project inspector. Our testing technician will also provide subgrade and aggregate base compaction testing for the roadway improvements upon the completion of the sewer and water mains installation on each of the three roads. All soils compaction testing will be performed in accordance with Caltrans method CT 231 (nuclear method). Subsequent asphalt paving will be tested in accordance with Caltrans test method CT 375 (nuclear method). We propose to perform the asphalt pavement compaction testing on a total of five individual days when the anticipated total daily quantity of asphalt is at least 300 tons or greater.

Materials Testing

The testing technician will collect construction materials samples as required in the Project specifications and transport them to our Caltrans certified Willits laboratory for testing and analysis. The scope of services for materials testing requested in the RFP includes three individual samples of trench backfill to be tested for quality requirements (Sand Equivalent CT 217, and Sieve Analysis CT 202). Sampling of trench backfill material for the purpose of quality testing can be performed while on site for compaction testing and lead time for laboratory testing and reporting of test results are typically within 48 hours of sampling in the field. A minimum of one full five gallon bucket of material, sampled in accordance with Caltrans sampling method CT 125, is required to ensure the minimum amount of materials to perform laboratory quality testing. Sampling events will be coordinated with the city of Ukiah Inspector and/or the contractor's representative.

Proposed Fee

We understand that the Project is projected to have a construction period of 180 working days. Because construction projects often proceed on a schedule that is unforeseeable, we have estimated our costs based upon an assumption that our scope of services will be completed in 38 nonconsecutive working days. Our estimated fees are based on daily rates, including two hour onsite, plus travel expenses, for the number of working days anticipated for our scope of work on the Project. SHN does not have minimum time charges per site visit and we will invoice the City only for time spent performing the required services. Where possible, we will combine multiple tasks into one trip to reduce testing and inspection costs for the project.

Mr. Jarod Thiele

Testing Services for the Sewer and Water Replacement Project, Spec. No. 16-10

February 28, 2017

Page 3

We propose to provide the required services on accrued time and expenses as set forth below and the final cost will not exceed \$16,520. Additional testing, if required, will be billed at the daily rate shown below. This proposal is to be considered a firm offer for a minimum period of thirty (30) days after the submittal date.

Task	Staff	Cost
Daily Construction Testing (2 hours per site visit on 38 working days) <i>Assumes 76 hours</i>	Materials Testing Technician \$115 per hour-prevailing wage	\$ 8,740
Travel <i>Assumes: 38 round trips from Willits to Ukiah (1 hour travel time and no mileage charges)</i>	Technician - \$100 per hour Mileage Rate - \$.00/mile	3,800
Materials Testing: <i>Compaction testing of trench backfill and existing subgrade, aggregate base, and AC paving for roadways. Estimate includes three compaction curves, three sieve analysis, three SE, & nuclear gage usage (two hours per day).</i>		2,980
Project Management: Scheduling, & Reporting <i>Assumes: 10 hours</i>	Project Manager - \$100 per hour	1,000
Total		\$16,520

Additional Testing	Cost
Unit Cost for Additional Testing (daily rate includes two hours onsite, nuclear gage, & one hour travel time)	\$ 380/day

SHN has a proven track record of working successfully with the City. SHN appreciates the opportunity to provide these services for the City and we look forward to assisting you with the completion of the Project. Should you have any questions, or need additional information please do not hesitate to call.

Again, thank you for this opportunity to be of service.

Sincerely,

SHN Consulting Engineers & Geologists, Inc.



Thomas M. Herman
Regional Manager

Attachments:

- Attachment A - Technician and Laboratory Certifications
- Attachment B - 2017 Schedule of Charges

A

Technician and Laboratory Certifications

State of California Department of Transportation

CALTRANS QUALIFIED LABORATORY INSPECTION REPORT

Form TL-0113

Expiration date: 04/21/2017

Inspection by: Loren T. Lee

IA No.: 099

Phone: 707-445-6374

File: Materials Category 500

Laboratory: SHN Consulting Engineers & Geologists Inc.

Address: 335 South Main Street

City: Willits

State: CA

Zip: 95490

Lab QC Mgr.: Stephen James

e-mail: sjames@shn-engr.com

Telephone: 707-459-4518

Fax #: 707-459-1884

A certified Independent Assurance (IA) visited this laboratory on (Date) 03/16/2016
Only the equipment to be used on Caltrans construction projects and/ or local construction
projects on the National Highway System was checked for qualification.

At the time of Caltrans Qualification, this laboratory had all necessary equipment of perform
the test methods indicated below. Testing personnel shall be Caltrans Qualified and possess
a current Caltrans Certificate of proficiency Form TL-0111 prior to performing any sampling
or testing.

125	202	205	206	216	217
226	227	229	231	308	309
370	375	379	382	504	518
521	533	539	540	556	557

A visual check was performed and documents provided as necessary for the following items:

- X Facility Safety Manual
- X Laboratory Procedures Manual
- X Laboratory Quality Control Manual
- X Proper test equipment
- X Copies of current applicable test procedures
- X Calibration and service documentation
- X Calibration stickers affixed to test equipment (dated within the 12 months)

On 04/21/2016 this laboratory was *Caltrans Qualified* by:

Loren T. Lee



CALIFORNIA DEPARTMENT OF TRANSPORTATION



Presents this

CERTIFICATE OF PROFICIENCY

to

STEPHEN JAMES

SHN

who is qualified to perform the following tests:

Expiration DateTest Method

NEVER	☒ CTM 105 - CALCULATIONS
03/16/18	☒ CTM 125 - SAMPLING MATERIALS
03/16/18.....	☒ CTM 201 - SAMPLE PREPARATION
03/16/18.....	☒ CTM 202 - SIEVE ANALYSIS
03/16/18.....	☒ CTM 205 - % CRUSHED PARTICLES
03/16/18... ..	☒ CTM 206 - S.G. & ABSORPTION C. AGG
03/16/18.....	☒ CTM 216 - RELATIVE COMPACTION (SOILS)
03/16/18.....	☒ CTM 217 - SAND EQUIVALENT
03/16/18... ..	☒ CTM 226 - MOISTURE CONTENT
03/16/18	☒ CTM 227 - CLEANNESS OF COARSE AGGREGATE
03/16/18	☒ CTM 229 - DURABILITY
03/16/18.....	☒ CTM 231 - RELATIVE COMPACTION (NUCLEAR)
03/16/18.....	☒ CTM 308 - BULK S.G. OF HMA
03/16/18.....	☒ CTM 309 - RICE S.G. OF HMA
03/16/18... ..	☒ CTM 370 - MOISTURE CONTENT (MICROWAVE)
03/16/18... ..	☒ CTM 375 - AC COMPACTION (NUCLEAR)
03/16/18... ..	☒ CTM 379 - PERCENT ASPHALT (NUCLEAR)
03/16/18.....	☒ CTM 382 - PERCENT ASPHALT (IGNITION)
03/16/18.....	☒ CTM 504 - PCC AIR CONTENT
03/16/18... ..	☒ CTM 518 - PCC UNIT WEIGHT
03/16/18... ..	☒ CTM 521 - PCC COMPRESSIVE STRENGTH
03/16/18... ..	☒ CTM 382 - PERCENT ASPHALT (IGNITION)
03/16/18	☒ CTM 533 - PCC BALL PENETRATION
03/16/18....	☒ CTM 382 - PERCENT ASPHALT (IGNITION)
03/16/18... ..	☒ CTM 382 - PERCENT ASPHALT (IGNITION)
03/16/18.....	☒ CTM 539 - PCC SAMPLING
03/16/18	☒ CTM 540 - PCC TEST SPECIMENS
03/16/18.....	☒ CTM 556 - PCC SLUMP CONE
03/16/18.....	☒ CTM 557 - PCC TEMP

Loren T. Lee

Certified Independent Assurance (IA) 099

Date Issued 03/16/2016 Note:

This certificate is valid as long as the Tester
complies with applicable requirements in Caltrans' Independent Assurance Program Manual.

CALIFORNIA DEPARTMENT OF TRANSPORTATION



Presents this

CERTIFICATE OF PROFICIENCY

to

STEVE PECKHAM

SHN

who is qualified to perform the following tests:

Expiration DateTest Method

NEVER	.....	☒ CTM 105 – CALCULATIONS
03/16/18	.....	☒ CTM 125 – SAMPLING MATERIALS
03/16/18	.....	☒ CTM 201 – SAMPLE PREPARATION
03/16/18	.....	☒ CTM 202 – SIEVE ANALYSIS
	.....	☐ CTM 205 – % CRUSHED PARTICLES
	.....	☐ CTM 206 – S.G. & ABSORPTION C. AGG
03/16/18	.....	☒ CTM 216 – RELATIVE COMPACTION (SOILS)
03/16/18	.....	☒ CTM 217 – SAND EQUIVALENT
03/16/18	.....	☒ CTM 226 – MOISTURE CONTENT
	.....	☐ CTM 227 – CLEANNESS OF COARSE AGGREGATE
	.....	☐ CTM 229 – DURABILITY
03/16/18	.....	☒ CTM 231 – RELATIVE COMPACTION (NUCLEAR)
	.....	☐ CTM 308 – BULK S.G. OF HMA
	.....	☐ CTM 370 – MOISTURE CONTENT (MICROWAVE)
03/16/18	.....	☒ CTM 375 – AC COMPACTION (NUCLEAR)
	.....	☐ CTM 379 – PERCENT ASPHALT (NUCLEAR)
03/16/18	.....	☒ CTM 504 – PCC AIR CONTENT
03/16/18	.....	☒ CTM 518 – PCC UNIT WEIGHT
03/16/18	.....	☒ CTM 521 – PCC COMPRESSIVE STRENGTH
03/16/18	.....	☒ CTM 533 – PCC BALL PENETRATION
03/16/18	.....	☒ CTM 539 – PCC SAMPLING
03/16/18	.....	☒ CTM 540 – PCC TEST SPECIMENS
03/16/18	.....	☒ CTM 556 – PCC SLUMP CONE
03/16/18	.....	☒ CTM 557 – PCC TEMP

Loren T. Lee

Certified Independent Assurance (IA) 099

Date Issued 03/16/2016 Note:

This certificate is valid as long as the Tester
complies with applicable requirements in Caltrans'
Independent Assurance Program Manual.

CALIFORNIA DEPARTMENT OF TRANSPORTATION



Presents this

CERTIFICATE OF PROFICIENCY

to

Tim Couevas**SHN**

who is qualified to perform the following tests:

Expiration DateTest Method

NEVER	.....	☒ CTM 105 – CALCULATIONS
	.....	☐ CTM 125 – SAMPLING MATERIALS
	.....	☐ CTM 201 – SAMPLE PREPARATION
	.....	☐ CTM 202 – SIEVE ANALYSIS
	.....	☐ CTM 205 – % CRUSHED PARTICLES
	.....	☐ CTM 206 – S.G. & ABSORPTION C. AGG
06/06/17	.....	☒ CTM 216 – RELATIVE COMPACTION (SOILS)
	.....	☐ CTM 217 – SAND EQUIVALENT
	.....	☐ CTM 226 – MOISTURE CONTENT
	.....	☐ CTM 227 – CLEANNESS OF COARSE AGGREGATE
	.....	☐ CTM 229 – DURABILITY
06/06/17	.....	☒ CTM 231 – RELATIVE COMPACTION (NUCLEAR)
	.....	☐ CTM 308 – BULK S.G. OF HMA
	.....	☐ CTM 370 – MOISTURE CONTENT (MICROWAVE)
	.....	☐ CTM 375 – AC COMPACTION (NUCLEAR)
	.....	☐ CTM 379 – PERCENT ASPHALT (NUCLEAR)
03/16/17	.....	☒ CTM 504 – PCC AIR CONTENT
03/16/17	.....	☒ CTM 518 – PCC UNIT WEIGHT
	.....	☐ CTM 521 – PCC COMPRESSIVE STRENGTH
03/16/17	.....	☒ CTM 533 – PCC BALL PENETRATION
03/16/17	.....	☒ CTM 539 – PCC SAMPLING
03/16/17	.....	☒ CTM 540 – PCC TEST SPECIMENS
03/16/17	.....	☒ CTM 556 – PCC SLUMP CONE
03/16/17	.....	☒ CTM 557 – PCC TEMP

Loren T. Lee

Certified Independent Assurance (IA) 099

Date Issued 06/06/2016 Note:

This certificate is valid as long as the Tester
complies with applicable requirements in Caltrans'
Independent Assurance Program Manual.

B

2017 Schedule of Charges



Consulting Engineers & Geologists, Inc.

Fee Schedule January 1, 2017

When accurate definition of the proposed work is not possible, an hourly charge out rate for determining compensation shall be used. Hourly charge rates include payroll costs, overhead, and profit. Hourly services are billed portal to portal and are subject to a 2-hour minimum. Current rates are as follows:

Hourly Charge Rates			
Position ¹	Hourly Rates		
Principal Engineer	\$ 135.00	-	\$180.00
Principal Engineering Geologist	\$ 125.00	-	\$155.00
Principal Surveyor	\$ 125.00	-	\$155.00
Project Manager	\$ 85.00	-	\$155.00
Senior Planner	\$ 100.00	-	\$140.00
Senior Engineer	\$ 115.00	-	\$150.00
Senior Geotechnical Engineer	\$ 125.00	-	\$155.00
Senior Geologist	\$ 115.00	-	\$145.00
Senior Surveyor	\$ 105.00	-	\$135.00
Engineer	\$ 85.00	-	\$120.00
Traffic Engineer	\$ 85.00	-	\$140.00
Geologist	\$ 85.00	-	\$115.00
Certified Industrial Hygienist	\$ 95.00	-	\$140.00
Environmental Specialist	\$ 75.00	-	\$130.00
Environmental Planner	\$ 75.00	-	\$115.00
Staff Surveyor ³	\$ 75.00	-	\$105.00
Assistant Engineer	\$ 75.00	-	\$120.00
Survey Party Chief ³	\$ 75.00	-	\$105.00
Junior Engineer	\$ 65.00	-	\$ 90.00
Engineering Technician/Draftsperson ³	\$ 65.00	-	\$ 90.00
Lab/Field Technician ³	\$ 65.00	-	\$ 100.00
Survey Technician ³	\$ 65.00	-	\$ 90.00
Technical Writer	\$ 55.00	-	\$ 70.00
Clerical	\$ 50.00	-	\$ 70.00
Expert Witness ^{2,4}	\$155.00	-	\$255.00

- 1 Incidental expenses, i.e., lodging, meals, airplane tickets, etc., are billed at cost plus 15%.
- 2 Minimum daily charge is four hours.
- 3 Rates depend on the specific personnel assigned and if prevailing wage rates are required in the area of work.
- 4 Rates for Expert Witness are charged for preparation and testimony for both deposition(s) and trial(s).

Reimbursables

The following direct charges are charged in addition to the hourly charge rates set forth above.

Direct Charges:

CADD plots (black & white)	\$ 4.00/ea.
CADD plots (color)	\$ 20.00/ea.
Copies	\$.15/ea.
Equipment and other expenditures (required for projects)	Cost + 15%
Field office	Cost + 15%
Filing fees, telephone expense, etc.	Cost + 15%
Iron pipe, monuments, flagging, etc.	Cost + 15%
Mylars	\$ 2.50/sq. ft.
Services of other consultants	Cost + 15%
Stakes, hubs, lath, etc.	Cost + 15%
Subsistence, air travel, etc.	Cost + 15%
Vehicles	\$ 50.00/day

Field Testing and Equipment:

Anchor bolt tension testing	\$ 80.00/day plus operator
CO ₂ Meter	\$ 10.00/day
Concrete Compression Impact Hammer	\$ 25.00/day*+
Core Drilling Machine	\$ 75.00/day + \$3.00/inch cored
Dissolved Oxygen Meter	\$ 53.00/day*+
Expendable Supplies	\$ 40.00/day*+
Fyrite Meter	\$ 33.00/day*+
Generator	\$ 53.00/day*+
Geophysical Equipment	By Quotation
Grundfos Controller & Pump	\$275.00/day
Hand Auger	\$ 33.00/day
Health & Safety Level D	\$ 35.00/day*+
Health & Safety Level C	\$ 60.00/day*+
High Pressure Controller	\$ 60.00/day*+
Inclinometer	\$200.00/day*
LEL Meter	\$ 66.00/day*+
Nuclear Density Testing	\$ 25.00/hour plus operator
Other equipment including drill rigs, backhoes, etc.	Cost + 15%
ORP Meter	\$ 15.00/day
OVA	\$132.00/day*+
Peristaltic Pump	\$ 50.00/day*+
pH/Conductivity Meter	\$ 53.00/day*+
Pumps	\$ 45.00/day*+
Quad (ATV)	\$150.00/day
Rebar Locating Device	\$ 40.00/day plus operator

* 1/2 Day Minimum Charge.

+ 25% Weekly Discount, 40% Monthly Discount.

(1) If concrete is sampled and delivered to SHN lab by outside contractor, add \$5.00/ea. for processing and curing per ASTM C-31.

Reimbursables, Continued

Field Testing and Equipment, Continued:

Roto-hammer	\$ 50.00/day*+
Skidmore-Wilhelm Bolt Tension Calibration	\$ 50.00/day
Soil/Gas Purge Pumps	\$ 30.00/day*+
Soil Gas Probes	\$200.00/day*+
Torque Wrench (0 to 250 ft lbs)	\$ 25.00/day
Torque Wrench (250 to 1,000 ft lbs)	\$ 50.00/day
Turbidity Meter	\$ 26.00/day*+
Ultrasonic Test Device	\$ 20.00/hour plus operator
Vapor Extraction System	\$500.00/day*+
Water Level Data Logger	\$ 60.00/day*+
Water Level Meter	\$ 33.00/day*+
Well Point	\$ 50.00/day

Survey Equipment:

GPS Station	\$300.00/day*
Level	\$ 25.00/day*
Resource GPS	\$ 150.00/day*
Robotic Total Station	\$ 200.00/day
Total Station	\$ 7.50/hour
Total Station w/Data Collector	\$ 100.00/day
Toughbook	\$ 150.00/day*
Trimble GeoXT GPS Unit	\$ 150.00/day*

Laboratory Tests:

Asphalt Briquette Compaction	\$ 50.00/ea. ⁽¹⁾
Asphalt Bulk Specific Gravity	\$ 30.00/ea.
Asphalt Content by Nuclear Method	\$ 75.00/test
Asphalt Content Gauge Calibration	\$200.00/ea.
Asphalt Extraction (% Bitumen)	On Request
Asphalt (Hveem) Mix Design	On Request
Brass Tube (Liner)	\$ 5.00/ea.
Cleanness Value (CT 227)	\$ 75.00/ea.
Compaction Curves (ASTM D 1557 or Caltrans CT216):	
4-inch Mold	\$200.00/ea.
6-inch Mold	\$200.00/ea.
Check Point	\$ 75.00/ea.
Concrete Compressive Strength (CT 521 or ASTM C39)	\$ 25.00/ea. ⁽²⁾
Concrete Linear Shrinkage (3 Bars)	\$200.00
Concrete Moisture	\$ 25.00/test (floor test)
Consolidation Test	\$300.00/ea.
Direct Shear, per point: (ASTM D3080)	
Consolidated-Drained (CD)	\$145.00/point
Unconsolidated-Undrained (UU) (Modified ASTM)	\$115.00/point
Consolidated-Undrained (CU) (Modified ASTM)	\$130.00/point
Additional cycles (each)	\$ 65.00/ea.
Disposable Concrete Molds	\$ 2.00/ea.

* 1/2 Day Minimum Charge.

+ 25% Weekly Discount, 40% Monthly Discount.

(1) If asphalt is delivered to SHN lab unmixed, add \$75.00/ea. for processing and mixing per Caltrans CT304.

(2) If concrete is sampled and delivered to SHN lab by outside contractor, add \$5.00/ea. for processing and curing per ASTM C-31.

Reimbursables, Continued

Laboratory Tests, Continued:

Durability Index	\$ 75.00/ea.
Expansion Index	\$175.00/test
Fireproofing Density	\$ 50.00/ea.
Grout Compressive Strength	\$ 40.00/ea.
LA Rattler (abrasion resistance)	\$200.00/test
Liquid Limit	\$100.00/ea.
Masonry Block Compressive Strength	\$ 65.00/ea.
Masonry Block Linear Shrinkage	\$ 85.00/ea.
Masonry Block Prism Compressive Strength	\$125.00/ea.
Masonry Core Shear Test	\$ 50.00/core
Moisture Content	\$ 20.00/ea.
Moisture-Density Test	\$ 30.00/ea.
Particle Size Analysis (ASTM 422)	\$115.00/ea.
Percent Crushed Particles	\$125.00/ea.
Percent Entrained Air In Concrete	\$ 10.00/ea.
Percent Organics	\$ 50.00/ea.
Plastic Limit	\$ 50.00/ea.
Plasticity Index	\$150.00/ea.
R-Value	\$300.00/ea.
Rice Specific Gravity of Asphalt (ASTM D2041)	\$ 75.00/ea.
Sand Equivalent	\$ 50.00/ea.
Sawing Rocks and Concrete Cores	\$ 30.00/unit
Sieve Analysis--Coarse	\$ 50.00/ea.
Sieve Analysis--Fine	\$ 60.00/ea.
Sieve Analysis--Passing 200	\$ 45.00/ea.
Specific Gravity, Rock	\$ 45.00/ea.
Stabilometer of Premixed AC	\$ 75.00/ea.
Sulfate Soundness	\$ 80.00/cycle
Swell Test	\$ 55.00/point
Triaxial Compression	
Unconsolidated Undrained (TXUU) (ASTM D2850)	\$115.00/point
Consolidated Undrained (TXCU) (ASTM D4767)	\$385.00/point
Consolidated Drained (TXCD) (ACOE)	\$500.00/point
Consolidated Undrained (TXCU-3 stage) (ASTM D4767)	\$810.00/test
Consolidated Drained (TXCD-3 stage) (ACOE)	\$860.00/test
USDA Bulk Density Test	\$ 30.00/ea.
USDA Textural Suitability Test	\$ 60.00/ea.
Unconfined Compression	\$ 65.00/ea.
Unit Weight of Lightweight Concrete	\$ 50.00/unit

Notes:

All samples of soil or rock from physical testing are discarded 30 days after submission of final report unless prior arrangements are made. Samples of soil or rock submitted for testing for hazardous substances will be returned to the Client, who is responsible for proper disposal.

This fee schedule is subject to review and adjustment, as required.

Certain services may require prevailing wages or overtime at premium pay to SHN employees. In such circumstances, fees will be adjusted to reflect increased labor costs.



ITEM NO.: 7i

MEETING DATE: April 5, 2017

AGENDA SUMMARY REPORT

SUBJECT: REJECT BID FOR ORCHARD SUBSTATION POWER TRANSFORMER REPAIR AND TESTING, SPECIFICATION NO. 17-03 (EUD)

Summary: Council will consider rejecting bid for Orchard Substation Power Transformer Repair and Testing, Specification No. 17-03.

Background: A Request for Bid was released on February 15, 2017, for the Orchard Substation Power Transformer Repair and Testing.

The Bid Notice was published on the Ebid Board with notices being sent via email to contractors listed on the City's Qualified Contractors list that hold a C-10 State of California Contractors License and posted on the City's website. A notice was also sent to the North Coast Builders Exchange and was advertised twice in the Ukiah Daily Journal on February 17th and February 24th.

The bid opening took place at 2:00 p.m. on March 21, 2017, at the Civic Center located at 300 Seminary Avenue. Only one bid was received in the amount of \$207,135.00 from ABB 4350 Semple Avenue, St Louis, MO 63120.

Discussion: Staff recommends the bid be rejected for the following reasons:

1. The Bid was Non-Responsive due to the absence of a bid bond.
2. Terms and Conditions, exceptions being attached to their response.
3. The bid was significantly higher than the Engineers Estimate that had been provided.

Staff will be reworking the request and going out to bid again at a later date.

FISCAL IMPACT:				
Budgeted Amount in 16-17 FY	New Appropriation Source of Funds (Title & No.)	Account Number	Budget Amendment Required	Previous Contract or Purchase Order No.
N/A	N/A	N/A	Yes ☐ No ☒	N/A

RECOMMENDED ACTION(S): Reject bid received in the amount of \$207,135. for Orchard Substation Power Transformer Repair and Testing and rebid the transformer and testing work scope.

ALTERNATIVES: Provide further direction to staff.

Citizens advised: N/A
Requested by: Mel Grandi, Electric Utility Director and Jim O'Brien Electric Utility Tech II.
Prepared by/Contact: Mary Williamson, Buyer
Coordinated with: Sage Sangiacomo, City Manager and Mary Horger, Procurement Manager.
Presenter: Mel Grandi, Electric Utility Director
Attachments: None

COUNCIL ACTION DATE: _____: ☐ Approved ☐ Continued to _____ ☐ Other _____

RECORDS APPROVED: ☐ Agreement: _____ ☐ Resolution: _____ ☐ Ordinance: _____

Note: Please write Agreement No. in upper right corner of agreement when drafted.

Approved: 
Sage Sangiacomo, City Manager



ITEM NO.: 7j

MEETING DATE: April 5, 2017

AGENDA SUMMARY REPORT

SUBJECT: AUTHORIZE EXECUTION OF AMENDMENT TO THE AGREEMENT WITH GHD IN PROFESSIONAL LAND SURVEYING SERVICES FOR THE TALMAGE INTERCHANGE PROJECT AND APPROVE BUDGET AMENDMENT IN THE AMOUNT OF \$13,965

Summary: City Council will consider authorizing an amendment to the professional services agreement with GHD for Land Surveying Services for the Talmage Interchange Project. City Council will also consider authorizing a budget amendment for the additional services.

Background: Staff has been working with GHD to finalize the plans and bid documents for the Redwood Business Park Transportation Improvements and the Talmage Interchange Projects. Preliminary design work began in March 2010. Since then, various elements of the design work have been analyzed. Staff has requested additional items to be included in the final design of the projects.

Discussion: Specific to the Talmage Road Interchange Project, the City is relinquishing a relatively small portion of right-of-way adjacent to the State right-of-way for U.S. 101 at the Talmage Road interchange as part of the improvements to this interchange. Caltrans requires the City to prepare a legal description, plat map and provide a title report or similar records report summarizing the chain of title and encumbrances for the area in question. Rau & Associates (subcontractor to GHD) is the project surveyor of record, and has provided a proposal to complete the research, documentation and mapping required by Caltrans to move forward with the right-of-way relinquishment process.

FISCAL IMPACT:				
Budgeted Amount in 16-17 FY	New Appropriation Source of Funds (Title & No.)	Account Number	Budget Amendment Required	Previous Contract or Purchase Order No.
\$0	STP d(1)	51024210.80230	Yes ☒ No ☐	COU No. 1213-142

RECOMMENDED ACTION(S): Authorize execution of Amendment to the agreement with GHD in professional land surveying services for the Talmage Interchange Project and approve Budget Amendment in the amount of \$13,965.

ALTERNATIVES: Do not approve the recommended action and provide direction to staff.

Citizens advised: Matt Kennedy, GHD
Requested by: Tim Eriksen, Public Works Director
Prepared by/Contact: Jarod Thiele, Public Works Management Analyst
Coordinated with: Sage Sangiacomo, City Manager
Presenter: Tim Eriksen, Public Works Director
Attachment: 1. GHD Proposal

COUNCIL ACTION DATE: _____ : ☐ Approved ☐ Continued to _____ ☐ Other _____

RECORDS APPROVED: ☐ Agreement: _____ ☐ Resolution: _____ ☐ Ordinance: _____

Note: Please write Agreement No. in upper right corner of agreement when drafted.

Approved: 
Sage Sangiacomo, City Manager



January 27, 2017

Reference No. 8410035

Tim Eriksen
Public Works Director / City Engineer
City of Ukiah
300 Seminary Avenue
Ukiah, CA 95482

Re: Proposal for Professional Land Surveying Services: Supplemental Services for the Relinquishment of Right-of-Way for the Talmage Road Interchange Project, Ukiah, CA

Dear Mr. Eriksen:

GHD is pleased to provide this proposal for professional land surveying services to assist the City with survey and legal documentation required for the relinquishment of a portion of the City's right-of-way at the eastern end of Munson Frontage Road to the State of California as part of the Talmage Road Interchange Projects (Agreement dated March 9, 2010). This proposal is based on our recent discussions regarding right-of-way requirements, and the documentation needed by Caltrans to move forward with the relinquishment process.

Background

The City is relinquishing a relatively small portion of right-of-way adjacent to the State right-of-way for U.S. 101 at the Talmage Road interchange as part of the improvements to this interchange. Caltrans requires the City to prepare a legal description, plat map and provide a title report or similar records report summarizing the chain of title and encumbrances for the area in question. Rau & Associates is the project surveyor of record, and has provided a proposal to complete the research, documentation and mapping required by Caltrans to move forward with the right-of-way relinquishment process.

Talmage Road Interchange Services

Right-of-Way Relinquishment Services

Ray and Associates proposed scope of services to perform research, prepare a legal description, plat map and provide a title report or similar records report and to field stake the proposed right-of-way relinquishment area is summarized in detail in Attachment 3.

GHD has included two (2) hours for the Project Manager to coordinate with Rau and Associates, Caltrans and the City during this process.

Proposed Fee

GHD and Rau and Associates propose to complete this scope of services for a time-and-materials fee not to exceed \$13,956 without written authorization from the City per the attached fee estimate (Attachment 1). Services not included in this proposal can be provided on a time-and-materials basis per the attached GHD Standard Fee Schedule (Attachment 2) or by a negotiated fee. We are available to begin within 5 days of acceptance of this proposal as receipt of an executed contract amendment or written authorization



to proceed. We propose to work efficiently to meet the City's and other stakeholder's expectations and goals for this project.

We welcome the opportunity to continue to work with the City of Ukiah and the project stakeholders on this important project, and look forward to contributing to its success. Should you have any questions, please do not hesitate to contact me.

Sincerely,
GHD Inc.

A handwritten signature in blue ink, appearing to read "Matt Kennedy", is written over a faint, light blue rectangular stamp. The signature is fluid and cursive.

Matt Kennedy, PE, TE
Project Manager

Attachments:

1. GHD Fee Estimate
2. Standard Fee Schedule
3. Rau & Associates Proposal and Fee Estimate

Cc: Bill Silva, PE
Project Principal



GHD - PROJECT FEE ESTIMATING SHEET

Project Name: Talmage Interchange

Prepared by: Matt Kennedy

Job Number: 8410035

Client: City of Ukiah

Date: January 27, 2017

		LABOR COSTS										FEE COMPUTATION		
	LABOR CATEGORY > RATE >	PD	Job Mgr.	Civil Eng.	Sr. Traff Eng.	Traff Eng.	Sr Proj. Scientist	CAD Designer	WP	PA	TOTAL HOURS	*OTHER DIRECT COSTS	Sub- con- sultant(s)	TOTAL FEE
Task / Item		\$225 /Hr	\$195 /Hr	\$160 /Hr	\$195 /Hr	\$165 /Hr	\$140 /Hr	\$125 /Hr	\$100 /Hr	\$100 /Hr				
TASK-1.0 Talmage R/W Relinquishment Services														
1.1 Rau & Associates R/W Services											0	\$0	\$13,554	\$13,554
1.2 GHD Coordination			2								2	\$12		\$402
SUBTOTAL TASK 1.0											2	\$12	\$13,554	\$13,956
TASK- 2.0 APB Pavement Reconstruction														
2.1 Pavement Reconstruction Strategy											0	\$0		\$0
2.2 Pre-Final Design											0	\$0		\$0
2.3 Final Design											0	\$0		\$0
SUBTOTAL TASK 2.0											0	\$0	\$0	\$0
TASK- 3.0 APB Low Impact Development														
3.1 LID Concept & Strategy											0	\$0		\$0
3.2 Pre-Final Design											0	\$0		\$0
3.3 Final Design											0	\$0		\$0
SUBTOTAL TASK 3.0											0	\$0	\$0	\$0
TASK- 4.0 RBP Bid Period Support														
4.1 Bid Period Services											0	\$0		\$0
SUBTOTAL TASK 4.0											0	\$0	\$0	\$0
TASK- 5.0 Talmage Road Interchange														
5.1 R/W Services											0	\$0		\$0
5.2 SWPPP											0	\$0		\$0
SUBTOTAL TASK 5.0		0	0	0	0	0	0	0	0	0	0	\$0	\$0	\$0
PROJECT TOTALS		0	0	0	0	0	0	0	0	0	2	\$12	\$13,554	\$13,956

*OTHER DIRECT COSTS include telephone, mileage, printing, photocopies and other miscellaneous direct expenses.



Fee Schedule

2016 USA West Fee Schedule

Principals:

Level E	\$185 – 205
Level F	\$220 - 250

Associates:

Level D	\$160 - 170
Level E	\$180 – 195
Level F	\$215 - 240

Specialist:

Level B	\$170
Level C	\$180
Level D	\$190
Level E	\$210 - 230
Level F	\$250

Engineers:

Level A	\$110 – 115
Level B	\$115 – 125
Level C	\$135 – 145
Level D	\$150 – 165
Level E	\$175 – 195
Level F	\$210 – 235

Geologists/Hydrogeologists:

Level A	\$110
Level B	\$120
Level C	\$130 - 150
Level D	\$155 – 180
Level E	\$185 – 200
Level F	\$210

Environmental Planners:

Level A	\$115
Level B	\$125
Level C	\$130
Level D	\$135 – 150
Level E	\$160 – 190
Level F	\$205 – 210

Environmental Chemists:

Level A	\$115
Level B	\$125
Level C	\$130
Level D	\$135 – 150
Level E	\$160 – 190

Environmental Scientists:

Level A	\$95 - 105
Level B	\$110 - 120
Level C	\$125 – 130
Level D	\$130 – 145
Level E	\$160 – 175
Level F	\$195 – 205

**Industrial Hygienists /
Safety Professionals:**

Level A	\$105
Level B	\$115 – 120
Level C	\$125 – 135
Level D	\$145 - 160
Level E	\$170 – 180

Technicians/Technologists:

Level A	\$80
Level B	\$95
Level C	\$110 – 115
Level D	\$120 – 135
Level E	\$140 – 155
Level F	\$170 - 190

Draft/CADD:

Level A	\$75
Level B	\$85 – 90
Level C	\$95
Level D	\$110 – 120
Level E	\$125 – 155
Level F	\$165

Technical Apprentices:

\$80 - 90

Intern:

\$73.00

Administrative Support:

\$62.00



Fee Schedule

2016 USA West Fee Schedule

Employee time will be billed in accordance with the fees listed above. These rates are subject to change on a semi-annual basis. For other than professional employees, time spent over 8 hours per day, time spent on swing shifts, and time spent on Saturdays will be charged at 1.5 times the hourly billing rate. Work on Sundays will be charged at 2.0 times the hourly billing rate and holiday work will be charged at 2.5 times the hourly billing rate. All field personnel charges are portal to portal. Professional employees will not be charged out at premium charge rates for overtime work.

Expenses and other similar project related costs are billed out at cost plus 15%. The cost of using equipment and specialized supplies is billed on the basis of employee hours dedicated to projects. Our rates are:

- A. Office consumables: \$6.00/hr
- B. Environmental Dept/Construction Inspector consumables: \$11.00/hr
- C. Survey Field consumables: \$15.00/hr
- D. Various Environmental, Construction and Land Surveying equipment: At market B. C. D.

Payment for work and expenses is due and payable upon receipt of our invoice. Amounts unpaid thirty (30) days after the issue date of our invoice shall be assessed a service charge of one and one half (1.5) percent per month.

(*) These rates do not apply to forensic-related services, or to work for which Prevailing Wage obligations exist. It is the responsibility of the client to notify GHD Inc in writing if Prevailing Wage obligations are applicable, in which case the fees will be adjusted proportionate to the increase in labor cost.

Rau Project No. 2009-153

Scope of Work – Munson Street ROW Relinquishment to Caltrans

Statement of Conditions Defining Work:

The Work is to assist GHD and the City of Ukiah with a relinquishment of a portion of Munson Street to Caltrans in order to allow construction of improvements to the south-bound off-ramp onto Talmadge road. The City of Ukiah attempted to obtain a title report for the segment of Munson Street, but were not able to because the title company believes it to be too complex of a task to be able to guarantee title.

Caltrans has provide information which they believe will aid in establishing any clouds or encumbrances to the title. The Caltrans Right of Way Agent for District 01, Lisa Spellenberg, states:

“Lorien Sanchez and I have researched the Talmadge Rd Intersection right of way. The above attachments provide some history of Caltran’s original purchase. The Director’s Deed 992 pertains to the sale of an excess parcel originally a portion of the Caltrans acquisition for Parcel 5077(5098). The Relinquishment document (756) was for excess land relinquished to the County of Mendocino (which appears to have been annexed to the City of Ukiah). The document entitled “Map Talmadge Intersection” may provide some valuable information as it shows survey data. The Policy of Title insurance from the original acquisition showing clean title as of December 27, 1965.”

She continues, with a description of what documentation Caltrans will accept in order to recommend that the California Highway Commission accept the Relinquishment from the City of Ukiah.

“You are tasked with determining if the area proposed to be relinquished back to Caltrans has had the title clouded by any actions (such as a Utility easement, etc.) since it was relinquished in 1965 to the County, or since the annexation by the City. We would need a statement in writing that you have investigated and that you did or did not find any items that would impact the area proposed for relinquishment back to Caltrans. “

Task 1 – Research, Utility Coordination, Records Report

Review documents provided by Caltrans and the City of Ukiah; obtain and review copies of other maps and deeds revealed by the research effort which may pertain to the area to be relinquished; contact the City of Ukiah, PG&E(both gas and electric), AT&T, Comcast to ascertain if they have any records of underground or overhead facilities in the area to be relinquished and their maintenance needs; conduct field review to observe any apparent utility facilities.

Prepare a records report. Summarize records in tabular and narrative form to allow an efficient re-tracement of the chain of title in the future. The period of time to be covered will include the time between 12-27-65 when the State of California acquired portions of the right-of-way which is now known as Munson Frontage Road (formerly State Highway 222 – Talmage Road) from Russell Scott, et al in a condemnation proceeding recorded in Book 706, Page 210, Mendocino County Records to the present time. Such records will include maps of record and deeds. A tabular summary will follow the course of the property from one transfer of interest to the next. The narrative will describe what happened and why. Utility interests will be described with facilities affected by the relinquishment together with needs to maintain facilities in the area to be relinquished to the State. The records search document will be signed and sealed by a licensed professional stating his opinion that there are or there are not items which will impact the relinquishment to Caltrans.

Task 2 – Review and Sign Legal Description; Prepare Relinquishment Plat and Utility Exhibit Map

Review the recommended draft legal description and seal and sign it. Some editing of the preliminary draft will be required to establish a basis of bearings and to establish a location which can be retraced from existing right-of-way monuments. Prepare a relinquishment plat which correlates to the Caltrans Right-of-Way (ROW) established in 2011 using the Grant Boundary Method as described in a “Readme” file prepared by Bob Ray Knuth, PLS, and dated 6/20/2011. RAU has located one monument shown on the 2011 Caltrans ROW map. A second monument to establish a “Basis of Bearing” will be field located as part of this task.

The plat will show the “ties” to the Caltrans Monuments. A mathematical closure of the area to be relinquished and between the monuments located for the “ties” and the relinquishment area will also be prepared.

Encroachments by various utilities within and immediately adjacent to the area to be relinquished will be included in a separate “Utility Exhibit Map.”

It is anticipated that there will be one review with some minor revisions of both documents by the Caltrans Right of Way Department.

Task 3 – Field Stake ROW Relinquishment End Points

Stake the end points of the relinquishment with impermanent wood stakes for observation by City and Caltrans Personnel. The City may wish to have permanent ROW monuments set and a Record of Survey prepared and filed to make the proceedings of Record in Mendocino County. That is provided as an optional task below.

Optional Task 4- Record of Survey (not included)

In lieu of impermanent stakes, set ROW monuments at each end of the relinquished area and prepare a Record of Survey. The Record of Survey would show the Monuments set by Caltrans in their 2011



survey along the western Caltrans Boundary of US 101 from just south of the Doolin Creek Bridge across US 101 to approximately 1500 feet south. This segment will include the boundary between Caltrans and the City at Talmage road and along the southwestern edge where modifications of the on-ramp to Talmage Road will be made.

Deliverables:

Records Search Document, wet-signed and sealed by a professional engineer qualified to prepared land survey documents; an electronic version in pdf format will accompany the hard copy. Two copies of each will be delivered to GHD for distribution to Caltrans and the City of Ukiah.

Wet signed and sealed hard copies of Legal Description with Plat of the area to be relinquished

Electronic Files of Same

Signed and sealed hard copy of the "Utility Exhibit Map"

Electronic files of Utility Exhibit Map

Pdf copies of mathematical closures.

It is anticipated that all deliverables will be routed through GHD for distribution.

Optional Task Delivery (not included)

Prepare a Record of Survey of the Right-of-Way, Including the Relinquishment as described above.

Process the Record of Survey through the County Surveyor's Office for Approval to Record

Provide an electronic copy of the map

Schedule

RAU is prepared to initiate the work within 5 days of receipt of a notice to proceed. The research and utility coordination phase is expected to take two to four weeks, depending on how responsive the utility companies are to requests for information.

Within two weeks after information is obtained from the utility companies, it is anticipated that the Record Search Document, together with the relinquishment plat and utility exhibit map will be prepared and submitted for review and comment through GHD to Caltrans and the City of Ukiah.

End points of the relinquishment area will be staked during this period.

When comments are received back from Caltrans and the City, the changes will be made within a week and the corrected documents returned for review, wet-signed and sealed.

If a Record of Survey is desired, permanent monuments of the end points of the relinquishment area will be set and the map submitted for review by the County Surveyor's Office within two weeks after approval of the documents prepared under Task 1 and Task 2 by the agencies.

Fee Schedule 33 GHD Subconsulting

Job No. R09153.0- 2017

Job Name: Talmage Road Improve

Date: 01-24-2017

PHASES		T-1 Res -Coord-Record		T-2 Legal Des -Plat- Ute Map		T-3 Stake Corners			
	Rate/Cost	hrs/ cost	total	hrs/ cost	total	hrs/ cost	total	hrs/ cost	total
Registered Civil Engineer Principal	175	20	\$ 3,500.00	6	\$ 1,050.00	1	\$ 175.00		\$ -
Associate Civil Engineer	140		\$ -		\$ -		\$ -		\$ -
Survey Manager	135	6	\$ 810.00	4	\$ 540.00	1	\$ 135.00		\$ -
Chief of Party (PW)	135		\$ -		\$ -		\$ -		\$ -
GPS Specialist	135		\$ -		\$ -		\$ -		\$ -
Construction Inspector (PW)	128		\$ -		\$ -		\$ -		\$ -
Instrument Operator (PW)	118		\$ -	4	\$ 472.00	3	\$ 354.00		\$ -
Materials Tester (PW)	(w/o)		\$ -		\$ -		\$ -		\$ -
Nuclear Gauge Charge)	116		\$ -		\$ -		\$ -		\$ -
Sr. Staff Engineer	115		\$ -	2	\$ 230.00	2	\$ 230.00		\$ -
Rodman (PW)	115		\$ -	4	\$ 460.00	3	\$ 345.00		\$ -
QSD/QSP Specialist (non PW)	110		\$ -		\$ -		\$ -		\$ -
Technician II	72		\$ -		\$ -		\$ -		\$ -
Project Coordinator	70		\$ -		\$ -		\$ -		\$ -
Administrative	60		\$ -		\$ -		\$ -		\$ -
Technician I	38		\$ -		\$ -		\$ -		\$ -
Vehicle Use (miles)	0.535	30	\$ 16.05	10	\$ 5.35	10	\$ 5.35		\$ -
RTK GPS Equipment (per day)	600		\$ -		\$ -		\$ -		\$ -
Lab Unit Prices	0		\$ -		\$ -		\$ -		\$ -
Computer Hours	10		\$ -		\$ -		\$ -		\$ -
Permit Fees	0		\$ -		\$ -		\$ -		\$ -
Backhoe and Operator	100		\$ -		\$ -		\$ -		\$ -
Outside Service	cost + 15%		\$ -		\$ -		\$ -		\$ -
Reimbursables	cost		\$ -		\$ -		\$ -		\$ -
BUDGET FOR PHASE		26	\$ 4,326.05	20	\$ 2,757.35	10	\$ 1,244.35	0	\$ -

PW = Prevailing Wages

(1) Title Report=	
(2) Map Checking Fees=	
(3) Recording Fees=	
(4) Monuments=	
Subtotal	0

Total Sheet 1	\$ 8,327.75
Total Sheet 2	\$ 3,430.00
Total Sheet 3	\$ -
Total Sheet 4	\$ -
Reimbursables	\$ 28.00
GRAND TOTAL=	\$ 11,785.75



ITEM NO.: 7k

MEETING DATE: April 5, 2017

AGENDA SUMMARY REPORT

SUBJECT: DISCUSSION AND CONSIDERATION OF ADDING NORTH COAST OPPORTUNITIES TO THE 2017 COUNCIL SPECIAL ASSIGNMENT LIST AND APPOINTING TAMI BARTOLOMEI AS THE COUNCIL'S APPOINTED REPRESENTATIVE FOR THE CITY OF UKIAH ON THE GOVERNING BOARD

Summary: Council is being asked to consider adding the North Coast Opportunities to the 2017 Council Special Assignment list, and appointing Tami Bartolomei as the Council's appointed representative for the City of Ukiah on the Governing Board.

Background: North Coast Opportunities, Inc. (NCO) is a Community Action Agency that serves Lake and Mendocino Counties. NCO was established in 1968 as part of President Jonson's War on Poverty, with the mission of assisting low-income and disadvantaged people to become self-reliant. NCO provides a safety net of emergency assistance, child care subsidy, volunteer services, along with employment and training services for low-income individuals and families. NCO's Mission is to develop and provide services that strengthen our communities, one person at a time. NCO has been a leader in developing and providing services that strengthen communities.

The NCO Governing Board meets every month and is comprised of 12 community members made up of one-third low-income residents, one-third public officials, and one-third business owners or other private sector individuals. NCO has been, and continues to be a partner with the City of Ukiah.

Discussion: NCO is currently looking for a local representative from the City of Ukiah to serve on the Governing Board. This opportunity will strengthen that partnership and provide both new and continued services to our community. Tami Bartolomei, the Community Services Administrator, has a thirteen-year history working with NCO. In her position, Tami would be an excellent match for representing the City of Ukiah, as well as an asset to NCO's Governing Board because of her knowledge of both the programs and the community.

Continued on Page 2

RECOMMENDED ACTION(S): Add North Coast Opportunities (NCO) to the Council Special Assignment List, and authorize the Mayor to sign the letter of appointment, appointing Tami Bartolomei, Community Services Administrator, to serve on the NCO Governing Board as the Council's appointed representative for the City of Ukiah.

ALTERNATIVES: Do not add NCO to the Special Assignment List; and/or do not appoint Tami Bartolomei to the NCO Board; and remand to staff with alternative direction.

Citizens advised: N/A
Requested by: N/A
Prepared by/Contact: Kristine Lawler, City Clerk
Coordinated with: Sage Sangiacomo, City Manager and Tami Bartolomei, Community Services Administrator.
Presenter: Tami Bartolomei, Community Services Administrator
Attachments: 1. Letter of appointment

COUNCIL ACTION DATE: _____: ☐ Approved ☐ Continued to _____ ☐ Other _____

RECORDS APPROVED: ☐ Agreement: _____ ☐ Resolution: _____ ☐ Ordinance: _____

Note: Please write Agreement No. in upper right corner of agreement when drafted.

Approved: 
Sage Sangiacomo, City Manager

Therefore, Staff is recommending that Council consider adding NCO to the Council Special Assignment List, and authorize the Mayor to sign the letter of appointment (Attachment #1) appointing Tami Bartolomei, Community Services Administrator, to serve on the NCO Governing Board as the Council's appointed representative for the City of Ukiah.

FISCAL IMPACT:				
Budgeted Amount in 16-17 FY	New Appropriation Source of Funds (Title & No.)	Account Number	Budget Amendment Required	Previous Contract or Purchase Order No.
N/A	N/A	N/A	Yes ☐ No ☒	N/A



April 5, 2017

Mr. Ross Walker
Governing Board Chair
North Coast Opportunities, Inc
413 North State Street
Ukiah, CA 95482

Dear Mr. Walker

On behalf of the City Council of the City of Ukiah, I would like to appoint Tami Bartolomei, Community Services Administrator, to serve on the North Coast Opportunities Governing Board as the City Council of the City of Ukiah's representative.

If you have any questions or require any additional information, please contact me.

Sincerely,

Jim O. Brown
Mayor for the City of Ukiah



ITEM NO.: 12a

MEETING DATE: April 5, 2017

AGENDA SUMMARY REPORT

SUBJECT: CONSIDER THE ESTABLISHMENT OF THE MEASURE P OVERSIGHT COMMITTEE AND APPOINTMENT OF COMMITTEE MEMBERS

Summary: During the summer of 2014, the Ukiah City Council approved Resolution 2014-28 establishing a spending plan for public safety and the creation of an oversight board to make reports on the public safety plan. The Resolution calls for the City Council to establish an oversight board every two years after the successful passage of Measure P. From March 6th to March 24th the City of Ukiah solicited potential applicants for the Measure P Oversight Committee and seven applicants applied for consideration.

Council will consider the establishment of the Measure P Oversight Committee and appointment of committee members.

Background: In June of 2005, the citizens of Ukiah approved a one-half percent general sales tax measure, called Measure S. The Measure S sales tax had a limited term and expired in September of 2015. Along with Measure S, the citizens of Ukiah also passed Measure T, an accompanying advisory measure which asked, "Should additional funds for public safety, including police, fire, and emergency medical services, be the first priority for the use of new sales tax revenues in the City of Ukiah?"

During the summer of 2014, the City of Ukiah began the effort to renew Measure S. During this process the City Council unanimously approved Resolution 2014-28 (Attachment #1) which established an expenditure plan for public safety and an oversight board to make periodic reports on the performance of the public safety spending plan.

The Ukiah City Council also unanimously adopted Resolution 2014-29 (Attachment #2), which placed on the November 2014 regular municipal election ballot a measure calling for the extension of the one-half percent general sales tax without a sunset clause. This measure was subsequently named Measure P for the fall 2014 election.

Continued on Page 2

RECOMMENDED ACTION(S): Review the staff recommendations for the Public Safety positions, and the At-Large position applications; then nominate and appoint members to the Measure P Oversight Committee.

ALTERNATIVES: Provide staff with alternate direction.

Citizens advised: N/A
Requested by: Ukiah City Council
Prepared by/Contact: Chris Dewey, Police Chief
Coordinated with: Sage Sangiacomo, City Manager; Dan Buffalo, Finance Director; and Kirk Thomsen, Fire Chief.
Presenter: Chris Dewey, Police Chief
Attachments: 1. Resolution 2014-28
2. Resolution 2014-29
3. Ordinance 1149
4. Measure P Analysis
5. Applications (redacted)

COUNCIL ACTION DATE: _____: ☐ Approved ☐ Continued to _____ ☐ Other _____

RECORDS APPROVED: ☐ Agreement: _____ ☐ Resolution: _____ ☐ Ordinance: _____

Note: Please write Agreement No. in upper right corner of agreement when drafted.

Approved: 
Sage Sangiacomo, City Manager

The text of the measure said: “**Measure P** – Shall the one-half of one percent (0.5%) transaction and use tax used to fund essential public services, including police, fire prevention and protection, and emergency medical services, set to expire on September 25, 2015, be extended by Ordinance No. 1149 until repealed by majority vote in a municipal election?”

In November of 2014, 76% of Ukiah’s participating voters approved Measure P. The Measure P Ordinance No. 1149 is included as Attachment #3.

Discussion: Resolution 2014-28 unanimously approved by the City Council, resolved that the City of Ukiah would create;

- 1) An expenditure plan for the use of revenue from a sales tax measure, which would include the accounting of Public Safety revenues received and established a minimum level of Public Safety services.
- 2) The creation of an Oversight Committee, to review the public safety budgets and revenue received, and prepare a report to Council. Persons appointed to the committee by Council should, “represent a broad range of interests in the City, including business owners, ethnic minorities, a City firefighter, a City police officer, homeowners and tenants.
- 3) A report on accounting for the Measure S and P sales tax revenues.

In anticipation of City Council establishing an Oversight Committee, the Finance Director prepared a Measure P reporting document (Attachment #4) which was reviewed by Council at the March 1st City Council meeting.

At the March 1st City Council meeting, Council received this report, and asked that community members come forward to serve on this committee.

From March 6th to March 24th, staff solicited members of the community to serve on the Measure P Oversight Committee. A local newspaper article appeared in the Ukiah Daily Journal indicated our search for members and announcements were made on social media seeking potential volunteers willing to serve.

From these recruitment efforts, seven members of the community applied and their applications have been included as Attachment #5 to this report.

The purpose of this report is to review the applications and begin the process of creating a Measure P Oversight Committee to review Measure P expenditures since November of 2014.

Recommendations: Consider the establishment of the five-member Measure P Oversight Committee. Per Resolution 2014-28, the five-member committee should represent a broad range of interests in the City, including such interests as business owners, ethnic minorities, (1) Ukiah City Firefighter, (1) Ukiah City Peace Officer, and homeowners and tenants. Staff recommends Eric Singleton, City Fire Engineer and Noble Waidelich, Ukiah Police Department Sergeant, to fill the two designated Public Safety positions. Furthermore, Staff recommends that Council review the at-large applications and consider nominations and appointments of the other three seats.

FISCAL IMPACT:				
Budgeted Amount in 16-17 FY	New Appropriation Source of Funds (Title & No.)	Account Number	Budget Amendment Required	Previous Contract or Purchase Order No.
N/A	N/A	N/A	Yes ☐ No ☒	N/A

RESOLUTION NO. 2014-28**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UKIAH ESTABLISHING AN EXPENDITURE PLAN FOR PUBLIC SAFETY AND AN OVERSIGHT BOARD TO MAKE PERIODIC REPORTS ON THE PERFORMANCE OF THE EXPENDITURE PLAN****WHEREAS:**

1. The City of Ukiah is 4.7 square miles in size, but is surrounded by additional urban areas and residential subdivisions within an unincorporated portion of Mendocino County. The Ukiah Valley is the most populous portion of Mendocino County, containing, at least, 2/3 of the total county population; and
2. The California Department of Finance estimates the population of the City of Ukiah ("City") as of January 1, 2004, at 15,907 people and 16,185 as of January 1, 2014; and
3. Ukiah is the County Seat for Mendocino County and a commercial center for Mendocino County, Lake County, Southern Humboldt County and Northern Sonoma County; and
4. As such during business hours, the City population swells to perhaps as many as 40,000 people, including people who work, shop and receive services in Ukiah; and
5. Ukiah also is located on U.S. Highway 101, which is the major north-south highway west of Interstate Highway 5, and links southern California to Northern California and Oregon; and
6. Consequently, a small city with a population of 15,907 people in 2004 and 16,185 in 2014 must provide law enforcement, fire protection and emergency medical services to a day time population of 40,000, and respond to emergencies within the City, on U.S. Highway 101, and on a mutual aid basis within the larger Ukiah Valley; and
7. Public safety services are a general fund obligation of the City, which receives revenues from ad valorem property taxes, sales taxes and vehicle license fees. The City receives only 1% of the gross receipts from taxable retail sales within the City and less than 10% of the property taxes collected from real property located within the City; and
8. While population within the Ukiah Valley and City of Ukiah has grown over the last 30 years, calls for police services have also grown significantly. Calls for police services has increased from around 2500 calls in 1969 to over 25,000 in 2014, or by 1000%. Calls for service have increased in virtually every category, including assaults with weapons, burglary, thefts and shoplifting, drugs, sexual assaults and domestic violence; and
9. In contrast, between the years 1989 and 2003, the number of sworn officers in the Ukiah Police Department has remained constant at 28 officers; and
10. Calls for fire services have also grown. Between 1986 and 2012, fire calls increased 61% from 1,353 in 1986 to 3,277 in 2012; and
11. In 1988, the Ukiah Valley Fire District contracted with the City of Ukiah to provide fire services. The combined fire department had 15 firefighters; and
12. In 1988, the Ukiah Valley Fire District and City of Ukiah fire departments elected to independently provide fire services to their communities. Over the next 20 years, City of Ukiah Fire Department continued to provide at least 15 firefighter staffing; and
13. In 2003, due to the State of California's budget deficit, the City's general fund revenues were decreased significantly; and

14. As a result, the City was faced with substantial deficits for fiscal years 2004-2005, which required lay-offs or other reductions in expenditures for public safety services in the City; and
15. These budget deficits lead to deferment of equipment replacements, including fire engines, the City's ladder truck and police patrol cars; and
16. To address the significant demands of an increased public safety workload and provide funding for necessary equipment, in June of 2005, the Citizens of Ukiah passed by a majority vote, Measure S, a ½ cent general sales tax measure ("Measure S Sales Tax"), and Measure T, an accompanying advisory measure, which said that the first priority for additional sales tax funds should be support of essential public safety services; and
17. Measure S provided funding that has been used to increase the Police Department staffing from 28 sworn officers to 32 sworn officers. The 4 additional officers (one per work shift) were added to address workload increases and decrease response times; and
18. Measure S allowed the Fire Department to replace aging fire equipment, including the City's essential ladder truck, and other fire vehicles, and maintain a staff of at least 15 firefighters, with at least 4 firefighters on duty per shift for emergency services; and
19. In 2008, the Nation, State of California and the City of Ukiah, experienced a recession which significantly reduced city revenues from sales taxes, including revenues received from Measure S. Due to these budget deficits, the City's general fund revenues were significantly decreased; and
20. This unanticipated nation-wide recession forced the City of Ukiah to eliminate open positions, layoff personnel and reduce general fund budgets; and
21. Over the last six years, every employee in the City of Ukiah has had a 5% reduction in pay, and absorbed increases to their health insurance costs, in addition to various unpaid furloughs and reduced work hours which were made necessary by significantly reduced sales and property tax revenues ; and
22. The City of Ukiah fully complied with the PERS retirement cost reductions, reducing retirements costs for new employees; and
23. The Police Department was reduced over a two year period from 32 sworn officers to 30 sworn, then 26 sworn officers, because of the 2008 recession and reduction in General Fund revenues and Measure S revenues; and
24. The Fire Department operated ambulance service was eliminated as an additional measure to economize in response to the 2008 recession and reduction in Measure S Sales Tax and General Fund revenues, because the cost of the ambulance service exceeded the limited compensation from reduced Medi-Cal and Medi-Care reimbursements; and
25. As the economy improved, and General Fund revenues and Measure S Sales Tax revenues have been restored to the levels prevailing before the 2008 recession, the City of Ukiah has worked to improve public safety services to the Ukiah community; and
26. For a two year period commencing January 1, 2014 and ending on December 31, 2015, the City of Ukiah and the Ukiah Valley Fire District have entered a contract to provide fire services to the entire Ukiah Valley and City of Ukiah; and

27. This agreement has increased the available on-duty firefighting staff to 18 firefighters, (11-City paid personnel, 6-District personnel, and shared Fire Chief) a combined two-department volunteer firefighter force, with an increased firefighter capacity to at least 6 firefighters on-duty each day for firefighting and Paramedic medical services; and
28. The City Council has reauthorized the Police Department to increase staffing back to 32 sworn officers. The additional officers (which allow for an extra officer per work shift) were added to address workload increases and decreased response times; and
29. Unlike the City's 1% share of the current 8.25% statewide sales tax, all sales taxes produced by Measure S must remain in the City of Ukiah. These taxes cannot be taken away by the State of California. Although enacted as a general tax which can lawfully be used for any municipal purpose, the City Council has and by this resolution will continue to place the Measure S Sales Tax revenue in a designated account within its budget and financial statements so that its use for public safety services can be reviewed, audited and accounted for; and
30. In addition, it is the intent of this resolution to commit the City to maintain the amount of general fund revenues supporting public safety at or above current levels. This resolution also commits the City to maintain the current level of public safety services, including a minimum of 32 sworn police officer, and the level of fire prevention and protective services commensurate with the City of Ukiah's portion of any City and District contractual agreement for joint fire, paramedic and fire prevention operations; and
31. Measure S will sunset in September of 2015. Without the continuation of Measure S Sales Tax revenue, the City of Ukiah could not maintain current Police and Fire services. Without Measure S Sales Tax revenues, the City of Ukiah would be forced to reduce or eliminate some or all of these essential public safety services.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. EXPENDITURE PLAN: While the revenue received by the City from Measure S Sales Tax is unrestricted general fund revenue, by this resolution, the City Council commits to using these revenues to provide public safety services. "Public safety services" means law enforcement and crime prevention services provided by the Ukiah Police Department, and fire protection and prevention and emergency medical services provided by the Ukiah Fire Department, by contract with the Ukiah Valley Fire Protection District or any other arrangement approved by the City Council. These taxes may be used to pay for such public safety services expenses as the training and salaries, including overtime and specialty pay, and fringe benefits, of public safety officers and support staff working in the Police Department and of firefighters, emergency medical technicians and support staff providing fire prevention and protection services to the City. These funds may also be used for operating expenses, and the purchase of vehicles, equipment and supplies, and capital improvements used exclusively for Public safety services.

A. Accounting for Public Safety Services Revenue. In each fiscal year commencing with the 2014-2015 fiscal year, for purposes of accounting for the use of these revenues, the City shall continue to credit to an account or fund in the City's budget and financial records, to be designated by the Finance Director, all of the following: (1) Measure S Sales Tax revenue; and (2) "Public Safety Revenue" which is the revenue produced by the Police and Fire Departments.

B. Minimum level of Public Safety Services. The City shall maintain a minimum level of public safety services, but nothing in this resolution prevents the City Council from establishing a higher level of public safety services, reorganizing or changing the method of providing public safety services or reducing staffing for public safety where required by financial necessity resulting from circumstances beyond the control of the City, such as a prolonged recession like the one experienced in 2008 or other prolonged and substantial reduction in general fund revenues. The minimum level of public safety services shall be the level of such services available in the City in the 2014-15 fiscal year, including the following: (1) thirty-two (32) full-time peace officers as defined in Penal Code Section 7 and Title 3, Part 2, Chapter 4.5 (commencing with Section 830), and the level of fire prevention and protective services commensurate with the City of Ukiah's portion of any City and District contractual agreement for joint fire, paramedic, and fire prevention operations .

2. OVERSIGHT COMMITTEE. Every two years after the Effective Date of Ordinance No. 1149, extending the Measure S sales tax, the City Council shall appoint five people to an "Oversight Committee" the only function of which shall be to review the City's budget for public safety services and the expenditure of the revenues so budgeted. The persons appointed to the Oversight Committee should represent a broad range of interests in the City, including such interests as business owners, ethnic minorities, (1) Ukiah City firefighter, (1) Ukiah City peace officer, homeowners and tenants.

The City Manager shall provide the Oversight Committee with any information it requests which is not exempt from disclosure under the California Public Records Act and shall assist it in organizing and analyzing the information so provided. The Oversight Committee must prepare a written report which shall be presented to the City Council at a noticed public hearing and which shall be available to the general public for not less than 10 calendar days prior to the scheduled hearing date. The report shall contain an analysis of the level and types of service provided by the City's police department and fire department or other arrangement approved by the City Council, the revenues and expenditures of the designated fund or account. It shall also make recommendations concerning the future use of these funds and levels and types of service. The Oversight Committee shall dissolve after it files its report with the City Council, until a new Oversight Committee is appointed for the next two year review.

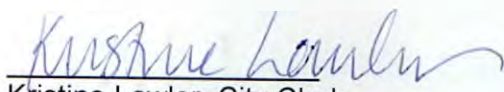
3. ACCOUNTING FOR MEASURE S SALES TAX REVENUE. All Measure S Sales Tax revenues and all interest on said revenues shall be credited to the designated fund or account and shall be designated for use in accordance with this Resolution.

PASSED AND ADOPTED ON JUNE 24, 2014, BY THE FOLLOWING ROLL CALL VOTE:

AYES:	Councilmembers Scalmanini, Crane, Thomas, Landis, and Mayor Baldwin
NOES:	None
ABSENT:	None
ABSTAIN:	None


Philip E. Baldwin, Mayor

ATTEST:


Kristine Lawler, City Clerk

RESOLUTION NO. 2014-29

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UKIAH PLACING MEASURE ON BALLOT FOR THE NOVEMBER 4, 2014 REGULAR MUNICIPAL ELECTION, TRANSMITTING MEASURE TO CITY ATTORNEY FOR IMPARTIAL ANALYSIS AND ESTABLISHING DEADLINE FOR ARGUMENTS FOR OR AGAINST THE MEASURE.

WHEREAS,

1. Election Code Section 10403 authorizes the City Council of the City of Ukiah (City) to request the Mendocino County Board of Supervisors to conduct a municipal election on behalf of the City and consolidate that election with any other elections scheduled for that date; and

2. On June 4, 2014, the City Council adopted a resolution requesting the Mendocino County Board of Supervisors to perform those services and consolidate the City election with statewide general election scheduled for that date;

3. On June 24, 2014, the City Council adopted Ordinance No. 1149, extending the one-half of one percent sales tax, approved in the election held on June 7, 2005, which only becomes effective if approved by not less than a majority of the voters voting in the November 4, 2014, election; and

4. The Elections Code requires the City Council to set forth in a resolution the exact form of any ballot measures to appear on the election ballot and to take other steps related thereto;

NOW, THEREFORE, BE IT RESOLVED that:

1. The City Council hereby places a measure on the ballot for the November 4, 2014, election which shall read as follows:

MEASURE ____

Shall the one-half of one percent (0.5%) transaction and use tax used to fund essential public services, including police, fire prevention and protection, and emergency medical services, set to expire on September 25, 2015, be extended by Ordinance No. 1149 until repealed by majority vote in a municipal election?

☐ Yes

☐ No

2. Measure form: City of Ukiah Ordinance No. 1149, enacted by the voters pursuant to subsection 1 of this Resolution, shall be in the form set forth in Attachment 1.

3. The City Clerk shall transmit a copy of the ballot measure set forth in section 1 of this Resolution and the form of Ordinance No. 1149 set forth in Attachment 1 to this Resolution to the City Attorney for the preparation of an impartial analysis as required by Elections Code Section 9280.

4. The City Clerk shall post the notice of the deadline for filing ballot arguments for or against the above ballot measures on June 25, 2014.

5. In accordance with Election Code Section 9286, ballot arguments for or against the measures are required to be filed by July 8, 2014, after which no arguments for or against the

measures will be accepted.

PASSED AND ADOPTED by the City Council of the City of Ukiah on June 24, 2014, by the following roll call vote:

AYES:	Councilmembers Scalmanini, Crane, Thomas, Landis, and Mayor Baldwin
NOES:	None
ABSTAIN:	None
ABSENT:	None


Philip E. Baldwin, Mayor

ATTEST:


Kristine Lawler, City Clerk

MEASURE P**ORDINANCE NO. 1149****AN ORDINANCE OF THE VOTERS OF THE CITY OF UKIAH EXTENDING THE EXISTING TRANSACTIONS AND USE TAX BY AMENDING SECTION 1799.5 OF CHAPTER 8C OF DIVISION 1 OF THE UKIAH CITY CODE**

The voters of the City of Ukiah hereby ordain as follows:

SECTION 1. FINDINGS. The voters of the City of Ukiah hereby find as follows:

The City Council and the people of the City of Ukiah hereby find:

1. At an election held on June 7, 2005, by a vote of 1442 for and 634 against, 69.46% of the voters of the City of Ukiah approved, as a general tax, a one-half cent (0.5%) Transaction and Use Tax, commonly called a "Sales Tax" and known as "Measure S."
2. Measure S is codified at Chapter 8c of Division 1 of the Ukiah City Code and has an expiration date under Ukiah City Code Section 1799.5 on the tenth anniversary of the Operative Date thereof, unless extended by a majority vote in a subsequent municipal election.
3. The Operative Date of Measure S was the date when the half-cent transactions and use tax was first imposed. That date was September 25, 2005, 110 days after the voters approved the measure.
4. Under Ukiah City Code Section 1799.5, the Measure S Sales Tax will terminate on September 25, 2015.
5. When Measure S passed, the voters overwhelmingly answered "Yes" to the question posed by Measure T, an accompanying advisory measure which asked: "Should additional funds for public safety, including police, fire and emergency medical services, be the first priority for the use of new sales tax revenues in the City of Ukiah?"
6. In 2005, when Measures S and T passed, the City spent \$5,670,719 on public safety, including police, fire and emergency medical services.
7. Under the guidance from Measure T, the City has spent as follows for public safety:

Fiscal Year	General Fund	Measure S	Other	Total
(*Unaudited)				
FY2006	\$5,286,893	\$1,092,344	\$ -0-	\$6,379,237
FY2007	\$5,177,424	\$2,277,084	\$ 27,861	\$7,482,369
FY2008	\$5,451,375	\$2,322,584	\$ 3,794	\$7,777,753
FY2009	\$6,127,841	\$2,129,720	\$ 1,337	\$8,258,898
FY2010	\$7,152,310	\$2,013,673	\$ 79,918	\$9,245,901
FY2011	\$5,991,911	\$2,153,968	\$ 136,321	\$8,282,200
FY2012	\$6,233,347	\$2,229,049	\$ 88,158	\$8,550,554
FY2013*	\$6,826,934	\$2,412,549	\$ 7,670	\$9,247,153
FY2014*	\$6,250,200	\$2,371,888	\$ 500	\$8,622,588

8. While Measure S revenues are general fund revenues subject to the budgeting discretion of the City Council, it has, in fact, used the taxes from Measure S exclusively for public safety. In addition, the City Council has increased general fund support for public safety by over \$4.5 million since 2005. The City Council chose consistently throughout the financial crisis since 2008 to sustain funding for public safety, and added to it from the General Fund, even in the face of making significant spending reductions in other city operations and non-safety personnel. Despite this level of spending the City has struggled to maintain adequate personnel and equipment to meet the demands for public safety services which have increased substantially over the past 10 years.
9. The 10 year sunset in Measure S has created a significant problem for the City's Police Department in recruiting and retaining new peace officers, because the City cannot assure new recruits that it will have funding for their positions, after the tax revenue from Measure S terminates in 2015.
10. This measure, if passed by the voters, continues the sales tax enacted by Measure S beyond its current repealed date and provides that the tax will remain in effect until it is repealed by majority vote at a municipal election.
11. The City Council determined at its special meeting on June 24, 2014, to place this measure on the ballot for the regular municipal election on November 4, 2014, as authorized by Revenue and Taxation Code section 7285.9.
12. While this measure will continue the tax indefinitely, unless repealed or amended by the voters, a City Council resolution adopted at its meeting on June 24, 2014, will establish a committee composed of members of the public (the Oversight Committee) to review and report on the use of the revenue from the tax. The extension of the tax shall be approved if the measure receives at least a majority of affirmative votes.
13. Based on all of the information presented at the City Council meetings on June 18 and 24, 2014, both written and oral, including the staff reports, minutes, and other relevant materials, the City Council finds that under CEQA Guidelines 15060(c)(2) and 15378, subdivisions (2) and (4) of subdivision (b), this action does not constitute a project under CEQA and, therefore, review under CEQA is not required.

SECTION 2. AMENDMENT OF SECTION 1799.5 OF THE UKIAH CITY CODE.

Section 1799.5, "Repeal of Tax," of the Ukiah City Code shall be amended to read as follows:

§1799.5 REPEAL OF TAX

The tax imposed by this chapter shall be made permanent and remain in full force and effect, unless and until repealed by a majority vote at a general municipal election.

SECTION 3. ORDINANCE TO BE SUBMITTED TO THE VOTERS.

This ordinance shall be submitted to the voters at an election to be held on November 4, 2014. Upon approval by a majority of the voters of the City voting on this ordinance, the Transactions and Use Tax set forth in City of Ukiah Ordinance No. 1063 ("Measure S") shall be continued indefinitely, unless repealed by majority vote in a subsequent municipal election.

SECTION 4. SEVERABILITY.

If any provision of this ordinance or the application thereof to any person or circumstance is held invalid by a court of competent jurisdiction, the remainder of the ordinance and the

application of such provision to the other persons or circumstances shall not be affected thereby. The voters of the City of Ukiah hereby declare that they would have adopted each and every provision of this ordinance regardless of the invalidity of any other provision.

SECTION 5. CODIFICATION.

Upon adoption of this ordinance pursuant to the voter approval referenced herein, the City Clerk, in consultation with the City Attorney, is hereby authorized and directed to codify this ordinance in the Ukiah City Code.

SECTION 6. EFFECTIVE DATE.

If this ordinance is approved by a majority of the voters voting on the issue at the November 4, 2014 election, pursuant to Elections Code Section 9217, this ordinance shall become effective ten (10) days after the City Council declares the results of the election. The Operative Date of the Transactions and Use Tax set forth in City of Ukiah Ordinance No. 1063 shall not be affected by this ordinance.

Approved on June 24, 2014 by the following roll call vote of the Ukiah City Council:

AYES:	Councilmembers Scalmanini, Crane, Thomas, Landis, and Mayor Baldwin
NOES:	None
ABSENT:	None
ABSTAIN:	None


Philip E. Baldwin, Mayor

ATTEST:


Kristine Lawler, City Clerk

**Fiscal Year 2015-16
Eligible Measure P Costs**

Measure P: Transaction and Use Tax

Measure P, passed by a simple majority (50% plus 1) of Ukiah voters in November of 2014 was a general (unrestricted) transaction and use tax. It continued a sun-setting transaction and use tax, known as Measure S (2005). Measure T (2005), passed in conjunction with Measure S, was a distinctly separate, advisory Measure indicating the voting public's preference for the use of Measure S proceeds.

A general, unrestricted tax is one that can be used to fund any program, function, service, or project at the discretion of the City Council. It is not a special, restricted tax, which would require approval of two-thirds of the voting public.

The language of Measure P (2014) was as follows. It did not have an accompanying advisory measure on the ballot.

Ballot Measure "P":

"Shall the one-half of one percent (0.5%) transaction and use tax used to fund essential public services, including police, fire prevention and protection, and emergency medical services, set to expire on September 25, 2015, be extended by Ordinance No. 1149 until repealed by majority vote in a municipal election?"

The Ukiah City Council established an expenditure plan (Resolution No. 2014-28) for the use of Measure P revenues. That resolution stated that those revenues should be used first to maintain a minimum level of public safety services. The plan defined "minimum level of public safety services" to be level of services available in fiscal year 2014-15, including the following: 1) thirty-two (32) full-time peace officers and 2) "[a] level of fire prevention and protective services commensurate with the City of Ukiah's portion of any City and District contractual agreement for joint fire, paramedic, and fire prevention operations."

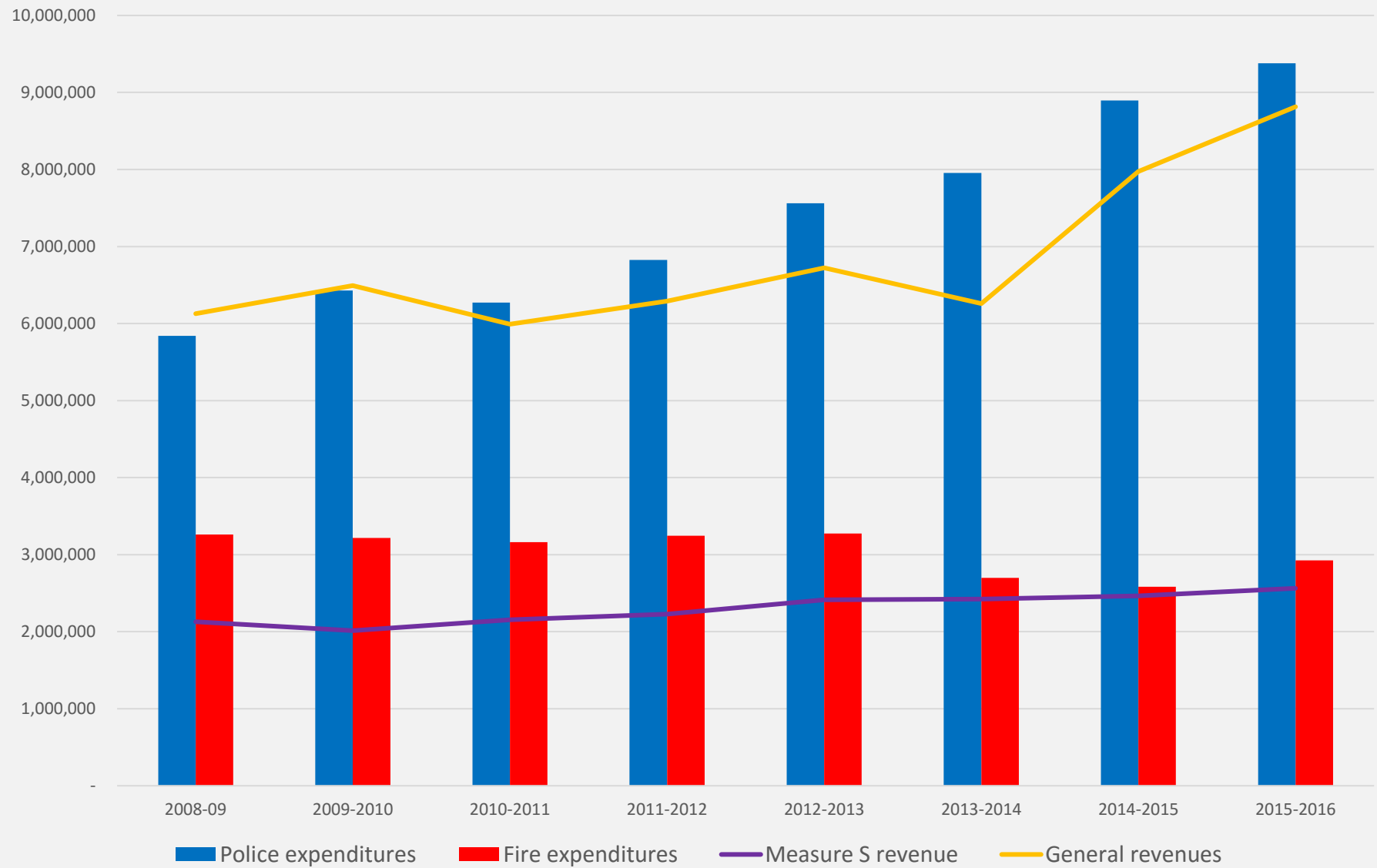
**Uses and Sources
Public Safety Activities
Comparative, Baseline (2015) to June 30, 2016**

Expenditure Uses by Category	Measure P Baseline FY 2014-15	FY 2015-16	Increase (Decrease)
Police:			
Sworn officers (Note 1)	32	32	-
Misc personnel (Note 2)	18	19	1
Personnel	\$ 6,049,608	\$ 6,684,697	\$ 635,088
Operations (Note 3)	2,660,085	2,488,139	(171,946)
Capital	186,594	206,006	19,412
Total police (Note 4)	8,896,287	9,378,842	482,555
Fire:			
Firefighters:			
City	11	11	-
UVFD	6	6	-
Personnel	1,506,406	1,721,394	214,988
Operations:			
Contractual	516,180	393,179	(123,001)
Other	530,822	778,557	247,736
Capital	30,400	31,129	730
Total fire	2,583,807	2,924,260	340,453
Total public safety	11,480,094	12,303,102	823,008
Dedicated Revenue Sources			
Measure P transaction and use tax	2,465,521	2,563,698	98,177
Public safety revenue:			
Police	262,254	277,132	14,878
Fire	37,235	73,828	36,593
Other (Note 5)	739,607	574,112	(165,495)
Total revenue	3,504,617	3,488,770	(15,847)
Excess (deficiency) revenues over expenditures	(7,975,477)	(8,814,332)	(838,855)
Other Financing Sources			
General revenues, general fund	7,975,477	8,814,332	838,855
Remaining resources	\$ -	\$ -	\$ -

Notes:

- 1) The City budgeted for 32 officers in FY 15-16. Actual number of filled positions fluctuated higher and lower due to illness/injury/attrition.
- 2) Increase reflects addition of a dispatch supervisor.
- 3) Includes dispatch services.
- 4) Excludes parking enforcement expenditures.
- 5) Includes dispatch service revenue, except for general fund contributions. Excludes parking enforcement revenues.

Measure S/P Over Time
Expenditures to Revenues
FY 2008-09 to 2015-16





**CITY OF UKIAH
MEASURE P OVERSIGHT COMMITTEE APPLICATION FOR APPOINTMENT**

A. General Information

Full Name	MARK Hilliker			Date	3/15/2017
Residence Address (Physical Address, not PO)	REDACTED				
Mailing Address (if different from above)	AS ABOVE				
Home Phone	REDACTED	Work Phone	REDACTED		
Email	REDACTED	Cell Phone	REDACTED		
Employer	RETIRED				
Do you own a business in the Downtown District? If yes, provide details:	NO.				
Business Address					
Job Title/Position				Employed Since	
How long have you resided in:	Ukiah?	65 years	Mendocino County?	SAME	California? 69 years
Please list community groups or organizations you are affiliated with and list any offices held.	Planning Commission - UKIAH Volunteer Fire Dept. - Business Mgr. City of Ukiah Employees Credit Union - Board Hammond Trust Emergency Services Scholarship - Board				

B. Please answer the following on a separate sheet(s) of paper and attach. pg. 3

- Why are you applying to serve on the City of Ukiah's Measure P Oversight Committee?
- What is your understanding of the purpose, role and responsibility of the Measure P Oversight Committee?
- How do you believe your own skills, experience, expertise and perspectives will be beneficial to the work of the Measure P Oversight Committee?
- Do you have public safety experience? If yes, provide details: *Captain - Ukiah Fire Dept. 39 years service*
Volunteer Captain - UVFA.

REDACTED

Signature of Applicant

3/15/2017

Date

Thank you for your interest in serving your community and the City of Ukiah.

Please return this application and attachments to the City Clerk's office at 300 Seminary Avenue, Ukiah, CA 95482. If you have any questions, please contact the City Clerk's office at (707) 463-6217.

1. Why are you applying to serve on the City of Ukiah's Measure P Oversight Committee?

2. What is your understanding of the purpose, role and responsibility of the Measure P Oversight Committee?

3. How do you believe your own skills, experience, expertise and perspectives will be beneficial to the work of the Measure P Oversight Committee?

Application for Measure P Review.

#1

To provide assurance to the Citizens of the City of Ukiah that Measure P monies are being used as intended. Providing the best possible Public Safety Services.

#2

To review the City's budget for Public Safety Services and the expenditures of the revenues budgeted for that purpose. To provide a written report of findings and to present those findings to the City Council at a public hearing.

To also make recommendations concerning the future use of ~~these~~ funds.

#3

I have exposure to the process of Budget development during my time as an employee of the City, followed the process as the Council has approved spending in the last few years. Attended budget review sessions, and City Council meetings to stay informed regarding City spending.

CITY OF UKIAH
MEASURE P OVERSIGHT COMMITTEE APPLICATION FOR APPOINTMENT

A. General Information

Full Name	STEVE OLIVERIA			Date	3/20/17	
Residence Address (Physical Address, not PO)	REDACTED					
Mailing Address (if different from above)	UKIAH CA 95482					
Home Phone	REDACTED			Work Phone	()	
Email	REDACTED			Cell Phone	REDACTED	
Employer	RETIRED					
Do you own a business in the Downtown District? If yes, provide details:						
Business Address						
Job Title/Position	RETIRED DIRECTOR FACILITIES/SECURITY			Employed Since	MENDOCINO COLLEGE 1997	
How long have you resided in:	Ukiah?	18yr	Mendocino County?	43yr	California?	65yr
Please list community groups or organizations you are affiliated with and list any offices held.	PLANNING AND BUDGET COMMITTEE MENDOCINO COLLEGE BOARD MEMBER PUBLIC ACCESS TV					

B. Please answer the following on a separate sheet(s) of paper and attach.

1. Why are you applying to serve on the City of Ukiah's Measure P Oversight Committee?
2. What is your understanding of the purpose, role and responsibility of the Measure P Oversight Committee?
3. How do you believe your own skills, experience, expertise and perspectives will be beneficial to the work of the Measure P Oversight Committee?
4. Do you have public safety experience? If yes, provide details:

^ ^ REDACTED

Signature of Applicant

3/20/17
Date

Thank you for your interest in serving your community and the City of Ukiah.

Please return this application and attachments to the City Clerk's office at 300 Seminary Avenue, Ukiah, CA 95482. If you have any questions, please contact the City Clerk's office at (707) 463-6217.

1. Why are you applying to serve on the City of Ukiah's Measure P Oversight Committee?

I HAVE A INTEREST IN PUBLIC SAFETY,

2. What is your understanding of the purpose, role and responsibility of the Measure P Oversight Committee?

TO OVERSEE THE MEASURE P DISTRIBUTION OF FUNDS TO PUBLIC SAFETY ORGANIZATIONS

3. How do you believe your own skills, experience, expertise and perspectives will be beneficial to the work of the Measure P Oversight Committee?

I'VE LIVED IN MENDOCINO COUNTY FOR 43 YEARS AND WAS THE DIRECTOR OF FACILITIES AND SECURITY AT MENDOCINO COLLEGE. I SAT ON THE PLANNING AND BUDGET COMMITTEES AS WELL AS MANY OTHER COMMITTEES AS CHAIR. BEFORE MY 18 YEARS AN THE COLLEGE I WAS A BUILDING CONTRACTOR FOR 20 YRS.

CITY OF UKIAH
MEASURE P OVERSIGHT COMMITTEE APPLICATION FOR APPOINTMENT

A. General Information

Full Name	JULIA DOREEN SIDERAKIS			Date	03/22/2017		
Residence Address (Physical Address, not PO)	REDACTED						
Mailing Address (if different from above)	UKIAH, CALIFORNIA 95482						
Home Phone	REDACTED			Work Phone	(707) 462-1221		
Email	REDACTED			Cell Phone	REDACTED		
Employer	SELF - UKIAH GARDENCAPS						
Do you own a business in the Downtown District? If yes, provide details:	RESTAURANT / BAR						
Business Address	1090 SOUTH STATE ST, UKIAH, CALIFORNIA 95482						
Job Title/Position	OWNER/MGR			Employed Since	1991		
How long have you resided in:	Ukiah?	26	Mendocino County?	26	California?	48	
Please list community groups or organizations you are affiliated with and list any offices held.	CERT (COMM. EMERGENCY RESPONSE TEAM) : TEAM LEADER / TEAM CAPTAIN GREATER UKIAH CHAMBER OF COMMERCE : BOARD UKIAH MAIN STREET PROGRAM : BOARD CAM (Culinary Arts Mgmt) : PANEL						

B. Please answer the following on a separate sheet(s) of paper and attach.

1. Why are you applying to serve on the City of Ukiah's Measure P Oversight Committee?
2. What is your understanding of the purpose, role and responsibility of the Measure P Oversight Committee?
3. How do you believe your own skills, experience, expertise and perspectives will be beneficial to the work of the Measure P Oversight Committee?
4. Do you have public safety experience? If yes, provide details:

REDACTED



Signature of Applicant

03/22/2017
Date

Thank you for your interest in serving your community and the City of Ukiah.

Please return this application and attachments to the City Clerk's office at 300 Seminary Avenue, Ukiah, CA 95482. If you have any questions, please contact the City Clerk's office at (707) 463-6217.

1. Why are you applying to serve on the City of Ukiah's Measure P Oversight Committee?

I AM APPLYING TO SERVE ON THE CITY OF UKIAH'S MEASURE P OVERSIGHT COMMITTEE, BECAUSE IT IS IMPORTANT FOR OUR LOCAL AGENCIES AND COMMUNITY TO KNOW THAT MEASURE P HAS BEEN REVIEWED AND ANALYZED BY A VARIOUS PANEL OF ITS PEERS AND THAT THEY RECEIVE A CLEAR, WELL INVESTIGATED REPORT OF THE CURRENT STANDINGS WITH THE MEASURE. I ENJOY INVESTIGATIVE REVIEW AND BRINGING EITHER CLOSURE TO A PROCESS OR ISSUE, AS WELL AS PROPOSING NEW OR ALTERNATE SOLUTIONS. I PLAN ON BEING ABLE TO CONTRIBUTE IN ANY OF THESE WAYS SO WE KNOW WHERE WE ARE CURRENTLY AND WHAT MAY NEED TO BE CHANGED; IF AT ALL.

2. What is your understanding of the purpose, role and responsibility of the Measure P Oversight Committee?

MY UNDERSTANDING OF THE PURPOSE, ROLE, AND RESPONSIBILITY OF THE MEASURE P OVERSIGHT COMMITTEE IS TO SERVE ON THIS COMMITTEE WITH A GROUP OF COMMUNITY PEERS IN DIFFERENT POSITIONS WITH DIFFERENT PERSPECTIVES TO ENSURE THAT THE FUNDS FROM MEASURE P HAVE BEEN AND CONTINUE TO BE ALLOCATED AND EFFECTIVELY DISTRIBUTED IN ACCORDANCE WITH MEASURE P'S DESCRIPTION AND SPECIFICATIONS. AS A COMMITTEE, WE WILL REVIEW, DISCUSS, AND BRING FORWARD OUR CONCERNS; WHICH WILL LEAD TO A FINANIZED AUDIT REVIEW TO OUR CITY COUNCIL, UPD, AND ALL PERSONS DEEMED NECESSARY.

3. How do you believe your own skills, experience, expertise and perspectives will be beneficial to the work of the Measure P Oversight Committee?

I BELIEVE THAT HAVING BEEN A LOCAL BUSINESS OWNER FOR THE PAST 26 YEARS HAS EXPOSED ME TO MANY OF OUR LOCAL COMMUNITY MEMBERS AND CITIZENS AND I VALUE THEIR INPUT DAMN ON HOW I CONDUCT MY BUSINESS. FROM THIS, I FEEL I CAN REPRESENT THE BUSINESS COMMUNITY AND RESIDENTS IN THE BEST OF EVERYONE'S INTEREST. I CAN ALSO INCLUDE MY EXPERIENCE WITH PAST AND PRESENT AFFILIATION WITH COMMUNITY EMERGENCY RESPONSE TEAM LEADERSHIP GROUPS, AS WELL AS SITTING ON THE VARIOUS BOARDS THAT INVOLVE BUDGETING, IMPLEMENTING NEW POLICIES AND PLANS FOR GROWTH, AS WELL AS TERMINATION OF SYSTEMS AND STRUCTURES THAT NO LONGER WORK FOR OUR ORGANIZATIONS AND BOARDS.

CITY OF UKIAH
MEASURE P OVERSIGHT COMMITTEE APPLICATION FOR APPOINTMENT

A. General Information

Full Name	BRIAN D. KORNESAY			Date	3-23-2017	
Residence Address (Physical Address, not PO)	REDACTED UKIAH, CA. 95482					
Mailing Address (if different from above)						
Home Phone	REDACTED			Work Phone	()	
Email	REDACTED			Cell Phone	REDACTED	
Employer	RETIRED FIRE CAPTAIN					
Do you own a business in the Downtown District? If yes, provide details:						
Business Address						
Job Title/Position				Employed Since		
How long have you resided in:	Ukiah?	37 YEARS	Mendocino County?	37 YEARS	California?	64 YEARS.
Please list community groups or organizations you are affiliated with and list any offices held.						

B. Please answer the following on a separate sheet(s) of paper and attach. - SEE ADDENDUM

1. Why are you applying to serve on the City of Ukiah's Measure P Oversight Committee?
2. What is your understanding of the purpose, role and responsibility of the Measure P Oversight Committee?
3. How do you believe your own skills, experience, expertise and perspectives will be beneficial to the work of the Measure P Oversight Committee?
4. Do you have public safety experience? If yes, provide details:

REDACTED

Signature of Applicant

Date

3-23-2017

Thank you for your interest in serving your community and the City of Ukiah.

Please return this application and attachments to the City Clerk's office at 300 Seminary Avenue, Ukiah, CA 95482. If you have any questions, please contact the City Clerk's office at (707) 463-6217.

**City of Ukiah
Measure P Oversight Committee
Application for Appointment – Addendum**

Section B

1. Why am I applying to serve on the City of Ukiah's Measure P Oversight Committee?

Working with other committee members I would like to assist and be a part of making sure that Measure P funds are used in a fair and equitable manner.

2. What is my understanding of the purpose, role, and responsibility of the Measure P Oversight Committee?

To provide facts and suggestions to the City Council on the use of the revenues generated and to insure such funds are used as specified.

3. How do I believe my own skills, experience, expertise, and perspectives will be beneficial to the work of the Measure P Oversight Committee?

The experience I have had in the span of my 40 year career in the Fire Service necessitating my abilities to work as a Team Member to successfully manage funds to efficiently and fiscally manage a fire station and major incidents. As a member of the Committee, I feel it is imperative to work together in such a manner that we can all provide the best solutions and ideas to the City Council.

4. Do I have Public Safety experience?

Yes. I served in Cal Fire for 35 years before retirement in 2009. During this career I was an Emergency Medical Technician for 30 years. I also served 3 years in the US Army as a firefighter and 2 years as a civilian firefighter at the Fort Huachuca Fire Department in Arizona. During my career in Cal Fire, I also spent 12 years as a Fire Captain – Dispatcher.

**Brian D. Kornegay
March 23, 2017**

CITY OF UKIAH
MEASURE P OVERSIGHT COMMITTEE APPLICATION FOR APPOINTMENT

A. General Information

Full Name	EDWARD C. EVERSOLE			Date	03/22/2017	
Residence Address (Physical Address, not PO)	REDACTED UKIAH					
Mailing Address (if different from above)	PO BOX 29 UKIAH					
Home Phone	REDACTED			Work Phone	(707) 462-2206	
Email	REDACTED			Cell Phone	REDACTED	
Employer	EVERSOLE MORTUARY					
Do you own a business in the Downtown District? If yes, provide details:	EVERSOLE MORTUARY 141 LOW GAP RD. UKIAH					
Business Address	141 LOW GAP RD.					
Job Title/Position	OWNER			Employed Since	1992	
How long have you resided in:	Ukiah?	47	Mendocino County?		California?	
Please list community groups or organizations you are affiliated with and list any offices held.	UKIAH VALLEY MEDICAL CENTER ADVISORY BOARD HOSPICE OF UKIAH SUN HOUSE MUSEUM UKIAH LIONS CLUB.					

B. Please answer the following on a separate sheet(s) of paper and attach.

1. Why are you applying to serve on the City of Ukiah's Measure P Oversight Committee?
2. What is your understanding of the purpose, role and responsibility of the Measure P Oversight Committee?
3. How do you believe your own skills, experience, expertise and perspectives will be beneficial to the work of the Measure P Oversight Committee?
4. Do you have public safety experience? If yes, provide details: *No -*

See Next Page

REDACTED

Signature of Applicant

Date

3-22-17

Thank you for your interest in serving your community and the City of Ukiah.

Please return this application and attachments to the City Clerk's office at 300 Seminary Avenue, Ukiah, CA 95482. If you have any questions, please contact the City Clerk's office at (707) 463-6217.

1. Why are you applying to serve on the City of Ukiah's Measure P Oversight Committee?

2. What is your understanding of the purpose, role and responsibility of the Measure P Oversight Committee?

See 2nd Page

3. How do you believe your own skills, experience, expertise and perspectives will be beneficial to the work of the Measure P Oversight Committee?

1. As a residence and business owner in Ukiah Valley, I have a vested interest in the safety of our community.

2. To provide guidance, direction and accountability for the money that has been collected though Measure P.

3. I believe that my people skills, business insight would be beneficial to this committee. I feel I have an understanding of the growing problem in Ukiah Valley that puts constraints on are local Police and Fire services.

463-6204

CITY OF UKIAH
MEASURE P OVERSIGHT COMMITTEE APPLICATION FOR APPOINTMENT

A. General Information

Full Name	MATHEW VOGT JR.			Date	03.22.17	
Residence Address (Physical Address, not PO)	REDACTED					
Mailing Address (if different from above)						
Home Phone	REDACTED		Res.	Work Phone	(707) 462-5200	
Email	REDACTED @			Cell Phone	REDACTED	
Employer	Deep Valley Security Inc.					
Do you own a business in the Downtown District? If yes, provide details:						
Business Address	960 N. State St.					
Job Title/Position	Gen. Mgr. own			Employed Since	05.05.84	
How long have you resided in:	Ukiah?	45	Mendocino County?	45	California?	50
Please list community groups or organizations you are affiliated with and list any offices held.						

B. Please answer the following on a separate sheet(s) of paper and attach.

1. Why are you applying to serve on the City of Ukiah's Measure P Oversight Committee? *NEW EXPERIENCE*
2. What is your understanding of the purpose, role and responsibility of the Measure P Oversight Committee?
3. How do you believe your own skills, experience, expertise and perspectives will be beneficial to the work of the Measure P Oversight Committee?
4. Do you have public safety experience? If yes, provide details:

REDACTED

 Signature of Applicant

03.22.17

 Date

Thank you for your interest in serving your community and the City of Ukiah.

Please return this application and attachments to the City Clerk's office at 300 Seminary Avenue, Ukiah, CA 95482. If you have any questions, please contact the City Clerk's office at (707) 463-6217.

Updated March 6, 2017

1. Why are you applying to serve on the City of Ukiah's Measure P Oversight Committee?

From my understanding is being on the "oversight committee" is to see where money would be best utilized for our public safety measures!

2. What is your understanding of the purpose, role and responsibility of the Measure P Oversight Committee?

my 45+ years in business experience and travel I have done in the USA & other countries and this gives me a all around experience dealing with Budget - spending money - purchases etc. How - What - Where!

3. How do you believe your own skills, experience, expertise and perspectives will be beneficial to the work of the Measure P Oversight Committee?

"Details and facts" is what I deal with at my job -

Updated March 6, 2017

CITY OF UKIAH
MEASURE P OVERSIGHT COMMITTEE APPLICATION FOR APPOINTMENT

A. General Information

Full Name	Steven BLAIR Redding			Date	3-27-2017
Residence Address (Physical Address, not PO)	REDACTED				
Mailing Address (if different from above)	POB 764 Ukiah CA				
Home Phone	REDACTED			Work Phone	(707) 462-1239
Email	REDACTED @YAHOO.COM			Cell Phone	REDACTED
Employer	STEVO'S TOWING				
Do you own a business in the Downtown District? If yes, provide details:	YES TOWING COMPANY				
Business Address	1125 South State St.				
Job Title/Position	CO-OWNER			Employed Since	1996
How long have you resided in:	Ukiah?	45 yrs	Mendocino County?	45 yrs.	California? 64 yrs
Please list community groups or organizations you are affiliated with and list any offices held.	NONE				

B. Please answer the following on a separate sheet(s) of paper and attach.

1. Why are you applying to serve on the City of Ukiah's Measure P Oversight Committee?
2. What is your understanding of the purpose, role and responsibility of the Measure P Oversight Committee?
3. How do you believe your own skills, experience, expertise and perspectives will be beneficial to the work of the Measure P Oversight Committee?
4. Do you have public safety experience? If yes, provide details:

REDACTED

Signature of Applicant

3-27-2017
Date

Thank you for your interest in serving your community and the City of Ukiah.

Please return this application and attachments to the City Clerk's office at 300 Seminary Avenue, Ukiah, CA 95482. If you have any questions, please contact the City Clerk's office at (707) 463-6217.

1. Why are you applying to serve on the City of Ukiah's Measure P Oversight Committee?

This committee was Brought to my Attention
by Chris Dewy.

2. What is your understanding of the purpose, role and responsibility of the Measure P Oversight Committee?

How the funds ARE spent
Report to City Council

3. How do you believe your own skills, experience, expertise and perspectives will be beneficial to the work of the Measure P Oversight Committee?

Business owner.
Have an understanding of working with a budget.
BOOKKEEPING Experience
WORKS well with others



ITEM NO.: 12b

MEETING DATE: April 5, 2017

AGENDA SUMMARY REPORT

SUBJECT: DISCUSSION AND DIRECTION REGARDING NEXT STEPS WITH THE DOWNTOWN HOTEL FEASIBILITY STUDY

Summary: The City Council will consider options regarding next steps with the recently-commissioned downtown hotel feasibility study.

Background: The City of Ukiah and Visit Ukiah recently partnered to commission a study to determine whether a hotel might be feasible in downtown Ukiah (Attachment #1).

The three hypothetical locations studied were City parking lots A, E, and C. Parking lot A, bordered by West Standley, Oak, and West Perkins Streets, was selected because it has a more serene feel and is not subject to the two-story height restrictions imposed by the airport overlay. Parking lot E is where the Ukiah Valley Conference Center is located; this was selected because of the proximity to the Conference Center and the ability to help maximize the facility's potential and attract more meetings and conventions to the area. Parking lot C, bordered by E. Smith, Main, and E. Standley Streets, was selected because of its proximity to and visibility from a primary corridor (Perkins Street). The characteristics of these sites would also apply to other nearby locations.

The study finds that there is sufficient market demand to support the development of a new hotel in Historic Downtown Ukiah. The specific recommendation is for an "upscale hotel affiliated with a major hotel company as a "soft brand". Soft brands allow hotels to be part of a major hotel company's sales and marketing platforms, including access to their central reservation systems and guest loyalty programs; however, they can retain their unique design, orientation, and independent status. As such, soft-branded hotels do not have to conform to all the stringent standards typically required by traditional hotels. Among other things, this property could have unique architecture and signage, helping it to blend in with the adjacent properties.

The study further explains that "the proposed hotel would be positioned as the highest quality hotel in the local market and would cater to guests seeking an authentic wine country experience in Historic Downtown Ukiah".

Of the three hypothetical locations evaluated, CBRE recommends a setting similar to Parking lot A, which is walking distance to restaurants and retail amenities and the nearby Ukiah Valley Conference Center. This setting provides "good ambiance for an upscale, independent hotel along tree-lined streets and

Continued on Page 2

RECOMMENDED ACTION(S): Provide direction to Staff regarding the next steps to take with the recent downtown hotel feasibility study.

ALTERNATIVES: N/A

Citizens advised: Visit Ukiah Task Force
Requested by: N/A
Contact/Prepared by: Shannon Riley, Senior Management Analyst
Coordinated with: N/A
Presenter: Shannon Riley, Senior Management Analyst
Attachment: 1. Downtown Ukiah Hotel Feasibility Study

COUNCIL ACTION DATE: _____: ☐ Approved ☐ Continued to _____ ☐ Other _____

RECORDS APPROVED: ☐ Agreement: _____ ☐ Resolution: _____ ☐ Ordinance: _____

Note: Please write Agreement No. in upper right corner of agreement when drafted.

Approved: 
Sage Sangiacomo, City Manager

would provide guests with a wine country hotel experience” Further, sites in this area are not restricted to two stories by the Ukiah Municipal Airport Master Plan, allowing for greater development flexibility.

This recommendation is supported by projected occupancy rates, operating income, historic performance of the competitive market, and an evaluation of the current lodging inventory, all of which are detailed in the study.

The study has already been utilized by the Receiver for the Palace Hotel. However, the number of rooms that could be provided in the Palace Hotel would not satisfy the overall demand, based on information provided in the study. Therefore, the downtown may be able to support both the development of the Palace Hotel and a new project.

Discussion: The results of this study provide the City with the necessary data and the opportunity to invite private developers to invest in Ukiah’s downtown, which could in turn be a catalyst for additional investment. This study is very timely, as the hotel industry is trending toward downtown hotels. Younger travelers are actively seeking “authentic” experiences and properties that possess the personality of the city and neighborhood, as opposed to homogenous environments that could be located anywhere. Proximity to a city’s culture, art, and trendy eateries have become a major selling point for meeting and travel planners. A hotel in downtown Ukiah would be within easy walking distance of the Conference Center, numerous unique dining options, the courthouse, the hospital, and more. Furthermore, an upscale, downtown hotel would provide expanded opportunities to leverage Visit Mendocino County’s \$1.6 million budget for marketing.

For roughly 20 years, and through various community planning documents, the need for an “anchor business” has been identified for the downtown. An effective anchor business is its own destination, attracting a steady flow of customers, even on weekends and in the evenings. Currently, the courthouse and the Savings Bank are the major attractors, both of which are closed on evenings, weekends, and holidays. As a result, downtown businesses struggle to retain those customers outside the court’s and bank’s office hours. Furthermore, though TOT revenue has increased by over 50% in recent years, an analysis of TOT and sales tax reveals that the bulk of those benefits have been concentrated in the Airport Park Boulevard area, not the downtown.

This is because currently, Ukiah’s top-end hotels are situated in a business park along the freeway, 1.5 miles away from the downtown. While convenient for the business traveler or those who are just stopping over for a night, this location is less desirable for leisure travel and, as indicated in the study, doesn’t provide a “wine country” experience. Based on information obtained through Visit Ukiah’s work in the tourism industry, an upscale hotel in the downtown would not just increase Ukiah’s lodging inventory; it would likely attract a *new* demographic, one that is highly compatible with the expanding wine industry and the downtown dining options.

Already, visitor spending in Mendocino County amounts to over \$361 million and supports roughly 6,000 jobs. Based on current TOT data, this hotel could expect to bring in over \$250,000 of TOT revenue per year, not to mention the multiplier effect on sales tax generation with the nearby businesses. Hospitality is becoming an increasingly important segment of the local economy, and a new hotel in the downtown would create jobs, support existing retail and restaurants, provide additional business for the Ukiah Valley Conference Center, and provide an additional source of revenue for essential services, such as police, fire, streets, etc.

At this time, Council is asked to provide direction to Staff regarding the next steps. Options are outlined below:

1. Actively work to attract a hotel developer to downtown Ukiah

The typical process to attract a hotel developer would be to release a request for qualifications (RFQ) that provides the feasibility study and defines the City’s role in the process. Under this option, Staff

recommends identifying all three publicly-owned lots, along with the possibility of assembling privately-owned parcels, as development sites. Each site has potential advantages that might appeal to different developers, and this open process may reveal opportunities not previously recognized. As for terms, a long-term ground lease would help maximize profits for the City, providing funds that could supplement the City's essential services or be dedicated to improvements in the downtown.

The RFQ and subsequent negotiations could be managed by City Staff or by a firm like CBRE, who performed the study and who has active connections in the lodging industry. If managed by an outside firm, the costs would likely be in the \$10,000-30,000 range, depending on the scope of services.

There are no guarantees that this process would ultimately result in a development, but this process—with a “fresh” study, offers the highest likelihood of success. If multiple responses are received, Staff (or their agent, if desired) would review and rank those responses for Council's consideration. Upon Council's direction, Staff would then develop an exclusive negotiating agreement that would set the stage for the exploration of a possible project.

2. Use the study to incentivize private development on privately owned parcels

The study provides important information about the local hotel industry and the Ukiah area. Staff could distribute the study to downtown property owners and developers to attract interest locally. Aside from staff time, there are no costs associated with this option. However, Staff believes a project of this magnitude will require a larger search, like the one envisioned in the RFQ process, in order to attract the right developer. Therefore, Staff believes this option is less likely to yield results.

Other Considerations: It is important to acknowledge that developing a hotel in the downtown would likely impact parking. It is feasible, however—and could be made a requirement of the development—that those impacts be mitigated. For example, the peak parking hours in the downtown are between 10am and 2pm. This is extremely compatible with the demand of a hotel, which experiences peak hours from the early evening to the early morning hours. Another possible solution is agreements for shared parking in lots that are otherwise only used during the day. Additionally, when the new courthouse is constructed, it will include dedicated parking for its employees and visitors, which will have a significant positive impact on the downtown parking.

The Parking Ad Hoc Committee is working to develop solutions for the downtown and is mindful of the need for flexibility due to changing conditions, whether it is the development of a project like this, the relocation of the courthouse, or other factors.

Parking and other impacts, along with mitigation measures, would be explored through project development.

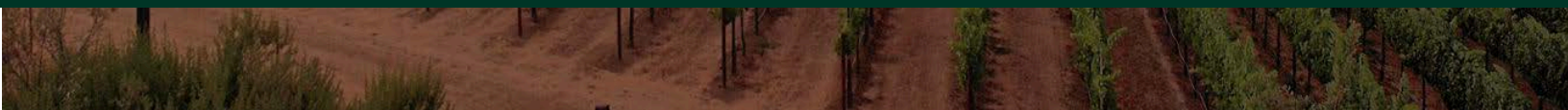
Staff is requesting Council's direction regarding the above options or an alternative.

FISCAL IMPACT:				
Budgeted Amount in 16-17 FY	New Appropriation Source of Funds (Title & No.)	Account Number	Budget Amendment Required	Previous Contract or Purchase Order No.
N/A	N/A	N/A	Yes ☐ No ☒	COU No. 1617-096 COU No. 1617-096-A1



**Market Study &
Statement of Estimated
Annual Operating Results**

Proposed Hotel Ukiah Ukiah, California



Date of the Report:
November 4, 2016

Prepared for:
Mr. Sage Sangiacomo
City Manager

Ms. Shannon Riley
Senior Management Analyst/Visit Ukiah Administrator

City of Ukiah
300 Seminary Avenue
Ukiah, California 95482

Prepared By:
CBRE Hotels
101 California Street, 44th Floor
San Francisco, California 94010

16-490SF-0113

Chris Kraus
Managing Director
CBRE Hotels



CBRE, Inc.
101 California Street, 44th Floor
San Francisco, CA 94111

+1 415 652 4483 Mobile

chris.kraus@cbre.com
www.cbrehotels.com

November 4, 2016

Mr. Sage Sangiacomo
City Manager

Ms. Shannon Riley
Senior Management Analyst/Visit Ukiah Administrator

City of Ukiah
300 Seminary Avenue
Ukiah, California 95482

Re: Market Demand and Analysis of Economic Feasibility
Proposed Hotel – Downtown Ukiah
Ukiah, California 95482
CBRE, Inc. File No. 16-490SF-0113

Dear Mr. Sangiacomo and Ms. Riley:

In accordance with your request, we have completed our analysis, which is a study of the potential market demand and preparation of a statement of estimated annual operating results for the development of hotel to be located in Historic Downtown Ukiah (the "Hotel" or "Subject"). Pursuant to our engagement, we have prepared this letter report summarizing our findings.

The conclusions set forth are based on an analysis of the existing and potential future supply and demand for the competitive lodging market as of the completion of our fieldwork in September, October, and November of 2016.

The purpose of this analysis is for use by representatives of the City of Ukiah to evaluate the potential market and financial performance of a hotel in Historic Downtown Ukiah. The intended users will include city representatives and the intended use will be for soliciting interest from the private sector for the development of a hotel in the local market.

As in all studies of this type, the estimated results are based on competent and efficient management and presume no significant change in the status of the competitive lodging market from that as set forth in this report. The terms of our engagement are such that we have no

obligation to revise our conclusions to reflect events or conditions that occur subsequent to the date of completion of our fieldwork. However, we are available to discuss the necessity for revisions in view of changes in the economy or market factors impacting the competitive lodging market.

Since the future performance of the proposed Hotel is based on estimates and assumptions that are subject to uncertainty and variation, we do not present them as results that will actually be achieved. However, our analysis has been conscientiously prepared on the basis of information obtained during the course of this assignment and on our experience in the industry. This report is subject to the Certification and Assumptions and Limiting Conditions presented in the Addenda.

After you have had an opportunity to review this report, please feel free to contact us with any questions or comments. Thank you for the opportunity to work with you on this interesting engagement.

Yours sincerely,

CBRE HOTELS



By: Chris Kraus
Managing Director
chris.kraus@cbre.com | 415.652.4483



By: Miky Kuo
Director
miky.kuo@cbre.com | 415.772.0358

A. EXECUTIVE SUMMARY

1. INTRODUCTION

CBRE Hotels was formally retained on September 6, 2016 by Mr. Sage Sangiacomo of the City of Ukiah to conduct a study of the potential market demand and estimated financial performance for a proposed Hotel to be located in Historic Downtown Ukiah. As a component of this analysis, we first determined the market potential for a proposed hotel in the local market and offered our recommendations as to the most appropriate size and type of lodging facility. At your specific request, we have also evaluated three hypothetical hotel sites in Historic Downtown Ukiah and ranked them in terms of suitability for the development of the recommended Hotel. Based on the recent performance of comparable hotels in the market, we then provided our projections of the occupancy and average daily room rate (“ADR”) the proposed Hotel could achieve for its first ten years of operation. From this, we then prepared a statement of the estimated annual operating results for the proposed Hotel’s first ten years of operation.

For the purpose of this analysis, we have assumed that after a nearly three year pre-development and construction period, the proposed Hotel would be open and available for occupancy by January 1, 2020.

2. SCOPE AND METHODOLOGY OF WORK

Specifically, in conducting the study of the potential market demand, we:

- Met with representatives of the City of Ukiah to fully understand the goals and objectives for the study;
- Conducted a detailed tour of Historic Downtown Ukiah and personally inspected three hypothetical hotel sites suitable for a hotel development. We assessed the impact of each site’s accessibility, visibility, and location relative to demand generators and proximity to downtown amenities such as retail and restaurants;
- Conducted market research in the area, including interviews with key demand generators, inspection and evaluation of existing hotels, and discussions with people familiar with development patterns and the local hotel market;
- Researched and analyzed current economic and demographic trends to determine their impact on future lodging demand in the market;
- Researched the competitive lodging supply in and around Ukiah, with a particular focus on the hotels that would compete most directly with a hotel in the downtown neighborhood;
- Reviewed the historical performance of the competitive lodging market over the last 11 years;

- Estimated the anticipated growth in supply and demand for lodging accommodations in the local market area;
- Prepared a forecast of future performance for the competitive lodging market;
- Evaluated the appropriateness of the available sites in the City of Ukiah for the development of a hotel and recommended the most optimal site of the three hypothetical sites available;
- Provided a recommendation for the sizing, concept, potential brand affiliations, amenities to be provided, and timing of the proposed Hotel;
- Developed a forecast of the likely occupancy levels and the average daily room rates the proposed Hotel could reasonably achieve over its first ten years of operation; and,
- Developed a statement of the estimated annual operating results for the proposed Hotel for its first ten years of operation, assuming an opening date of January 1, 2020.

Several sources were used in compiling the background information and preparing the analyses contained in this report. These sources include CBRE's *Trends® in the Hotel Industry*, data gathered through direct interviews with representatives of local businesses, data provided by sources in the lodging chains with which the competitive properties are affiliated, and data from various local government agencies.

3. HYPOTHETICAL DEVELOPMENT SITES

We have evaluated and inspected three hypothetical development sites, currently controlled by the City of Ukiah in terms of their individual attributes and constraints for development. In doing so, we have examined the size and location, access and visibility, ambiance, present utilization, and relationship to demand generators and area amenities such as retail, restaurants, and the existing conference center of these three hypothetical sites. Based on our evaluation and inspection of the three hypothetical sites, we are of the opinion that **Parking Lot A (West Standley and Oak Streets)**, or similar, would be the optimal location for the development of a downtown hotel. It is well located in Historic Downtown Ukiah and has the appropriate ambiance for the proposed Hotel. The vicinity of **Parking Lot C (East Standley and Main Streets)** would be the secondary choice for the development of the proposed Hotel. Finally, we are of the opinion that the Ukiah Valley **Conference Center/Parking Lot E (School and Church Streets)** would not be appropriate for the development of the proposed Hotel due to the prohibitive cost of redeveloping the Ukiah Valley Conference Center and building above it.

4. RECOMMENDED HOTEL DEVELOPMENT

As will be discussed in further detail later in this report, we have determined that there is sufficient market demand to support the development of a new hotel in Historic Downtown Ukiah.

Based on our research, we recommend that the proposed Hotel be positioned as an upscale hotel affiliated with a major hotel company as a “soft brand.” Soft brands allow hotels to be part of a major hotel company’s sales and marketing platforms, including access to their central reservation systems and guest loyalty programs, however, can retain their unique, design, orientation, and independent status. As such, soft-branded hotels do not have to conform to all the stringent standards typically required by traditional hotels. Examples of “soft brands” that may be appropriate for the proposed Hotel include, but are not limited to, Ascend Hotel Collection (Choice Hotels), BW Premier Collection (Best Western), Lexington Legacy Hotels, and IBC Hotels.

We envision that the proposed Hotel would be positioned as the highest quality hotel in the local market and would cater to guests seeking an authentic wine country experience in Historic Downtown Ukiah. While subject to further refinement, we recommend that the proposed Hotel contain approximately 75 guestrooms, one meeting room of between 1,500 to 2,500 square feet, a full-service restaurant/bar (operated or leased), possibly a tasting room, and typical amenities found at hotels (fitness center, business center, etc.). The recommended Hotel would be the only hotel in the Ukiah market containing a restaurant.

5. PROJECTED OCCUPANCY AND AVERAGE DAILY RATE

Based on our analysis of the competitive market and the local and regional demand generators, we are of the opinion that there would be sufficient demand for the recommended Hotel in Downtown Ukiah. Furthermore, we would recommend that the proposed Hotel be developed on **Parking Lot A (West Standley and Oak Streets)** or similar setting. Based on the recommended Hotel’s competitive positioning, we have projected the occupancy and ADR of the proposed Subject over its first five years of operation (assumed opening date of January 1, 2020).

Proposed Ukiah Hotel Projected Performance								
Year	Hypothetical ADR	Market Growth	Introductory Discount	Actual ADR	Percent Change	Occupancy	RevPAR	Percent Change
2015	\$130.00	-						
2016	\$140.40	8.0%						
2017	\$147.00	5.0%						
2018	\$153.00	4.0%						
2019	\$158.00	3.0%						
2020	\$163.00	3.0%	2.0%	\$160.00	-	65%	\$103.45	-
2021	\$168.00	3.0%	0.0%	\$168.00	5.0%	68%	\$114.76	10.9%
2022	\$173.00	3.0%	0.0%	\$173.00	3.0%	72%	\$124.50	8.5%
2023	\$178.00	3.0%	0.0%	\$178.00	2.9%	72%	\$128.09	2.9%
2024	\$183.00	3.0%	0.0%	\$183.00	2.8%	72%	\$131.69	2.8%

Source: **CBRE Hotels**

6. ESTIMATED ANNUAL OPERATING RESULTS

Based on our analysis of market demand and the estimated occupancy for the proposed Hotel, we have estimated the revenues and expenses for the proposed Hotel's first ten years of operation. This results in a net operating income ("NOI") before fixed charges of interest, depreciation, amortization, and income taxes, but after deducting an FF&E reserve in an amount of 4.0 percent. The following table presents a summary of the estimated operating results of the proposed Hotel for the first ten years of operation.

Summary of Estimated Annual Operating Results			
Year	Total Revenue	Net Operating Income ¹	Ratio to Total Revenues
2020	\$3,982,000	\$873,000	21.9%
2021	4,320,000	1,060,000	24.5%
2022	4,668,000	1,244,000	26.6%
2023	4,803,000	1,281,000	26.7%
2024	4,941,000	1,312,000	26.6%
2025	5,079,000	1,344,000	26.5%
2026	5,239,000	1,393,000	26.6%
2027	5,400,000	1,440,000	26.7%
2028	5,561,000	1,484,000	26.7%
2029	5,726,000	1,527,000	26.7%

¹ Income before the deduction of depreciation, interest, amortization, and income taxes, but after the deduction of a reserve for capital replacement.

B. SITE RECOMMENDATION

1. AVAILABLE HOTEL SITES

As we understand it, there are three hypothetical sites in Historic Downtown Ukiah that may be appropriate for a hotel development. These three sites are controlled by the City of Ukiah and have different attributes. These three sites are discussed below and are identified on the map on the following page.

SITE NO. 1 - Parking Lot A (West Standley and Oak Streets)

- The site encompasses and entire city block bound by Pine Street to the west, Standley Street to the north, Oak Street to the east, and Perkins Street to the south;
- The existing use is as a city controlled surface parking lot;
- The site is located in Historic Downtown Ukiah and is walking distance to restaurant and retail amenities and is two blocks from Ukiah Valley Conference Center;

- The site has direct access from the Perkins Street Exit off Highway 101 (approximately $\frac{3}{4}$ of a mile);
- Based on the Ukiah Municipal Airport Master Plan Compatibility Zoning Map dated July 1996, developments above three stories are permitted on this site; and,
- The site has good ambiance for an upscale, independent hotel along tree lined streets and would provide guests with a wine country hotel experience.

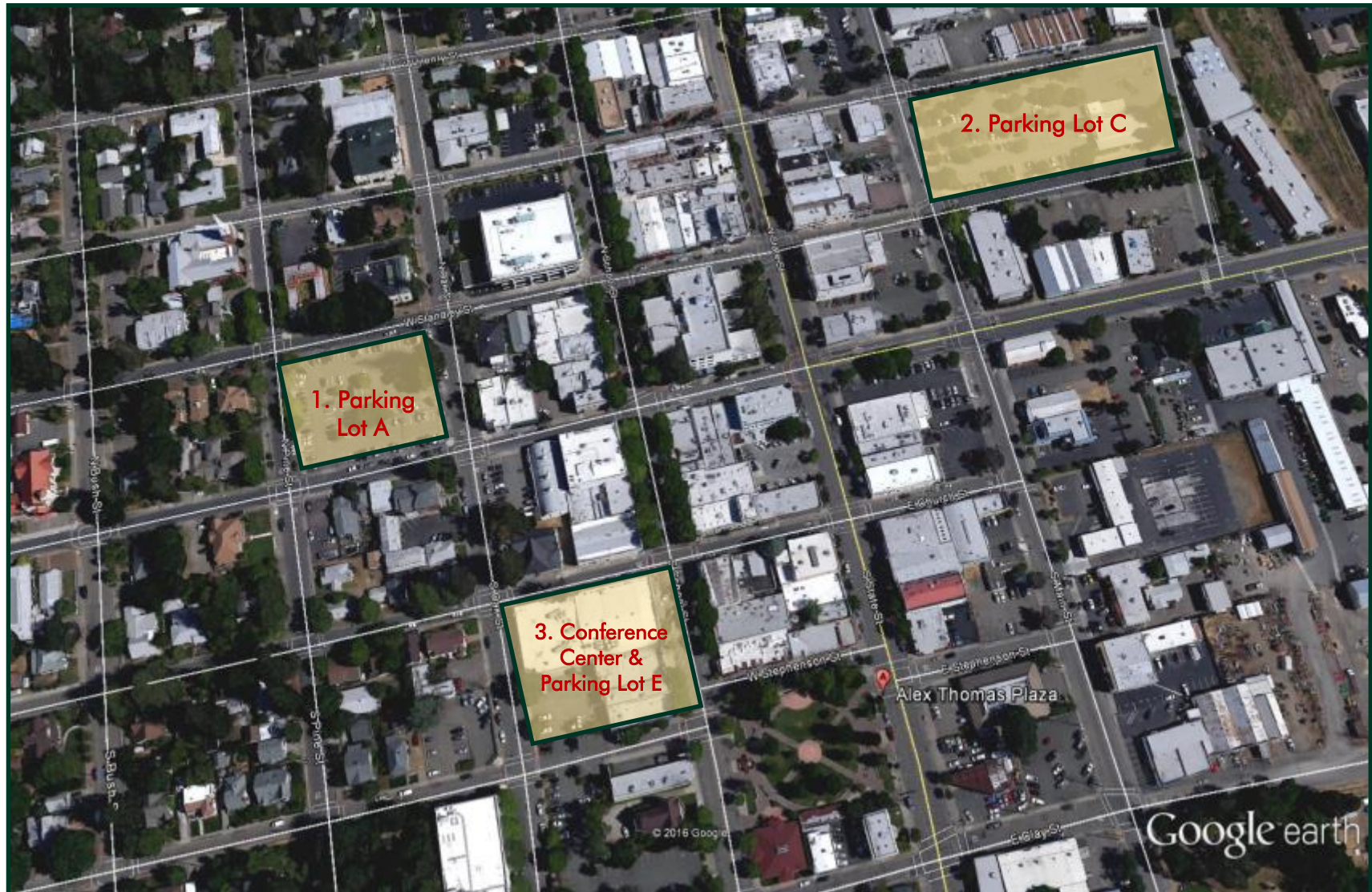
SITE NO. 2 - Parking Lot C (East Standley and Main Streets)

- The site is bound by Main Street to the west, Smith Street to the north, Mason Street to the east, and Standley Street to the south;
- It is the largest of the three hypothetical sites with the ability to be combined with the adjacent commercial building site to the east;
- The existing uses include a city controlled surface parking lot on the west side and a commercial building on the east side;
- It is not located within the boundaries of Historic Downtown Ukiah. Guests would have to cross State Street to reach Historic Downtown amenities. State Street is a busy, two-way, north/south arterial;
- This location does not possess the ideal ambiance for an upscale, full-service, wine country hotel;
- Based on the Ukiah Municipal Airport Master Plan Compatibility Zoning Map dated July 1996, developments above three stories are not permitted on this site; and,
- The site is the closest to Highway 101 and the Perkins Street Exit (approximately $\frac{1}{2}$ mile).

SITE NO. 3 – Ukiah Valley Conference Center & Parking Lot E (School and Church Streets)

- A hotel would be developed above the existing Ukiah Valley Conference Center;
- As part of the hotel development, the Ukiah Valley Conference Center would be renovated and updated;
- The hotel would effectively be part of the Ukiah Valley Conference Center and have access to its meeting and catering facilities;
- The site is located in Historic Downtown Ukiah and walking distance to restaurant and retail amenities. It is the closest to Alex Thomas Plaza;

- Based on the Ukiah Municipal Airport Master Plan Compatibility Zoning Map dated July 1996, developments above three stories are permitted on this site; and,
- The development cost of a hotel at this site would likely also include the cost to renovate the Ukiah Valley Conference Center. As such, we are of the opinion that the total development cost of a hotel on this site would be prohibitive in attracting private investment.

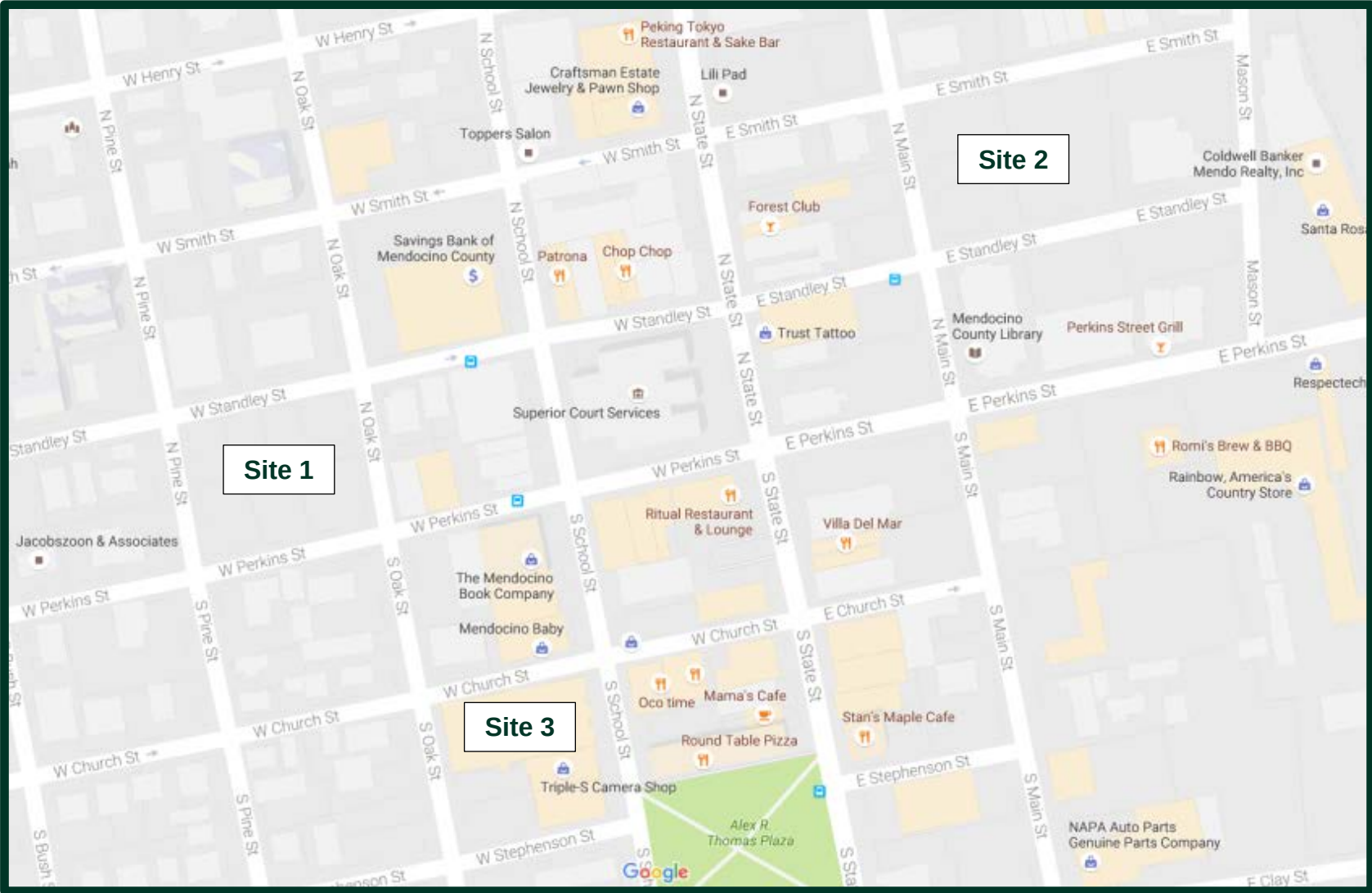


Hypothetical City Controlled Hotel Development Sites in Historic Downtown Ukiah

Upon inspection of the three hypothetical sites in Ukiah and review of their individual attributes, we would rank the three sites in the following order:

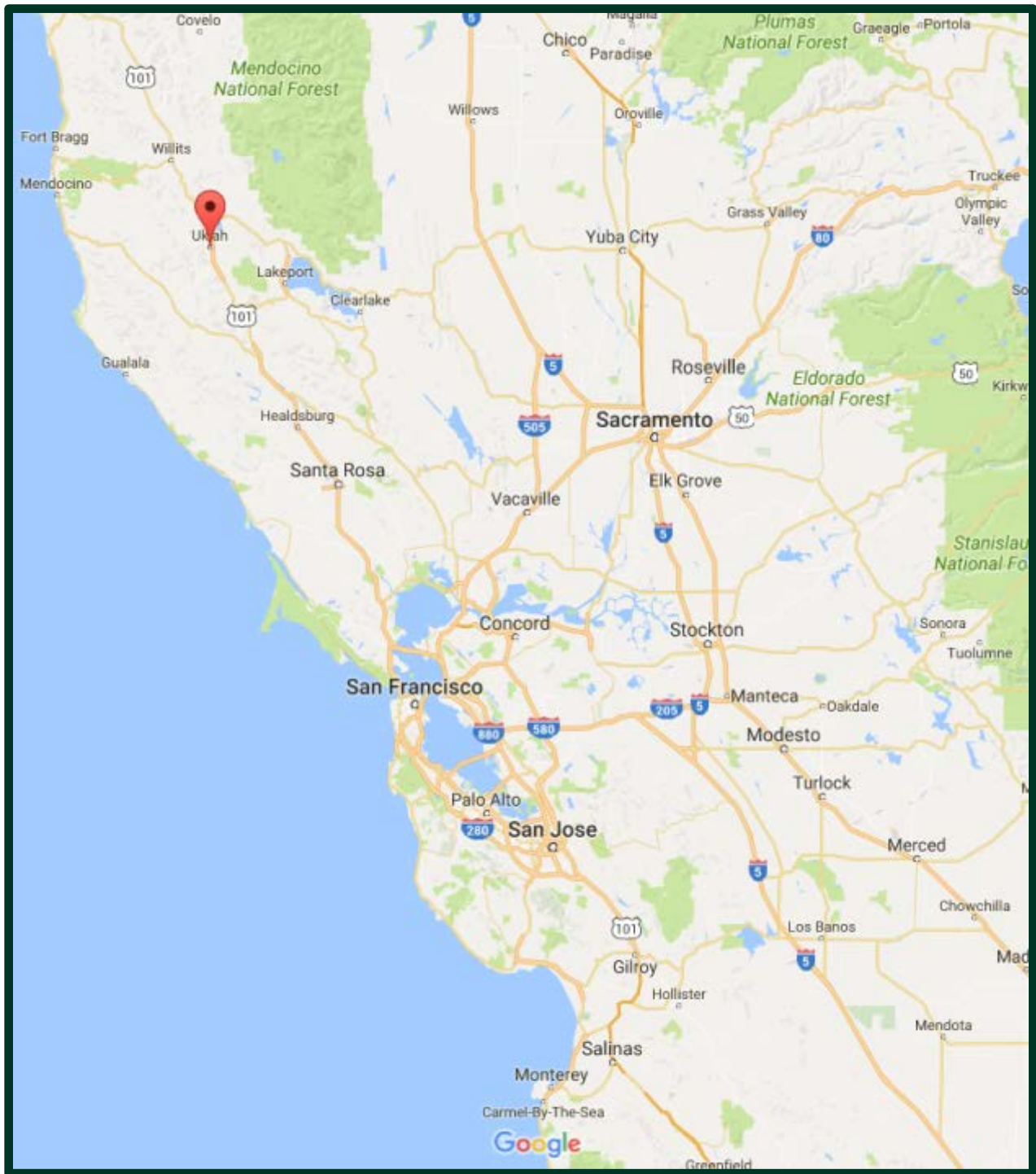
1. **Parking Lot A:** Parking Lot A is the optimal site for the development of a hotel. The site has good ambiance for a wine country hotel and is proximate to Historic Downtown Ukiah amenities. While it will not have visibility from Highway 101, it can be easily accessed from the Perkins Street Exit off Highway 101. The site is rectangular in shape and at grade with its surroundings. Based on our physical inspection, this site is adequate in size and would be well suited for the development of a hotel
2. **Parking Lot C:** Among the three identified sites, Parking Lot C is the second best site for the development of a hotel. Like Parking Lot A, this site will not have visibility from Highway 101, but it is the closest to the Perkins Street Exit off Highway 101. This site is the largest of the three sites. Based on our inspection, this site is adequate in shape and size for the development of a hotel. We are of the opinion, however, that this location would not provide the ideal setting for an upscale, wine country hotel.
3. **Ukiah Valley Conference Center & Parking Lot E:** Conference Center & Parking Lot E is well located in the heart of Historic Downtown Ukiah for the development of a hotel. If a hotel were to be developed in this location, it would be constructed above the existing facility. A hotel developed above the conference center would have access to conference center facilities. That being said, we are of the opinion that the cost to develop a hotel above the conference center would be prohibitive in attracting private investment.

Presented on the following pages are local and regional maps illustrating the three hypothetical development sites and the location of Ukiah.



Local Map

City of Ukiah
Proposed Hotel – Ukiah, California
November 4, 2016
Page 12



Regional Map

C. AREA REVIEW

As previously stated, the proposed Subject will be located in Ukiah, California. Provided in the following section is an overview of the regional and local markets.

1. STATE OF CALIFORNIA

Over the past fifteen years, California has experienced the full spectrum of the economic cycle. It entered into a recession in the early 2000s, followed by a period of economic recovery and growth beginning in mid-year 2003. This recovery period was marked by a decline in the state's unemployment rate, an increase in the employment base, and strong growth in the state's gross domestic product, fueled by a diversifying knowledge-based economy. In conjunction with the strengthening of the national economy and a booming real estate market, California's economy prospered from mid-year 2003 through mid-year 2007. Beginning in the second half of 2007, the Californian economy slowed due to a national recession driven by the national mortgage credit crisis. This most recent recession lasted approximately 20 months and is believed to have ended in August 2009.

After multi-billion dollar shortfalls in recent years, including a \$26.6 billion budget gap in 2011, California ended the 2014/15 fiscal year with revenues for the General Fund totaling \$6.8 billion more than anticipated one year ago when the 2014/15 budget was enacted. This is 6.4 percent higher than projected. Compared to the previous fiscal year, California revenues were \$12.7 billion higher, an increase of 12.5 percent over prior year levels. For the entire 2014/15 fiscal year that ended June 30th, personal income tax led the surge, accounting for \$5.8 billion of the \$6.8 billion windfall. Corporation taxes beat projections by \$1.6 billion, while retail sales and use taxes for the year came in \$395.9 million lower than expected. Of the \$12.7 billion revenue increase over the 2013/14 fiscal year, \$10.1 billion or 80 percent consisted of personal income taxes.

2. MENDOCINO COUNTY

The proposed Hotel lies within Mendocino County, which is located in Northern California, to the north of Sonoma County, to the west of Lake, Glenn, and Tehama Counties, and to the south of Humboldt and Trinity Counties. Mendocino County is approximately 3,500 square miles and features approximately 80 miles of coastal frontage along the Pacific Ocean. The county's southern boundary is approximately 115 miles north of San Francisco while the county's northern border is approximately 180 miles south of the Oregon border.

Mendocino County is traversed by U.S. Highway 101 in its interior, and by Highway 1 along the Pacific Coast. Several routes connect these major highways including Highway 128 and Highway 20. Most of Mendocino County's major cities are situated along these highways. The cities of Hopland, Ukiah (the county seat and largest city, as well as the subject of this report), Willits,

Laytonville, and Leggett all straddle Highway 1. Gualala, Anchor Bay, Point Arena, Manchester, Elk, Albion, Little River, Mendocino, Fort Bragg, and Westport are all small, former logging communities along Highway 1.

Mendocino County is characterized by picturesque terrain including breathtaking coastal views, rolling, vineyard-covered hills, redwood forests, and rugged mountains. It is known for outdoor recreational activities such as camping, diving, fishing, whale watching, ocean-kayaking, and hiking.

Population: According to the California Department of Finance Demographic Research Unit, Mendocino County has a 2016 population of approximately 88,400, representing an increase of 0.2 percent over 2015 levels. The City of Ukiah is the largest city with approximately 16,200 residents as of January 1, 2016. The countywide population has grown at a compound annual growth rate (CAGR) of 0.1 percent since 2010, slower than the statewide CAGR of 0.9 percent over the same period.

Employment: The major employers in Mendocino County consist primarily of government, hospitals, agriculture, and tourism/gaming. Historically, the economy in Mendocino County has been driven by the timber and commercial fishing industries, but employment in these industries has decreased considerably over the past three decades as a result of environmental preservation efforts and the modernization of processing techniques. The following table summarizes the largest employers in the county, as of 2016.

Major Employers in Mendocino County - 2016			
Employer	Location	Employer	Location
City of Ukiah	Ukiah	Mendocino Redwood Co LLC	Calpella
Coyote Valley Casino	Redwood Valley	Raley's	Ukiah
Dharma Realm Buddhist Assn	Talmage	Redwood Empire Packing Inc.	Ukiah
Fetzer Vineyards	Hopland	Safeway	Fort Bragg
Forestry & Fire Protection	Willits	Trinity Youth Services	Ukiah
Hillside Health Center	Ukiah	Ukiah Campus	Ukiah
Hopland Sho Ka Wah Casino	Hopland	Ukiah City Civic Center	Ukiah
Little River Inn Golf & Tennis	Little River	Ukiah High School	Ukiah
Mendocino Coast District Hospitality	Fort Bragg	Ukiah Valley Medical Center	Ukiah
Mendocino College	Ukiah	Walmart	Ukiah
Mendocino County	Ukiah		
Source: State of California Employment Development Department			

As of August 2016, Mendocino County reported a total labor force of approximately 40,900 people. Unemployment for the county was 5.0 percent, on par with the statewide unemployment rate 4.9 percent.

Transportation: Primary transportation through Mendocino County is provided by U.S. Highway 101 and State Highways 1, 20, 128, 162, and 253. Highway 101 travels north to the Oregon Border and south to San Francisco. Highway 1, also known as the Pacific Coast Highway, travels south to San Francisco and north through Mendocino County, where it connects to Highway 101.

Highway 128 travels southeast from Highway 1, where it connects with Highway 101 in Cloverdale. Highways 20, 128, 162, and 253 travel in east-west directions.

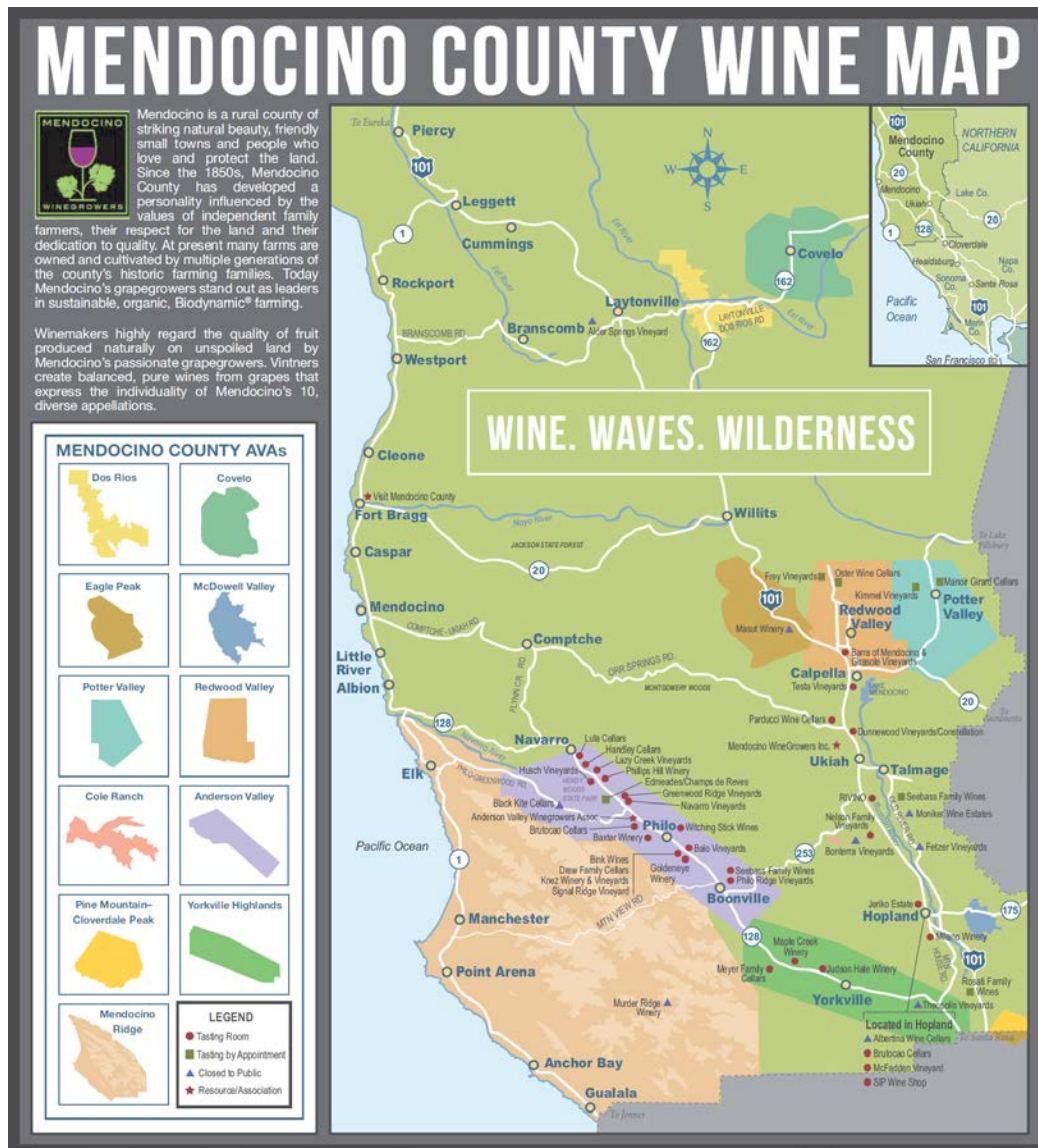
Public transportation is provided by the Mendocino Transit Authority (MTA), serving Ukiah, Mendocino Valley, and other coastal communities. MTA operates several routes, most of which radiate from the main city of Ukiah.

Mendocino County has two public airports: the Round Valley Airport and the Little River Airport. The Round Valley Airport is an unmanned airport with a paved runway, runway lights, and a tie down area that serves a remote area of the County. The Little River Airport, which serves the central Mendocino coast, provides more thorough services, is located 3 miles southeast of Little River, and has one runway.

The Ukiah Municipal Airport is a public airport located just south approximately 1.5 miles south of Downtown Ukiah. It is a general aviation airport situated on 160 acres and has one runway. The airport opened in the 1930's and has 87 aircrafts based on site.

Tourism: The Mendocino coast is a popular weekend getaway for many San Francisco Bay Area residents. Among the attractions are the coastal scenery, state parks and beaches, and other outdoor activities. Among the most popular destinations are the Russian River, the Albion River, Sinkyone Wilderness State Park, Van Damme State Park, Hendy Woods State Park, Mendocino Headlands State Park, and Navarro River Redwoods State Park. Popular outdoor activities include camping, hiking, rafting, canoeing & kayaking, and diving. Additionally, Mendocino County is known for its many excellent wineries. Indeed, the vineyards in this region are leaders in sustainable, organic, and Biodynamic grape growing practices. Displayed below is a map highlighting some of the county's most popular wineries.

Ukiah serves as the starting point for visitors traveling along the Pacific Coast. From Ukiah, visitors head west along Highway 253 to Boonville which then connects to Highway 128. Heading north along Highway 128 from Boonville, through Philo and Navarro, visitors traverse through the heart of Anderson Valley. Anderson Valley is Mendocino County's most well-known wine growing region. Only fifteen miles long, Anderson Valley is home to a unique group of vineyards and wineries producing a broad range of excellent wines including world class Pinot Noir and Alsace Varietals. Highway 128 then connects to Highway 1, also known as the Pacific Coast Highway.



Climate: The Mendocino coast is characterized by seasonal weather conditions with lower temperatures and greater precipitation during winter months and higher temperatures and little precipitation during the summer. The average high temperature in July in Mendocino County is 81.3 degrees F, while the average low in January is 36 degrees F. However, it should be noted that Mendocino County has a range of microclimates which are largely influenced by the geography and topography of the region.

3. CITY OF UKIAH

The first Anglo settler to dwell in what is now Ukiah was John Parker, a vaquero who worked for pioneer cattleman James Black. Black had taken possession of a block of grazing land just south of present-day Ukiah, and Parker constructed his cabin on the banks of what was known as Wilson Creek. In 1857, seven more settlers arrived in the city. The first United States post office

opened in the city in 1858, and by 1859 the population of Ukiah had grown to approximately 100 people. Ukiah was incorporated in 1876, but it was not until 1889 that the San Francisco and North Pacific Railroad completed its line from Cloverdale (30 miles south) to Ukiah, finally linking Ukiah to the national rail network.

Present day Ukiah is the largest city in Mendocino County and serves as the county seat. With its accessible location along the busy north/south Highway 101 corridor and near the east/west Highway 20 corridor, Ukiah serves as a hub for both Mendocino County and much of neighboring Lake County. The city has an estimated population of approximately 16,075 people. However, as the Mendocino County seat and the business/education/shopping center for much of the region, the weekday population swells to roughly 35,000, generating significant lodging demand.

Ukiah is surrounded by natural beauty and hosts a variety of recreational activities, including the county's only 18-hole golf course, three disc golf courses, Lake Mendocino for boating, fishing, hiking, and camping, and thousands of acres of BLM land for recreation and off-road vehicle use. It possesses a vibrant and diversified economy and a mix of small town charm and big city culture. For these reasons, Ukiah is rapidly being discovered by visitors looking for an easy, inspiring getaway. Since 2010 visitor spending in Ukiah has increased by nearly 50 percent. Presented below is a summary of several of the attributes of the City of Ukiah.

- Ukiah was voted "Best in California" and "6th Best Small Town in the U.S." by Norman Crampton's *The 100 Best Small Towns in America* and one of the "8 Great Places You've Never Heard Of" by Mother Earth News.
- Ukiah is centrally located to over 30 winery tasting rooms, making it an ideal location for residents of nearby San Francisco or Sacramento interested in a weekend of wine-tasting as an alternative to the more expensive and crowded Napa or Sonoma Counties. The region is also a national leader in organic vineyard practices and has been dubbed the greenest wine region in America. In June and November, the city hosts the weekend-long event A Taste of Redwood Valley, a celebration of the region's wineries. Wine tourism is one of the primary lodging demand generators in Ukiah.
- Downtown Ukiah is home to a multitude of visitor attractions, including a bustling restaurant scene largely focused around local, organically grown produce, meats, and wines; the Grace Hudson Museum and Sun House, an art and history museum that features the intricate basketry of the local Pomo Indian tribe; and a wide variety of family-owned boutiques appealing to window shoppers, souvenir seekers, and locals alike. Additionally, Ukiah is home to the City of 10,000 Buddhas, one of the largest Buddhist communities in the Western Hemisphere, and Montgomery Woods Redwood

Grove, one of the most pristine redwood tree groves anywhere. Historic Vichy Springs, the only warm and naturally carbonated mineral baths in North America, is just outside the city limits. Orr Hot Springs, the first commercial hot springs in the country, is approximately 25 minutes outside of town.

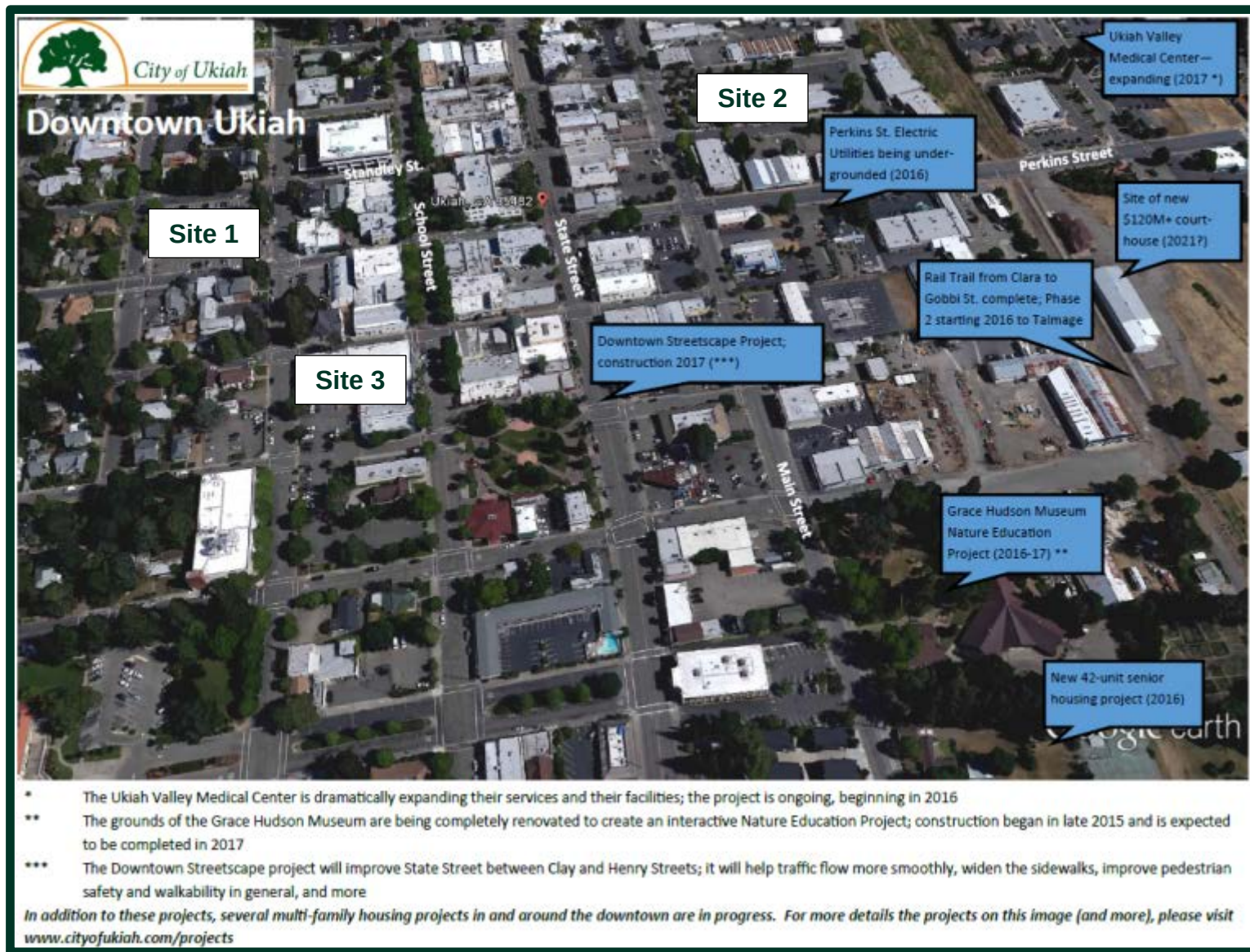
- The region's multitude of wineries, combined with its spectacular natural beauty and abundance of visitor attractions, make it a popular destination for events such as weddings and reunions.
- A variety of major projects will bring significant changes to Ukiah over the next several years. Some of these include the new Costco development planned near Talmage Road and Highway 101; the new Ukiah Courthouse, which is anticipated to cost more than \$100 million; a new affordable senior housing project and more multi-family housing to support the growing population; an extension of the existing Rail Trail, which will create a safe and efficient pedestrian and bike pathway through the city; and the Downtown Streetscape Project between Mill and Henry Streets, which will include widened sidewalks, bulbouts for greater pedestrian safety, and improved traffic circulation. Additionally, an expansion of the Ukiah Valley Medical Center, which serves 122,000 people annually, was approved in 2014. This expansion will help the facility's efforts to advance its trauma designation from level 4 to level 3.
- Ukiah has a vibrant economy and a friendly business climate, in part due to its comprehensive workforce development network which includes education, training, support services, and the facilitation of business development, job retention, and expansion. On average, the City of Ukiah's development fees are 50 to 60 percent lower than other cities in the area, and there are no school impact fees.
- A long list of innovators and industry leaders are based in the Ukiah area. Among others, Maverick Enterprises, a privately owned company that produces capsules and alternative closures for the wine, distilled spirits, and specialty food and beverage industries, and Factory Pipe, which makes specialized mufflers for snowmobiles and jet skis, are based in Ukiah. Solar Living Institute, which manages the Solar Living Center, a 12-acre renewable energy and sustainable living demonstration site that is visited by 200,000 people annually, is located in nearby Hopland. Advance Power, which was the first California business to be solar and wind powered and has been a leader in the energy production industry since 1978, is located just north of Ukiah in Redwood Valley. The area is also home to Parducci Wine Cellars, the first carbon neutral winery in the U.S., and Fetzer Winery, the sixth largest wine producer in the U.S., the first California winery

to operate on 100 percent renewable energy, the first winery to achieve zero waste, and the site of the largest solar array in the wine industry.

- Ukiah offers an array of post-secondary educational opportunities. Mendocino College, founded in 1973, is located in Ukiah and is part of the Mendocino-Lake Community College District. The 127-acre campus enrolls approximately 5,150 students and employs 55 full-time and 200 adjunct faculty members. Sonoma State University offers an upper-division extension program in Ukiah leading to a Bachelor of Arts in Liberal Studies, with an emphasis on American Studies. In nearby Hopland, the University of California Davis operates a Research and Extension Center, one of nine such centers operated by the UC Division of Agriculture and Natural Resources.
- The map on the following page illustrates the relative location of the three hypothetical sites to some of the development projects in Downtown Ukiah.

4. CONCLUSION

After review of the general economic and demographic information for the City of Ukiah and the greater Mendocino County area, we are of the opinion that the local and regional economies are poised for continued economic growth. Due to its abundance of visitor attractions and proximity to major population centers, Ukiah is projected to remain a very desirable visitor destination. As such, growth in lodging demand, both from individual business and leisure travelers as well as group demand generated from social functions, is expected to continue to increase.



D. HOTEL MARKET ANALYSIS

1. NATIONAL MARKET OVERVIEW

The research division of CBRE Hotels (formerly PKF Hospitality Research) owns the database for *Trends® in the Hotel Industry*, the statistical review of U.S. hotel operations, which first appeared in 1935 and has been published every year since. Beginning in 2007, the powerful *Hotel Horizons®* was unveiled. *Hotel Horizons®* is an economics-based hotel forecasting model that projects five years of supply, demand, occupancy, ADR, and revenue per available room (“RevPAR”) for the U.S. lodging industry with a high degree of accuracy. *Hotel Horizons®* reports are published on a quarterly basis for 59 markets and six national chain-scales.

Based on the *September - November 2016 National Edition of Hotel Horizons®*, revenue per available room for the U.S. lodging market grew by 8.1 percent in 2011, 6.7 percent in 2012, 5.2 percent in 2013, 8.1 percent in 2014, and 6.2 percent in 2015. As a point of comparison, RevPAR declined by 16.7 percent in 2009, the largest percentage decline since CBRE Hotels/PKF Hospitality Research began tracking lodging performance in 1935. This significant drop was a direct result of the severe national and global recession which began in the fall of 2007 and lasted well into 2009. Further, it resulted in a 40.0 percent decrease in hotels’ net operating income (“NOI”), subsequently impacting hotel values throughout the nation.

For the following three years (2016, 2017, and 2018), the overall U.S. lodging market is projected to achieve RevPAR growth rates of 3.6 percent, 3.9 percent, and 3.7 percent, respectively, with ADR gains leading these increases. However, it should be noted that these RevPAR growth rates are below the growth experienced over the last five years as the national lodging recovery cycle is nearing an end as supply growth is beginning to have a negative impact on occupancy and subsequently ADR growth.

2. COMPETITIVE LODGING MARKET OVERVIEW

In our analysis of the competitive market for the proposed Hotel, we have identified nearly all of the existing hotels in the Ukiah market. The existing competitive hotel supply in the City of Ukiah, which represents a self-contained lodging market along the Highway 101 corridor, consists of upper midscale, midscale, and economy hotels (per Smith Travel Research chain scale definitions). Based on our research, we have identified nine properties as representing the primary competitive market for the proposed Hotel. The total number of rooms in the competitive supply is 522. Competitive properties were identified on the basis of location, room product offered, guest type, and overall quality. These hotels are identified in the table below and we have provided a table highlighting the primary facilities of each hotel on the next table.

Competitive Market					
Hotel	City	Rooms	Opening Date	Chain Class	Affiliation
Best Western Orchard Inn	Ukiah	54	2001	Midscale	Best Western
Super 8 Ukiah	Ukiah	54	1981	Economy	Wyndham
Days Inn Ukiah	Ukiah	54	1959	Economy	Wyndham
Quality Inn Ukiah	Ukiah	40	1960	Midscale	Choice
Motel 6 Ukiah	Ukiah	70	1970	Economy	Motel 6
Fairfield Inn & Suites Ukiah Mendocino	Ukiah	56	2005	Upper Midscale	Marriott
Hampton Inn Ukiah	Ukiah	76	2002	Upper Midscale	Hilton
Comfort Inn & Suites Ukiah	Ukiah	63	2007	Upper Midscale	Choice
Travelodge Ukiah	Ukiah	55	1997	Economy	Wyndham
Subtotal		522	-	-	
Proposed Ukiah Hotel		75	-	-	
Total		597	-	-	

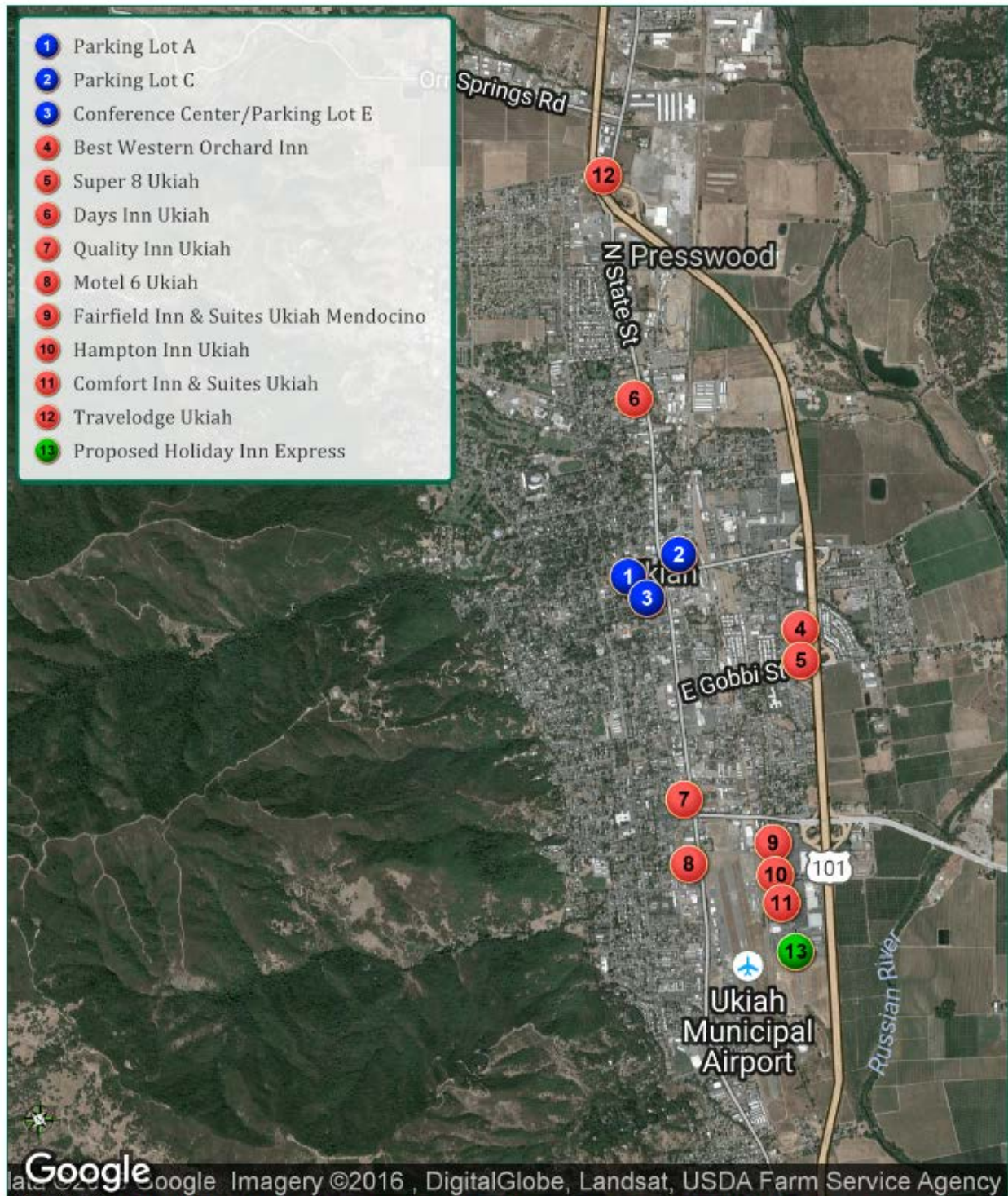
As noted, these hotels range in size between 40 guestrooms (Quality Inn Ukiah) and 76 guestrooms (Hampton Inn Ukiah) and opened between 1959 and 2007.

It should be noted that while other hotels in the regional market may be deemed competitive to the proposed Hotel, the selected properties were useful in illustrating the general performance of the local hotel market. Specifically, we have excluded independent hotels and motels from our sample. A map of the competitive market has been presented on page 25.

SUMMARY OF UKIAH HOTELS				
Property	Best Western Orchard Inn	Super 8 Ukiah	Days Inn Ukiah	Quality Inn Ukiah
				
Address	555 S Orchard Ave	693 S Orchard Ave	950 N State St	1050 S State St
Year Opened	2001	1981	1959	1960
Number of Rooms	54	54	54	40
Affiliation	Best Western	Wyndham	Wyndham	Choice Hotels
Amenities				
Food & Beverage	Complimentary Breakfast	Complimentary Breakfast	Complimentary Breakfast	Complimentary Breakfast
Recreation	Fitness Center, Outdoor Pool	Fitness Center, Outdoor Pool	Fitness Center, Outdoor Pool	Fitness Center
Meeting Space	N/A	N/A	N/A	N/A
Property	Motel 6 Ukiah	Fairfield Inn & Suites Ukiah	Hampton Inn Ukiah	Comfort Inn & Suites Ukiah
				
Address	1208 S State St	1140 Airport Park Blvd	1160 Airport Park Blvd	1220 Airport Rd
Year Opened	1970	2005	2002	2007
Number of Rooms	70	56	76	63
Affiliation	Motel 6	Marriott	Hilton	Choice Hotels
Amenities				
Food & Beverage	N/A	Complimentary Breakfast	Complimentary Breakfast	Complimentary Breakfast
Recreation	Outdoor Pool	Fitness Center, Indoor Pool	Fitness Center, Outdoor Pool	Fitness Center, Outdoor Pool
Meeting Space	N/A	414 sq. ft.	1,800 sq. ft.	N/A

SUMMARY OF UKIAH HOTELS		
Property	Travelodge Ukiah	
		
Address	1720 N State St	
Year Opened	1997	
Number of Rooms	55	
Affiliation	Travelodge	
Amenities		
Restaurant	Complimentary Breakfast	
Recreation	Fitness Center, Outdoor Pool	
Meeting Space	N/A	

Proposed Hotel Ukiah Competitive Hotel Map



3. HISTORICAL PERFORMANCE OF THE COMPETITIVE MARKET

Presented in the following table is a summary of the historical supply and demand and the resulting occupancy percentages for the identified competitive market for the period 2005 to 2015 as well as year-to-date (“YTD”) August 2016 and 2015. Also included are the competitive market’s average daily rate (“ADR”) and revenue per available room (“RevPAR”) figures. RevPAR is an industry standard which equates to the total revenue generated by available rooms and thereby measures the operational success of a market or individual property.

Proposed Ukiah Hotel Historical Performance of the Competitive Market									
Year	Annual Supply	Percent Change	Occupied Rooms	Percent Change	Market Occupancy	ADR	Percent Change	RevPAR	Percent Change
2005	152,205		89,649		58.9%	\$70.26		\$41.38	
2006	167,535	10.1%	100,018	11.6%	59.7%	\$73.63	4.8%	\$43.96	6.2%
2007	178,850	6.8%	100,871	0.9%	56.4%	\$77.17	4.8%	\$43.52	-1.0%
2008	190,530	6.5%	107,459	6.5%	56.4%	\$78.27	1.4%	\$44.14	1.4%
2009	190,530	0.0%	95,074	-11.5%	49.9%	\$76.87	-1.8%	\$38.36	-13.1%
2010	190,530	0.0%	101,934	7.2%	53.5%	\$75.06	-2.4%	\$40.16	4.7%
2011	190,530	0.0%	109,555	7.5%	57.5%	\$76.39	1.8%	\$43.92	9.4%
2012	190,530	0.0%	111,460	1.7%	58.5%	\$76.21	-0.2%	\$44.58	1.5%
2013	190,530	0.0%	118,129	6.0%	62.0%	\$78.99	3.6%	\$48.97	9.8%
2014	190,530	0.0%	120,987	2.4%	63.5%	\$86.98	10.1%	\$55.23	12.8%
2015	190,530	0.0%	129,179	6.8%	67.8%	\$96.87	11.4%	\$65.68	18.9%
CAGR	2.3%	-	3.7%	-	58.6%	3.3%	-	4.7%	-
YTD Aug '15	127,020	-	84,849	-	66.8%	\$94.39	-	\$63.05	-
YTD Aug '16	127,020	0.0%	85,866	1.2%	67.6%	\$101.94	8.0%	\$68.91	9.3%

Source: CBRE Hotels

- As can be noted from the table above, supply for the competitive market has increased at a compound annual growth rate (“CAGR”) of 2.3 percent from 2005 to 2015. During this period, the two additions to supply were the 56-room Fairfield Inn & Suites Ukiah Mendocino (October 2005) and the 63-room Comfort Inn & Suites Ukiah (July 2007).
- Demand, as measured by occupied room nights for the competitive market, has increased at a CAGR of 3.7 percent from 2005 through 2015. During this period, demand growth ranged from a decline of 11.5 percent to an increase of 11.6 percent. Prior to the recent recession (2005 to 2008), demand growth ranged from 0.9 percent to 11.6 percent. Occupancy declined slightly from 58.9 percent in 2005 to 56.4 percent in 2008 as the two aforementioned additions to supply were absorbed by the competitive market. Demand declined 11.5 percent and occupancy reached a low of 49.9 percent in 2009 due to the effects of the last economic recession. Following the recession, demand growth ranged from 1.7 percent to 7.5 percent, between 2010 and 2015. Occupancy increased from 53.5 percent in 2010 to a record high of 67.8 percent in 2015. As of year-to-date (“YTD”) August 2016, demand increased 1.2 percent over YTD August 2015, resulting in occupancy of 67.6 percent. Demand growth following the recent recession has been driven by the economic growth benefitting all of Northern California.

- The competitive market's occupancy over this 11-year period ranged from 49.9 percent (2009) to 67.8 percent (2015), with an average of 58.6 percent. As a point of comparison, the long-run average occupancy for the U.S. lodging market is 62.1 percent. As noted, occupancy of the competitive lodging market has been below the long-run national average for nine of the past 11 years. Only recently as of 2013 has the Ukiah lodging market achieved an occupancy level above 62 percent. The performance of the competitive market is indicative of the location of Ukiah relative to local and regional demand generators, the small size of the market, and the relatively low quality/condition of the existing hotels. Overall, Ukiah represents a tertiary hotel market that is quite sensitive to economic changes effecting lodging demand. It will typically be one of the first markets to be affected by economic downturns and the last to benefit from economic growth. At recent occupancy levels (67.8 percent in 2015), however, the competitive market is effectively operating at maximum annual capacity due to seasonality and demand segmentation. As such, the competitive market is unable to accommodate additional demand during peak periods; thereby creating unsatisfied demand.
- ADR for the competitive market increased at a CAGR of 3.3 percent from 2005 to 2015. During this period, ADR growth for the competitive market ranged from a decline of 2.4 percent to growth of 11.4 percent. ADR increased 4.8 percent in both 2006 and 2007 due to the additions of the Fairfield Inn & Suites and the Comfort Suites. These two hotels were able to achieve ADR premiums over the competitive supply and thus provided a "lift" to the aggregate ADR of the competitive market. It is interesting to note that when occupancy was at its lowest point during the recent recession in 2009, ADR only declined 1.8 percent. Comparatively, the ADR of the national lodging market declined 8.6 percent in 2009. As occupancy in the competitive market reached record levels in 2014 and 2015, hotel general managers have been able to aggressively increase asking room rates during periods of peak demand. This strategy has yielded double-digit ADR growth of 10.1 percent in 2014 and 11.4 percent in 2015, well above the CAGR of 3.3 percent. This trend has continued as the competitive market achieved 8.0 percent ADR growth as of YTD August 2016 over YTD August 2015.
- With healthy increases in both occupancy and ADR between 2005 and 2015, RevPAR growth has ranged from a decline of 13.1 percent to growth of 18.9 percent. The competitive market achieved record double-digit RevPAR growth levels in 2014 and 2015. YTD August 2016 RevPAR growth tapered to 9.3 percent over YTD August 2015. With the competitive market effectively operating at maximum annual capacity, RevPAR growth was driven primarily by ADR growth.
- In 2015, the occupancy of the individual properties ranged from approximately 45 to 80 percent. We further estimate that ADR of the individual hotels ranged from approximately

\$50 to \$130 in 2015. As the individual upper midscale hotels have historically achieved significantly stronger occupancy and ADR than the individual midscale and economy hotels, it is evident that there is more demand for the higher quality lodging products in Ukiah.

- We estimate the demand segmentation of the competitive market is comprised of approximately 95 percent transient commercial and leisure demand and 5 percent group demand. We further estimate that the transient demand is comprised of approximately 50 percent commercial demand and 50 percent leisure demand.
- As illustrated in the chart below, occupancy in the competitive market does exhibit seasonal patterns. The strongest months are the months of June through October when occupancy is in the 70 percent to 80 percent range. April, May, and November are shoulder months with occupancy in the high-50 to low-60 percent range. January, February, March and December are the slowest months with occupancy in the high 40 to mid-50 percent range.

Competitive Market Seasonality (Monthly)				
Monthly Occupancy	2013	2014	2015	3-Year Avg.
January	44%	49%	54%	49%
February	52%	55%	62%	56%
March	51%	53%	56%	53%
April	55%	60%	61%	58%
May	65%	62%	67%	65%
June	75%	71%	76%	74%
July	76%	75%	78%	76%
August	75%	84%	81%	80%
September	71%	73%	84%	76%
October	68%	67%	74%	70%
November	61%	61%	63%	62%
December	51%	54%	57%	54%
	62%	63%	68%	64%

- The chart on the following page illustrates the demand in the competitive market by day of the week. Commercial travel drives demand on Tuesday and Wednesday with occupancy of 70 percent. Leisure travel drives demand on Friday and Saturday with occupancy of 69 percent and 73 percent, respectively. Saturday is historically the busiest day of the week. Monday and Thursday are shoulder periods with a mix of commercial and leisure demand. Sundays are the slowest day of the week with average occupancy of approximately 50 percent.

Competitive Market Seasonality (Weekly)				
Day of Week	TTM 8/14	TTM 8/15	TTM 8/16	3-Year Avg.
Sunday	48%	48%	53%	50%
Monday	60%	63%	66%	63%
Tuesday	67%	70%	72%	70%
Wednesday	68%	71%	72%	70%
Thursday	63%	66%	69%	66%
Friday	67%	69%	70%	69%
Saturday	71%	73%	76%	73%
Year	63%	66%	68%	66%

4. ADDITIONS TO SUPPLY

During the course of our research, we have identified one new hotel project that has been proposed.

- **Upper Midscale Hotel:** A 92-room, upper midscale hotel has been proposed near Highway 101 in Ukiah. While it is in preliminary planning stages, it is currently scheduled to open in January 2019. We have included the annualized addition of this hotel in our projection of future supply and demand.

5. RECOMMENDED HOTEL PRODUCT

Based on the information obtained during the course of this assignment and a review of the individual performance levels of the competitive hotels, we have determined that there is sufficient market demand to support the development of a new hotel in Historic Downtown Ukiah. As discussed earlier, we are of the opinion that the vicinity of **Parking Lot A (West Standley and Oak Streets)** would be the optimal site for such a hotel development.

Based on our research, we recommend that the proposed Hotel be positioned as an independent, upscale hotel, affiliated with one of the major hotel companies as a “soft brand.” As discussed earlier, soft brands allow hotels to be part of a major hotel company’s sales and marketing platforms, including access to their central reservation systems and guest loyalty programs, while retaining their unique, design, orientation, and independent status. As such, soft-branded hotels do not have to conform to all the stringent standards typically required by traditional hotels. Examples of “soft brands” that may be appropriate for the proposed Hotel include, but are not limited to, Ascend Hotel Collection (Choice Hotels), BW Premier Collection (Best Western), Lexington Legacy Hotels, and IBC Hotels.

While subject to further refinement, we recommend that the proposed Hotel contain up to 75 guestrooms, restaurant/bar, approximately 1,500 to 2,500 square feet of meeting space, a full-service restaurant/bar (operated or leased), possibly a tasting room, and typical amenities found at upscale hotels (fitness center, business center, etc.). For the purpose of our analysis, we have

assumed that the proposed Hotel would be open and available for occupancy by January 1, 2020. We have summarized the recommended facilities in the table below.

Proposed Ukiah Hotel Summary of Recommended Facilities	
Room Count:	Up to 75 guestrooms
Chain Scale:	Upscale
Gross Building Area:	48,750 SF
Gross Square Feet Per Room:	+/-650 SF
Floors:	Up to four stories
Food & Beverage Facilities:	Restaurant and Bar
Meeting Space:	1,500 to 2,500 square feet
Other:	business center, fitness center, whirlpool, sundries shop

We envision that the proposed Hotel would be uniquely positioned as the highest quality hotel in the local market and would cater to guests seeking an authentic wine country experience in Downtown Ukiah. The proposed Hotel would be located in picturesque Historic Downtown Ukiah and would be the only hotel with a restaurant and bar in Ukiah. We expect that the restaurant and bar would be utilized by both hotel guests and local patrons and could either be operated by the hotel operator, or leased to a local restaurateur. Furthermore, based on our interviews with representatives of local wineries, wine grower's associations, hotel owners/operators, and the conference center, we are of the opinion that there is demand for an upscale hotel product in Ukiah, which currently does not exist. This is further supported by the fact that the two existing highest quality hotels achieve the strongest levels of performance. Therefore, we deem a full-service, upscale hotel to be the most appropriate hotel product to serve the unmet lodging needs of Ukiah. The recommended Hotel would capture existing unsatisfied demand, existing demand seeking a higher-end experience and would induce new demand into the Ukiah market.

E. PROJECTED MARKET AND SUBJECT PERFORMANCE

1. PROJECTED PERFORMANCE OF THE COMPETITIVE MARKET

Presented in the following table is a summary of our occupancy and ADR projections for the competitive market for the years 2016 through 2024, coinciding with the proposed Hotels' first five full years of operation. As discussed, we have assumed that the proposed Hotel would be open and available for occupancy by January 1, 2020 and the Holiday Inn Express would be delivered in 2019.

Proposed Ukiah Hotel Projected Performance of the Competitive Market									
Year	Annual Supply	Percent Change	Occupied Rooms	Percent Change	Market Occupancy	ADR	Percent Change	RevPAR	Percent Change
2015	190,530	0.0%	129,179	6.8%	68%	\$96.87	11.4%	\$65.68	18.9%
2016	190,530	0.0%	133,100	3.0%	70%	\$105.00	8.0%	\$73.35	11.7%
2017	190,530	0.0%	131,500	-1.2%	69%	\$110.00	5.0%	\$75.92	3.5%
2018	190,530	0.0%	129,600	-1.4%	68%	\$114.00	4.0%	\$77.54	2.1%
2019	221,555	16.3%	141,800	9.4%	64%	\$117.00	3.0%	\$74.88	-3.4%
2020	248,930	12.4%	149,400	5.4%	60%	\$121.00	3.0%	\$72.62	-3.0%
2021	248,930	0.0%	149,400	0.0%	60%	\$125.00	3.0%	\$75.02	3.3%
2022	248,930	0.0%	149,400	0.0%	60%	\$129.00	3.0%	\$77.42	3.2%
2023	248,930	0.0%	149,400	0.0%	60%	\$133.00	3.0%	\$79.82	3.1%
2024	248,930	0.0%	149,400	0.0%	60%	\$137.00	3.0%	\$82.22	3.0%
CAGR	3.4%	-	1.5%	-	-	3.4%		1.4%	

Source: CBRE Hotels

- Supply in the competitive market is projected to increase by 16.3 percent in 2019 due the annualized addition of the 85-room Holiday Inn Express in January 2019. Supply is then projected to increase 12.4 percent following the assumed addition of the 75-room proposed Hotel in January 2020.
- Consistent with YTD occupancy and demand trends, we project occupancy to increase slightly to 70 percent in 2016. We project occupancy to then decline slightly to 69 percent in 2017 and 68 percent in 2018. While all indicators suggest that lodging demand growth in Northern California will remain strong, normal economic cycles suggest a more reasonable long-term stabilized occupancy level lower than current record highs. In 2019, following the addition of the proposed 85-room Holiday Inn Express, we project occupancy to decline to 64 percent. We then project occupancy to decline to 60 percent in 2020 following the addition of the proposed Hotel. Occupancy is projected to decline following these additions as demand growth will trail the rapid increase in supply. Occupancy is projected to stabilize at 60 percent from 2020 onward. As a point of comparison the occupancy of the competitive market averaged 58.6 percent from 2005 through 2015. This projection of stabilized occupancy assumes that the upscale and upper midscale hotels (including the proposed Subject) operate at above 70 percent

occupancy while the midscale and economy hotels operate at below 60 percent occupancy.

- Based on the performance of the competitive market through YTD August 2016, we project ADR to increase 8.0 percent through year-end 2016, resulting in a market ADR of \$105. Going forward, ADR growth is projected to taper to 5.0 percent in 2017, 4.0 percent in 2018, and 3.0 percent from 2019 onward, consistent with our long-term outlook for inflation. As a point of comparison, ADR increased at a CAGR of 3.3 percent from 2005 through 2015.

2. PROJECTED PERFORMANCE OF THE PROPOSED HOTEL

Based upon our analysis contained herein, including a review of the overall competitive market and of each identified hotel, we have provided our occupancy and ADR projections for the proposed Hotel's first five years of operation, as stated in calendar years. In providing these projections, we have considered the following advantages and disadvantages impacting the future performance of the proposed Subject.

- The proposed Hotel will represent the newest and only upscale (per Smith Travel Research chain scale classifications) hotel in Ukiah.
- The proposed Hotel will be a unique lodging facility in Ukiah. It will be the only hotel with a restaurant/bar and will have the most amount of meeting space (1,500 to 2,500 square feet). The restaurant/bar will be utilized by both hotel guests and local patrons.
- The proposed Hotel will be well located in Downtown Historic Ukiah and will allow guests to walk to downtown restaurant and retail amenities. The location has excellent ambiance and will provide guests with an authentic wine country experience.
- The proposed Hotel will have a "soft-brand" and will be affiliated with a national hotel chain. As such, the proposed Subject will benefit from a strong national marketing brand association and guest loyalty program.

Based upon the aforementioned, the proposed Subject's occupancy is projected to stabilize at **72 percent by 2022**, the Subject's third year of operation. During the first and second years of operation, we project the Subject to achieve occupancy of 65 and 68 percent as the proposed Hotel gains recognition in the local market. It should be noted that a stabilized occupancy level of 72 percent results in a market penetration of 120 percent (2022), which is deemed reasonable based on the location, number of rooms, and market share achieved by the other branded, upper midscale hotels in the competitive market. This is also deemed reasonable due to the proposed addition of a 92-room, upper midscale hotel in 2019. At this level of performance, we estimate that approximately 85 to 90 percent of the captured demand would be from the transient business and leisure market segments.

Based on the individual attributes and performance levels of the individual competitive hotels, we believe that the proposed Subject could achieve an **ADR of \$130** under the hypothetical condition that it was open in 2015. This ADR is approximately \$33 above the 2015 ADR for the competitive market (\$97), which is warranted due to its high-quality product, brand affiliation, and unique location. Furthermore, this would position the proposed Hotel at the top of the competitive market. It should be noted that we have included a 2.0 percent introductory discount for the proposed Hotel in its first year of operation, which is typical as hotels offer discounts and promotions to create awareness in the local market. This results in an ADR upon opening in **2020 of \$160**.

Based on the analysis contained herein, we have provided our projections for the proposed 75-room Hotel in the table below. Our projections for both occupancy and ADR for the proposed Subject's first five years of operation are presented in the following table. In providing our projections, we have assumed that the Hotel would be open and available for occupancy by January 1, 2020.

Proposed Ukiah Hotel Projected Performance								
Year	Hypothetical ADR	Market Growth	Introductory Discount	Actual ADR	Percent Change	Occupancy	RevPAR	Percent Change
2015	\$130.00	-						
2016	\$140.40	8.0%						
2017	\$147.00	5.0%						
2018	\$153.00	4.0%						
2019	\$158.00	3.0%						
2020	\$163.00	3.0%	2.0%	\$160.00	-	65%	\$103.45	-
2021	\$168.00	3.0%	0.0%	\$168.00	5.0%	68%	\$114.76	10.9%
2022	\$173.00	3.0%	0.0%	\$173.00	3.0%	72%	\$124.50	8.5%
2023	\$178.00	3.0%	0.0%	\$178.00	2.9%	72%	\$128.09	2.9%
2024	\$183.00	3.0%	0.0%	\$183.00	2.8%	72%	\$131.69	2.8%

Source: **CBRE Hotels**

Although it is possible that the proposed Subject will experience growth in occupancy and ADR above those estimated in this report, it is also possible that sudden economic downturns, unexpected additions to the room supply, or other external factors will force the property below the selected point of stability. Consequently, the estimated occupancy and ADR levels are representative of the most likely potential operations of the proposed Subject over the projected holding period based on our analysis of the market as of the date of this report.

F. ESTIMATED ANNUAL OPERATING RESULTS

Based on the projections of occupancy and average daily rate presented above, we have provided our projections of estimated annual operating results for the proposed Hotel for the ten-year period 2020 to 2029. In preparing these projections, we have relied upon the actual financial performance of a sample of branded, upscale hotels in California (presented in Addendum A). This information was obtained from confidential financial statements submitted in compilation of the 2016 edition (summarizing year-end 2015 data) of CBRE Hotels' publication *Trends® in the Hotel Industry*. In addition, in providing our cash flow projections, we have utilized the assumptions below. Direct or departmental revenues and expenses, which typically vary with occupancy, are generally analyzed on a per-occupied-room ("POR") basis, while undistributed expenses, which are more fixed in nature, are typically analyzed on total expense or a per-available-room ("PAR") basis.

1. Departmental Revenues and Expenses

- **Rooms Revenue** is based on the number of occupied rooms multiplied by the ADR for each respective year as previously presented in this report. For the first year of operation (2020), rooms revenue is projected to be \$2,846,000 (17,790 occupied rooms X \$160 ADR). We project rooms revenue to increase to \$3,410,000 (19,710 occupied rooms X \$173 ADR) in 2022, when the proposed Hotel's occupancy is expected to stabilize.
- **Rooms Expense** consists of salaries and wages, employee benefits, commissions, cleaning supplies, complimentary guest services, laundry and dry cleaning, linen, operating supplies, reservation costs, uniforms, and other items related to the rooms department. Rooms expense is estimated to be approximately \$26 POR in 2016 dollars and is projected to increase to approximately \$31 POR (\$549,000) in 2020, the Hotel's first year of operation. This estimate of rooms expense equates to approximately 18.0 percent of rooms revenue upon reaching operational stabilization.
- **Food and Beverage Revenue** is generated from the restaurant, catering, and meeting room, and audio/video equipment rentals. It is assumed that the restaurant will be utilized by both hotel guests and local patrons and operated by the hotel operator. We estimate food and beverage revenue of approximately \$20 POR from hotel guests and \$600,000 for total local sales, in 2016 dollars. Food and beverage revenue is projected to increase to \$22.50 POR from hotel guests and \$675,000 for total local sales in 2020 (\$1,076,000 total), the Hotel's first year of operation.
- **Food and Beverage Expense** includes product costs, payroll and related expenses, and other items such as laundry and linen, china, glassware and silverware, uniform costs, supplies, and other miscellaneous items. Food and beverage expense for the proposed

Hotel is estimated to be approximately 95 percent of departmental revenue in 2020 and is projected to decrease to 85 percent upon achieving operational stabilization in 2022.

- **Other Operated Departments Revenue** includes income associated with minor departments such as telecommunications, movies, and miscellaneous sources. We estimate other operated departments revenue of \$2.00 POR in 2016 dollars and is projected to increase to \$2.25 POR (\$40,000) in 2020, the Hotel's first year of operation. This estimate of other operated departments revenue equates to approximately 1.0 percent of the proposed Hotel's total revenue upon achieving operational stabilization.
- **Other Operated Departments Expense** includes expenses associated with other operated departments revenue. Other operated departments expense is estimated to be approximately 60 percent of departmental revenue throughout the projection period.
- **Rentals and Other Income** includes revenue from attrition, cancellation fees, vending machines, and other miscellaneous income. We estimate rentals and other income of \$1.00 POR in 2016 dollars and is projected to increase to approximately \$1.13 POR (\$20,000), in 2020, the Hotel's first year of operation. This estimate of rentals and other income equates to approximately 0.5 percent of the proposed Hotel's total revenue upon achieving operational stabilization. It should be noted that we have not accounted for any lease income from a potential wine tasting room or other retail vendor at the hotel.

2. Undistributed Operating Expense

- **Administrative and General Expense (A&G)** includes the salary and wages of the general manager and office staff, cash overages and shortages, credit card commissions, bad debt expense, security, accounting expense, and office supplies. We estimate administrative and general expense to be approximately 8.5 percent of total revenues in 2020, the proposed Hotel's first year of operation. A&G expense is then projected to stabilize at 8.0 percent of total revenue upon achieving operational stabilization in 2022.
- **Marketing Expense** includes the cost of advertising, printing of brochures, salary associated with sales and marketing personnel, frequent stay programs, and other costs associated with an ongoing sales and promotion program. We have also included franchise-related fees (royalties, marketing assessments, loyalty programs) in this category. We estimate marketing expense to be approximately 10.7 percent of total revenues in 2020, the proposed Hotel's first year of operation. Marketing expense is then projected to stabilize at 10.5 percent of total revenue upon achieving operational stabilization in 2022.
- **Property Operations and Maintenance Expense ("POM")** is a function of building age and usage. This expense category is comprised of engineering salaries, wages, employee benefits, normal maintenance of the building, normal maintenance of electrical,

mechanical, and other operating supplies. We estimate POM expense of \$1,550 PAR in 2016 dollars and is projected to increase to approximately \$1,745 PAR (\$131,000), in 2020, the Hotel's first year of operation. This estimate of POM expense equates to approximately 3.0 percent of the proposed Hotel's revenue upon achieving operational stabilization.

- **Utility Costs** include electricity, gas, water, sewer, and waste removal. These costs vary among hotels given the different building characteristics, HVAC systems, and building age. We estimate utility expense of \$2,050 PAR in 2016 dollars and is projected to increase to approximately \$2,300 PAR (\$173,000), in 2020, the Hotel's first year of operation. This estimate of utility expense equates to approximately 4.0 percent of the proposed Hotel's revenue upon achieving operational stabilization.
- **Information and Telecommunications Systems (IT)** includes the cost of providing all information technology and telecommunications for both guests and hotel operations. We estimate IT expense of \$600 PAR in 2016 dollars and is projected to increase to approximately \$675 PAR (\$51,000), in 2020, the Hotel's first year of operation. This estimate of IT expense equates to approximately 1.2 percent of the proposed Hotel's revenue upon achieving operational stabilization.
- **Management Fees:** For the purpose of our analysis, we have assumed a professional management company, with experience operating lodging facilities similar in tier to the proposed Hotel, will be retained by ownership to operate the proposed Hotel for a market rate management fee of 4.0 percent of total revenues.
- **Property Taxes:** Our property tax projections are based on the following estimated development costs for the proposed Hotel and an estimated property tax rate of 1.1 percent.

Proposed Hotel Ukiah	
Hard Construction Costs (includes construction contingency)	\$8,530,000
FF&E and OS&E (includes signage and landscaping)	\$1,350,000
Total	\$9,880,000

This results in property tax expenses that stabilize at 2.6 percent of total revenues by the third year of operation, or approximately \$113,000.

- **Insurance Expense** is for both general liability and property coverage. We estimate insurance expense of \$550 PAR in 2016 dollars and is projected to increase to approximately \$619 PAR (\$46,000), in 2020, the Hotel's first year of operation. This estimate of insurance expense equates to approximately 1.0 percent of the proposed Hotel's revenue upon achieving operational stabilization.

- We have projected a reserve for capital replacement expense of 4.0 percent of total hotel revenues for the proposed Hotel. Over the first three years of operation, we project the reserve to “ramp up” from 2.0 percent in year one, to 3.0 percent in year two, and 4.0 percent thereafter.
- With the exception of property taxes, all other revenues and expenses are projected to increase at 3.0 percent per annum throughout the projection period. Property taxes are projected to increase at a rate of 2.0 percent per year in accordance with California law.

Based upon this analysis, we project that the Hotel will achieve a total net operating income (“NOI”) of \$873,000 in its first year of operation, increasing to \$1,244,000 by 2022, at which point occupancy and ADR growth will have stabilized. We have summarized our projections of total revenue, NOI, and ratio of NOI to total revenues in the table below. It should be noted that NOI is reflected before a deduction for interest, depreciation, amortization, and taxes on income. Our ten-year pro-forma for the proposed Subject is presented on pages 35 and 36.

Summary of Estimated Annual Operating Results			
Year	Total Revenue	Net Operating Income ¹	Ratio to Total Revenues
2020	\$3,982,000	\$873,000	21.9%
2021	4,320,000	1,060,000	24.5%
2022	4,668,000	1,244,000	26.6%
2023	4,803,000	1,281,000	26.7%
2024	4,941,000	1,312,000	26.6%
2025	5,079,000	1,344,000	26.5%
2026	5,239,000	1,393,000	26.6%
2027	5,400,000	1,440,000	26.7%
2028	5,561,000	1,484,000	26.7%
2029	5,726,000	1,527,000	26.7%

¹ Income before the deduction of depreciation, interest, amortization, and income taxes, but after the deduction of a reserve for capital replacement.

Proposed Hotel Ukiah										
Projected Operating Results										
Calendar Years										
	2020		2021		2022		2023		2024	
Number of Units:	75		75		75		75		75	
Number of Annual Rooms Available:	27,375		27,375		27,375		27,375		27,375	
Number of Rooms Occupied:	17,790		18,620		19,710		19,710		19,710	
Annual Occupancy:	65.0%		68.0%		72.0%		72.0%		72.0%	
Average Daily Rate:	\$160.00		\$168.00		\$173.00		\$178.00		\$183.00	
Revenue Per Available Room:	\$104.00		\$114.24		\$124.56		\$128.16		\$131.76	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
Revenues										
Rooms	\$2,846,000	71.5%	\$3,128,000	72.4%	\$3,410,000	73.1%	\$3,508,000	73.0%	\$3,607,000	73.0%
Food & Beverage	1,076,000	27.0%	1,127,000	26.1%	1,187,000	25.4%	1,223,000	25.5%	1,259,000	25.5%
Other Operated Departments	40,000	1.0%	43,000	1.0%	47,000	1.0%	48,000	1.0%	50,000	1.0%
Rentals and Other Income	20,000	0.5%	22,000	0.5%	24,000	0.5%	24,000	0.5%	25,000	0.5%
Total Revenues	3,982,000	100.0%	4,320,000	100.0%	4,668,000	100.0%	4,803,000	100.0%	4,941,000	100.0%
Departmental Expenses										
Rooms	549,000	19.3%	578,000	18.5%	612,000	17.9%	630,000	18.0%	649,000	18.0%
Food & Beverage	1,022,000	95.0%	1,015,000	90.1%	1,009,000	85.0%	1,039,000	85.0%	1,071,000	85.1%
Other Operated Departments	24,000	60.0%	26,000	60.5%	28,000	59.6%	29,000	60.4%	30,000	60.0%
Total Departmental Expenses	1,595,000	40.1%	1,619,000	37.5%	1,649,000	35.3%	1,698,000	35.4%	1,750,000	35.4%
Departmental Profit	2,387,000	59.9%	2,701,000	62.5%	3,019,000	64.7%	3,105,000	64.6%	3,191,000	64.6%
Undistributed Expenses										
Administrative & General	340,000	8.5%	356,000	8.2%	372,000	8.0%	383,000	8.0%	395,000	8.0%
Marketing (Including Franchise Fees)	425,000	10.7%	458,000	10.6%	490,000	10.5%	504,000	10.5%	519,000	10.5%
Property Operation and Maintenance	131,000	3.3%	135,000	3.1%	139,000	3.0%	143,000	3.0%	147,000	3.0%
Utility Costs	173,000	4.3%	178,000	4.1%	184,000	3.9%	189,000	3.9%	195,000	3.9%
Information and Telecommunications Systems	51,000	1.3%	52,000	1.2%	54,000	1.2%	55,000	1.1%	57,000	1.2%
Total Undistributed Operating Expenses	1,120,000	28.1%	1,179,000	27.3%	1,239,000	26.5%	1,274,000	26.5%	1,313,000	26.6%
Gross Operating Profit	1,267,000	31.8%	1,522,000	35.2%	1,780,000	38.1%	1,831,000	38.1%	1,878,000	38.0%
Base Management Fee	159,000	4.0%	173,000	4.0%	187,000	4.0%	192,000	4.0%	198,000	4.0%
Fixed Expenses										
Property Taxes	109,000	2.7%	111,000	2.6%	113,000	2.4%	115,000	2.4%	118,000	2.4%
Insurance	46,000	1.2%	48,000	1.1%	49,000	1.0%	51,000	1.1%	52,000	1.1%
Total Fixed Expenses	155,000	3.9%	159,000	3.7%	162,000	3.5%	166,000	3.5%	170,000	3.4%
Net Operating Income	953,000	23.9%	1,190,000	27.5%	1,431,000	30.7%	1,473,000	30.7%	1,510,000	30.6%
FF&E Reserve	80,000	2.0%	130,000	3.0%	187,000	4.0%	192,000	4.0%	198,000	4.0%
Net Operating Income After Reserve	\$873,000	21.9%	\$1,060,000	24.5%	\$1,244,000	26.6%	\$1,281,000	26.7%	\$1,312,000	26.6%
Source: CBRE Hotels	Full Year of Operation									

Proposed Hotel Ukiah Projected Operating Results Calendar Years											
Number of Units:		75		75		75		75		75	
Number of Annual Rooms Available:		27,375		27,375		27,375		27,375		27,375	
Number of Rooms Occupied:		19,710		19,710		19,710		19,710		19,710	
Annual Occupancy:		72.0%		72.0%		72.0%		72.0%		72.0%	
Average Daily Rate:		\$188.00		\$194.00		\$200.00		\$206.00		\$212.00	
Revenue Per Available Room:		\$135.36		\$139.68		\$144.00		\$148.32		\$152.64	
Revenues											
Rooms		\$3,705,000 72.9%		\$3,824,000 73.0%		\$3,942,000 73.0%		\$4,060,000 73.0%		\$4,179,000 73.0%	
Food & Beverage		1,297,000 25.5%		1,336,000 25.5%		1,376,000 25.5%		1,417,000 25.5%		1,460,000 25.5%	
Other Operated Departments		51,000 1.0%		53,000 1.0%		55,000 1.0%		56,000 1.0%		58,000 1.0%	
Rentals and Other Income		26,000 0.5%		26,000 0.5%		27,000 0.5%		28,000 0.5%		29,000 0.5%	
Total Revenues		5,079,000 100.0%		5,239,000 100.0%		5,400,000 100.0%		5,561,000 100.0%		5,726,000 100.0%	
Departmental Expenses											
Rooms		669,000 18.1%		689,000 18.0%		709,000 18.0%		731,000 18.0%		753,000 18.0%	
Food & Beverage		1,103,000 85.0%		1,136,000 85.0%		1,170,000 85.0%		1,205,000 85.0%		1,241,000 85.0%	
Other Operated Departments		31,000 60.8%		32,000 60.4%		33,000 60.0%		34,000 60.7%		35,000 60.3%	
Total Departmental Expenses		1,803,000 35.5%		1,857,000 35.4%		1,912,000 35.4%		1,970,000 35.4%		2,029,000 35.4%	
Departmental Profit		3,276,000 64.5%		3,382,000 64.6%		3,488,000 64.6%		3,591,000 64.6%		3,697,000 64.6%	
Undistributed Expenses											
Administrative & General		406,000 8.0%		419,000 8.0%		431,000 8.0%		444,000 8.0%		457,000 8.0%	
Marketing (Including Franchise Fees)		534,000 10.5%		550,000 10.5%		567,000 10.5%		584,000 10.5%		601,000 10.5%	
Property Operation and Maintenance		152,000 3.0%		156,000 3.0%		161,000 3.0%		166,000 3.0%		171,000 3.0%	
Utility Costs		201,000 4.0%		207,000 4.0%		213,000 3.9%		219,000 3.9%		226,000 3.9%	
Information and Telecommunications Systems		59,000 1.2%		60,000 1.1%		62,000 1.1%		64,000 1.2%		66,000 1.2%	
Total Undistributed Operating Expenses		1,352,000 26.6%		1,392,000 26.6%		1,434,000 26.6%		1,477,000 26.6%		1,521,000 26.6%	
Gross Operating Profit		1,924,000 37.9%		1,990,000 38.0%		2,054,000 38.0%		2,114,000 38.0%		2,176,000 38.0%	
Base Management Fee		203,000 4.0%		210,000 4.0%		216,000 4.0%		222,000 4.0%		229,000 4.0%	
Fixed Expenses											
Property Taxes		120,000 2.4%		122,000 2.3%		125,000 2.3%		127,000 2.3%		130,000 2.3%	
Insurance		54,000 1.1%		55,000 1.0%		57,000 1.1%		59,000 1.1%		61,000 1.1%	
Total Fixed Expenses		174,000 3.4%		177,000 3.4%		182,000 3.4%		186,000 3.3%		191,000 3.3%	
Net Operating Income		1,547,000 30.5%		1,603,000 30.6%		1,656,000 30.7%		1,706,000 30.7%		1,756,000 30.7%	
FF&E Reserve		203,000 4.0%		210,000 4.0%		216,000 4.0%		222,000 4.0%		229,000 4.0%	
Net Operating Income After Reserve		\$1,344,000 26.5%		\$1,393,000 26.6%		\$1,440,000 26.7%		\$1,484,000 26.7%		\$1,527,000	

G. CONCLUSION

Based on the preceding work program, we have made a determination of the market viability for a hotel in Historic Downtown Ukiah. In conclusion, we are of the opinion that there is sufficient market demand to support the development of a 75-room, upscale hotel in Historic Downtown Ukiah. Furthermore, we are of the opinion that the vicinity of Parking Lot A (West Standley and Oak Streets) is the optimal site for the development of the recommended Hotel.

This completes our analysis of the potential market demand and preparation of a statement of estimated annual operating results for a proposed hotel in Ukiah. After you have had an opportunity to review this letter, please feel free to contact us with any questions or comments. Thank you for this opportunity and we look forward to working with you on this engagement in the future.

Yours sincerely,

CBRE Hotels



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ADDENDA

ADDENDUM A

COMPARABLE FINANCIALS

Proposed Hotel Ukiah

Operating Results of Comparable Hotels

	Hotel A			Hotel B			Hotel C		
	Ratio	Per Room	P.O.R.	Ratio	Per Room	P.O.R.	Ratio	Per Room	P.O.R.
Revenues									
Rooms	61.0%	\$18,157	\$97.15	93.2%	\$33,473	\$121.67	91.0%	\$35,212	\$120.87
Food & Beverage	35.2%	10,461	55.97	5.5%	1,991	7.24	6.5%	2,526	8.67
Other Operated Departments	2.7%	814	4.36	1.1%	408	1.48	2.1%	797	2.73
Rentals and Other Income	1.0%	311	1.66	0.1%	38	0.14	0.4%	156	0.54
Total Revenues	100.0%	29,744	159.14	100.0%	35,910	130.52	100.0%	38,691	132.81
Departmental Expenses									
Rooms	23.0%	4,169	22.31	19.9%	6,672	24.25	22.7%	7,985	27.41
Food & Beverage	84.6%	8,850	47.35	108.9%	2,168	7.88	129.1%	3,262	11.20
Other Operated Departments	69.6%	566	3.03	56.2%	229	0.83	56.6%	451	1.55
Total Departmental Expenses	45.7%	13,585	72.69	25.3%	9,069	32.96	30.2%	11,697	40.15
Departmental Profit	54.3%	16,158	86.45	74.7%	26,841	97.56	69.8%	26,994	92.66
Undistributed Expenses									
Administrative & General	10.0%	2,985	15.97	8.7%	3,108	11.30	8.2%	3,189	10.95
Marketing (Including Franchise Fees)	10.2%	3,026	16.19	10.9%	3,906	14.20	13.8%	5,339	18.32
Property Operation and Maintenance	4.3%	1,291	6.91	3.5%	1,268	4.61	3.2%	1,254	4.31
Utility Costs	5.1%	1,506	8.06	4.6%	1,670	6.07	3.7%	1,423	4.89
Information and Telecommunications Systems	1.7%	500	2.67	2.0%	704	2.56	0.0%	0	0.00
Total Undistributed Operating Expenses	31.3%	9,308	49.80	29.7%	10,654	38.73	29.0%	11,205	38.46
Gross Operating Profit	23.0%	6,851	36.66	45.1%	16,187	58.84	40.8%	15,789	54.20
Base Management Fee	3.0%	892	4.77	3.0%	1,077	3.92	4.0%	1,548	5.31
Fixed Expenses									
Property Taxes	2.4%	709	3.79	2.9%	1,059	3.85	2.4%	910	3.12
Insurance	4.4%	1,298	6.94	1.4%	511	1.86	1.9%	744	2.56
Total Fixed Expenses	6.7%	2,006	10.74	4.4%	1,570	5.71	4.3%	1,654	5.68
Net Operating Income	13.3%	3,952	21.15	37.7%	13,540	49.21	32.5%	12,587	43.21
FF&E Reserve/Capital Expenditures	4.0%	1,190	6.37	4.0%	1,436	5.22	4.0%	1,548	5.31
Net Operating Income After Reserve	9.3%	\$2,762	\$14.78	33.7%	\$12,103	\$43.99	28.5%	\$11,040	\$37.89

Source: CBRE Hotels

Proposed Hotel Ukiah

Operating Results of Comparable Hotels

	Hotel D			Hotel E			Weighted Average		
	Ratio	Per Room	P.O.R.	Ratio	Per Room	P.O.R.	Ratio	Per Room	P.O.R.
Revenues									
Rooms	91.7%	\$33,109	\$109.97	86.3%	\$36,732	\$127.73	85.2%	\$31,147	\$116.35
Food & Beverage	7.6%	2,727	9.06	12.0%	5,112	17.78	12.9%	4,711	17.60
Other Operated Departments	0.7%	259	0.86	1.3%	574	2.00	1.6%	577	2.16
Rentals and Other Income	0.0%	0	0.00	0.4%	160	0.56	0.4%	175	0.68
Total Revenues	100.0%	36,096	119.89	100.0%	42,578	148.06	100.0%	36,573	136.61
Departmental Expenses									
Rooms	22.4%	7,426	24.66	17.8%	6,527	22.70	21.0%	6,539	24.43
Food & Beverage	101.9%	2,780	9.23	90.4%	4,619	16.06	94.6%	4,457	16.65
Other Operated Departments	62.6%	162	0.54	46.2%	265	0.92	58.9%	340	1.27
Total Departmental Expenses	28.7%	10,368	34.44	26.8%	11,411	39.68	31.0%	11,336	42.35
Departmental Profit	71.3%	25,727	85.45	73.2%	31,167	108.38	69.0%	25,236	94.27
Undistributed Expenses									
Administrative & General	8.4%	3,021	10.03	12.6%	5,379	18.71	9.7%	3,545	13.24
Marketing (Including Franchise Fees)	15.5%	5,604	18.61	13.0%	5,532	19.24	12.9%	4,710	17.60
Property Operation and Maintenance	3.5%	1,273	4.23	3.2%	1,383	4.81	3.5%	1,295	4.84
Utility Costs	4.2%	1,533	5.09	3.5%	1,507	5.24	4.2%	1,521	5.68
Information and Telecommunications Systems	1.4%	520	1.73	0.0%	0	0.00	0.9%	563	2.23
Total Undistributed Operating Expenses	33.1%	11,951	39.69	32.4%	13,802	48.00	31.2%	11,403	42.59
Gross Operating Profit	38.2%	13,776	45.75	40.8%	17,365	60.39	37.8%	13,834	51.67
Base Management Fee	2.5%	902	3.00	5.5%	2,342	8.14	3.7%	1,357	5.07
Fixed Expenses									
Property Taxes	0.0%	0	0.00	3.4%	1,448	5.04	2.2%	1,026	3.97
Insurance	0.1%	37	0.12	0.7%	306	1.06	1.6%	584	2.18
Total Fixed Expenses	0.1%	37	0.12	4.1%	1,754	6.10	3.8%	1,391	5.19
Net Operating Income	35.6%	12,836	42.63	31.2%	13,270	46.14	30.3%	11,086	41.41
FF&E Reserve/Capital Expenditures	4.0%	1,444	4.80	4.0%	1,703	5.92	4.0%	1,463	5.46
Net Operating Income After Reserve	31.6%	\$11,393	\$37.84	27.2%	\$11,566	\$40.22	26.3%	\$9,623	\$35.95

Source: CBRE Hotels

ADDENDUM B

CERTIFICATION

Certification

We, Chris Kraus and Miky Kuo, certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, conclusions, and recommendations.
3. We have no present or prospective interest in or bias with respect to the property that is the subject of this report and have no personal interest in or bias with respect to the parties involved with this assignment.
4. We have performed no (or the specified) services, as an appraiser or in any other capacity regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. We have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.
6. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this report.
7. Chris Kraus and Miky Kuo have made personal inspections of the identified hotel sites.
8. No one has provided significant professional assistance to the persons signing this report.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
10. Valuation & Advisory Services operates as an independent economic entity within CBRE, Inc. Although employees of other CBRE, Inc. divisions may be contacted as a part of our routine market research investigations, absolute client confidentiality and privacy were maintained at all times with regard to this assignment without conflict of interest.
11. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
12. As of the date of this report, Chris Kraus has completed the continuing education program for Designated Members of the Appraisal Institute.
13. Chris Kraus is a Certified General Real Estate Appraiser in the State of California.



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Addendum C

ASSUMPTIONS AND LIMITING CONDITIONS

Assumptions and Limiting Conditions

1. CBRE, Inc. through its appraiser (collectively, "CBRE") has inspected through reasonable observation the subject property. However, it is not possible or reasonably practicable to personally inspect conditions beneath the soil and the entire interior and exterior of the improvements on the subject property. Therefore, no representation is made as to such matters.
2. The report, including its conclusions and any portion of such report (the "Report"), is as of the date set forth in the letter of transmittal and based upon the information, market, economic, and property conditions and projected levels of operation existing as of such date. The dollar amount of any conclusion as to value in the Report is based upon the purchasing power of the U.S. Dollar on such date. The Report is subject to change as a result of fluctuations in any of the foregoing. CBRE has no obligation to revise the Report to reflect any such fluctuations or other events or conditions which occur subsequent to such date.
3. Unless otherwise expressly noted in the Report, CBRE has assumed that:
 - (i) Title to the subject property is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. CBRE has not examined title records (including without limitation liens, encumbrances, easements, deed restrictions, and other conditions that may affect the title or use of the subject property) and makes no representations regarding title or its limitations on the use of the subject property. Insurance against financial loss that may arise out of defects in title should be sought from a qualified title insurance company.
 - (ii) Existing improvements on the subject property conform to applicable local, state, and federal building codes and ordinances, are structurally sound and seismically safe, and have been built and repaired in a workmanlike manner according to standard practices; all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; and the roof and exterior are in good condition and free from intrusion by the elements. CBRE has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. CBRE appraisers are not engineers and are not qualified to judge matters of an engineering nature, and furthermore structural problems or building system problems may not be visible. It is expressly assumed that any purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems.
 - (iii) Any proposed improvements, on or off-site, as well as any alterations or repairs considered will be completed in a workmanlike manner according to standard practices.
 - (iv) Hazardous materials are not present on the subject property. CBRE is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater, mold, or other potentially hazardous materials may affect the value of the property.
 - (v) No mineral deposit or subsurface rights of value exist with respect to the subject property, whether gas, liquid, or solid, and no air or development rights of value may be transferred. CBRE has not considered any rights associated with extraction or exploration of any resources, unless otherwise expressly noted in the Report.
 - (vi) There are no contemplated public initiatives, governmental development controls, rent controls, or changes in the present zoning ordinances or regulations governing use, density, or shape that would significantly affect the value of the subject property.
 - (vii) All required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be readily obtained or renewed for any use on which the Report is based.
 - (viii) The subject property is managed and operated in a prudent and competent manner, neither inefficiently or super-efficiently.
 - (ix) The subject property and its use, management, and operation are in full compliance with all applicable federal, state, and local regulations, laws, and restrictions, including without limitation environmental laws, seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, and licenses.
 - (x) The subject property is in full compliance with the Americans with Disabilities Act (ADA). CBRE is not qualified to assess the subject property's compliance with the ADA, notwithstanding any discussion of possible readily achievable barrier removal construction items in the Report.

- (xi) All information regarding the areas and dimensions of the subject property furnished to CBRE are correct, and no encroachments exist. CBRE has neither undertaken any survey of the boundaries of the subject property nor reviewed or confirmed the accuracy of any legal description of the subject property.

Unless otherwise expressly noted in the Report, no issues regarding the foregoing were brought to CBRE's attention, and CBRE has no knowledge of any such facts affecting the subject property. If any information inconsistent with any of the foregoing assumptions is discovered, such information could have a substantial negative impact on the Report. Accordingly, if any such information is subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. CBRE assumes no responsibility for any conditions regarding the foregoing, or for any expertise or knowledge required to discover them. Any user of the Report is urged to retain an expert in the applicable field(s) for information regarding such conditions.

4. CBRE has assumed that all documents, data and information furnished by or behalf of the client, property owner, or owner's representative are accurate and correct, unless otherwise expressly noted in the Report. Such data and information include, without limitation, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any error in any of the above could have a substantial impact on the Report. Accordingly, if any such errors are subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. The client and intended user should carefully review all assumptions, data, relevant calculations, and conclusions of the Report and should immediately notify CBRE of any questions or errors within 30 days after the date of delivery of the Report.
5. CBRE assumes no responsibility (including any obligation to procure the same) for any documents, data or information not provided to CBRE, including without limitation any termite inspection, survey or occupancy permit.
6. All furnishings, equipment and business operations have been disregarded with only real property being considered in the Report, except as otherwise expressly stated and typically considered part of real property.
7. Any cash flows included in the analysis are forecasts of estimated future operating characteristics based upon the information and assumptions contained within the Report. Any projections of income, expenses and economic conditions utilized in the Report, including such cash flows, should be considered as only estimates of the expectations of future income and expenses as of the date of the Report and not predictions of the future. Actual results are affected by a number of factors outside the control of CBRE, including without limitation fluctuating economic, market, and property conditions. Actual results may ultimately differ from these projections, and CBRE does not warrant any such projections.
8. The Report contains professional opinions and is expressly not intended to serve as any warranty, assurance or guarantee of any particular value of the subject property. Other appraisers may reach different conclusions as to the value of the subject property. Furthermore, market value is highly related to exposure time, promotion effort, terms, motivation, and conclusions surrounding the offering of the subject property. The Report is for the sole purpose of providing the intended user with CBRE's independent professional opinion of the value of the subject property as of the date of the Report. Accordingly, CBRE shall not be liable for any losses that arise from any investment or lending decisions based upon the Report that the client, intended user, or any buyer, seller, investor, or lending institution may undertake related to the subject property, and CBRE has not been compensated to assume any of these risks. Nothing contained in the Report shall be construed as any direct or indirect recommendation of CBRE to buy, sell, hold, or finance the subject property.
9. No opinion is expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Any user of the Report is advised to retain experts in areas that fall outside the scope of the real estate appraisal profession for such matters.
10. CBRE assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
11. Acceptance or use of the Report constitutes full acceptance of these Assumptions and Limiting Conditions and any special assumptions set forth in the Report. It is the responsibility of the user of the Report to read in full, comprehend and thus become aware of all such assumptions and limiting conditions. CBRE assumes no responsibility for any situation arising out of the user's failure to become familiar with and understand the same.

12. The Report applies to the property as a whole only, and any pro ration or division of the title into fractional interests will invalidate such conclusions, unless the Report expressly assumes such pro ration or division of interests.
13. The allocations of the total value estimate in the Report between land and improvements apply only to the existing use of the subject property. The allocations of values for each of the land and improvements are not intended to be used with any other property or appraisal and are not valid for any such use.
14. The maps, plats, sketches, graphs, photographs, and exhibits included in this Report are for illustration purposes only and shall be utilized only to assist in visualizing matters discussed in the Report. No such items shall be removed, reproduced, or used apart from the Report.
15. The Report shall not be duplicated or provided to any unintended users in whole or in part without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Exempt from this restriction is duplication for the internal use of the intended user and its attorneys, accountants, or advisors for the sole benefit of the intended user. Also exempt from this restriction is transmission of the Report pursuant to any requirement of any court, governmental authority, or regulatory agency having jurisdiction over the intended user, provided that the Report and its contents shall not be published, in whole or in part, in any public document without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Finally, the Report shall not be made available to the public or otherwise used in any offering of the property or any security, as defined by applicable law. Any unintended user who may possess the Report is advised that it shall not rely upon the Report or its conclusions and that it should rely on its own appraisers, advisors and other consultants for any decision in connection with the subject property. CBRE shall have no liability or responsibility to any such unintended user.



ITEM NO.: 12c

MEETING DATE: April 5, 2017

AGENDA SUMMARY REPORT

SUBJECT: APPROVAL OF AMENDMENT WITH GREEN VALLEY CONSULTING ENGINEERS IN THE AMOUNT OF \$14,875 FOR ADDITIONAL DESIGN SERVICES RELATED TO THE 2016 SEWER AND WATER MAIN REPLACEMENT PROJECT, SPECIFICATION NO. 16-10, AND CORRESPONDING BUDGET AMENDMENT

Summary: Council will consider approving an amendment for additional design services for the 2016 Sewer and Water Main Replacement Project on Washington, Luce and Observatory Avenues. The services will extend both water and sewer utilities past all pavement reconstruction sections.

Background: On July 1, 2015, Council awarded a contract to Green Valley Consulting Engineers for the design of the referenced project. At the time this contract was awarded, Luce Avenue from South Dora Street to Helen Avenue was not included in the project as the pavement condition was not as severely deteriorated as the other streets. Throughout the design phase, the condition began to deteriorate. Therefore, staff requested that Green Valley include this street section as part of the larger project. On December 7, 2016, Council awarded a contract to Argonaut Constructors for the construction of the project.

Discussion: As City project management and coordination began, new engineering staff became engaged in the project and identified an issue that not all existing utilities on Luce Avenue from South Dora Street to Helen Avenue were scheduled for replacement. City staff asked Green Valley for a proposal to update the plans to include all water and sewer utility replacement on this section. In addition, staff asked Green Valley to update the plans so that all utilities being replaced will be stubbed out past the area of all the street reconstruction sections. This scope of services from Green Valley accomplishes both tasks. Staff feel it is prudent to replace all utilities prior to street reconstruction for this additional portion of the project, and all future projects.

Once the design is complete, a change order request will be submitted to Argonaut for the additional construction work. Project team members from the City and from Argonaut have held initial discussions to prepare for this expansion of the project scope. Once a price for the additional scope of work is negotiated, staff will return to Council for discussion and approval.

Continued on Page 2

RECOMMENDED ACTION(S): Approval of Amendment with Green Valley Consulting Engineers in the amount of \$14,875 for additional design services related to the 2016 Sewer and Water Main Replacement Project, Specification 16-10, and corresponding budget amendment.

ALTERNATIVES: Do not approve amendment and provide direction to staff.

Citizens advised:	N/A
Requested by:	Tim Eriksen, Director of Public Works
Prepared by/Contact:	Jarod Thiele, Public Works Management Analyst
Coordinated with:	Rick Seanor, Deputy Director of Public Works
Presenters:	Tim Eriksen, Director of Public Works and Jarod Thiele, Public Works Management Analyst.
Attachment:	1. Green Valley Proposal

COUNCIL ACTION DATE: _____: ☐ Approved ☐ Continued to _____ ☐ Other _____

RECORDS APPROVED: ☐ Agreement: _____ ☐ Resolution: _____ ☐ Ordinance: _____

Note: Please write Agreement No. in upper right corner of agreement when drafted.

Approved: 
Sage Sangiacomo, City Manager

FISCAL IMPACT:				
Budgeted Amount in 16-17 FY	New Appropriation Source of Funds (Title & No.)	Account Number	Budget Amendment Required	Previous Contract or Purchase Order No.
\$0	STP d(1)	51024220.80230	Yes ☒ No ☐	COU No. 1516001 PC17002
\$0	Water Capital	82224413.80230	Yes ☒ No ☐	
\$0	Wastewater	84024421.80230	Yes ☒ No ☐	



March 3, 2017

Jarod Thiele, Project Analyst
City of Ukiah, Department of Public Works
300 Seminary Avenue
Ukiah, CA 95482-5400

**Re: Amendment #1 Request for the 2016 Sewer and Water Replacement Project –
Originally “Summer 2015 Street Reconstruction Project”**

Dear Jarod:

Attached please find our requested fee for amendment #1 for the recently awarded 2016 Sewer and Water Replacement Project (Project). Per your email request of February 16, 2017 we have modified the plans to allow the issuance of a change order to Argonaut Constructors for the addition of water and sewer mains in Luce Avenue.

The scope of work is briefly summarized below:

- Modify plan and profile sheets to add water and sewer mains to Luce Avenue from S. Dora Street to Helen Street
- Modify plan and profile sheet(s) to extend the new sewer and water main in Alice Street to the south and north approximately 5 feet beyond limits of new pavement.
- Modify quantities and specifications as needed for the addition of water and sewer mains in Luce Avenue and Alice Street

We are requesting \$ for the Amendment. This includes

Original Contract	\$119,750
Amendment #1	<u>\$14,875</u>
Total	\$134,625

We do not have a budget for construction support services as this was not covered in our original contract with the City. My understanding is that the City would like to have an hourly rate for these services. The hourly billing rate for Construction Support services is \$145.

If you require anything further, please let me know, and again, thank you for the work.

Should you have any questions regarding our amendment, please contact me directly at 707.579.0388 or on my cell phone at 707.326.5620.

Sincerely,

A handwritten signature in black ink that reads "Liz Ellis".

Liz Ellis, P.E.
Principal



CITY OF UKIAH
 2016 Sewer and Water Improvements Project
 Amendment #1
 Green Valley Consulting Engineers
 March 1, 2017

		ESTIMATED DESIGN FEES							
		PROPOSED HOURS							
		PM/PE	Proj Engr	CAD I	CAD II	Survey	Admin		
		\$145	\$135	\$110	\$125	\$190	\$70	Subtotal	Task Total
TASK NUMBER	DESCRIPTION							Costs	Fees
Task 1	Construction Support Services	36	0		75		4	\$14,875	\$14,875

Total Hours	36	0	0	75	0	4	\$14,875	\$ -
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Estimated Design Fee Total \$14,875



ITEM NO.: 12d

MEETING DATE: April 5, 2017

AGENDA SUMMARY REPORT

SUBJECT: PRESENTATION AND APPROVAL OF THE ELECTRIC UTILITY PUBLIC BENEFIT PROGRAMS (EUD)

Summary: On March 1, 2017, the City Council received an overview of the Electric Utility Public Benefit funding allocation and proposed new programs for consideration. The Electric utility will provide additional information and recommendations for Council's consideration and approval of the Department's updated Public Benefit Programs. (Attachment 1)

Background: The City's Electric Utility Department administers the Public Benefit (PB) Program created by the State legislation, AB1890, 1996. This legislation specifically requires programs to benefit all electric customers in four areas including Low-Income Programs, Energy Conservation, Renewable Energy and Research Development & Demonstration projects. AB1890 requires funding be 2.85 percent of gross electric energy sales.

Historically, PB funds have been utilized to provide services for Solar Photovoltaic (PV) Program, Energy Efficiency Programs and Services, and Low-Income Billing Assistance. Brief descriptions of these programs are below including an exciting new program for low-income housing construction and recommendations.

Solar PV Program: Beginning in 2008, the State Legislature enacted SB1. This legislation required all publicly owned utilities in California to offer solar PV rebates to customers to encourage them to install rooftop solar systems for a period of ten years. For the last ten years, the PB budget included \$150K to fund the solar PV program. On December 31, 2016, the SB1 legislation expired, and there is no longer a requirement for public utilities to fund a solar PV program. There is now flexibility to utilize funds previously reserved for solar PV rebates in order to fund other qualified PB programs and services.

Department Goals: *Reallocate funding to other programs or as directed and approved by City Council.*

Energy Efficiency Programs and Services: In March of 2006, the State Legislature enacted AB2021. This legislation requires publicly owned utilities to adopt ten-year energy efficiency goals to save energy (kWh's) and reduce demand (kW reduction). Every four years, goals are reviewed and Council may

Continued on Page 2

RECOMMENDED ACTION(S): City Council to receive Electric Department's Public Benefit Program Report and approve program changes and additions (EUD).

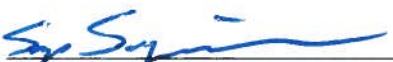
ALTERNATIVES: Remand to staff with direction.

Citizens advised:	N/A
Requested by:	Mel Grandi, Electric Utility Director.
Contact/Prepared by:	Diann Lucchetti, Electric Utility Program Coordinator.
Coordinated with:	N/A
Presenter:	Mel Grandi, Electric Utility Director.
Attachments:	1) Ukiah C.A.R.E.S. with Schedule 2) Draft Customer Letter 3) Draft Customer Renewal Letter

COUNCIL ACTION DATE: _____ : ☐ Approved ☐ Continued to _____ ☐ Other _____

RECORDS APPROVED: ☐ Agreement: _____ ☐ Resolution: _____ ☐ Ordinance: _____

Note: Please write Agreement No. in upper right corner of agreement when drafted.

Approved: 
Sage Sangiacomo, City Manager

revise and adopt new ten-year goals. The annual energy savings and demand reduction achieved by the Electric Utilities energy efficiency programs are reported to the State each year. As originally identified in AB1890, PB funds are tied directly to electric efficiency and now must achieve AB2021 energy efficiency goals.

Department Goals: Yearly, develop a program budget to accomplish Council's energy efficiency goals per AB2021. Specific program measures are provided and approved during the City's budget adoption process. City Council may direct alternative method and funding amounts. Draft letters to customers are provided as Attachments 2 and 3.

Low-Income Billing Assistance: Currently, the City has three low-income bill assistance programs; Temporary Emergency Assistance, Senior Citizen Monthly Discount, and Non-Senior Household Monthly Discount programs to help low-income and senior customers pay their electric bills. As a percentage of PB spending, the City has devoted a considerably higher percentage of PB funds to low-income bill assistance than other California public utilities. In addition, the monthly discount credit is a fixed amount vs. a tiered or percentage bill credit based on income adjusted quarterly.

Department Goals: Structure a low-income benefit payments as scaled to need, with lowest income customers receiving higher benefit payments, re-allocate Temporary Assistance Program funds to low income assistance programs,

Low-Income Housing Incentive Program: The Electric Utility recommends implementing a new low-income housing program that would provide incentives to developers to build energy efficient low-income housing that exceeds Title 24 minimums. This would provide long-term energy savings.

Public Benefit budgets need to be established to adequately fund energy efficiency programs to meet AB2021 goals and provide assistance to the City's low-income citizens. Individual program budgets will be established, balancing revenues and expenditures. This requires the evaluation and prioritization of the City's goals and objectives, and then allocating PB funds to achieve objectives.

Discussion: On March 1, 2017, City staff provided a presentation that outlined the Public Benefits history and current funding and provided recommendations on program content. Through significant discussion and questions, a better understanding of the full scope of the program benefits was provided. Council requested further information on programs that will be provided as part of the presentation on April 5, 2017. This will include:

Ukiah Electric Assistance Program

1. Historic program participation
2. Application process overview
3. Current and proposed budgets with program recommendations
4. Participant impact
5. Sample communication and notification schedule (Attachments 1-3)

Ukiah's Low-Income Housing Incentive Program

1. Community benefit
2. Scalable benefit based on energy savings obtained exceeding Title 24 baseline
3. Budget recommendations
4. Housing incentive impact

Fiscal Impact: Program recommendations prioritize and reallocate program funding and have no net fiscal impact to the Public Benefit fund.

FISCAL IMPACT:				
Budgeted Amount in 16-17 FY	New Appropriation Source of Funds (Title & No.)	Account Number	Budget Amendment Required	Previous Contract or Purchase Order No.
\$428,620	Public Benefits	80626500 Fund	Yes ☐ No ☒	N/A

UKIAH C.A.R.E.S.

(City Assistance for Relief through Energy Support)

The City of Ukiah has three programs available to provide eligible customers assistance with their energy bills. Customers can call the Salvation Army office at 707-468-9577 to apply for assistance.

Monthly Discount

- Customers with a gross income of up to 200% of the current Federal Poverty Guidelines may apply for assistance.
- A credit of \$30, \$20 or \$10 per month is applied toward electric charges each month to eligible households.
- Benefits appear as credit on the monthly utility bill.

Senior Citizen Monthly Discount

- Customers with a gross income of up to 200% of the current Federal Poverty Guidelines may apply for assistance.
- A credit of \$40, \$30 or \$20 per month is applied toward electric charges each month to eligible senior households.
- The City of Ukiah utility bill must be in the senior's name.
- The senior must be 62 years of age or older to qualify.
- Benefits appear as credit on the monthly utility bill.

Low-Income Energy Efficient New Construction Housing Incentives

- Incentives are available to qualified developers/contractors to incorporate energy efficiency designs above Title 24 minimum into new, low-income housing projects
- Projects exceeding up to 20% of Title 24 minimum would receive up to \$2,000 per living unit.
- Rebate of \$500 for minimum for 5% above Title 24 plus \$100 for each additional percent up to \$2,000 maximum.
- Covenant Restricted Housing
 - HUD qualified low-income housing
 - 50 year covenant-restricted or longer

(Over)

UKIAH C.A.R.E.S.

(City Assistance for Relief through Energy Support)

C.A.R.E.S incentive levels are dependent upon verified household income. See Federal Poverty Guidelines table and Ukiah C.A.R.E.S. Program Assistance Levels table for program eligibility guidelines and available benefit details.

2016 Federal Poverty Level Chart

Household Size	100%	150%	200%
1	\$11,770	\$17,655	\$23,540
2	\$15,930	\$23,895	\$31,860
3	\$20,090	\$30,135	\$40,180
4	\$24,250	\$36,375	\$48,500
5	\$28,410	\$42,615	\$56,820
6	\$32,570	\$48,855	\$65,140
7	\$36,730	\$55,095	\$73,460
8	\$40,890	\$61,335	\$81,780

Program	Less than 100% of FPIG	101% - 150% of FPIG	151% - 200% of FPIG	Payments
Senior Citizen Monthly Discount	\$40	\$30	\$20	Monthly bill credits
Non-Senior Household Monthly Discount Program	\$30	\$20	\$10	Monthly bill credits
Low-Income Energy Efficient New Housing Program	Rebate of \$500 for minimum 5% above Title 24 plus \$100 for each additional percent up to \$2,000 maximum. Housing projects exceeding up to 20% of Title 24 minimum receive up to \$2,000 per living unit.			Rebate - Developer must apply and meet program requirements



Attachment 2

Date

Jane Doe
XXX Clay Street
Ukiah, CA 95482

Dear Customer,

On April 5th, 2017 the City Council for the City of Ukiah approved a change to the eligibility guidelines and the available benefit for low income assistance based on the Federal Poverty Guidelines. Attached are the new guidelines for Senior and Monthly Discount qualifications and the amount of the benefit based on household income.

These changes will take affect July 1st, 2017. The application process will remain the same but the amount of your discount may change based on your current income level in conjunction with Federal Poverty Guidelines.

If you have questions in regard to these changes please contact our Customer Service Department at (707) 463-6228, Monday thru Friday, 8:00 a.m. to 5:00 p.m.

Sincerely,

Lori Martin
Billing and Customer Service Manager
City of Ukiah



Attachment 3

Date

Jane Doe
XXX Clay Street
Ukiah, CA 95482

Dear Monthly/Senior Discount Customer,

We are very proud that you participate in the Monthly Discount Program of Ukiah C.A.R.E.S. At this time we would like to inform you that it is time to renew your application for your utility account.

On April 5, 2017, the City Council for the City of Ukiah approved a change to the eligibility guidelines and the available benefit for low income assistance based on the Federal Poverty Guidelines. The change took effect July 1, 2017, and when you renew your utility account for the coming year there may be a change in the benefit you will receive based on the new eligibility guidelines.

The friendly staff at the Salvation Army office will be happy to handle your renewal as well as inform you what your new benefit amount will be. You will need to complete the enclosed application, contact their office at **(707) 468-9577** to schedule an appointment. The application needs to be presented to the Salvation Army, which is located at **419 Talmage Rd. Ste. F in Ukiah**, for completion. Once we have received notification from them, our office will apply the discount you qualify for according to the new qualification guidelines. If we do not receive your renewal by 00/00/00 your discount will be removed.

We hope that this program have been a worthwhile benefit for you. If you have any questions about this or any other program please call our Customer Service Department at (707) 463-6228.

Sincerely,

Customer Service Department
City of Ukiah



ITEM NO.: 13a

MEETING DATE: April 5, 2017

AGENDA SUMMARY REPORT

SUBJECT: AUTHORIZE CITY MANAGER TO EXECUTE A MEMORANDUM OF UNDERSTANDING BETWEEN THE COUNTY OF MENDOCINO, THE CITY OF UKIAH AND THE UKIAH VALLEY TRAIL GROUP REGARDING THE MAINTENANCE AND IMPROVEMENT OF LOW GAP REGIONAL PARK AND ADOPTION OF THE UKIAH VALLEY TRAIL GROUP 2015 LOW GAP PARK TRAIL PLAN

Summary: City Council to consider authorizing the City Manager to Execute a Memorandum of Understanding between the County of Mendocino, the City of Ukiah and the Ukiah Valley Trail Group (UVTG) regarding the maintenance and improvement of the Low Gap Regional Park which includes the City View Trail; and Council to also consider adoption of the Ukiah Valley Trail Group 2015 Low Gap Park Trail Plan.

Background: Low Gap Park is located at the base of the western hills of Ukiah, just across Low Gap Road from the Ukiah High School. The park extends to the south and shares a boundary with the Ukiah Golf Course. The park is approximately 160 acres, the City of Ukiah owns the southern half of the park and the County of Mendocino owns the northern half. In September of 2010 the City of Ukiah and the County of Mendocino entered into a Memorandum of Understanding (MOU) regarding the operation and maintenance of Low Gap Regional Park and defined the Park Use Area. In conjunction with the UVTG the City of Ukiah developed a new trail which resides on property owned by the City but is commonly accessed through Low Gap Park. Discussions arose between the County, the City, and the UVTG to identify the best use of resources for maintaining this new trail and other trails in the City's system. In 2012, the Friends of Low Gap Park was formed and the group met routinely for about two years and made a number of recommendations to the City and County. Among the recommendations was a call for a trail plan.

Discussion: The City of Ukiah entering into a MOU with the UVTG and the County allows both agencies to benefit from the dedicated services of this volunteer group. The purpose of the MOU is to establish a framework for cooperation and partnership among the County, the City, and the UVTG to assist one another, in areas of mutual interest and concern as it pertains to County and City owned and operated property and parks in Low Gap Park.

Continued on Page 2

RECOMMENDED ACTION(S): Authorize City Manager to execute a Memorandum of Understanding between the County of Mendocino, the City of Ukiah, and the Ukiah Valley Trail Group regarding the maintenance and improvement of Low Gap Regional Park; and adopt the Ukiah Valley Trail group's 2015 Low Gap Park Trail Plan.

ALTERNATIVES: Reject the recommended action and remand to staff with direction.

Citizens advised: Ukiah Valley Trail Group
Requested by: County of Mendocino
Contact/Prepared by: Tami Bartolomei, Community Services Administrator
Coordinated with: Sage Sangiacomo, City Manager
Presenter: Tami Bartolomei, Community Services Administrator
Attachments: 1. Draft Ukiah Valley Trail Group 2015 Low Gap Park Trail Plan
2. Memorandum of Understanding between the County, City, and UVTG

COUNCIL ACTION DATE: _____: ☐ Approved ☐ Continued to _____ ☐ Other _____

RECORDS APPROVED: ☐ Agreement: _____ ☐ Resolution: _____ ☐ Ordinance: _____

Note: Please write Agreement No. in upper right corner of agreement when drafted.

Approved: Sage Sangiacomo
Sage Sangiacomo, City Manager

The Ukiah Valley Trail Group 2015 Low Gap Park Trail Plan is a guide for City and County staff, work crews, and Service Organizations to ensure uniformity in the development and maintenance of a first class trail system at Low Gap Park. Please find this plan attached for your review (Attachment #1).

Some of the recommended changes have already been implemented, such as the City has placed signage at the trail head to the City View Trail to better distinguish the trail and visually provide a reminder on the trail rules.

The County of Mendocino on November 1, 2016, approved the MOU and adopted the Ukiah Valley Trail Group's 2015 Low Gap Park Trail Plan. The approved MOU is attached for your review (Attachment #2).

While there is no direct fiscal impact on this agreement, the partnership with the UVTG will reduce the amount of time City staff dedicates to the maintenance of the City View Trail. Park crews will continue to maintain the Ukiah Skate Park and parking areas.

Staff recommends authorizing the City Manager to execute the proposed MOU between the County, the City of Ukiah, and the Ukiah Valley Trail Group and; Council adopt the Ukiah Valley Trail Group's 2015 Low Gap Park Trail Plan.

FISCAL IMPACT:				
Budgeted Amount in 16-17 FY	New Appropriation Source of Funds (Title & No.)	Account Number	Budget Amendment Required	Previous Contract or Purchase Order No.
N/A	N/A	N/A	Yes ☐ No ☒	N/A

2015

Low Gap Park Trail Plan



Neil Davis, Executive Director
Ukiah Valley Trail Group
12/14/2015

1. Exec Summary
2. Project Scope
 - a. Background
 - b. Need
 - c. Methodology
3. Park Areas
 - a. Dog Park
 - b. Picnic Areas
 - c. Disc Golf
 - d. Archery Range
 - e. Tennis Courts/ Skateboard Park
 - f. PAR Course
 - g. Amphitheater
4. Existing Roads
5. Existing Trail Descriptions and Recommendations
 - a. North Orr Creek Trail
 - b. South Orr Creek Trail
 - c. Lower Canyon Creekside Trails
 - d. "Maple Hill" Trail
 - e. Canyon Creek Trail
 - f. Orr/Canyon Connector Trail
 - g. Unrecognized Canyon Creek Short Cut Trail
 - h. City View Trail
 - i. "Picnic" Trail
 - j. Red Arrow Trail
 - k. "Walkway" Trail
6. Proposed Trails
 - a. Canyon/City View Connector Trail
 - b. Upper City View Trail
 - c. ADA/ABA Access Trail
 - d. Orr Creek Greenway Connection
 - e. Maple Hill View Spot Trail
7. Undesirable Goat (Use) trails
 - a. Trail to the U
 - b. Short cuts
8. Trail Removal
9. Signage
10. Benches and Picnic Tables
11. Creek Access Facilities
12. Caretaker Area
13. Trail Name Auction Plan
14. Bridges

Appendix

The Universal Trail Assessment Process

Universal Trail Assessment Plan Example

Design and Maintenance Standards

Maps

Map #1 – All Trail Map

Map #2 – Park Resources Map

Map #3 – Truck Roads

Map #4 – Lower Canyon Creek/Maple Hill Use Trails

Map #5 – Canyon Creek Reroute

Map #6 – Canyon Creek/City View Connector Trail

Map #7 – Upper City View Trail

Map #8 - Accessible Trail

Map #9 – Orr Creek Greenway

Glossary

References

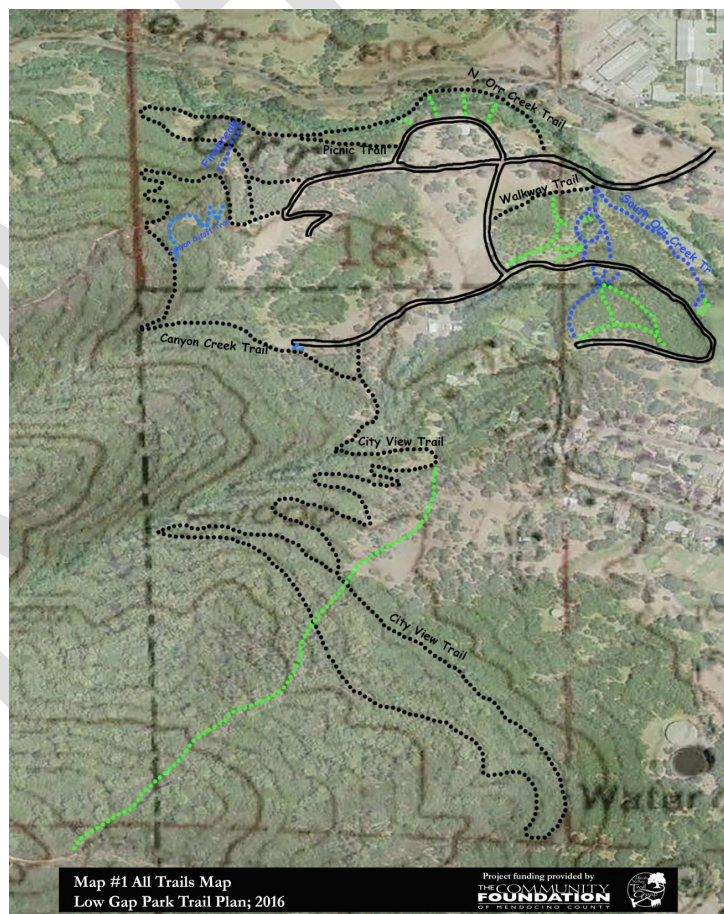
Acknowledgements

Executive Summary

Low Gap Park, located on the western edge of Ukiah, is Ukiah's largest and most popular park. The park is home to a wide variety of recreational resources including a skate park, tennis courts, picnic areas, a disc golf course, an outdoor stage, and a trail system. Over half the park's acreage is devoted to public access open space and trails and trail use and nature related activities are the most common activity in the park. Despite this heavy use there is no Trail Plan to guide the work of City and County staff and the volunteer organizations that assist them. With grant funding from the Community Foundation of Mendocino County, Ukiah Valley Trail Group staff have prepared this document to provide guidance to City and County staff, work crews, and Service Organizations to ensure uniformity in the development and maintenance of a first class trail system at Low Gap Park.

Ukiah Valley Trail Group (UVTG) staff and volunteers reviewed maps and documents to develop a history of the park and to document park resources. UVTG staff and volunteers then walked the property to assess the existing trails in the Park. Trails were categorized as (a) Truck Road, (b) Design Built (official), and (c) Use or Goat Trail (unofficial). Some trails appear to be hybrid in that they likely evolved as Use (Goat) Trails and then at some point received maintenance and were tacitly accepted as "official" trails. Some of these hybrids merit adoption, while others may need to be removed.

UVTG staff used the Universal Trail Assessment Process, a widely accepted trail assessment tool, to review, categorize, and suggest improvements to the trail system. Areas where new trails or significant reroutes of old trails are recommended have been identified. Maps were created and photos have been included to assist in documenting current trails and conditions and proposed trails and realignments.



The roads, and many of the existing trails, are un-named. This plan has provided temporary names to these roads and trails to assist in communication and proposes a process for providing permanent names. The plan describes the trails, outlines the strengths and weaknesses of each trail, and provides suggestions on how problems should be addressed. Some trail problems negatively impact the user experience, while others risk environmental damage and of course, the cost of the suggested

improvements is highly variable. Decision makers will need to balance the benefits and costs as well as funding sources in setting project priorities.

The truck roads are generally in good shape while the bridges are all in poor shape. The trails run the gamut from well designed and in excellent repair to poorly aligned and maintained. Additionally, there is a need for creek access improvements and accessible (Americans with Disabilities Act {ADA} or Architectural Barriers Act compliant {ABA}) trails. The plan identifies a few areas where new sections of trail, including an ADA/ABA compliant trail, may be beneficial and a number of old routes that should be decommissioned and re-vegetated. Efforts should be made to prepare for a connecting route with the proposed Orr Creek Greenway outlined in the City of Ukiah Bike and Pedestrian Master Plan.

Project Scope

Background

Park Location: Low Gap Park is located at the base of the western hills of Ukiah, just across Low Gap Road from Ukiah High School. The park extends to the south and shares a boundary with the Ukiah Golf Course. The park is approximately 160 acres and is situated along Orr Creek, one of the three major streams in Ukiah and an important tributary of the Russian River. The City of Ukiah owns the southern half of the park and the County of Mendocino owns the northern half.

Park History: Until 1955, the City of Ukiah used a portion of the County owned land for the City dump. In 1955 the dump was closed and topsoil from what is now the archery range was pushed over the dumpsite to seal it off. Prior to its use as a City dump, there was a lumber mill and millworkers' housing on the site. Remnants of both these former uses can still be found in certain areas of the park.

In 1964, when one of the earliest State Park Bond acts was passed, a decision was made by the Mendocino County Board of Supervisors to eventually develop the Low Gap property into a regional County park. However, by 1973, when the County Parks Department was created, nothing had yet been done with the funds allocated for Low Gap, and it became the Park Director's first duty to proceed with the Low Gap project.

Development of the park continued beyond the initial construction of restrooms and a parking lot, with the help of funds acquired under the State Park Bond Act, the Roberti-Z'Berg Grant, and the Land and Water Conservation Act. (The latter two grants were competitive grants requiring County match funds.) With this financial assistance, the County was able to reconstruct and develop several recreational facilities including approximately three miles of trail that are now known as Canyon Creek and Orr Creek Trails. Over time the facilities grew to include an archery range, tennis courts, a disc golf course, a dog park, a small outdoor theater, and a PAR course.

In 2005 members of the City Of Ukiah Paths, Open Space, and Creeks Commission (POSCC) alerted the community to the existence of approximately 80 acres of City-owned, undeveloped natural habitat adjacent to Low Gap Park. The Commission brought a recommendation to the Ukiah City Council that the acreage be used for passive recreation and conservation. The initial proposal was to build a trail from Low Gap Park to Todd Grove Park with a terminus along the side of the golf course. Resistance from the golfing community led to the plan being modified so as to avoid the golf course.

In 2007 the Ukiah Valley Trail Group obtained grant funding to build a trail that would later become known as City View Trail. The trail was completed in 2010.

In 2012 the Friends of Low Gap Park was formed. The group met routinely for about two years and made a number of recommendations to the City and County. Among the recommendations was a call for a trail plan.

In early 2014 County staff arranged for work crews to come and perform what they considered to be routine maintenance on the trails at Low Gap Park. Unfortunately, the work left some members of the community upset with the quality and goals of the work. With the support of Ukiah City Manager Jane Chambers and County Supervisor John McCowen the Ukiah Valley Trail Group offered to draft a plan for the trails at Low Gap Park.

Need For the Plan

The County of Mendocino does not have a Recreation Department and parks are managed under the General Services Department. The City of Ukiah has a Community Services Department with dedicated recreation staff. However, neither the City nor the County has staff with the specific training to make recommendations regarding the building and maintenance of trails. Both the City and the County have staff members who are willing to pitch in and do what they can to manage the trail system. Additionally, the Ukiah Valley Trail Group and other service organizations are willing to assist with trail maintenance.

However, too many “cooks” with no guiding Trail Plan document, is a recipe for disaster. It is the purpose of this document to provide guidance to City and County staff, work crews, and Service Organizations to ensure uniformity in the development and maintenance of a first class trail system at Low Gap Park.

Methodology

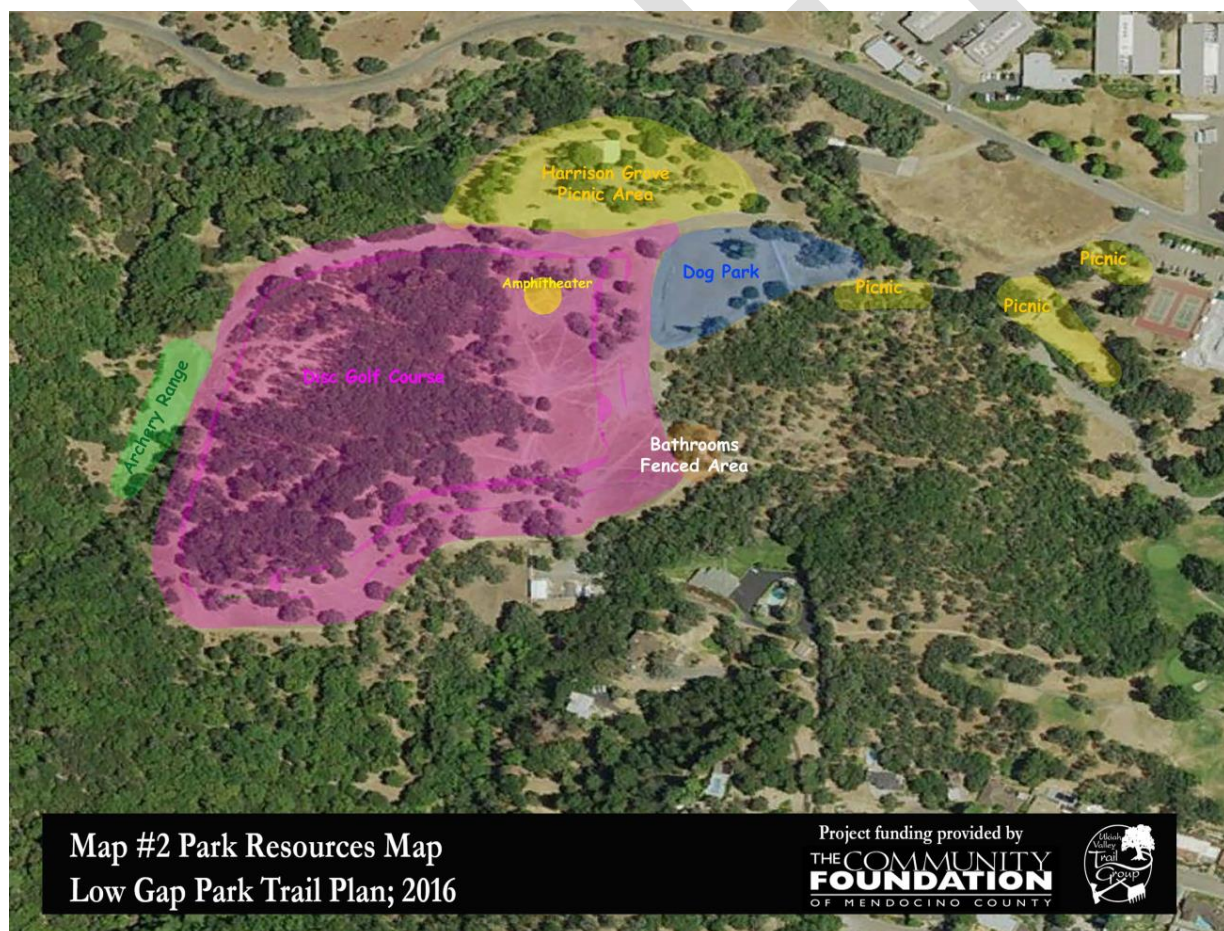
Ukiah Valley Trail Group (UVTG) staff and volunteers reviewed maps and documents to develop a history of the park and to document park resources. UVTG staff and volunteers then walked the property to assess the existing trails in the Park. Trails were categorized as (a) Truck Road, (b) Design Built (official), and (c) Use or Goat Trail (unofficial). Some trails appear to be hybrid in that they likely evolved as Use (Goat) trails and then at some point received maintenance and were accepted as “official” trails. Some of these hybrids merit adoption, while others may need to be removed.

Universal Trail Assessment Process (UTAP)

All existing trails were assessed. The Universal Trail Assessment Process (UTAP) was applied to all significant trails. Use trails and shortcuts that were deemed obviously unsuitable for continued use had their locations logged but were not assessed. The UTAP objectively documents the actual conditions in outdoor, natural environments. The UTAP is a tool that land managers, agencies, and individuals can utilize to learn about, monitor, improve, and use on any outdoor path of travel. Ukiah Valley Trail Group Executive Director Neil Davis is a Certified Trail Assessment Coordinator and supervised the data collection and prepared the UTAP reports.

Areas where new trails or significant reroutes of old trails are recommended have been identified. UTAPs for these potential projects can be created if and when the projects are approved. Maps were created and photos have been included to assist in documenting current trails and conditions and proposed trails and realignments.

Park Areas



Low Gap Park has a wide variety of facilities. This section will briefly describe the current primary uses. This document does not however seek to describe how these facilities should be managed other than to make recommendations where it is deemed potential interests may compete or conflict with the

preservation of natural habitat and the quality of trail user experience. The original recommendation from the City of Ukiah's Paths, Open Space, and Creeks Commission was the City portion of the Park should be managed for passive recreation, education, and conservation. It is the recommendation of this plan that broad swaths of the park should be protected and conserved as native habitat. The passive recreational and educational use of the park through trails should be balanced by efforts to minimize the impact on the natural habitat. For both the City and the County's properties it is imperative that the other uses of the park be limited to their current footprint and not be allowed to expand into any area that is currently being managed for conservation.

Dog Park

The Dog Park is clearly delineated by existing fencing and should not be expanded further into the park. Pets should remain on leash when outside of the dog park and educational outreach may be necessary to discourage pet owners from allowing their dogs to go off leash or into the creeks. Dogs disrupt and potentially displace native wildlife even when they do not chase. All efforts should be made to reinforce the importance of keeping dogs on leash as well as discouraging bringing them onto trails.

Picnic Areas

There are four primary picnic areas in the park. 1) Next to the Tennis Courts at the Parking lot. 2) Next to Orr Creek near the bridge that provides access to the park. 3) Next to the Dog Park. 4) Harrison Grove Picnic area. The existing picnic areas provide room for multiple groups to picnic at any given time. It is also possible for a group to reserve a site. The reserve-able picnic areas are not always reserved indicating that there are adequate picnic sites at this time. Picnic areas should not be extended beyond their current footprint.

Disc Golf



The Low Gap Disc Golf course was established in 1982 and was one of the first Disc Golf Courses in Northern California. The course gets heavy use and is heavily worn and eroded. There is no organized service organization dedicated to managing the use and maintenance of the course. As such it is in bad repair and online forums give it mixed reviews. There have been unsanctioned extensions of the course that spread the significant impact of the course and increase erosion and

danger posed by hard plastic discs being thrown from areas where other users are not expecting it. The course should be confined to its current footprint.

Archery Range

The archery range is a simple amenity with minimal impact on the natural environment. It is lightly used and maintained by the users. No extension of the archery range is necessary and safety issues render extension of the range impractical.

Tennis Courts/Skateboard Park

The Tennis Courts and Skateboard Park are on County property and managed by the City. The tennis courts are lightly used and typically available for use with no wait. There is neither room nor demand for expansion of this amenity. The Skateboard Park is popular and heavily used. The park is shared with bicyclists. There is room to the immediate south of the skate park where a bicycle skills park could be built and there is arguably enough demand to justify it. Extension into this area could however impair the ability to build an accessible (ADA/ABA compliant) trail into the park recommended later in this plan.

PAR Course

The PAR course was rehabilitated with all new stations placed in the Spring of 2015. There are approximately 20 stations on the course designed to provide users with a complete physical workout. The stations are positioned predominantly along the N Orr Creek Trail* and extend back past the Archery range and the loop is completed near the first tee on the disc golf course.

* Low Gap Park does not currently have an adequate or completely named system of trails. This plan identifies what is currently referred to as Orr Creek Trail as North Orr Creek Trail and identifies the unnamed trail on the south side of the main entrance as South Orr Creek Trail.

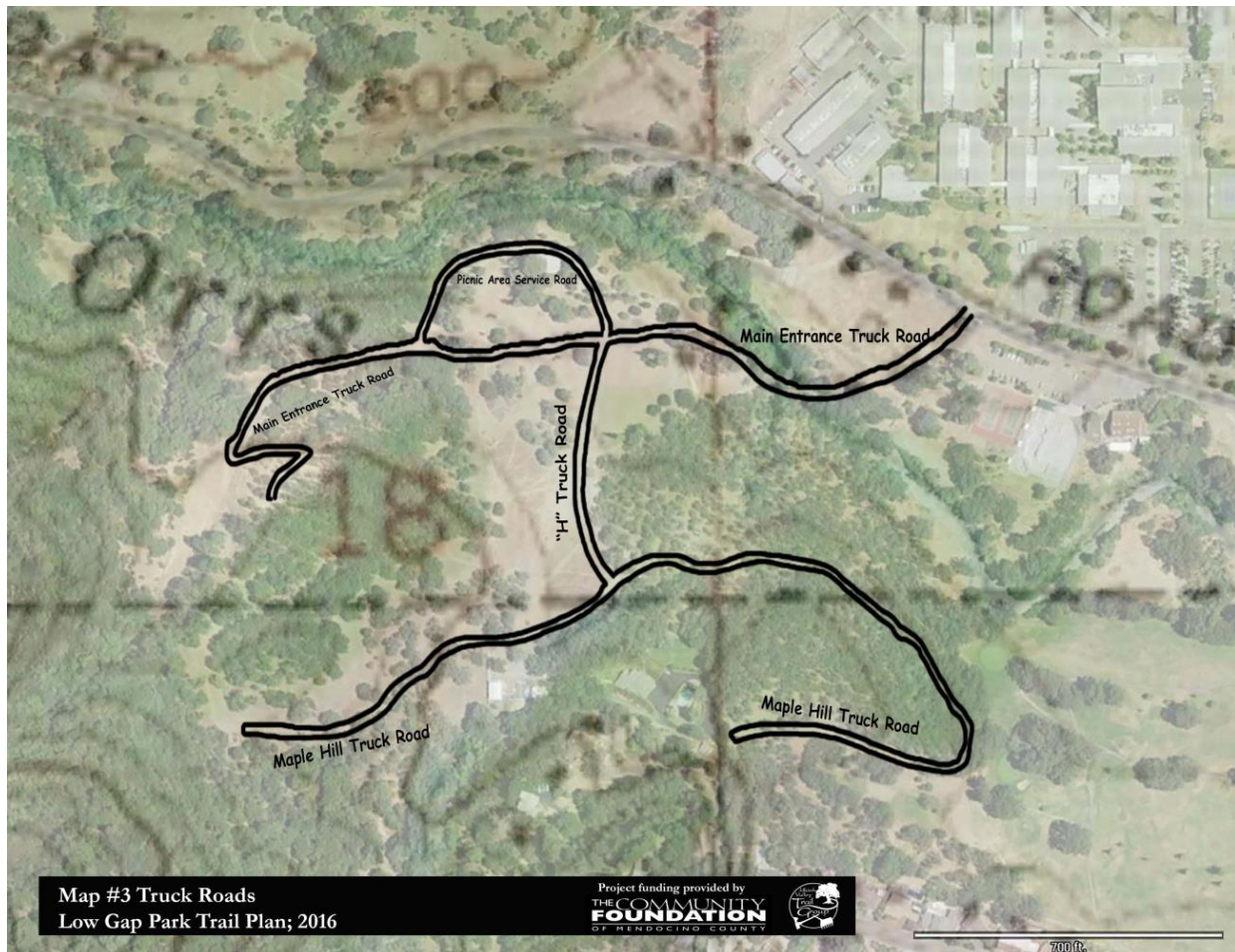
Amphitheater

The amphitheater seats approximately 150 people and is equipped with power. The theater is located near the 18th hole of the disc golf course. It is a rarely used facility.



The lightly used amphitheater

Existing Roads



This plan identifies four unique but un-named roads in Low Gap Park (Map #3). The roads are all wide enough to be used by a truck and are a combination of asphalt and compacted dirt and/or gravel. For the purpose of discussion the roads will be referred to as 1) Main Entrance Truck Rd, 2) Maple Hill Truck Rd, 3) "H" Truck Road, and 4) Picnic Area Service Rd. Maintenance staff are also in the habit of driving vehicles to the upper portions of the Disc Golf course to empty trash cans. These paths do not appear to have been part of a design or maintenance plan. County staff may want to consider addressing this use.

Existing Trail Descriptions and Recommendations

The trails of Low Gap Park run the gamut from ill-located and aligned Goat trails to excellently designed and built state of the art purpose built trails. Use patterns indicate that the N Orr Creek, Creekside and City View Trail are the most popular routes in the park. However, all trails and paths in the park have their adherents. (See Map #1 – All Trails Map)

(North) Orr Creek Trail

Quick Notes:

UTAP #1: North Orr Creek Trail Length: 2722' Avg. Grade: 6.0% Max Grade: 19% x 56'

Additional 200' section over 15% grade. Nearly one quarter of the trail is 13+% slope. This trail has a deceptively low average slope due to long flat sections followed by very steep sections. The steep sections hold up well to erosion. Although it is a relatively strenuous trail, it does not require much maintenance.

Description: (North) Orr Creek Trail, along with Canyon Creek Trail, is an older and popular trail. It is most readily accessed from Harrison Grove across from the Dog Park. It quickly descends to Orr Creek and parallels the creek for approximately a third of a mile. Glass shards and other evidence of the area's history as a dump are prominent. The trail allows access to the creek via a number of "Use Trails." It passes an old non-functioning water fountain and then provides access to the park's PAR course. At the western edge of the park's boundary the trail reverses course and climbs steeply to an old iron sundial. The trail then turns to the south and climbs steeply along an old telephone pole retaining wall. It then turns to the east, crosses a 30 foot, wooden bridge before ending at the Main Truck Road.

Problem areas: 1) creek-side erosion that threatens to erode into the trail, 2) presence of an old non-functioning water fountain 3) an erosive, fall-line use trail that connects the sundial and the old water fountain, 4) an old section of Firebreak that is used as a "Goat Trail" to climb to Canyon Creek Trail, 5) The bridge is in moderate to poor condition.

Recommendations: 1) Realign east end of trail to bring it higher on the hillside away from erosive area of creek. 2) If property boundaries allow, connect (North) Orr Creek Trail with (South) Orr Creek Trail. 3) Close and re-vegetate Use Trails. 4) Remove old drinking fountain.

(South) Orr Creek Trail

Quick Notes:

UTAP #2: (South) Orr Creek Trail Length: 856' Avg. Grade: 10.2% Max Grade: 30% x 100'

Due to its location in a flood plan, this trails should be completely realigned/relocated on to the hillside to the south of the flood plain.

Description: (South) Orr Creek Trail starts at the west end of the main truck bridge at the entrance to the park. It immediately uses an old, dilapidated wooden bridge to cross Canyon Creek. The trail immediately turns to the west paralleling Orr Creek. This initial section is narrow and rocky. The trail then descends to a flood plain where it provides a variety of access points to the creek. The area frequently floods. Following each flood, the old trail course is obliterated and users establish a new Goat "Use" trail. The trail continues to parallel the creek for a few hundred yards before climbing steeply to the Maple Hill Truck Road and an unsanctioned access point to the golf course.

Problem Areas: 1) The wooden bridge connects with a small area from which trail cannot be properly aligned without removal of large boulders. 2) The flood plain is not suitable for a trail. 3) The creek access is inadequate. 4) The bridge is in very poor condition and should be replaced.

Recommendations: 1) The existing trail alignment should be abandoned and re-vegetated. 2) A newly aligned trail can (a) provide views and access to the creek, (b) not depend on the current bridge site and (c) provide access between Maple Hill and the Park Entrance. 3) The trail should be re-aligned to start at the top of the existing stairs near the Dog Park. 4) The existing bridge should be removed. 4) An observation deck/bridge should be used at the creek crossing 5) The new trail should be aligned to stay above the flood plain with specific defined spots to take users to the creek. The new trail should climb on a contour to an observation platform midway up the creek then switchback twice to gain the summit at the bottom of Maple Hill. 6) An observation deck should be placed at the top of the creek where it crosses Maple Hill Road. 7) All platform/bridge/observation decks should have interpretive signage explaining the importance of staying on the trail and out of the creek.

Lower Canyon Creekside Trails

Quick Notes: *UTAP #3:*

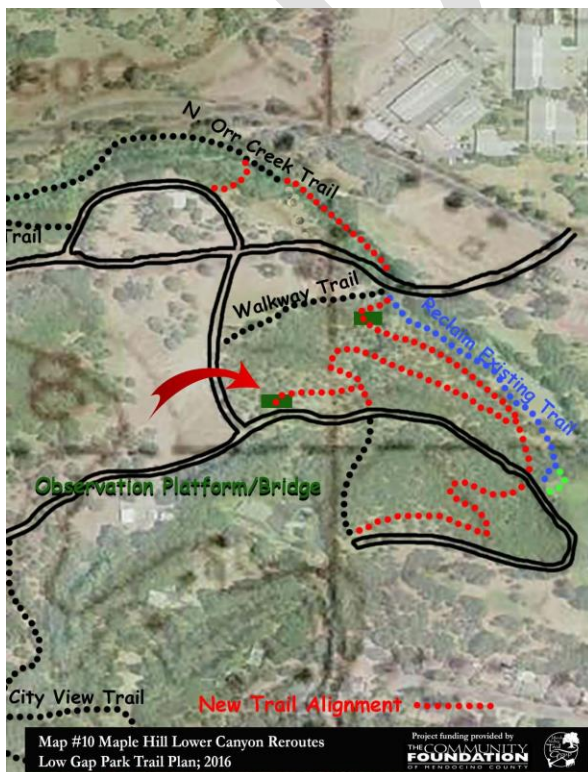
Lower Canyon Creekside Trail Length: 540' Avg. Grade: 12.% Max Grade: 38%% x 32'

Along with South Orr Creek Trail, this tangle of use/goat trails shold be completely realigned. Creek observation decks can serve as bridges to allow the public the ability to observe the creek without disturbing the habitat.

Description: A variety of poorly situated (aligned) trails criss-cross the lower Canyon Creek drainage. They appear to be Goat Trails that have been adopted with subsequent maintenance providing them with a degree of credibility. The trails are over-steep, redundant, and too close to the creek. The main trail starts at the wooden bridge that provides access to (South) Orr Creek Trail. The trail immediately bisects into multiple paths with one climbing steeply over boulders and the other skirting immediately adjacent to the creek. The main (most heavily used) trail continues to climb along a fall line to eventually connect with the Maple Hill Truck Road. The secondary branch continues up the creek-side, branches

into multiple goat trails crisscrossing the creek and eventually comes out on the Maple Hill Truck Road to the west of the main branch.

Recommendation: This solution to the problems of this area and the South Orr Creek trail are one and the same. The wooden bridge at the bottom of the trail should be removed. The trail should primarily be closed and re-vegetated with a new trail realignment to allow planned crossings with creek viewing platforms. The trail can connect with the newly re-aligned (South) Orr Creek trail and Maple Hill Truck Road. Inclusion in Trail Naming Program is recommended.



Stream crossings can be accommodated by providing “Observation Platforms” that allow the dual function of crossing the creek while allowing users to observe the creek. The observation platforms would provide a good place for interpretive signage instructing users on the importance of staying out of the environmentally sensitive creek.

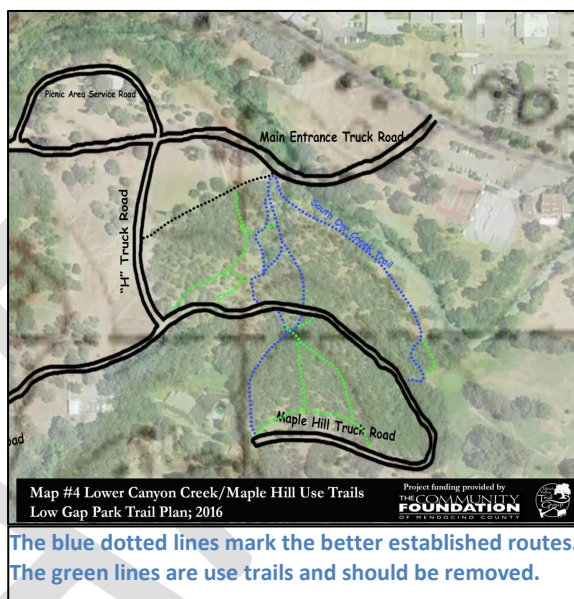
“Maple Hill Trail”

Quick Notes: *UTAP #4:*

“Maple Hill Trail” Length: 558’ Avg. Grade: 12% Max Grade: 20% x 60’

This trail only requires routine maintenance.

Description: The Maple Hill area is bordered by the Maple Hill Service Road that begins at the private property top of Maple Hill Avenue, circles a knob of land and continues to and past the beginning of Canyon Creek Trail and the Disc Golf Course. “Maple Hill Trail” is likely a use trail that has received improvement/maintenance and drops steeply along the west edge of the property until it meets the Maple Hill Service Road. The trail is over steep and appears to be used primarily by people who are accessing the park from Maple Avenue. The trail is holding up well to its current level of use



despite being overly steep. There is no evidence of this trail having been given a specific name and is referred to here as “Maple Hill Trail” for convenience. Renaming this un-named trail is a potential source of one time revenue.

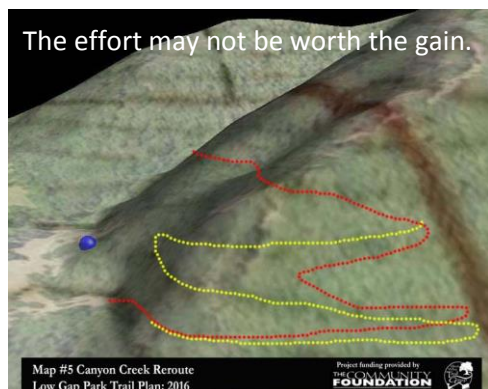
Recommendation: No Changes, routine maintenance. Include this trail in the Trail Naming Program

Canyon Creek Trail

Quick Notes: *UTAP #5:*

Canyon Creek Trail Length: 3463’ Avg. Grade: 10% Max Grade: 25% x 60’

This is one of the most popular trails in the Park. Although the narrow, tight switch backs are not ideal, they are holding up well. The trail could be realigned to improve the user experience but the effort to realign the trail may not be worth the gain.



The effort may not be worth the gain.

Description: Canyon Creek Trail starts at the Archery Range and climbs to the western boundary of the park via a number of tight and narrow switchbacks. The switchback section is too steep and is likely a reason for the trails relatively light use. Despite the poor trail layout the trail requires little maintenance. It eventually provides an excellent view spot with an existing bench. The trail then contours to the south

and crosses a poorly designed, ill-maintained bridge. It then drops at a reasonable pitch to the City View Trail and continues on to its terminus near the west end of Maple Hill Service Road.

Problem Areas: 1) As the trail initially climbs away from the archery range, it intersects with the “Canyon Creek Cutoff Trail.” A 16-24 foot section of split rail should be placed here when the trail is decommissioned as recommended later in the plan. 2) The switchbacks are too narrow and spaced too close together leading to cutting of switchbacks and a less than optimal hiking experience. Significant trail realignment should be considered but would require a major effort.

Orr/Canyon Creek Connector Road

This 120 foot section of old Truck Road connects N Orr Creek Trail and Canyon Creek trail. The section is preferentially used by hikers who are hiking both trails as a loop (as opposed to hiking to and past the Archery Range).

Problem Area: The trail is excessively steep.

Canyon Creek Cutoff Trail

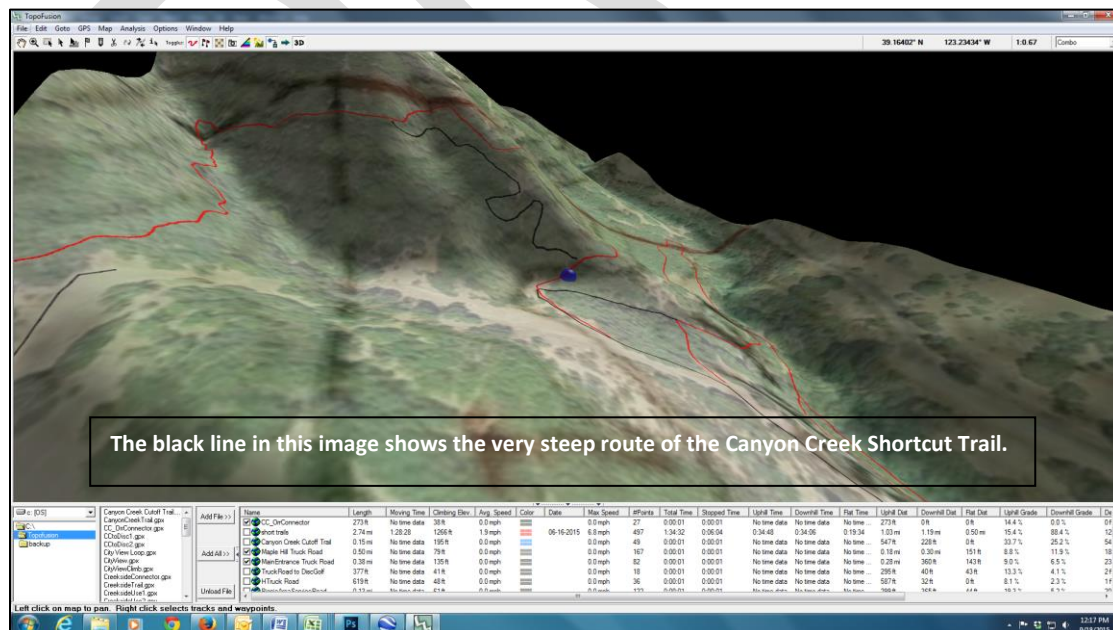
Quick Notes: *UTAP #7:*

Canyon Creek Cutoff Trail *Length: 776'* *Avg. Grade: 19.4%* *Max Grade: 28% x 109'*

This is a redundant, un-necessary, and overly steep trail that should be decommissioned.

The history of this trail is unclear. It may be a use trail that received maintenance or it may have been purpose built. It is over-steep and redundant. It does not provide a unique trail experience or destination. It is simply a shortcut that increases long term maintenance requirements and increases human impact on the natural environment and wildlife. Appendix

Recommendation: Decommission and restore the area.



City View Trail

Quick Notes: *UTAP #8:*

City View Trail Length: 8358' Avg. Grade: 6.3% Max Grade: 30% x 22'

The most popular trail in the park. Routine maintenance.

City View trail was purpose designed and built to a high standard in 2010. It is the most heavily travelled and popular trail in the park. The trail is 8358 feet long (1.6 miles) and has sustainable grades. Despite heavy use, the trail is holding up well and requires minimal maintenance.

The trail has become the preferred jump off point for illegal off trail access to the "U" on the property above Low Gap Park. Efforts to stop this trespass (signage and split rail fence) have proven futile. Further discussion of this can be found in the "Trespass to the U" section of this plan.

Recommendation: Routine maintenance.

"Picnic" Trail

Quick Notes: *UTAP #9:*

"Picnic Trail" Length: 526' Avg. Grade: 3.1% Max Grade: 9% x 75'

A well designed, pleasant but short section of trail. Routine maintenance.

This un-named trail - here referred to as "Picnic trail" - is a well laid out and sustainable trail that provides access from the main picnic area to Orr Creek. The Picnic Area is directly uphill from Orr Creek and there are multiple use trails from the area to the Creek. North Orr Creek Trail and "Picnic" Trail should be the two routes between the Picnic area and the Creek. Currently there is no signage to inform users how to get to the creek.

Recommendation: 1) Add signage so users can find the trails to the creek and interpretative signage to educate users as to the problems created by shortcutting. 2) Build fence along the creek side of the picnic area. 3) Add interpretative and directional signs. Off trail shortcutting should be able to be minimized by building a fence along the creek side edge of the area and creating a new route from the east side of the picnic area to N Orr Creek Trail. Routine maintenance of the trail. Inclusion in trail naming program.

Red Arrow Trail

"Red Arrow" trail is signed as starting next to the 4th tee of the disc golf course and continues onto the disc golf course. Leading hikers onto the disc golf course is undesirable to both disc golfers and hikers. The trail route is unclear (once a user is on the disc golf course there is no single clear path) and its signage is inappropriate and misleading.

Recommendation: Decommission trail and remove signs.

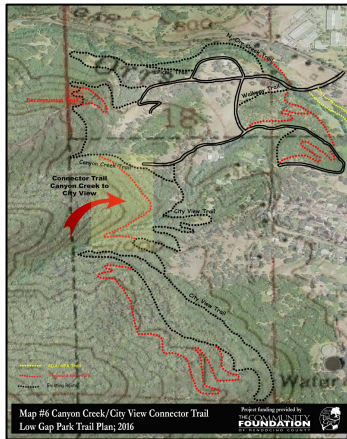
“Walkway” Trail

This is not a true trail but a common short cut route across a picnic area and playground. It is frequently used by hikers who are on their way to City View Trail. There is no downside to people walking this way and no significant benefit to improving it as a route.

DRAFT

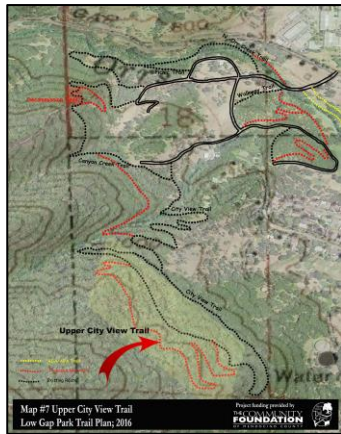
Proposed Trails

Canyon/City View Connector Trail



This proposed trail would be approximately one half mile and would contour at approximately the 1100 foot elevation level from Canyon Creek trail to City View trail. This trail would provide an additional loop option and allow frequent users of the area a different option thereby encouraging more frequent use (a public health benefit). The trail route crosses areas of mixed hardwood before contouring through redwood trees to a seasonal stream crossing. The majority of side slopes are moderate and the alignment would be suitable to hand-built trail techniques.

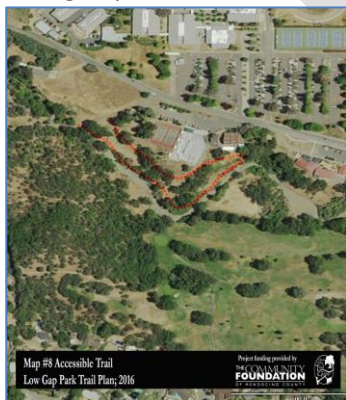
Upper City View Trail



The area uphill from City View Trail is large enough to allow a new loop trail to be built. There is room for up to an additional mile of trail. Anecdotal reports of people doing multiple loops of City View Trail and the high use of City View Trail suggest there is a desire for increased trail mileage in the park. The side slopes are not as great as on City View Trail and the area is suitable for hand built trail. The habitat and soil is similar to City View Trail.

ADA/ABA Access Trail

The existing trail system at Low Gap Park does not include any trails that meet Americans with Disabilities Act (ADA) or Architectural Barriers Act (ABA) standards. Existing trails are not suitable for being improved to meet these standards. The existing access road that starts at the parking lot descends to the bridge at greater than the 5% maximum allowed by the ADA and ascends from the bridge at a greater slope as well. The ABA allows for steeper slopes on recreational trails, however the ADA standard could be interpreted to apply to the primary access road.

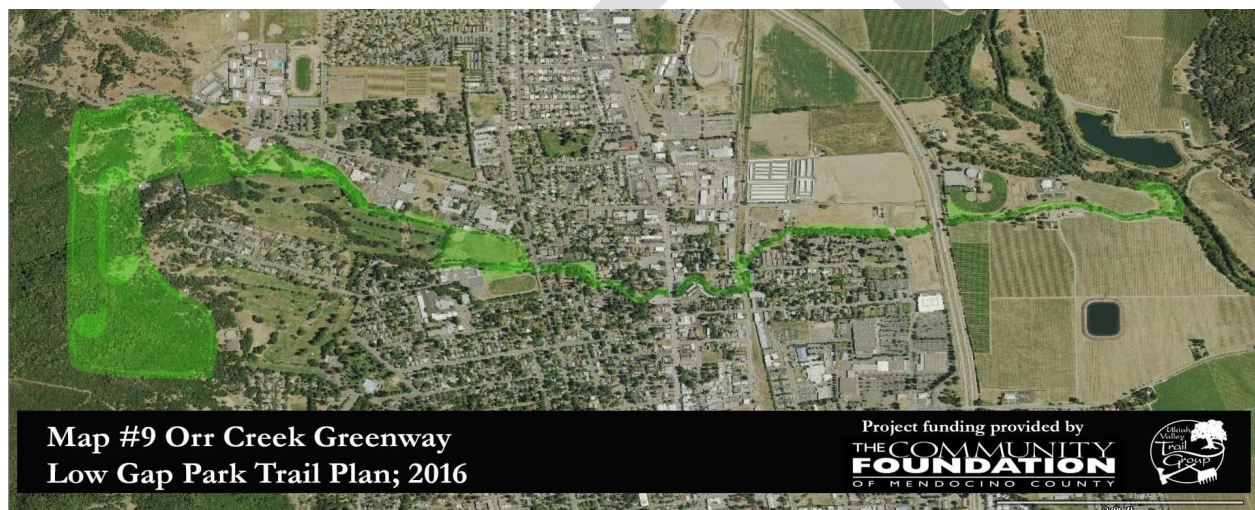


An ADA trail (paved or unpaved) can and should be built from the parking lot to the picnic area below the Tennis courts. The trail can be aligned to travel between the playground and the upper picnic area near the tennis courts. From there it can traverse to the west and descend to the lower picnic area. This can provide for a one quarter to a half mile of ADA

compliant trail. The trail would provide access to a picnic area, provide creek access, and provide for a nature trail experience. “Creek access” and “nature trail experience” constitute the primary trail experiences one can have at Low Gap Park. As such, this trail would provide a disabled person with the same experience as any able bodied user and satisfy ADA/ABA guidelines.

Orr Creek Greenway Connection

The Ukiah Bike and Pedestrian Master Plan calls for the development of a “greenway” along Orr Creek from Low Gap Park to downtown Ukiah and beyond. The Orr Creek Greenway will provide a pedestrian and bicycle trail, creek restoration, riparian restoration, and pocket parks. The best option would be for the Orr Creek Greenway to be an extension of the above outlined ADA/ABA Access trail. This alignment would take the trail along the north side of the creek behind the jail. A second alternative would be for it to connect with the Maple Hill Truck Road after crossing along the Northern boundary of the Golf Course. Both options are feasible from Low Gap Park.



Maple Hill View Spot Trail

The Maple Hill area of the park is criss-crossed with use trails. The use trails take users to 1) a view spot on the top of the hill, 2) a beautiful, large “old growth” Manzanita, 3) a short-cut route to the top of the hill, 4) and a couple of children’s or homeless user redoubts. This concentration of use trails is probably due to a combination of the area having light use (allowing for unobserved use) and a couple of desirable destinations (the beautiful tree and the view spot). A new 700-1000 foot section of trail that connects South Orr Creek trail to the top of “Maple Hill Trail” would allow users access to the view spot and the manzanita tree while allowing an additional loop of high quality narrow tread trail. Bringing additional users to this area would discourage the current inappropriate off trail recreation.

Harrison Grove Picnic area to Orr Creek

People using the Harrison Grove Picnic area can hear the creek below them and will be irresistibly drawn to it. The “Picnic” trail described earlier provides one access route. A second well signed route is

required to allow users to reach the creek without creating multiple use trails down the hillside. A short section of trail can be built from the east end of the picnic area connecting with N Orr Creek Trail.

Undesirable Goat (Use) trails

“Trail” to the U

The western hills of Ukiah are home to the 40 foot tall “U.” The “U” is on private property uphill and to the west of Low Gap Park and has been in its current location since at least the 1930’s. Hiking to this icon of school and City spirit has provided something of a rite of passage as well as an excuse to get exercise for decades. Many long time Ukiah residents relate stories of hiking to the “U” with school classes and new residents are drawn to hike to the U” as part of an unofficial initiation as a “local.” Most Ukiah residents have hiked to the “U” at least once and many have made the trek multiple times.

Although the current property owner is not overly concerned with the trespass, she has not given permission for public access. Once at the “U” some users decide to descend along a truck road that takes them across private property and outlets at the top of Standley Street. These property owners have been outspoken in their displeasure with trespassing. Efforts to stop or discourage users from leaving City View Trail to hike to the “U” have been ineffectual. The heavy use has led to the creation of a well established use trail that leaves from the top of City View Trail and takes the trespasser directly uphill to a location on the firebreak below the “U.”

The Upper City View Trail discussed above would take users closer to the “U.” If an easement to the “U” were granted, property boundary limitations would still make it unlikely that a sustainable–grade trail could be built to the same location on the firebreak. Additionally, many trespassing hikers are seeking an arduous hike, or are goal/destination driven, and therefore would likely continue to take the steepest, shortest route to the “U.” Although an Upper City View Trail may be desirable, it is not likely to decrease the short-cutting or trespass to the “U.” Neither is there any reason to believe it will increase trespass to the “U.” The use trail is in relatively good shape despite heavy use and poor design. Should the land owner at some future date allow a public easement to the “U,” a re-evaluation would be necessary to determine the best trail design and maintenance strategies.

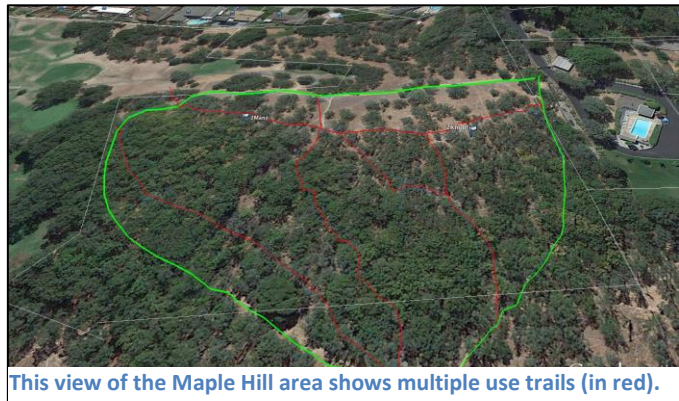
Recommendations: Efforts to discourage trespass should be continued. Innovative ideas to stop or discourage trespass should be sought. Foster good relations with land owning neighbors. Consider working with local Land Trusts to obtain property rights or easements.

Short cuts

Short cutting is a significant problem at Low Gap Park. Many short cuts have received enough use to appear to uninformed hikers to be legitimate trails and some “trails” that have received maintenance likely began as short cuts. Short cuts are typically over-steep, but can be desirable to users who wish to quickly get to a desired destination or desire an arduous workout. Significant short cuts are found, 1) between the Harrison Grove picnic area and Orr Creek (4-5 short cuts) , 2) in the Maple Hill area, (Maple

Hill Use Tangle.jpg) 3) along both sides of Canyon Creek between the main access bridge and Maple Hill Truck Road, 4) on the old firebreak on the North West corner of the park, 5) from the bottom of City View Trail to the “U.”

Recommendations: 1) Split rail fence around the Harrison Grove picnic area to physically block short cuts with directional signs to inform users the way to the trail and the creek and interpretive signage to discourage off trail scrambles. 2) Improving existing trails to allow sanctioned access to desirable areas, split rail fence along critical areas of Maple Hill Truck Road, and interpretative signage to educate users regarding the reasons not to take short cuts. 3) Realignment of trails on lower Canyon Creek with the addition of observation platforms and interpretive signage. 4) Split rail fence and re-vegetation on the old firebreak. 5) Continue efforts as discussed above to discourage short cutting and trespass from City View Trail.



This view of the Maple Hill area shows multiple use trails (in red).

Trail Removal and Restoration Practices

Trails that are over-steep, impinge on sensitive habitat, are redundant or are otherwise poorly aligned may need to be removed. Removing or “decommissioning” of trails requires a concerted effort as users are typically tenacious in their efforts to continue to use established and familiar routes. When a trail is removed, all practical efforts should be made to restore the area to its natural condition. The hardened trail course should be scarified to loosen the impacted dirt. Downhill ledges should be removed, and to the extent possible, the natural side slope should be restored. Natural duff materials should be used to cover the old trail. Planting in the old trail-bed, particularly upright tall plants can obscure the trail “doorway” and render the path less apparent and less likely to be accessed.

Recommended Signage

Trail signs help the user with way finding, inform users of allowed behaviors, and interpretive signage can improve user experience. All trails should have way finding signs at intersections. Park and trail rules should be placed at the main trailhead and minimized through the rest of the park. Interpretive signage tends to do a better job of guiding behavior than does prohibitive signage because it tells users *why not* to do things rather than simply stating to not do it. The vast majority of users will visit the park many times and will only read the interpretive signs the first time they see them. However, interpretive signs remain a magnet for vandalism through their life.

Benches and Picnic Tables on Trails

Benches are appreciated by many users and may allow some users to extend the length of their outing by facilitating rest. Additionally, memorial plaques on benches can provide an additional source of revenue. However, they are not essential and can be a target for vandalism and increase the need for

maintenance. Benches should not be placed more than once per mile or once per trail if the trail is shorter than a mile.

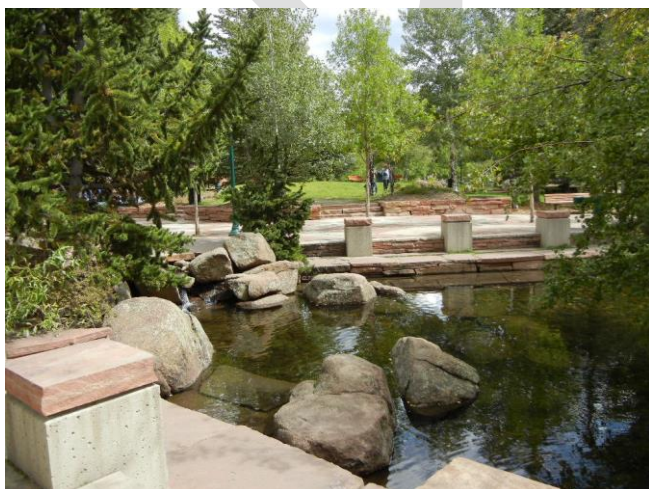
Picnic tables are also appreciated by some users. The above pros and cons for benches apply to picnic tables as well. However, there is an increased incidence of garbage and fire risk associated with picnicking. This plan advises against picnic tables.

Creek Access Facilities

Creek access is one of the two primary user experiences provided by the Low Gap Trail System. Orr Creek and Canyon Creek are potentially accessible. Both creeks are seasonally dry. Orr Creek historically was a steelhead fishery and steelhead can still occasionally be seen in the creek. Historically people and their pets have accessed Orr Creek from the picnic area below the tennis courts, the South Orr Creek trail, and the North Orr Creek Trail. There is significant erosion along the edge of the picnic area on Orr Creek, largely but not exclusively, from recreational access at this spot. Canyon Creek between the main access bridge and Maple Hill Truck Road has been significantly impacted with multiple use trails and multiple inappropriate and environmentally unsound access points along both sides of the creek.



Ecologically it would be best if people and their pets did not go in either of the creeks. This however is unlikely an achievable goal. Setting a goal of limiting and controlling access points, while minimizing impact, is a realistic goal.



Recommendation: 1) The primary creek access point should be at the Picnic area below the tennis courts. Hardening of the stream bank with some type of rock or cement stairs/benches and an ADA accessible ramp to the water will provide access and sediment/erosion control (see Photo XX). ADA or ABA trail should and can be built from the parking lot to this location.

2) Additional access points along the other side (southern side) of the river from South Orr Creek Trail can be provided using natural surfaces. Re-aligning the Canyon Creek Trail and removing the current wooden bridge as discussed earlier in this plan will render this location more remote and should act to decrease the amount of access from this location. Extensive seasonal flooding of this area render it impracticable to harden access areas.

3) Access points to Orr Creek from North Orr Creek trail should be at the two sites. These could be rock or stair/benches but would not require a ramp as the trail to this location is not ADA compatible. A wooden viewing deck with or without a rock stairway to the creek would concentrate user impact to the area at location x and could be employed as a way to decrease creek access.

4) Access to lower Canyon Creek should be limited to the viewing platforms as described in the Lower Canyon Creek trail portion of the plan above. The goal for Canyon Creek would be to provide viewing access of the creek while keeping people and their pets out of the creek.

Caretaker Area

The Caretaker area as described here includes the bathrooms and the fenced area immediately adjacent to them. Historically a caretaker lived in a trailer in the fenced area with reduced rent in return for providing a “neighborhood watch” to the park. The County administered the caretaker program and at some point in the not distant past the program was discontinued and the trailer was removed. The area still has power and plumbing. There are a few storage sheds inside the fence that county staff use for Park Maintenance supplies.

Recommendation: The Bathrooms at this location should be kept and maintained. Options for this area should be explored as the site is becoming a nuisance and eye-sore. The review process of this draft should be used to identify a best option for the Caretaker area.

Trail Naming Plan

The truck roads and many of the trails at Low Gap Park do not have names. All roads and approved trails should have names to assist users with way finding and planners and staff with communication. The need for trail and road names with the concomitant need for project funding presents the possibility of meeting both ends with a process of auctioning naming rights with proceeds to benefit trail projects at Low Gap Park. Auctioning of naming rights could happen at a charity event or it could be done in an online format. Although all trails and road naming rights could be done at once, it is likely a greater total return would be obtained by auctioning one or two trails or roads at a time over the course of years.

There are three roads and between three and eight trails that could be auctioned (ADA/ABA trail, S Orr Creek Trail, City View/Canyon Creek Connector, Upper City View, Lower Creekside, Maple Hill, Maple Hill View).

Simple guidelines could be outlined in advance to ensure trail names are appropriate and inoffensive. The Ukiah Valley Trail Group or similar non-profit organization could be enlisted to organize and manage the process as well as to hold the funds until a Low Gap Park trail project is identified that is suitable

Bridges



There are four bridges plus a number of puncheons in Low Gap Park. All four of the bridges are in moderate to poor shape and planning for their replacement should be a priority. Puncheons can be maintained or replaced with minimal effort during the course of routine maintenance. Existing puncheons are in moderate to excellent shape.

Appendix

The Universal Trail Assessment Process (UTAP)

By Kathy Newman, Beneficial Designs

American Trails is helping promote and further the Universal Trail Assessment Process (UTAP). The UTAP is a tool that land managers, agencies and individuals use to monitor, improve, and document any outdoor path of travel. Data collected during the assessment can also be provided to trail users for specific conditions, such as grade, tread width, features, obstacles, and trail surface. An updated discussion on UTAP and its goals with regard to the diversity of trail activity types was made available May 14, 2003.

Beneficial Designs developed UTAP with land management agencies and organizations focused on accessibility; several are now using it to assess trails. As UTAP has evolved over the last eight years, the need to expand how the process is taught and used has become evident. Funding has been received to create software for managing UTAP data and also to develop an educational program to increase the number of UTAP Trainers in partnership with American Trails. Workshops on UTAP training are posted on the Calendar. The UTAP sponsors are also members of the National Trails Training Partnership.

Background

Beneficial Designs received funding in June of 1993 to create a universal mapping system to communicate detailed and pertinent information about individual trails. The information was designed to be useful to anyone who might want to hike a trail, regardless of their hiking ability. Existing trail rating systems using subjective descriptions such as "difficult" do not give users the information they may need to safely attempt a hike.

Summary of the UTAP Process

The Five Access Characteristics-- During a 1991 pilot study conducted in Yellowstone National Park and the Gallatin National Forest, Beneficial Designs identified five characteristics of a trail that greatly affect access. A system to collect and provide to the public information about grade, cross slope, surface type, obstacles, and trail width was developed into the Universal Assessment Process to help make trail systems more accessible to users.

Grade -- The average grade between two designated stations along the trail is measured with a clinometer. These measurements are then used to compute the average grade for the entire trail. Short, steep sections are measured with an inclinometer and recorded as maximum grade sections. The inclinometer is 24 inches in length and thus measures the grade as it would be experienced over the course of a single stride, or by a stroller or wheelchair.

Information about the maximum grade sections found on a trail is used to add detailed information to maps. The average and maximum grades are displayed with the grade symbol to convey this pertinent information on TAI Strips and trailhead signage.

Objective information about the average and maximum grade is very useful to all user groups, especially mountain bike riders and persons with mobility limitations, including older persons and those that use canes, crutches, walkers or wheelchairs.

Cross Slope Cross -- slope is measured at designated stations along the trail with a 24-inch inclinometer. These measurements are then used to compute the average cross slope for the entire trail. Similar to

maximum grade, steep cross slope sections are measured with an inclinometer and recorded as maximum cross slope sections.

This information is used to add detailed information to maps. The average and maximum cross slopes are displayed with the cross slope symbol to convey this pertinent information on TAI Strips and trailhead signage.

Cross slope information is most useful to wheelchair users. Wheelchairs are very difficult to drive or maneuver on steep cross slopes.

Width -- A tape measure is used to measure the width of the trail. The minimum tread width, or "beaten path," is measured at each station and is used to calculate the average tread width. The minimum amount of usable passage space between stations, or minimum clearance width, is also measured. Objective information about the width of the trail and the locations of the narrowest sections is critical for people who use mobility devices such as strollers, walkers, and wheelchairs. The average manual wheelchair has a wheelbase width of less than 28 inches. If a trail narrows to 26 inches, persons in a 28-inch wheelchair will know that they will not be able to venture past this point unless they are capable of transferring out of their chair and maneuvering their chair through this narrow location. If the width of the trail is disclosed, mobility device users will be able to determine before embarking on a trail exactly how far they will be able to hike and whether they will be able to reach their destination.

Surface -- The type of surface found in between stations is recorded, as well as a description of its characteristics. Trail surface type is a major influence on the degree of access for all user groups.

Trail Length -- The distance from the trailhead is continuously recorded to indicate the total length as well as the position of each measurement site relative to the start of the trail.

UTAP Tools and Materials

Our Universal Trail Assessment Tool Kit includes a complete array of inexpensive and easy-to-use devices that will enable you to assess your trail accurately while keeping your costs down.

Each kit includes a Suunto compass to determine the trail bearing; a Suunto clinometer to measure the average grade between two points of the trail; a digital SmartTool inclinometer to measure trail sections for maximum grade and maximum and average cross slope in percent, degrees, or rise:run a Rolatape to measure the trail length and the positions of trail features and points of interest.

Also included in the tool kit is a good old-fashioned tape measure to measure tread and clearance widths and the magnitude of obstacles, two clipboards to hold data sheets, pre-printed marking flags, a roll of marking tape, a dictaphone and cassettes, a 2-3 person First-aid Kit, master copies of the Trail Data Forms, a permanent marker for writing on flags, and a backpack for carrying essentials. All items fit into a sturdy carrying bag, with plenty of room left for granola bars and rain gear.

The above items can be purchased separately or as a kit. The Minimum Kit includes all of the above items for one low price, and the Preferred Kit includes a second compass and inclinometer.

For purchasing information, contact kathy@beneficialdesigns.com

Trail Assessment Training Manual

The Universal Trail Assessment Coordinator Training Manual teaches you how to assess a trail for access, mapping, and maintenance information. Illustrated step-by-step instructions show how to use each assessment tool, how to accurately measure grade, cross slope, width, and obstacles and how to describe surface type.

The manual includes tips for putting together an effective trail assessment team, checklists for organizing a trail assessment, slope conversion tables (percent:degrees:run/rise), and both the Access Board's and Beneficial Designs' proposed design standards for outdoor recreation access routes and trails.

The Training Manual also teaches you how to correctly complete each line on the Trail Data Form and record trail descriptions. The Training Manual includes examples of obstacles, trail features, points of interest, maintenance issues, and other descriptive information.

Although the Training Manual offers detailed instruction for conducting a Universal Trail Assessment, there's no substitute for hands-on training. We strongly recommend that before you conduct a Universal Trail Assessment, you participate in a Universal Trail Assessment Coordinator Training Workshop. *The complete list of UTAP training opportunities by date are posted on the National Trails Training Partnership Calendar.*

Benefits of UTAP

The UTAP can be used to:

- provide Trail Access Information to users document and monitor trail conditions and the environmental impact of the trail
- identify and prioritize maintenance, access and construction needs create detailed logs of signs, bridges and other facilities
- increase user safety and enjoyment by enabling informed trail choices
- gather interpretive information about the trail environment
- enhance trail access and use for a wide variety of users, including older adults, inexperienced users, families and people with disabilities
- track changes in trail conditions over time
- determine trail compliance with design standards
- create trail maps, signs and other information products accurately
- budget for trail maintenance activities
- provide detailed reference information for search-and-rescue plans and activities
- UTAP Train-the-Trainer Program

Universal Trail Assessment Plan Example

All UTAPs created for this plan are available in excel format upon request.

Segment Data Worksheet

Trail Name: Canyon Creek Trail 4 1/4

Date: _____ Page: 4 of 10

P = Paved, H = Hard, F = Firm, S = Soft, VS = Very Soft

Segment	Distance	Surface	Width	Grade	Max Slope	Min Slope	Trail ID	Segment ID	Comments
2159									
Distance 3214	115	3	5.0	65					
Distance 3340	66	3	6.3	25			10/36	9	Intersection to Stakeout trail
Distance 3401	61	3	5.8	0.1					Intersection to Firebreak
Distance 3451	50	2	5.1	-11					Pincheon
Distance 3491	40	2	12.2	-5.1					
Distance 3605	114	2	8.3	14					
Distance 3672	67	2	3.0	25.1					
Distance 3736	64	3	10.0	20			10		18" wide @ 1 point Switchback #1
Distance 3790	54	3	12.9	10.2			10/31	11	Switch back #12
Distance 3900	110	3	3.9	45.1					Switch back #13
Distance 3936	36	3	8.1	10.0				12	Switch back #13
Distance 4000	64	3	10.0	15.1					12" wide section
3993									

Ukiah Valley Trail Group

Philosophy and Design and Maintenance Standards

Trail Philosophy: Central to the Ukiah Valley Trail Group's approach to trails is the recognition that our world is one of finite resources and, since demand for these resources is increasing steadily; insightful management is of utmost concern. The Inland Mendocino County Trail system must be designed to utilize resources in ways that benefit all non-motorized users. This entails providing adequate accommodation and accessibility, rather than focusing on individual user groups. The increased sharing of resources sometimes creates friction between the diverse user groups vying for more trail space. This Trail Plan acknowledges that a certain amount of friction is inevitable and therefore focuses on planned communication to minimize the differences and optimize the benefits derived from these precious resources.

Plans for optimal use of trail resources must be in concert with the objective of natural and cultural resource protection. Any decisions on resource use affect not only local residents and visitors, but our natural and cultural habitat as well. If we make responsible decisions concerning preservation of our resources, we will succeed in our custodial duties to the environment while at the same time providing enjoyment for current and future generations. Through well designed, constructed and maintained trails we will accomplish optimal public access while accommodating resource conservation.

Providing the public with increased access to trail and greenways is not enough; we must also strive to promote the abundant benefits that derive from them. Trail benefits include recreation, transportation, energy conservation, environment and habitat protection, fire suppression, improved physical and mental health, and local economic benefits. Informing the public of the significant benefits expands public awareness of the advantages that trails and greenways offer to the individual and the community. Gaining public support thereby encourages policy makers to support trails and greenways and to increase funding to better manage the trail system.

Improving relationships and interaction between government entities and the private sector will be necessary for the effective development of a well planned and managed trail and green-way system. Open communication between all levels of government and interested parties enhances the finding of common objectives by making individuals and groups part of the solution. Linking communities and trail advocates in trail planning minimizes land use conflicts and allows for optimal resource use. Joint planning emphasizes the development of interconnected trails in natural settings and a united effort creates a stronger voice for advancing trail proposals.

The general goals that define a quality trail system include:

1-Adequate mileage

- Moderate strong bike or horse riders ride 15-20 miles in a day
- Endurance riders will ride 100 miles in a day
- There are approximately 30 miles of trail in the Ukiah Valley

Lake Mendocino currently has approximately 16 miles of trail and is near to maximum capacity. Small increases are necessary but can be mitigated with road closures and road to trail conversions. Employing a “stacked loop” design can maximize the trail experience within the capacity.

2- Connectivity

- A single recreation area is unlikely to meet all the community’s needs.
- Trails that connect the various areas are therefore necessary.
- Connectivity allows trails to fulfill a transportation role.
- Lake Mendocino Trails do not currently connect with any other trail systems.
- Priority should be given to approving trails that link Lake Mendocino to outlying areas.

3- Variety of environments

- An example of each of the area's micro-ecosystems should be included, such as Riparian, oak woodland, mixed hardwoods etc.
- Trails should include sunny areas, which will be more desirable in the winter, and shady areas for summer use.

4- Variety of trail experiences

- Different trail users appreciate different trail characteristics.
- Equestrians generally prefer wider trails.
- Mountain bikers generally prefer lots of rolling ups and downs with lots of turns.
- Runners tend to prefer gentle grades.
- Advanced users desire more “technical” or challenging trail - narrower with a rougher, more uneven tread.

A quality trail system will provide a variety of trail experiences. A small trail system should focus first on trails that meet the needs of the majority of users.

5- Easy Access/Options

- Users need to be able to get from home to trail quickly and start their experience.

- The first trail from the trailhead should be an easy trail, wide and smooth - suitable for all users.
- As users delve further into the system, the trails should increase in difficulty.
- “Stacked loops” of trails allow users to return by a different route while providing a variety of options.

6- Signage / Mapping

- All trails should be named and signed.
- All trailheads should have an information kiosk.
- Maps should be readily available for all trails.

7- Sustainability & Maintenance

- Trails need to be well maintained.
- Trails designed to sustainable standards require much less maintenance.

Trail tread and slope characteristics

1. Trail Width:

Trail beds shall be built and maintained with a goal of being three feet wide. Topographical, vegetation, or resource constraints may require sections that are less than three feet.

Rationale: Allows users to pass by each other safely.

2. Rolling “Contour” Trails:

Trails shall be built with the contour of the topography (plus or minus 10%) utilizing side-slopes and avoiding flat areas as much as feasible.

Rationale: Building trail along fall lines or in flat areas creates erosion. “Contour” trails allow water to sheet off the trail and flow downhill.

Keeping trails on hillsides keeps them out of flatter, wetter areas. Trails built in wet areas are not sustainable. Users tend to walk along edge of trails, creating trail widening. Wet areas are more prone to soil compaction and displacement.

“Contour trails create changing view sheds that add to the enjoyment of the trail.

3. Average trail grade less than or equal to 10%:

The average slope of the trail will be less than or equal to 10%, some slopes will be greater and some less. Side slope, soil type and natural obstacles will determine the grades for each individual section of

trail. Sections that are over 10% should be short and followed by a relatively flat section or grade reversal.

Rationale: Most soil types can withstand up to 10% grades.
Minimizes user-caused erosion.
Allows for possible reroutes at a steeper grade if there is a future problem such as a slide.
Accommodates undulations/grade reversals.
Feels comfortable to most trail users.
Grade reversals after steep sections allow the user to recover from the increased effort.

4. Sustainable trail alignment - Trail grade does not exceed “half-rule”:

The grade of the trail should not be greater than half the grade of the sideslope that the trail traverses.

Rationale: Prevents erosion caused by water flowing down the trail rather than flowing down the hillside.

Guides individual trail planning segments to fit the topography.

5. Maximum trail grades should be less than 15%:

Rationale: Although this rule might occasionally need to be broken, at least for short segments of trail, our observation is that most of the existing trails in the Ukiah Valley are sustainable up to a grade of 15%. Higher grades, especially in areas exposed to weather, have suffered more erosion and damage from users.

6. Incorporation of grade reversals: Trails should incorporate frequent grade reversals every 10 to 50 feet, depending on soil type and topography.

Rationale: Grade reversals provide areas for water to drain off of trails. As trails age, the shape of the trail bed tends to become concave, leading to the trapping of water. Grade reversals divide the trail into short, individual watersheds.

7. Build in outslope:

Outer edges of trails shall be built and maintained so that they create an approximate 3-5% slope from the inner edge of the trail.

Rationale: Allows water to sheet off of trail, decreasing erosion.

8. Build in backslope:

Depending on soil stability and composition, the area uphill of the trail shall be sloped extending upward from the trail.

Rationale: Prevents a waterfall effect from water coming down the hill and dropping onto the trail tread.

9. Water Crossings:

Water crossings should be avoided when possible. Trails shall be designed, built, and maintained to minimize sedimentation in streams. Bridges shall be the ideal with puncheons, culverts or “hardening” being considered should resource limitations, infrequent water flow, or low use combine to make a bridge impractical. Prioritization of water crossings should be considered with high use crossings receiving first resources.

Rationale: Minimize impacts to the stream channel and environment.
Create a safe and sustainable passages for trail users.
Work within limits of resource availability and predicted impacts.

10. Tree Cutting/Care:

Prudent efforts to avoid cutting trees should be made in routing the trail. Greater care should be extended with older and/or slow growing trees and shrubs. Dirt excavated from the trail bed should be distributed and not allowed to mass at the base of trees. All efforts should be made to avoid cutting roots greater than 4” in diameter. Generally, a trail should not be located on the downhill slope within 2 feet of the base of oaks greater than 2 feet in diameter.

Rationale: Minimize disruption to the vegetation along trail.
Protect the health of vegetation along trail

11. Pruning

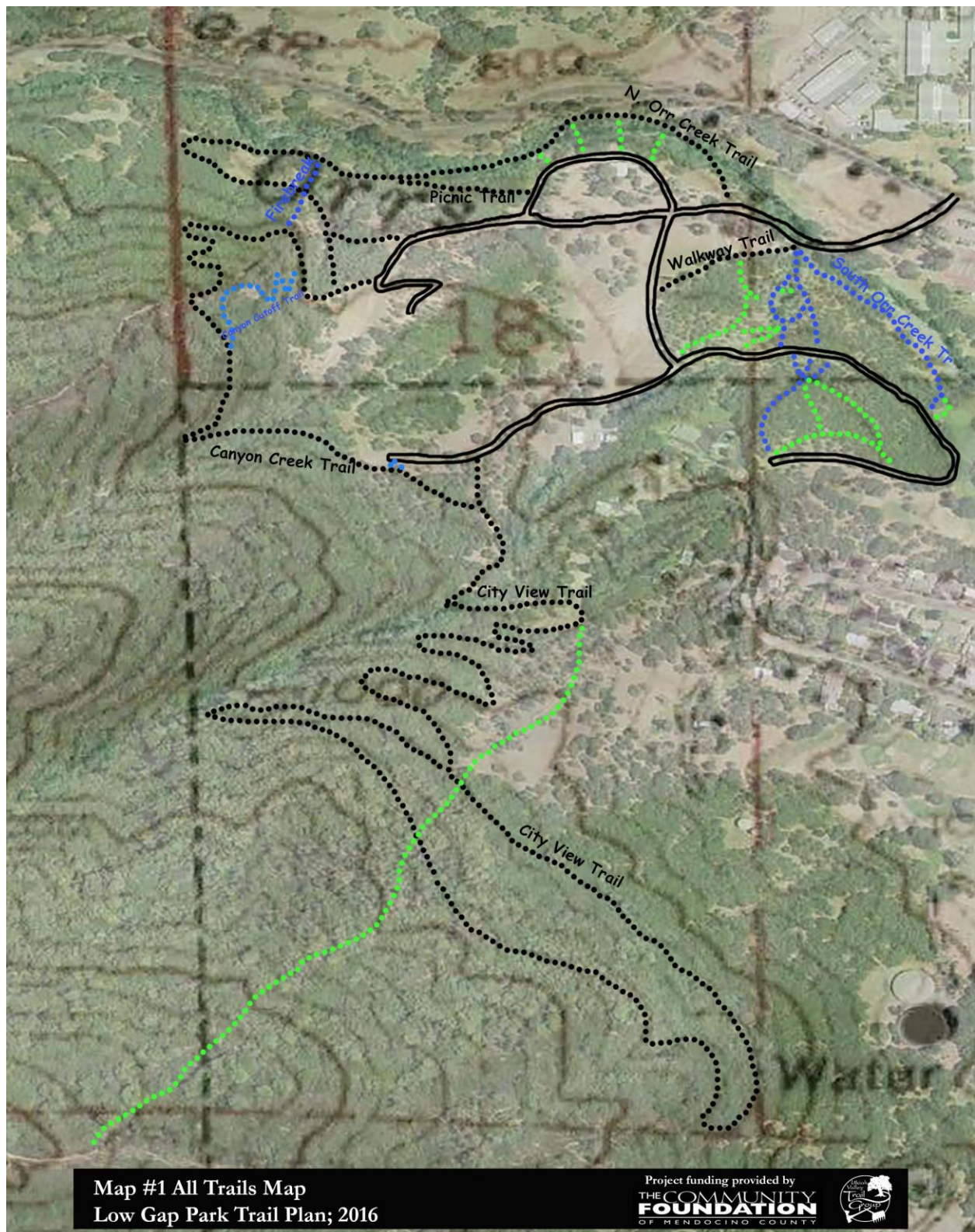
Pruning vegetation is an essential and regular part of trail maintenance, especially in brushy chaparral areas. Equestrian trails should have 10' vertical clearance while hiking/biking trails can be maintained with 7' clearance. Greater than four foot horizontal clearance should be avoided as it creates unnecessary disruption and decreases the aesthetic of the trail experience.

Attempts should be made to ensure that pruned branches are distributed in a natural manner with the cut ends away from the trail. Pruning should be done sensitively so that the trail appears natural. Prune to the collar of any branch stem for the health of the shrub and a more natural looking result. At the base of any branch there is a wide section that contains a plant's natural healing agents. Any pruning performed away from this collar will expose the plant to a greater risk of infection. A cut at the collar will naturally heal. For large branches over 2" in diameter, cut from the bottom, then cut down from the top. This prevents tearing of the bark, reducing infection.

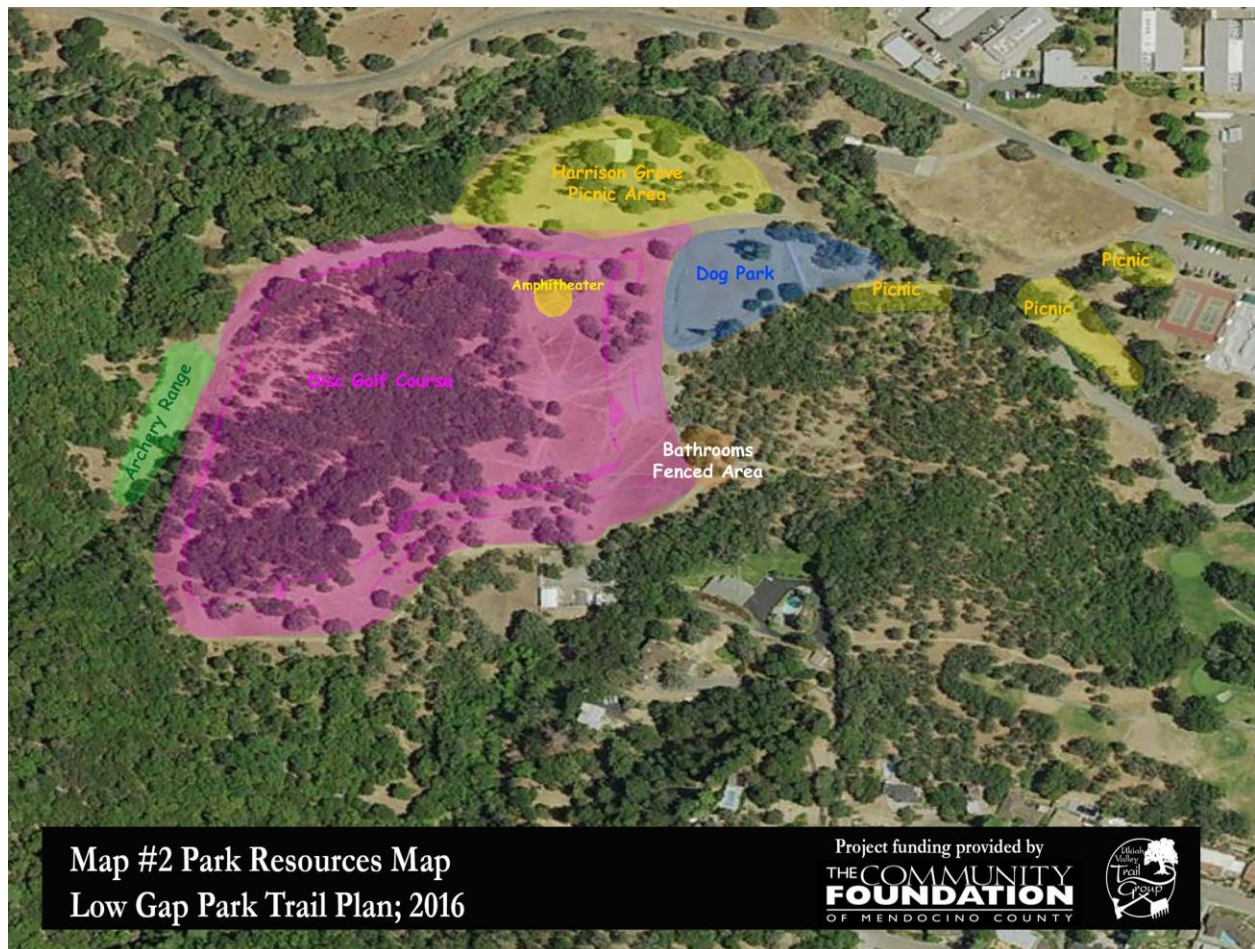
Rationale: Maintain safe sight lines along trail.
Protect the health of the vegetation.
Maintain a naturally aesthetic setting.

Maps

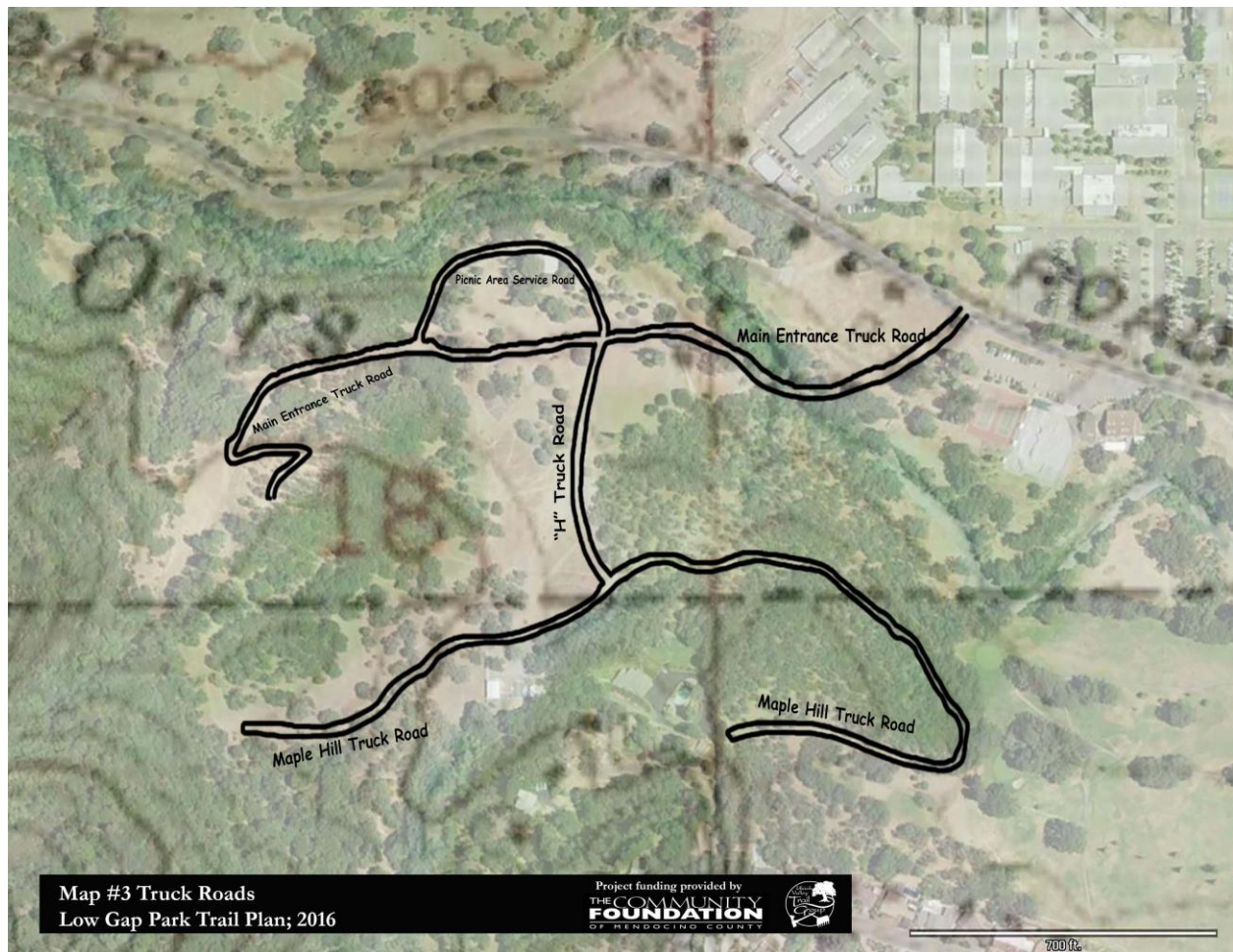
Map #1 – All Trail Map



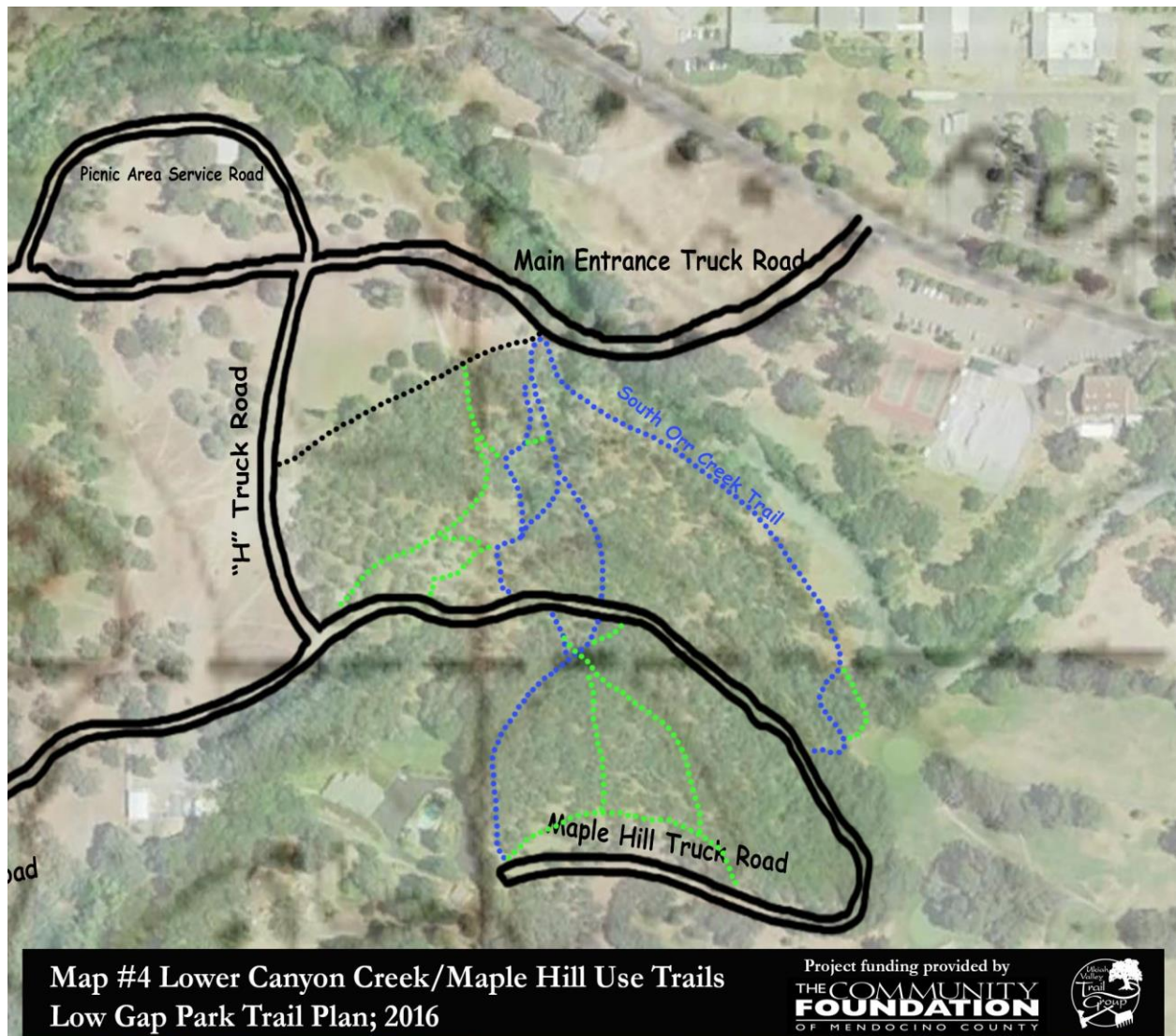
Map #2 – Park Resources Map



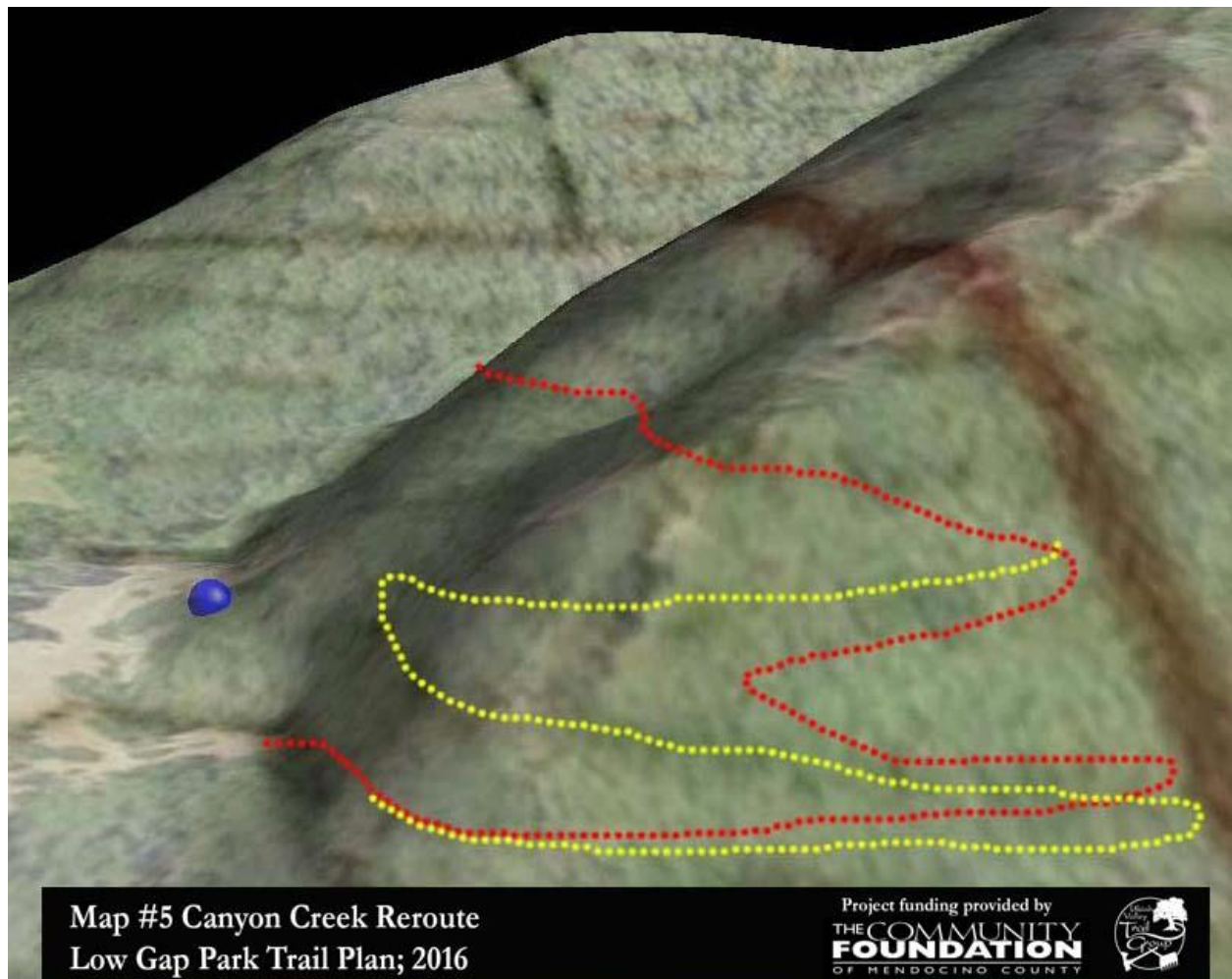
Map #3 – Truck Roads



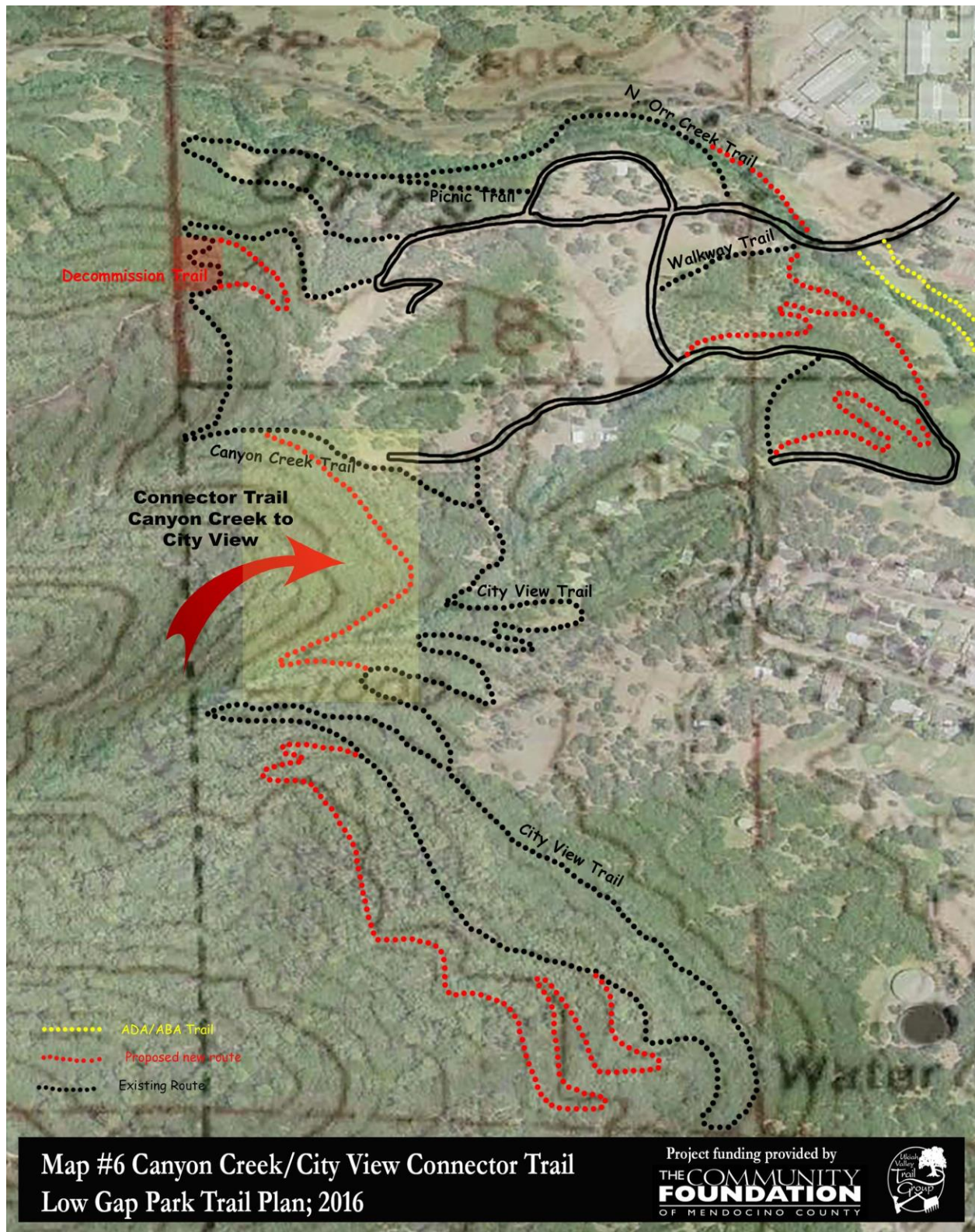
Map #4 – Lower Canyon Creek/Maple Hill Use Trails



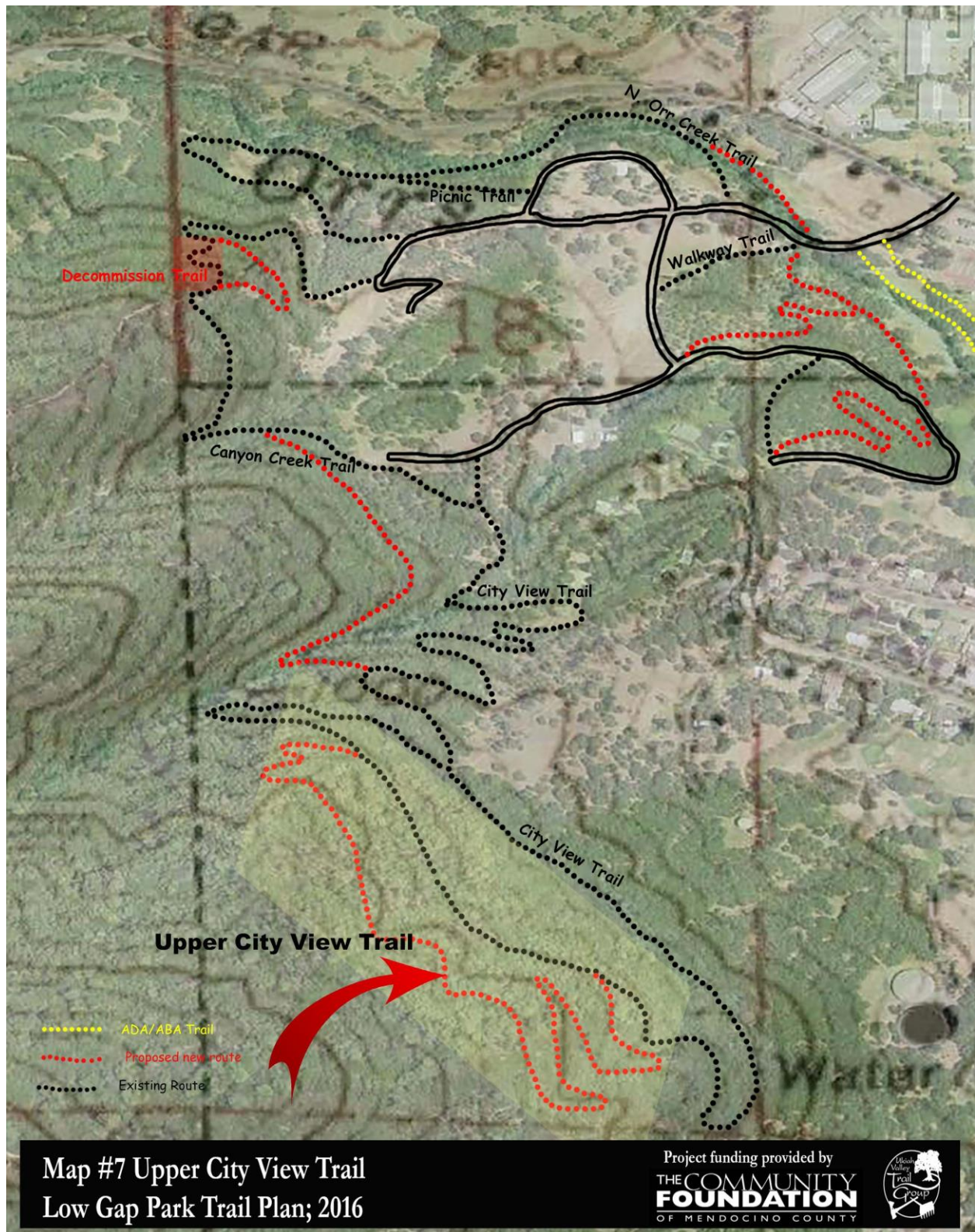
Map #5 – Canyon Creek Reroute



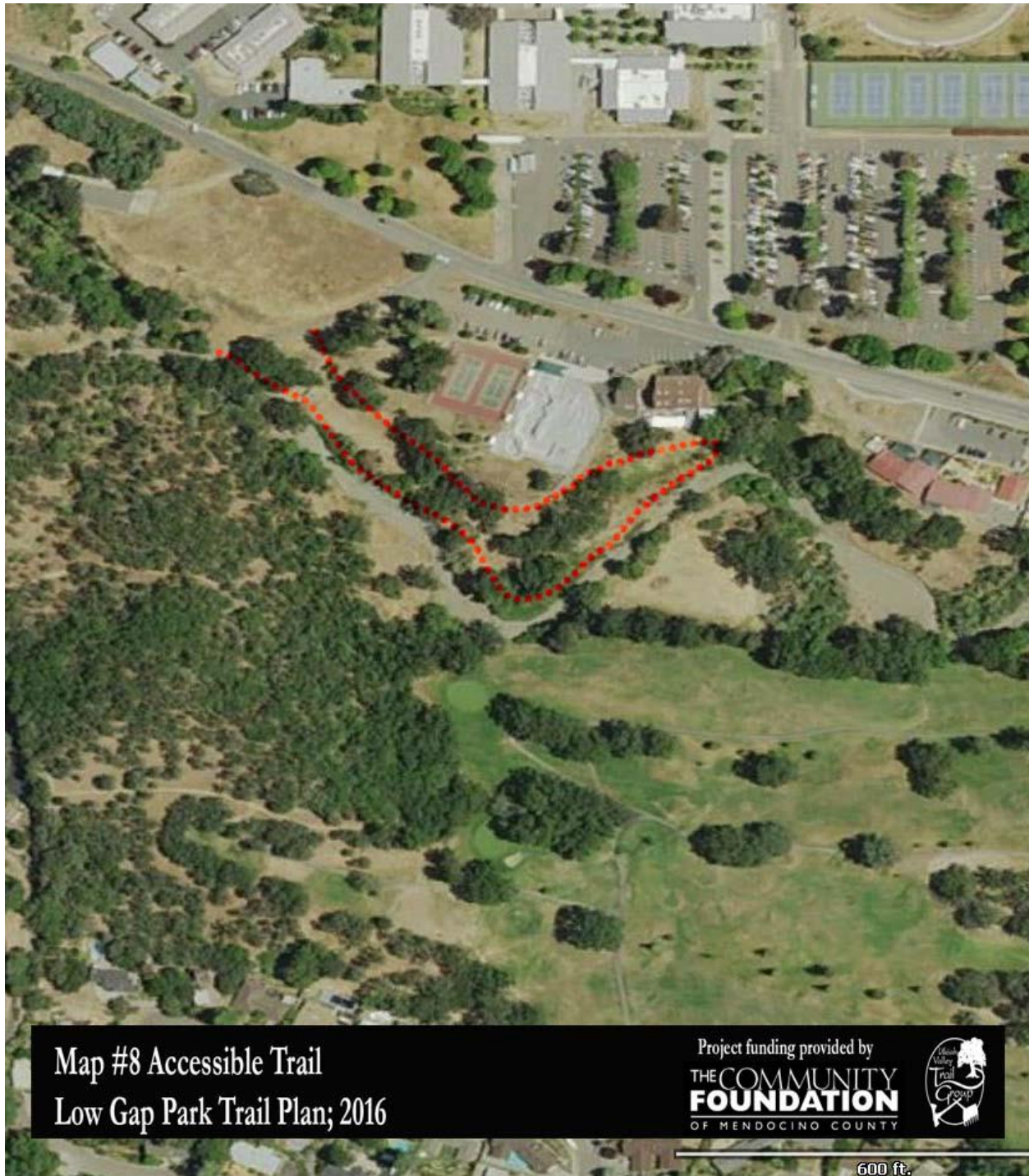
Map #6 – Canyon Creek/City View Connector Trail



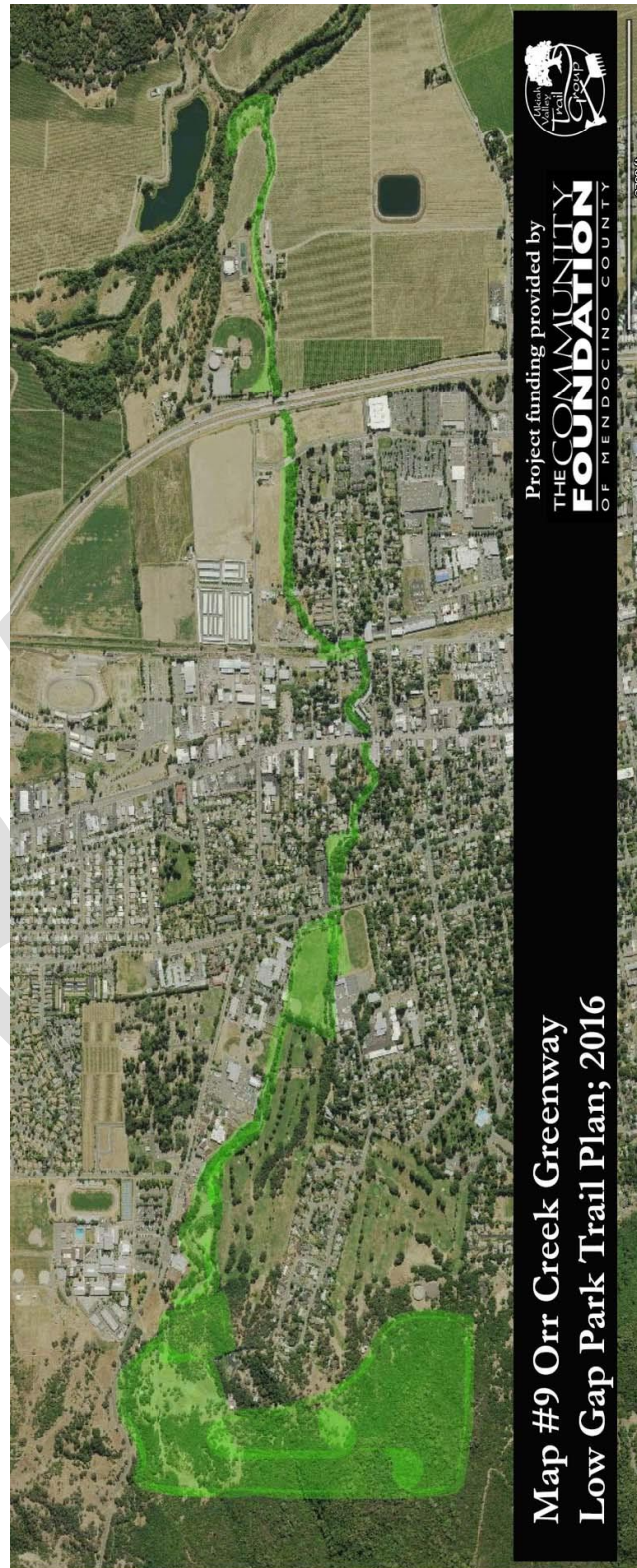
Map #7 – Upper City View Trail



Map #8 - Accessible Trail



Map #9 Orr Creek Greenway



Glossary

Fire Break – a clearing, usually on a ridge designed to stop fire. Typically at least 8’ wide. Although trails can act as small firebreaks and have been known to stop fires and can be used as locations to start backfires, a firebreak is not a trail. Firebreaks are often very steep. A small subgroup of users may appreciate the physical challenge of hiking on these steep grades.

Goat Trail – See Use Trail

Puncheon – A short, low bridge. Usually 8’ or less long and less than three feet off the ground; typically does not require a handrail.

Reroute – a trail maintenance project that starts and ends on a single existing trail and abandons the trail between those points will be termed a reroute.

Road - Any transportation corridor designed for motor vehicle use and open to motor vehicle use. Although roads may be necessary for maintenance, further road building should be avoided and road closures should be pursued where possible. A road may be used for recreation but is not a trail.

Trail - A trail is specifically designed, designated, developed, and maintained as a recreational corridor for the exclusive use of non-motorized vehicles. It is typically not more than 4 feet wide, unpaved and generally requires users to travel single file.

Trail Maintenance and Repair ² - Maintenance and repair of existing trail is performed to return the trail or trail segment to the standards or conditions to which it was originally designed and built, or to improve it to comply with more current design standards to achieve sustainability. The act of maintenance and repair includes but is not limited to:

- Removal of debris and vegetation from the trail corridor, clearing encroaching brush and grasses, removing rock slides, etc.- Maintenance of trail tread such as filling ruts and entrenchments; reshaping trail bed, repairing trail surface and washouts; installing rip rap; constructing retaining wall or cribbing
- Erosion control and drainage, replacing or installing necessary drainage structures, water bars, culverts; realigning sections of trail to deter erosion or avoid boggy/marshy areas.
- Repair or replacement of existing trail structures.
- Upgrades and short reroutes to improve sustainability and decrease maintenance needs.

Universal Trail Assessment Process (or Plan) –

The UTAP objectively documents the actual conditions in outdoor, natural environments. The UTAP is a tool that land managers, agencies, and individuals can utilize to learn about, monitor, improve, and use on any outdoor path of travel.

Use (or User) Trail (Goat Trail)- A Use Trail is a trail that has been created without a planning process and or approval by the repeated historic exploration of users. Sometimes referred to as a Goat Trail.

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Federal Highway Administration. Office of Planning, Environment, & Realty (HEP)
http://www.fhwa.dot.gov/environment/recreational_trails/publications/rwt/fencing.cfm

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DRAFT

MEMORANDUM OF UNDERSTANDING

BOS AGREEMENT # 16-091*
CON No. 1617-165

This Memorandum of Understanding (MOU) is entered into on the 1st day of November, 2016, among the County of Mendocino (hereinafter referred to as "County"), the City of Ukiah (hereinafter referred to as "City"), and the Ukiah Valley Trail Group (hereinafter referred to as "UVTG"). The purpose of the MOU is to establish a framework for cooperation and partnership among the County, the City, and the UVTG to assist one another, in areas of mutual interest and concern as it pertains to County and City owned and operated property and parks.

WHEREAS, County owns the properties (hereafter "County Properties") located at:

- Low Gap Park, Ukiah, CA (excluding "City View Trail"), APNs 001-020-11-00, 001-020-68-00, & 001-020-69-00,
- Mill Creek Park, Ukiah, CA, APNs 189-060-10-05, 189-060-06, 189-060-10 189-060-15, & 189-060-17; 189-070-11, 189-070-15 and

WHEREAS, City owns and/or leases property (hereafter "City Properties") within and outside its city limits on which it may want UVTG to perform projects, including, but not limited to, City View Trail; and

WHEREAS, County Properties and City Properties are collectively called "Properties" in this MOU; and

WHEREAS, UVTG proposes to identify, plan and perform trail enhancement and/or improvement projects on the Properties in cooperation with the City and County; and

WHEREAS, UVTG intends to donate all material and labor for all projects proposed, but at times, the County and/or City may elect to assist with a project; and

WHEREAS, UVTG will provide written notification of all projects occurring on County and City properties prior to starting; and

WHEREAS, it is agreed by all parties that all projects are intended to benefit the community.

THEREFORE, it is understood that County, City, and UVTG shall be governed by the following terms of this Memorandum of Understanding (hereinafter referred to as "MOU"):

1. UVTG, County, and City agree that all project costs and expenses are the sole responsibility of UVTG unless otherwise agreed to in writing by the County and/or City.
2. UVTG shall provide to County and City written notification of all projects and receive written approval from County or City, as applicable, prior to starting. To obtain approval, UVTG shall:
 - a. Submit a plan to the satisfaction of the City or County, demonstrating that the project will comply with applicable building codes and regulations as adopted by the County or City, Americans with Disabilities Act and any other applicable statute, ordinance or regulation and, for work to which such ordinances, statutes or regulations do not apply, to standards agreeable to the City or County and UVTG.
 - b. As to any project for which a contractor's license is required by law, UVTG shall demonstrate that the project will be performed by a contractor with a currently effective license in good standing from the California Construction Standards Licensing

Board and any applicable business license(s) or other requirements as mandated by federal, state and local regulations to perform the work requiring the license.

3. Work performed by UVTG, its agents or volunteers must comply with the approved plans and all applicable federal, state, and local laws and standards approved by City or County, as applicable. Any contractor hired by UVTG shall be licensed and registered in accordance with 2.b, above.
4. Prior to engaging in any activity requiring a permit, UVTG shall acquire any necessary or required permits from the appropriate regulating body for the proposed use or development.
5. UVTG will schedule all inspections and make any corrections in accordance to applicable building codes and the local inspecting jurisdictions requirements as required pursuant to the permit in 4 above.
6. All permanent projects constructed by UVTG on County Properties shall become the property of County and on City Properties shall become the property of the City.
7. Nothing in this MOU shall obligate the City or the County to expend funds or to enter into any future contract, supplemental agreement, or obligation. Any endeavor involving reimbursement or contribution of funds between or among the parties to this MOU will be handled in accordance with applicable laws, regulations, and procedures. Such endeavors will be outlined in separate agreements that shall be made in writing by representatives of the parties and shall be independently authorized by appropriate statutory authority. This MOU does not provide such authority. Specifically, this MOU does not establish authority for noncompetitive award to the UVTG of any contract or other agreement.
8. Prior to performing any work under this agreement, UVTG shall furnish to County and/or City (as applicable) certificates of insurance with Automobile Liability/General Liability Endorsements evidencing at a minimum coverage for (a) combined single limit bodily injury liability and property damage liability \$1,000,000 each occurrence.. Insurance coverage in the minimum amounts set forth herein shall not be construed to relieve UVTG for liability in excess of such coverage, nor shall it preclude County and/or City (as applicable) from taking such other action as is available to it under any other provisions of this MOU or otherwise in law.
9. County and City shall not be liable for and are free from the cost of any damages for personal injury or property damage resulting from any projects performed by UVTG. UVTG covenants and agrees to defend, indemnify and hold harmless County, City, and their officers, agents, and employees, from and against any and all claims, liability, loss, costs, or other obligations, including reasonable attorney's fees, the fees of experts, consultants, or investigators, and the cost of completely abating or cleaning up any contamination of the properties, waters of the State of California, or other properties, on account of or arising out of the UVTG projects on the Properties or improvements thereon.
10. UVTG shall not be liable for and is free from the cost of any damages for personal injury or property damage resulting from any work performed by County or City. County and City covenants and agrees to defend, indemnify and hold harmless UVTG, its officers, agents, and employees, from and against any and all claims, liability, loss, costs, or other obligations, including reasonable attorney's fees, the fees of experts, consultants, or investigators, and the cost of completely abating or cleaning up any contamination of the properties, waters of the State of California, or other properties, on

account of or arising out of the County or City work on the Properties or improvements thereon.

11. UVTG and each person performing work on behalf of UVTG on City Properties for the City, including volunteers, shall register to participate in the County's Volunteer Program through NCO and complete the City of Ukiah's Volunteer Waiver in substantially the form of the attached Exhibit A before participating on any project.

12. The parties agree that any problems or disputes that arise in performing under this MOU shall be communicated immediately to the County of Mendocino Facilities and Fleet Division of the Executive Office with respect to County Property and to the City Community Services Department with respect to City Properties which shall take appropriate steps to resolve same.

13. Each party to this MOU shall have the right to cancel the MOU, upon thirty (30) days written notice to the other parties.

14. The following individuals will be the point of contact for this MOU.

Executive Office
Carmel Angelo, CEO
501 Low Gap Road
Ukiah, CA 95482
(707) 463-4441

City of Ukiah
Sage Sangiacomo
300 Seminary Ave
Ukiah, CA 95482
(707) 463-6213

Ukiah Valley Trail Group
Neil Davis, President
607 Redwood Ave.
Ukiah, CA 95482
(707) 972-0926

15. Any and all existing statements or agreements, whether oral or written, or renewals thereof, between the parties hereto, covering projects performed by UVTG on the Properties, are hereby canceled and superseded by the terms of this MOU, and such prior agreements, statements, or understandings shall have no further force or effect.

16. UVTG shall not assign its rights or obligations under this Agreement without the prior written approval of the City and the County. This MOU shall apply to and bind the parties, their personal representatives, and their permitted successors or assigns. The MOU shall be governed by the laws of the State of California, and is to be performed in the County of Mendocino, State of California.

17. This MOU may be executed in one or more duplicate originals bearing the original signature of all parties and when so executed and such duplicate original shall be admissible as proof of the existence and terms of the MOU. The parties irrevocably consent to the jurisdiction and venue of California courts in Mendocino County.

18. The term of the MOU shall commence on November 1, 2016, and shall continue until October 31, 2019. This MOU may be extended on its same terms and conditions, for a period not to exceed two (2) years, upon written agreement between the County, City and UVTG.

19. In performing under this Agreement, UVTG is an independent contractor and not in a joint venture with the City or the County. Volunteers performing on behalf of UVTG are volunteers of UVTG and not of the City or the County. They are not employees of the City or the County for any purpose and do not work under the direction or control of the City or the County. UVTG is solely responsible for training and supervising the performance of its volunteers and for maintaining work-place

safety and compliance with applicable statutes and regulations, including, but not limited to, the California Occupational and Health Administration requirements.

Entered on the date first written above.

Ukiah Valley Trail Group

County of Mendocino


Neil Davis, RN, Executive Director


Christopher D. Shaver, Facilities

Date

City of Ukiah

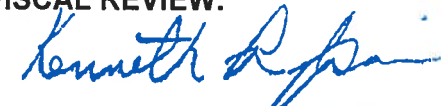
APPROVED AS TO FORM:


Sage Sangiacomo, City Manager


County Counsel

Date

FISCAL REVIEW:


Deputy CEO/Fiscal

COUNTY OF MENDOCINO

By: 
DAN GJERDE, Chair
BOARD OF SUPERVISORS NOV 01 2016

EXECUTIVE OFFICE REVIEW:


Carmel J. Angelo, Chief Executive Officer

ATTEST:

CARMEL J. ANGELO, Clerk of said Board

By: 
Deputy
NOV 01 2016

INSURANCE REVIEW:
RISK MANAGER


ALAN D. FLORA, Risk Manager

I hereby certify that according to the provisions of Government Code Section 25103, delivery of this document has been made.

CARMEL J. ANGELO, Clerk of said Board

By: 
Deputy
NOV 01 2016



ITEM NO.: 13b

MEETING DATE: April 5, 2017

AGENDA SUMMARY REPORT

SUBJECT: DISCUSS AND INTRODUCE, BY TITLE ONLY, AN ORDINANCE AMENDING CHAPTER 1, DIVISION 9, ADDING A NEW SECTION OF THE UKIAH CITY CODE ENTITLED "CORRECTIONS, AMENDMENTS, OR MODIFICATIONS" RELATED TO SUBDIVISIONS

Summary: The City Council will receive and review a proposed Ordinance amendment adding a section to the City's Subdivision Ordinance providing a procedure for the correction, amendment, or modification to existing recorded parcel and final maps (subdivisions).

Background: Article 7, Sections 66469-66472.1 of the Subdivision Map Act, requires local Subdivision Ordinances expressly provide a process for correcting, amending, or modifying existing recorded parcels and final maps (Attachment #1). The current Ukiah City Code does not expressly allow the City to perform these functions. The attached draft of the proposed ordinance adds a new section to Chapter 1, Division 9 of the City of Ukiah City Code, establishing a procedure for amending recorded maps as described above (Attachment #2).

Discussion: The Public Works Department believes that the ability to amend recorded maps will be a useful tool needed in the future. In addition to establishing a procedure to amend recorded parcel and final maps, the attached draft ordinance provides requirements and criteria under which amendments shall be considered including correction of errors and modifications to conditions that are no longer appropriate. Further, it establishes an application, hearing, and appeal process. Proposed modifications to parcel maps affecting conditions of the map would be considered at a public hearing conducted by the City Engineer. Additionally, the proposed modifications to final maps affecting conditions of the map will be considered during a public hearing with the Planning Commission.

FISCAL IMPACT:				
Budgeted Amount in 16-17 FY	New Appropriation Source of Funds (Title & No.)	Account Number	Budget Amendment Required	Previous Contract or Purchase Order No.
N/A	N/A	N/A	Yes ☐ No ☒	N/A

RECOMMENDED ACTION(S): Discuss and introduce, by title only, an Ordinance amending Chapter 1, Division 9, adding a new Section of the Ukiah City Code entitled "Corrections, Amendments, or Modifications".

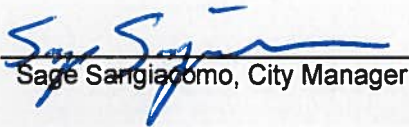
ALTERNATIVES: Do not approve but provide direction to staff.

Citizens advised: N/A
Requested by: Sage Sangiacomo, City Manager
Contact/Prepared by: Kevin Thompson, Interim Planning Director and Ben Kageyama, Senior Civil Engineer.
Coordinated with: Kevin Thompson, Interim Planning Director; David Rapport, City Attorney; and Ben Kageyama, Senior Civil Engineer.
Presenters: Tim Eriksen, Public Works Director and Kevin Thompson, Interim Planning Director.
Attachments: 1. Article 7, Sections 66469-66472.1 of the Subdivision Map Act
2. Draft of proposed ordinance

COUNCIL ACTION DATE: _____: ☐ Approved ☐ Continued to _____ ☐ Other _____

RECORDS APPROVED: ☐ Agreement: _____ ☐ Resolution: _____ ☐ Ordinance: _____

Note: Please write Agreement No. in upper right corner of agreement when drafted.

Approved: 
Sage Sangiacomo, City Manager

information, to the county surveyor, who shall maintain an index, by geographic location, of the documents. The county surveyor may charge a fee not to exceed the fee charged for recording the document, for purposes of financing the costs of maintaining the index of the documents. The requirements of this subdivision shall not apply to any county that requires a document filed pursuant to this section to be transmitted to the county surveyor and requires that official to maintain an index of those documents.

66467. This chapter shall not prevent filing in the office of the county recorder of a final or parcel map of a subdivision for which a final or parcel map is not required, provided such map meets the requirements of this division and any local ordinance.

66468. The filing for record of a final or parcel map by the county recorder shall automatically and finally determine the validity of such map and when recorded shall impart constructive notice thereof.

66468.1. Whenever separate documents are to be recorded concurrently with the final or parcel map pursuant to Section 66435.1 or 66445, the county recorder shall complete the cross-reference to such concurrently recorded separate documents.

66468.2. The board of supervisors may, by resolution, authorize any county officer to:

- (a) Perform the duties required of the clerk of the board of supervisors under this article.
- (b) Approve the security for payment of taxes required pursuant to subdivision (b) of Section 66464 if that county officer also performs the other duties required of the clerk of the board of supervisors under that subdivision.

Subdivision Map Act

66469. After a final map or parcel map is filed in the office of the county recorder, it may be amended by a certificate of correction or an amending map for any of the following purposes:

- (a) To correct an error in any course or distance shown thereon.
- (b) To show any course or distance that was omitted therefrom.
- (c) To correct an error in the description of the real property shown on the map.
- (d) To indicate monuments set after the death, disability, retirement from practice, or replacement of the engineer or surveyor charged with responsibilities for setting monuments.
- (e) To show the proper location or character of any monument which has been changed in location or character originally was shown at the wrong location or incorrectly as to its character.
- (f) To correct any additional information filed or recorded pursuant to Section 66434.2, if the correction does not impose any additional burden on the present fee owners of the real property and does not alter any right, title, or interest in the real property reflected on the recorded map.
- (g) To correct any other type of map error or omission as approved by the county surveyor or city engineer that does not affect any property right, including, but not limited to, lot numbers, acreage, street names, and identification of adjacent record maps. As used in this section, "error" does not include changes in courses or distances from which an error is not ascertainable from the data shown on the final or parcel map.

66470. The amending map or certificate of correction shall be prepared and signed by a registered civil engineer or licensed land surveyor. An amending map shall conform to the requirements of Section 66434, if a final map, or subdivisions (a) to (d), inclusive, and (f) to (i), inclusive, of Section 66445, if a parcel map. The amending map or certificate of correction shall set forth in detail the corrections made and show the names of the fee owners of the real property affected by the correction or omission on the date of the filing or recording of the original recorded map. Upon recordation of a certificate of correction, the county recorder shall within 60 days of recording transmit a certified copy to the county surveyor or county engineer who shall maintain an index of recorded certificates of correction. The county recorder may charge a fee, in addition to the fee charged for recording the certificate of correction, which shall be transmitted to the county surveyor or the county engineer, as compensation for the cost of maintaining an index of recorded certificates of correction. The amount of this additional fee shall not exceed the fee which is charged for recording the certificate of correction. If the property affected by a map is located within a city, the county recorder shall, upon request of the city engineer, provide copies of recorded certificates of correction to the city engineer.

66471.

- (a) If the subdivision is in unincorporated territory, the county surveyor shall examine the amending map or certificate of correction and if the only changes made are those set forth in Section 66469, he or she shall certify to this fact on the amending map or certificate of correction. If the subdivision is in the city, such examination and certification shall be by the city surveyor or city engineer.
- (b) As to a certificate of correction, the county surveyor, city surveyor, or city engineer shall have 20 working days in which to examine the certificate of correction for compliance with Sections 66469 and 66470, endorse a statement on it of his or her examination and certification, and present it to the county recorder for recordation. In the event the submitted certificate of correction fails to comply with Sections 66469 and 66470, the county surveyor, city surveyor, or city engineer shall return it within the same 20 working days to the person who presented it, together with a written statement of the changes necessary to make it conform to the requirements of Sections 66469 and 66470. The licensed land surveyor or registered civil engineer submitting the certificate of correction may then make the changes in compliance with Sections 66469 and 66470 and resubmit the certificate of correction to the county surveyor, city surveyor, or city engineer for approval. The county surveyor, city surveyor, or city engineer shall have 10 working days after resubmission and approval of the certificate of correction to present it to the county recorder for recordation.

66472. The amending map or certificate of correction certified by the county surveyor, city surveyor, or city engineer shall be filed or recorded in the office of the county recorder in which the original map was filed. Upon that filing or recordation, the county recorder shall index the names of the fee owners of the real property reflected on the original recorded map, and the appropriate tract designation shown on the amending map or certificate of correction in the general index and map index respectively. Thereupon, the original map shall be deemed to have been conclusively so corrected, and thereafter shall impart constructive notice of all those corrections in the same manner as though set forth upon the original map.

66472.1. In addition to the amendments authorized by Section 66469, after a final map or parcel map is filed in the office of the county recorder, the recorded final map may be modified by a certificate of correction or an amending map, if authorized by local ordinance, if the local agency finds that there are changes in circumstances that make any or all of the conditions of the map no longer appropriate or necessary and that the modifications do not impose any additional burden on the fee owners of the real property, and if the modifications do not alter any right, title, or interest in the real property reflected on the recorded map, and the local agency finds that the map as modified conforms to Section 66474. Any modification shall be set for public hearing as provided for in Section 66451.3 of this division. The legislative body shall confine the hearing to consideration of and action on the proposed modification.

Subdivision Map Act

66473. A local agency shall disapprove a map for failure to meet or perform any of the requirements or conditions imposed by this division or local ordinance enacted pursuant thereto; provided that a final map shall be disapproved only for failure to meet or perform requirements or conditions which were applicable to the subdivision at the time of approval of the tentative map; and provided further that such disapproval shall be accompanied by a finding identifying the requirements or conditions which have not been met or performed. Such local ordinance shall include, but need not be limited to, a procedure for waiver of the provisions of this section when the failure of the map is the result of a technical and inadvertent error which, in the determination of the local agency, does not materially affect the validity of the map.

66473.1.

- (a) The design of a subdivision for which a tentative map is required pursuant to Section 66426 shall provide, to the extent feasible, for future passive or natural heating or cooling opportunities in the subdivision.
- (b) (1) Examples of passive or natural heating opportunities in subdivision design, include design of lot size and configuration to permit orientation of a structure in an east-west alignment for southern exposure.
- (2) Examples of passive or natural cooling opportunities in subdivision design include design of lot size and configuration to permit orientation of a structure to take advantage of shade or prevailing breezes.
- (c) In providing for future passive or natural heating or cooling opportunities in the design of a subdivision, consideration shall be given to local climate, to contour, to configuration of the parcel to be divided, and to other design and improvement requirements, and that provision shall not result in reducing allowable densities or the percentage of a lot that may be occupied by a building or structure under applicable planning and zoning in effect at the time the tentative map is filed.
- (d) The requirements of this section do not apply to condominium projects which consist of the subdivision of airspace in an existing building when no new structures are added.
- (e) For the purposes of this section, "feasible" means capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social and technological factors.

66473.3. The legislative body of a city or county may, by ordinance, require the design of a subdivision for which a tentative map or parcel map is required pursuant to Section 66426 to provide for appropriate cable television systems and for communication systems, including, but not limited to, telephone and Internet services, to each parcel in the subdivision. "Appropriate

ORDINANCE NO.**ORDINANCE OF THE CITY COUNCIL OF THE CITY OF UKIAH ADDING A NEW ARTICLE 22 TO CHAPTER 1 IN DIVISION 9 OF THE UKIAH CITY CODE, ENTITLED "MODIFICATIONS TO FINAL OR PARCEL MAP."**

The City Council of the City of Ukiah hereby ordains as follows:

SECTION ONE.

Division 9, Chapter 1, entitled "Subdivisions," of the Ukiah City Code, is hereby amended to add a new Article 22, entitled "Modifications to Final or Parcel Map" which shall read as follows:

ARTICLE 22. MODIFICATIONS TO FINAL OR PARCEL MAP.**§ 8460 REQUIREMENTS**

After a final or parcel map is filed in the office of the County Recorder, it may be amended by a certificate of correction or an amending map to make modifications when there are changes which make any or all of the conditions of the map no longer appropriate or necessary and the modifications do not impose any additional burden on the present fee owner of the property, and if the modifications do not alter any right, title or interest in the real property reflected on the recorded map.

§ 8461 APPLICATION FOR MODIFICATION

Whenever a person or party desires to make a modification on a filed map that is allowed by Government Code Section 66472.1 and by City Code Section 8460, he shall submit an application to the City Engineer, which includes the reasons for the modification(s) and copies of a proposed amending map or a certificate of correction (prepared and signed by a civil engineer or land surveyor) as required. A filing fee and the public hearing fee as established by resolution of the City Council shall be paid at the time said application is filed.

§ 8462 DETERMINATION ON APPLICATION

The modification shall be set for public hearing by the City Engineer, in the case of a parcel map, or by the Planning Commission, in the case of a final map, in accordance with California Government Code §§ 65090, 65091, 66451.3, and 66472.1, as they currently read or as they may be amended in the future. The City Engineer or Planning Commission shall confine the hearing to consideration of, and action on, the proposed modification.

§ 8463 APPEAL OF DECISION REGARDING MODIFICATION OF MAP CONDITIONS

An interested party has the right to appeal a decision regarding modifications of conditions on a filed map. Such appeal will be heard by the Planning Commission, in the case of a parcel map, or by the City Council, in the case of a final map. Within ten (10) days of the date the decision on the modification was made, the interested party must file with the City Engineer a written appeal, stating the reasons for the appeal, and the appeal fee, if any, as established by resolution of the City Council from time to time. No appeal shall be considered, if the written appeal is not filed within the required 10 days or does not state the reasons for the appeal. The Planning Commission or the City Council shall affirm, reverse or modify any determination of the City Engineer or the Planning Commission with respect to the decision on the modification to the conditions on a filed subdivision map within thirty (30) days.

§ 8464 FILING WITH THE COUNTY RECORDER

The amending map or certificate of correction, certified by the City Engineer, shall be filed in the Office of the County Recorder. Upon such filing, the County Recorder shall index the names of the fee owners and the appropriate tract designation shown on the amending map or certificate of correction in the general index and map index respectively. Thereupon, the original map shall be deemed to have been conclusively so corrected, modified, or amended and thereafter shall impart constructive notice of all such corrections, modifications, or amendments in the same manner as though set forth in the original map.

SECTION TWO.

1. Severability: If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held by a court of competent jurisdiction to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of the Ordinance. The City Council of the City of Ukiah hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause and phrase thereof irrespective of the fact that one or more sections, subsections, sentences, clauses or phrases may be held invalid or unconstitutional.

2. Publication: Within fifteen (15) days after its adoption, this Ordinance shall be published once in a newspaper of general circulation in the City of Ukiah. In lieu of publishing the full text of the Ordinance, the City may publish a summary of the Ordinance once 5 days prior to its adoption and again within fifteen (15) days after its adoption.

3. Effective Date: The ordinance shall become effective thirty (30) days after its adoption.

Introduced by title only on April 5, 2017, by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Adopted on _____, 2017 by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Jim O. Brown, Mayor

ATTEST:

Kristine Lawler, City Clerk



AGENDA SUMMARY REPORT

SUBJECT: RECEIVE AND FILE 2015-16 COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) AND RELATED AUDITOR COMMUNICATION

Summary: Management to present the audited financial statements (CAFR) for the year ended June 30, 2016.

Background: Pursuant to City policy and state law, the City has prepared financial statements for the year ended June 30, 2016, in accordance with generally accepted accounting principles (GAAP). Those statements were audited by an independent public accounting firm, licensed by the State of California, and knowledgeable of governmental accounting and reporting.

Discussion: Management is pleased to submit the City of Ukiah's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2016. This report is prepared in accordance with state law, generally accepted accounting principles (GAAP), and the best management practices for financial reporting as defined by the Government Finance Officers' Association (GFOA). California law requires that a financial report be prepared annually and audited by a licensed certified public accountant within a reasonable period of time following the year end. These financial statements are presented in conformity with GAAP and audited in accordance with generally accepted auditing standards.

Responsibility for the accuracy of the data and the fairness of presentation, including all footnotes and disclosures, rests with City management. We believe the data presented in this report is accurate in all material respects, and all statements and disclosures necessary for the reader to obtain a thorough understanding of the City's financial activities have been included. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The City's MD&A can be found immediately following the report of the independent auditor.

Management of the City has established an internal control framework that is designed both to protect the City's assets from loss, theft, and misuse and to compile sufficient, reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatements.

As the City did not expend over \$750,000 of federal money during this reporting period, it was not required to conduct a broader, federally mandated OMB Circular A-133 "Single Audit" designed to meet the special

Continued on Page 2

RECOMMENDED ACTION(S): Receive and file 2015-16 CAFR and auditor communication to Council.

ALTERNATIVES: N/A

Citizens advised: N/A
Requested by: Sage Sangiacomo, City Manager
Prepared by/Contact: Dan Buffalo, Finance Director and Leigh Halvorsen, Senior Accountant.
Coordinated with: Sage Sangiacomo, City Manager and respective departments.
Presenters: Dan Buffalo, Finance Director and Leigh Halvorsen, Senior Accountant.
Attachments: 1. 2015-16 CAFR
2. Auditor Communication to Council (Conclusion Letter)

COUNCIL ACTION: ☐ Approved ☐ Continued to _____ ☐ See Minutes ☐ Other _____

RECORDS APPROVED: ☐ Agreement: _____ ☐ Resolution: _____ ☐ Ordinance: _____

Note: Please write Agreement No. in upper right corner of agreement when drafted.

Approved: Sage Sangiacomo
Sage Sangiacomo, City Manager

needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards.

While traditionally addressed to the governing body of the City, this report is intended to provide relevant financial information to external users (non-management employees), who include the citizens of the City of Ukiah, City staff, creditors, investors, and other concerned readers. We encourage all readers to contact the Finance Department with any questions or comments concerning this report.

The City's financial statements have been audited by Van Lant & Fankhanel, LLP, a firm of certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2016, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation.

Based upon the audit, the independent auditors concluded that there was reasonable basis for rendering an unqualified opinion, which states that the City's financial statements for the fiscal year ended June 30, 2016, are presented fairly in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report. There were, however, audit findings, recommendations, and subsequent management responses made to several items related to internal control, most of which were carryovers from the prior fiscal year (2014-15). That information is found in the CAFR beginning on page #148. Management is committed to addressing those items in the 2016-17 year and beyond.

Management will present the 2015-16 CAFR to Council and highlight key elements of the report for its consideration, including how to navigate the document.

Fiscal Impact:

FISCAL IMPACT:				
Budgeted Amount in 16-17 FY	New Appropriation Source of Funds (Title & No.)	Account Number	Budget Amendment Required	Previous Contract or Purchase Order No.
N/A	N/A	N/A	Yes ☐ No ☒	N/A

Budget amendment required	Yes ☐ No ☒ (If yes, Finance review required)
Current budget appropriation	\$ N/A
Requested amendment increase (decrease)	\$ N/A
Amended budget appropriation	\$ N/A
Source of financing	New revenue ☐ Current revenue ☐ Fund balance/working capital ☐ Other ☐ :
Affected fund(s)	☐ General ☐ Special revenue ☐ Water ☐ Sewer ☐ Electric ☐ Other enterprise ☐ Internal service ☐ Fiduciary funds
Account(s)	N/A
Associated contract or PO No.	N/A
Finance reviewed	Yes ☒ No ☐
Comments: N/A	



Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2016



City of Ukiah
***Comprehensive Annual
Financial Report for the
Fiscal Year Ended June 30, 2016***

Prepared by the Finance Department



**City of Ukiah
Comprehensive Annual Financial Report
Year Ended June 30, 2016**

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**City of Ukiah
Comprehensive Annual Financial Report
Year Ended June 30, 2016**

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**City of Ukiah
Comprehensive Annual Financial Report
Year Ended June 30, 2016**

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Introductory Section



April 5, 2017

To the Honorable Mayor, members of the City Council and citizens of the City of Ukiah:

We are pleased to submit the City of Ukiah's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2016. This report is prepared in accordance with state law, generally accepted accounting principles (GAAP), and the best management practices for financial reporting as defined by the Government Finance Officers' Association (GFOA). California law requires that a financial report be prepared annually and audited by a licensed certified public accountant within a reasonable period of time following the year end. These financial statements are presented in conformity with GAAP and audited in accordance with generally accepted auditing standards.

Responsibility for the accuracy of the data and the fairness of presentation, including all footnotes and disclosures, rests with City management. We believe the data presented in this report is accurate in all material respects, and all statements and disclosures necessary for the reader to obtain a thorough understanding of the City's financial activities have been included. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditor.

Management of the City has established an internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient, reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatements.

As the City did not expend over \$750,000 of federal money during this reporting period, it was not required to conduct a broader, federally mandated OMB Circular A-133 "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards.

While traditionally addressed to the governing body of the City, this report is intended to provide relevant financial information to external users (non-management employees), who include the citizens of the City of Ukiah, City staff, creditors, investors, and other concerned readers. We encourage all readers to contact the Finance Department with any questions or comments concerning this report.

The City's financial statements have been audited by Van Lant & Fankhanel, LLP, a firm of certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2016, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation.

Based upon the audit, the independent auditors concluded that there was reasonable basis for rendering an unqualified opinion, which states that the City's financial statements for the fiscal year ended June 30, 2016, are presented fairly in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.



Profile of the City of Ukiah

The City of Ukiah is a full service city in that it provides most typical municipal functions, including public safety (including police and fire protection), public works, community development and parks and recreation. In addition, the City provides proprietary services, including water, wastewater, electric, recreation, and airport services. It operates in a council-manager form of government, whereby the council serves as the legislative body and the City Manager its executive.

Incorporated on March 8, 1876 as a general law city, Ukiah serves as the administrative seat for the County of Mendocino, and with a residential population of more than 16,186¹ in a 4.7 square-mile area, Ukiah is graced with a strong business base and a well-established residential community.

¹ 2016 California Department of Finance, Demographic Research Unit, E-1 Population Estimates for Cities, Counties, and the State, May 2, 2016

Ukiah is a travel and recreation-oriented destination and fortunate to have a large area serving as a hub for Lake, Mendocino, southern Humboldt, and northern Sonoma counties. The Ukiah business environment is positive and well organized. Driven by an active chamber of commerce, local businesses are community-oriented and engaged in City-business partnerships, including economic development, job creation, tourism, and community events. The City's permanent retail trade area population is approximately 104,000 people with 45,000 within a 10-mile radius. Ukiah's historic downtown area is the center of commercial activity within the community. There are also commercial areas along Orchard/Perkins corridor, Airport Park Boulevard, Perkins Street, as well as much of State Street.

In Ukiah, the total labor force is approximately 6,780². Unemployment in Ukiah is approximately 7.6 percent, down from 8.1 percent in 2015. Within ten miles, there is a diverse labor force specializing in such occupations as sales, technical and professional services, education, medical, agriculture, and government services, and other specialties. The largest employment sectors in the Ukiah area are: government (county and city); education; healthcare; light industry; and the service and hospitality trades. The agricultural and construction sectors are important, and the transportation/public utilities, wholesale trade, finance/insurance/real estate and manufacturing sectors round out the employment picture. Some of the larger employers in the primary trade area include the Ukiah Valley Medical Center, Ukiah Unified School District, County of Mendocino, City of Ukiah, and Savings Bank of Mendocino County. Approximately 17 percent of all jobs in Mendocino County are located within the City of Ukiah.

The City of Ukiah Organization

The City is committed to providing high quality services in an economical manner. For fiscal year 2015-16, the City's efforts were focused in the following areas:

- **Public Safety Services.** Demand for police and fire services continued to grow due in large part to transient related issues. This demand has outpaced our labor and financial resources despite the continuation of Measure S funding and an increase in General Fund spending. For our Police Department, the increased service demand is forcing a reactive approach to crime instead of proactive strategies focused on prevention and community oriented policing services.
- **Utilities Services and Infrastructure.** The City's water, sewer and electrical enterprises continue to require significant attention due to aging infrastructure and increasing regulatory pressures. All three utilities planned and/or implemented significant capital improvements during this period.
- **Economic Development.** Despite the loss of funding from the State's dissolution of Redevelopment, the City continues to deploy a number of strategies to promote business development, tourism, and job creation. A continued focus on economic development is necessary to increase tax revenues which are necessary to fund the essential services the City provides including, but not limited to police, fire, streets, and parks.

² 2016 California Employment Development Department, Labor Market Information Division, <http://www.labormarketinfo.edd.ca.gov>

This report includes all funds of the City and its blended component unit: the Successor Agency to the Ukiah Redevelopment Agency.

The City Council establishes annual budgets for the general fund, proprietary (enterprise and internal service) funds, and all special revenue funds, with a possible exception for certain special revenue funds for which expenditures are controlled by grant funding or by special assessments. Budgetary control is legally maintained at the fund level. Department heads submit budget requests to the City Manager. The City Manager prepares an estimate of revenues and prepares recommendations for the next year's budget. The preliminary budget may or may not be amended by the City Council and is adopted by resolution by the City Council on or before June 30.

The Ukiah City Council consists of five members, elected at-large to four-year overlapping terms. Council members must be residents of the City. The positions of Mayor and Vice Mayor are chosen by the Council through its own policy. The Mayor conducts the Council meetings and represents the City in ceremonial functions.

The City Council serves as the policy board for the municipality. It provides policy direction, establishes goals, and sets priorities for the City government. In addition to serving as the broad policy makers for the community, the City Council also is responsible for numerous land use decisions within its borders, including the General Plan. The City Council appoints the City Manager, the City Attorney, and all members of advisory boards and commissions. The City also maintains an elected City Treasurer.

Current Economic Conditions and Outlook

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates. Understanding that property and sales taxes generate the City's largest two sources of general revenue, it is important to look at the economy in the context of people's wherewithal for producing general fund tax revenues.

Mendocino County suffered immensely from the Great Recession, but is in the throes of an accelerated recovery. The recovery is evidenced by nominal improvements in the unemployment rate, consumer spending (through sales tax analysis), building permits, and planning work. The housing market, while making progress toward recovering values from the highs of 2007, remains over 20 percent below peak prices.

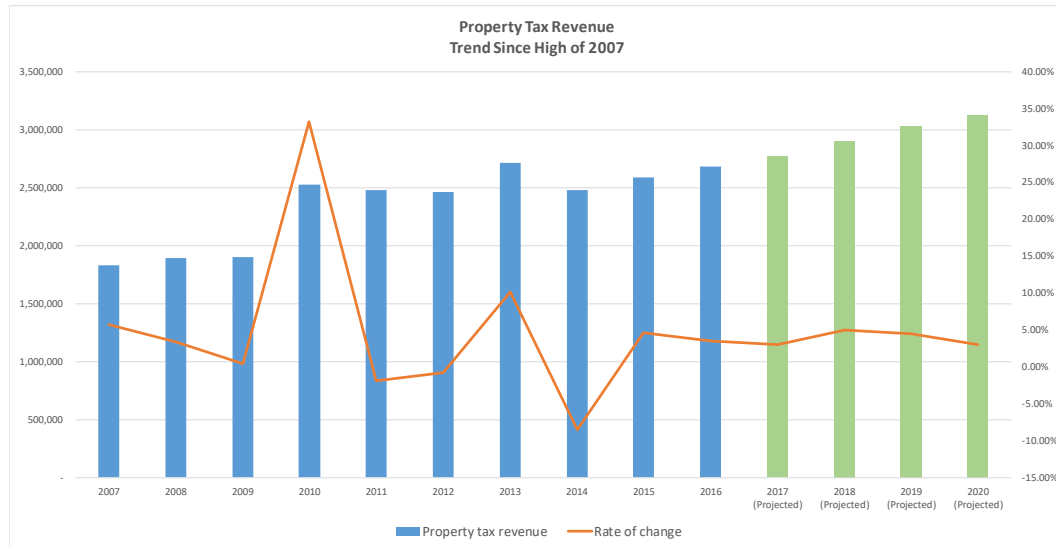
Unemployment rates in the City of Ukiah remained higher at 7.3 percent than the national rate (4.9 percent), the state rate (5.3 percent) and the Mendocino County rate of 4.8 percent. But this is down slightly from the prior year of 8.8 percent³.

The City's economic development efforts and development of a high-quality workforce help to promote Ukiah's long-term fiscal stability. This will be a cornerstone in management's approach to debt structuring, capital improvement planning, labor negotiations, and service delivery.

As mentioned earlier, the City's principal general fund revenue sources are sales tax and property taxes. These sources are expected to grow modestly, averaging of 2-5 percent per year for the next five years.

³ 2015 California Employment Development Department, Labor Market Information Division, <http://www.labormarketinfo.edd.ca.gov>

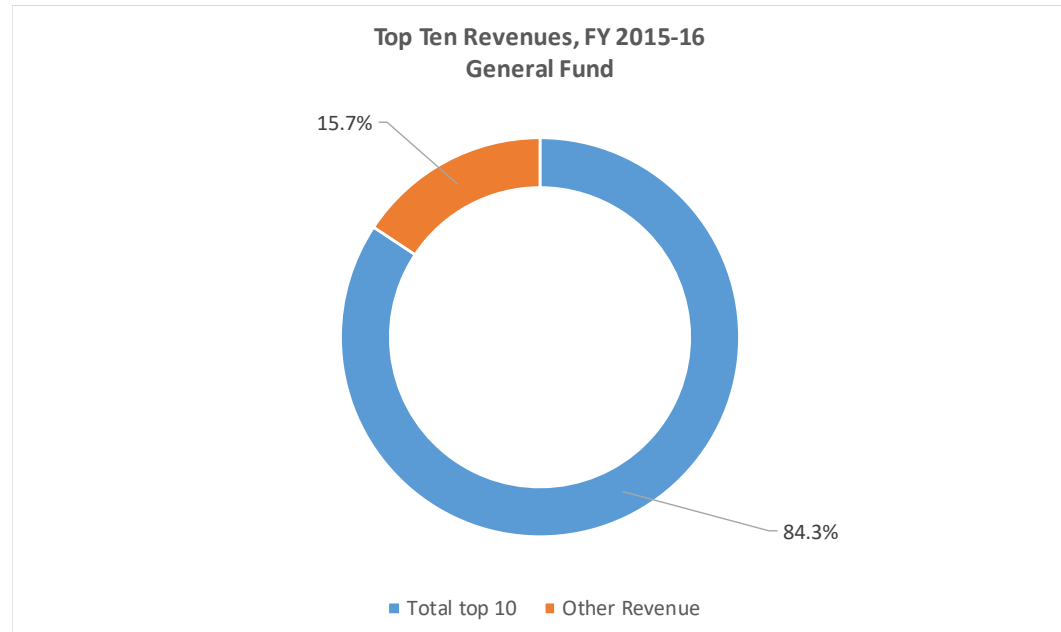
The housing market has improved markedly; however, changes to property tax receipts will continue to be nominal due to retroactive Prop 8 adjustments still being processed by the Mendocino County Assessor. Most recent estimates are that nearly 74 percent (\$282 million) of value has left to be restored to the property tax rolls after Prop 8 adjustments were executed following 2008. Property-related revenues in general are expected to increase modestly FY 2016-17 and beyond, likely to average 4-5 percent, as illustrated in the following table.



As part of its path toward maintaining fiscal sustainability, the City may rely on one-time uses of its reserves to ensure the best possible level of service to its citizens. It did so in 2015-16, as the City realized a reduction in fund balance in 2015-16 of \$190,457. Expenditures outpaced revenues by \$33,027 (0.21 percent of revenues) and contributions to other special revenue funds exceeded budgetary estimates.

Financial Condition: General Revenues - Top Ten:

The City's top ten revenue sources account for nearly 85 percent of total general fund income. Focusing on these sources can provide an excellent understanding of the City's revenue



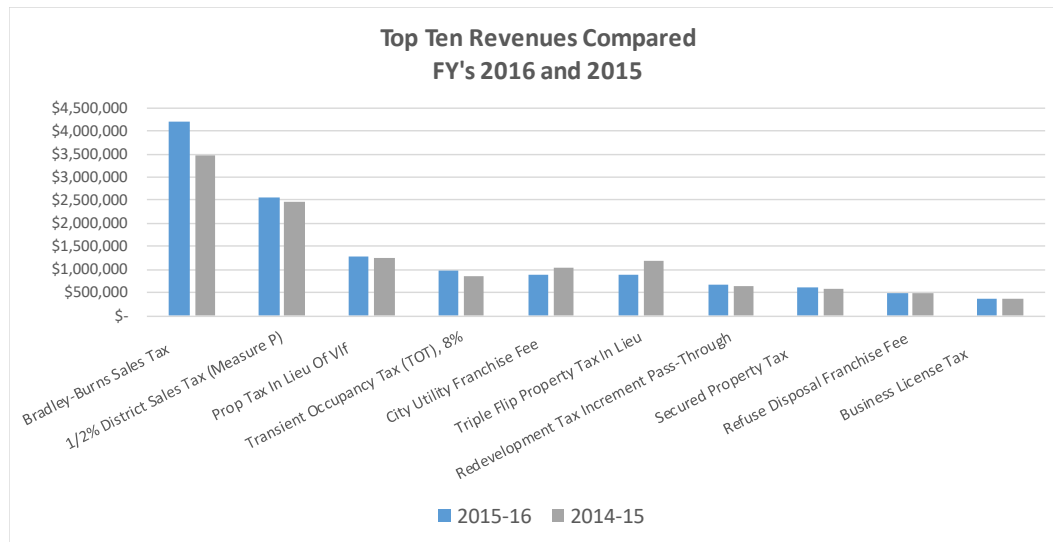
position.

Overall, these key revenues performed better in 2016 than in 2015. The strongest performer was TOT (14.89 percent increase). The weakest performer was franchise fees charged to City electric (-14.36 percent decrease). The following schedule and chart demonstrates this comparison:

TOP 10 - REVENUES

Current to Prior
Period Ended June 30, 2016

REVENUE	2015-16	2014-15	Percent Change	Percent of Total 2015-16 Revenues
Top 10:				
Bradley-Burns Sales Tax	\$ 4,213,264	\$ 3,457,946	21.84%	27.40%
1/2% District Sales Tax (Measure P)	2,563,699	2,465,522	3.98%	16.68%
Prop Tax In Lieu Of Vlf	1,293,374	1,252,905	3.23%	8.41%
Transient Occupancy Tax (TOT), 8%	976,927	850,321	14.89%	6.35%
City Utility Franchise Fee	893,522	1,043,404	-14.36%	5.81%
Triple Flip Property Tax In Lieu	890,025	1,177,729	-24.43%	5.79%
Redevelopment Tax Increment Pass-Through	662,724	639,199	3.68%	4.31%
Secured Property Tax	617,563	593,189	4.11%	4.02%
Refuse Disposal Franchise Fee	489,129	473,349	3.33%	3.18%
Business License Tax	360,590	364,385	-1.04%	2.35%
Total top 10	12,960,820	12,317,948	5.22%	84.30%
Other Revenue	2,413,554	2,283,993	5.67%	15.70%
Total operating revenue	\$ 15,374,374	\$ 14,601,941	5.29%	100.00%



Sales Tax. The City collects sales tax from two sources: normal Bradley-Burns sales taxes (1 percent of taxable transactions) and a ½ cent sales and use tax, commonly referred to as Measure P and devoted entirely to the City. Both tax sources are distinct and considered separate sources. Each behave slightly differently given their tax base. Bradley-Burns sales taxes are referred to as “sales and use” taxes, levied on transactions based geographically in the City. Measure P is referred to as a “transaction and use” tax and is applied to any taxable sale in the City as well as any sale where the use of the item is in the City. For instance, a car purchased outside the City but registered to, and therefore presumed to be used at, an address within would be levied the ½ cent on the purchase price. Both are general taxes and can be used for any regular, general governmental purpose.

Overall, sales taxes receipts (Bradley-Burns and Measure P) were up moderately from a year ago due in part to stronger sales in the City’s retail sector. It was offset somewhat by the declining price of gas. Further, the wind down of the state’s triple flip resulted in sales tax receipts from the State Board of Equalization (BOE) being higher in 2015-16 and lower from the County Auditor-Controller, which is reflected in the sharp decrease of the “Triple Flip Property Tax in Lieu” revenue source. This particular source will disappear in fiscal year 2016-17, as the Triple-Flip has concluded. All sales tax due the City (the full 1 percent) will come exclusively from BOE and not flow partly from the County Auditor-Controller through the property tax allocation.

Property Tax in Lieu of VLF (Vehicle License Fee). These are property tax shares allocated to cities and counties beginning in FY 04-05 as compensation for the state’s take of Vehicle License Fees (VLF). This revenue source typically follows regular property tax collections, discussed under “Secured Property Tax” below and is up slightly over 4 percent compared to last year.

Transient Occupancy Tax (TOT). Commonly referred to as a “bed,” “hotel,” or “room” tax this revenue source has performed strongly over the last two years, up nearly 15 percent from 2014-15. Driven by increased tourism in the greater Ukiah Valley area and a larger volume of travelers heading north, this revenue source is poised to continue its positive growth trend for

several more years. Visitors are stopping in Ukiah as a final layover before making the trek to Fort Bragg and Humboldt County and are exploring the wonders of what the Ukiah Valley has to offer.

The TOT rate in Ukiah currently is 10 percent; however, 8 percent is considered general revenue to the general fund, which is what is reported here. The remaining 2 percent funds economic development and tourism enterprise and is deposited to a special revenue fund.

City Utility Franchise Fees. This revenue source is a charge to the City's electric utility. Franchise fees are not taxes; rather, they are rents paid by utility providers to operate on or in City rights-of-way and City property, such as roads, sidewalks, parklands, etc. The rents are established by the City Council and typically are correlated to gross revenues generated by the utility provider. They were lower in FY 2015-16 than in the preceding year due to a rate decrease for the electric utility.

Triple Flip Property Tax In Lieu. This is a mechanism used to repay the state fiscal recovery bonds pursuant to Prop 57 of 2004. Under the Triple Flip, the local sales and use tax rate is reduced from 1.00 percent to 0.75 percent with the 0.25 percent diverted to repay state fiscal recovery bonds. Cities and counties are reimbursed for the lost revenue from a shift of property tax revenue. The 24.43 percent decrease is the result of the Triple Flip coming to an end with the final true-up processes by the state and County Auditor-Controller. As mentioned earlier, this revenue source will not appear in 2016-17. Instead the full 1 percent of Bradley-Burns sales tax due to the City will be reported its respective section of this report.

Redevelopment Tax Increment Pass-Through. After the dissolution of Redevelopment in California by the Legislature, the Ukiah Redevelopment Agency was sent into receivership of a successor agency. Property tax increment revenue once received by the former agency was instead held in trust by the County Auditor-Controller in a specific fund, affectionately known as the Redevelopment Property Tax Trust Fund (RPTTF). Property tax increment collected in this fund would first pay the County Auditor-Controller's administrative costs, then pass to the successor agency of the former RDA (City of Ukiah) to satisfy the obligations of the former agency, then to the taxing entities in the project area of the former RDA, including the Ukiah Unified School District and the County of Mendocino general fund. The City also receives a share of these residuals and deposits them in a specific in the general fund, which is reported here.

This revenue sources tracks relatively similar to regular (secured) property tax, although it is calculated from a slightly different derivative property tax base (tax increment).

Secured Property Tax. Traditionally, revenue from property tax was viewed as a very stable source. The housing collapse of 2008 tested that assumption. However, as the housing market continued to recover modestly in Ukiah, receipts came in higher than the year prior. This was due to a combination of factors, including retroactive Prop 8 (1978) assessment adjustments and increased assessed values from housing sales. Slightly less than 11 percent of property taxes paid by property owners within the City are allocated to the City. The majority is distributed to local schools and the County of Mendocino.

As mentioned earlier, revenue from this source will continue to trend positively over the next few years as the county continues to process Prop 8 property value adjustments and as housing prices and home sales increase.

Refuse Disposal Franchise Fees. This revenue source is a charge to the City's franchise solid waste hauler. As discussed earlier, franchise fees are not taxes; rather, they are rents paid by utility providers to operate on or in City rights-of-way and City property, such as roads, sidewalks, parklands, etc. The vehicles used to provide this service (garbage trucks) are heavy machines that wear roads more quickly and significantly than other commercial and non-commercial vehicles.

Revenues from this source were higher in FY 2015-16 than in the preceding year due increased sales by the hauler, Ukiah Waste Solutions.

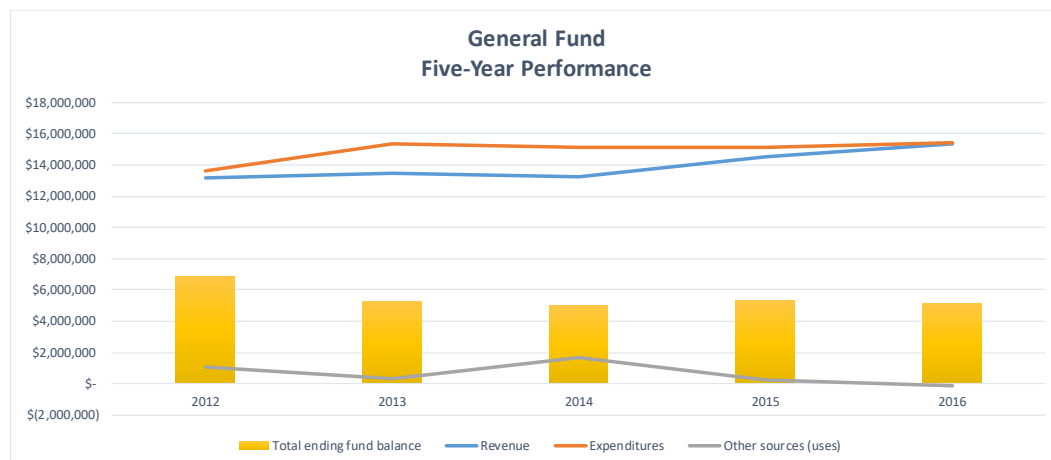
Business License Tax. Businesses that operate within City limits are required to obtain a business license. The proceeds from the tax collected are available for unrestricted use in the general fund. Receipts are down slightly from a year ago likely due to normal business cycles.

The General Fund

The City's general fund is its primary source of discretionary resources for the provision of service deemed necessary and desirable by the citizens of Ukiah and the City Council.

The schedule and chart below illustrate how the general fund has performed over the last five years, ending June 30, 2016.

GENERAL FUND Five-Year Trend	Fiscal Year Ended June 30,				
	2012	2013	2014	2015	2016
Revenue	13,211,341	13,453,616	13,235,450	14,493,862	15,374,374
Expenditures	13,650,142	15,349,387	15,167,827	15,099,745	15,407,401
Excess (deficiency)	(438,801)	(1,895,771)	(1,932,377)	(605,883)	(33,027)
Other sources (uses)	1,065,910	304,768	1,714,573	250,351	(157,430)
Change in fund balance	\$ 627,109	\$ (1,591,003)	\$ (217,804)	\$ (355,532)	\$ (190,457)
Beginning fund balance	6,237,800	6,864,909	5,273,906	5,715,426	5,359,105
Ending fund balance:					
Nonspendable	559,134	619,044	619,044	645,728	1,512,943
Restricted	-	-	-	-	-
Committed	-	183,956	203,105	-	-
Assigned	4,851,110	89,859	-	-	3,655,705
Unassigned	1,454,665	4,381,047	4,233,953	4,714,166	-
Total ending fund balance	\$ 6,864,909	\$ 5,273,906	\$ 5,056,102	\$ 5,359,894	\$ 5,168,648



The general fund ended the year with a total fund balance of \$5.17 million, of which \$3.66 million was available for spending. Total fund balance represents 33.6 percent of general fund revenue for the year. Despite realizing \$136,667 in additional revenue than was anticipated by the budget, the general fund balance ended the year lower than the preceding year by \$190,457.

Much of this was attributed to higher than anticipated expenditures in public safety and for internal services used by the general fund, such as garage and IT.

Revenues flow into the fund from a wide variety of sources, including the top ten discussed earlier. Conversely, the general fund provides for a variety of services to the community, which are generally grouped as follows:

- General government (including, but not limited to, City Council, City Management, City Clerk, City Attorney, Finance, and Treasury Management)
- Public Safety (Police and Fire)
- Public Works (Engineering and roads primarily)
- Housing and Community Development (housing program administration, Planning, and Building)
- Parks and Recreation
- Capital outlay

Other sources and uses are inflows and outflows that increase or decrease fund balance but are not considered revenues or expenditures. The predominant example would be transfers.

For instance, a transfer out would be recognized if the general fund provided resources to a special revenue fund without receiving something commensurate. An example of this would be the general fund's support of the Grace Hudson Museum, which is accounted for in special revenue fund with the intent that it might support itself with dedicated revenues, e.g. entry fees, facility rentals, etc.

Transfers into the general fund would be similar in characteristic, another governmental, enterprise, or fiduciary fund providing resources to it without receiving something in return. An example would be a gas tax fund transferring resources into the general fund so that the general fund could perform general road maintenance.

It should be noted and stressed: transfers are not the same as interfund borrowing. Such activity is a balance sheet activity and does not impact fund balance in total.

Fund balance is the remaining resources of a fund that can be used in the subsequent period, or budget year. Per generally accepted accounting principles (GAAP) the City characterizes its fund balance accounts as one of 5 main categories:

- **Nonspendable.** These are amounts that are not necessarily readily available but are nonetheless current enough to be liquidated and used. Examples include receivable amounts from long-term interfund borrowing and notes receivable.
- **Restricted.** These are amounts which can only be spent on specific activities prescribed by a third party, i.e. an entity other than the voters, City Council, or City management. An example would be amounts held by the fund derived from a grant by which the grantor has set the requirements as to how those proceeds are to be used.
- **Committed.** These are amounts designated by the highest level of the government's authority (typically the voters or City Council) for discrete purposes.

Further, the mechanism used to prescribe these amounts is one that is not readily created, altered, or otherwise reversed, e.g. and ordinance or voter initiative.

- **Assigned.** These amounts are similar to those characterized as committed but are more readily established, altered, or cancelled. The City Council or City Management can assign fund balance through resolution or budgetary policy, for instance. An example of this would be amounts designated as reserve by the City Council for exclusive use related to public safety or to act as a general rainy day reserve.
- **Unassigned.** These amounts are any that do not fall under the characterization of the four fund balance classifications described above.

Business-type Activities:

The City provides various enterprise services, including water, sewer, and electric. Water and sewer are housed administratively within the Public Works Department but are accounted for, like electric, in a proprietary, enterprise fund. Through the collection of fees and charges, these funds should collect revenues sufficient enough to finance costs associated with administration, operations, capital improvements (CIP), and debt service.

Enterprise activities are accounted for like a business in the private sector using the full accrual basis. This is starkly different than governmental fund accounting, which uses the modified accrual basis and is concerned only with current spendable resources, what we call fund balance. Drawing comparisons of information between the two methods can be challenging.

Although the City accounts and reports on these funds using full accrual accounting basis, here we present the activities of the water, sewer, and electric enterprise funds in terms of working capital. Working capital is defined as the difference between current assets and current liabilities, which is closely approximate to the definition of fund balance in governmental funds. In other words, it's the resources available to meet ongoing operating, debt service, and capital activities in the near term. Non-cash expenses, such as depreciation typically part of full accrual accounting, are excluded from this presentation.

Electric Enterprise Operations

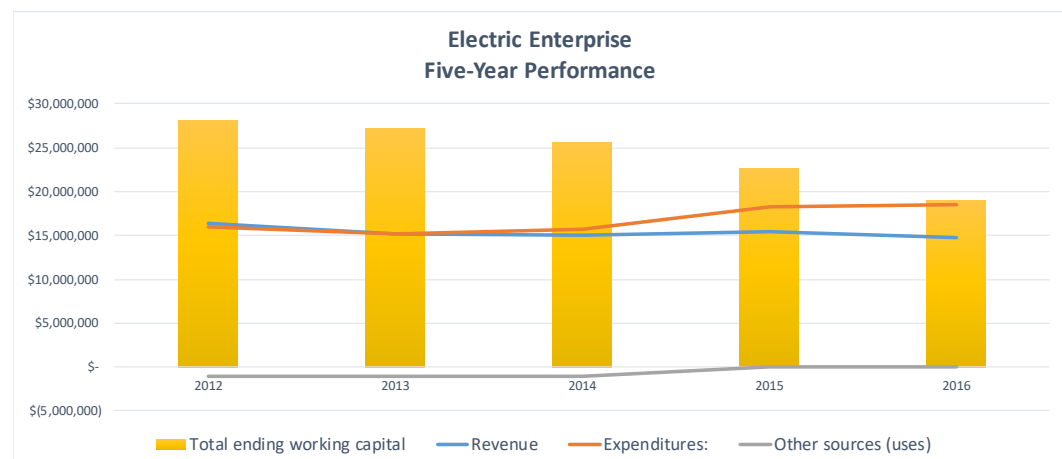
Revenues from rates were less than total expenditures for the year. Operating costs have steadily increased over the last five-year period with relatively large increases in 2015 and 2016 of \$1.6 million and \$870,335, respectively. As a result, the working capital of the enterprise has decreased nearly \$10 million, or 33 percent.

Given this past erosion, the electric enterprise maintains a healthy reserve and working capital of 128 percent of current revenue for the year. Of that, \$11.9 million (81 percent) of working capital relative to current revenues was available to support operations.

As of the date of this letter, the City Council has taken steps to better provide resources to the electric utility by addressing service rates. The Council moved to begin a phased-in approach to electric rates beginning in January, 2017. Annual rate adjustments averaging three percent will occur over the next four years.

Additionally, the City maintains a public benefit program to assist low income customers with the cost of their electric service. This program, however, has expended more resources than were available in 2015-16, requiring a short-term loan of \$51,424 from the electric operating fund. Management is developing a strategy to correct this imbalance and will make a subsequent recommendation to Council by June, 2017.

ELECTRIC ENTERPRISE Five-Year Trend	Fiscal Year Ended June 30,				
	2012	2013	2014	2015	2016
Revenue	16,329,459	15,177,990	15,080,656	15,413,370	14,789,340
Expenditures:					
Operating	12,279,037	12,679,304	12,829,515	14,496,789	15,367,124
Debt service	2,033,125	2,035,312	2,037,187	2,076,253	2,095,715
Capital outlay	1,637,808	426,194	860,408	1,730,441	1,013,394
Total expenditures	15,949,970	15,140,810	15,727,110	18,303,483	18,476,233
Excess (deficiency)	379,489	37,180	(646,454)	(2,890,113)	(3,686,893)
Other sources (uses)	(1,065,910)	(1,029,127)	(1,009,418)	-	623
Change in working capital	\$ (686,421)	\$ (991,947)	\$ (1,655,872)	\$ (2,890,113)	\$ (3,686,270)
Beginning working capital	28,824,415	28,137,994	27,146,047	25,490,175	22,600,062
Ending working capital, reserved for:					
Rate stabilization	-	-	-	-	-
Restricted	-	-	-	-	109,595
Debt service	4,043,341	4,043,341	4,043,341	4,043,341	4,043,341
Capital	-	-	-	-	2,848,748
Operations	24,094,653	23,102,706	21,446,834	18,556,721	11,912,108
Total ending working capital	\$ 28,137,994	\$ 27,146,047	\$ 25,490,175	\$ 22,600,062	\$ 18,913,792

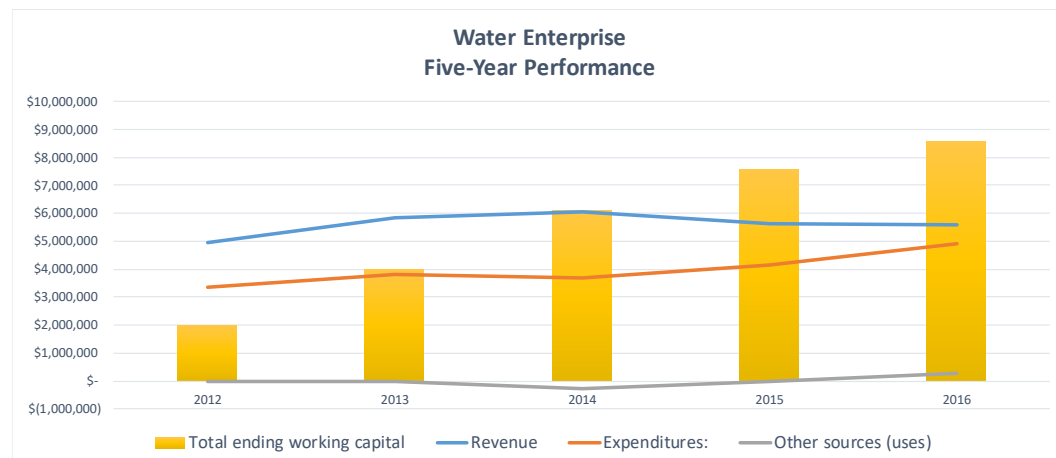


Water Enterprise Operations

Revenues from rates exceeded expenditures by \$690,464. Transfers into the fund further added to its working capital by \$271,227, bringing its total to \$8.57 million, or 153 percent of current revenue for the year. Of that, \$2.1 million (38 percent) of working capital relative to current revenues was available to support operations, a comfortable cushion to protect operations for adverse conditions.

The fund has performed well over the last five years, but expenditures relative to revenue have been increasing. This is something we will be watching closely and making appropriate recommended adjustments to operational spending where necessary.

WATER ENTERPRISE Five-Year Trend	Fiscal Year Ended June 30,				
	2012	2013	2014	2015	2016
Revenue	4,943,509	5,847,196	6,063,225	5,640,655	5,593,810
Expenditures:					
Operating	2,174,248	2,446,509	2,487,945	2,621,130	3,415,743
Debt service	1,088,369	1,075,780	1,066,651	1,013,800	600,302
Capital outlay	83,969	279,693	137,327	520,893	887,301
Total expenditures	3,346,586	3,801,982	3,691,923	4,155,823	4,903,346
Excess (deficiency)	1,596,923	2,045,214	2,371,302	1,484,832	690,464
Other sources (uses)	-	(15,000)	(250,000)	-	271,227
Change in working capital	\$ 1,596,923	\$ 2,030,214	\$ 2,121,302	\$ 1,484,832	\$ 961,691
Beginning working capital	373,400	1,970,323	4,000,537	6,121,839	7,606,671
Ending working capital, reserved for:					
Rate stabilization	-	-	-	-	-
Restricted	-	-	-	-	1,285,254
Debt service	-	-	-	-	-
Capital	-	-	-	-	5,141,017
Operations	1,970,323	4,000,537	6,121,839	7,606,671	2,142,091
Total ending working capital	\$ 1,970,323	\$ 4,000,537	\$ 6,121,839	\$ 7,606,671	\$ 8,568,362

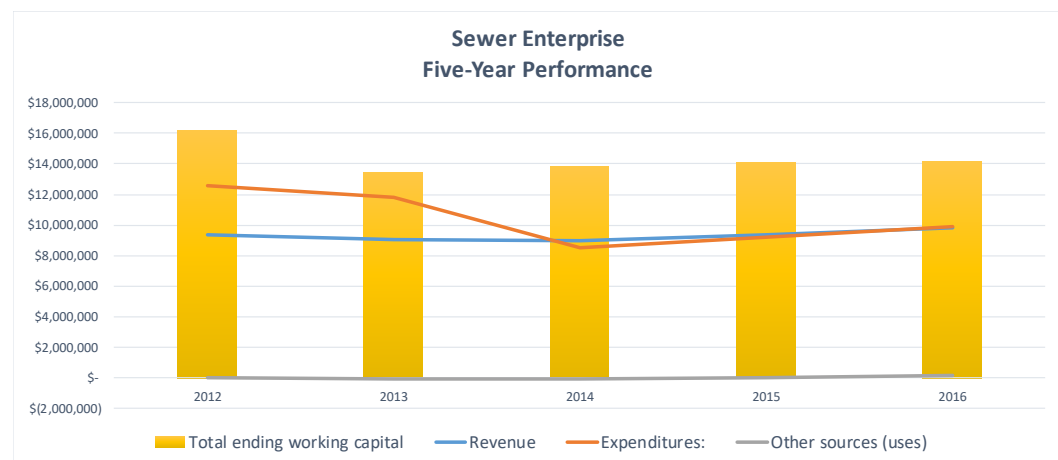


Sewer Enterprise Operations

Expenditures exceeded revenue from rates by \$71,872. Transfers into the fund fully offset the overrun, however, adding to its working capital \$130,441 and bringing its total to \$14.18 million, or 144 percent of current revenue for the year. Of that, \$6.3 million (64 percent) of working capital relative to current revenues was available to support operations, a comfortable cushion to protect operations for adverse conditions.

The fund has performed nominally over the last five years, with expenditures and revenues tracking closely. This is problematic for the fund, however, as it makes continued investments in significant capital outlay increasingly challenging. This is something we will be watching closely and making appropriate recommended adjustments to operational spending where necessary.

SEWER ENTERPRISE Five-Year Trend	Fiscal Year Ended June 30,				
	2012	2013	2014	2015	2016
Revenue	9,347,024	9,085,498	8,956,123	9,394,906	9,838,802
Expenditures:					
Operating	6,329,228	6,342,258	3,190,205	3,351,625	3,164,746
Debt service	5,307,129	5,288,494	5,281,493	5,278,494	4,842,900
Capital outlay	953,783	158,112	52,295	578,890	1,903,028
Total expenditures	12,590,140	11,788,864	8,523,993	9,209,009	9,910,674
Excess (deficiency)	(3,243,116)	(2,703,366)	432,130	185,897	(71,872)
Other sources (uses)	-	(18,000)	(68,000)	-	202,313
Change in working capital	\$ (3,243,116)	\$ (2,721,366)	\$ 364,130	\$ 185,897	\$ 130,441
Beginning working capital	19,460,405	16,217,289	13,495,923	13,860,053	14,045,950
Ending working capital, reserved for:					
Rate stabilization	-	-	-	-	2,933,236
Restricted	-	-	-	-	443,959
Debt service	3,786,579	3,786,579	3,786,579	3,786,579	3,786,579
Capital	-	-	-	-	715,845
Operations	12,430,710	9,709,344	10,073,474	10,259,371	6,296,772
Total ending working capital	\$ 16,217,289	\$ 13,495,923	\$ 13,860,053	\$ 14,045,950	\$ 14,176,391



Major Initiatives

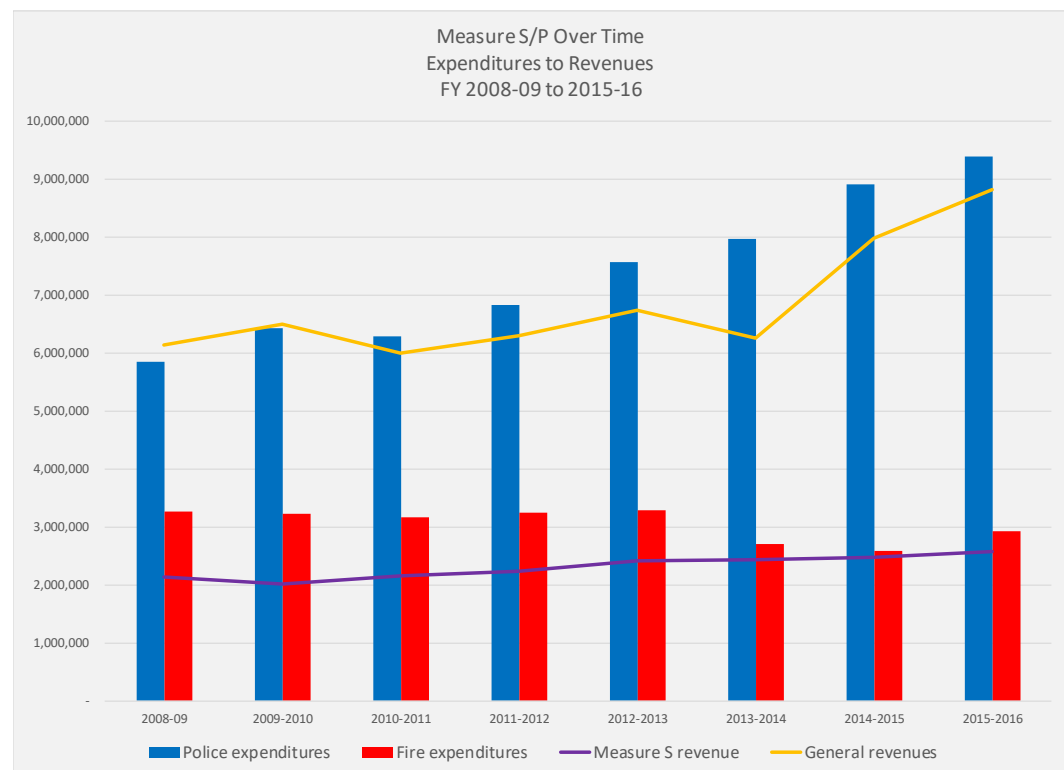
The Ukiah City Council, through a strategic process of discussion, observation, and education, has developed the following set of focused priorities that help guide the development and implementation of policies, activities, and programs. These four areas are in no way all-encompassing of the City's scope of work nor are they finite; rather, the strategic planning process is considered evolutionary and vision-based. All of these areas work to further promote the vibrancy and sustainability of the Ukiah community and the organization.

- Develop a prioritized plan for maintaining and improving public infrastructure.
- Planning Valley-Wide takes place based on sound planning principles.
- Facilitate the development of a sound local economy that attracts investment, promotes economic diversity, supports businesses, creates employment opportunities, and generates public revenues.
- Council and staff work together to create a more responsive and effective workplace environment.

Measure P

Measure P, passed by a simple majority (50 percent plus 1) of Ukiah voters in November of 2014, is a general (unrestricted) transaction and use tax. A general, unrestricted tax is one that can be used to fund any program, function, service, or project at the discretion of the City Council. It is not a special, restricted tax, which would require approval of two-thirds of the voting public. It continued a sun-set transaction and use tax, known as Measure S (2005), accompanied by an advisory Measure T (2005). Measure P, however, was passed with no advisory measure.

The purpose of Measure P is to augment public safety expenditures to provide a higher level of police and fire service to the community. Amounts collected from the tax are to be used in addition to the commitment of the general fund and not in replacement of. The following graph demonstrates how the past revenue measure (S) and now Measure P have been employed with relation to the general fund.



Every year, the City Council appropriates resources in the amount of revenue expected from Measure P for projects, programs, and activities that are in the spirit of the measure. The City Council has committed these funds to enhance the general fund activities in public safety. Below is a schedule of what those were and what resources were allocated to them.

Fiscal Year 2015-16
Eligible Measure P Costs
Comparative

Expenditure Uses by Category	Measure P Baseline FY 2014-15	FY 2015-16	Increase (Decrease)
Police:			
Sworn officers (Note 1)	32	32	-
Misc personnel (Note 2)	18	19	1
Personnel	\$ 6,049,608	\$ 6,684,697	\$ 635,088
Operations (Note 3)	2,660,085	2,488,139	(171,946)
Capital	186,594	206,006	19,412
Total police (Note 4)	8,896,287	9,378,842	482,555
Fire:			
Firefighters:			
City	11	11	-
UVFD	6	6	-
Personnel	1,506,406	1,721,394	214,988
Operations:			
Contractual	516,180	393,179	(123,001)
Other	530,822	778,557	247,736
Capital	30,400	31,129	730
Total fire	2,583,807	2,924,260	340,453
Total public safety	11,480,094	12,303,102	823,008
Dedicated Revenue Sources			
Measure P transaction and use tax	2,465,521	2,563,698	98,177
Public safety revenue:			
Police	262,254	277,132	14,878
Fire	37,235	73,828	36,593
Other (Note 5)	739,607	574,112	(165,495)
Total revenue	3,504,617	3,488,770	(15,847)
Excess (deficiency) revenues over expenditures	(7,975,477)	(8,814,332)	(838,855)
Other Financing Sources			
General revenues, general fund	7,975,477	8,814,332	838,855
Remaining resources	\$ -	\$ -	\$ -

Notes:

- 1) The City budgeted for 32 officers in FY 15-16. Actual number of filled positions fluctuated higher and lower due to illness/injury/attrition
- 2) Increase reflects addition of a dispatch supervisor.
- 3) Includes dispatch services.
- 4) Excludes parking enforcement expenditures.
- 5) Includes dispatch service revenue, except for general fund contributions. Excludes parking enforcement revenues.

Relevant Financial Policies

City Management has adopted a series of financial policies meant to guide its use and reporting of revenues. Some of the more germane policies as related to this report include the following:

- All current operating expenditures will be paid for with current revenues, unless the use of reserves is approved by the City Council.
- Revenues will be conservatively estimated.
- Intergovernmental assistance in the form of grants and loans will be used to finance only:
 - Those capital improvements which can be maintained and operated over time; or
 - Operating programs that can either be sustained over time or have a limited horizon.
- A minimum fund balance reserve in the General Fund will be maintained at all times. The minimal, optimal level required for this reserve will be 25 percent of the General Fund operating budget. The reserve will be drawn down as a funding source of last resort and used only after other reserve accounts have been accessed.
- The unappropriated fund balance in the General Fund will be maintained at a level sufficient to provide adequate working capital and to accommodate required adjustments to other reserve accounts, including the reserves for advances to other funds, deposits and prepaid items.
- In general, one-time revenues will be used only to support capital or other non-recurring expenditures. One-time revenues may be used for operating programs only after an examination determines if they are subsidizing an imbalance between operating revenues and expenditures; and then only if a long-term forecast shows that the operating deficit will not continue.
- The City invests all idle cash as determined by analysis of anticipated cash flow needs. Specific emphasis will be placed on future cash requirements when selecting maturity dates to avoid forced liquidations and the potential corresponding loss of investment earnings.
- The General Fund currently does not have any general obligation bonds and does not anticipate issuing such debt.
- When the City finances capital projects by issuing bonds or acquiring loans, it will pay back those obligations within a period that is consistent with the useful life of the project.
- The City requires an annual audit of the books of account, financial records, inventories and reports of all City officers and employees involved in the handling of financial matters by a qualified independent auditor.

Information concerning significant accounting policies affecting the finances of the City is summarized in the Notes to the Financial Statements.

Acknowledgements

The preparation of this Comprehensive Annual Financial Report could not be accomplished without the efficient and dedicated service of the entire staff of the Finance Department, the City's Management Team, and the auditing firm of Van Lant & Fankhanel, LLP.

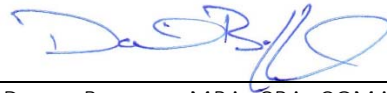
We would like to express our appreciation to Brett Van Lant, CPA; Greg Fankhanel, CPA; the staff of Van Lant & Fankhanel; and to the members of the Finance Department, City Manager's Office, and other administrative departments who assisted and contributed to its development.

We also would like to thank members of the City Council and all City departments for their cooperation and support in planning and conducting the financial operations of the City during the fiscal year.

Respectfully submitted,

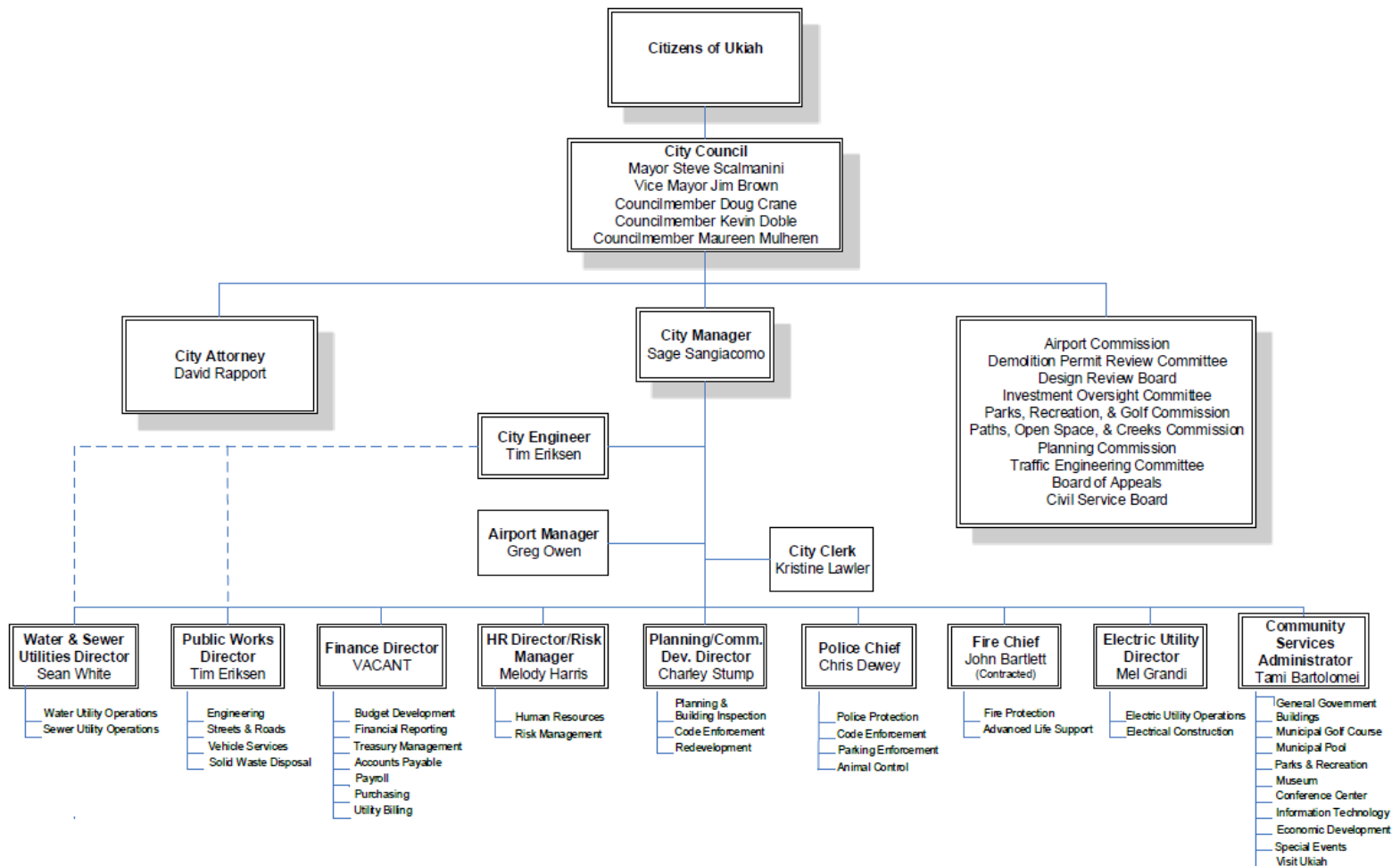


SAGE SANGIACOMO
CITY MANAGER



DANIEL BUFFALO, MPA, CPA, CGMA
FINANCE DIRECTOR

Organization Chart



City Officials

<i>Mayor</i>	<i>Stephen G. Scalmanini</i>
<i>Vice Mayor</i>	<i>Jim O. Brown</i>
<i>Councilmember</i>	<i>Kevin Doble</i>
<i>Councilmember</i>	<i>Maureen Mulheren</i>
<i>Councilmember</i>	<i>Douglas F. Crane</i>

<i>City Manager</i>	<i>Sage Sangiacomo</i>
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<i>Electric Director</i>	<i>Mel Grandi</i>
<i>Finance Director</i>	<i>(Vacant)</i>
<i>Human Resources Director</i>	<i>Melody Harris</i>
<i>Police Chief</i>	<i>Chris Dewey</i>
<i>Fire Chief</i>	<i>John Bartlett</i>
<i>Planning Director</i>	<i>Charley Stump</i>
<i>Public Works Director</i>	<i>Tim Eriksen</i>
<i>Water and Sewer Director</i>	<i>Sean White</i>
<i>City Attorney</i>	<i>David Rapport</i>
<i>City Clerk</i>	<i>Kristine Lawler</i>



Financial Section

Independent Auditor's report, Management's discussion and analysis, basic financial statements and notes to the financial statements.



Independent Auditor's Report

The Honorable City Council
City of Ukiah, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Ukiah (the "City"), as of and for the year ended June 30, 2016, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Ukiah, as of June 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The introductory section, the schedules listed in the supplementary information section of the table of contents, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules listed in the supplementary information section of the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules listed in the supplementary information section of the table of contents are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated March 28, 2017 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Van Lant & Fankhaenel, LLP". The signature is written in a cursive, flowing style.

March 28, 2017

Management's Discussion and Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Ukiah (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2016. Please read it in conjunction with the accompanying basic financial statements.

This analysis is organized into sections, moving from highlights of FY 2015-16, through descriptions of the financial statements and analysis of the selected information. The final section discusses some of the City's financial processes and the upcoming budget outlook.

Note: Unless otherwise indicated, all amounts are ***expressed in thousands of dollars***.

1. FINANCIAL HIGHLIGHTS

- The City's total net position increased 3% to \$102,104 from \$98,961 a year ago.
- Governmental activities net position ended the year at \$20,705 up 3% from \$20,100 in the prior year while the net position for Business Type activities was up 3% to \$81,399 from \$78,861 in 2015.
- Total tax revenue, other governmental revenues and business activity revenues were higher than expenses by \$3,142.
- Total revenues from all sources were \$51,319, up 3% from \$49,987 in the prior year.
- The total cost of all activities was \$48,177, down from the prior year at \$53,753.
- General Fund revenues exceeded expenditures by \$11,020 (actual dollar amount, not expressed in thousands) before transfers.

2. USING THIS ANNUAL REPORT

This annual report consists of five parts – management's discussion and analysis (this portion), the basic financial statements, the required supplemental information, an optional section that presents combining statements for non-major governmental funds and enterprise funds and a statistical section. The basic financial statements include two kinds of statements that present different views of the City:

(1) The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's *overall* financial status. These include the Statement of Net Position and the Statement of Activities.

(2) The remaining statements are *fund financial statements* that focus on individual parts of the City government, reporting on the City's operations in more detail than the government-wide statements.

- The *governmental funds* statements tell how *general governmental* services like public safety were financed in the short-term as well as what remains for future spending.
- Proprietary fund statements offer short and long-term financial information about activities the government operates *like businesses*, such as the electric, water and wastewater funds business-type activities.

Figure A-1 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of Management's discussion and analysis explains the structure and contents of each of the statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Figure A-1
Major Features of City of Ukiah's Government-wide and Fund Financial Statements

	Government-wide Statements	Fund Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire city government	The activities of the City that are not proprietary or fiduciary, such as police, fire, and parks	Activities the City operates similar to private businesses: such as electric, water, and wastewater systems.
Required financial statements	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenues, expenditures, and changes in fund balances	• Statement of net position • Statement of revenues, expenses, and changes in net position • Statement of cash flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid

Government-wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's *net position* and how it has changed. Net position – the difference between the City's assets, deferred outflows, liabilities, and deferred inflows – is one way to measure the City's financial health, or *position*. Over time, increases or decreases in the City's net position is an indicator of whether its financial health is improving or deteriorating, respectively.

The government-wide financial statements of the City are divided into two categories:

Governmental activities – All of the City's basic services are considered to be governmental activities, including general government, community development, public safety, public works, and community services. Property taxes, sales taxes, vehicle license fees, transient occupancy taxes, and franchise fees finance most of these activities.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Business-type (Proprietary) activities –The City charges a fee to customers to cover all or most of the cost of the services provided. The City's utility services (water, wastewater and electric), street lighting, parking, airport, golf course, and conference center are reported in this category.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law.
- The City establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants. The City maintains three fund categories (governmental, proprietary, and fiduciary) and various fund types within those categories:
- *Governmental funds* – Most of the City's basic services are included in governmental funds, which focus on (1) *how cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term view* that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them. The City maintains three fund types in the governmental fund category: general, special revenue, and capital. These funds are accounted for using the current financial resources measurement focus and modified accrual basis.
- *Proprietary funds* – Services for which the City charges internal and external customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-and short-term financial information using the economic resources measurement focus and full accrual basis of accounting.
 - In fact, the City's enterprise funds (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.
 - The City's internal service funds are another type of proprietary fund used to account for activities charged to other funds on a cost reimbursement basis.
- *Fiduciary funds* – The City maintains two fund types in this category: agency and private purpose trust funds. They are used to account for resources held by the City but not necessarily available for its use. Such funds include resources held by the City on behalf the Ukiah Valley Sanitation District, the Russian River Watershed Association, and the Ukiah Redevelopment Successor Agency. The City accounts for these funds using the economic resources measurement focus and full accrual basis of accounting.

MANAGEMENT'S DISCUSSION AND ANALYSIS

3. FINANCIAL ANALYSIS OF GOVERNMENT WIDE STATEMENTS

The Summary of Net Position (Table 1) and Summary of Changes in Net Position (Table 2) present the City's governmental and business activities in total for the years ending June 30, 2016 and June 30, 2015.

The City accounts for general government functions such as police, fire, public works, community development and other community services in the General and Special Revenue funds categorized as Governmental Activities on Table 1. The City accounts for its utilities, including electric, water, wastewater and solid waste disposal as proprietary enterprise funds. The airport, parking district, golf course, conference center, street lighting system are also accounted for as enterprise funds. These funds are categorized as Business Type Activities on Table 1. Internal service funds are consolidated with either governmental or business-type activities for government-wide reporting.

The City's combined net position for the fiscal year ended June 30, 2016 was \$102,103. The City's net position for governmental activities increased 3% from \$20,100 to \$20,705. Business-type activities net position increased 3% from \$78,861 to \$81,398. The Net Position's restricted amounts are restricted funding sources for specific purposes by various agreements or restricted uses of revenues. Unrestricted Governmental and Business-type net position included assets received for specific purposes and amounts accumulated for capital assets.

For fiscal year 2016, the Electric Utility transferred \$894 to the General Fund as payment in lieu of taxes that would be charged to an outside provider. This amount is calculated at 7% of electric revenues.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Table 1
Summary of Net Position
For the Fiscal Years Ended June 30, 2016 and 2015
(Full Accrual, in Thousands)

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Assets:						
Current and other assets	17,964	20,062	54,321	56,270	72,285	76,332
Non current assets	36,349	34,500	132,433	132,182	168,782	166,682
Total assets	54,313	54,562	186,754	188,452	241,067	243,014
Deferred outflows of resources	4,385	2,951	1,679	639	6,064	3,590
Liabilities:						
Current liabilities	1,392	1,307	2,929	2,386	4,321	3,693
Non current liabilities	32,407	31,095	102,703	106,820	135,110	137,915
Total liabilities	33,799	32,402	105,632	109,206	139,431	141,608
Deferred inflows of resources	4,193	5,061	1,403	1,024	5,596	6,085
Net position:						
Capital Assets	29,089	27,625	54,757	50,088	83,846	77,713
Restricted						
Public Safety	218	704			218	704
Public Works	1,308	1,471			1,308	1,471
Housing & Community Development	10,659	10,678			10,659	10,678
Parks & Recreation	78	78			78	78
Debt Service		-	2,072	2,072	2,072	2,072
NCPA projects		-	355	468	355	468
Unrestricted	(20,647)	(20,456)	24,215	26,233	3,568	5,777
Total net position	20,705	20,100	81,399	78,861	102,104	98,961

(in Thousands)

Note: FY 2015 assets changed to reflect Inventory and Land held for resale as a current asset and Internal Balances as non-current.

In Table 2, Governmental revenues increased by \$ 1,278 or 7% due primarily to increased operating grants and taxes, offset in part by decreases in capital grants and other revenues. Expenses decreased by \$67 or less than 1% with the continuation of a cost allocation plan and the completion of projects.

Business type revenues increased by \$54 reflecting slightly lower charges for services due to lower electric and water usage with a higher interest received for money held by the funds. Expenses decreased \$5,643 as the

MANAGEMENT'S DISCUSSION AND ANALYSIS

increase in the landfill closure liability was significantly less than FY2015 and both the Electric Utility and the Airport had decreases in expenses.

Table 2
Statement of Change in Net Position
For the Fiscal Years Ended June 30, 2016 and 2015
(Full Accrual, in Thousands)

	Governmental		Business-type		Total	
	Activities		Activities			
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	1,599	1,482	32,129	32,266	33,728	33,748
Operating grants and contributions	2,284	1,472	-	-	2,284	1,472
Capital grants and contributions	860	889	10	25	870	914
Taxes	13,438	12,833	23	15	13,461	12,848
From other agencies	-	-	-	-	-	-
Use of money	323	337	650	449	973	786
Misc.	3	216	-	3	3	219
Total revenues	18,507	17,229	32,812	32,758	51,319	49,987
Expenses:						
General government	143	773	-	-	143	773
Public safety	11,081	10,564	-	-	11,081	10,564
Public works	2,555	2,848	-	-	2,555	2,848
Housing & Community Development	892	348	-	-	892	348
Parks & Recreation	2,758	2,829	-	-	2,758	2,829
Electric	-	-	15,779	16,140	15,779	16,140
Water	-	-	3,930	3,783	3,930	3,783
Sewer	-	-	8,621	8,230	8,621	8,230
Solid Waste Disposal Site (closed)	-	-	389	5,951	389	5,951
Parking District	-	-	163	138	163	138
Street Lighting	-	-	315	258	315	258
Airport	-	-	1,109	1,466	1,109	1,466
Conference Center	-	-	393	377	393	377
Golf Course	-	-	49	48	49	48
Total expenses	17,429	17,362	30,748	36,391	48,177	53,753
Change in Net Position before Transfers	1,078	(133)	2,064	(3,633)	3,142	(3,766)
Net Transfers	(473)	-	473	-	-	-
Change in Net Position	605	(133)	2,537	(3,633)	3,142	(3,766)
Beginning Net Position	20,100	45,271	78,861	80,371	98,961	125,642
Restatement of Net Position	-	(25,038)	-	2,123	-	(22,915)
Ending Net Position	20,705	20,100	81,398	78,861	102,103	98,961

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Activities

Table 3 presents the cost of each of the City's major governmental programs for FY 2015-16 and FY 2014-15.

On a full accrual basis, including financing and capital costs as reported under GASB 34, the City's total cost of governmental activities increased by less than 1%. The decreases in General Government, Public Works and Parks & Recreation were offset by increases in Public Safety and Community Development. Governmental expenses reflect a wide variety of projects and on-going activities, many of which are supported in part by program fees or other funding sources.

Table 3
Cost of Governmental Activities
 For the Fiscal Years Ended June 30, 2016 and 2015
(Full Accrual, in Thousands)

	Total Cost to Provide Services		Cost Change	Percentage Change
	2016	2015		
General Government	143	773	(630)	-82%
Public Safety	11,081	10,564	517	5%
Public Works	2,555	2,848	(293)	-10%
Community Development	892	348	543	156%
Parks & Recreation	2,758	2,829	(72)	-3%
	<u>17,429</u>	<u>17,362</u>	<u>67</u>	<u>0%</u>

The City's PERS retirement benefits costs increased by \$17 from 2015 to 2016 (to \$3,463 from \$3,446).

General government services, functions that support Public Safety and all the other City services, include the City Council, City Clerk, City Treasurer, City Attorney, and the City Manager's office as well as Finance, Administrative Services, Legal, Human Resources, Risk Management, and any other programs not specifically identified. The decrease of \$630 is primarily due the net effect of pension activities by CalPERS for the year as well as the effects of the cost allocation of general government services to other government City services and Business-type activities.

Public Safety is the largest component of governmental activities. The majority of public safety cost is for personnel. Police salaries and overtime increased by \$348. Fire salaries and overtime decreased by \$364 with the combining of the Fire Department with the Ukiah Valley Fire District.

Parks and Recreation activities include a wide range of services to the public. Principal activities include maintaining all City parks and other landscaped areas, managing a modern museum, providing a year round calendar of youth and adult recreation programs, and operating a public swimming pool. The recreation programs are primarily self-funded through user fees and cooperative use agreements with the school systems and others.

Community Development is primarily grant-funded projects. FY 2015-16 expenses included \$575 for the Multi-Unit Residential Rehab program and \$131 for the Visit Ukiah TOT program.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Business Type Activities

The City's net position for business-type activities in continuing operations resulted in a \$1,639 increase in net position or 5% of total revenues (before revenue from the use of money and property and transfers to other funds), compared with a \$1701 increase, or 5% in 2015. The Solid Waste Disposal Site was closed in 2001 and its current position is presented separately so as to not distort the results of continuing operations presented on Table 4.

Table 4

Statement of Operating Income and Expenses - Business Type Funds

For the Fiscal Years Ended June 30, 2016 and 2015

(Full Accrual, in Thousands)

	Operating Expenses		Operating Revenue		Increase (decrease) From Operations			
	2016	2015	2016	2015	2016		2015	
Electric	15,779	16,140	15,077	15,244	(702)	-5%	(896)	-6%
Water	3,930	3,783	5,447	5,579	1,517	28%	1,796	32%
Sewer	8,621	8,230	9,668	9,264	1,047	11%	1,034	11%
Street Lights	315	258	187	186	(128)	-68%	(72)	-39%
Airport	1,109	1,466	1,113	1,349	4	0%	(117)	-9%
Parking	163	138	87	91	(76)	-87%	(47)	-52%
Golf Course	49	48	68	86	19	28%	38	44%
Conference Center	393	377	351	342	(42)	-12%	(35)	-10%
Total	<u>30,359</u>	<u>30,440</u>	<u>31,998</u>	<u>32,141</u>	<u>1,639</u>	5%	<u>1,701</u>	5%

Closed Program

Solid Waste Disposal Site	389	5,951	132	126	(257)	(5,825)
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Electricity purchase costs increased from \$8,307 last year to \$8,660 in FY 2015-16, while rates charged by the Utility were held constant. Purchase costs represented 55% of the Operating Expenses for FY 2015-16 up from 53% in FY 2014-15. The Electric Utility transferred \$894 to the General Fund as a franchise fee that would be charged to an outside provider. This amount is calculated at 7% of the electric revenues.

Annual water revenue was down 2% from the prior year.

The non-major operations of Parking District, Street Lighting and Conference Center continue to be unable to fully fund operating expenses after depreciation. Management will continue its effort to improve marketing, restructure operations and reduce operating costs in relation to revenue.

The Solid Waste Disposal Site was closed in 2001 and State regulations require the site to be monitored for 30 years with funds set aside for closure expenses, post-closure expenses, and contingencies. The City is working with the regulatory agencies to complete the formal closure of the site.

MANAGEMENT'S DISCUSSION AND ANALYSIS

4. FINANCIAL ANALYSIS OF THE FUND STATEMENTS**Governmental Funds**

The total increase in government revenues was \$629 or 4% from \$17,708 to \$18,337. Increases in Sales and Use Tax (\$847) and Transit Occupancy Tax (\$168) reflecting improving growing economy, were offset in part by a decrease in the Property Tax (\$198) and Franchise Fees (\$129).

The governmental expenses increased by \$1,733 or 10% due primarily to increases in public safety and capital outlay costs.

Table 5

Revenue, Expenditure and Fund Balance Summary: Governmental Funds

For the Fiscal Years Ended June 30, 2016 and 2015

(Modified Accrual Basis, Stated in Thousands)

	General Fund		Other Governmental Funds		Total Governmental Funds	
	2016	2015	2016	2015	2016	2015
Revenues:						
Taxes and Franchise Fees	13,503	12,816	-	-	13,503	12,816
Licenses and permits	342	186	-	-	342	186
Fines, forfeitures & penalties	79	59	-	-	79	59
Interest, Rents and Concessions	162	219	174	113	336	332
Intergovernmental	165	183	2,746	2,866	2,911	3,049
Charges for services	714	883	41	150	755	1,033
Miscellaneous	360	148	51	85	411	233
Total revenues	15,325	14,494	3,012	3,214	18,337	17,708
Expenses						
Current						
General Government	392	839	151	13	542	852
Public Safety	10,829	9,754	268	475	11,097	10,229
Public Works	1,847	2,011	326	327	2,173	2,338
Housing & Community Development	148	203	722	125	870	328
Parks & Recreation	2,081	1,982	535	711	2,616	2,693
Capital Outlay	17	311	2,596	1,428	2,613	1,739
Total expenses	15,314	15,100	4,598	3,079	19,912	18,179
Excess(Deficiency)of revenues over Expenditures	11	(606)	(1,586)	135	(1,575)	(471)
Other Financing Sources(Uses):						
Transfers In	345	712	595	637	940	1,349
Transfers Out	(503)	(461)	(910)	(917)	(1,413)	(1,378)
Total Other Financing Sources	(158)	251	(315)	(280)	(473)	(29)
Net Change in Fund Balances	(147)	(355)	(1,901)	(145)	(2,048)	(500)
Fund Balances July 1	5,360	5,056	17,094	10,153	22,454	15,209
Prior Period Adjustment	-	659	-	7,086	-	7,745
Fund Balances, June 30	5,213	5,360	15,193	17,094	20,406	22,454

MANAGEMENT'S DISCUSSION AND ANALYSIS

The voter approved one-half percent sales tax went into effect in October 2005. In FY 2015-16, revenue from this tax increased by 4% from \$2,466 to \$2,564 reflecting continued economic improvement and the further establishment of Ukiah as an economic hub for the greater Mendocino County area, including parts of Lake, Humboldt, and Sonoma Counties.

Other Governmental Funds Revenue classified as "Intergovernmental" include many Federal, State or Special District grants which vary dramatically from year to year. In FY 2013-14, the intergovernmental revenues were \$2,017, which increased in FY 2014-15 to \$2,866 but decreased to \$2,746 in FY 2015-16. The largest components of this year's grants were \$1,351 for the Museum Prop 84 grant and \$569 for CDBG.

Current General Fund expenditures increased 1% from \$15,100 to \$15,314. General Fund Capital Outlay decreased from \$311 in FY 2014-15 to \$17 in FY 2015-16 as projects were completed. Other Governmental Funds saw a 49% increase in expenditures primarily in Capital Outlay largely associated with the Museum Grants.

The net change in fund balance in the General Fund for FY 2015-16 was a decrease of \$147, as compared to a decrease of \$355 in FY 2014-15. The net change in fund balances for the Other Governmental Funds was a decrease of \$1,901 in FY 2015-16 as compared to an increase of \$6,941 in FY 2014-15 (which included a prior period adjustment).

MANAGEMENT'S DISCUSSION AND ANALYSIS

5. GENERAL FUND BUDGETARY HIGHLIGHTS

Actual General Fund revenues exceeded budget by \$87, a variance of 1%. Total tax revenues exceeded the budget by 2%, with the sales and use tax over budget by \$199 (3%), transient occupancy taxes exceeded budget by \$177 or 17%, offset in part by Property Tax which was under the budgeted amount by \$144 or 4%.

Total General Fund expenditures finished the year over budget by \$392 driven by a \$981 or 9% increase in Public Safety spending.

Table 6

Revenue, Expenditure and Changes in Fund Balance Summary-Budget to Actual-General Fund

For the Fiscal Year Ended June 30, 2016

(Full Accrual, Stated in Thousands)

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
Revenues:			
Taxes	13,240	13,503	263
Licenses and permits	279	342	63
Fines, forfeitures & penalties	64	79	15
Interest, Rents and Concessions	197	162	(35)
Intergovernmental	146	165	19
Charges for services	983	714	(269)
Miscellaneous	329	360	31
Total revenues	15,238	15,325	87
Expenses			
Current			
General Government	447	392	(55)
Public Safety	9,848	10,829	981
Public Works	2,114	1,847	(267)
Housing & Community Development	371	148	(223)
Parks & Recreation	2,125	2,081	(44)
Capital Outlay	17	17	-
Total expenses	14,922	15,314	392
Excess(Deficiency)of revenues over Expenditures	316	11	(305)
Other Financing Sources(Uses):			
Transfers In	326	345	19
Transfers Out	(411)	(503)	(92)
Total Other Financing Sources	(85)	(158)	(73)
Net Change in Fund Balances	231	(147)	(378)
Fund Balances July 1	5,360	5,360	-
Fund Balances, June 30	5,591	5,213	(378)

MANAGEMENT'S DISCUSSION AND ANALYSIS

6. CASH MANAGEMENT

The City contracts with Public Financial Management, Inc. (PFM), a specialist in municipal cash management, to direct its investments and maintain flexibility by utilizing a pooled cash system. Under the pooled cash concept, the City invests the cash of all funds to ensure maturities coincide with cash needs. Cash is invested in certain eligible securities, as constrained by law, and further limited by the City's investment policy. The goals of the City's investment policy are safety, liquidity, and yield. The City Council has appointed an Investment Oversight Committee, chaired by the elected City Treasurer, to direct and monitor the activities of PFM.

7. CAPITAL ASSETS

The capital assets of the City are those assets that are used in performance of City functions including infrastructure assets. Capital Assets include equipment, buildings, land, park facilities, and roads.

At June 30, 2016, the value of capital assets of the governmental activities, net of accumulated depreciation, totaled \$28,804 and the value of capital assets of the business-type activities, net of accumulated depreciation, totaled \$134,078. Depreciation on capital assets is recognized in the Government-Wide financial statements but not in the Fund financial statements. Additional information regarding the City's capital assets can be found in the Notes to the Financial Statements.

8. CURRENT LIABILITIES AND LONG-TERM DEBT

At year-end, current governmental liabilities are \$1,392 and business-type liabilities are \$2,929, which total \$4,321 and are \$628 higher than the prior year. The City has long-term governmental liabilities totaling \$32,407 and long-term business-type liabilities of \$102,703 for a total of \$135,110, which is a decrease of \$2,805.

Additional information regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

9. NEXT YEAR'S BUDGET AND ECONOMIC FACTORS

The Ukiah economy continues to move forward at a robust pace. Sales tax revenue continue to grow on an estimated average of 7 percent annually for the next 3 years. Property values also are expected to grow more than the 2 percent annually indexed inflationary factor prescribed by Prop 13 as home values increase and existing home sales trend upward. The Mendocino County region continued to lag behind the rest of the state in overall property value recovery, but it is headed in a positive direction. As the Ukiah economy grows, we see local businesses engage in more hiring and possible expansion. The success of these businesses is vital to the City's fiscal health.

The state's impact on, and relationship with, local government will continue to impose barriers to economic growth within the City and in unincorporated Mendocino County as a result of realignment and more draconian regulatory requirements on local government and small business. The imposition by the State on local government to solve the state's housing shortage crisis is one element that local governments – including Ukiah – will be forced to address with little meaningful help from Sacramento.

Maintaining and growing revenue streams to the City to support service delivery and quality of life for our community remains a high priority for staff. Existing sources to the general fund – predominately sales and property taxes – are stable, and our estimates for the future will continue to be conservative. Revenue for enterprise activities will be evaluated throughout the 2016-17 fiscal year to ensure charges for services are fair,

MANAGEMENT'S DISCUSSION AND ANALYSIS

equitable, and sufficient to meet their operating and capital needs. Expenses, city-wide, related to personnel (primarily in health premium and pension costs) continue to increase at a substantial, though manageable, pace. We continue to look to find cost saving measures to help offset these expenses. The challenge remains providing the highest level and quality of service that the community needs, expects and deserves.

Other Information

Development: A proposed Costco store in the City's Airport Business Park, is moving forward. All legal challenges were heard and successfully defended against. The City expects Costco to break ground on their new Ukiah store in the fall of 2017.

A lawsuit was filed by the Ukiah Valley Sanitation District (District) on October 18, 2013 seeking more that \$28 million in restitution for alleged overcharging of the District for services provided by the City pursuant to a series of agreements beginning in 1967. The City contests the allegations, and despite the best efforts of the City to come to mediation with the District, the lawsuit moves forward.

Summary

The City continues to manage a general fund with limited resources and provide high-quality services to the community without jeopardizing its financial well-being. Management takes a proactive approach to ensuring this. Ukiah's revenue base is growing. That, along with a combination of prudent expenditure control and value added investments in infrastructure, will move this organization forward securely in the promise to provide the best quality public services to the citizenry of Ukiah that it deserves and can afford.

10. CONTACTING THE CITY'S FINANCIAL MANAGEMENT TEAM

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City's Finance Department at (707) 463-6220, Finance Department, City of Ukiah, 300 Seminary Ave, Ukiah, California 95482 or online: at <http://www.cityofukiah.com>.

Basic Financial Statements

City of Ukiah
Statement of Net Position
June 30, 2016

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Investments	\$ 9,916,875	\$ 37,962,048	\$ 47,878,923
Cash and Investments with Fiscal Agents	2,748,907	4,077,207	6,826,114
Receivables:			
Accounts	832,595	4,316,334	5,148,929
Taxes	1,372,646	-	1,372,646
Notes	5,578,720	36,500	5,615,220
Interest	29,039	91,226	120,265
Intergovernmental Receivables	615,818	-	615,818
Loans to Employees	660	-	660
Investment in NCPA Reserves	-	6,665,194	6,665,194
Internal Balances	1,681,449	(1,681,449)	-
Prepays	11,437	-	11,437
Refundable Deposits	-	3,730	3,730
Land Held for Resale	2,435,114	-	2,435,114
Inventory	760	1,205,675	1,206,435
Capital Assets, Not Being Depreciated	5,771,265	11,876,164	17,647,429
Capital Assets, Depreciated, Net	23,317,263	122,202,249	145,519,512
Total Assets	<u>54,312,548</u>	<u>186,754,878</u>	<u>241,067,426</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Related Items	<u>4,384,910</u>	<u>1,679,164</u>	<u>6,064,074</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	1,391,732	1,528,293	2,920,025
Interest Payable	-	1,128,750	1,128,750
Deposits Payable	-	272,365	272,365
Noncurrent Liabilities:			
Due within One Year	125,000	4,310,000	4,435,000
Due in More Than One Year	32,282,436	98,392,917	130,675,353
Total Liabilities	<u>33,799,168</u>	<u>105,632,325</u>	<u>139,431,493</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Related Items	<u>4,193,495</u>	<u>1,402,786</u>	<u>5,596,281</u>
NET POSITION			
Net Investment in Capital Assets	29,088,528	54,756,782	83,845,310
Restricted for:			
Public Safety	217,511	-	217,511
Public Works	1,308,099	-	1,308,099
Housing and Community Development	10,659,453	-	10,659,453
Parks and Recreation	78,098	-	78,098
Debt Service	-	2,072,225	2,072,225
NCPA Projects	-	354,795	354,795
Unrestricted	(20,646,894)	24,215,129	3,568,235
Total Net Position	<u>\$ 20,704,795</u>	<u>\$ 81,398,931</u>	<u>\$ 102,103,726</u>

The accompanying notes are an integral part of this statement.

City of Ukiah
Statement of Activities
Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 142,792	\$ 258,262	\$ -	\$ -
Public Safety	11,081,325	284,562	429,296	-
Public Works	2,555,524	339,403	64,019	473,836
Housing and Community Development	891,644	-	682,847	-
Parks and Recreation	2,757,551	716,575	1,107,615	385,936
Total Governmental Activities	17,428,836	1,598,802	2,283,777	859,772
Business-type Activities:				
Electric	15,779,225	15,076,565	-	-
Water	3,930,252	5,446,778	-	-
Wasterwater	8,620,824	9,667,659	-	-
Disposal Site	388,553	132,106	-	-
Parking	163,525	86,620	-	-
Street Lighting	314,589	187,414	-	-
Airport	1,109,236	1,112,951	-	10,384
Conference Center	392,761	351,252	-	-
Golf Course	49,523	67,873	-	-
Total Business-type Activities	30,748,488	32,129,218	-	10,384
Total Primary Government	\$ 48,177,324	\$ 33,728,020	\$ 2,283,777	\$ 870,156

General Revenues:

Taxes:

Property Taxes

Sales Taxes

Transient Occupancy Tax

Business License and Transfer Taxes

Franchise Fees

Gain on Sale of Property

Interest, Rents and Concessions

Miscellaneous Revenues

Transfers In (Out)

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of Year

Net Position - End of Year

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ 115,470	\$ -	\$ 115,470
(10,367,467)	-	(10,367,467)
(1,678,266)	-	(1,678,266)
(208,797)	-	(208,797)
<u>(547,425)</u>	<u>-</u>	<u>(547,425)</u>
<u>(12,686,485)</u>	<u>-</u>	<u>(12,686,485)</u>
-	(702,660)	(702,660)
-	1,516,526	1,516,526
-	1,046,835	1,046,835
-	(256,447)	(256,447)
-	(76,905)	(76,905)
-	(127,175)	(127,175)
-	14,099	14,099
-	(41,509)	(41,509)
-	18,350	18,350
<u>-</u>	<u>1,391,114</u>	<u>1,391,114</u>
<u>(12,686,485)</u>	<u>1,391,114</u>	<u>(11,295,371)</u>
2,641,247	23,246	2,664,493
7,630,648	-	7,630,648
1,229,814	-	1,229,814
421,504	-	421,504
1,514,800	-	1,514,800
-	-	-
323,373	649,484	972,857
3,679	-	3,679
<u>(473,539)</u>	<u>473,539</u>	<u>-</u>
<u>13,291,526</u>	<u>1,146,269</u>	<u>14,437,795</u>
605,041	2,537,383	3,142,424
<u>20,099,754</u>	<u>78,861,548</u>	<u>98,961,302</u>
<u>\$ 20,704,795</u>	<u>\$ 81,398,931</u>	<u>\$ 102,103,726</u>

**City of Ukiah
Balance Sheet
Governmental Funds
June 30, 2016**

	General	Non-major Governmental Funds	Total Governmental Funds
ASSETS			
Cash and Investments	\$ 2,192,367	\$ 5,402,502	\$ 7,594,869
Cash and Investments with Fiscal Agents	-	2,748,907	2,748,907
Taxes Receivable	1,372,646	-	1,372,646
Accounts Receivable	767,031	35,146	802,177
Interest Receivable	15,623	11,351	26,974
Intergovernmental Receivables	-	615,818	615,818
Prepaid Expenditures	11,437	-	11,437
Loans to Employees	660	-	660
Due from Other Funds	600,156	-	600,156
Long-term Notes Receivable	-	5,578,720	5,578,720
Advances to Other Funds	899,246	-	899,246
Land Held for Resale	-	2,435,114	2,435,114
Total Assets	<u>\$ 5,859,166</u>	<u>\$ 16,827,558</u>	<u>\$ 22,686,724</u>
LIABILITIES			
Accounts Payable	\$ 275,271	\$ 514,920	\$ 790,191
Accrued Salaries and Benefits	370,894	31,318	402,212
Due to Other Funds	-	600,156	600,156
Advances from Other Funds	-	148,000	148,000
Total Liabilities	<u>646,165</u>	<u>1,294,394</u>	<u>1,940,559</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenues - Grants	-	340,175	340,175
Total Deferred Inflows of Resources	<u>-</u>	<u>340,175</u>	<u>340,175</u>
FUND BALANCES			
Nonspendable	911,343	-	911,343
Restricted	-	12,276,877	12,276,877
Assigned	185,443	3,358,684	3,544,127
Unassigned	4,116,215	(442,572)	3,673,643
Total Fund Balances	<u>5,213,001</u>	<u>15,192,989</u>	<u>20,405,990</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 5,859,166</u>	<u>\$ 16,827,558</u>	<u>\$ 22,686,724</u>

The accompanying notes are an integral part of this statement.

City of Ukiah
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2016

Fund Balances of Governmental Funds	\$	20,405,990
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds:

Capital Assets		61,927,272
Accumulated Depreciation		(33,122,906)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:

Compensated Absences		(691,392)
Net Pension Liability		(31,579,796)

Amounts for deferred inflows and deferred outflows related to the City's Net Pension Liability are not reported in the funds:

Deferred Outflows - Pension Related Items		4,384,910
Deferred Inflows - Pension Related Items		(4,193,495)

Internal service funds are used by management to charge the costs of certain activities, such as insurance and vehicle maintenance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.

3,234,037

Long-term assets are not available for current use. Amounts are deferred under the modified accrual basis of accounting.

340,175

Net Position of Governmental Activities	\$	20,704,795
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The accompanying notes are an integral part of this statement.

City of Ukiah
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2016

	General	Non-major Governmental Funds	Total Governmental Funds
REVENUES			
Taxes:			
Property Taxes	\$ 2,641,247	\$ -	\$ 2,641,247
Sales Taxes	7,714,762	-	7,714,762
Transient Occupancy Taxes	1,229,814	-	1,229,814
Business License Taxes	360,732	-	360,732
Property Transfer Tax	41,791	-	41,791
Franchise Fees	1,514,800	-	1,514,800
Licenses and Permits	341,642	-	341,642
Fines and Forfeitures	78,589	-	78,589
Interest, Rents and Concessions	161,676	174,497	336,173
Intergovernmental	165,376	2,746,248	2,911,624
Charges for Services	713,948	41,126	755,074
Miscellaneous	360,302	50,750	411,052
Total Revenues	15,324,679	3,012,621	18,337,300
EXPENDITURES			
Current:			
General Government	391,859	150,575	542,434
Public Safety	10,828,693	268,075	11,096,768
Public Works	1,847,237	325,977	2,173,214
Housing and Community Development	147,879	722,571	870,450
Parks and Recreation	2,081,416	535,440	2,616,856
Capital Outlay	16,575	2,595,643	2,612,218
Total Expenditures	15,313,659	4,598,281	19,911,940
Excess (Deficiency) of Revenues Over Expenditures	11,020	(1,585,660)	(1,574,640)
OTHER FINANCING SOURCES (USES)			
Transfers In	345,445	594,618	940,063
Transfers Out	(503,358)	(910,244)	(1,413,602)
Total Other Financing Sources (Uses)	(157,913)	(315,626)	(473,539)
Net Change in Fund Balances	(146,893)	(1,901,286)	(2,048,179)
Fund Balances, Beginning of Year	5,359,894	17,094,275	22,454,169
Fund Balances, End of Year	\$ 5,213,001	\$ 15,192,989	\$ 20,405,990

The accompanying notes are an integral part of this statement.

City of Ukiah
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Year Ended June 30, 2016

Net Changes in Fund Balances - Total Governmental Funds \$ (2,048,179)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives as depreciation expense.

Capital Outlay	2,883,132
Depreciation Expense	(1,381,092)

The amounts below included in the Statement of Activities do not provide (require) the use of current financial resources and, therefore, are not reported as revenues or expenditures in governmental funds (net change):

Net Pension Liability	(1,291,541)
Compensated Absences	(9,133)

Amounts for deferred inflows and deferred outflows related to the City's Net Pension Liability are not reported in the funds. This is the net change in deferred inflows and deferred outflows related to the net pension liability:

Deferred Outflows - Pension Related Items	1,433,753
Deferred Inflows - Pension Related Items	868,009

Some revenues reported in the Statement of Activities are not considered available to finance current expenditures and, therefore, are not reported as revenues in the governmental funds.

140,981

Internal service funds are used by management to charge the costs of certain activities, such as insurance and vehicle maintenance, to individual funds. The net revenue (expense) of the internal services funds is reported with governmental activities.

9,111

Change in Net Position of Governmental Activities	\$ 605,041
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The accompanying notes are an integral part of this statement.

City of Ukiah
Statement of Net Position
Proprietary Funds
June 30, 2016

	Business-type Activities			
	Electric	Water	Sewer	Disposal Site
ASSETS				
Current Assets:				
Cash and Investments	\$ 5,320,627	\$ 9,040,014	\$ 14,957,309	\$ 8,311,150
Restricted Cash and Investments	4,073,441	3,759	7	-
Investment in NCPA Reserves	6,665,194	-	-	-
Receivables:				
Accounts (net)	2,382,600	1,056,487	781,026	12,717
Interest	15,997	25,752	25,800	22,624
Grants	-	-	-	-
Notes - current portion	-	-	-	-
Refundable Deposits	-	3,730	-	-
Inventory	1,100,987	104,688	-	-
Total Current Assets	19,558,846	10,234,430	15,764,142	8,346,491
Noncurrent Assets:				
Advances to Other Funds	-	-	-	-
Notes Receivable	-	-	-	-
Capital Assets:				
Land	1,963,436	70,126	670,431	699,654
Land Improvements	85,315	142,156	120,290	-
Infrastructure Systems	18,821,361	9,465,089	81,949,102	-
Building and Improvements	26,146,001	18,130,288	10,193,131	-
Rolling Equipment	1,768,902	782,562	674,120	101,296
Machinery and Equipment	2,778,890	2,115,580	2,000,338	434,290
Construction in Progress	1,653,568	908,082	3,071,961	-
Less: Accumulated Depreciation	(26,158,545)	(10,454,569)	(18,765,231)	(380,732)
Total Noncurrent Assets	27,058,928	21,159,314	79,914,142	854,508
Total Assets	46,617,774	31,393,744	95,678,284	9,200,999
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Pension Related Items	764,748	442,771	471,645	-
LIABILITIES				
Current Liabilities:				
Accounts Payable	171,452	628,271	467,028	11,757
Accrued Salaries and Benefits	71,143	46,013	54,702	4,444
Due to Other Funds	-	-	-	-
Customer Deposits	239,031	26,859	-	-
Interest Payable	19,661	151,173	955,526	-
Long-term Obligations - Current	1,825,000	475,000	2,010,000	-
Total Current Liabilities	2,326,287	1,327,316	3,487,256	16,201
Noncurrent Liabilities:				
Advances from Other Funds	-	745,000	-	-
Revenue Bonds	1,893,054	-	-	-
Installment Obligations	-	12,164,040	60,954,537	-
State Loans	-	-	-	-
Net Pension Liability	3,372,091	2,489,201	2,498,002	-
Compensated Absences	104,144	68,753	110,496	5,742
Landfill Closure/Postclosure	-	-	-	14,700,370
Total Noncurrent Liabilities	5,369,289	15,466,994	63,563,035	14,706,112
Total Liabilities	7,695,576	16,794,310	67,050,291	14,722,313
DEFERRED INFLOWS OF RESOURCES				
Deferred Pension Related Items	595,059	398,599	409,128	-
NET POSITION				
Net Investment in Capital Assets	23,340,874	8,520,274	16,949,605	854,508
Restricted for Debt Service	2,072,225	-	-	-
Restricted for NCPA Projects	354,795	-	-	-
Unrestricted	13,323,993	6,123,332	11,740,905	(6,375,822)
Total Net Position	\$ 39,091,887	\$ 14,643,606	\$ 28,690,510	\$ (5,521,314)

The accompanying notes are an integral part of this statement.

Business-type Activities		Governmental Activities
Non-major Enterprise Funds	Totals	Internal Service Funds
\$ 332,948	\$ 37,962,048	\$ 2,322,006
-	4,077,207	-
-	6,665,194	-
83,504	4,316,334	30,418
1,053	91,226	2,065
-	-	-
36,500	36,500	-
-	3,730	-
-	1,205,675	760
454,005	54,357,914	2,355,249
-	-	930,203
-	-	-
1,829,928	5,233,575	-
1,599,653	1,947,414	-
1,311,089	111,546,641	-
2,943,142	57,412,562	327,113
323,379	3,650,259	48,418
184,698	7,513,796	447,096
1,008,978	6,642,589	-
(4,109,346)	(59,868,423)	(538,465)
5,091,521	134,078,413	1,214,365
5,545,526	188,436,327	3,569,614
-	1,679,164	-
50,658	1,329,166	102,070
22,825	199,127	97,259
-	-	-
6,475	272,365	-
2,390	1,128,750	-
-	4,310,000	-
82,348	7,239,408	199,329
936,449	1,681,449	-
-	1,893,054	-
-	73,118,577	-
-	-	-
-	8,359,294	-
32,487	321,622	136,248
-	14,700,370	-
968,936	100,074,366	136,248
1,051,284	107,313,774	335,577
-	1,402,786	-
5,091,521	54,756,782	284,162
-	2,072,225	-
-	354,795	-
(597,279)	24,215,129	2,949,875
\$ 4,494,242	\$ 81,398,931	\$ 3,234,037

City of Ukiah
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
Year Ended June 30, 2016

	Business-type Activities			
	Electric	Water	Sewer	Disposal Site
OPERATING REVENUES				
Charges for Services	\$ 15,076,038	\$ 5,446,650	\$ 9,660,216	\$ 132,106
Sales of Fuel	-	-	-	-
Facility Rents	-	-	-	-
Miscellaneous	527	128	7,443	-
Total Operating Revenues	15,076,565	5,446,778	9,667,659	132,106
OPERATING EXPENSES				
Purchased Power	8,585,608	-	-	-
Maintenance and Operations	3,743,762	1,409,223	2,308,648	375,950
General and Administration	1,907,023	1,474,347	1,503,453	-
Fuel	-	-	-	-
Insurance Premiums	-	-	-	-
Depreciation	1,157,117	664,332	1,908,221	12,603
Total Operating Expenses	15,393,510	3,547,902	5,720,322	388,553
Operating Income (Loss)	(316,945)	1,898,876	3,947,337	(256,447)
NONOPERATING REVENUES (EXPENSES)				
Property Taxes	-	11,353	-	-
Interest Income	190,290	135,680	171,142	143,137
Interest Expense	(385,715)	(382,350)	(2,900,502)	-
Total Nonoperating Revenues (Expenses)	(195,425)	(235,317)	(2,729,360)	143,137
Income (Loss) Before Capital Contributions and Operating Transfers	(512,370)	1,663,559	1,217,977	(113,310)
Capital Contributions	-	-	-	-
Transfers In	-	271,226	202,313	-
Transfers Out	-	-	-	-
Change in Net Position	(512,370)	1,934,785	1,420,290	(113,310)
Net Position - Beginning of Year	39,604,257	12,708,821	27,270,220	(5,408,004)
Net Position - End of Year	\$ 39,091,887	\$ 14,643,606	\$ 28,690,510	\$ (5,521,314)

The accompanying notes are an integral part of this statement.

Business-type Activities		Governmental Activities
Non-major Enterprise Funds	Totals	Internal Service Funds
\$ 269,830	\$ 30,584,840	\$ 6,032,612
832,486	832,486	-
660,130	660,130	-
43,664	51,762	2,080
<u>1,806,110</u>	<u>32,129,218</u>	<u>6,034,692</u>
-	8,585,608	-
569,309	8,406,892	1,317,827
866,150	5,750,973	3,423,870
468,925	468,925	-
-	-	1,274,695
125,250	3,867,523	38,324
<u>2,029,634</u>	<u>27,079,921</u>	<u>6,054,716</u>
<u>(223,524)</u>	<u>5,049,297</u>	<u>(20,024)</u>
11,893	23,246	-
9,235	649,484	29,135
-	(3,668,567)	-
<u>21,128</u>	<u>(2,995,837)</u>	<u>29,135</u>
(202,396)	2,053,460	9,111
10,384	10,384	-
-	473,539	-
-	-	-
<u>(192,012)</u>	<u>2,537,383</u>	<u>9,111</u>
<u>4,686,254</u>	<u>78,861,548</u>	<u>3,224,926</u>
<u>\$ 4,494,242</u>	<u>\$ 81,398,931</u>	<u>\$ 3,234,037</u>

City of Ukiah
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2016

	Enterprise Funds		
	Electric	Water	Sewer
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 15,387,968	\$ 5,399,223	\$ 9,642,104
Receipts from Interfund Services Provided	-	-	-
Payments to Employees for Services	(2,027,327)	(1,347,885)	(1,549,667)
Payments to Suppliers for Goods and Services	(12,400,731)	(1,094,296)	(2,031,800)
Net Cash Provided (Used) by Operating Activities	959,910	2,957,042	6,060,637
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES			
Property Taxes Received	-	11,353	-
Cash Received from Other Funds	-	271,226	202,313
Cash Paid to Other Funds	-	-	-
Principal Payments Received on Loans Receivable	-	-	-
Net Cash Provided (Used) by Noncapital and Related Financing Activities	-	282,579	202,313
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and Construction of Capital Assets	(1,175,290)	(892,431)	(1,853,933)
Interest Paid	(366,149)	(520,083)	(2,928,500)
Capital Grants	-	-	-
Principal Paid on Capital Debt	(1,710,000)	(12,962,418)	(2,343,252)
Proceeds from Issuance of Capital Debt	-	12,664,193	-
Proceeds from Sale of Property	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(3,251,439)	(1,710,739)	(7,125,685)
CASH FLOWS FROM INVESTING ACTIVITIES			
Amounts Paid to NCPA Reserve	(132,845)	-	-
Interest Received	196,666	126,510	180,443
Net Cash Provided (Used) by Investing Activities	63,821	126,510	180,443
Net Increase (Decrease) in Cash and Cash Equivalents	(2,227,708)	1,655,392	(682,292)
Cash and Cash Equivalents, Beginning of the Year	11,621,776	7,388,381	15,639,608
Cash and Cash Equivalents, End of the Year	<u>\$ 9,394,068</u>	<u>\$ 9,043,773</u>	<u>\$ 14,957,316</u>
Reconciliation of Operating Income (Loss) to			
Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (316,945)	\$ 1,898,876	\$ 3,947,337
Adjustments to Reconcile Operating Income (Loss) to			
Net Cash Provided (Used) by Operating Activities:			
Depreciation	1,157,117	664,332	1,908,221
Changes in Operating Assets and Liabilities:			
Decrease (Increase) in Accounts Receivable	311,403	(47,555)	(25,555)
Decrease (Increase) in Inventory	80,857	3,670	-
Decrease (Increase) in Prepaids	-	-	-
Decrease (Increase) in Deferred Outflows - Pensions	(509,029)	(250,982)	(279,856)
Increase (Decrease) in Accounts Payable	(98,135)	517,649	303,239
Increase (Decrease) in Accrued Salaries and Benefits	6,827	4,557	8,796
Increase (Decrease) in Landfill Closure/Postclosure Liability	-	-	-
Increase (Decrease) in Deferred Inflows - Pensions	185,626	91,525	102,054
Increase (Decrease) in Net Pension Liability	155,164	76,506	85,307
Increase (Decrease) in Compensated Absences Payable	(12,975)	(1,536)	11,094
Increase (Decrease) in Deposits Payable	-	-	-
TOTAL CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 959,910	\$ 2,957,042	\$ 6,060,637
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Amortization Related to Long-term Debt	\$ 28,473	\$ 107,691	\$ 2,265

The accompanying notes are an integral part of this statement.

Enterprise Funds			Governmental Activities
Disposal Site	Non-major Enterprise Funds	Totals	Internal Service Funds
\$ 130,789	\$ 1,821,033	\$ 32,381,117	\$ -
-	-	-	6,020,591
(137,093)	(566,944)	(5,628,916)	(3,028,526)
(269,696)	(1,437,549)	(17,234,072)	(2,896,427)
(276,000)	(183,460)	9,518,129	95,638
-	11,893	23,246	-
-	-	473,539	-
-	(21,838)	(21,838)	-
-	6,000	6,000	-
-	(3,945)	480,947	-
-	(181,444)	(4,103,098)	-
-	-	(3,814,732)	-
-	10,384	10,384	-
-	-	(17,015,670)	-
-	-	12,664,193	-
-	-	-	-
-	(171,060)	(12,258,923)	-
-	-	(132,845)	-
132,907	8,182	644,708	27,071
132,907	8,182	511,863	27,071
(143,093)	(350,283)	(1,747,984)	122,709
8,454,243	683,231	43,787,239	2,199,297
<u>\$ 8,311,150</u>	<u>\$ 332,948</u>	<u>\$ 42,039,255</u>	<u>\$ 2,322,006</u>
\$ (256,447)	\$ (223,524)	\$ 5,049,297	\$ (20,024)
12,603	125,250	3,867,523	38,324
(1,317)	15,623	252,599	(14,101)
-	-	84,527	-
-	800	800	-
-	-	(1,039,867)	-
(35,180)	(107,995)	579,578	30,620
2,910	5,646	28,736	48,890
-	-	-	-
-	-	379,205	-
-	-	316,977	-
1,431	1,440	(546)	11,929
-	(700)	(700)	-
<u>\$ (276,000)</u>	<u>\$ (183,460)</u>	<u>\$ 9,518,129</u>	<u>\$ 95,638</u>
\$ -	\$ -	\$ 138,429	\$ -

City of Ukiah
Statement of Net Position
Fiduciary Funds
June 30, 2016

	Agency Funds	Successor Agency Private-purpose Trust Fund
ASSETS		
Cash and Investments	\$ 5,957,084	\$ 3,190,388
Cash and Investments with Fiscal Agent	-	5,730,648
Receivables:		
Accounts	703,413	-
Interest Receivable	16,955	7,265
Land Held for Resale	-	3,872,533
	<u> </u>	<u> </u>
Total Assets	<u><u>\$ 6,677,452</u></u>	<u><u>12,800,834</u></u>
LIABILITIES		
Accounts Payable	\$ 191,370	436
Accrued Salaries and Benefits	117,233	562
Interest Payable	-	126,161
Customer Deposits	484,300	-
Due to Other Agencies	5,884,549	-
Noncurrent Liabilities:		
Due within One Year	-	1,085,000
Due in More than One Year	-	7,865,000
	<u> </u>	<u> </u>
Total Liabilities	<u><u>\$ 6,677,452</u></u>	<u><u>9,077,159</u></u>
NET POSITION		
Net Position (Deficit) Held in Trust for Successor Agency		<u><u>\$ 3,723,675</u></u>

The accompanying notes are an integral part of this statement.

City of Ukiah
Statement of Changes in Net Position
Fiduciary Funds
Year Ended June 30, 2016

	Successor Agency Private-purpose Trust Fund
ADDITIONS	
Taxes	\$ 1,706,184
Investment Earnings	62,129
Total Additions	1,768,313
DEDUCTIONS	
General Administration	18,311
Contractual Services	258,546
Interest Expense	578,289
Total Deductions	855,146
Change in Net Position	913,167
Net Position - Beginning of Year	2,810,508
Net Position - End of Year	\$ 3,723,675

The accompanying notes are an integral part of this statement.

City of Ukiah
Notes to Financial Statements
Year Ended June 30, 2016

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Reporting Entity

The City of Ukiah was incorporated March 8, 1876 under the applicable laws and regulations of the State of California. The City operates under a Council–City Manager form of government and provides a variety of services including police, fire fighting and medical emergency, sewage treatment, water treatment, electric power, street lighting and maintenance, parks and recreation, municipal golf course, and conference center. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the City's operations. The City has no component units that require discrete presentation.

Blended Component Unit. The Parking District #1 is a special district, primarily located in Ukiah's downtown area, and is administered and accounted for by the City. The Parking Commission is appointed by the Ukiah City Council and acts as an advisory board to the Council in District matters. The District is reported as an enterprise fund. The District does not prepare separate financial statements.

Ukiah Successor Agency – Until January 31, 2012, the Ukiah Redevelopment Agency (“RDA”) was a community redevelopment agency reported as a component unit of the City of Ukiah. On February 1, 2012, the Agency was dissolved by the State of California legislature and, therefore, no longer exists as a separate entity. The City elected to serve as the Ukiah Successor Agency (“USA”) of the Ukiah Redevelopment Agency. In its capacity as the successor agency, the City is responsible to wind-up the affairs of the former RDA, and dispose of the RDA's assets in compliance with State legislative requirements. The USA is governed by a seven (7) member Oversight Board comprised of one (1) Ukiah City Council member, (1) Ukiah City employee, (2) members appointed by the Mendocino County Board of Supervisors, one (1) member appointed by Mendocino County Office of Education, one (1) member appointed by the Cemetery District, and one (1) member appointed by the Chancellor of the California Community College System. Activities of the USA are reported as a private-purpose trust fund in the accompanying financial statements.

B) Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information of all the non-fiduciary activities of the City and its component units. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those clearly identifiable with a specific function or segment. *Indirect expenses* have been allocated to functional expenses as the result of an administrative cost recovery element built into a charge for centralized services. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

City of Ukiah
Notes to Financial Statements
Year Ended June 30, 2016

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds (even though the fiduciary funds are excluded from the government-wide financial statements). Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C) Basis of Accounting and Measurement Focus

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary funds and fiduciary fund financial statements. Revenues are recognized when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports only one major governmental fund:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund.

The City reports the following major proprietary funds:

The *Electric Fund* accounts for the activities of the City's electric generation and distribution operations.

The *Water Fund* accounts for the activities of the City's water treatment and distribution operations.

The *Sewer Fund* accounts for the activities of the City's sewage collection and treatment operations.

The *Disposal Site Fund* accounts for the activities of the City's solid waste landfill operations.

City of Ukiah
Notes to Financial Statements
Year Ended June 30, 2016

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Additionally, the City reports the following fund types:

Special Revenue Funds – account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

Capital Project Funds - account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets in governmental funds.

Internal Service Funds - account for garage (vehicle maintenance), stores (purchasing), public safety dispatch, utility billing, workers' compensation and liability insurance services provided to other departments or agencies of the City, or to other governments, on a cost reimbursement basis.

Private-Purpose Trust Funds - account for resources legally held in trust for use by other organizations. All resources of the fund, including any earnings on the invested resources, may be used to support the organization's or department's activities. There is no requirement that any portion of these resources be preserved as capital.

Agency Funds - used by the City to report resources held by the City in a custodial capacity for the Ukiah Valley Sanitation District, Ukiah Waste Solutions, and Russian River Watershed. These funds are used to record receipt, temporary investment and remittance of fiduciary resources to individuals, private organizations or other governments.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's proprietary fund functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Principal operating revenues of the City's electric, water, wastewater, golf and street lighting funds and the City's internal service funds are charges to customers for sales and services. Principal operating revenues of the City's airport, disposal site and conference center funds include charges to customers for sales and services and rental fees. The parking district fund's principal operating revenues include the sale of parking permits to customers and parking fines. The City also recognizes as operating revenue tap fees intended to recover the cost of connecting new customers to the City's utilities. Operating expenses for the enterprise funds and internal service funds include cost of power purchases, fuels and lubricants, operations, maintenance, utilities, insurance premiums and deductibles, general and administration, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

City of Ukiah
Notes to Financial Statements
Year Ended June 30, 2016

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D) Assets, Liabilities, and Net Position/Fund Balance

1) Cash and Investments

Investments for the City and its component units are reported at fair value. For purposes of the statement of cash flows, cash equivalents represents demand deposits of proprietary funds held in financial institutions or in cash management pools where funds can be added or withdrawn at anytime without prior notice or penalty and cash equivalents are highly liquid investments with a maturity of three months or less from the date of purchase.

2) Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of the interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectible accounts. Allowances for uncollectible receivables totaled \$59,152 and were determined based on an analysis of historical trends.

Property taxes for the current year were attached as an enforceable lien as of January 1st and were levied on July 1st. Taxes are due in two equal installments on November 1st and February 1st. The City relies on the competency of the County of Mendocino Assessor's office to properly assess, collect and distribute property taxes.

3) Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. An annual charge is made to various City funds to assist in the financing of warehouse operations in addition to being billed as inventory is issued.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4) Restricted Assets

The proceeds from bonds issued by the former Ukiah Redevelopment Agency have been reported as restricted on the statement of net position because they must be used for City low and moderate income housing projects. Certain proceeds of the City's electric fund revenue bonds are classified as restricted assets because their use is limited by applicable bond or other covenants.

City of Ukiah
Notes to Financial Statements
Year Ended June 30, 2016

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

5) Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of more than \$10,000 and an estimated useful life in excess of two years. Capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

The City's museum contains collections of historical artifacts including artwork, Native American artifacts, and relics from the region's past. These collections are protected, cared for and preserved by the City for the purpose of public exhibition; and proceeds from the sale of any item, if any, are used to acquire additional items for the collection. Therefore, the City has elected not to capitalize these collections.

Interest is capitalized on construction of major assets acquired with debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. For the year ended June 30, 2016, no interest expense was capitalized to any of the City's capital projects.

Property, plant and equipment of the City are depreciated using the straight-line method using the following useful lives:

Land Improvements	20 to 40 years
Building and Improvements	30 to 60 years
Infrastructure	30 to 60 years
Licensed Vehicles	5 to 10 years
Machinery and Equipment	5 to 20 years

6) Property Held for Resale

The City has acquired several real properties for the purpose of infilling the supply of low and moderate income housing. These properties will be subsequently sold and the proceeds placed back into the low and moderate income housing program. Therefore, these properties have been recorded as an asset on the accompanying financial statements at the lower of cost (the amount of the unpaid loan plus costs for foreclosure properties) or net realizable value. At June 30, 2016, the carrying value of these properties was \$2,435,114.

City of Ukiah
Notes to Financial Statements
Year Ended June 30, 2016

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

7) Compensated Absences

It is the City's policy to allow an employee to accumulate no more than two years vacation. Full time City employees are entitled to sick leave with full pay due to absence resulting from illness or injury to the extent of the amount earned. There is no liability for unpaid sick leave since the government does not have a policy to pay any amount when employees separate from service with the City. Due to the long-term nature of compensated absences, the liability of \$1,149,262 has been accrued as incurred in the government-wide financial statements as a noncurrent liability.

8) Long-Term Obligations

Long-term liabilities are reported in the government-wide financial statements, proprietary funds, and fiduciary funds only. Initial-issue bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method (which approximates the effective interest method).

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the period issued. The face amount of debt issued is reported as other financing sources. Premiums received are reported as other financing sources, while discounts are reported as other financing uses.

9) Fund Equity

In the government-wide financial statements, net position is classified in the following categories:

Net investment in capital assets describes the portion of net position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of net position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulation, laws, or other restrictions which the City cannot unilaterally alter.

Unrestricted describes the portion of net position which is not restricted to use.

10) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense) until then. The City currently has two items that qualify for reporting in this category. One item is a result of the City's implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. See Note 9 – Pension Plans for more information. The other is related to the deferred amounts on refunding of debt.

City of Ukiah
Notes to Financial Statements
Year Ended June 30, 2016

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item, which arises only under the modified accrual basis of accounting, and another, which is a result of the City's implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which qualify for reporting in this category. Under the modified accrual basis of accounting, the item, *unavailable revenue*, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, special assessments, grant receivables, and other miscellaneous receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

11) Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the statement of net position, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the City's policy to consider restricted net position to have been depleted before unrestricted net position.

12) Fund Balances

Fund balances in governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable Fund Balance - Amounts that cannot be spent either because they are in nonspendable form or are required to be maintained intact.

Restricted Fund Balance - Amounts that are constrained to specific purposes by state or federal laws, or externally imposed conditions by grantors or creditors.

City of Ukiah
Notes to Financial Statements
Year Ended June 30, 2016

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Committed Fund Balance - The City Council, as the City's highest level of decision making authority, may commit fund balance for specific purposes pursuant to constraints imposed by resolution. These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use through the same type of formal action taken to establish the commitment. City Council action to commit fund balance needs to occur within the fiscal reporting period; however, the amount can be determined subsequently.

Assigned Fund Balance - Amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as assigned fund balance. The City's fund balance policy delegates the authority to assign amounts to be used for specific purposes to the City Manager or designee for the purpose of reporting these amounts in the annual financial statements.

Unassigned Fund Balance - These are either residual positive net resources of fund balance in excess of what can properly be classified in one of the other four categories, or negative balances. The General Fund is the only fund that reports a positive unassigned fund balance.

13) Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Ukiah's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

14) Implementation of Governmental Accounting Standards Board (GASB) Pronouncements

Governmental Accounting Standards Board Statement No. 75

In June of 2016, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement was issued to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions. This GASB Statement is required to be implemented in financial statements issued for the periods beginning after June 15, 2017. The City has elected not to early implement this statement and has not determined its effect on the financial statements.

City of Ukiah
Notes to Financial Statements
Year Ended June 30, 2016

2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The following non-major funds had deficit fund balances at June 30, 2016:

Deficit Fund Equity

Special Revenue Funds:	
Swimming Pool	\$ (261,576)
Museum Grants Prop 84	(18,440)
Special Revenue	(1,836)
ARC General Operating	(50,828)
Gas Tax 2107	(23,200)
Museum	(4,403)

These deficits will be eliminated when unavailable revenues are recognized as revenues in the future.

3) CASH AND INVESTMENTS

Cash and investments are reported in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments	\$ 47,878,923
Restricted Cash and Investments	6,826,114
Statement of Fiduciary Net Position:	
Cash and Investments	9,147,472
Restricted Cash and Investments	<u>5,730,648</u>
 Total	 <u><u>\$ 69,583,157</u></u>

Cash and investments at June 30, 2016 consisted of the following:

Cash on Hand	\$ 2,900
Deposits with Financial Institutions	3,370,521
Investments	<u>66,209,736</u>
 Total	 <u><u>\$ 69,583,157</u></u>

Investments Authorized by the California Government Code and the City's Investment Policy

The following table identifies the investment types that are authorized for the City of Ukiah by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

City of Ukiah
Notes to Financial Statements
Year Ended June 30, 2016

3) CASH AND INVESTMENTS - Continued

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Percentage Per Issuer
City of Ukiah Bonds	5 years	Unlimited	10%
Local Agency Investment Fund (LAIF)	N/A	\$50 Million	\$50 Million
U.S. Treasury Obligations	5 years	None	None
Local Agency Obligations	5 years	None	10%
U.S. Government Agency Securities	5 years	None	None
Obligations of the State of California	5 years	None	10%
Repurchase Agreements	365 days	None	10%
Reverse Repurchase Agreements (1)	92 days	20%	10%
Banker's Acceptances	180 days	40%	10%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	10%
Medium Term Corporate Notes	5 years	30%	10%
Money Market Funds (highest rating)	n/a	20%	10%
Time Deposits	5 years	25%	10%
Mortgage-Backed and Asset-Backed Securities (rated "AA" or better)	5 years	20%	10%

(1) – Requires prior City Council approval

Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustees. The indenture agreements do not specifically identify maximum maturity and maximum investment provisions.

Authorized Investment Type
U.S. Treasury Obligations
U.S. Agency Securities
Banker's Acceptances
Commercial Paper
Money Market Funds (rated AAAm -G, AAAm or Aam)
Bonds or Notes
Certificates of Deposit
Repurchase Agreements

City of Ukiah
Notes to Financial Statements
Year Ended June 30, 2016

3) CASH AND INVESTMENTS - Continued**Disclosures Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flows and liquidity needed for operations. The City's target maximum average maturity to control overall exposure to interest rate risk is 2.5 years. Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Totals	Remaining Maturity (in Months)		
		12 Months or Less	13 to 24 Months	25 to 60 Months
Corporate Bonds and Notes	\$ 14,334,482	\$ -	\$ 8,669,226	\$ 5,665,256
U.S. Treasury Bonds and Notes	10,882,836	-	10,882,836	-
U.S. Agency Bonds	12,309,733	-	2,480,522	9,829,211
Certificates of Deposit	15,693,172	7,272,698	8,420,474	-
Municipal and State Bonds	280,000	280,000	-	-
State Investment Pool (LAIF)	68,106	68,106	-	-
Money Market Funds	84,646	84,646	-	-
Held by Bond Trustees:				
Money Market Funds	12,556,761	12,556,761	-	-
Total	\$ 66,209,736	\$ 20,262,211	\$ 30,453,058	\$ 15,494,467

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

Investment Type	Total Investment	Minimum Legal Rating	Rating as of Fiscal Year End		
			AAA	AA+/A+	Unrated
Corporate Bonds and Notes	\$ 14,334,482	N/A	\$ 1,113,770	\$11,277,879	\$ 1,942,833
U.S. Treasury Bonds and Notes	10,882,836	N/A	-	-	10,882,836
U.S. Agency Bonds	12,309,733	N/A	-	12,309,733	-
Certificates of Deposit	15,693,172	N/A	-	15,693,172	-
Municipal and State Bonds	280,000	N/A	-	-	280,000
State Investment Pool (LAIF)	68,106	N/A	-	-	68,106
Money Market Funds	84,646	N/A	84,646	-	-
Held by Bond Trustees:					
Money Market Funds	12,556,761	N/A	12,556,761	-	-
Total	\$ 66,209,736		\$13,755,177	\$39,280,784	\$13,173,775

City of Ukiah
Notes to Financial Statements
Year Ended June 30, 2016

3) CASH AND INVESTMENTS - Continued

Concentration of Credit Risk

With the exception of securities of the U.S. Government and its agencies, the investment policy of the City limits the amount that can be invested in any one issuer to no more than 10% of the total portfolio. At June 30, 2016, the following investments from one issuer (other than U.S. Treasury securities, mutual funds and external investment pools) represented 5% or more of the total City investments.

Issuer	Amount Invested	Percentage of Portfolio
Federal National Mortgage Association	7,173,986	10.84%
Federal Home Loan Bank	4,741,455	7.16%

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. It is the policy of the City not to waive these requirements.

As of June 30, 2016, the City's deposits (bank balances) were insured by the Federal Depository Insurance Corporation or collateralized as required under California Law.

As of June 30, 2016, City investments in the following investment types were held by the same institution that was used by the City to buy the securities:

Corporate Bonds and Notes	\$ 14,334,482
U.S. Treasury Bonds and Notes	10,882,836
U.S. Agency Securities	12,309,733
Certificates of Deposit	15,693,172
Municipal and State Bonds	280,000
Money Market Funds	84,646

City of Ukiah
Notes to Financial Statements
Year Ended June 30, 2016

3) CASH AND INVESTMENTS - Continued

Investments in State Investment Pool

The Local Agency Investment Pool (LAIF) is a special fund of the California State Treasury through which local governments may pool investments. The City may invest up to \$50,000,000 in the fund. Investments in LAIF are highly liquid, as deposits can be converted to cash within 24 hours without loss of interest. Funds deposited in LAIF are invested in accordance with Government Code Sections 16430 and 16480. Oversight of LAIF is provided by the Pooled Money Investment Board whose members are the California State Treasurer, California Director of Finance and the California State Controller.

Fair Value

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Investment Type	Total Investment	Investments Not Measured at Fair Value	Level	
			1	2
Corporate Bonds and Notes	\$14,334,482	\$ -	\$ -	\$14,334,482
U.S. Treasury Bonds and Notes	10,882,836	-	-	10,882,836
U.S. Agency Bonds	12,309,733	-	-	12,309,733
Certificates of Deposit	15,693,172	-	-	15,693,172
Municipal and State Bonds	280,000	-	-	280,000
State Investment Pool (LAIF)	68,106	68,106	-	-
Money Market Funds	84,646	84,646	-	-
Held by Bond Trustees: Money Market Funds	12,556,761	12,556,761	-	-
Total	\$66,209,736	\$12,709,513	\$ -	\$53,500,223

City of Ukiah
Notes to Financial Statements
Year Ended June 30, 2016

4) CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 495,340	\$ -	\$ -	\$ 495,340
Construction in Progress	2,944,935	2,330,990	-	5,275,925
Total Capital Assets, Not Being Depreciated	<u>3,440,275</u>	<u>2,330,990</u>	<u>-</u>	<u>5,771,265</u>
Capital Assets Being Depreciated:				
Land Improvements	5,562,557	105,358	-	5,667,915
Infrastructure Systems	35,748,228	-	-	35,748,228
Buildings	6,757,422	-	-	6,757,422
Rolling Equipment	4,629,553	14,103	-	4,643,656
Machinery and Equipment	3,728,732	432,681	-	4,161,413
Total Capital Assets Being Depreciated	<u>56,426,492</u>	<u>552,142</u>	<u>-</u>	<u>56,978,634</u>
Less Accumulated Depreciation:				
Land Improvements	(1,217,405)	(238,498)	-	(1,455,903)
Infrastructure Systems	(21,530,937)	(568,592)	-	(22,099,529)
Buildings	(3,092,943)	(152,955)	-	(3,245,898)
Rolling Equipment	(3,641,988)	(270,561)	-	(3,912,549)
Machinery and Equipment	(2,758,681)	(188,811)	-	(2,947,492)
Total Accumulated Depreciation	<u>(32,241,954)</u>	<u>(1,419,417)</u>	<u>-</u>	<u>(33,661,371)</u>
Total Capital Assets Being Depreciated, Net	<u>24,184,538</u>	<u>(867,275)</u>	<u>-</u>	<u>23,317,263</u>
Government Activities Capital Assets, Net	<u>\$ 27,624,813</u>	<u>\$ 1,463,715</u>	<u>\$ -</u>	<u>\$ 29,088,528</u>

City of Ukiah
Notes to Financial Statements
Year Ended June 30, 2016

4) CAPITAL ASSETS - Continued

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 5,233,575	\$ -	\$ -	\$ 5,233,575
Construction in Progress	3,459,370	3,183,219	-	6,642,589
Total Capital Assets, Not Being Depreciated	<u>8,692,945</u>	<u>3,183,219</u>	<u>-</u>	<u>11,876,164</u>
Capital Assets Being Depreciated:				
Land Improvements	1,909,310	38,104	-	947,414
Infrastructure Systems	111,546,641	-	-	111,546,641
Buildings	57,412,562	-	-	57,412,562
Rolling Equipment	3,329,989	320,270	-	3,650,259
Machinery and Equipment	6,952,290	561,506	-	7,513,796
Total Capital Assets Being Depreciated	<u>181,150,792</u>	<u>919,880</u>	<u>-</u>	<u>182,070,672</u>
Less Accumulated Depreciation:				
Land Improvements	(1,322,355)	(49,971)	-	(1,372,326)
Infrastructure Systems	(22,805,942)	(2,304,061)	-	(25,110,003)
Buildings	(25,314,170)	(1,129,672)	-	(26,443,842)
Rolling Equipment	(2,338,035)	(142,551)	-	(2,480,586)
Machinery and Equipment	(4,220,398)	(241,268)	-	(4,461,666)
Total Accumulated Depreciation	<u>(56,000,900)</u>	<u>(3,867,523)</u>	<u>-</u>	<u>(59,868,423)</u>
Total Capital Assets Being Depreciated, Net	<u>125,149,892</u>	<u>(2,947,643)</u>	<u>-</u>	<u>122,202,249</u>
Government Activities				
Capital Assets, Net	<u>\$133,842,837</u>	<u>\$ 235,576</u>	<u>\$ -</u>	<u>\$134,078,413</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General Government	\$ 259,498
Public Safety	344,806
Public Works	653,224
Housing and Community Development	21,194
Culture and Recreation	<u>140,695</u>
Total Depreciation Expense	<u>\$ 1,419,417</u>

City of Ukiah
Notes to Financial Statements
Year Ended June 30, 2016

4) CAPITAL ASSETS - Continued

Business-type Activities:	
Electric	\$ 1,157,117
Water	664,332
Sewer	1,908,221
Disposal Site	12,603
Parking	5,325
Airport	71,381
Conference Center	46,308
Golf Course	<u>2,236</u>
Total Depreciation Expense	<u><u>\$ 3,867,523</u></u>

5) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2016 is as follows:

	Receivable Fund	Payable Fund
General Fund	\$ 600,156	\$ -
Non-major Governmental Funds	<u>-</u>	<u>600,156</u>
Total	<u><u>\$ 600,156</u></u>	<u><u>\$ 600,156</u></u>

The General Fund has reported a receivable of \$600,156 for deficit pooled fund cash balances at June 30, 2016. For the most part, the deficit balances are expected to be eliminated through proceeds of grants and State subsidies and other revenues.

Advances to/from consist of the following at June 30, 2016:

	Receivable Fund	Payable Fund
General Fund	\$ 899,246	\$ -
Non-major Governmental Funds	-	148,000
Proprietary Funds:		
Water Fund	-	745,000
Non-major Golf Course Fund	-	936,449
Internal Service Liability Fund	<u>930,203</u>	<u>-</u>
Total	<u><u>\$ 1,829,449</u></u>	<u><u>\$ 1,829,449</u></u>

City of Ukiah
Notes to Financial Statements
Year Ended June 30, 2016

5) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Both the General Fund and Liability Fund have made long-term advances to the Golf Fund (a nonmajor enterprise fund) for the purpose of refunding a capital lease obligation and acquiring equipment. The Liability Fund has made a long-term advance to the Water Fund for the purpose of water-related capital projects and to the Park Development Fund for temporary funding of several parks related construction projects. None of the above advances have been deemed to have a current portion.

Interfund transfers for the year ended June 30, 2016 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 345,445	\$ -
Non-major Governmental Funds	-	345,445
Non-major Governmental Funds	594,618	-
General Fund	-	503,358
Non-major Governmental Funds	-	91,260
Water Enterprise Fund	271,226	-
Non-major Governmental Funds	-	271,226
Sewer Enterprise Fund	202,313	-
Non-major Governmental Funds	<u>-</u>	<u>202,313</u>
Total	<u>\$ 1,413,602</u>	<u>\$ 1,413,602</u>

Transfers in to the General Fund from Non-major Governmental Funds of \$345,445 were for equipment and street maintenance. Transfers from the General Fund of \$503,358 to the Non-major Governmental Funds were for support of the Museum operations and improvements and support for other non-major funds operations.. Transfers between Non-Major Governmental Funds totaling \$91,260 were for streets, facilities and park improvements. Transfers to the Water and Sewer Enterprise Funds of \$271,226 and \$202,313, respectively, from the non-major funds were for equipment purchases.

City of Ukiah
Notes to Financial Statements
Year Ended June 30, 2016

6) LONG-TERM DEBT**Changes in Long-term Liabilities**

Long-term liability activity for the year ended June 30, 2016, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 806,578	\$ 844,514	\$ 823,452	\$ 827,640	\$ 125,000
Net Pension Liability	30,288,255	4,152,283	2,860,742	31,579,796	-
Total	<u>\$ 31,094,833</u>	<u>\$ 4,996,797</u>	<u>\$ 3,684,194</u>	<u>\$ 32,407,436</u>	<u>\$ 125,000</u>
Business-type Activities:					
Electric Revenue Bonds	\$ 5,485,000	\$ -	\$ 1,710,000	\$ 3,775,000	\$ 1,825,000
Unamortized Discount	(85,419)	-	(28,473)	(56,946)	-
Installment Agreements:					
Water Treatment Plant	11,845,000	-	11,845,000	-	-
2016 Water Revenue Refunding Bonds	-	11,155,000	-	11,155,000	475,000
Unamortized Premium	-	1,509,193	25,153	1,484,040	-
Wastewater Treatment Plant	64,850,000	-	1,930,000	62,920,000	2,010,000
Unamortized Premium	129,340	-	84,803	44,537	-
State Loans:					
SWRCB Water Treatment	1,117,418		1,117,418	-	-
SWRCB Sewer Treatment	413,252		413,252	-	-
Net Pension Liability	8,042,317	3,024,148	2,707,171	8,359,294	
Compensated Absences	322,169	168,127	168,674	321,622	-
Landfill Closure and Post-closure	14,700,370	-	-	14,700,370	-
Total	<u>\$ 106,819,447</u>	<u>\$ 15,856,468</u>	<u>\$ 19,972,998</u>	<u>\$ 102,702,917</u>	<u>\$ 4,310,000</u>

Electric Revenue Bonds

The City has issued Electric Revenue Refunding Series 1992 bonds where the City pledges revenue derived from the acquired or constructed assets of the City's electric system to pay debt service. The bonds mature on June 1 of each year and shall pay interest ranging from 3.20% to 5.90%. Revenue bonds outstanding, excluding an unamortized discount of \$56,946, at June 30, 2016 were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2017	\$ 1,825,000	\$ 235,938	\$ 2,060,938
2018	1,950,000	121,875	2,071,875
Totals	<u>\$ 3,775,000</u>	<u>\$ 357,813</u>	<u>\$ 4,132,813</u>

City of Ukiah
Notes to Financial Statements
Year Ended June 30, 2016

6) LONG-TERM DEBT - Continued

Installment Obligations

The City has entered into two (2) separate agreements with the Association of Bay Area Governments (ABAG) whereby ABAG issued revenue bonds to provide resources for the City to acquire and construct capital improvements to the City's water treatment plant and wastewater treatment plant. The bonds are an obligation of ABAG and are payable solely from and secured by revenues that consist primarily of payments on two (2) installment obligations of the City. The installment obligations of the City are as follows:

Water Treatment Plant

Dated September 1, 2005 the original amount of the obligation was \$14,355,000 and is secured with a pledge of net revenues from the City's water system. The obligation principal is payable in annual installments beginning September 1, 2007 ranging from \$280,000 to \$845,000 through September 1, 2035. Interest payments commenced March 1, 2006 and are payable semiannually on September 1st and March 1st and pay interest ranging from 4.00% to 4.50%. The water treatment plant bonds were refunded through an advanced refunding with the 2016 Water Revenue Refunding Bonds.

Waste Water Treatment Plant

Dated March 1, 2006 the original amount of the obligation was \$75,060,000 and is secured with a pledge of net revenues from the City's wastewater system. The obligation principal is payable in annual installments beginning March 1, 2009 ranging from \$400,000 to \$4,690,000 through March 1, 2036. Interest payments commence September 1, 2006 and are payable semiannually on September 1st and March 1st and pay interest ranging from 4.00% to 4.75%. At June 30, 2016 the installment obligation liability outstanding excluding the unamortized premium of \$44,537 was as follows:

City of Ukiah
Notes to Financial Statements
Year Ended June 30, 2016

6) LONG-TERM DEBT - Continued

Fiscal Year Ending June 30,	Principal	Interest	Total
2017	\$ 2,010,000	\$ 2,851,300	\$ 4,861,300
2018	2,090,000	2,770,900	4,860,900
2019	2,180,000	2,687,300	4,867,300
2020	2,280,000	2,597,375	4,877,375
2021	2,370,000	2,500,475	4,870,475
2022	2,480,000	2,399,750	4,879,750
2023	2,590,000	2,291,250	4,881,250
2024	2,710,000	2,177,938	4,887,938
2025	2,830,000	2,059,375	4,889,375
2026	2,960,000	1,932,025	4,892,025
2027	3,100,000	1,798,825	4,898,825
2028	3,240,000	1,655,450	4,895,450
2029	3,390,000	1,505,600	4,895,600
2030	3,550,000	1,348,812	4,898,812
2031	3,720,000	1,184,625	4,904,625
2032	3,900,000	1,012,575	4,912,575
2033	4,080,000	832,200	4,912,200
2034	4,270,000	638,400	4,908,400
2035	4,480,000	435,575	4,915,575
2036	4,690,000	222,775	4,912,775
Totals	<u>\$ 62,920,000</u>	<u>\$ 34,902,525</u>	<u>\$ 97,822,525</u>

2016 Water Revenue Refunding Bonds

Dated March 1, 2016 the original amount of the obligation was \$11,155,000 and is secured with a pledge of net revenues from the City's Water system. The obligation principal is payable in annual installments beginning September 1, 2016 ranging from \$475,000 to \$740,000 through September 1, 2035. Interest payments commence September 1, 2016 and are payable semiannually on September 1st and March 1st and pay interest ranging from 2.00% to 3.125%. The 2016 Water Revenue Refunding Bonds were issued to refund the 2005 ABAG Bonds (Water Treatment Plant Installment Loan) and the SWRCB Water Treatment Loan. The two debt obligations were used to acquire and construct capital improvements to the City's water treatment plant

The City refunded the 2005 ABAG Bonds and the SWRCB Water Treatment Loan to reduce total debt service payments by \$2,362,402, and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,862,350.

At June 30, 2016 the installment obligation liability outstanding excluding the unamortized premium of \$1,484,040 was as follows:

City of Ukiah
Notes to Financial Statements
Year Ended June 30, 2016

6) LONG-TERM DEBT - Continued

Fiscal Year Ending June 30,	Principal	Interest	Total
2017	\$ 475,000	\$ 448,769	\$ 923,769
2018	490,000	436,669	926,669
2019	500,000	419,319	919,319
2020	530,000	398,718	928,718
2021	540,000	377,319	917,319
2022	565,000	355,219	920,219
2023	415,000	335,618	750,618
2024	435,000	316,444	751,444
2025	460,000	294,069	754,069
2026	480,000	270,569	750,569
2027	505,000	245,943	750,943
2028	530,000	220,069	750,069
2029	560,000	192,819	752,819
2030	585,000	164,193	749,193
2031	615,000	134,194	749,194
2032	645,000	102,694	747,694
2033	675,000	76,443	751,443
2034	695,000	55,894	750,894
2035	715,000	34,297	749,297
2036	740,000	11,563	751,563
Totals	<u>\$ 11,155,000</u>	<u>\$ 4,890,822</u>	<u>\$ 16,045,822</u>

Fiduciary Fund

As of June 30, 2016, the following long-term debt is reported in a private-purpose trust fund due to the dissolution of redevelopment agencies by the State of California:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Tax Allocation Bonds:					
Series 2007	\$ 3,395,000	\$ -	\$ 320,000	\$ 3,075,000	\$ 325,000
Series 2011A	3,595,000	-	580,000	3,015,000	620,000
Series 2011B	2,980,000	-	120,000	2,860,000	140,000
Total	<u>\$ 9,970,000</u>	<u>\$ -</u>	<u>\$ 1,020,000</u>	<u>\$ 8,950,000</u>	<u>\$ 1,085,000</u>

City of Ukiah
Notes to Financial Statements
Year Ended June 30, 2016

6) LONG-TERM DEBT - Continued

Ukiah Redevelopment Agency Tax Allocation Refunding Bonds, Series 2007 - On April 18, 2007, the former RDA issued \$5,595,000 in tax allocation bonds to refinance a loan agreement between the RDA and the Redwood Empire Financing Authority. The bond series is comprised of \$4,310,000 in serial bonds maturing annually on December 1st through the year 2020, and \$1,285,000 in term bonds maturing on December 1, 2023. The serial bonds require annual principal payments ranging from \$230,000 to \$390,000. Interest rates on the serial bonds range from 3.75% to 4.70%, and the term bonds carry an interest rate of 4.75%. Interest is paid semi-annually on June 1st and December 1st. The outstanding balance as of June 30, 2016 was as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2017	\$ 325,000	\$ 131,779	\$ 456,779
2018	340,000	117,230	457,230
2019	360,000	101,740	461,740
2020	375,000	85,292	460,292
2021	390,000	67,983	457,983
2022	405,000	49,795	454,795
2023	430,000	30,590	460,590
2024	450,000	10,350	460,350
Totals	\$ 3,075,000	\$ 594,759	\$ 3,669,759

Ukiah Redevelopment Project Tax Allocation Bonds, Series 2011A - On March 8, 2011, the former RDA issued \$5,180,000 Tax Allocation Bonds, 2011 Series A. The bonds were a special obligation of the RDA payable solely from and secured by a pledge of Agency tax revenues. The bonds carry an interest rate ranging from 3.0% to 6.5%. The bond series is comprised of \$2,840,000 in serial bonds maturing annually on December 1st through the year 2021, and \$2,340,000 in term bonds maturing on December 1, 2028. The serial bonds require annual principal payments ranging from \$10,000 to \$620,000. Proceeds of the bonds were to be used to finance redevelopment activities, fund a reserve account for the bond issue and provide for the cost of issuing the bonds.

City of Ukiah
Notes to Financial Statements
Year Ended June 30, 2016

6) LONG-TERM DEBT - Continued

The outstanding balance as of June 30, 2016 was as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2017	\$ 620,000	\$ 168,525	\$ 788,525
2018	15,000	154,606	169,606
2019	10,000	154,000	164,000
2020	10,000	153,487	163,487
2021	10,000	152,950	162,950
2022	10,000	152,388	162,388
2023	-	152,100	152,100
2024	-	152,100	152,100
2025	420,000	138,450	558,450
2026	445,000	110,337	555,337
2027	465,000	80,763	545,763
2028	495,000	49,562	544,562
2029	515,000	16,737	531,737
Totals	<u>\$ 3,015,000</u>	<u>\$ 1,636,005</u>	<u>\$ 4,651,005</u>

Ukiah Redevelopment Project Taxable Tax Allocation Housing Bonds, Series 2011B - On March 8, 2011, the former RDA issued \$3,250,000 Taxable Tax Allocation Bonds, 2011 Series B. The bonds were a special obligation of the RDA payable solely from RDA housing tax revenues. The bonds carry an interest rate ranging from 3.25% to 9.0%. The bond series is comprised of \$1,585,000 in serial bonds maturing annually on August 1st through the year 2021, and \$1,665,000 in term bonds maturing on August 1, 2026. The serial bonds require annual principal payments ranging from \$75,000 to \$270,000. Proceeds of the bonds were to be used to finance redevelopment activities benefiting low and moderate income housing, fund a reserve account for the bond issue and provide for the cost of issuing the bonds.

The outstanding balance as of June 30, 2016 was as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2017	\$ 140,000	\$ 234,225	\$ 374,225
2018	160,000	224,450	384,450
2019	180,000	212,525	392,525
2020	210,000	198,125	408,125
2021	235,000	180,850	415,850
2022	270,000	160,650	430,650
2023	300,000	136,350	436,350
2024	340,000	107,550	447,550
2025	385,000	74,925	459,925
2026	435,000	38,025	473,025
2027	205,000	9,225	214,225
Totals	<u>\$ 2,860,000</u>	<u>\$ 1,576,900</u>	<u>\$ 4,436,900</u>

City of Ukiah
Notes to Financial Statements
Year Ended June 30, 2016

7) FUND BALANCE

Details of the City's governmental fund balances at June 30, 2016, are presented below:

	General Fund	Non-major Governmental Funds	Total Governmental Funds
Nonspendable:			
Prepaid Costs	\$ 11,437	\$	\$ 11,437
Loans to Employees	660		660
Advances to Other Funds	899,246		899,246
Restricted for:			
Park Facilities		78,098	78,098
Police Equipment		217,511	217,511
Street Related Projects		1,199,574	1,199,574
Low Income Housing		10,659,453	10,659,453
Transportation		122,241	122,241
Committed to:			
Assigned to:			
Public Safety	185,443		185,443
Repairs and Equipment		1,463,433	1,463,433
Special Programs		1,895,251	1,895,251
Unassigned	4,116,215	(442,572)	3,673,643
Total Fund Balance (Deficit)	<u>\$ 5,213,001</u>	<u>\$ 15,192,989</u>	<u>\$ 20,405,990</u>

8) RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City provides property, liability, and worker's compensation insurance through the Redwood Empire Municipal Insurance Fund (REMIF), a public entity risk pool currently operating as a common risk management and insurance program for several Northern California municipalities. The City pays quarterly and annual premiums to the REMIF for its general insurance coverage. The joint powers formation agreement of the REMIF provides that the REMIF will be self-sustaining through member premiums for liability insurance and will reinsure through commercial companies for other coverage.

REMIF is a risk sharing, self-funded pool which is a direct purchase program. The REMIF cost sharing pool provides coverage between the City's deductible and \$500,000 (liability program) and \$1,000,000 (workers' compensation program). Losses in excess of the REMIF cost sharing pool limits are covered by REMIF through the California Joint Powers Risk Management Authority and commercial insurance policies. Losses limits are \$39,500,000 (liability), \$300,000,000 (property), \$21,245,000 (boiler and machinery), \$9,990,000 (auto) and \$3,000,000 (workers' compensation) - all per occurrence. Losses exceeding these limits are the responsibility of the City.

City of Ukiah
Notes to Financial Statements
Year Ended June 30, 2016

8) RISK MANAGEMENT - Continued

The City's deductibles are \$10,000 for worker's compensation, property and auto losses, and fidelity; \$25,000 for liability losses; \$5,000 for boiler and machinery losses; and \$100,000 or 5% of building value for earthquake and flood losses - all per occurrence.

Separate internal service funds are maintained by the City for the City's deductibles and allocated share of pooled costs noted above. The total cash and investments held in these funds at June 30, 2016, was \$1,316,965 which management believes is adequate to finance the City's share of any losses.

The City continues to carry commercial insurance for all other risks of loss, including employee health and accident, coverage of the Municipal Airport and bonding of certain employees and elected officials.

There are no significant reductions in insurance coverage from prior years and also there have been no settlements exceeding the insurance coverage for each of the past three fiscal years.

9) PENSION PLANS

General Information about the Pension Plans - Miscellaneous

Plan Descriptions – All qualified permanent and probationary employees are eligible to participate in the City's separate Miscellaneous Plan, an agent multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plan are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided – The Plan is an agent multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding purposes but not accounting purposes), and membership information are listed in the plan's June 30, 2014 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the actuarial valuation report. This report is a publically available valuation report that can be obtained at CalPERS' website under Forms and Publications.

City of Ukiah
Notes to Financial Statements
Year Ended June 30, 2016

9) PENSION PLANS - Continued

The Plan's provisions and benefits in effect at June 30, 2016, are summarized as follows:

	Miscellaneous	
	Classic Prior to January 1, 2013	PEPRA On or after January 1, 2013
Hire date		
Benefit formula	2.7% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	55	62
Monthly benefits, as a % of eligible compensation	(1)	(1)
Required employee contribution rates	8%	6.50%
Required employer contribution rates	30.134%	6.50%

(1) - Depending on years of service

Employees Covered – At June 30, 2016, the following employees were covered by the benefit terms for the Plan:

	Miscellaneous
Inactive employees or beneficiaries	
currently receiving benefits	168
Inactive employees entitled to but not yet	
receiving benefits	113
Active employees	134

Contributions – Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer-Paid Member Contributions or situations where members are paying a portion of the employer contribution.

Net Pension Liability

The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2015, using an annual actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

City of Ukiah
Notes to Financial Statements
Year Ended June 30, 2016

9) PENSION PLANS - Continued

Actuarial Assumptions – The total pension liabilities in the June 30, 2014 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>
Valuation date	June 30, 2014
Measurement date	June 30, 2015
Actuarial cost method	entry-age normal
Actuarial assumptions:	
Discount rate	7.65%
Inflation	2.75%
Payroll growth	3.00%
Projected salary increase	(1)
Investment rate of return	7.65%
Mortality	(2)

(1) Depending on age, service and type of employment

(2) Derived using CalPERS' Membership Data for all Funds.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2014 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

Change of Assumptions - GASB 68, paragraph 68 states that the long long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50 percent used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65 percent used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

Discount Rate - The discount rate used to measure the total pension liability was 7.65 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the current 7.65 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.65 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

City of Ukiah
Notes to Financial Statements
Year Ended June 30, 2016

9) PENSION PLANS - Continued

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Global Equity	51%	5.25%	5.71%
Global Fixed Income	19%	0.99%	2.43%
Inflation Sensitive	6%	0.45%	3.36%
Private Equity	10%	6.83%	6.95%
Real Estate	10%	4.50%	5.13%
Infrastructure and Forestland	2%	4.50%	5.09%
Liquidity	2%	-0.55%	-1.05%

(1) An expected inflation of 2.5% used for this period.

(2) An expected inflation of 3.0% used for this period.

City of Ukiah
Notes to Financial Statements
Year Ended June 30, 2016

9) PENSION PLANS - Continued**Changes in Net Pension Liability**

The changes in the Net Pension Liability for the Miscellaneous Plan follows:

	Increase (Decrease)		
	Pension Plan Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2014	\$ 76,633,341	\$ 49,825,618	\$ 26,807,723
Changes in the year:			
Service cost	1,612,003	-	1,612,003
Interest on the total pension liability	5,564,428	-	5,564,428
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(1,280,133)	-	(1,280,133)
Changes in assumptions	(1,318,850)	-	(1,318,850)
Contributions from the employer	-	2,156,759	(2,156,759)
Contributions from employees	-	634,373	(634,373)
Net investment income	-	1,106,699	(1,106,699)
Administrative Expenses	-	(55,697)	55,697
Benefit payments, including refunds	(4,205,497)	(4,205,497)	-
Net changes	371,951	(363,363)	735,314
Balance at June 30, 2015	\$ 77,005,292	\$ 49,462,255	\$ 27,543,037

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.65 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.65 percent) or 1 percentage-point higher (8.65 percent) than the current rate:

	Miscellaneous
1% Decrease	6.65%
Net Pension Liability	\$ 37,485,857
Current Discount Rate	7.65%
Net Pension Liability	\$ 27,543,037
1% Increase	8.65%
Net Pension Liability	\$ 19,317,874

Pension Plan Fiduciary Net Position – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

City of Ukiah
Notes to Financial Statements
Year Ended June 30, 2016

9) PENSION PLANS - Continued

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2016, the City recognized pension expense for the Miscellaneous Plan of \$2,392,550. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources for the Miscellaneous Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 2,447,358	\$ -
Differences between actual and expected experience	-	853,422
Changes in assumptions	-	879,233
Net differences between projected and actual earnings on plan investments	<u>2,095,891</u>	<u>2,558,953</u>
Total	<u>\$ 4,543,249</u>	<u>\$ 4,291,608</u>

\$2,447,358 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	
2017	\$ (1,195,340)
2018	(1,195,339)
2019	(329,010)
2020	523,972
2021	-
Thereafter	-

Payable to the Pension Plan

At June 30, 2016, the City reported a payable of \$ -0- for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2016.

City of Ukiah
Notes to Financial Statements
Year Ended June 30, 2016

9) PENSION PLANS - Continued

General Information about the Pension Plans - Safety

Plan Descriptions – All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire). Plan assets may be used to pay benefits for any employer rate plan of the safety pool. Accordingly, rate plans within the safety pool are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the safety pool. The City sponsors five rate plans. Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided – The Plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2014 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2014 actuarial valuation report. This report is a publically available valuation report that can be obtained at CalPERS' website under Forms and Publications.

	Safety Police	Safety Fire	Safety PEPR
	Prior to	Prior to	On or after
Hire date	January 1, 2013	January 1, 2013	January 1, 2013
Benefit formula	3% @ 50	3% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50	57
Monthly benefits, as a % of eligible compensation	Highest single year	Highest single year	3-year average
Required employee contribution rates	9%	9%	11.5%
Required employer contribution rates	20.23% + \$515,204	18.191% + \$279,150	11.923% + \$0

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability. The dollar amounts are billed on a monthly basis. The City's required contribution for the unfunded liability was \$794,354 in fiscal year 2016.

For the year ended June 30, 2016, the contributions recognized as part of pension expense was \$1,309,930.

City of Ukiah
Notes to Financial Statements
Year Ended June 30, 2016

9) PENSION PLANS - Continued

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2016, the City reported a net pension liability for its proportionate shares of the net pension liability of \$12,396,053. The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2015, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The City's proportionate share of the net pension liability as of June 30, 2014 and 2015 was as follows:

	<u>Safety</u>
Proportion - June 30, 2014	0.30719%
Proportion - June 30, 2015	0.30084%
Change - Increase (Decrease)	-0.00635%

For the year ended June 30, 2016, the City recognized pension expense of \$834,225. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 1,520,825	\$ -
Differences between actual and expected experience	-	145,216
Changes in assumptions	-	667,902
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	-	153,058
Net differences between projected and actual earnings on plan investments	<u>-</u>	<u>338,497</u>
Total	<u>\$ 1,520,825</u>	<u>\$ 1,304,673</u>

City of Ukiah
Notes to Financial Statements
Year Ended June 30, 2016

9) PENSION PLANS - Continued

\$1,520,825 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	
2017	\$ (609,178)
2018	(601,470)
2019	(506,580)
2020	412,555
2021	-
Thereafter	-

Actuarial Assumptions – The total pension liabilities in the June 30, 2014 actuarial valuations were determined using the following actuarial assumptions:

	Safety
Valuation date	June 30, 2014
Measurement date	June 30, 2015
Actuarial cost method	entry-age normal
Actuarial assumptions:	
Discount rate	7.65%
Inflation	2.75%
Payroll growth	3.00%
Projected salary increase	(1)
Investment rate of return	7.65%
Mortality	(2)

(1) Depending on age, service and type of employment

(2) Derived using CalPERS' Membership Data for all Funds.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2014 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

City of Ukiah
Notes to Financial Statements
Year Ended June 30, 2016

9) PENSION PLANS - Continued

Discount Rate - The discount rate used to measure the total pension liability was 7.65% for the Plan. See disclosures above for the Miscellaneous pension plan regarding the discount rate.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the City's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>Safety</u>
1% Decrease	6.65%
Net Pension Liability	\$ 19,875,129
Current Discount Rate	7.65%
Net Pension Liability	\$ 12,396,053
1% Increase	8.65%
Net Pension Liability	\$ 6,263,347

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan

At June 30, 2016, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2016.

10) RELATED ORGANIZATIONS

The City is a member of various joint powers authorities that provide goods or services to the City and other authority members. Under the criteria established by GASB-14, the City does not have sufficient authority, influence or accountability over these entities to incorporate them in this annual report. Additionally, the City has determined that it has no ongoing financial interest or responsibility for any of these organizations as defined by GASB-14. The names and general functions of these joint powers are as follows:

Northern California Power Agency (NCPA) - NCPA has 14 members including municipal electric utilities, a port authority, an irrigation district, a public utility district, a transportation district; and one associate member entity. The NCPA is generally empowered to purchase, generate, transmit, distribute, and sell electrical energy. Members participate in the projects of the Agency on an elective basis. A Commission comprised of one representative for each member governs the NCPA.

City of Ukiah
Notes to Financial Statements
Year Ended June 30, 2016

10) RELATED ORGANIZATIONS - Continued

The City is currently involved in several hydroelectric, geothermal and other energy related projects as a member of this agreement. The NCPA is financed by contributions from member cities, government grants and debt. The City is committed to provide substantial additional financial support for its portion of the actions and projects of the NCPA. During the year ended June 30, 2016, the City paid \$8,660,399 to the NCPA for power supplied by the agency.

The NCPA holds certain funds under a separate member custodial agreement - the general operating reserve. The purpose of the reserve is to allow members to fund all, or a portion, of the contingent liabilities that the NCPA faces at any given time, while providing the individual member with the flexibility to draw upon their part of the reserve, as each member individually deems appropriate. At June 30, 2016, the City's balance held in the reserve was \$6,665,194, of which \$354,795 is restricted for NCPA OPS/Security accounts. Due to the nature of the reserve held by NCPA, the reserve is recorded as an asset in the Electric Fund as Investment in NCPA reserve.

Mendocino Transit Authority - This Agency consists of four Mendocino County cities and the County of Mendocino. The Agency was created to apply for and receive Transportation Development Act, Urban Mass Transportation Act, and other funds as a public transportation operator and to provide public transportation services within Mendocino County. Its activities are primarily financed from fare box revenue and federal and state government grants. A Board of Directors comprised of one member from each city and three members that are appointed by the Mendocino County Board of Supervisors governs the Authority.

Redwood Empire Financing Authority (REFA) - This is an agreement between seven Northern California cities. The Authority is authorized to acquire, through lease purchase, installment sale agreements, or otherwise such property necessary or convenient for the operation of the member cities. A Commission comprised of one member appointed by each member city administers the Authority. As explained previously, the City has entered into various financing arrangements with REFA.

Redwood Empire Municipal Insurance Fund (REMIF) - A group of Northern California cities participate in this agreement to provide themselves with various levels of liability, property and worker's compensation insurance. A Commission comprised of one member appointed by each member city administers the Authority. As explained previously, the City provides for its general and workers' compensation insurance needs through REMIF. Annual premiums paid to the Authority were \$1,004,387. During the year, the City received no distribution from REMIF's liability insurance program.

Transmission Agency of Northern California (TANC) - Members include ten cities, one electric co-op, two irrigation districts, and two public utility districts. The Agency was created to provide electric transmission or other facilities, including real property and rights of way, for the use of its members. A Commission comprised of one representative appointed by each member governs the Agency. The City has authorized its participation in the project up to one percent (1%) of the total.

Mendocino Solid Waste Management Authority (MSWMA) - This Authority consists of three Mendocino County cities and the County of Mendocino. The Agency was created for the purpose of: (a) siting, licensing, developing, constructing, maintaining, and operating disposal sites and sanitary landfills and (b) preparing and implementing a solid waste management plan. A Commission comprised of one member from each city and two members that are appointed by the Mendocino County Board of Supervisors governs the Authority.

City of Ukiah
Notes to Financial Statements
Year Ended June 30, 2016

11) CONTINGENCIES

On October 18, 2013, the Ukiah Valley Sanitation District ("District") filed a complaint in the Mendocino County Superior Court seeking in excess of \$20 million alleging that the City overcharged the District for services provided by the City pursuant to a series of agreements, beginning in 1967. The District has alleged that the City has breached various clauses in each of the agreements and amendments entered into from 1967 through 2011. In response, The City has filed a demurrer to the complaint contending the District has failed to allege sufficient facts to avoid the time bar in the Torts Claims Act which required the District to file its claim within one year of when its causes of action accrued. Management is attempting to mediate the dispute to prevent the potential substantial defense costs should the case go to trial. If the case cannot be settled through mediation, the City intends to vigorously contest the District's claim. Management is of the opinion that it is more likely than not that the District will not prevail.

Amounts received from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

12) LANDFILL CLOSURE AND POSTCLOSURE COSTS

State and federal laws and regulations require that the City place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and postclosure care costs that will be incurred near or after the landfill no longer accepts waste. The recognition of these landfill closure and postclosure care costs is based on the amount of landfill used during the year. The estimated liability for landfill closure and postclosure care costs has a balance of \$14,700,370 (including \$634,925 for corrective action liability) as of June 30, 2016, which is based on 100.0% usage (filled) of the landfill. This estimated total current cost of the landfill closure and postclosure care is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of June 30, 2016, as determined by the last engineering study performed. However, the actual cost of closure and postclosure care may change due to inflation, changes in technology, or changes in landfill laws and regulations.

The City is required by state and federal laws and regulations to make annual contributions to finance closure and postclosure care. The City is in compliance with these requirements, and at June 30, 2016, held \$8,311,150 within its pooled investments designated for these purposes. The City has made a pledge of future service revenues for anticipated remaining expected costs, future inflation costs, and any additional costs that might arise from changes in postclosure requirements (due to changes in technology or more rigorous environmental regulations, for example).

City of Ukiah
Notes to Financial Statements
Year Ended June 30, 2016

13) SERVICE CONTRACTS

The City has entered into several agreements to provide services to the citizens of the City and surrounding areas. The general purpose and description of these contract agreements are as follows:

The City has entered into an agreement with the Ukiah Valley Fire District ("UVFD") to provide firefighting, emergency medical response and hazardous material response services within the corporate limits of the City. The current interim agreement commenced January 1, 2014 and terminates December 31, 2015. Under the terms of the agreement the City will provide fulltime and temporary fire personnel and use of City fire engines, rolling stock and related equipment to the UVFD, as well as making City facilities available to the UVFD. Fire personnel will remain employees of the City, and the City will continue to own all the equipment and facilities affected by the agreement. The UVFD will be responsible for day-to-day management and administration. The City will share in the cost for the employment of the Fire Chief, as well as certain fixed and reimbursable costs. For the year ended June 30, 2016, the City paid \$383,415 under the term of the agreement.

The City has entered into a leasing agreement with Tayman Park Golf Group, Inc. ("Lessee") to operate, manage, repair and maintain the City's municipal golf course. The lease includes the 18 hole golf course, clubhouse, and shared usage of City equipment. The Lessee is responsible to provide all services, maintenance, and administration –including setting user fees – for the normal operation of the course. The initial term of the agreement is ten years commencing July 1, 2012, with an option for two (2) additional five (5) year extensions, and cancellable by either party in the event of default. The Lessee must pay to the City rent based on a percentage of gross revenues from course operations and concessions, and reimburse the City for personnel and equipment provided by the City. In addition, the Lessee annually must contribute \$40,000 to a Capital Improvement Project for the benefit of the golf course. For the year ended June 30, 2016, the City received \$66,437 in rents. The City reports activities of the golf course as a nonmajor enterprise fund. The cost and carrying amount of assets lease under this agreement were as follows:

	Cost	Accumulated Depreciation	Carrying Value
Land	\$ 1,001,350	\$ -	\$ 1,001,350
Land Improvements	308,753	303,503	5,250
Infrastructure Systems:	178,259	178,259	-
Building and Improvements	105,992	86,903	19,089
Rolling Equipment	28,006	28,006	-
Machinery and Equipment	30,390	30,390	-
	<u>\$ 1,652,750</u>	<u>\$ 627,061</u>	<u>\$ 1,025,689</u>
Total	<u>\$ 1,652,750</u>	<u>\$ 627,061</u>	<u>\$ 1,025,689</u>

The City has granted Ukiah Waste Solutions a franchise for mandatory residential and optional commercial garbage collection and disposal. The City has also contracted with Ukiah Waste Solutions to provide a citywide recycling program. The City acts as billing and collecting agent for the residential accounts of Ukiah Waste Solutions. Amounts held by the City on behalf of the corporation are accounted for in the Agency funds.

The City has contracted with the Ukiah Valley Sanitation District to provide processing of the District's wastewater. In addition, the City provides billing, collection and other direct maintenance services for the District. District assets held by the City are accounted for in the Agency funds.

Required Supplementary Information

City of Ukiah
Required Supplementary Information
June 30, 2016

**Schedule of Changes in the Net Pension Liability and
Related Ratios - Last 10 Years*
Agent Multiple Employer Plan**

	Measurement Date	
	2015	2014
Total Pension Liability		
Service cost	\$ 1,612,003	\$ 1,788,902
Interest on total pension liability	5,564,428	5,416,497
Differences between expected and actual experience	(1,280,133)	-
Changes in assumptions	(1,318,850)	-
Changes in benefits	-	-
Benefit payments, including refunds	(4,205,497)	(3,795,124)
Net change in total pension liability	371,951	3,410,275
Total pension liability - beginning	76,633,341	73,223,066
Total pension liability - ending (a)	<u>\$ 77,005,292</u>	<u>\$ 76,633,341</u>
Plan Fiduciary Net Position		
Contributions - employer	\$ 2,156,759	\$ 2,193,059
Contributions - employee	634,373	779,732
Net investment income	1,106,699	7,445,055
Benefit payments	(4,205,497)	(3,795,124)
Administrative Expense	(55,697)	-
Net change in plan fiduciary net position	(363,363)	6,622,722
Plan fiduciary net position - beginning	49,825,618	43,202,896
Plan fiduciary net position - ending (b)	<u>\$ 49,462,255</u>	<u>\$ 49,825,618</u>
Net pension liability - ending (a) - (b)	<u>\$ 27,543,037</u>	<u>\$ 26,807,723</u>
Plan fiduciary net position as a percentage of the total pension liability	64.23%	65.02%
Covered - employee payroll	\$ 8,008,361	\$ 8,340,257
Net pension liability as percentage of covered-employee payroll	343.93%	321.43%

* - Fiscal Year 2015 was the first year of implementation, therefore, not all 10 years of information is available.

City of Ukiah
Required Supplementary Information
June 30, 2016

Schedule of Contributions
Last 10 Years*
Agent Multiple Employer Plan

	2016	2015
Actuarially determined contribution	\$ 2,156,759	\$ 2,193,059
Contributions in relation to the actuarially determined contributions	\$ 2,156,759	\$ 2,193,059
Contribution deficiency (excess)	\$ -	\$ -
 Covered-employee payroll	 \$ 8,008,361	 \$ 8,340,257
Contributions as a percentage of covered-employee payroll	26.93%	26.29%

Notes to schedule

Valuation date:	June 30, 2014	June 30, 2013
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* - Fiscal Year 2015 was the first year of implementation, therefore, not all 10 years of information is available.

City of Ukiah
Required Supplementary Information
June 30, 2016

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
COST SHARING PLAN
Last 10 Years***

	Measurement Period	
	2015	2014
Proportion of the Net Pension Liability	0.18060%	0.18518%
Proportionate Share of Net Pension Liability	\$ 12,396,053	\$ 11,522,849
Covered - Employee Payroll	\$ 3,844,242	\$ 3,330,571
Proportionate Share of the Net Pension Liability as a percentage of Payroll	322.46%	345.97%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.31%	79.27%

* - Fiscal Year 2015 was the first year of implementation, therefore, not all 10 years of information is available.

City of Ukiah
Required Supplementary Information
June 30, 2016

SCHEDULE OF PLAN CONTRIBUTIONS
COST SHARING PLAN
Last 10 Years*

	<u>2016</u>	<u>2015</u>
Contractually Required Contributions (actuarially determined)	\$ 1,520,825	\$ 1,309,930
Contributions in Relation to the Actuarially Determined Contributions	<u>(1,520,825)</u>	<u>(1,309,930)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-Employee Payroll	\$ 3,844,242	\$ 3,330,571
Contributions as a Percentage of Covered Employee Payroll	39.56%	39.33%

Notes to the Schedule of Plan Contributions

Valuation Date: 6/30/2014

* - Fiscal Year 2015 was the first year of implementation, therefore, not all 10 years of information is available.

City of Ukiah
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Fund
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Taxes:				
Property Taxes	\$ 2,631,618	\$ 2,631,618	\$ 2,641,247	\$ 9,629
Sales Taxes	7,669,462	7,669,462	7,714,762	45,300
Transient Occupancy Taxes	1,052,621	1,052,621	1,229,814	177,193
Business License Taxes	355,772	355,772	360,732	4,960
Property Transfer Tax	30,000	30,000	41,791	11,791
Franchise Fees	1,500,360	1,500,360	1,514,800	14,440
Licenses and Permits	279,226	279,226	341,642	62,416
Fines and Forfeitures	63,696	63,696	78,589	14,893
Interest, Rents and Concession	197,103	197,103	161,676	(35,427)
Intergovernmental	145,594	145,594	165,376	19,782
Charges for Services	994,800	982,855	713,948	(268,907)
Miscellaneous	329,400	329,400	360,302	30,902
Total Revenues	15,249,652	15,237,707	15,324,679	86,972
EXPENDITURES				
Current:				
General Government	424,739	446,819	391,859	54,960
Public Safety	9,796,042	9,847,727	10,828,693	(980,966)
Public Works	1,996,363	2,114,251	1,847,237	267,014
Housing and Community Development	363,286	371,457	147,879	223,578
Parks and Recreation	2,112,478	2,124,773	2,081,416	43,357
Capital Outlay	16,575	16,575	16,575	-
Total Expenditures	14,709,483	14,921,602	15,313,659	(392,057)
Excess (Deficiency) of Revenues over Expenditures	540,169	316,105	11,020	(305,085)
OTHER FINANCING SOURCES (USES)				
Transfers	325,364	325,364	345,445	20,081
Transfers Out	(410,856)	(410,856)	(503,358)	(92,502)
Total Other Financing Sources (Uses)	(85,492)	(85,492)	(157,913)	(72,421)
Net Change in Fund Balances	454,677	230,613	(146,893)	(377,506)
Fund Balance, Beginning of Year	5,359,894	5,359,894	5,359,894	-
Fund Balance, End of Year	\$ 5,814,571	\$ 5,590,507	\$ 5,213,001	\$ (377,506)

City of Ukiah
Notes to Required Supplementary Information
June 30, 2016

Budgetary DataGeneral Budget Policies

The City Council approves the annual budget submitted by the City Manager prior to the beginning of the new fiscal year. Public hearings are conducted prior to its adoption by Council. Supplemental appropriations, where required during the period, are also approved by the Council. There were several supplemental appropriations required during the year. At fiscal year-end, all operating budget appropriations lapse.

Expenditures are monitored at the fund level for all funds with a legally adopted budget. These levels are considered the legal level of control.

Department heads are authorized to transfer budgeted amounts within their departments, within the same fund, with the approval of the City Manager. Transfers of appropriations between departments may be made only by authority of the City Manager. Transfers of appropriations between funds may be made only by authority of the City Council. Formal budgetary integration is employed as a management control device during the fiscal year for all governmental funds.

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds except for certain special revenue and capital projects funds, which adopt project-length budgets.

Encumbrances

Encumbrances are estimations of costs related to unperformed contracts for goods and services. These commitments are recorded for budgetary control purposes in the General, Special Revenue and similar governmental funds. Encumbrances outstanding at year-end are reported as a committed fund balance. They represent the estimated amount of the expenditure ultimately to result if unperformed contracts in process at year-end are completed. They do not constitute expenditures or estimated liabilities.

The City did not adopt a budget for the Observatory Park Special Revenue Fund, the Playground and Park Amenities Special Revenue Fund, the Swimming Pool Special Revenue Fund, the Skate Park Special Revenue Fund, the Softball Complex Special Revenue Fund, the Local Law Enforcement Special Revenue Fund, the Special Police Special Revenue Fund, the STIP Augmentation Special Revenue Fund, the FEMA Special Revenue Fund, and the City Housing Bond Proceeds Capital Projects Fund.

Optional Supplementary Information

*Nonmajor funds combining financial statements,
budgetary schedules, combining internal service funds,
and combining fiduciary funds.*

City of Ukiah
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2016

	Special Revenue			Playground and Park Amenities
	Park Development	Anton Stadium	Observatory Park	
ASSETS				
Cash and Investments	\$ 31,505	\$ 32,329	\$ -	\$ 2,532
Cash with Fiscal Agent	-	-	-	-
Receivables:				
Accounts	-	-	-	-
Interest	-	67	-	5
Intergovernmental	-	-	-	-
Long-term Notes	-	-	-	-
Prepaid Expenditures	-	-	-	-
Land Held for Resale	-	-	-	-
Total Assets	<u>\$ 31,505</u>	<u>\$ 32,396</u>	<u>\$ -</u>	<u>\$ 2,537</u>
LIABILITIES				
Accounts Payable	\$ 6,048	\$ -	\$ -	\$ -
Accrued Salaries and Benefits	-	-	-	-
Due to Other Funds	-	-	-	-
Advances from Other Funds	-	-	-	-
Total Liabilities	<u>6,048</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues - Grants	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted	25,457	32,396	-	2,537
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>25,457</u>	<u>32,396</u>	<u>-</u>	<u>2,537</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 31,505</u>	<u>\$ 32,396</u>	<u>\$ -</u>	<u>\$ 2,537</u>

Special Revenue						
Swimming Pool	Riverside Park	State Park	Softball Complex	Museum Grants Prop 84	Asset Seizure	Supplemental Law Enforcement
\$ 11,741	\$ -	\$ 11,220	\$ 6,452	\$ 19	\$ 75,413	\$ 1,916
-	-	-	-	-	-	-
-	-	-	-	-	-	-
24	-	23	13	-	177	-
-	-	-	-	364,941	50,684	11,253
-	-	-	-	243,136	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 11,765</u>	<u>\$ -</u>	<u>\$ 11,243</u>	<u>\$ 6,465</u>	<u>\$ 608,096</u>	<u>\$ 126,274</u>	<u>\$ 13,169</u>
\$ -	\$ -	\$ -	\$ -	\$ 257,959	\$ 4,050	\$ -
-	-	-	-	-	-	2,699
-	-	-	-	368,577	-	-
148,000	-	-	-	-	-	-
<u>148,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>626,536</u>	<u>4,050</u>	<u>2,699</u>
-	-	-	-	243,136	-	-
-	-	-	-	243,136	-	-
-	-	11,243	6,465	-	122,224	-
-	-	-	-	-	-	-
(136,235)	-	-	-	(261,576)	-	10,470
<u>(136,235)</u>	<u>-</u>	<u>11,243</u>	<u>6,465</u>	<u>(261,576)</u>	<u>122,224</u>	<u>10,470</u>
<u>\$ 11,765</u>	<u>\$ -</u>	<u>\$ 11,243</u>	<u>\$ 6,465</u>	<u>\$ 608,096</u>	<u>\$ 126,274</u>	<u>\$ 13,169</u>

Continued

City of Ukiah
Combining Balance Sheet
Non-major Governmental Funds - Continued
June 30, 2016

	Special Revenue			
	Local Law Enforcement Block Grant	Asset Forfeiture 11470.2 H&S	Special Police	Special Revenue
ASSETS				
Cash and Investments	\$ -	\$ 37,303	\$ 583	\$ -
Cash with Fiscal Agent	-	-	-	-
Receivables:				
Accounts	-	-	31,250	-
Interest	-	80	150	-
Intergovernmental	-	-	-	-
Long-term Notes	-	-	-	-
Prepaid Expenditures	-	-	-	-
Land Held for Resale	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 37,383</u>	<u>\$ 31,983</u>	<u>\$ -</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ 1,836
Accrued Salaries and Benefits	-	-	-	-
Due to Other Funds	-	-	-	-
Advances from Other Funds	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,836</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues - Grants	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted	-	37,383	31,983	(1,836)
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>-</u>	<u>37,383</u>	<u>31,983</u>	<u>(1,836)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ -</u>	<u>\$ 37,383</u>	<u>\$ 31,983</u>	<u>\$ -</u>

Special Revenue						
ARC General Operating	Signalization	Gas Tax 2106	Gas Tax 2107	Gas Tax 2107.5	Gas Tax 2105	STIP Augmentation
\$ -	\$ 434,887	\$ 13,702	\$ 114	\$ 199	\$ 27,798	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	906	14	57	-	118	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 435,793</u>	<u>\$ 13,716</u>	<u>\$ 171</u>	<u>\$ 199</u>	<u>\$ 27,916</u>	<u>\$ -</u>
\$ 6,201	\$ -	\$ -	\$ 23,371	\$ -	\$ -	\$ -
809	-	-	-	-	-	-
43,818	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>50,828</u>	<u>-</u>	<u>-</u>	<u>23,371</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	435,793	13,716	(23,200)	199	27,916	-
-	-	-	-	-	-	-
<u>(50,828)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(50,828)</u>	<u>435,793</u>	<u>13,716</u>	<u>(23,200)</u>	<u>199</u>	<u>27,916</u>	<u>-</u>
<u>\$ -</u>	<u>\$ 435,793</u>	<u>\$ 13,716</u>	<u>\$ 171</u>	<u>\$ 199</u>	<u>\$ 27,916</u>	<u>\$ -</u>

Continued

City of Ukiah
Combining Balance Sheet
Non-major Governmental Funds - Continued
June 30, 2016

	Special Revenue			
	CDBG Grants	HOME Grants	FEMA Grants	SB325 Reimbursement
ASSETS				
Cash and Investments	\$ 175,081	\$ 6,409	\$ 31,357	\$ 108,525
Cash with Fiscal Agent	-	-	-	-
Receivables:				
Accounts	-	-	-	-
Interest	458	-	-	-
Intergovernmental	188,940	-	-	-
Long-term Notes	2,005,116	1,579,141	-	-
Prepaid Expenditures	-	-	-	-
Land Held for Resale	-	-	-	-
Total Assets	\$ 2,369,595	\$ 1,585,550	\$ 31,357	\$ 108,525
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Salaries and Benefits	-	-	-	-
Due to Other Funds	187,761	-	-	-
Advances from Other Funds	-	-	-	-
Total Liabilities	187,761	-	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues - Grants	38,094	42,174	3,600	-
Total Deferred Inflows of Resources	38,094	42,174	3,600	-
FUND BALANCES				
Restricted	2,143,740	1,543,376	27,757	108,525
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	2,143,740	1,543,376	27,757	108,525
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,369,595	\$ 1,585,550	\$ 31,357	\$ 108,525

Special Revenue				Capital Projects		
State STP	Congestion Relief	Museum	LMIHF Housing Asset	Equipment Reserve	Special Project Reserve	Capital Improvement
\$ 108,327	\$ 649,211	\$ 27,003	\$ 49,058	\$ 1,606,363	\$ 1,953,455	\$ -
-	-	-	-	-	-	-
-	-	1,396	1,000	-	1,500	-
-	1,328	47	102	3,517	4,265	-
-	-	-	-	-	-	-
-	-	-	1,751,327	-	-	-
-	-	-	-	-	-	-
-	-	-	2,435,114	-	-	-
<u>\$ 108,327</u>	<u>\$ 650,539</u>	<u>\$ 28,446</u>	<u>\$ 4,236,601</u>	<u>\$ 1,609,880</u>	<u>\$ 1,959,220</u>	<u>\$ -</u>
\$ -	\$ -	\$ 5,039	\$ -	\$ 146,447	\$ 63,969	\$ -
-	-	27,810	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	32,849	-	146,447	63,969	-
-	-	-	13,171	-	-	-
-	-	-	13,171	-	-	-
108,327	650,539	-	4,223,430	-	-	-
-	-	-	-	1,463,433	1,895,251	-
-	-	(4,403)	-	-	-	-
<u>108,327</u>	<u>650,539</u>	<u>(4,403)</u>	<u>4,223,430</u>	<u>1,463,433</u>	<u>1,895,251</u>	<u>-</u>
<u>\$ 108,327</u>	<u>\$ 650,539</u>	<u>\$ 28,446</u>	<u>\$ 4,236,601</u>	<u>\$ 1,609,880</u>	<u>\$ 1,959,220</u>	<u>\$ -</u>

Continued

City of Ukiah
Combining Balance Sheet
Non-major Governmental Funds - Continued
June 30, 2016

	Capital Projects City Housing Bond Proceeds	Total Non-major Funds
ASSETS		
Cash and Investments	\$ -	\$ 5,402,502
Cash with Fiscal Agent	2,748,907	2,748,907
Receivables:		
Accounts	-	35,146
Interest	-	11,351
Intergovernmental	-	615,818
Long-term Notes	-	5,578,720
Prepaid Expenditures	-	-
Land Held for Resale	-	2,435,114
Total Assets	\$ 2,748,907	\$ 16,827,558
LIABILITIES		
Accounts Payable	\$ -	\$ 514,920
Accrued Salaries and Benefits	-	31,318
Due to Other Funds	-	600,156
Advances from Other Funds	-	148,000
Total Liabilities	-	1,294,394
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenues - Grants	-	340,175
Total Deferred Inflows of Resources	-	340,175
FUND BALANCES		
Restricted	2,748,907	12,276,877
Assigned	-	3,358,684
Unassigned	-	(442,572)
Total Fund Balances	2,748,907	15,192,989
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,748,907	\$ 16,827,558

City of Ukiah
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
Year Ended June 30, 2016

	Special Revenue			
	Park Development	Anton Stadium	Observatory Park	Playground and Park Amenities
REVENUES				
Interest, Rents and Concessions	\$ (139)	\$ 528	\$ (1)	\$ 39
Intergovernmental	142,800	-	-	-
Charges for Services	3,399	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	146,060	528	(1)	39
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Housing and Community Development	-	-	-	-
Parks and Recreation	51,341	3,670	-	-
Capital Outlay	91,080	345	-	-
Total Expenditures	142,421	4,015	-	-
Excess (Deficiency) of Revenues Over Expenditures	3,639	(3,487)	(1)	39
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	137	-
Transfers Out	(20)	-	-	-
Total Other Financing Sources (Uses)	(20)	-	137	-
Net Change in Fund Balances	3,619	(3,487)	136	39
Fund Balances, Beginning of Year	21,838	35,883	(136)	2,498
Fund Balances, End of Year	\$ 25,457	\$ 32,396	\$ -	\$ 2,537

Special Revenue						
Swimming Pool	Riverside Park	State Park	Softball Complex	Museum Grants Prop 84	Asset Seizure	Supplemental Law Enforcement
\$ 184	\$ -	\$ 177	\$ 102	\$ (2,360)	\$ 1,418	\$ (207)
-	-	-	-	1,107,615	131,233	101,978
-	-	-	-	-	-	-
750	-	-	-	-	-	-
934	-	177	102	1,105,255	132,651	101,771
-	-	-	-	-	-	-
-	-	-	-	-	144,207	104,971
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	55,357	-	-
-	-	-	-	1,287,728	-	-
-	-	-	-	1,343,085	144,207	104,971
934	-	177	102	(237,830)	(11,556)	(3,200)
-	20	-	-	-	-	21,101
-	-	-	-	-	-	-
-	20	-	-	-	-	21,101
934	20	177	102	(237,830)	(11,556)	17,901
(137,169)	(20)	11,066	6,363	(23,746)	133,780	(7,431)
\$ (136,235)	\$ -	\$ 11,243	\$ 6,465	\$ (261,576)	\$ 122,224	\$ 10,470

Continued

City of Ukiah
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds - Continued
Year Ended June 30, 2016

	Special Revenue			
	Local Law Enforcement Block Grant	Asset Forfeiture 11470.2 H&S	Special Police	Special Revenue
REVENUES				
Interest, Rents and Concessions	\$ (158)	\$ 692	\$ 1,464	\$ 820
Intergovernmental	-	10,575	125,000	106,133
Charges for Services	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	(158)	11,267	126,464	106,953
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	18,897	-	-
Public Works	-	-	-	-
Housing and Community Development	-	-	-	-
Parks and Recreation	-	-	-	-
Capital Outlay	-	-	-	571,646
Total Expenditures	-	18,897	-	571,646
Excess (Deficiency) of Revenues Over Expenditures	(158)	(7,630)	126,464	(464,693)
OTHER FINANCING SOURCES (USES)				
Transfers In	16,489	-	-	54,424
Transfers Out	-	-	(196,503)	-
Total Other Financing Sources (Uses)	16,489	-	(196,503)	54,424
Net Change in Fund Balances	16,331	(7,630)	(70,039)	(410,269)
Fund Balances, Beginning of Year	(16,331)	45,013	102,022	408,433
Fund Balances, End of Year	\$ -	\$ 37,383	\$ 31,983	\$ (1,836)

Special Revenue						
ARC General Operating	Signalization	Gas Tax 2106	Gas Tax 2107	Gas Tax 2107.5	Gas Tax 2105	STIP Augmentation
\$ 66,376	\$ 6,832	\$ 83	\$ 514	\$ 2	\$ 940	\$ -
-	7,245	66,106	117,522	4,000	90,253	-
8,004	-	-	-	-	-	-
-	-	-	-	-	-	-
74,380	14,077	66,189	118,036	4,002	91,193	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
101,071	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	186,499	-	-	-
101,071	-	-	186,499	-	-	-
(26,691)	14,077	66,189	(68,463)	4,002	91,193	-
-	-	-	36,815	-	-	-
-	-	(52,473)	-	(4,000)	(129,284)	-
-	-	(52,473)	36,815	(4,000)	(129,284)	-
(26,691)	14,077	13,716	(31,648)	2	(38,091)	-
(24,137)	421,716	-	8,448	197	66,007	-
<u>\$ (50,828)</u>	<u>\$ 435,793</u>	<u>\$ 13,716</u>	<u>\$ (23,200)</u>	<u>\$ 199</u>	<u>\$ 27,916</u>	<u>\$ -</u>

Continued

City of Ukiah
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds - Continued
Year Ended June 30, 2016

	Special Revenue			
	CDBG Grants	HOME Grants	FEMA Grants	SB325 Reimbursement
REVENUES				
Interest, Rents and Concessions	\$ 10,062	\$ -	\$ -	\$ -
Intergovernmental	576,319	-	12,873	64,019
Charges for Services	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	586,381	-	12,873	64,019
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Housing and Community Development	621,500	-	-	-
Parks and Recreation	-	-	-	-
Capital Outlay	-	-	-	64,019
Total Expenditures	621,500	-	-	64,019
Excess (Deficiency) of Revenues Over Expenditures	(35,119)	-	12,873	-
OTHER FINANCING SOURCES (USES)				
Transfers In	108	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	108	-	-	-
Net Change in Fund Balances	(35,011)	-	12,873	-
Fund Balances, Beginning of Year	2,178,751	1,543,376	14,884	108,525
Fund Balances, End of Year	\$ 2,143,740	\$ 1,543,376	\$ 27,757	\$ 108,525

Special Revenue				Capital Projects		
State STP	Congestion Relief	Museum	LMIHF Housing Asset	Equipment Reserve	Special Project Reserve	Capital Improvement
\$ -	\$ 10,429	\$ (713)	\$ 12,728	\$ 28,424	\$ 32,761	\$ -
-	82,577	-	-	-	-	-
-	3,534	26,189	-	-	-	-
-	-	50,000	-	-	-	-
-	96,540	75,476	12,728	28,424	32,761	-
-	-	96,889	-	53,686	-	-
-	-	-	-	-	-	-
-	137,564	-	-	122,977	65,436	-
-	-	-	-	-	-	-
-	-	425,072	-	-	-	-
-	66,267	-	-	128,858	199,201	-
-	203,831	521,961	-	305,521	264,637	-
-	(107,291)	(446,485)	12,728	(277,097)	(231,876)	-
-	-	465,524	-	-	-	-
-	-	-	-	(473,540)	(54,424)	-
-	-	465,524	-	(473,540)	(54,424)	-
-	(107,291)	19,039	12,728	(750,637)	(286,300)	-
108,327	757,830	(23,442)	4,210,702	2,214,070	2,181,551	-
<u>\$ 108,327</u>	<u>\$ 650,539</u>	<u>\$ (4,403)</u>	<u>\$ 4,223,430</u>	<u>\$ 1,463,433</u>	<u>\$ 1,895,251</u>	<u>\$ -</u>

Continued

City of Ukiah
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds - Continued
Year Ended June 30, 2016

	Capital Projects City Housing Bond Proceeds	Total Non-major Funds
REVENUES		
Interest, Rents and Concessions	\$ 3,500	\$ 174,497
Intergovernmental	-	2,746,248
Charges for Services	-	41,126
Miscellaneous	-	50,750
Total Revenues	3,500	3,012,621
EXPENDITURES		
Current:		
General Government	-	150,575
Public Safety	-	268,075
Public Works	-	325,977
Housing and Community Development	-	722,571
Parks and Recreation	-	535,440
Capital Outlay	-	2,595,643
Total Expenditures	-	4,598,281
Excess (Deficiency) of Revenues Over Expenditures	3,500	(1,585,660)
OTHER FINANCING SOURCES (USES)		
Transfers In	-	594,618
Transfers Out	-	(910,244)
Total Other Financing Sources (Uses)	-	(315,626)
Net Change in Fund Balances	3,500	(1,901,286)
Fund Balances, Beginning of Year	2,745,407	17,094,275
Fund Balances, End of Year	\$ 2,748,907	\$ 15,192,989

City of Ukiah
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Park Development Special Revenue Fund
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Interest, Rents and Concessions	\$ 218	\$ 218	\$ (139)	\$ (357)
Intergovernmental	282,800	282,800	142,800	(140,000)
Charges for Services	-	-	3,399	3,399
Total Revenues	283,018	283,018	146,060	(136,958)
EXPENDITURES				
Current:				
Parks and Recreation	140,000	140,000	51,341	88,659
Capital Outlay	142,800	142,800	91,080	51,720
Total Expenditures	282,800	282,800	142,421	140,379
Excess (Deficiency) of Revenues over Expenditures	218	218	3,639	3,421
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	(20)	(20)
Total Other Financing Sources (Uses)	-	-	(20)	(20)
Net Change in Fund Balance	218	218	3,619	3,401
Fund Balance, Beginning of Year	21,838	21,838	21,838	-
Fund Balance, End of Year	\$ 22,056	\$ 22,056	\$ 25,457	\$ 3,401

City of Ukiah
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Anton Stadium Special Revenue Fund
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Interest, Rents and Concessions	\$ -	\$ -	\$ 528	\$ 528
Intergovernmental	-	-	-	-
Charges for Services	18,000	18,000	-	18,000
Total Revenues	18,000	18,000	528	(17,472)
EXPENDITURES				
Current:				
Parks and Recreation	-	-	3,670	(3,670)
Capital Outlay	18,000	18,000	345	17,655
Total Expenditures	18,000	18,000	4,015	13,985
Excess (Deficiency) of Revenues over Expenditures	-	-	(3,487)	(3,487)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	-	(3,487)	(3,487)
Fund Balance, Beginning of Year	35,883	35,883	35,883	-
Fund Balance, End of Year	\$ 35,883	\$ 35,883	\$ 32,396	\$ (3,487)

City of Ukiah
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Museum Grants Prop 84 Special Revenue Fund
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Interest, Rents and Concessions	\$ -	\$ -	\$ (2,360)	\$ (2,360)
Intergovernmental	2,300,000	2,300,000	1,107,615	(1,192,385)
Total Revenues	2,300,000	2,300,000	1,105,255	(1,194,745)
EXPENDITURES				
Current:				
Parks and Recreation	-	75,483	55,357	20,126
Capital Outlay	2,300,000	2,560,000	1,287,728	1,272,272
Total Expenditures	2,300,000	2,635,483	1,343,085	1,292,398
Excess (Deficiency) of Revenues over Expenditures	-	(335,483)	(237,830)	97,653
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	(335,483)	(237,830)	97,653
Fund Balance, Beginning of Year	(23,746)	(23,746)	(23,746)	-
Fund Balance, End of Year	<u>\$ (23,746)</u>	<u>\$ (359,229)</u>	<u>\$ (261,576)</u>	<u>\$ 97,653</u>

City of Ukiah
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Asset Seizure Special Revenue Fund
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Interest, Rents and Concessions	\$ -	\$ -	\$ 1,418	\$ 1,418
Intergovernmental	-	-	131,233	131,233
Total Revenues	-	-	132,651	132,651
EXPENDITURES				
Current:				
Public Safety	-	18,283	144,207	(125,924)
Capital Outlay	-	-	-	-
Total Expenditures	-	18,283	144,207	(125,924)
Excess (Deficiency) of Revenues over Expenditures	-	(18,283)	(11,556)	6,727
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	(18,283)	(11,556)	6,727
Fund Balance, Beginning of Year	133,780	133,780	133,780	-
Fund Balance, End of Year	<u>\$ 133,780</u>	<u>\$ 115,497</u>	<u>\$ 122,224</u>	<u>\$ 6,727</u>

City of Ukiah
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Supplemental Law Enforcement Special Revenue Fund
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Interest, Rents and Concessions	\$ 500	\$ 500	\$ (207)	\$ (707)
Intergovernmental	100,000	100,000	101,978	1,978
Total Revenues	100,500	100,500	101,771	1,271
EXPENDITURES				
Current:				
Public Safety	110,571	110,571	104,971	5,600
Capital Outlay	-	-	-	-
Total Expenditures	110,571	110,571	104,971	5,600
Excess (Deficiency) of Revenues over Expenditures	(10,071)	(10,071)	(3,200)	6,871
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	21,101	21,101
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	21,101	21,101
Net Change in Fund Balance	(10,071)	(10,071)	17,901	27,972
Fund Balance, Beginning of Year	(7,431)	(7,431)	(7,431)	-
Fund Balance, End of Year	<u>\$ (17,502)</u>	<u>\$ (17,502)</u>	<u>\$ 10,470</u>	<u>\$ 27,972</u>

City of Ukiah
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Asset Forfeiture Special Revenue Fund
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Interest, Rents and Concessions	\$ 1,624	\$ 1,624	\$ 692	\$ (932)
Intergovernmental	-	-	10,575	10,575
Total Revenues	1,624	1,624	11,267	9,643
EXPENDITURES				
Current:				
Public Safety	-	17,630	18,897	(1,267)
Capital Outlay	-	-	-	-
Total Expenditures	-	17,630	18,897	(1,267)
Excess (Deficiency) of Revenues over Expenditures	1,624	(16,006)	(7,630)	8,376
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	1,624	(16,006)	(7,630)	8,376
Fund Balance, Beginning of Year	45,013	45,013	45,013	-
Fund Balance, End of Year	\$ 46,637	\$ 29,007	\$ 37,383	\$ 8,376

City of Ukiah
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Special Revenue Fund
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Interest, Rents and Concessions	\$ 6,139	\$ 6,139	\$ 820	\$ (5,319)
Intergovernmental	2,203,500	2,203,500	106,133	(2,097,367)
Total Revenues	2,209,639	2,209,639	106,953	(2,102,686)
EXPENDITURES				
Current:				
Public Safety	-	-	-	-
Capital Outlay	2,204,000	2,557,357	571,646	1,985,711
Total Expenditures	2,204,000	2,557,357	571,646	1,985,711
Excess (Deficiency) of Revenues over Expenditures	5,639	(347,718)	(464,693)	(116,975)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	54,424	54,424
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	54,424	54,424
Net Change in Fund Balance	5,639	(347,718)	(410,269)	(62,551)
Fund Balance, Beginning of Year	408,433	408,433	408,433	-
Fund Balance, End of Year	\$ 414,072	\$ 60,715	\$ (1,836)	\$ (62,551)

City of Ukiah
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - ARC General Operating Special Revenue Fund
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Interest, Rents and Concessions	\$ 68,016	\$ 68,016	\$ 66,376	\$ (1,640)
Charges for Services	20,000	28,004	8,004	(20,000)
Total Revenues	88,016	96,020	74,380	(21,640)
EXPENDITURES				
Current:				
Housing and Community Development	88,016	88,166	101,071	(12,905)
Capital Outlay	-	-	-	-
Total Expenditures	88,016	88,166	101,071	(12,905)
Excess (Deficiency) of Revenues over Expenditures	-	7,854	(26,691)	(34,545)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	7,854	(26,691)	(34,545)
Fund Balance, Beginning of Year	(24,137)	(24,137)	(24,137)	-
Fund Balance, End of Year	<u>\$ (24,137)</u>	<u>\$ (16,283)</u>	<u>\$ (50,828)</u>	<u>\$ (34,545)</u>

City of Ukiah
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Signalization Special Revenue Fund
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Interest, Rents and Concessions	\$ 3,372	\$ 3,372	\$ 6,832	\$ 3,460
Intergovernmental	-	-	7,245	7,245
Total Revenues	3,372	3,372	14,077	10,705
EXPENDITURES				
Current:				
Housing and Community Development	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	3,372	3,372	14,077	10,705
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	3,372	3,372	14,077	10,705
Fund Balance, Beginning of Year	421,716	421,716	421,716	-
Fund Balance, End of Year	\$ 425,088	\$ 425,088	\$ 435,793	\$ 10,705

City of Ukiah
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Gas Tax 2106 Special Revenue Fund
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Interest, Rents and Concessions	\$ 424	\$ 424	\$ 83	\$ (341)
Charges for Services	52,473	52,473	66,106	13,633
Total Revenues	52,897	52,897	66,189	13,292
EXPENDITURES				
Current:				
Public Works	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	52,897	52,897	66,189	13,292
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	(52,473)	(52,473)	(52,473)	-
Total Other Financing Sources (Uses)	(52,473)	(52,473)	(52,473)	-
Net Change in Fund Balance	424	424	13,716	13,292
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	\$ 424	\$ 424	\$ 13,716	\$ 13,292

City of Ukiah
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Gas Tax 2107 Special Revenue Fund
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Interest, Rents and Concessions	\$ 83	\$ 83	\$ 514	\$ 431
Charges for Services	126,422	126,422	117,522	(8,900)
Total Revenues	126,505	126,505	118,036	(8,469)
EXPENDITURES				
Current:				
Public Works	-	-	-	-
Capital Outlay	-	136,735	186,499	(49,764)
Total Expenditures	-	136,735	186,499	(49,764)
Excess (Deficiency) of Revenues over Expenditures	126,505	(10,230)	(68,463)	(58,233)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	36,815	36,815
Transfers Out	(126,422)	(126,422)	-	126,422
Total Other Financing Sources (Uses)	(126,422)	(126,422)	36,815	163,237
Net Change in Fund Balance	83	(136,652)	(31,648)	105,004
Fund Balance, Beginning of Year	8,448	8,448	8,448	-
Fund Balance, End of Year	\$ 8,531	\$ (128,204)	\$ (23,200)	\$ 105,004

City of Ukiah
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Gas Tax 2107.5 Special Revenue Fund
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Interest, Rents and Concessions	\$ -	\$ -	\$ 2	\$ 2
Charges for Services	4,000	4,000	4,000	-
Total Revenues	4,000	4,000	4,002	2
EXPENDITURES				
Current:				
Public Works	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	4,000	4,000	4,002	2
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	(4,000)	(4,000)	(4,000)	-
Total Other Financing Sources (Uses)	(4,000)	(4,000)	(4,000)	-
Net Change in Fund Balance	-	-	2	2
Fund Balance, Beginning of Year	197	197	197	-
Fund Balance, End of Year	\$ 197	\$ 197	\$ 199	\$ 2

City of Ukiah
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Gas Tax 2105 Special Revenue Fund
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Interest, Rents and Concessions	\$ 21	\$ 21	\$ 940	\$ 919
Charges for Services	92,469	92,469	90,253	(2,216)
Total Revenues	92,490	92,490	91,193	(1,297)
EXPENDITURES				
Current:				
Public Works	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	92,490	92,490	91,193	(1,297)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	(92,469)	(92,469)	(129,284)	(36,815)
Total Other Financing Sources (Uses)	(92,469)	(92,469)	(129,284)	(36,815)
Net Change in Fund Balance	21	21	(38,091)	(38,112)
Fund Balance, Beginning of Year	66,007	66,007	66,007	-
Fund Balance, End of Year	<u>\$ 66,028</u>	<u>\$ 66,028</u>	<u>\$ 27,916</u>	<u>\$ (38,112)</u>

City of Ukiah
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - CDBG Grants Special Revenue Fund
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Interest, Rents and Concessions	\$ -	\$ -	\$ 10,062	\$ 10,062
Intergovernmental	1,302,545	1,302,545	576,319	(726,226)
Miscellaneous	-	-	-	-
Total Revenues	1,302,545	1,302,545	586,381	(716,164)
EXPENDITURES				
Current:				
Housing and Community Development	1,302,545	1,419,283	621,500	797,783
Capital Outlay	-	-	-	-
Total Expenditures	1,302,545	1,419,283	621,500	797,783
Excess (Deficiency) of Revenues over Expenditures	-	(116,738)	(35,119)	81,619
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	108	108
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	108	108
Net Change in Fund Balance	-	(116,738)	(35,011)	81,727
Fund Balance, Beginning of Year	2,178,751	2,178,751	2,178,751	-
Fund Balance, End of Year	<u>\$ 2,178,751</u>	<u>\$ 2,062,013</u>	<u>\$ 2,143,740</u>	<u>\$ 81,727</u>

City of Ukiah
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - HOME Grants Special Revenue Fund
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Interest, Rents and Concessions	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	-	-	-	-
EXPENDITURES				
Current:				
Housing and Community Development	-	392,006	-	392,006
Capital Outlay	-	-	-	-
Total Expenditures	-	392,006	-	392,006
Excess (Deficiency) of Revenues over Expenditures	-	(392,006)	-	392,006
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	(392,006)	-	392,006
Fund Balance, Beginning of Year	1,543,376	1,543,376	1,543,376	-
Fund Balance, End of Year	<u>\$ 1,543,376</u>	<u>\$ 1,151,370</u>	<u>\$ 1,543,376</u>	<u>\$ 392,006</u>

City of Ukiah
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - SB 325 Reimbursement Special Revenue Fund
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Interest, Rents and Concessions	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	64,019	64,019
Total Revenues	-	-	64,019	64,019
EXPENDITURES				
Current:				
Public Works	-	-	-	-
Capital Outlay	-	70,837	64,019	6,818
Total Expenditures	-	70,837	64,019	6,818
Excess (Deficiency) of Revenues over Expenditures	-	(70,837)	-	70,837
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	(70,837)	-	70,837
Fund Balance, Beginning of Year	108,525	108,525	108,525	-
Fund Balance, End of Year	<u>\$ 108,525</u>	<u>\$ 37,688</u>	<u>\$ 108,525</u>	<u>\$ 70,837</u>

City of Ukiah
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - State STP Reimbursement Special Revenue Fund
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Interest, Rents and Concessions	\$ -	\$ -	\$ -	\$ -
Intergovernmental	350,500	350,500	-	(350,500)
Total Revenues	350,500	350,500	-	(350,500)
EXPENDITURES				
Current:				
Public Works	-	-	-	-
Capital Outlay	387,000	387,000	-	387,000
Total Expenditures	387,000	387,000	-	387,000
Excess (Deficiency) of Revenues over Expenditures	(36,500)	(36,500)	-	36,500
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	(36,500)	(36,500)	-	36,500
Fund Balance, Beginning of Year	108,327	108,327	108,327	-
Fund Balance, End of Year	\$ 71,827	\$ 71,827	\$ 108,327	\$ 36,500

City of Ukiah
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Congestion Relief Special Revenue Fund
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Interest, Rents and Concessions	\$ 5,717	\$ 5,717	\$ 10,429	\$ 4,712
Intergovernmental	73,311	73,311	82,577	9,266
Charges for Services	-	-	3,534	3,534
Total Revenues	79,028	79,028	96,540	17,512
EXPENDITURES				
Current:				
Public Works	400,000	400,000	137,564	262,436
Capital Outlay	-	141,858	66,267	75,591
Total Expenditures	400,000	541,858	203,831	338,027
Excess (Deficiency) of Revenues over Expenditures	(320,972)	(462,830)	(107,291)	355,539
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	(320,972)	(462,830)	(107,291)	355,539
Fund Balance, Beginning of Year	757,830	757,830	757,830	-
Fund Balance, End of Year	\$ 436,858	\$ 295,000	\$ 650,539	\$ 355,539

City of Ukiah
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Museum Special Revenue Fund
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Interest, Rents and Concessions	\$ -	\$ -	\$ (713)	\$ (713)
Charges for Services	29,000	29,000	26,189	(2,811)
Miscellaneous	50,000	50,000	50,000	-
Total Revenues	79,000	79,000	75,476	(3,524)
EXPENDITURES				
Current:				
General Government	113,241	113,567	96,889	16,678
Housing and Community Development	370,293	372,808	425,072	(52,264)
Capital Outlay	-	-	-	-
Total Expenditures	483,534	486,375	521,961	(35,586)
Excess (Deficiency) of Revenues over Expenditures	(404,534)	(407,375)	(446,485)	(39,110)
OTHER FINANCING SOURCES (USES)				
Transfers In	410,856	410,856	465,524	54,668
Transfers Out	-	(16,000)	-	16,000
Total Other Financing Sources (Uses)	410,856	394,856	465,524	70,668
Net Change in Fund Balance	6,322	(12,519)	19,039	31,558
Fund Balance, Beginning of Year	(23,442)	(23,442)	(23,442)	-
Fund Balance, End of Year	<u>\$ (17,120)</u>	<u>\$ (35,961)</u>	<u>\$ (4,403)</u>	<u>\$ 31,558</u>

City of Ukiah
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - LMIHF Housing Asset Special Revenue Fund
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Interest, Rents and Concessions	\$ 12,239	\$ 12,239	\$ 12,728	\$ 489
Charges for Services	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	12,239	12,239	12,728	489
EXPENDITURES				
Current:				
Housing and Community Development	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	12,239	12,239	12,728	489
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	12,239	12,239	12,728	489
Fund Balance, Beginning of Year	4,210,702	4,210,702	4,210,702	-
Fund Balance, End of Year	<u>\$ 4,222,941</u>	<u>\$ 4,222,941</u>	<u>\$ 4,223,430</u>	<u>\$ 489</u>

City of Ukiah
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Equipment Reserve Capital Projects Fund
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Interest, Rents and Concessions	\$ 21,403	\$ 21,403	\$ 28,424	\$ 7,021
Charges for Services	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	21,403	21,403	28,424	7,021
EXPENDITURES				
Current:				
General Government	-	-	53,686	(53,686)
Public Works	-	-	122,977	(122,977)
Capital Outlay	930,546	1,513,476	128,858	1,384,618
Total Expenditures	930,546	1,513,476	305,521	1,207,955
Excess (Deficiency) of Revenues over Expenditures	(909,143)	(1,492,073)	(277,097)	1,214,976
OTHER FINANCING SOURCES (USES)				
Transfers In	583,684	599,684	-	(599,684)
Transfers Out	-	-	(473,540)	(473,540)
Total Other Financing Sources (Uses)	583,684	599,684	(473,540)	(1,073,224)
Net Change in Fund Balance	(325,459)	(892,389)	(750,637)	141,752
Fund Balance, Beginning of Year	2,214,070	2,214,070	2,214,070	-
Fund Balance, End of Year	\$ 1,888,611	\$ 1,321,681	\$ 1,463,433	\$ 141,752

City of Ukiah
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Special Project Reserve Capital Projects Fund
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Interest, Rents and Concessions	\$ 18,835	\$ 18,835	\$ 32,761	\$ 13,926
Charges for Services	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	18,835	18,835	32,761	13,926
EXPENDITURES				
Current:				
Public Works	-	-	65,436	(65,436)
Capital Outlay	1,053,948	1,042,991	199,201	843,790
Total Expenditures	1,053,948	1,042,991	264,637	778,354
Excess (Deficiency) of Revenues over Expenditures	(1,035,113)	(1,024,156)	(231,876)	792,280
OTHER FINANCING SOURCES (USES)				
Transfers In	863,000	863,000	-	(863,000)
Transfers Out	(250,000)	(250,000)	(54,424)	195,576
Total Other Financing Sources (Uses)	613,000	613,000	(54,424)	(667,424)
Net Change in Fund Balance	(422,113)	(411,156)	(286,300)	124,856
Fund Balance, Beginning of Year	2,181,551	2,181,551	2,181,551	-
Fund Balance, End of Year	\$ 1,759,438	\$ 1,770,395	\$ 1,895,251	\$ 124,856

City of Ukiah
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Capital Improvement Capital Projects Fund
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Interest, Rents and Concessions	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	-	-	-	-
EXPENDITURES				
Current:				
Public Works	-	-	-	-
Capital Outlay	-	3,901	-	3,901
Total Expenditures	-	3,901	-	3,901
Excess (Deficiency) of Revenues over Expenditures	-	(3,901)	-	3,901
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	(3,901)	-	3,901
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	\$ -	\$ (3,901)	\$ -	\$ 3,901

City of Ukiah
Combining Statement of Net Position
Non-major Enterprise Funds
June 30, 2016

	Parking District	Street Lighting	Airport	Conference Center
ASSETS				
Current Assets:				
Cash and Investments	\$ 28,065	\$ 183,619	\$ 109,285	\$ 11,979
Receivables:				
Accounts (Net)	6,213	19,103	38,931	12,584
Interest	82	422	501	48
Notes - current portion	-	-	-	-
Total Current Assets	34,360	203,144	148,717	24,611
Noncurrent Assets:				
Capital Assets:				
Land	183,871	-	271,957	372,750
Land Improvements	-	-	1,290,900	-
Infrastructure Systems	77,682	-	1,055,148	-
Buildings and Improvements	-	-	542,677	2,294,473
Rolling Equipment	33,043	-	262,330	-
Machinery and Equipment	-	-	101,214	53,094
Construction in Progress	-	109,247	899,731	-
Less: Accumulated Depreciation	(47,384)	-	(2,350,131)	(1,084,770)
Total Noncurrent Assets	247,212	109,247	2,073,826	1,635,547
Total Assets	281,572	312,391	2,222,543	1,660,158
LIABILITIES				
Current Liabilities:				
Accounts Payable	2,579	17,498	23,697	6,711
Accrued Salaries and Benefits	-	4,020	11,930	6,024
Due to Other Funds	-	-	-	-
Customer Deposits	-	-	4,313	2,162
Interest Payable	-	-	-	-
Total Current Liabilities	2,579	21,518	39,940	14,897
Noncurrent Liabilities:				
Compensated Absences	-	7,668	15,643	7,010
Advances from Other Funds	-	-	-	-
Total Current Liabilities	-	7,668	15,643	7,010
Total Liabilities	2,579	29,186	55,583	21,907
NET POSITION				
Net Investment in Capital Assets	247,212	109,247	2,073,826	1,635,547
Unrestricted	31,781	173,958	93,134	2,704
Total Net Position	\$ 278,993	\$ 283,205	\$ 2,166,960	\$ 1,638,251

Golf Course	Totals
\$ -	\$ 332,948
6,673	83,504
-	1,053
36,500	36,500
43,173	454,005
1,001,350	1,829,928
308,753	1,599,653
178,259	1,311,089
105,992	2,943,142
28,006	323,379
30,390	184,698
-	1,008,978
(627,061)	(4,109,346)
1,025,689	5,091,521
1,068,862	5,545,526
173	50,658
851	22,825
-	-
-	6,475
2,390	2,390
3,414	82,348
2,166	32,487
936,449	936,449
938,615	968,936
942,029	1,051,284
1,025,689	5,091,521
(898,856)	(597,279)
\$ 126,833	\$ 4,494,242

City of Ukiah
Combining Statement of Revenues, Expenses, and Changes in Net Position
Non-major Enterprise Funds
Year Ended June 30, 2016

	Parking District	Street Lighting	Airport	Conference Center
OPERATING REVENUES				
Charges for Services	\$ 63,790	\$ 187,414	\$ 18,626	\$ -
Sales of Fuel	-	-	832,486	-
Facility Rents	-	-	258,594	335,099
Miscellaneous	22,830	-	3,245	16,153
Total Operating Revenues	86,620	187,414	1,112,951	351,252
OPERATING EXPENSES				
Maintenance and Operations	-	175,530	224,948	156,705
General and Administration	158,200	139,059	343,982	189,748
Fuel	-	-	468,925	-
Depreciation	5,325	-	71,381	46,308
Total Operating Expenses	163,525	314,589	1,109,236	392,761
Operating Income (Loss)	(76,905)	(127,175)	3,715	(41,509)
NONOPERATING REVENUES (EXPENSES)				
Property Taxes	11,893	-	-	-
Loss on Disposal of Property	-	-	-	-
Interest and Investment Revenue	108	3,927	5,118	82
Total Nonoperating Revenues (Expenses)	12,001	3,927	5,118	82
Income (Loss) Before Capital Contributions and Operating Transfers	(64,904)	(123,248)	8,833	(41,427)
Capital Contributions	-	-	10,384	-
Change in Net Position	(64,904)	(123,248)	19,217	(41,427)
Net Position - Beginning of Year	343,897	406,453	2,147,743	1,679,678
Net Position - End of Year	\$ 278,993	\$ 283,205	\$ 2,166,960	\$ 1,638,251

Golf Course	Totals
\$ -	\$ 269,830
-	832,486
66,437	660,130
1,436	43,664
<u>67,873</u>	<u>1,806,110</u>
12,126	569,309
35,161	866,150
-	468,925
2,236	125,250
<u>49,523</u>	<u>2,029,634</u>
<u>18,350</u>	<u>(223,524)</u>
-	11,893
-	-
-	9,235
<u>-</u>	<u>21,128</u>
18,350	(202,396)
<u>-</u>	<u>10,384</u>
18,350	(192,012)
108,483	4,686,254
<u>\$ 126,833</u>	<u>\$ 4,494,242</u>

City of Ukiah
Combining Statement of Cash Flows
Non-major Enterprise Funds
Year Ended June 30, 2016

	Parking District	Street Lighting	Airport
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 86,427	\$ 187,043	\$ 1,131,066
Payments to Employees for Services	-	(22,555)	(328,124)
Payments to Suppliers for Goods and Services	(157,444)	(291,937)	(804,772)
Net Cash Provided (Used) by Operating Activities	(71,017)	(127,449)	(1,830)
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES			
Cash Paid to Other Funds	-	-	-
Property Taxes Received	11,893	-	-
Payments Received on Long-term Note	-	-	-
Net Cash Provided (Used) by Noncapital and Related Financing Activities	11,893	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital Grants	-	-	10,384
Acquisition and Construction of Capital Assets	-	(109,247)	(72,197)
Net Cash Provided (Used) by Capital and Related Financing Activities	-	(109,247)	(61,813)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	27	3,505	4,617
Net Cash Provided (Used) by Investing Activities	27	3,505	4,617
Net Increase (Decrease) in Cash and Cash Equivalents	(59,097)	(233,191)	(59,026)
Cash and Cash Equivalents, Beginning of the Year	87,162	416,810	168,311
Cash and Cash Equivalents, End of the Year	<u>\$ 28,065</u>	<u>\$ 183,619</u>	<u>\$ 109,285</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (76,905)	\$ (127,175)	\$ 3,715
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	5,325	-	71,381
Changes in Operating Assets and Liabilities:			
Decrease (Increase) in Accounts Receivable	(193)	(371)	18,815
Decrease (Increase) in Prepaids	-	-	800
Increase (Decrease) in Accounts Payable	756	(6,983)	(98,502)
Increase (Decrease) in Accrued Salaries and Benefits	-	2,735	1,501
Increase (Decrease) in Compensated Absences	-	4,345	1,160
Increase (Decrease) in Deposits Payable	-	-	(700)
TOTAL CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (71,017)</u>	<u>\$ (127,449)</u>	<u>\$ (1,830)</u>

Conference Center	Golf Course	Totals
\$ 348,459	\$ 68,038	\$ 1,821,033
(178,502)	(37,763)	(566,944)
(168,959)	(14,437)	(1,437,549)
998	15,838	(183,460)
-	(21,838)	(21,838)
-	-	11,893
-	6,000	6,000
-	(15,838)	(3,945)
-	-	10,384
-	-	(181,444)
-	-	(171,060)
33	-	8,182
33	-	8,182
1,031	-	(350,283)
10,948	-	683,231
\$ 11,979	\$ -	\$ 332,948
\$ (41,509)	\$ 18,350	\$ (223,524)
46,308	2,236	125,250
(2,793)	165	15,623
-	-	800
(3,109)	(157)	(107,995)
1,452	(42)	5,646
649	(4,714)	1,440
-	-	(700)
\$ 998	\$ 15,838	\$ (183,460)

City of Ukiah
Combining Statement of Net Position
Internal Service Funds
June 30, 2016

	Garage	Public Safety Dispatch	Purchasing	Billing and Collection
ASSETS				
Current Assets:				
Cash and Investments	\$ 75,839	\$ 76,455	\$ 56,470	\$ 670,427
Receivables:				
Accounts (net)	9,190	-	-	-
Interest	306	116	101	1,465
Refundable Deposits	760	-	-	-
Total Current Assets	<u>86,095</u>	<u>76,571</u>	<u>56,571</u>	<u>671,892</u>
Noncurrent Assets:				
Advances to Other Funds	-	-	-	-
Capital Assets:				
Buildings and Improvements	327,113	-	-	-
Rolling Equipment	43,649	-	4,769	-
Machinery and Equipment	33,869	367,702	-	45,525
Less: Accumulated Depreciation	<u>(196,583)</u>	<u>(298,631)</u>	<u>(4,769)</u>	<u>(38,482)</u>
Total Noncurrent Assets	<u>208,048</u>	<u>69,071</u>	<u>-</u>	<u>7,043</u>
Total Assets	<u>294,143</u>	<u>145,642</u>	<u>56,571</u>	<u>678,935</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	6,497	51,805	3,674	3,701
Accrued Salaries and Benefits	10,536	34,215	5,712	23,706
Total Current Liabilities	<u>17,033</u>	<u>86,020</u>	<u>9,386</u>	<u>27,407</u>
Noncurrent Liabilities:				
Compensated Absences	26,006	49,465	16,079	22,163
Total Noncurrent Liabilities	<u>26,006</u>	<u>49,465</u>	<u>16,079</u>	<u>22,163</u>
Total Liabilities	<u>43,039</u>	<u>135,485</u>	<u>25,465</u>	<u>49,570</u>
NET POSITION				
Net Investment in Capital Assets	208,048	69,071	-	7,043
Unrestricted	43,056	(58,914)	31,106	622,322
Total Net Position	<u>\$ 251,104</u>	<u>\$ 10,157</u>	<u>\$ 31,106</u>	<u>\$ 629,365</u>

<u>Workers' Compensation Insurance</u>	<u>Liability Insurance</u>	<u>Building Maintenance</u>	<u>IT</u>	<u>Totals</u>
\$ 899,804	\$ 417,161	\$ 89,622	\$ 36,228	\$ 2,322,006
21,228	-	-	-	30,418
-	-	77	-	2,065
-	-	-	-	760
<u>921,032</u>	<u>417,161</u>	<u>89,699</u>	<u>36,228</u>	<u>2,355,249</u>
-	930,203	-	-	930,203
-	-	-	-	327,113
-	-	-	-	48,418
-	-	-	-	447,096
-	-	-	-	(538,465)
<u>-</u>	<u>930,203</u>	<u>-</u>	<u>-</u>	<u>1,214,365</u>
<u>921,032</u>	<u>1,347,364</u>	<u>89,699</u>	<u>36,228</u>	<u>3,569,614</u>
-	-	16,582	19,811	102,070
-	-	12,312	10,778	97,259
-	-	28,894	30,589	199,329
-	-	19,622	2,913	136,248
-	-	19,622	2,913	136,248
-	-	48,516	33,502	335,577
921,032	1,347,364	41,183	2,726	284,162
<u>921,032</u>	<u>1,347,364</u>	<u>41,183</u>	<u>2,726</u>	<u>2,949,875</u>
<u>\$ 921,032</u>	<u>\$ 1,347,364</u>	<u>\$ 41,183</u>	<u>\$ 2,726</u>	<u>\$ 3,234,037</u>

City of Ukiah
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
Year Ended June 30, 2016

	Garage	Public Safety Dispatch	Purchasing	Billing and Collection
OPERATING REVENUES				
Charges for Services	\$ 394,434	\$ 1,269,024	\$ 254,297	\$ 1,183,196
Miscellaneous	-	-	2,080	-
	<u>394,434</u>	<u>1,269,024</u>	<u>256,377</u>	<u>1,183,196</u>
Total Operating Revenues	<u>394,434</u>	<u>1,269,024</u>	<u>256,377</u>	<u>1,183,196</u>
OPERATING EXPENSES				
Maintenance and Operations	65,695	252,001	23,761	363,249
General and Administration	332,047	1,311,473	233,498	633,531
Insurance Premiums	-	-	-	-
Depreciation	11,531	22,871	-	3,922
	<u>409,273</u>	<u>1,586,345</u>	<u>257,259</u>	<u>1,000,702</u>
Total Operating Expenses	<u>409,273</u>	<u>1,586,345</u>	<u>257,259</u>	<u>1,000,702</u>
Operating Income (Loss)	<u>(14,839)</u>	<u>(317,321)</u>	<u>(882)</u>	<u>182,494</u>
NONOPERATING REVENUES (EXPENSES)				
Interest and Investment Income	3,490	5,022	1,612	13,721
	<u>3,490</u>	<u>5,022</u>	<u>1,612</u>	<u>13,721</u>
Total Nonoperating Revenues (Expenses)	<u>3,490</u>	<u>5,022</u>	<u>1,612</u>	<u>13,721</u>
Income (Loss) Before Capital Contributions and Operating Transfers	(11,349)	(312,299)	730	196,215
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
	<u>(11,349)</u>	<u>(312,299)</u>	<u>730</u>	<u>196,215</u>
Change in Net Position	<u>(11,349)</u>	<u>(312,299)</u>	<u>730</u>	<u>196,215</u>
Net Position - Beginning of Year	262,453	322,456	30,376	433,150
Net Position - End of Year	<u>\$ 251,104</u>	<u>\$ 10,157</u>	<u>\$ 31,106</u>	<u>\$ 629,365</u>

Workers' Compensation Insurance	Liability Insurance	Building Maintenance	IT	Totals
\$ 776,002	\$ 590,598	\$ 656,121	\$ 908,940	\$ 6,032,612
-	-	-	-	2,080
776,002	590,598	656,121	908,940	6,034,692
-	-	613,121	-	1,317,827
-	-	4,381	908,940	3,423,870
684,097	590,598	-	-	1,274,695
-	-	-	-	38,324
684,097	590,598	617,502	908,940	6,054,716
91,905	-	38,619	-	(20,024)
-	-	2,564	2,726	29,135
-	-	2,564	2,726	29,135
91,905	-	41,183	2,726	9,111
-	-	-	-	-
-	-	-	-	-
91,905	-	41,183	2,726	9,111
829,127	1,347,364	-	-	3,224,926
\$ 921,032	\$ 1,347,364	\$ 41,183	\$ 2,726	\$ 3,234,037

City of Ukiah
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2016

	Garage	Public Safety Dispatch	Purchasing
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Interfund Charges	\$ 385,244	\$ 1,269,024	\$ 256,377
Payments to Employees for Services	(319,858)	(1,035,059)	(208,159)
Payments to Suppliers for Goods and Services	(99,715)	(502,902)	(45,024)
Net Cash Provided (Used) by Operating Activities	<u>(34,329)</u>	<u>(268,937)</u>	<u>3,194</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES			
Cash Received from Other Funds	-	-	-
Cash Paid to Other Funds	-	-	-
Net Cash Provided (Used) by Noncapital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and Construction of Capital Assets	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	3,184	4,906	1,511
Net Cash Provided (Used) by Investing Activities	<u>3,184</u>	<u>4,906</u>	<u>1,511</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(31,145)	(264,031)	4,705
Cash and Cash Equivalents, Beginning of the Year	106,984	340,486	51,765
Cash and Cash Equivalents, End of the Year	<u>\$ 75,839</u>	<u>\$ 76,455</u>	<u>\$ 56,470</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (14,839)	\$ (317,321)	\$ (882)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	11,531	22,871	-
Changes in Operating Assets and Liabilities:			
Decrease (Increase) in Accounts Receivable	(9,190)	-	-
Increase (Decrease) in Accounts Payable	(22,036)	20,667	3,042
Increase (Decrease) in Accrued Salaries and Benefits	1,785	8,558	481
Increase (Decrease) in Compensated Absences Payable	(1,580)	(3,712)	553
TOTAL CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (34,329)</u>	<u>\$ (268,937)</u>	<u>\$ 3,194</u>

Billing and Collection	Workers' Compensation Insurance	Liability Insurance	Building Maintenance	IT	Totals
\$ 1,183,217	\$ 771,070	\$ 590,598	\$ 656,121	\$ 908,940	\$ 6,020,591
(756,200)	-	-	(339,847)	(369,403)	(3,028,526)
(238,917)	(684,097)	(590,598)	(229,139)	(506,035)	(2,896,427)
188,100	86,973	-	87,135	33,502	95,638
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
12,257	-	-	2,487	2,726	27,071
12,257	-	-	2,487	2,726	27,071
200,357	86,973	-	89,622	36,228	122,709
470,070	812,831	417,161	-	-	2,199,297
\$ 670,427	\$ 899,804	\$ 417,161	\$ 89,622	\$ 36,228	\$ 2,322,006
\$ 182,494	\$ 91,905	\$ -	\$ 38,619	\$ -	\$ (20,024)
3,922	-	-	-	-	38,324
21	(4,932)	-	-	-	(14,101)
(7,446)	-	-	16,582	19,811	30,620
14,976	-	-	12,312	10,778	48,890
(5,867)	-	-	19,622	2,913	11,929
\$ 188,100	\$ 86,973	\$ -	\$ 87,135	\$ 33,502	\$ 95,638

City of Ukiah
Combining Balance Sheet
All Agency Funds
June 30, 2016

	Ukiah Valley Sanitation District	Downtown Business Improvement	Payroll Revolving
ASSETS			
Cash and Investments	\$ 4,544,482	\$ 6,841	\$ 117,137
Receivables:			
Accounts	664,006	-	96
Interest Receivable	15,217	14	-
	<u>5,223,705</u>	<u>6,855</u>	<u>117,233</u>
Total Assets	<u>\$ 5,223,705</u>	<u>\$ 6,855</u>	<u>\$ 117,233</u>
LIABILITIES			
Accounts Payable	\$ 941	\$ 3,596	\$ -
Accrued Salaries and Benefits	-	-	117,233
Customer Deposits	-	-	-
Due to Other Agencies	5,222,764	3,259	-
	<u>5,223,705</u>	<u>6,855</u>	<u>117,233</u>
Total Liabilities	<u>\$ 5,223,705</u>	<u>\$ 6,855</u>	<u>\$ 117,233</u>

Special Deposit	Garbage Billing	Russian River Watershed	Total Agency
\$ 504,137	\$ 610,560	\$ 173,927	\$ 5,957,084
18,900	20,411	-	703,413
-	1,305	419	16,955
<u>\$ 523,037</u>	<u>\$ 632,276</u>	<u>\$ 174,346</u>	<u>\$ 6,677,452</u>
\$ 25,856	\$ 52,496	\$ 108,481	\$ 191,370
-	-	-	117,233
484,300	-	-	484,300
12,881	579,780	65,865	5,884,549
<u>\$ 523,037</u>	<u>\$ 632,276</u>	<u>\$ 174,346</u>	<u>\$ 6,677,452</u>

City of Ukiah
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended June 30, 2016

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016
<u>Ukiah Valley Sanitation District</u>				
Assets:				
Cash and Investments	\$ 5,240,533	\$ 7,197,732	\$ 7,893,783	\$ 4,544,482
Receivables:				
Accounts	775,385	2,933,285	3,044,664	664,006
Interest Receivable	11,446	15,217	11,446	15,217
Total Assets	<u>\$ 6,027,364</u>	<u>\$ 10,146,234</u>	<u>\$ 10,949,893</u>	<u>\$ 5,223,705</u>
Liabilities:				
Accounts Payable	\$ -	\$ 1,501,200	\$ 1,500,259	\$ 941
Due to Other Agencies	6,027,364	11,649,969	12,454,569	5,222,764
Total Liabilities	<u>\$ 6,027,364</u>	<u>\$ 13,151,169</u>	<u>\$ 13,954,828</u>	<u>\$ 5,223,705</u>
<u>Downtown Business Improvement</u>				
Assets:				
Cash and Investments	\$ 5,545	\$ 19,063	\$ 17,767	\$ 6,841
Receivables:				
Interest	-	14	-	14
Total Assets	<u>\$ 5,545</u>	<u>\$ 19,077</u>	<u>\$ 17,767</u>	<u>\$ 6,855</u>
Liabilities:				
Accounts Payable	\$ 5,545	\$ 13,259	\$ 15,208	\$ 3,596
Due to Other Agencies	-	5,818	2,559	3,259
Total Liabilities	<u>\$ 5,545</u>	<u>\$ 19,077</u>	<u>\$ 17,767</u>	<u>\$ 6,855</u>
<u>Payroll Revolving</u>				
Assets:				
Cash and Investments	\$ 186,031	\$ 10,656,969	\$ 10,725,863	\$ 117,137
Receivables:				
Accounts	-	203,736	203,640	96
Total Assets	<u>\$ 186,031</u>	<u>\$ 10,860,705</u>	<u>\$ 10,929,503</u>	<u>\$ 117,233</u>
Liabilities:				
Accrued Salaries and Benefits	\$ 186,031	\$ 13,990,426	\$ 14,059,224	\$ 117,233
Total Liabilities	<u>\$ 186,031</u>	<u>\$ 13,990,426</u>	<u>\$ 14,059,224</u>	<u>\$ 117,233</u>

Continued

City of Ukiah
Combining Statement of Changes in Assets and Liabilities
All Agency Funds - Continued
For the Year Ended June 30, 2016

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016
<u>Special Deposit</u>				
Assets:				
Cash and Investments	\$ 494,971	\$ 30,205,570	\$ 30,196,404	\$ 504,137
Receivables:				
Accounts	6,761	29,949,865	29,937,726	18,900
Total Assets	<u>\$ 501,732</u>	<u>\$ 60,155,435</u>	<u>\$ 60,134,130</u>	<u>\$ 523,037</u>
Liabilities:				
Accounts Payable	\$ 3,652	\$ 259,291	\$ 237,087	\$ 25,856
Customer Deposits	498,080	461,074	474,854	484,300
Due to Other Agencies	-	12,881	-	12,881
Total Liabilities	<u>\$ 501,732</u>	<u>\$ 733,246</u>	<u>\$ 711,941</u>	<u>\$ 523,037</u>
<u>Garbage Billing</u>				
Assets:				
Cash and Investments	\$ 636,164	\$ 926,778	\$ 952,382	\$ 610,560
Receivables:				
Accounts	31,982	40,232	51,803	20,411
Interest	-	1,305	-	1,305
Total Assets	<u>\$ 668,146</u>	<u>\$ 968,315</u>	<u>\$ 1,004,185</u>	<u>\$ 632,276</u>
Liabilities:				
Accounts Payable	\$ 23,062	\$ 337,854	\$ 308,420	\$ 52,496
Due to Other Agencies	645,084	630,461	695,765	579,780
Total Liabilities	<u>\$ 668,146</u>	<u>\$ 968,315</u>	<u>\$ 1,004,185</u>	<u>\$ 632,276</u>
<u>Russian River Watershed</u>				
Assets:				
Cash and Investments	\$ 194,540	\$ 389,049	\$ 409,662	\$ 173,927
Receivables:				
Interest	-	419	-	419
Total Assets	<u>\$ 194,540</u>	<u>\$ 389,468</u>	<u>\$ 409,662</u>	<u>\$ 174,346</u>
Liabilities:				
Accounts Payable	\$ 81,432	\$ 829,284	\$ 802,235	\$ 108,481
Due to Other Agencies	113,108	-	47,243	65,865
Total Liabilities	<u>\$ 194,540</u>	<u>\$ 829,284</u>	<u>\$ 849,478</u>	<u>\$ 174,346</u>

Continued

City of Ukiah
Combining Statement of Changes in Assets and Liabilities
All Agency Funds - Continued
For the Year Ended June 30, 2016

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016
<u>Totals - All Agency Funds</u>				
Assets:				
Cash and Investments	\$ 6,757,784	\$ 49,395,161	\$ 50,195,861	\$ 5,957,084
Receivables:				
Accounts	814,128	33,127,118	33,237,833	703,413
Interest Receivable	11,446	16,955	11,446	16,955
	<u>11,446</u>	<u>16,955</u>	<u>11,446</u>	<u>16,955</u>
Total Assets	<u>\$ 7,583,358</u>	<u>\$ 82,539,234</u>	<u>\$ 83,433,694</u>	<u>\$ 6,677,452</u>
Liabilities:				
Accounts Payable	\$ 113,691	\$ 2,940,888	\$ 2,863,209	\$ 191,370
Accrued Salaries and Benefits	186,031	13,990,426	14,059,224	117,233
Customer Deposits	498,080	461,074	474,854	484,300
Due to Other Agencies	6,785,556	12,299,129	13,200,136	5,884,549
	<u>6,785,556</u>	<u>12,299,129</u>	<u>13,200,136</u>	<u>5,884,549</u>
Total Liabilities	<u>\$ 7,583,358</u>	<u>\$ 29,691,517</u>	<u>\$ 30,597,423</u>	<u>\$ 6,677,452</u>

Statistical Section

This part of the City of Ukiah's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Table 1
City of Ukiah
Net Position by Component (Accrual Basis of Accounting)
Last 10 Fiscal Years

As of June 30	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities										
Net investment in capital assets	\$ 21,865,791	\$ 21,427,557	\$ 22,328,676	\$ 31,547,564	\$ 17,407,569	\$ 26,649,167	\$ 27,304,019	\$ 27,139,213	\$ 27,624,813	\$ 29,088,528
Restricted	7,605,826	7,078,491	7,107,257	7,574,594	17,276,255	3,086,157	3,025,432	6,021,075	12,931,066	12,263,161
Unrestricted	13,735,320	19,470,248	22,069,011	7,547,784	14,030,594	17,420,652	15,461,713	12,110,479	(20,291,488)	(20,646,894)
Total governmental activities net position	\$ 43,206,937	\$ 47,976,296	\$ 51,504,944	\$ 46,669,942	\$ 48,714,418	\$ 47,155,976	\$ 45,791,164	\$ 45,270,767	\$ 20,264,391	\$ 20,704,795
Business-type Activities										
Net investment in capital assets	\$ 24,173,407	\$ 28,606,388	\$ 22,508,736	\$ 33,203,171	\$ 40,266,700	\$ 48,101,086	\$ 44,514,348	\$ 46,693,900	\$ 50,088,246	\$ 54,756,782
Restricted	2,015,181	2,003,618	1,999,495	2,006,773	2,172,384	4,128,472	2,027,529	2,072,014	2,072,225	2,427,020
Unrestricted	38,754,350	40,386,700	46,697,741	40,762,605	33,817,844	28,366,417	32,460,639	31,604,793	26,648,008	24,215,129
Total business-type activities net position	\$ 64,942,938	\$ 70,996,706	\$ 71,205,972	\$ 75,972,549	\$ 76,256,928	\$ 80,595,975	\$ 79,002,516	\$ 80,370,707	\$ 78,808,479	\$ 81,398,931
Primary government										
Net investment in capital assets	\$ 46,039,198	\$ 50,033,945	\$ 44,837,412	\$ 64,750,735	\$ 57,674,269	\$ 74,750,253	\$ 71,818,367	\$ 73,833,113	\$ 77,713,059	\$ 83,845,310
Restricted	9,621,007	9,082,109	9,106,752	9,581,367	19,448,639	7,214,629	5,052,961	8,093,089	15,003,291	14,690,181
Unrestricted	52,489,670	59,856,948	68,766,752	48,310,389	47,848,438	45,787,069	47,922,352	43,715,272	6,356,520	3,568,235
Total primary government	\$ 108,149,875	\$ 118,973,002	\$ 122,710,916	\$ 122,642,491	\$ 124,971,346	\$ 127,751,951	\$ 124,793,680	\$ 125,641,474	\$ 99,072,870	\$ 102,103,726

Source: Audited Financial Statements - Statement of Net Position

Table 2
City of Ukiah
Changes in Net Position
Last 10 Fiscal Years
 (accrual basis of accounting)

For Fiscal Year Ended June 30	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental Activities:										
General government	\$ 2,905,386	\$ 3,411,371	\$ 2,908,643	\$ 2,837,619	\$ 2,479,770	\$ 2,570,568	\$ 2,956,583	\$ 3,715,968	\$ 772,771	\$ 142,792
Public safety	8,090,623	8,640,259	9,233,988	9,181,714	9,595,075	9,827,504	10,514,943	9,867,900	10,563,479	11,081,325
Public works	3,004,298	3,273,011	2,002,957	1,577,833	3,097,652	2,206,556	2,109,273	2,290,261	2,847,800	2,555,524
Housing and community development	1,823,274	2,037,947	2,525,679	10,308,280	3,598,630	1,223,579	1,254,265	832,020	348,477	891,644
Parks and recreation	2,044,667	2,066,409	2,392,889	1,985,137	2,466,386	2,262,816	2,481,572	2,540,689	2,829,367	2,757,551
Interest on long-term debt	438,919	365,021	333,081	317,152	451,141	420,132	-	-	-	-
Total governmental activities expenses	18,307,167	19,794,018	19,397,237	26,207,735	21,688,654	18,511,155	19,316,636	19,246,838	17,361,894	17,428,836
Business-Type Activities:										
Electric	18,638,548	14,065,295	16,739,318	14,900,706	12,859,394	13,980,276	14,483,083	14,554,884	16,140,229	15,779,225
Water	3,093,685	3,549,376	3,850,248	3,629,692	3,289,935	3,414,760	3,651,349	3,717,064	3,783,257	3,930,252
Wastewater	2,956,066	3,579,514	3,755,359	3,301,200	8,329,472	8,243,340	8,637,591	8,118,315	8,229,553	8,620,824
Disposal site	597,001	428,253	430,643	381,384	196,168	340,324	413,657	573,478	5,950,554	388,553
Nonmajor activities	2,822,013	3,052,273	2,920,083	2,636,680	2,756,727	2,980,963	2,648,970	2,196,295	2,287,340	2,029,634
Total business-type expenses	28,107,313	24,674,711	27,695,651	24,849,662	27,431,696	28,959,663	29,834,650	29,160,036	36,390,933	30,748,488
Total Expenses	\$ 46,414,480	\$ 44,468,729	\$ 47,092,888	\$ 51,057,397	\$ 49,120,350	\$ 47,470,818	\$ 49,151,286	\$ 48,406,874	\$ 53,752,827	\$ 48,177,324
Program Revenues										
Governmental Activities:										
Charges for services:										
General government	\$ 1,646,230	\$ 1,690,431	\$ 1,410,045	\$ 1,642,298	\$ 1,843,825	\$ 1,630,601	\$ 1,005,296	\$ 1,255,815	\$ 288,049	\$ 258,262
Public safety	880,847	953,588	1,099,193	1,111,741	1,092,577	1,080,981	1,224,421	851,328	221,156	284,562
Public works	612,019	1,300,523	1,000,841	584,329	587,676	554,639	368,895	682,559	215,615	339,403
Housing and community development	568,782	967,723	990,501	326,202	210,910	211,904	456,294	197,003	-	-
Parks and recreation	430,863	588,767	588,419	632,037	751,854	716,363	1,072,615	749,548	756,906	716,575
Operating grants and contributions	1,498,513	326,298	447,551	1,011,588	1,320,581	1,062,183	1,237,955	1,097,599	1,471,799	2,283,777
Capital grants and contributions	1,964,588	1,910,704	657,583	2,720,942	2,430,383	3,098,450	250,992	483,992	889,024	859,772
Total governmental activities	7,601,842	7,738,034	6,194,133	8,029,137	8,237,806	8,355,121	5,616,468	5,317,844	3,842,549	4,742,351
Business-Type Activities:										
Charges for services:										
Electric	15,437,412	15,988,323	15,259,236	15,148,212	15,314,426	16,157,282	15,140,175	14,993,910	15,243,471	15,076,565
Water	2,645,216	2,919,950	2,866,811	2,698,212	4,039,757	4,935,691	5,813,699	6,006,675	5,579,127	5,446,778
Wastewater	5,320,114	6,243,311	7,008,738	7,419,735	6,423,276	9,786,375	6,213,481	8,832,757	9,264,399	9,667,659
Disposal site	93,636	66,597	67,297	66,947	108,401	127,228	129,321	132,287	217,999	132,106
Nonmajor activities	2,681,329	2,857,667	2,866,554	2,446,397	2,508,685	2,905,410	2,467,226	1,965,547	2,053,819	1,806,110
Operating grants and contributions	20,451	19,905	19,920	20,155	10,359	10,660	40,717	57,271	-	-
Capital grants and contributions	746,011	822,113	684,170	1,737,550	-	-	-	-	25,175	10,384
Total business-type activities	26,944,169	28,917,866	28,772,726	29,537,208	28,404,904	33,922,646	29,804,619	31,988,447	32,383,990	32,139,602
Total Program Revenues	\$ 34,546,011	\$ 36,655,900	\$ 34,966,859	\$ 37,566,345	\$ 36,642,710	\$ 42,277,767	\$ 35,421,087	\$ 37,306,291	\$ 36,226,539	\$ 36,881,953
Net (Expense)/Revenue:										
Governmental activities	\$ (10,705,325)	\$ (12,055,984)	\$ (13,203,104)	\$ (18,178,598)	\$ (13,450,848)	\$ (10,156,034)	\$ (13,700,168)	\$ (13,928,994)	\$ (13,519,345)	\$ (12,686,485)
Business-type activities	(1,163,144)	4,243,155	1,077,075	4,687,546	973,208	4,962,983	(30,031)	2,828,411	(4,006,943)	1,391,114
Total Net Expense	\$ (11,868,469)	\$ (7,812,829)	\$ (12,126,029)	\$ (13,491,052)	\$ (12,477,640)	\$ (5,193,051)	\$ (13,730,199)	\$ (11,100,583)	\$ (17,526,288)	\$ (11,295,371)

Table 2
City of Ukiah
Changes in Net Position (continued)
Last 10 Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
For Fiscal Year Ended June 30	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Revenues										
Governmental Activities:										
Property taxes	\$ 5,105,884	\$ 5,365,559	\$ 5,741,393	\$ 5,106,817	\$ 4,426,250	\$ 3,182,981	\$ 1,484,934	\$ 1,251,189	\$ 3,729,370	\$ 3,531,272
Sales taxes	6,894,257	7,154,547	6,439,622	5,776,015	6,951,957	6,518,506	6,901,284	7,134,537	5,976,938	6,740,622
Transient occupancy taxes	604,080	753,715	710,053	661,149	691,627	775,547	828,000	959,570	1,061,823	1,229,814
Vehicle in-lieu taxes	1,187,612	1,228,550	1,266,285	1,295,970	1,311,862	1,238,660	1,229,156	1,237,181	-	-
Other taxes	928,336	927,083	910,424	936,854	891,717	917,930	929,173	916,007	2,281,810	1,939,984
Interest and investment earnings	495,784	450,344	398,868	300,784	173,255	175,318	91,117	93,521	501,217	323,373
Transfers	737,079	945,545	1,265,107	1,012,185	1,408,163	1,065,910	871,692	1,816,592	-	(473,539)
Total general revenues, transfers and special items	15,953,032	16,825,343	16,731,752	15,089,774	15,854,831	13,874,852	12,335,356	13,408,597	13,551,158	13,291,526
Business-Type Activities:										
Interest and investment earnings	2,447,206	2,756,158	2,297,298	1,091,216	719,334	441,974	200,899	356,372	321,824	672,730
Special item: Transfer to other agency	-	-	(1,900,000)	-	-	-	-	-	-	-
Transfers In/(Out)	(737,079)	(945,545)	(1,265,107)	(1,012,185)	(1,408,163)	(1,065,910)	(584,482)	(1,816,592)	-	473,539
Total business-type activities	1,710,127	1,810,613	(867,809)	79,031	(688,829)	(623,936)	(383,583)	(1,460,220)	321,824	1,146,269
Total Primary Government	\$ 17,663,159	\$ 18,635,956	\$ 15,863,943	\$ 15,168,805	\$ 15,166,002	\$ 13,250,916	\$ 11,951,773	\$ 11,948,377	\$ 13,872,982	\$ 14,437,795
Extraordinary Items										
Governmental activities	\$ -	\$ -	\$ -	\$ (1,746,178) ^b	\$ (359,507) ^b	\$ (5,277,260) ^d	\$ -	\$ -	\$ -	\$ -
Business-type activities	-	-	-	-	-	-	-	-	-	-
Total Extraordinary Items	\$ -	\$ -	\$ -	\$ (1,746,178)	\$ (359,507)	\$ (5,277,260)	\$ -	\$ -	\$ -	\$ -
Accounting Change - Accumulative Effect										
Governmental activities	\$ 12,165,225	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Business-type activities	12,763,389	-	-	-	-	-	(1,179,845) ^e	-	-	-
Total Extraordinary Items	\$ 24,928,614 ^a	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,179,845)	\$ -	\$ -	\$ -
Change in Net Position										
Governmental activities	\$ 17,412,932	\$ 4,769,359	\$ 3,528,648	\$ (4,835,002)	\$ 2,044,476	\$ (1,558,442)	\$ (1,364,812)	\$ (520,397)	\$ 31,813	\$ 605,041
Business-type activities	13,310,372	6,053,768	209,266	4,766,577	284,379	4,339,047	(1,593,459)	1,368,191	(3,685,119)	2,537,383
Total Net Position	\$ 30,723,304	\$ 10,823,127	\$ 3,737,914	\$ (68,425)	\$ 2,328,855	\$ 2,780,605	\$ (2,958,271)	\$ 847,794	\$ (3,653,306)	\$ 3,142,424

Source - Audited Financial Statements - Statement of Activities

Table 3
City of Ukiah
Fund Balance of Governmental Funds
Last 10 Fiscal Years
(modified accrual basis of accounting)

Table 3											
As of June 30	2007	2008	2009	2010	2011 ^a	2012	2013	2014	2015	2016	
General Fund:											
Nondisposable	\$ -	\$ -	\$ -	\$ -	\$ 877,506	\$ 559,134	\$ 619,044	\$ 619,044	\$ 645,728	\$ 911,343	
Committed	-	-	-	-	146,147	-	183,956	203,105	-	-	
Assigned	-	-	-	-	4,686,766	4,851,110	89,859	-	-	185,443	
Unassigned	-	-	-	-	527,381	1,454,665	4,381,047	4,233,953	4,878,803	4,116,215	
Reserved	2,388,819	1,121,539	1,184,675	1,365,187	-	-	-	-	-	-	
Unreserved	1,790,710	3,849,361	3,723,221	4,325,375	-	-	-	-	-	-	
Total general fund	<u>\$ 4,179,529</u>	<u>\$ 4,970,900</u>	<u>\$ 4,907,896</u>	<u>\$ 5,690,562</u>	<u>\$ 6,237,800</u>	<u>\$ 6,864,909</u>	<u>\$ 5,273,906</u>	<u>\$ 5,056,102</u>	<u>\$ 5,524,531</u>	<u>\$ 5,213,001</u>	
All Other Governmental Funds:											
Nondisposable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Restricted	-	-	-	-	13,404,870	5,867,124	4,486,098	4,805,526	12,931,066	12,276,877	
Committed	-	-	-	-	756,047	1,235,785	713,402	3,569,505	-	-	
Assigned	-	-	-	-	7,759,509	3,460,240	5,832,173	2,514,649	4,395,621	3,358,684	
Unassigned	-	-	-	-	-	-	(894,993)	(736,226)	(232,412)	(442,572)	
Reserved	8,750,121	10,437,242	11,738,706	6,402,686	-	-	-	-	-	-	
Unreserved	11,967,164	14,335,315	15,634,574	10,027,963	-	-	-	-	-	-	
Total all other governmental funds	<u>\$ 20,717,285</u>	<u>\$ 24,772,557</u>	<u>\$ 27,373,280</u>	<u>\$ 16,430,649</u>	<u>\$ 21,920,426</u>	<u>\$ 10,563,149</u>	<u>\$ 10,136,680</u>	<u>\$ 10,153,454</u>	<u>\$ 17,094,275</u>	<u>\$ 15,192,989</u>	

Source: Audited Financial Statements - Balance Sheet-Governmental funds

Note: The City of Ukiah adopted the provisions of GASB Statement No. 54 in FY2011. Prior year amounts were not restated.

Table 4
City of Ukiah
Changes in Fund Balances of Governmental Funds
Last 10 Fiscal Years
(modified accrual basis of accounting)

Function	Fiscal year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Property taxes	\$ 5,105,884	\$ 5,365,559	\$ 5,741,393	\$ 5,106,817	\$ 4,426,250	\$ 3,182,981	\$ 1,484,934	\$ 1,251,189	\$ 3,729,370	\$ 3,531,272
Sales taxes	6,894,257	7,154,547	6,439,622	5,776,015	6,807,971	6,465,410	6,977,233	7,104,666	5,976,938	6,824,737
Transient occupancy taxes	604,080	753,715	710,053	661,149	691,627	775,547	828,000	925,191	1,061,823	1,229,814
Other taxes	928,336	927,083	910,424	936,854	891,717	917,930	929,173	950,386	2,047,734	1,917,323
Licenses & permits	208,573	142,036	155,807	337,508	344,593	434,492	272,070	292,688	186,012	341,642
Fines & forfeitures	96,112	128,797	145,971	195,817	295,613	270,468	319,189	256,776	58,692	78,589
Intergovernmental	3,813,212	3,615,552	2,424,259	4,419,645	4,626,790	4,756,038	2,964,207	3,270,042	3,048,401	2,911,624
Interest and rents	1,873,653	2,476,051	2,563,121	1,565,187	1,264,421	1,083,685	224,129	340,887	497,681	336,173
Charges for services	989,142	924,657	922,787	1,024,323	1,309,827	1,146,590	1,580,632	1,013,534	1,032,957	755,074
Miscellaneous	1,018,824	735,691	479,909	301,866	497,661	375,103	243,654	493,158	232,651	411,052
Total revenues	21,532,073	22,223,688	20,493,346	20,325,181	21,156,470	19,408,244	15,823,221	15,898,517	17,872,259	18,337,300
Expenditures										
Current:										
General government	2,106,228	2,055,096	1,787,942	1,712,083	1,701,144	1,861,192	2,117,303	2,773,585	852,079	542,434
Public safety	7,666,646	8,086,283	8,656,150	8,794,788	8,712,155	8,996,781	9,831,860	9,297,118	10,229,049	11,096,768
Public works	2,827,485	3,075,056	1,798,507	1,398,207	2,255,054	1,508,698	1,411,445	1,612,266	2,337,389	2,173,214
Housing and community development	1,764,237	1,911,046	2,494,429	10,255,824	3,530,698	1,151,384	1,205,464	785,349	327,921	870,450
Parks and recreation	1,900,284	1,980,129	2,236,986	1,859,248	2,312,834	2,048,294	2,327,464	2,304,893	2,692,906	2,616,856
Debt Service:										
Principal	5,632,452	345,000	230,000	235,000	250,000	265,000	-	-	-	-
Interest and fiscal charges	442,322	359,249	323,541	307,978	289,515	559,797	-	-	-	-
Issue costs	122,485	-	-	-	192,808	-	-	-	-	-
Capital outlay	804,623	510,731	1,693,179	5,188,025	5,354,765	2,481,671	1,545,538	1,159,928	1,739,147	2,612,218
Total expenditures	23,266,762	18,322,590	19,220,734	29,751,153	24,598,973	18,872,817	18,439,074	17,933,139	18,178,491	19,911,940
Excess (deficiency) of revenues over expenditures	(1,734,689)	3,901,098	1,272,612	(9,425,972)	(3,442,503)	535,427	(2,615,853)	(2,034,622)	(306,232)	(1,574,640)
Other financing sources (uses)										
Bond issue proceeds	5,595,000	-	-	-	8,430,000	-	-	-	-	-
Discount on bonds issued	(69,704)	-	-	-	(249,138)	-	-	-	-	-
Transfers-in	1,657,093	1,257,262	1,303,267	2,114,256	4,047,961	1,072,410	2,680,654	2,076,641	1,349,208	940,063
Transfers-out	(1,002,033)	(311,717)	(38,160)	(1,102,071)	(2,389,798)	(6,500)	(2,082,273)	(243,049)	(1,378,578)	(1,413,602)
Proceeds from borrowing	-	-	-	-	-	-	-	-	-	-
Total financing sources (uses)	6,180,356	945,545	1,265,107	1,012,185	9,839,025	1,065,910	598,381	1,833,592	(29,370)	(473,539)
Extraordinary items & Prior Period Adjs.	-	-	-	(1,746,178)	(359,507)	(12,331,505)	-	-	7,744,852	-
Net Change in Fund Balance	\$ 4,445,667	\$ 4,846,643	\$ 2,537,719	\$ (10,159,965)	\$ 6,037,015	\$ (10,730,168)	\$ (2,017,472)	\$ (201,030)	\$ 7,409,250	\$ (2,048,179)
Debt service as percentage of non-capital expenses	37.35%	4.12%	3.26%	2.26%	2.91%	5.30%	0.00%	0.00%	0.00%	0.00%

Source: Audited Financial Statements - Statement of Revenues, Expenditures and Changes in Fund Balances

Prior Period adjustment of is the result of moving long-term receivables and Land Held for Resale from deferred inflows-unavailable revenues to restricted fund balance. See Note 14.

Table 5
City of Ukiah
Tax Revenues by Source, Governmental Funds,
Last Ten Fiscal Years

Fiscal Year	Type of Tax					Total
	Property	Sales & Use	Occupancy	Franchise	Other	
2007	5,105,884	6,894,257	604,080	530,373	397,963	13,532,557
2008	5,365,559	7,154,547	753,715	555,281	371,802	14,200,904
2009	5,741,393	6,439,622	710,053	582,764	327,660	13,801,492
2010	5,106,817	5,776,015	661,149	545,503	391,351	12,480,835
2011	4,426,250	6,260,583	691,627	548,783	342,934	12,270,177
2012	3,182,981	6,465,410	775,547	567,486	350,444	11,341,868
2013	1,484,934	6,977,233	828,000	569,892	359,281	10,219,340
2014	1,251,189	7,104,666	925,191	591,767	358,618	10,231,431
2015	3,729,370 ¹	5,976,938 ²	1,061,823	1,643,559 ³	404,175	12,815,865
2016	3,531,272	6,824,737	1,229,814	1,514,798	402,524	13,503,146

Change						
2014-2015	198.1%	-15.9%	14.8%	177.7%	12.7%	25.3%

Source: Audited Financial Statements - Statement of Revenues, Expenditures and Changes in Fund Balances

1. The change in FY2015 included moving the Motor Vehicle License fee from Sales & Use to Property.
2. The change in FY2015 included moving the Motor Vehicle License fee from Sales & Use to Property.
3. Includes the Electric Utility Franchise Fee which was previously included as a Transfer to General Fund.

Table 6
City of Ukiah
Electric Utility Rates
Last 10 Fiscal Years

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Residential, single phase										
Per meter per month, per KWH	\$ 0.12040	\$ 0.12040	\$ 0.12040	\$ 0.12040	\$ 0.12040	\$ 0.12040	\$ 0.12040	\$ 0.12040	\$ 0.12040	\$ 0.12040
Minimum monthly billing	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00
General service:										
Base charge:										
Single phase	\$ 8.40	\$ 8.40	\$ 8.40	\$ 8.40	\$ 8.40	\$ 8.40	\$ 8.40	\$ 8.40	\$ 8.40	\$ 8.40
Polyphase	\$ 9.80	\$ 9.80	\$ 9.80	\$ 9.80	\$ 9.80	\$ 9.80	\$ 9.80	\$ 9.80	\$ 9.80	\$ 9.80
X-ray machine	\$ 21.00	\$ 21.00	\$ 21.00	\$ 21.00	\$ 21.00	\$ 21.00	\$ 21.00	\$ 21.00	\$ 21.00	\$ 21.00
Minimum charge: second meter	\$ 8.40	\$ 8.40	\$ 8.40	\$ 8.40	\$ 8.40	\$ 8.40	\$ 8.40	\$ 8.40	\$ 8.40	\$ 8.40
Energy use charge, per meter, per month, per KWH										
Summer	\$ 0.16568	\$ 0.16568	\$ 0.16568	\$ 0.16568	\$ 0.16568	\$ 0.16568	\$ 0.16568	\$ 0.16568	\$ 0.16568	\$ 0.16568
Winter	\$ 0.12294	\$ 0.12294	\$ 0.12294	\$ 0.12294	\$ 0.12294	\$ 0.12294	\$ 0.12294	\$ 0.12294	\$ 0.12294	\$ 0.12294
General Service with Demand:										
Base rate, per meter, per month	\$ 70.60	\$ 70.60	\$ 70.60	\$ 70.60	\$ 70.60	\$ 70.60	\$ 70.60	\$ 70.60	\$ 70.60	\$ 70.60
Demand charge per KWH										
Summer	\$ 0.10966	\$ 0.10966	\$ 0.10966	\$ 0.10966	\$ 0.10966	\$ 0.10966	\$ 0.10966	\$ 0.10966	\$ 0.10966	\$ 0.10966
Winter	\$ 0.08829	\$ 0.08829	\$ 0.08829	\$ 0.08829	\$ 0.08829	\$ 0.08829	\$ 0.08829	\$ 0.08829	\$ 0.08829	\$ 0.08829
General large Industrial Service:										
Base charge, per meter, per month	\$ 70.60	\$ 70.60	\$ 70.60	\$ 70.60	\$ 70.60	\$ 70.60	\$ 70.60	\$ 70.60	\$ 70.60	\$ 70.60
Demand charge per kwh of maximum demand:										
Winter	\$ 4.05	\$ 4.05	\$ 4.05	\$ 4.05	\$ 4.05	\$ 4.05	\$ 4.05	\$ 4.05	\$ 4.05	\$ 4.05
Summer	\$ 6.45	\$ 6.45	\$ 6.45	\$ 6.45	\$ 6.45	\$ 6.45	\$ 6.45	\$ 6.45	\$ 6.45	\$ 6.45

Source: Utility Billing Department Rate Schedules

Table 7
City of Ukiah
Wastewater Utility Rates
Last 10 Fiscal Years

	Fiscal Year									
Wastewater System Rates- City (1)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Residential										
Fixed Minimum Charge- Per Dwelling Unit	\$ 32.26	\$ 41.31	\$ 47.18	\$ 47.18	\$ 47.18	\$ 50.44	\$ 58.40	\$ 60.39	\$ 62.44	\$ 62.44
Consumption Rate (\$/hcf (2))	\$ 1.27	\$ 1.62	\$ 1.85	\$ 1.85	\$ 1.85	\$ 1.98	\$ 2.29	\$ 2.37	\$ 2.45	\$ 2.45
Commercial										
Commercial Low Strength (\$/hcf)	\$ 5.06	\$ 6.48	\$ 7.40	\$ 7.40	\$ 7.40	\$ 7.91	\$ 9.16	\$ 9.47	\$ 9.79	\$ 9.79
Commercial Moderate Strength (\$/hcf)	\$ 5.41	\$ 6.92	\$ 7.91	\$ 7.91	\$ 7.91	\$ 8.46	\$ 9.79	\$ 10.12	\$ 10.47	\$ 10.47
Commercial Medium Strength (\$/hcf)	\$ 9.57	\$ 12.24	\$ 13.99	\$ 13.99	\$ 13.99	\$ 14.96	\$ 17.32	\$ 17.91	\$ 18.52	\$ 18.52
Commercial High Strength (\$/hcf)	\$ 12.32	\$ 15.77	\$ 18.02	\$ 18.02	\$ 18.02	\$ 19.26	\$ 22.31	\$ 23.07	\$ 23.85	\$ 23.85

(1) The rates beginning in 2009-10 were approved pursuant to Resolution No. 2010-28 by City Council on July 21, 2010.

(2) Each unit equals 748 gallons or 100 cubic feet (hcf).

Wastewater System Rates- District (1)

Residential										
Fixed Minimum Charge- Per Dwelling Unit	\$ 32.26	\$ 41.31	\$ 47.18	\$ 47.18	\$ 53.47	\$ 53.47	\$ 53.47	\$ 53.47	\$ 53.47	\$ 53.47
Consumption Rate (\$/hcf (2))	\$ 1.27	\$ 1.62	\$ 1.85	\$ 1.85	\$ 3.40	\$ 4.45	\$ 5.50	\$ 6.60	\$ 6.60	\$ 6.60
Commercial										
Commercial Low Strength (\$/hcf)	\$ 5.06	\$ 6.48	\$ 7.40	\$ 7.40	\$ 7.91	\$ 8.46	\$ 9.06	\$ 9.69	\$ 9.69	\$ 9.69
Commercial Moderate Strength (\$/hcf)	\$ 5.41	\$ 6.92	\$ 7.91	\$ 7.91	\$ 8.46	\$ 9.05	\$ 9.68	\$ 10.36	\$ 10.36	\$ 10.36
Commercial Medium Strength (\$/hcf)	\$ 9.57	\$ 12.24	\$ 13.99	\$ 13.99	\$ 14.96	\$ 16.00	\$ 17.12	\$ 18.32	\$ 18.32	\$ 18.32
Commercial High Strength (\$/hcf)	\$ 12.32	\$ 15.77	\$ 18.02	\$ 18.02	\$ 19.26	\$ 20.61	\$ 22.05	\$ 23.60	\$ 23.60	\$ 23.60
Special (3)										

(1) The rates beginning in 2010-2011 were approved pursuant to Ordinance No. 36 approved by the District on June 30, 2011.

(2) Each unit equals 748 gallons or 100 cubic feet (hcf).

(3) Determined on a case-by-case basis.

Source: Utility Billing Department Rate Schedules

Table 8
City of Ukiah
Water Utility Rates
Last 10 Fiscal Years

Water System Rates (1)	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Consumption Rate (\$/unit (2))										
Single Family Residential	\$ 0.91	\$ 1.07	\$ 1.20	\$ 1.29	\$ 1.92	\$ 2.21	\$ 2.41	\$ 2.65	\$ 2.73	\$ 2.86
All Other Customers	\$ 0.91	\$ 1.07	\$ 1.20	\$ 1.29	\$ 1.92	\$ 2.21	\$ 2.41	\$ 2.65	\$ 2.73	\$ 2.86
Minimum base charge by Meter Size/ Class:										
3/4" Meter	\$ 14.36	\$ 14.64	\$ 14.94	\$ 15.24	\$ 22.71	\$ 26.11	\$ 28.46	\$ 31.31	\$ 32.25	\$ 33.63
1" Meter	\$ 21.58	\$ 22.97	\$ 21.41	\$ 25.90	\$ 38.59	\$ 44.38	\$ 48.37	\$ 53.21	\$ 54.81	\$ 54.00
1 1/2" Meter	\$ 37.85	\$ 41.85	\$ 45.99	\$ 50.28	\$ 74.92	\$ 86.15	\$ 93.91	\$ 103.30	\$ 106.40	\$ 104.47
2" Meter	\$ 58.10	\$ 65.38	\$ 72.93	\$ 80.75	\$ 120.32	\$ 138.37	\$ 150.82	\$ 165.90	\$ 170.88	\$ 165.27
3" Meter	\$ 105.72	\$ 120.70	\$ 136.25	\$ 152.36	\$ 227.02	\$ 261.07	\$ 284.57	\$ 313.02	\$ 322.41	\$ 307.24
4" Meter	\$ 173.40	\$ 199.43	\$ 226.44	\$ 254.45	\$ 379.13	\$ 436.00	\$ 475.24	\$ 522.76	\$ 538.45	\$ 510.02
6" Meter	\$ 341.13	\$ 394.53	\$ 449.92	\$ 507.37	\$ 755.98	\$ 869.38	\$ 947.62	\$ 1,042.38	\$ 1,073.66	\$ 1,073.66
Fire Service 2" & under	\$ 11.62	\$ 13.08	\$ 14.59	\$ 16.15	\$ 24.06	\$ 27.67	\$ 30.16	\$ 33.18	\$ 34.18	\$ 36.07
Fire Service 3"	\$ 21.14	\$ 24.14	\$ 27.25	\$ 30.47	\$ 45.40	\$ 52.21	\$ 56.91	\$ 62.60	\$ 64.48	\$ 64.84
Fire Service 4"	\$ 34.68	\$ 39.89	\$ 45.29	\$ 50.89	\$ 75.83	\$ 87.20	\$ 95.05	\$ 104.55	\$ 107.69	\$ 105.93
Fire Service 6" & up	\$ 68.23	\$ 78.91	\$ 89.98	\$ 101.47	\$ 151.19	\$ 173.87	\$ 189.52	\$ 208.47	\$ 214.72	\$ 208.56

(1) The rates beginning in 2009-10 were approved pursuant to Resolution No. 2010-27 by City Council on July 21, 2010.

(2) Each unit equals 748 gallons.

Source: Utility Billing Department Rate Schedules

Table 9
City of Ukiah
Top Ten Electric Usage Customers
Current Year in alphabetical order

Rate Payers	2016	
	Electric Usage	
City of Ukiah	\$ 720,194	5.09%
County of Medocino	571,575	4.04%
Ukiah Valley Medical Center	475,558	3.36%
Ukiah Unified School District	428,519	3.03%
Save Mart Supermarkets (Lucky's)	328,879	2.33%
Safeway Stores	254,605	1.80%
Save Mart Supermarkets (Food Maxx)	230,527	1.63%
Maverick Enterprises	235,865	1.67%
Mendocino Brewing Co.	173,867	1.23%
Wal-Mart	143,381	1.01%
	<u>\$ 3,562,971</u>	<u>25%</u>

Source: Utility Billing Module

Table 10
City of Ukiah
Ratio of Outstanding Debt by Type
Per Capita & Per Capita Income Data
Last 10 Fiscal Years

Fiscal Year	Estimated Population	Countywide Per Capita Income	Estimated Ukiah Personal Income	Governmental Type Activities	Business Type Activities				Total Primary Government	Debt Per Capita	Percentage of Personal Income
				Redevelopment Bonds	Electric Revenue Bonds	Installment Agreements	State Loans	Landfill Obligations			
2006	15,955	\$ 29,508	\$ 470,800,140	\$ 5,632,452	\$ 16,830,000	\$89,415,000	\$ 5,832,793	\$ 7,831,864	\$ 13,464,316	\$ 844	2.86%
2007	15,876	\$ 31,383	\$ 498,236,508	\$ 5,595,000	\$ 15,860,000	\$89,415,000	\$ 5,412,073	\$ 8,041,167	\$ 13,636,167	\$ 859	2.74%
2008	15,758	\$ 32,589	\$ 513,537,462	\$ 5,250,000	\$ 14,830,000	\$89,135,000	\$ 4,977,952	\$ 8,167,206	\$ 13,417,206	\$ 851	2.61%
2009	15,711	\$ 33,614	\$ 528,109,554	\$ 5,020,000	\$ 13,735,000	\$88,445,000	\$ 4,530,099	\$ 8,409,211	\$ 13,429,211	\$ 855	2.54%
2010	15,682	\$ 32,388	\$ 507,908,616	\$ 4,785,000	\$ 12,570,000	\$86,945,000	\$ 4,068,249	\$ 8,594,214	\$ 13,379,214	\$ 853	2.63%
2011	16,109	\$ 33,353	\$ 537,283,477	\$ 12,965,000	\$ 11,330,000	\$85,035,000	\$ 3,591,810	\$ 8,595,222	\$ 21,560,222	\$ 1,338	4.01%
2012	15,960	\$ 35,110	\$ 560,355,600	\$ 12,700,000	\$ 10,005,000	\$83,055,000	\$ 3,100,437	\$ 8,775,386	\$ 21,475,386	\$ 1,346	3.83%
2013	16,065	\$ 36,791	\$ 591,047,415	\$ 11,845,000	\$ 8,595,000	\$81,010,000	\$ 2,593,306	\$ 8,928,942	\$ 20,773,942	\$ 1,293	3.51%
2014	16,185	\$ 38,307	\$ 619,998,795	\$ 10,935,000	\$ 7,095,000	\$78,895,000	\$ 2,070,256	\$ 9,062,877	\$ 19,997,877	\$ 1,236	3.23%
2015	16,073	\$ 39,545	\$ 635,606,785	\$ 9,970,000	\$ 5,485,000	\$76,695,000	\$ 1,530,670	\$14,700,370	\$ 24,670,370	\$ 1,535	3.88%
2015	16,186	\$ 43,845	\$ 709,675,170	\$ 8,950,000	\$ 3,775,000	\$74,075,000	\$ -	\$14,700,370	\$ 23,650,370	\$ 1,461	3.33%

Source: Estimated Population-from the State of California Department of Finance.
Countywide Per Capita Income- Bureau of Economic Analysis CA1 Personal Income Summary:Personal Income, Population,
Per Capita Personal Income
Redevelopment Bond - Audited Financial Statements-Combining Statement of Fiduciary Net Position
Installment Agreements/State Loans & Landfill Obligations-Notes to Financial Statements-Long Term Debt

Table 11
City of Ukiah
Ratio of General Bonded Outstanding Debt
Last 10 Fiscal Years

Fiscal Year	Estimated Population	Countywide Per Capita Income	Actual Taxable Value of Property	General Bonded Debt Outstanding				Percentage of Actual Taxable Value of Property
				Redevelopment Bonds	General Obligation Bonds	Total Primary Government	Debt Per Capita	
2006	15,955	\$ 29,508	\$ 953,993,844	\$ 5,632,452	\$ -	\$ 5,632,452	\$ 353	0.59%
2007	15,876	\$ 31,383	\$ 1,035,450,324	\$ 5,595,000	\$ -	\$ 5,595,000	\$ 352	0.54%
2008	15,758	\$ 32,589	\$ 1,119,849,497	\$ 5,250,000	\$ -	\$ 5,250,000	\$ 333	0.47%
2009	15,711	\$ 33,614	\$ 1,178,230,603	\$ 5,020,000	\$ -	\$ 5,020,000	\$ 320	0.43%
2010	15,682	\$ 32,388	\$ 1,205,686,442	\$ 4,785,000	\$ -	\$ 4,785,000	\$ 305	0.40%
2011	16,109	\$ 33,353	\$ 1,180,790,444	\$12,965,000	\$ -	\$ 12,965,000	\$ 805	1.10%
2012	15,960	\$ 35,110	\$ 1,169,395,369	\$12,700,000	\$ -	\$ 12,700,000	\$ 796	1.09%
2013	16,065	\$ 36,791	\$ 1,171,599,083	\$11,845,000	\$ -	\$ 11,845,000	\$ 737	1.01%
2014	16,185	\$ 38,307	\$ 1,195,466,105	\$10,935,000	\$ -	\$ 10,935,000	\$ 676	0.91%
2015	16,073	\$ 39,545	\$ 1,224,746,468	\$ 9,970,000	\$ -	\$ 9,970,000	\$ 620	0.81%
2016	16,186	\$ 43,845	\$ 1,267,903,229	\$ 8,950,000	\$ -	\$ 8,950,000	\$ 553	0.71%

Source: Estimated Population-from the State of California Department of Finance

Countywide Per Capita Income- Bureau of Economic Analysis CA1 Personal Income Summary:Personal Income, Population, Per Capita Personal Income

Redevelopment Bond - Audited Financial Statements-Combining Statement of Fiduciary Net Position

County of Mendocino Assessed Valuations by District

Table 12
City of Ukiah
Computation of Direct and Overlapping Bonded Debt
June 30, 2016

Jurisdiction	Debt Outstanding	Estimated Percentage Applicable to City (1)	Estimated Share of Direct and Overlapping Debt
Overlapping tax and assessment debt:			
City of Ukiah		100.000%	0
Ukiah Community College District	\$60,552,690	13.550%	8,204,889
Ukiah Unified School District	\$53,580,997	34.160%	18,303,269
Total overlapping tax and assessment debt			26,508,158
Overlapping General Fund Debt:			
Mendecino County General Fund Obligations	\$20,479,148	12.670%	2,594,708
Mendecino County Pension Obligation Bonds	\$64,147,348	12.670%	8,127,469
City of Ukiah	0	100.000%	0
Total overlapping general fund obligation debt			10,722,177
Overlapping Tax Increment Debt (Successor Agency):	\$8,950,000	100.000%	\$ 8,950,000
Total Direct Debt			\$ -
Total Overlapping Debt			\$ 46,180,335
Total combined debt			\$ 46,180,335 (2)
Ratio to 2014-2015 assessed valuation			
City of Ukiah total assessed valuation			\$ 1,336,239,895
Direct debt (City)		0.00%	
Direct debt (MJCCD, UVSD)		1.98%	
Overlapping debt		0.80%	
Combined total debt		3.46%	
Ratios to Redevelopment Successor Agency Incremental Assessed Valuation			
Redevelopment Successor Agency Incremental Assessed Valuation			\$ 596,112,311
Overlapping Tax Increment Debt		1.50%	

[1] The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

[2] Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

California Municipal Statistics, Inc. provided percentages applicable to City which are applied to the total outstanding debt amount as reported by the County of Mendecino. Assessed valuation total is provided by the County of Mendecino

Table 13
City of Ukiah
Legal Debt Margin Information
Last 10 Fiscal Years

<u>Fiscal Year</u>	<u>Assessed Valuation</u>	<u>Ratio Applied as % of Assessed Value</u>	<u>Legal Debt Limit Margin</u>	<u>Total Debt Subject to Limit</u>	<u>Debt Subject to Limit as % of Debt Limit</u>
2007	\$1,035,450,324	15.00%	155,317,549	-	0.00%
2008	\$1,119,849,497	15.00%	167,977,425	-	0.00%
2009	\$1,178,230,603	15.00%	176,734,590	-	0.00%
2010	\$1,205,686,442	15.00%	180,852,966	-	0.00%
2011	\$1,180,790,444	15.00%	177,118,567	-	0.00%
2012	\$1,169,395,369	15.00%	175,409,305	-	0.00%
2013	\$1,171,599,083	15.00%	175,739,862	-	0.00%
2014	\$1,195,466,105	15.00%	179,319,916	-	0.00%
2015	\$1,224,746,468	15.00%	183,711,970	-	0.00%
2016	\$1,267,903,229	15.00%	190,185,484	-	0.00%

Legal Debt Limit Margin Calculation for 2015-2016

Assessed value	<u>\$ 1,267,903,229</u>
Debt limit is 15% of assessed value	\$ 190,185,484
Less: Debt applicable to limitation	\$ -
Total bonded debt	<u>\$ -</u>
Legal debt margin	<u><u>\$ 190,185,484</u></u>

In accordance with state law the City may not incur general obligation bonded indebtedness in excess of 15% of total assessed valuation, with such debt being payable from the proceeds of taxes levied upon taxable properties
Source: County of Mendocino Assessed Valuations by District

Table 14
City of Ukiah
Pledged Net Revenue Debt Coverage
Last 10 Fiscal Years

Fiscal Year	Water System Debts (2)				1992 Electric Revenue Bonds				Wastewater System Debts (4)				2016 Water System Installment (3)			
	Pledged System Net Revenues	Debt Service		Coverage	Pledged System Net Revenues	Debt Service		Coverage	Pledged System Net Revenues (1)	Debt Service		Coverage	Pledged System Net Revenues (1)	Debt Service		Coverage
		Principal	Interest			Principal	Interest			Principal	Interest			Principal	Interest	
2007	258,359	-	-	-	3,936,655	970,000	1,017,775	1.98		-	-	-	-	-	-	-
2008	4,010,754	621,897	696,618	3.04	3,857,843	1,030,000	957,775	1.94	4,464,941	326,760	3,463,644	1.18	-	-	-	-
2009	3,196,026	637,635	679,481	2.43	401,066	1,095,000	892,656	0.20	5,023,445	736,291	3,454,113	1.20	-	-	-	-
2010	2,643,638	639,325	675,991	2.01	2,104,320	1,165,000	822,031	1.06	6,026,227	1,546,380	3,428,024	1.21	-	-	-	-
2011	2,007,243	647,515	665,601	1.53	4,234,671	1,240,000	746,875	2.13	3,577,709	1,956,772	3,369,632	0.67	-	-	-	-
2012	2,769,261	687,854	622,659	2.11	4,050,422	1,325,000	708,125	1.99	6,903,915	2,027,475	3,267,419	1.30	-	-	-	-
2013	2,662,015	453,632	622,148	2.47	463,374	1,410,000	625,312	0.23	6,685,684	2,098,499	3,189,995	1.26	-	-	-	-
2014	2,792,636	468,196	587,262	2.65	(82,183)	1,500,000	537,188	(0.04)	8,978,102	2,169,854	3,109,840	1.70	-	-	-	-
2015	3,223,234	488,037	567,331	3.05	881,810	1,610,000	443,438	0.43	7,260,306	2,263,252	3,038,640	1.37	-	-	-	-
2016	2,563,208	-	338,868	7.56	840,172	1,710,000	342,812	0.41	5,855,558	2,343,252	2,940,898	1.11	2,563,208	-	340,258	7.53

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

13 1. Includes Ukiah Valley Sanitation District payments for Waste Water services and portion of Debt Service.
2. 2005 Water System Installment Agreement
State of California Department of Water Resources-paid off in 2016 as part of the refinancing of the Water System bonds
3. 2016 Water System Installment Agreement refunding. Paid off Water System Debts.
4. 2006 Waste Water System Installment Agreement.
State of California Water Resources Control Board

Table 15
City of Ukiah
Demographic & Economic Statistics
Last 10 Fiscal Years

Fiscal Year	Estimated Population	Countywide Per Capita Income	Estimated City Ukiah Income	Assessed Valuation	Unemployment Rate
2007	15,876	\$ 31,383	\$ 498,236,508	\$ 1,035,450,324	-
2008	15,758	\$ 32,589	\$ 513,537,462	\$ 1,119,849,497	6.40%
2009	15,711	\$ 33,614	\$ 528,109,554	\$ 1,178,230,603	10.10%
2010	15,682	\$ 32,388	\$ 507,908,616	\$ 1,205,686,442	10.80%
2011	16,109	\$ 33,353	\$ 537,283,477	\$ 1,180,790,444	10.60%
2012	15,960	\$ 35,110	\$ 560,355,600	\$ 1,169,395,369	9.90%
2013	16,065	\$ 36,791	\$ 591,047,415	\$ 1,171,599,083	7.40%
2014	16,185	\$ 38,307	\$ 619,998,795	\$ 1,195,466,105	5.90%
2015	16,073	\$ 39,545	\$ 635,606,785	\$ 1,224,746,468	5.40%
2016	16,186	\$ 43,845	\$ 709,675,170	\$ 1,267,903,229	5.90%

Source: Estimated Population-State of California Department of Finance

Countywide Per Capita Income- Bureau of Economic Analysis CA1 Personal Income Summary:Personal Income, Population, Per Capita Personal Income

Assessed Valuations-County of Mendocino-Assessed Valuations by District

Unemployment Rate-State of California Employment Development Department Labor Market Division Labor Force Data for Counties

Table 16
City of Ukiah
Full-Time Equivalent City Government Employees by Function
Last 10 Years

Function	Full-Time Equivalent Personnel as of June 30									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government ⁽¹⁾	22.6	24.9	25.2	21.2	21.7	20.7	23.2	23.1	24.0	21.5
Police ⁽²⁾	42.8	43.8	43.3	42.5	39.5	39.5	38.5	43.0	48.0	49.0
Fire ⁽³⁾	21.0	22.0	21.5	20.5	18.5	18.5	15.5	11.0	11.0	11.0
Planning & Building	5.3	5.3	5.1	4.5	4.3	4.3	4.0	5.5	6.0	6.0
Public Works, Water Sewer & Wastewater Treatment	44.2	43.9	44.4	43.9	45.7	41.6	38.9	38.3	39.0	41.5
Electric	17.6	17.6	17.1	18.1	17.8	17.4	18.2	16.2	17.0	17.0
Airport	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Parks & Recreation	<u>21.0</u>	<u>22.0</u>	<u>21.0</u>	<u>19.5</u>	<u>18.9</u>	<u>17.9</u>	<u>18.7</u>	<u>17.9</u>	<u>17.0</u>	<u>20.0</u>
Totals:	<u>176.3</u>	<u>181.3</u>	<u>179.4</u>	<u>172.2</u>	<u>168.4</u>	<u>162.0</u>	<u>159.0</u>	<u>157.0</u>	<u>164.0</u>	<u>168.0</u>

(1) includes City Administration, Finance, Human Resources, Administrative Support and Information Services Functions

(2) Includes dispatch that supports both police and fire.

(3) Decrease in fire was due to discontinuing Amubulance Services

Source: City of Ukiah Budget-Authorized Full-Time Personnel (FTE) FY15/16

Table 17
City of Ukiah
Operating Indicators
Last 10 Fiscal Years

Function	Fiscal Year Ended June 30									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police										
Felony crimes (1)	1797	1522	1355	1398	1362	1192	1183	1091	508	453
Misdemeanor Arrests	658	791	624	660	621	560	557	479	1269	1200
DUI	411	271	232	165	190	141	135	59	113	117
Crime Reports	4475	4412	4190	3658	3664	3569	3579	3301	3736	3806
Water system (2)										
Annual Consumption (AF)	3,490	3,148	2,872	2,387	2,505	2,660	2,831	2,788	2,609	2,467
Daily average consumption in MGD	3.116	2.810	2.563	2.130	2.236	2.374	2.527	2.489	2.330	2.203
Wastewater system (3)										
Daily average treatment in MGD	1,064.0	1,122.2	738.8	1,297.3	1,477.8	1,153.5	1,028.8	902.5	1,098.5	1,347.6
Maximum daily capacity of treatment plant, in MGD	2.915	3.066	2.024	3.554	4.049	3.152	2.819	2.473	3.010	3.680
Airport system (2)										
Number landings	29,009	21,391	24,813	22,326	21,972	25,269	38,293	31,700	42,507	32,629
Electric System										
Kwh generated in (millions)	1	8	6	8	16	3	5	3	4	5
Streets (4)										
Expenditures for streets in thousands of dollars	\$ 776	\$ 825	\$ 798	\$ 651	\$ 923	\$ 762	\$ 833	\$ 1,087	\$ 1,119	\$ 811
Fire Supression (5)										
Number paramedical calls	1,502	1,603	1,519	1,561.00	1,521	1,421	260	-	-	-
Number fire calls	2,332	2,471	2,389	2,383	2,319	2,304	393	-	-	-

(1) Source-Ukiah Police Department Records Management System

(2) Source- State Controller's Report

(3) Source- City Wastewater Treatment Plant Operations Manager

(4) Source:General Ledger

(5) Source- Ambulance is now operated by a private company. Fire call statistics are maintained by Ukiah Valley Fire District

Table 18
City of Ukiah
Capital Asset Statistics
Last Ten Fiscal Years

Function	Fiscal Years ended June 30									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Area in Square Miles	4.70	4.70	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7
Fire protection (State/County)										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of personnel	22.0	22.0	22.0	18.5	18.5	18.5	15.5	12.0	11.0	11.0
Parks and recreation:										
Conference center	1	1	1	1	1	1	1	1	1	1
Parks & open space areas	17	17	17	17	17	17	18	18	18	18
Park acreage	261	261	261	261	261	261	298	298	298	298
Tennis courts	5	3	3	3	3	3	3	3	3	3
Police protection										
Number of substations	1	1	1	1	1	1	1	1	1	1
Public library (County)										
Number of branches	1	1	1	1	1	1	1	1	1	1
Streets										
Miles of streets	53	53	53	53	53	53	53	53	53	53
Water system										
Service connections	5,498	4,256	5,544	5,574	5,585	5,650	5,680	5,699	5,712	5,725
Miles of water mains	8.9	8.9	8.9	8.9	8.9	8.9	8.9	8.9	8.9	8.9
Wastewater system										
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Electric system										
Number street lights	2352	2352	2352	2352	2352	2352	2352	2352	2352	2352

Other Compliance Reports

**Independent Auditor's Report on Internal Control over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

City Council
City of Ukiah
Ukiah, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of Ukiah (City), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 28, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described as item 2016-1 in the accompanying schedule of findings and responses to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2016-2 to 2016-5 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Ukiah's Responses to Findings

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Van Lant & Fankhaenel, LLP

March 28, 2017

CITY OF UKIAH
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2015

2016-1 Accuracy and Timeliness of Accounting Records

Finding:

The City's management is responsible for establishing and maintaining effective internal controls over financial reporting to help ensure that appropriate goals and objectives are met. This responsibility includes the selection and application of accounting principles, ensuring that financial information is reliable and properly recorded, and evaluating and monitoring ongoing activities.

In preparation for the annual audit, the City's Finance staff performed significant analysis and reconciliations of various accounts in the City's general ledger. However, when we began our year-end audit fieldwork, it became apparent that certain accounts had not yet been thoroughly analyzed and reconciled to supporting records. This includes grant receivables, unavailable revenue accounts, pooled cash accounts, long-term debt, and capital assets. In addition, while performing audit procedures, we identified and proposed several material adjusting entries to the City's accounting records. Furthermore, *Statements on Auditing Standards No. 115, "Communicating Internal Control Related Matters Identified in an Audit"* states that "indicators of material weaknesses in internal control include: identification by the auditor of a material misstatement of the financial statements under audit in circumstances that indicate the misstatement would not have been detected by the entity's internal control."

Reconciliation and review of all balance sheet accounts and various revenue and expenditure accounts on a recurring basis, and especially at year-end, is a vital part of maintaining the integrity of the accounting and financial reporting system. Periodic reconciliations of balance sheet and other selected accounts provide accurate data from which to base decisions, prevent costly errors and provide ease in identifying potential adjustments and corrections. If this is not done in a timely manner throughout the fiscal year, the year-end closing process tends to be more difficult and time-consuming, and may contribute to delays in issuing year-end reports. It should be noted, adjusting journal entries were being made to the City's accounting records as late as March 2017, approximately 9 months after the end of the fiscal year.

Recommendation:

Therefore, in order to maintain the integrity of the accounting and financial reporting system, and to ensure timely reporting, we recommend that all balance sheet accounts and other selected accounts be analyzed on a monthly, quarterly or other periodic basis as appropriate. We suggest a schedule of accounting functions to be performed monthly, quarterly, etc., be prepared with the provision for signing off by date and initials when the procedure is complete. We understand significant turnover in the finance department were contributing factors to the finding described above.

**CITY OF UKIAH
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2015**

2016-1 Accuracy and Timeliness of Accounting Records - Continued

Management's Response:

Management agrees with the Auditor's recommendation. The City's new Finance Director intends to implement regular review of all balance sheet accounts and other selected accounts at least semi-annually, if not more frequently. Further, it is the intent of the Finance Department to issue quarterly reports reflecting this regular analysis beginning in fiscal year 2016-17.

2016-2 Fraud Prevention and Detection Program

The following is a continuation from the prior year:

Finding:

Management of the City is responsible for designing and implementing systems and procedures for the prevention and detection of fraud, and for ensuring a culture and environment that promotes honesty and ethical behavior. Fraud can range from minor employee theft and unproductive behavior to misappropriation of assets and fraudulent financial reporting.

The risk of fraud can be reduced through a combination of prevention, deterrence, and detection measures. However, fraud can be difficult to detect because it often involves concealment through falsification of documents or collusion among management, employees, or third parties. Therefore, it is important to place a strong emphasis on fraud prevention, which may reduce opportunities for fraud to take place, and fraud deterrence, which could persuade individuals that they should not commit fraud because of the likelihood of detection and punishment. Moreover, prevention and deterrence measures are much less costly than the time and expense required for fraud detection and investigation.

Recommendation:

While the City has taken steps to address the risk of fraud in certain areas, such as segregation of duties and other internal controls, we recommend the City consider taking a more formal, proactive approach to fraud prevention and deterrence. This would involve establishing an ongoing program of formally identifying and measuring fraud risks, taking steps to mitigate identified risks, and implementing and monitoring any necessary preventive and deterrent measures.

CITY OF UKIAH
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2015

2016-2 Fraud Prevention and Detection Program - Continued

For example, the City should consider establishing a more formal training program for its employees regarding fraud. New employees should be trained at the time of hiring about the entity's values and its code of conduct. This training should explicitly cover expectations of all employees regarding (1) their duty to communicate certain matters; (2) a list of the types of matters, including actual or suspected fraud, to be communicated along with specific examples; and (3) information on how to communicate those matters. In addition to the training at the time of hiring, employees should receive refresher training periodically thereafter.

As mentioned above, management needs to provide information to employees on how to communicate fraud related matters. Research has shown that the majority of fraud is detected by fellow employees, and not outside auditors or internal controls. It is important for the City to establish and communicate to employees a reporting system that is appropriate for the City. The City should consider establishing a confidential reporting mechanism, which may include a combination of internal reporting and an anonymous tip hotline, not only for employees, but also for vendors and customers of the City.

In summary, the City has established controls over fraud in many areas. However, the City should evaluate whether a more formal, proactive approach to preventing fraud would be appropriate. The above comments do not address all components of a strong antifraud program. Additional information can be provided to the City's management regarding this issue.

Management's Response:

Management agrees with the Auditor's opinion in the value of prudent and reasonable fraud detection. The City exercises significant oversight and control of spending and actively monitors financial transactions to detect potential fraud, among other purposes. The Finance Department will continue to work with the City's Human Resources/Risk Management Department in taking a proactive approach to educating Finance Department, executive management, and any other team member charged with appropriation and spending oversight in fraud detection, deterrence, and communication. The Finance Department will continue reviewing its internal processes and protocols to promote greater efficiency and effectiveness in fraud detection, deterrence, and communication.

**CITY OF UKIAH
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2015**

2016-3 Segregation of Incompatible Duties Over Cash Receipts for Community Services

The following is a continuation from the prior year:

Condition:

As part of our audit procedures we reviewed the process of collecting cash receipts at the Community Services Department in order to gain an understanding of the internal controls in this area. During our review we noted several weaknesses in the cash collection process. Below is a list of the issues identified:

- 1) No numerical reconciliation of the manual receipts issued, and through discussions with City staff, the issuance of receipts is not mandatory.
- 2) Cash payments are taken by instructors without the issuance of receipts.
- 3) Reconciliation of the number of people registered for classes to the number of people in attendance in a class is not done on a consistent basis.
- 4) Lack of segregation of duties for the receptionist/clerk who collects payments, inputs receipts, and reconciles the cash and checks collected.

Criteria:

In a strong internal control environment, receipts should be issued on all transactions, manual receipts should only be used in very limited circumstances, and if used, the numerical sequence of receipts issued should be performed, and incompatible duties should be properly segregated.

Cause of Condition:

Procedures for reviewing numerical sequence of receipts has not been established and implemented and cash receipting duties have not been sufficiently segregated.

Potential Effect of Condition:

Lack of internal controls over the collection of payments at the Community Services Department could result in payments collected that are not ultimately recorded in the City's general ledger and deposited into the City's bank accounts.

Recommendation:

We recommend the City implement procedures for reviewing the numerical sequence of cash receipts by an individual independent of the cash collection process, make sure all customers are issued receipts, and properly segregate duties for cash collection.

**CITY OF UKIAH
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2015**

2016-3 Segregation of Incompatible Duties Over Cash Receipts for Community Services - Continued

Management's Response:

Management agrees with the Auditor's recommendation and will work to implement the appropriate procedures and protocols for cash management in the Community Services Department. The Finance Department expects to begin that work in late fiscal year 2016-17.

2016-4 Cash Receipts System

Condition:

The City uses several different cash receipting systems throughout the City. There is a system for Utility Billing, QuickBooks is used at the Conference Center, manual receipts are used throughout the City, RecDesk is used at the Community Center, Tyler cashiering is used for miscellaneous receipts at City Hall. In addition, it appears that only Tyler cashiering is integrated with the City's general ledger accounting system. All other cash receipting programs used in the various locations previously described, must be entered into multiple programs to ultimately be recorded in the City's general ledger. In addition, Finance Department personnel do not obtain reports directly from the other cashiering systems for review to reconcile to the receipts collected.

Criteria:

In a strong internal control environment, a centralized cashiering program should be used throughout the agency.

Cause of Condition:

The City does not have a centralized cashiering system.

Potential Effect of Condition:

Transactions must be entered multiple times which increases the opportunity for errors to occur. This could affect the amounts that are recorded in the general ledger and ultimately deposited in the City's bank account.

Recommendation:

We recommend the City review the current cash receipting systems used throughout the City and determine what changes could be made to implement a citywide central cashiering program.

CITY OF UKIAH
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2015

2016-4 Cash Receipts System - Continued

Management's Response:

Management agrees with the Auditor's opinion in having strong internal controls for cash receipting, which a unified, comprehensive cash receipting system organization-wide can provide. But it is one among several suitable, reasonable, and appropriate alternatives. The Finance Department will continue to evaluate the current network of disparate systems to determine if more appropriate systems are reasonably feasible to implement. A centralized cashiering system, although ideal, may not be the most appropriate and/or the most efficient and effective method of administering cashiering, given the many diverse functions and activities provided by the City, including utility billing, recreation programs, airport, conference center, etc. The current disparate systems used, such as Quickbooks and RecDesk, are systems more reasonably suited to the activities for which they are employed than the general governmental functions for which the City's current main cashiering system is designed for. However, the Finance Department will continue to evaluate this condition to ensure prudent, reasonable, and appropriate procedures are in place to ensure the opportunities for error are mitigated to a nominal and reasonable level.

2016-5 Building Permits

Condition:

The City's building permit system is a module of Munis, the general ledger accounting system used. Payments for building permits are collected by the cashiers by crediting the permit application in Munis. However, the permit technicians can issue permits with a balance due and there is no reconciliation being done between the permits issued and the revenues collected and posted to the general ledger for building permits.

Criteria:

In a strong internal control environment, permits issued should be reconciled with the revenues collected and recorded in the general ledger on a periodic basis to verify all permits issued have a corresponding cash receipt.

Cause of Condition:

The City does not reconcile the building permits issued to the revenues collected and recorded in the general ledger.

Potential Effect of Condition:

Building permits could be issued without a corresponding cash receipt being recorded in the City's general ledger and deposit in the City's bank account.

**CITY OF UKIAH
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2015**

2016-5 Building Permits - Continued

Recommendation:

We recommend the City implement a procedure to generate reports from the building permit module, periodically (daily, weekly, monthly) and have someone independent of the permit issuance and collection functions review and reconcile the amounts from these reports to the revenues posted in the City's general ledger.

Management's Response:

Management agrees with the Auditor's recommendation. The City's Finance Department will continue to work with the Community Development Department to evaluate and implement reasonable and appropriate procedures to strengthen its ability to account for building permit activities.

**INDEPENDENT ACCOUNTANT'S REPORT ON AGREED-UPON PROCEDURES
APPLIED TO APPROPRIATIONS LIMIT WORKSHEETS**

City Council
City of Ukiah
Ukiah, California

We have performed procedures enumerated below to be the accompanying Appropriations Limit worksheet of the City of Ukiah, for the year ended June 30, 2016. These procedures, which were agreed to by the City of Ukiah and the League of California Cities (as presented in the publication entitled *Agreed-upon Procedures Applied to the Appropriations Limitation Prescribed by Article XIII B of the California Constitution*), were performed solely to assist the City in meeting the requirements of Section 1.5 of Article XIII B of the California Constitution. The City's management is responsible for the Appropriations Limit worksheet. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and our findings were as follows:

1. We obtained the completed worksheets and compared the limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of the City Council. We also compared the population and inflation options included in the aforementioned documents to those that were selected by a recorded vote of the City Council.

Finding: No exceptions were noted as a result of our procedures.

2. For the accompanying Appropriations Limit worksheet, we added last year's limit to total adjustments and agreed the resulting amount to this year's limit.

Finding: No exceptions were noted as a result of our procedures.

3. We agreed the current year information presented in the accompanying Appropriations Limit worksheet to the other documents referenced in #1 above.

Finding: No exceptions were noted as a result of our procedures.

4. We agreed the prior year appropriations limit presented in the accompanying Appropriations Limit worksheet to the prior year appropriations limit adopted by the City Council during the prior year.

Finding: No exceptions were noted as a result of our procedures.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on the accompanying Appropriations Limit worksheet. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. No procedures have been performed with respect to the determination of the appropriations limit for the base year, as defined by the League publication entitled *Article XIII B of the California Constitution*.

This report is intended solely for the use of the City Council and management of the City of Ukiah and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Van Lant & Fankhaed, LLP

March 28, 2017

CITY OF UKIAH
APPROPRIATIONS LIMIT COMPUTATION
 2015 – 2016

	<u>2015 - 2016</u>
Change in Per Capital Personal Income	3.82%
Population Change	
City Population Growth	0.01%
Change in Per Capita Personal Income Converted to a Ratio	1.0382
Population Change Converted to a Ratio	1.0001
Calculation of Growth Factor	1.03830382
2014 - 2015 Appropriations Limit	<u>\$ 35,302,689</u>
2015 - 2016 Appropriations Limit (\$35,302,689 X 1.03830382)	<u>\$ 36,654,917</u>

March 28, 2017

City Council
City of Ukiah
Ukiah, CA

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Ukiah for the year ended June 30, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 28, 2016. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. As disclosed in Note 3, the City adopted Statement of Governmental Accounting Standards (GASB Statement) No. 72, *Fair Value Measurement and Application*. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the fair value of investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of investments in determining that it is reasonable in relation to the financial statements as a whole.

Management's estimate of capital assets depreciation is based on historical estimates of each capitalized item's useful life. We evaluated key factors and assumptions used to develop the estimated useful lives in determining that they are reasonable in relation to the financial statements as a whole.

Management's estimate of the net pension liability is based on actuarial information provided by the California Public Employee Retirement System's (CalPERS) actuarial office. We evaluated the key factors and assumptions to develop the net pension liability in determining that it is reasonable in relation to the financial statements as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of the fair value of investments in Note 3 to the financial statements represents amounts susceptible to market fluctuation.

The disclosure of accumulated depreciation in Note 4 to the financial statements is based on estimated useful lives which could differ from actual useful lives of each capitalized item.

The disclosure of the net pension liability in Note 9 to the financial statements is based on the City's proportionate share of the total pension liability of the pool and includes assumptions for discount rates, which could differ from actual discount rates. Note 9 discloses the differences in the net pension liability assuming different discount rates.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit, other than delays in obtaining requested audit information due to the turnover in the finance department.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The following material misstatements detected as a result of audit procedures were corrected by management:

- (1) Adjustments were made to unavailable revenues at year-end.
- (2) Adjustments were made to record reserves with NCPA at year-end.
- (3) Adjustments were made to amounts recorded as principal expense.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 28, 2017.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the City’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Findings and Recommendations:

In addition to our audit opinion on the financial statements, we issued our “Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*” dated March 28, 2017, in which we identified material weaknesses and significant deficiencies in internal controls.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

New Accounting Pronouncements

As described in Note 1 to the financial statements, in June of 2016, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. GASB Statement No. 75 will be required to be implemented for the fiscal year ending June 30, 2018 and will have an impact on how the City reports the outstanding liabilities related to postemployment benefits other than pensions, if any.

Restrictions on Use

This information is intended solely for the use of the City Council and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Van Lant & Fankhaenel, LLP



ITEM NO.: 13d

MEETING DATE: April 5, 2017

AGENDA SUMMARY REPORT**SUBJECT: DISCUSSION OF INTEREST IN A RESOLUTION REGARDING POTENTIAL LOSS OF FEDERAL FUNDS FOR LOCAL PROGRAMS**

Summary: Councilmember Scalmanini is bringing forward a Resolution for Council to consider that urges Congress to keep funding for human and environmental needs, including the local Community Development Block Grant (CDBG) program.

Background and Discussion: Upon hearing the proposed federal budget, which plans to eliminate, among other things, the CDBG funds, Councilmember Scalmanini expressed that the federal budget has now become a concern of our local community and, therefore, proposes discussing a modified version of the attached resolution (Attachment #1) urging the United States Congress to move tax dollars from militarism to human and environmental needs, including the preservation of the CDBG funds.

Best practice before city staff devotes time, preparation, and research of an item, is for the Council to first consider its interest in the topic. The sole purpose of this item is to allow Councilmembers an opportunity to discuss their interest in this item as a policy matter. If there is majority interest, city staff will work to prepare a resolution and background information for Council consideration.

FISCAL IMPACT:				
Budgeted Amount in 16-17 FY	New Appropriation Source of Funds (Title & No.)	Account Number	Budget Amendment Required	Previous Contract or Purchase Order No.
N/A	N/A	N/A	Yes ☐ No ☒	N/A

RECOMMENDED ACTION(S): Hold discussion of interest in the proposed resolution, and give direction to staff.

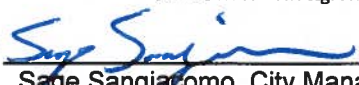
ALTERNATIVES: Give direction to staff.

Citizens advised: N/A
Requested by: Councilmember Scalmanini
Prepared by: Kristine Lawler, City Clerk
Coordinated with: Councilmember Scalmanini
Presenter: Councilmember Scalmanini
Attachment: 1. proposed resolution

COUNCIL ACTION DATE: _____: ☐ Approved ☐ Continued to _____ ☐ Other _____

RECORDS APPROVED: ☐ Agreement: _____ ☐ Resolution: _____ ☐ Ordinance: _____

Note: Please write Agreement No. in upper right corner of agreement when drafted.

Approved: 
Sage Sangiacomo, City Manager

PROPOSED RESOLUTION

Whereas President Trump's draft budget would get rid of the \$3 billion Community Development Block Grant program and also target Community Services Block Grant funding, which supports local anti-poverty programs such as [Meals on Wheels for homebound seniors](#).^[i]

Whereas President Trump has proposed to move \$54 billion from human and environmental spending at home and abroad to military spending^[ii], bringing military spending to well over 60% of federal discretionary spending^[iii],

Whereas part of helping alleviate the refugee crisis should be ending, not escalating, wars that create refugees^[iv],

Whereas President Trump himself admits that the enormous military spending of the past 16 years has been disastrous and made us less safe, not safer^[v],

Whereas fractions of the proposed military budget could provide free, top-quality education from pre-school through college^[vi], end hunger and starvation on earth^[vii], convert the U.S. to clean energy^[viii], provide clean drinking water everywhere it's needed on the planet^[ix], build fast trains between all major U.S. cities^[x], and double non-military U.S. foreign aid rather than cutting it^[xi],

Whereas even 121 retired U.S. generals have written a letter opposing cutting foreign aid^[xii],

Whereas a December 2014 Gallup poll of 65 nations found that the United States was far and away the country considered the largest threat to peace in the world^[xiii],

Whereas a United States responsible for providing clean drinking water, schools, medicine, and solar panels to others would be more secure and face far less hostility around the world,

Whereas our environmental and human needs are desperate and urgent,

Whereas the military is itself the greatest consumer of petroleum we have^[xiv],

Whereas economists at the University of Massachusetts at Amherst have documented that military spending is an economic drain rather than a jobs program^[xv],

Be it therefore resolved that the City Council urges the United States Congress to move our tax dollars in exactly the opposite direction proposed by the President, from militarism to human and environmental needs.

[i] "The budget also would get rid of the \$3 billion Community Development Block Grant program, which cities use to fix up distressed neighborhoods. The budget also targets

Community Services Block Grant funding, which supports local anti-poverty programs, such as [Meals on Wheels for homebound seniors.](#)",
NPR <http://www.npr.org/2017/03/17/520467050/advocates-say-trump-budget-cuts-will-hurt-countrys-most-vulnerable>

[ii] "Trump to Seek \$54 Billion Increase in Military Spending," *The New York Times*, February 27, 2017, https://www.nytimes.com/2017/02/27/us/politics/trump-budget-military.html?_r=0

[iii] This does not include another 6% for the discretionary portion of veterans' care. For a breakdown of discretionary spending in the 2015 budget from the National Priorities Project, see <https://www.nationalpriorities.org/campaigns/military-spending-united-states>

[iv] "43 Million People Kicked Out of Their Homes," *World Beyond War*, <http://worldbeyondwar.org/43-million-people-kicked-homes> / "Europe's Refugee Crisis Was Made in America," *The Nation*, <https://www.thenation.com/article/europes-refugee-crisis-was-made-in-america>

[v] On February 27, 2017, Trump said, "Almost 17 years of fighting in the Middle East . . . \$6 trillion we've spent in the Middle East . . . and we're nowhere, actually if you think about it we're less than nowhere, the Middle East is far worse than it was 16, 17 years ago, there's not even a contest . . . we have a hornet's nest" http://www.realclearpolitics.com/video/2017/02/27/trump_we_spent_6_trillion_in_middle_east_and_we_are_less_than_nowhere_far_worse_than_16_years_ago.htm
!

[vi] "Free College: We Can Afford It," *The Washington Post*, May 1, 2012, https://www.washingtonpost.com/opinions/free-college-we-can-afford-it/2012/05/01/gIQAeFeltT_story.html?utm_term=.9cc6fea3d693

[vii] "The World Only Needs 30 Billion Dollars a Year to Eradicate the Scourge of Hunger," Food and Agriculture Organization of the United Nations, <http://www.fao.org/newsroom/en/news/2008/1000853/index.html>

[viii] "Clean Energy Transition Is A \$25 Trillion Free Lunch," *Clean Technica*, <https://cleantechnica.com/2015/11/03/clean-energy-transition-is-a-25-trillion-free-lunch> / See also: <http://www.solutionaryrail.org>

[ix] "Clean Water for a Healthy World," UN Environment Program, http://www.unwater.org/wwd10/downloads/WWD2010_LOWRES_BROCHURE_EN.pdf

[x] "Cost of High Speed Rail in China One Third Lower than in Other Countries," *The World Bank*, <http://www.worldbank.org/en/news/press-release/2014/07/10/cost-of-high-speed-rail-in-china-one-third-lower-than-in-other-countries>

[xi] Non-military U.S. foreign aid is approximately \$25 billion, meaning that President Trump would need to cut it by over 200% to find the \$54 billion he proposes to add to military spending

[xii] Letter to Congressional leaders, February 27, 2017, http://www.usqlc.org/downloads/2017/02/FY18_International_Affairs_Budget_House_Senate.pdf

[xiii]
See [http://www.wingia.com/en/services/about the end of year survey/global results/7/33](http://www.wingia.com/en/services/about_the_end_of_year_survey/global_results/7/33)

[xiv] "Fight Climate Change, Not Wars," Naomi Klein, <http://www.naomiklein.org/articles/2009/12/fight-climate-change-not-wars>

[xv] "The U.S. Employment Effects of Military and Domestic Spending Priorities: 2011 Update," Political Economy Research Institute, <https://www.peri.umass.edu/publication/item/449-the-u-s-employment-effects-of-military-and-domestic-spending-priorities-2011-update>



ITEM NO.: 13e

MEETING DATE: April 5, 2017

AGENDA SUMMARY REPORT

SUBJECT: PRESENTATION AND DISCUSSION OF THE UKIAH FIRE DEPARTMENT AND UKIAH VALLEY FIRE DISTRICT OPERATIONS QUARTERLY REPORTS RESULTING IN A "TRUE UP" FOR PAYMENTS TO UKIAH VALLEY FIRE DISTRICT

Summary: The second amendment to the two-year agreement for Fire Protection and Emergency Medical Services between the Ukiah Valley Fire District and the City of Ukiah called for quarterly payments to be made. The contract calls for a review of each quarter's expenses and the budget, a description of significant events, vehicle mileage, and overtime analysis.

Background: Staff worked to sort out the system previously used to track expenses and was able to determine the appropriate true up payments. According to the contract each quarterly payment is equally split at \$82,308.75, and adjusted based on the previous quarters actual expenses. Due to the transition of management and administrative staff, the first and second "true up" were delayed until now.

Discussion: The second quarter payment to Ukiah Valley Fire District is \$68,865.64 and the third quarter payment is \$52,438.19. Overtime and True Up Payment Analysis (Attachment #1), Mileage (Attachment #2), and Significant Events (Attachment #3) are provided for review.

FISCAL IMPACT:				
Budgeted Amount in 16-17 FY	New Appropriation Source of Funds (Title & No.)	Account Number	Budget Amendment Required	Previous Contract or Purchase Order No.
N/A	N/A	N/A	Yes ☐ No ☒	N/A

RECOMMENDED ACTION(S): Receive report.

ALTERNATIVES: N/A

Citizens advised: None
Requested by: Sage Sangiacomo, City Manager
Contact/Prepared by: Kirk Thomsen, Interim Fire Chief
Coordinated with: Eric Singleton, Fire Engineer
Presenter: Kirk Thomsen, Interim Fire Chief
Attachments: 1. Overtime and True Up Payment Analysis
2. Mileage Report
3. Significant Events

COUNCIL ACTION DATE: _____: ☐ Approved ☐ Continued to _____ ☐ Other _____

RECORDS APPROVED: ☐ Agreement: _____ ☐ Resolution: _____ ☐ Ordinance: _____

Note: Please write Agreement No. in upper right corner of agreement when drafted.

Approved: 
Sage Sangiacomo, City Manager

True-Up

	<u>1st Quarter</u>	<u>2nd Quarter</u>
Personell Costs	\$58,078.89	\$23,620.59
Operational Costs	<u>\$10,786.75</u>	<u>\$28,817.60</u>
Total	\$68,865.64	\$52,438.19
Total Allocated Payment	\$82,308.75	\$82,308.75
Unallocated Funds	<u>\$13,443.11</u>	<u>\$29,870.56</u>
District Payment #2	<u>\$68,865.64</u>	District Payment #3
		<u>\$52,438.19</u>

Overtime Coverage

	<u>1st Quarter</u>	<u>2nd Qaurter</u>
District for City	200	98
District for District	72	48
City for District	144	72
City for City	596	438
City OT Coverage City	740	510
Coverage Percent	73%	78%
District OT Coverage	272	146
District Coverage Percent	27%	22%
City Created OT City	796	536
Created Percent	79%	82%
District Created OT	216	120
District Created Percent	21%	18%

	16-Jul Mileage	16-Oct Mileage	total from July- Oct	17-Jan Mileage	Total from Oct- Jan
6504			0		0
6505			0		0
6520	77504	77524	20	77913	389
6545	83766	84203	437	84743	540
6547			0		0
6552	31890	32254	364	34158	1904
6580	70878	71594	716	71618	24
6584	71270	71876	606	72237	361

Total city mileage	2143	3218
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	16-Jul Mileage	16-Oct Mileage	total from July- Oct	17-Jan Mileage	Total from Oct- Jan
6403			0		0
6431	28024	28040	16	28055	15
6440	44608	47335	2727	47628	293
6456	148372	148433	61	148437	4
6471	128495	128570	75	128570	0
6463	12750	16085	3335	16592	507
6465	12394	16389	3995	18532	2143
6483	95514	95621	107	95671	50
6485	89510	89803	293	89825	22
6490	20905	21107	202	21505	398

Total District mileage	10411	3360
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Total	12554	6578
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Percent City	17.07%	48.92%
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Percent District	82.93%	51.08%
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ATTACHMENT 3: Significant Events

Call Type	Date	Location	City staff	District staff	Volunteers	time	total hours
Accident	12/16/2016	Redwood Valley	2	1	0	1	3
Fire invistigation	12/13/2016	Mendocino	0	1	0	15	15
Water supply	12/3/2016	Hopland	0	0	2	5.17	10.34
Structure fire	10/26/2016	Robinson creek	3	1	4	5.45	43.6
Haz Mat	10/18/2016	Leggit	1	1	2	13.5	54
Water supply	10/11/2016	Hopland	0	0	2	1.12	2.24
Water Supply	9/28/2016	Hopland	0	0	2	4.5	9
wildland fire	9/23/2016	Running springs rd	2	1	2	2.35	11.75
Wildland fire	9/21/2016	Laws	5	3	8	2.3	36.8
Strike team	9/10/2017	Laytonville	1	1	1	7	21
Wildland fire	8/18/2016	HWY 253	3	3	5	4.37	48.07
Water supply	8/16/2016	Potter Valley	0	0	3	2.67	8.01
Accident	8/14/2016	Hopland	1	2	4	2.3	16.1
Strike team	8/14/2016	Clayton fire	1	2	1	114.75	459
Cover assingment	8/9/2016	Ukiah Cal fire	1	1	2	23	92
Strike team	8/9/2016	lake county	1	1	1	1.3	3.9
Accident	8/6/2016	HWY 253	3	1	1	3.3	16.5
Water supply	8/3/2016	Willits	0	1	1	2.08	4.16
Strike team	8/1/2016	Monteray	1	3	2	67.98	407.88
wildland fire	7/30/2016	Low Gap	4	0	5	1.25	11.25
Strike team	7/26/2016	Monteray	0	2	1	125	375
water supply	6/30/2016	Covelo	0	0	2	8	16

Total hours of call back for out of the area responses.

1664.6



ITEM NO.: 13f

MEETING DATE: April 5, 2017

AGENDA SUMMARY REPORT

SUBJECT: DISCUSS THE CONTINUED REORGANIZATION OF THE CITY MANAGER'S OFFICE INCLUDING CONSIDERATION OF THE RECLASSIFICATION OF THE SENIOR MANAGEMENT ANALYST TO DEPUTY CITY MANAGER AS INCLUDED IN THE FISCAL YEAR 16/17 BUDGET AND THE ADDITION OF A COMMUNICATION MANAGER

Summary: Staff will present Council with an item that continues a discussion related to filling service coverage gaps as a result of the transition of the Assistant City Manager to the City Manager position and evolving organization needs. Specifically, the Council will consider authorizing moving forward with the reclassification of the City Manager's Office, Senior Management Analyst to a Deputy City Manager as budgeted in the Fiscal Year 16/17 Budget and the addition of a Communication Manager position.

Background: Since advancing from the Assistant City Manager position in June of 2015, the City Manager's Office has worked with the City Council to reorganize positions throughout the agency to focus resources, adequately address workloads, and achieve a higher level of efficiency and service. At the July 1 and December 15, 2015, Council meetings, the first and second phases of a reorganization plan were discussed and approved. The following chart summarizes the changes and related costs/savings that were presented at that time. For the purpose of evaluating fiscal impacts, costs were calculated at the top step within each range and are fully loaded including wages and benefits.

Phase I & II of the City Manager Transition Plan			
Reorganized Position	Reorganization Costs	Vacated/Eliminated Position	Savings
Community Services Administrator	\$136,004	Assistant City Manager	\$202,500
FT Senior Management Analyst to the CM	\$144,321	Project Analyst (Community Services)	\$48,270
Deputy City Clerk/Administrative Assistant	\$83,804	Community Services Supervisor (part time)	\$53,642
N/A	N/A	32hr Project & Grant Administrator	\$97,665
Total Cost:	\$364,129	Total Savings:	\$402,077

Continued on Page 2

RECOMMENDED ACTION(S): 1) Authorize the reclassification of the Senior Management Analyst in the City Manager's Office to a Deputy City Manager; 2) Approve the addition of a Communication Manager Position.

ALTERNATIVES: Provide alternate direction to the City Manager regarding the requested reorganization.

Citizens advised: N/A
Requested by: Sage Sangiacomo, City Manager
Prepared by: Sage Sangiacomo, City Manager
Coordinated with: Sheri Mannion, Director of Human Resources and Risk Management
Presenters: Sage Sangiacomo, City Manager.
Attachments: 1. Draft Deputy City Manager Position
2. Draft Job Description for Communication Manager

COUNCIL ACTION DATE: _____: ☐ Approved ☐ Continued to _____ ☐ Other _____

RECORDS APPROVED: ☐ Agreement: _____ ☐ Resolution: _____ ☐ Ordinance: _____

Approved: 
Sage Sangiacomo, City Manager

Discussion:

Reclassification of the Senior Management Analyst Position

During the Fiscal Year 17/18 budget discussions, the City Manager provided a brief overview regarding emerging management and service gaps. As part of the discussion, the Council allocated funds in the current fiscal year budget for the reclassification of the Senior Management Analyst position to a director level position, but requested the item be brought back for separate consideration.

As part of the of the City Manager's ongoing evaluation of the City Manager's Office, it has become evident that the organization would significantly benefit from an executive level position like that of the Assistant City Manager that was vacated with the promotion of Mr. Sangiacomo to the City Manager position.

Executive leadership from the City Manager's Office currently lacks the operational and backup coverage necessary given the organization's size and diversity of services. Additionally, the City Manager's Office lacks the duplicity needed for signatory authority on critical and noncritical process items from banking to travel requests. In order to maintain the appropriate checks and balances and separation of authority from departmental operations, best practice calls for oversight from the City Manager's Office. Current coverage is only one person deep, whereas in the past, the City Manager served as the primary and the Assistant City Manager served in a backup role. Furthermore, operational oversight and accountability was shared among the two executive positions. Given the current pace and scope of operations, programs and projects, it is simply not possible to sustain or improve operational or policy objectives with current staffing levels.

In order to improve the coverage and efficiency of the City Manager's Office, staff is requesting authorization to move forward with the reclassification of the Senior Management Analyst position to a Deputy City Manager position. Given that the reclassification was factored into the current budget, there is no increased fiscal impact. A draft job description is attached for reference (Attachment #1).

Communication Manager

Communication and engagement is a foundational necessity of governmental and business operations. Currently, the City has a piecemeal approach to these functions with each department expending varying efforts with mixed results in quantity and quality. In addition, the City's budgeting of these functions is disjointed and not well planned from an agency-wide effort. While the City has seen marked improvements over the past two years due to some added oversight provided through the City Manager's Office, staff recommends the addition of a Communication Manager that can provide expertise and dedicated management of the City's communication and engagement efforts.

Communication methods have changed substantially and there is a need for immediacy when getting messages out to the public. The public gets information from multiple sources now, including social media and other online outlets. It is imperative for the City not just to share information on those sites but also to monitor them and be responsive to questions and concerns. It is no longer adequate to just send a press release to the newspaper and radio.

The Communications Manager is recommended at a full-time position, rather than a contracted position, because of the need for a comprehensive understanding of the many facets of the City. It's expected the position would assist nearly every department in the City. The City's current communication methods tend to be fragmented and lacking consistency, due to the number of employees handling them. Furthermore, the position would help ensure that messaging throughout the organization and to the public is clear, professional, consistent, and timely.

A draft job description is attached for review (Attachment #2). Note, the position would be responsible for a wide breadth of communication and engagement activities internal and external to the organization

including legislative activities. In addition, the position would assist with the final production of agenda summary reports, which will significantly relieve the City Manager from biweekly editing efforts.

Recommendation:

Staff recommends Council authorize moving forward with the reclassification of the Senior Management Analyst in the City Manager's office to a Deputy City Manager position and the addition of a Communication Manager position.

FISCAL IMPACT*:			
Position Cost for Communication Manager	New Appropriation Source of Funds (Title & No.)	Account Number	Budget Amendment Required
Fully Loaded Cost est. \$136,000 Salary Range: \$6,137 - \$7,459	General, Water, Sewer, Electric	Apportioned in future years per Council authorization	Yes ☐ No ☒

* For the purpose of evaluating fiscal impacts, costs are calculated at the top step within the range and are fully loaded including wages and benefits. There are no fiscal impacts associated with this current Fiscal Year due to anticipated cost savings in the City Manager's Budget from the delayed reclassification the Senior Management Analyst. There is an anticipated no net increase to the General Fund due to future budget saving from the cut of contractual expenses with the Community Development Commission and revenue from a fingerprinting program administered by the Community Services Department.

JOB DESCRIPTION

DEPUTY CITY MANAGER

DEFINITION:

Under general direction of the City Manager, to plan supervise, and initiate programs of an administrative nature; assist the City Manager on special projects and policy formulation; demonstrate a variety of professional, technical, analytical, and administrative skills in providing staff assistance to the City Manager; supervise departments as assigned by City Manager; and perform other related duties as assigned.

EXAMPLES OF DUTIES:

(These examples are intended only as illustrations of the various types of work performed. The examples of work performed are neither restricted to nor all-encompassing of the duties to be performed under this job title.) **(E=Essential Duty; M=Major Portion of Time)**

- Provides responsible and professional staff assistance to the City Manager, including participating in the development, planning, and implementation of City goals, objectives, policies, and priorities, as assigned. (E-M)
- Manages, plans, supervises, and coordinates a comprehensive program of redevelopment, housing and economic development activities, including planning, community involvement/acceptance, and implementation. (E-M)
- Acts as the City Manager's liaison with various community, business and special stakeholder groups including the Ukiah Main Street Program, Chamber of Commerce, and Visit Ukiah.
- Facilitates, leads, and/or participates in meetings and committees; represents the City Manager's office and/or the City at meetings and conferences; serves as liaison between departments, external organizations, the general public, and other agencies. (E-M)
- Identifies problems, conducts research, analyzes data, and makes recommendations on a variety of administrative, fiscal, and operational issues. (E-M)
- Assists with the negotiation and oversight of leases and land transactions (E).
- Manages the City's Visit Ukiah program and other community relation activities. (E)
- Assists with the preparation and review of the City Council agenda and staff reports. (E)
- Organizes, coordinates, and implements various assigned programs and procedures requiring intradepartmental cooperation.
- Prepares and presents staff presentations to the City Council. (E)
- Prepares/participates and administers budgets for assigned departments; monitors revenues and expenditures.
- Serves as a project manager in negotiating, implementing, and administering the City's participation in various joint operating ventures and contracts; manages contracts with external service providers.
- Responds to questions and comments from the public in a courteous and timely manner.
- Acts as the City Manager in his/her absence. (E)
- Works flexible hours. (E)
- Performs other duties as assigned.

QUALIFICATIONS

Knowledge of:

- Principles, practices, and techniques of municipal administration;
- Principles and practices of budget development and administration;
- Principles and practices of economic community development, redevelopment, and housing;
- City operations, rules, policies, and methods;
- Principles and practices of public relations and public information, program development and administrations, and public/private negotiations;
- Organization and management practices as applied to the analysis and evaluation of programs, policies, and operational needs;
- Research techniques and methods of report presentation;
- Principles of analysis concepts and computer operation;
- Principles of supervision, training, and performance evaluation;
- Applicable Federal, State, and local laws, regulations, ordinances, and policies;

Ability to:

- Communicate well with all sectors of the community and make effective public presentations;
- Effectively represent the City with individual citizens, community groups, and other governmental agencies;
- Establish and maintain effective and cooperative working relationships with those contacted in the course of work;
- Communicate and present ideas clearly and concisely, orally and in writing;
- Properly interpret and make decisions in accordance with laws, regulations, and policies;
- Evaluate extensive data effectively and objectively, and prepare oral and written reports and recommendations clearly, logically, and concisely;
- Analyze administrative issues and situations and develop effective resolutions;
- Comprehend various aspects of local governmental operations;
- Work successfully with a wide range of people, including members of the community, City staff, elected officials, and outside public agencies and private companies.
- Use and operate computer system which requires manual dexterity.

EXPERIENCE

At least five years of increasingly responsible experience in municipal administration.

EDUCATION

Education equivalent to a Bachelor's Degree in public or business administration from an accredited college, or closely related field.

SPECIAL REQUIREMENT

Possession of a valid Class C California Driver's License.

Communications Manager

The Communications Manager reports directly to the City Manager and works closely with the leadership team, City Council, community members and staff throughout the organization and plays a critical role in coordinating the pro-active development, production, and distribution of City information to the public. This position supports the communication and engagement needs of the City and overall works to keep the public, providers, media, community partners, other agencies, employees and other City stakeholders informed about valuable City information such as available resources, programs, events and projects.

Important and Essential Duties

Develop and ensure the success of a city-wide strategic communications plan that communicates to employees, residents, business and regional partners.

Advise and coordinate with staff in departments on strategic communication and engagement issues, including ways the City can be positioned in the news media, social media, the community, other government agencies and City partners.

Develop and implement marketing and branding plans for department-specific services, programs, projects, and events.

Writing: Assist in research, writing, editing, and proofing social media, website and other online and print content.

Graphic Design: Create or oversee and support development of print and online materials, which may include reports, brochures, flyers, newsletters, posters, PowerPoint presentations, training materials, signage, ads, displays, fact sheets and other promotional efforts.

Website: Oversee development and/or create, edit, publish, monitor and track content for public and Intranet websites, helping to keep the sites relevant and up to date and visitor-engaged.

Social Media: Assist with overseeing the creation, editing, publishing and monitoring of social media content for Facebook, Twitter, and You Tube and assist in recording and/or posting videos on social media platforms. Research and recommend new social media websites, as needed.

Outreach: Support and coordinate community and program outreach strategies to improve public awareness of and involvement in City services, programs, plans and projects.

Legislative Support: Assist with the cultivation and management of relationships with State legislators, research various legislative issues, and prepare correspondence for various related matters.

News Media: Support press and media relations, including drafting and editing of news releases, media advisories, talking points, maintaining a current press list and media materials, and coordinating media training.

Production: Coordinate production schedules, track timelines, oversee photo and video library and support ongoing relationship with designers, printers, photographers, and videographers.

Inter/intra-departmental Communication: Assist with approaches to ensure strong communication between departments and among team members throughout the agency with a focus on developing/maintaining open and clear channels for collaboration and information exchange.

General Communication Support: Update guide and other process and policy manuals, research, compile and organize communication materials, help maintain and track contracts, accounts, invoicing, inventory, and filing system. Review and track print and online communications to ensure proper use and compliance of branding components of City policies and protocol.

Customer Service: Evaluate and report on customer service satisfaction including the development of surveys and feedback strategies.

Review and Edit: Provide peer review support in the development of agenda summary reports, press releases, grants, and other department-specific documents.

Job-related Qualifications

Ability to:

- Work proficiently with Microsoft Office, including effective use of Excel and PowerPoint
- Write clearly and concisely for a variety of audiences
- Communicate effectively orally
- Prepare public presentations for a variety of audiences including the community, service organizations and volunteers
- Organize events, activities, and self-motivate
- Make group presentations
- Comprehend and follow oral and written instructions
- Provide leadership to appropriate staff
- Implement program plans
- Function independently with minimal supervision
- Effectively manage project assignments
- Operate within budget allocations and to meet deadlines

The ideal candidate will bring a high level of credibility based on strong leadership skills, proven performance in promotion and engagement, and a history of positive engagement with elected officials and/or boards, employees, community groups, businesses, and peers.

This position requires a candid and open communicator, who is politically astute but operates in an apolitical and objective fashion.

Other key attributes include the ability to keep abreast of current and future organizational programs and goals; create and foster strong partnerships with the media, elected officials, residents, business community members, and City employees.

The ideal candidate will have the ability to problem-solve and make sound decisions; the ability to operate quickly in a fast-paced environment; the ability to effectively resolve conflict situations; and a solid background in the strategic development and implementation of organizational marketing and/or communication programs.

The ideal candidate will also possess the highest level of ethics and integrity, be non-bureaucratic, and have a record of performance that demonstrates vision, innovation, and creativity.

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