



CITY of BRISBANE

City Council Meeting Agenda

Thursday, December 15, 2022 at 7:30 PM • Virtual Meeting

This meeting is compliant with the Ralph M. Brown act as amended by California Assembly Bill No. 361 effective September 16, 2021 providing for a public health emergency exception to the standard teleconference rules required by the Brown Act. The purpose of this is to provide a safe environment for the public, staff and Councilmembers, while allowing for public participation. The public may address the Council using exclusively remote public comment options. The Council may take action on any item listed in the agenda.

PUBLIC MEETING VIDEOS

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TO ADDRESS THE COUNCIL

The City Council Meeting will be an exclusively virtual meeting. The agenda materials may be viewed online at www.brisbaneca.org at least 24 hours prior to a Special Meeting, and at least 72 hours prior to a Regular Meeting.

Remote Public Comments:

Meeting participants are encouraged to submit public comments in writing in advance of the meeting. Aside from commenting while in the Zoom webinar the following email and text line will be also monitored during the meeting and public comments received will be noted for the record during Oral Communications 1 and 2 or during an Item.

Email: ipadilla@brisbaneca.org

Text: 628-219-2922

Join Zoom Webinar: zoom.us (please use the latest version: zoom.us/download)
brisbaneca.org/cc-zoom

Webinar ID: 991 9362 8666

Passcode: 123456

Call In Number: 1 (669) 900 9128

SPECIAL ASSISTANCE

If you need special assistance to participate in this meeting, please contact the City Clerk at (415) 508-2113. Notification in advance of the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

WRITINGS THAT ARE RECEIVED AFTER THE AGENDA HAS BEEN POSTED

Any writings that are received after the agenda has been posted but before 2 p.m. of the day of the meeting will be available for public inspection at the front lobby in City Hall and on the internet (www.brisbaneca.org/meetings). Any writings that are received after the agenda has been posted but after 2 p.m. of the day of the meeting will be available on the internet at the start of the meeting (www.brisbaneca.org/meetings), at which time the materials will be distributed to the Council.

7:30 P.M. CALL TO ORDER – PLEDGE OF ALLEGIANCE

ROLL CALL

ADOPTION OF AGENDA

ORAL COMMUNICATIONS NO. 1

CONSENT CALENDAR

- A. Approve Minutes of City Council Meeting of October 20, 2022
- B. Approve Minutes of City Council Closed Session Meeting of October 20, 2022
- C. Approve Minutes of City Council Closed Session Meeting of October 25, 2022
- D. Approve Minutes of City Council Closed Session Meeting of October 26, 2022
- E. Approve Minutes of City Council Closed Session Meeting of November 3, 2022
- F. Approve Minutes of City Council Meeting of November 3, 2022
- G. Approve Minutes of City Council Closed Session Special Meeting of November 9, 2022
- H. Approve Minutes of City Council Closed Session Meeting of November 17, 2022
- I. Approve Minutes of City Council Special Meeting of November 17, 2022
- J. Approve Minutes of City Council Meeting of November 17, 2022
- K. Approve Minutes of City Council Closed Session Meeting of December 1, 2022
- L. Approve Minutes of City Council Special Meeting of December 1, 2022
- M. Approve Minutes of City Council Closed Session Special Meeting of December 8, 2022
- N. Accept Investment Report as of October 2022
- O. Approve Co-sponsorship application for the annual Mothers of Brisbane Shop event on 2/9-2/11/22
- P. Adopt Ordinance to Administer and Implement the Business License Tax Imposed on Hotels and Other Places Designed for Occupancy by Transients, Waiving Second Reading

(Note: This Ordinance is exempt from review under the California Environmental Quality Act because it is not a “project”. Section 15378 (b)(5) of the CEQA Guidelines)

- Q. Adopt Resolutions approving the Memoranda of Understanding between the City and the following groups: Mid-management/Professional and the Brisbane Police Officers Association, each for the term of July 1, 2022 to June 30, 2026
- R. Adoption of a Resolution Declaring the Continued Need to Conduct City Council, Commission and Committee Meetings Remotely Due to Health and Safety Concerns for the Public

NEW BUSINESS

- S. Recognize Assistant City Manager Stuart Schillinger for His Over Two Decades of Service to the City of Brisbane
- T. Consider adoption of Resolution adopting the County of San Mateo's Certification of Votes and declaring results to fill 2 four-year term Council Seats at the General Municipal Election held on November 8, 2022
- U. Administration of Oath of Office of Newly Elected Councilmembers
- V. Election of New Mayor and Mayor Pro Tem
- W. Administration of Oath of Office of Newly Elected Mayor and Mayor Pro Tem
- X. Recognize Outgoing Mayor Coleen Mackin for Her Service

(A Brief Break Will Be Held After Item W)
- Y. Consider Adoption of Resolution authorizing the Mayor to sign the Fourth Amendment to the City Manager's Employment Agreement increasing the Manager's salary by 3% in January 2023 and extending the term of the Agreement to December 31, 2023

(If approved by the Council, the City Manager's salary would be \$11,371 bi-weekly)
- Z. Consider Adoption of Resolution to Amend the Master Pay Schedule
- AA. Review Projected Water and Sewer Rate Increases and Direct Staff to begin the 218 Process to increase Rates

(The following rate increases are being proposed: Fixed water charge increase from \$22.67 to \$33.52 for 5/8th inch meter and 9% increase each year until 2026/27. Water rate will increase 9% a year until 2026/27. Wastewater rate increase of approximately 25% rate increase each year until 2026/27)

STAFF REPORTS

BB. City Manager's Report on Upcoming Activities

MAYOR/COUNCIL MATTERS

CC. Countywide Assignments and Subcommittee Reports

DD. City Council Meeting Schedule

EE. Written Communications

ORAL COMMUNICATIONS NO. 2

ADJOURNMENT

A.

File Attachments for Item:

A. Approve Minutes of City Council Meeting of October 20, 2022



BRISBANE CITY COUNCIL**ACTION MINUTES**

CITY COUNCIL MEETING**THURSDAY, SEPTEMBER 1, 2022***VIRTUAL MEETING***CALL TO ORDER AND PLEDGE OF ALLEGIANCE**

Mayor Mackin called the special meeting to order at 5:03 P.M. and led the Pledge of Allegiance.

ROLL CALL

Councilmembers present: Councilmembers Cunningham, Davis, Lentz, O'Connell and Mayor Mackin

Councilmembers absent: None

Staff Present: City Manager Holstine, City Clerk Padilla, and City Attorney McMorro

ADOPTION OF AGENDA

Councilmember O'Connell made a motion, seconded by Councilmember Cunningham, to adopt the agenda as it stands. The motion was carried unanimously by all present.

Ayes: Councilmembers Cunningham, Davis, Lentz, O'Connell and Mayor Mackin

Noes: None

Abstain: None

Absent: None

ORAL COMMUNICATIONS NO. 1

No member of the public wish to make public comment.

CONSENT CALENDAR

- A. Adoption of a Resolution Declaring the Continued Need to Conduct City Council, Commission and Committee Meetings Remotely Due to Health and Safety Concerns for the Public**

Councilmember O'Connell made a motion, seconded by Councilmember Cunningham, to approve Consent Calendar Item A. The motion was carried unanimously by all present.

Ayes: Councilmembers Cunningham, Davis, Lentz, O'Connell and Mayor Mackin

Noes: None

Abstain: None

Absent: None

MAYOR/COUNCIL MATTERS

B. City Council Meeting Schedule

The last City Council Meeting of the year will be held on December 15, 2022. Councilmembers Cunningham and Lentz may have to attend meetings when they are out of the Country in the Fall.

C. Written Communications

Council received the following written communications between August 5-September 1, 2022:

- Dana Dillworth (8/25/22) 2023 Housing Element for Planning Commission
- Jane Stahl of Warm Water Wellness (8/22/22) Resolution - Mickelson Therapy Pool
- Michele Salmon (8/11/22) Update on High-Speed Rail Environmental Impact Report

ORAL COMMUNICATIONS NO. 2

There were no members of the public wishing to make public comment.

ADJOURNMENT

Mayor Mackin adjourned the meeting at 5:08 P.M.

Ingrid Padilla, City Clerk

File Attachments for Item:

B. Approve Minutes of City Council Closed Session Meeting of October 20, 2022



BRISBANE CITY COUNCIL

ACTION MINUTES

BRISBANE CITY COUNCIL CLOSED SESSION MEETING

THURSDAY, OCTOBER 20, 2022

VIRTUAL MEETING

6:00 P.M. CLOSED SESSION

A. Approval of the Closed Session Agenda

B. Public Comment. Members of the public may address the Councilmembers on any item on the closed session agenda

C. Adjournment into Closed Session

D. CONFERENCE WITH LABOR NEGOTIATOR

Government Code Section 54957.6

Designated representative: Clay Holstine, City Manager

Employee organization: All Bargaining Units

E. Employee Performance Evaluation under Government Code, Section 54957 (b)(1)

Title: City Manager

Mayor Mackin called the meeting to order at 6:02 P.M. No member of the public wished to make public comment.

Councilmember Cunningham made a motion, seconded by Councilmember Lentz to approve the agenda as it stands. The motion was carried unanimously by all present.

Ayes: Councilmembers Cunningham, Davis, Lentz, O'Connell and Mayor Mackin

Noes: None

Absent: None

Abstain: None

At 7:20 P.M. Mayor Mackin continued the Closed Session Meeting after the regular Council Meeting. The Closed Session Meeting was resumed at 8:45 P.M.

REPORT OUT CLOSED SESSION

Legal Counsel Roush reported that updates were provided to Council, direction was given to staff and no action was taken at Closed Session regarding Items D and E.

ADJOURNMENT

The meeting was adjourned a 9:05 P.M.

Ingrid Padilla, City Clerk

C.

File Attachments for Item:

C. Approve Minutes of City Council Closed Session Meeting of October 25, 2022



BRISBANE CITY COUNCIL**ACTION MINUTES**

BRISBANE CITY COUNCIL CLOSED SESSION SPECIAL MEETING**TUESDAY, OCTOBER 25, 2022***VIRTUAL MEETING***3:00 P.M. CLOSED SESSION****A. Approval of the Closed Session Agenda**

B. Public Comment. Members of the public may address the Councilmembers on any item on the closed session agenda

C. Adjournment into Closed Session**D. Employee Performance Evaluation under Government Code, Section 54957 (b)(1)****Title: City Manager**

Mayor Mackin called the meeting to order at 3:01P.M. No member of the public wished to make public comment.

Councilmember Cunningham made a motion, seconded by Councilmember O'Connell to approve the agenda as it stands. The motion was carried unanimously by all present.

Ayes: Councilmembers Cunningham, Davis, Lentz, O'Connell and Mayor Mackin

Noes: None

Absent: None

Abstain: None

Mayor Mackin adjourned the meeting into Closed Session.

REPORT OUT CLOSED SESSION

City Attorney McMorow reported that updates were provided to Council, direction was given to staff and no action was taken at Closed Session regarding Item D.

ADJOURNMENT

The meeting was adjourned at 3:31 P.M.

D.

File Attachments for Item:

D. Approve Minutes of City Council Closed Session Meeting of October 26, 2022



BRISBANE CITY COUNCIL

ACTION MINUTES

BRISBANE CITY COUNCIL CLOSED SESSION SPECIAL MEETING

WEDNESDAY, OCTOBER 26, 2022

VIRTUAL MEETING

4:30 P.M. CLOSED SESSION

A. Approval of the Closed Session Agenda

B. Public Comment. Members of the public may address the Councilmembers on any item on the closed session agenda

C. Adjournment into Closed Session

D. Employee Performance Evaluation under Government Code, Section 54957 (b)(1)

Title: City Manager

Mayor Mackin called the meeting to order at 4:30 P.M. No member of the public wished to make public comment.

Councilmember Cunningham made a motion, seconded by Councilmember O'Connell to approve the agenda as it stands. The motion was carried unanimously by all present.

Ayes: Councilmembers Cunningham, Davis, Lentz, O'Connell and Mayor Mackin

Noes: None

Absent: None

Abstain: None

Mayor Mackin adjourned the meeting into Closed Session.

REPORT OUT CLOSED SESSION

City Attorney McMorow reported that updates were provided to Council, direction was given to staff and no action was taken at Closed Session regarding Item D.

ADJOURNMENT

The meeting was adjourned at 4:52 P.M.

E.

File Attachments for Item:

E. Approve Minutes of City Council Closed Session Meeting of November 3, 2022



BRISBANE CITY COUNCIL**ACTION MINUTES**

BRISBANE CITY COUNCIL CLOSED SESSION MEETING**THURSDAY, NOVEMBER 3, 2022***VIRTUAL MEETING***7:00 P.M. CLOSED SESSION****A. Approval of the Closed Session Agenda****B. Public Comment. Members of the public may address the Councilmembers on any item on the closed session agenda****C. Adjournment into Closed Session****D. Liability Claim: Claimant Klauber, pursuant to Government Code, section 54956.95****E. Liability Claim: Claimant Xie, pursuant to Government Code, section 54956.95**

Mayor Mackin called the meeting to order at 7:02 P.M.
No member of the public wished to make public comment.

Councilmember O'Connell made a motion, seconded by Councilmember Lentz to approve the agenda as it stands.
The motion was carried unanimously by all present.

Ayes: Councilmembers Cunningham, Davis, O'Connell and Mayor Mackin
Noes: None
Absent: Councilmember Lentz
Abstain: None

Mayor Mackin adjourned the meeting into Closed Session.

REPORT OUT CLOSED SESSION

City Attorney McMorrow reported that Liability Claim Item D and E were denied by Council.

ADJOURNMENT

The meeting was adjourned at 7:18 P.M.

Ingrid Padilla, City Clerk

File Attachments for Item:

F. Approve Minutes of City Council Meeting of November 3, 2022



BRISBANE CITY COUNCIL**ACTION MINUTES**

CITY COUNCIL MEETING**THURSDAY, NOVEMBER 3, 2022***VIRTUAL MEETING***CALL TO ORDER AND PLEDGE OF ALLEGIANCE**

Mayor Mackin called the special meeting to order at 7:33 P.M. and led the Pledge of Allegiance.

ROLL CALL

Councilmembers present: Councilmembers Cunningham, Davis, Lentz, O'Connell and Mayor Mackin

Councilmembers absent: None

Staff Present: City Manager Holstine, City Clerk Padilla, City Attorney McMorro, Community Development Director Swiecki,

REPORT OUT CLOSED SESSION

City Attorney McMorro reported that Liability Claim Item D and E were denied by Council at their Closed Session Meeting on 11/3/22. He also reported that staff was also given direction, and no action was taken, at the Closed Session Meetings of October 20th, October 25th and October 26th, 2022.

ADOPTION OF AGENDA

Councilmember Davis made a motion, seconded by Councilmember Cunningham to approve the agenda as it stands. The motion was carried unanimously by all present.

Ayes: Councilmembers Cunningham, Davis, Lentz, O'Connell and Mayor Mackin

Noes: None

Absent: None

Abstain: None

AWARDS AND PRESENTATIONS

A. Native American Heritage Month Proclamation

Mayor Mackin declared November 2022 as Native American Heritage Month. And in tribute to the heritage of the Ohlone, called the greater community to learn to be wise and respectful stewards of this land.

ORAL COMMUNICATIONS NO. 1

No members of the public wished to make public comment.

CONSENT CALENDAR

B. Approve Adoption of a Resolution Declaring the Continued Need to Conduct City Council, Commission and Committee Meetings Remotely Due to Health and Safety Concerns for the Public

Councilmember O'Connell made a motion, seconded by Councilmember Lentz to approve Consent Calendar Item B. The motion was carried unanimously by all present.

Ayes: Councilmembers Cunningham, Davis, Lentz, O'Connell and Mayor Mackin

Noes: None

Absent: None

Abstain: None

NEW BUSINESS

C. Authorize the City Manager to execute a temporary lease of City-Owned Parking Spaces with Ample Battery

(The purpose of this item is to consider a proposal by Ample Battery to temporarily lease a limited number of city-owned parking spaces at Sierra Point and the former Bank of America site to install EV battery changing stations. If approved, per the lease agreement, Ample will pay the City \$800/month per station. Assuming they deploy all 5 stations that equates to \$4000/month or \$96,000 over the 2-year lease term.)

Community Development Director Swiecki reported that the purpose of this item is to consider a proposal by Ample Battery to temporarily lease a limited number of city-owned parking spaces at Sierra Point and the former Bank of America site to install EV battery changing stations.

After council questions, Eric Sorenson from Ample Battery presented on the temporary lease proposal.

City Clerk Padilla noted for the record that written correspondence was received from Dana Dillworth regarding New Business Item C.

Michele Salmon shared her concerns about waste, restrooms and hours of operation.

After council discussion, the Council directed staff and the applicant to return to Council and address their concerns on decibel levels, waste, restrooms, hours of operation, one flat fee not based on deployment of stations, and lighting.

STAFF REPORTS

D. City Manager's Report on Upcoming Activities

City Manager Holstine reported on the latest news and upcoming events in the City.

MAYOR/COUNCIL MATTERS

E. Consider Letter of Support for SamTrans Route 141 and 142

Jeffrey Tong, Candidate SB City Council District 1, wrote the Council to consider a letter of support for Sam Trans Route 141 and 142.

F. Countywide Assignments and Subcommittee Reports

Mayor and Council reported on their countywide assignments and subcommittee meetings.

G. City Council Meeting Schedule

The next City Council Meeting is a Closed Session Special Meeting on November 9, 2022.

Also, City Council Meeting, Closed Session, and Special Meetings are scheduled for November 17, 2022.

H. Written Communications

Council received the following written communication between October 21, 2022 through November 3, 2022:

- Jeffrey Tong (10/25/22) SamTrans (new) Route 141 & 142
- Rani Fischer, Santa Clara Valley Audubon Society (10/28/22) Dark Sky Symposium, Light at Night: A Glowing Hazard
- Alexis Salandanan, San Mateo County Transit District (11/2/22) SamTrans (new) Route 141 & 142
- Dana Dillworth (11/3/22) Item C Ample Battery

ORAL COMMUNICATIONS NO. 2

No members of the public wished to speak.

ADJOURNMENT

Mayor Mackin adjourned the meeting at 9:52 P.M.

Ingrid Padilla, City Clerk

G.

File Attachments for Item:

G. Approve Minutes of City Council Closed Session Special Meeting of November 9, 2022



BRISBANE CITY COUNCIL**ACTION MINUTES**

BRISBANE CITY COUNCIL CLOSED SESSION SPECIAL MEETING**THURSDAY, NOVEMBER 9, 2022***VIRTUAL MEETING***6:00 P.M. CLOSED SESSION****A. Approval of the Closed Session Agenda**

B. Public Comment. Members of the public may address the Councilmembers on any item on the closed session agenda

C. Adjournment into Closed Session**D. CONFERENCE WITH LEGAL COUNSEL—PENDING LITIGATION****Government Code, Section 54956.9 (d) (1).****Number of Cases: One**

- **City of Brisbane v. CA High-Speed Rail Authority (Superior Court of Sacramento County, Case No. 80004010)**

Mayor Mackin called the meeting to order at 6:05 P.M. No member of the public wished to make public comment.

Councilmember O'Connell made a motion, seconded by Councilmember Lentz to approve the agenda as it stands. The motion was carried unanimously by all present.

Ayes: Councilmembers Davis, Lentz, O'Connell and Mayor Mackin

Noes: None

Absent: Councilmember Cunningham

Abstain: None

Mayor Mackin adjourned the meeting into Closed Session.

REPORT OUT CLOSED SESSION

City Attorney McMorow reported that updates were provided to Council, direction was given to staff and no action was taken at Closed Session regarding Item D.

ADJOURNMENT

The meeting was adjourned at 7:17 P.M.

Ingrid Padilla, City Clerk

File Attachments for Item:

H. Approve Minutes of City Council Closed Session Meeting of November 17, 2022



BRISBANE CITY COUNCIL**ACTION MINUTES**

BRISBANE CITY COUNCIL CLOSED SESSION MEETING**THURSDAY, NOVEMBER 17, 2022***VIRTUAL MEETING***6:00 P.M. CLOSED SESSION****A. Approval of the Closed Session Agenda**

B. Public Comment. Members of the public may address the Councilmembers on any item on the closed session agenda

C. Adjournment into Closed Session**D. CONFERENCE WITH LABOR NEGOTIATOR Government Code Section 54957.6**

Designated representative: Clay Holstine, City Manager

Employee organization: Confidential, General and Mid-Management/Professional Employees

E. CONFERENCE WITH LEGAL COUNSEL—PENDING LITIGATION

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

Number of Cases: One

- **City of Brisbane v. CA High-Speed Rail Authority (Superior Court of Sacramento County, Case No. 80004010)**

Mayor Mackin called the meeting to order at 6:03 P.M.

No member of the public wished to make public comment.

Councilmember O'Connell made a motion, seconded by Councilmember Lentz to approve the agenda as it stands. The motion was carried unanimously by all present.

Ayes: Councilmembers Cunningham, Davis, Lentz, O'Connell and Mayor Mackin

Noes: None

Absent: None

Abstain: None

Mayor Mackin adjourned the meeting into Closed Session.

City Attorney McMorrow reported that updates were provided to Council, direction was given to staff and no action was taken at Closed Session regarding the Items D and E.

ADJOURNMENT

The meeting was adjourned at 6:40 P.M.

Ingrid Padilla, City Clerk

File Attachments for Item:

I. Approve Minutes of City Council Special Meeting of November 17, 2022



BRISBANE CITY COUNCIL**ACTION MINUTES**

BRISBANE CITY COUNCIL SPECIAL MEETING**THURSDAY, NOVEMBER 17, 2022***VIRTUAL MEETING***7:00 P.M. CALL TO ORDER**

Mayor Mackin called the special meeting to order at 7:01 P.M.

PUBLIC COMMENT

No member of the public wished to make public comment.

WORKSHOP

A. Council will discuss process to select Mayor and Mayor Pro Tem which will happen at their Meeting on Thursday, December 15, 2022.

Council discussed the process to select Mayor and Mayor Pro Tem. Selection of Mayor and Mayor Pro Tem will happen at the City Council Meeting of December 15, 2022.

ADJOURNMENT

The meeting was adjourned at 7:28 P.M.

Ingrid Padilla, City Clerk

File Attachments for Item:

J. Approve Minutes of City Council Meeting of November 17, 2022



BRISBANE CITY COUNCIL**ACTION MINUTES**

CITY COUNCIL MEETING**THURSDAY, NOVEMBER 17, 2022***VIRTUAL MEETING***CALL TO ORDER AND PLEDGE OF ALLEGIANCE**

Mayor Mackin called the meeting to order at 7:37 P.M. and led the Pledge of Allegiance.

ROLL CALL

Councilmembers present: Councilmembers Cunningham, Davis, Lentz, O'Connell and Mayor Mackin

Councilmembers absent: None

Staff Present: City Manager Holstine, City Clerk Padilla, City Attorney McMorrow, Assistant City Manager Schillinger, Assistant Fire Marshal Wittner, Administrative Senior Analyst Ibarra, Community Development Director Swiecki, Finance Director Yuen, Sustainability Manager Etherton, Associate Planner Robbins, Communications Manager Cheung, Legal Counsel Roush, Deputy Public Works Director Kinser, and Police Commander Garcia

ADOPTION OF AGENDA

Councilmember O'Connell made a motion, seconded by Councilmember Lentz to adopt the agenda as it stands. The motion was carried unanimously by all present.

Ayes: Councilmembers Cunningham, Davis, Lentz, O'Connell and Mayor Mackin

Noes: None

Absent: None

Abstain: None

AWARDS AND PRESENTATIONS**A. United Against Hate Week Proclamation**

Mayor Mackin proclaimed November 13-19, 2022 as “United Against Hate Week in Brisbane”, reminding our citizens that an act of hate against one of us affects all of us, and that every action to dispel hatred no matter how small, is a significant step toward building an inclusive and equitable community for all. Communications Manager Cheung thanked the Council for the Proclamation and accepted the proclamation on behalf of the Inclusion, Diversity, Equity and Accountability Committee.

B. San Mateo County Libraries Annual Report

Mohini Dela Peña, Brisbane Library Interim Branch Manager, presented the San Mateo County Libraries’ Annual Report and provided an update on the activities in the Brisbane Library.

C. California Insurance Department Update

Lisa Strange, the Northern California Outreach Manager from the California Department of Insurance provided an update on the latest news about insurance and wild fires.

ORAL COMMUNICATIONS NO. 1

Michele Salmon congratulated Councilmembers Davis and O’Connell on the election results. She also stated that the mayor position should be selected by the majority of the City Council.

CONSENT CALENDAR

D. Accept Investment Report as of September 2022

E. Approve Adoption of a Resolution Declaring the Continued Need to Conduct City Council, Commission and Committee Meetings Remotely Due to Health and Safety Concerns for the Public

Councilmember O’Connell made a motion, seconded by Councilmember Cunningham to approve Consent Calendar Items D and E. The motion was carried unanimously by all present.

Ayes: Councilmembers Cunningham, Davis, Lentz, O’Connell and Mayor Mackin

Noes: None

Absent: None

Abstain: None

OLD BUSINESS

F. Consider Approval of Contract Renewal with Granicus (Host Compliance)-Short Term Rental Monitoring and Permitting

(The cost of renewing the service agreement through December 2022 would be \$10,682.24 for all recommended services, excluding the 24/7 Hotline)

Community Development Director is recommending to renew the contract with Granicus for another 12 months for short term rental monitoring and permitting. After council questions, no public comment and council discussion, Councilmember Cunningham made a motion, seconded by Councilmember Lentz to approve the

Contract Renewal with Granicus (Host Compliance)-Short Term Rental Monitoring and Permitting. The motion was carried unanimously by all present.

Ayes: Councilmembers Cunningham, Davis, Lentz, O'Connell and Mayor Mackin

Noes: None

Absent: None

Abstain: None

NEW BUSINESS

G. Consider Adopting an Urgency Ordinance adopting the 2022 California Building Standards Code with local amendments and finding that this Ordinance is categorically exempt from environmental review under CEQA Guidelines Section 15308, Actions by Regulatory Agencies for Protection of the Environment

Associate Planner Robbins reported that the purpose of this Urgency Ordinance is to adopt the most recent version of the California Building Standards Codes (Code of Regulations, Title 24 or CBC) and the International Property Maintenance Code, including amendments to the CBC and existing reach codes, e.g., fire protection, on-site energy generation, etc., with the new provisions to be in full force and effect January 1, 2023.

After some council questions, no public comment and council discussion, Councilmember Davis made a motion, seconded by Councilmember Lentz to adopt an Urgency Ordinance adopting the 2022 California Building Standards Code with local amendments and finding that this Ordinance is categorically exempt from environmental review under CEQA Guidelines Section 15308, Actions by Regulatory Agencies for Protection of the Environment. The motion was carried unanimously by all present.

Ayes: Councilmembers Cunningham, Davis, Lentz, O'Connell and Mayor Mackin

Noes: None

Absent: None

Abstain: None

H. Consider Sending a Letter Recommending a Federal Climate Emergency Declaration

Sustainability Manager Etherton reported that the proposed letter was drafted by Open Space and Ecology Committee's Climate Action Plan Subcommittee, aligns with the City's adopted Climate Emergency Declaration, and provides example actions the Biden Administration could take.

After some council questions, no public comment and council discussion, Councilmember Davis made a motion, seconded by Councilmember Cunningham to send a Letter Recommending a Federal Climate Emergency Declaration. The motion was carried unanimously by all present.

Ayes: Councilmembers Cunningham, Davis, Lentz, O'Connell and Mayor Mackin

Noes: None

Absent: None

Abstain: None

STAFF REPORTS

I. City Manager's Report on Upcoming Activities

City Manager Holstine reported on the latest news and upcoming events in Brisbane.

MAYOR/COUNCIL MATTERS

J. Countywide Assignments and Subcommittee Reports

City Councilmembers report back on their countywide assignments and subcommittee meetings.

K. City Council Meeting Schedule

The next City Council Meeting is scheduled as a special meeting on December 8, 2022 and possibly a continuation on December 9, 2022. Councilmember Davis will be unable to attend the meetings on December 8th and 9th.

L. Written Communications

Written correspondence was received by Council from Susan Candell on November 17, 2022 (Info on How the 6th Cycle RHNA is setting all of our cities up to fail).

ORAL COMMUNICATIONS NO. 2

No member of the public wished to speak.

ADJOURNMENT

Mayor Mackin adjourned the meeting at 8:53 P.M.

Ingrid Padilla, City Clerk

File Attachments for Item:

K. Approve Minutes of City Council Closed Session Meeting of December 1, 2022



BRISBANE CITY COUNCIL**ACTION MINUTES**

BRISBANE CITY COUNCIL CLOSED SESSION MEETING**THURSDAY, DECEMBER 1, 2022***VIRTUAL MEETING***5:00 P.M. CLOSED SESSION****A. Approval of the Closed Session Agenda**

B. Public Comment. Members of the public may address the Councilmembers on any item on the closed session agenda

C. Adjournment into Closed Session**D. CONFERENCE WITH LABOR NEGOTIATOR Government Code Section 54957.6**

Designated representative: Clay Holstine, City Manager

Employee organization: All Bargaining Units

Mayor Mackin called the meeting to order at 5:03 P.M.

No member of the public wished to make public comment.

Councilmember O'Connell made a motion, seconded by Councilmember Lentz to approve the agenda as it stands. The motion was carried unanimously by all present.

Ayes: Councilmembers Cunningham, Davis, Lentz, O'Connell and Mayor Mackin

Noes: None

Absent: None

Abstain: None

Mayor Mackin adjourned the meeting into Closed Session.

REPORT OUT CLOSED SESSION

City Attorney McMorow reported that updates were provided to Council, direction was given to staff and no action was taken at Closed Session regarding the Item D.

ADJOURNMENT

The meeting was adjourned at 5:15 P.M.

File Attachments for Item:

L. Approve Minutes of City Council Special Meeting of December 1, 2022



BRISBANE CITY COUNCIL**ACTION MINUTES**

JOINT BRISBANE CITY COUNCIL, PLANNING COMMISSION, AND**PARKS AND RECREATION COMMISSION SPECIAL MEETING****THURSDAY, DECEMBER 1, 2022***VIRTUAL MEETING***6:00 P.M. CALL TO ORDER**

Mayor Mackin called the joint meeting to order at 6:03 P.M.

ROLL CALL

City Council Present: Councilmembers Davis, O'Connell and Mayor Mackin

Planning Commissioners Present: Commissioners Gooding, Lau and Funke

Parks and Recreation Commissioners Present: Commissioners Ocampo, Kern, Sims, Greenlee, Davis and Commerford

Staff Present: City Clerk Padilla, City Engineer Breault, and City Attorney McMorro

ADOPTION OF AGENDA

Councilmember O'Connell made a motion, seconded by Councilmember Davis to adopt the agenda as it stands. The motion is carried unanimously by all present.

Ayes: Councilmembers Davis, O'Connell and Mayor Mackin

Noes: None

Absent: Councilmembers Cunningham and Lentz

Abstain: None

PRESENTATION**A. AB1234 Training by Gerry Preciado of 34th Street Consulting**

(On October 7, 2005, the Governor signed Assembly Bill No. 1234. AB 1234 requires that if a local agency provides any type of compensation salary, or stipend to, or reimbursements the expenses of a member of its 'legislative body' (as that term is defined in California Government Code Section 54952), that local agency's officials must receive training in ethics.)

Gerry Preciado of 34th Street Consulting provided AB 1234 training to the City Council Members, Planning Commissioners, Parks and Recreation Commissioners and City Staff.

PUBLIC COMMENT

No member of the public wished to make public comment.

ADJOURNMENT

The meeting was adjourned at 8:10 P.M.

Ingrid Padilla, City Clerk

File Attachments for Item:

M. Approve Minutes of City Council Closed Session Special Meeting of December 8, 2022



BRISBANE CITY COUNCIL**ACTION MINUTES**

BRISBANE CITY COUNCIL CLOSED SESSION SPECIAL MEETING**THURSDAY, DECEMBER 8, 2022***VIRTUAL MEETING***7:00 P.M. CLOSED SESSION****A. Approval of the Closed Session Agenda**

B. Public Comment. Members of the public may address the Councilmembers on any item on the closed session agenda

C. Adjournment into Closed Session**D. CONFERENCE WITH LEGAL COUNSEL—PENDING LITIGATION****Government Code, Section 54956.9 (d) (1).****Number of Cases: One**

- **City of Brisbane v. CA High-Speed Rail Authority (Superior Court of Sacramento County, Case No. 80004010)**

Mayor Mackin called the meeting to order at 7:01 P.M.

No member of the public wished to make public comment.

Councilmember Cunningham made a motion, seconded by Councilmember Lentz to approve the agenda as it stands. The motion was carried unanimously by all present.

Ayes: Councilmembers Cunningham, Lentz, O'Connell and Mayor Mackin

Noes: None

Absent: Councilmember Davis

Abstain: None

Mayor Mackin adjourned the meeting into Closed Session.

REPORT OUT CLOSED SESSION

City Attorney McMorrow reported that updates were provided to Council, direction was given to staff and no action was taken at Closed Session regarding the Items D.

The meeting was adjourned at 7:29 P.M.

Ingrid Padilla, City Clerk

File Attachments for Item:

N. Accept Investment Report as of October 2022

CITY OF BRISBANE
CASH BALANCES & INVESTMENTS
SOURCE OF FUNDING
October 31, 2022

NAME OF DEPOSITORY	INVESTMENT TYPE	DATE OF INVESTMENT	FACE VALUE OF INVESTMENT	CARRY VALUE OF INVESTMENT	MARKET VALUE OF INVESTMENT	COUPON INTEREST RATE %	MATURITY DATE	RATING/ COLLATERAL
WELLS FARGO	Checking A/C		\$ 2,542,005	\$ 2,542,005	\$ 2,542,005	0.000		
STATE FUND (LAIF)	Deposit on call	continuous	\$ 4,983,204	\$ 4,983,204	\$ 4,983,204	1.780	on call	no rating
Other Investments								
	Comenity Capital Bank	4/28/2019	\$ 248,000	\$ 248,000	\$ 245,337	2.650	04/28/2023	
	Morgan Stanley	5/2/2019	\$ 245,000	\$ 245,000	\$ 242,228	2.650	05/02/2023	
	FFCB	3/8/2022	\$ 1,000,000	\$ 1,000,000	\$ 957,850	1.670	03/08/2024	
	FHLB	4/22/2022	\$ 1,000,000	\$ 1,000,000	\$ 963,840	2.400	04/22/2024	
	Goldman Sachs	5/1/2019	\$ 246,000	\$ 246,000	\$ 237,441	2.750	05/01/2024	
	FHLB	7/26/2022	\$ 1,000,000	\$ 1,000,000	\$ 973,540	3.350	07/26/2024	
	Wells Fargo Bank	9/23/2022	\$ 250,000	\$ 250,000	\$ 244,457	3.750	09/23/2024	
	American Express	9/21/2022	\$ 250,000	\$ 250,000	\$ 244,483	3.750	09/24/2024	
	FHLB	12/31/2021	\$ 1,000,000	\$ 1,000,000	\$ 933,210	1.000	09/30/2024	
	FHLB	3/24/2022	\$ 1,000,000	\$ 1,000,000	\$ 935,980	2.000	03/24/2025	
	FHLB	4/22/2022	\$ 1,000,000	\$ 1,000,000	\$ 953,610	2.750	04/22/2025	
	FHLB	7/28/2022	\$ 1,000,000	\$ 1,000,000	\$ 973,150	4.050	07/28/2025	
	FHLB	12/31/2021	\$ 1,000,000	\$ 1,000,000	\$ 905,700	1.300	09/30/2025	
	FHLB	10/27/2022	\$ 1,000,000	\$ 1,000,000	\$ 998,630	4.750	10/27/2025	
	FHLB	10/27/2022	\$ 1,000,000	\$ 1,000,000	\$ 997,040	5.000	10/27/2025	
	FFCB	9/12/2022	\$ 1,000,000	\$ 1,000,000	\$ 981,380	4.125	12/12/2025	
	FHLB	9/29/2022	\$ 1,000,000	\$ 1,000,000	\$ 998,130	4.150	09/29/2026	
	FHLB	3/25/2022	\$ 1,000,000	\$ 1,000,000	\$ 917,960	2.600	03/25/2027	
	FHLB	5/26/2022	\$ 1,000,000	\$ 1,000,000	\$ 952,390	3.150	05/26/2027	
	FHLB	5/26/2022	\$ 1,000,000	\$ 1,000,000	\$ 947,930	3.750	05/26/2027	
	FHLB	9/30/2022	\$ 1,000,000	\$ 1,000,000	\$ 992,500	5.000	09/30/2027	
BNY Mellon	Treasury Obligations	continuous	\$ 4,831,263	\$ 4,831,263	\$ 4,831,263	3.000	on call	110% collateral
Sub-total			\$ 22,070,263	\$ 22,070,263	\$ 21,428,049			
U.S. Bank	2014 BGPGA Bond (330)	Improvements	Fed Treas Obl	\$ -	10031			
		Reserve Fund	Fed Treas Obl	\$ 1	10032			
		Revenue Fund	Fed Treas Obl	\$ -	10034			
		Expense Fund	Fed Treas Obl	\$ -	10035			
		Principal	Fed Treas Obl	\$ 1	10036			
		Interest Fund	Fed Treas Obl	\$ 0	10037			
U.S. Bank	2015 Utility Capital (545)	Improvements	Fed Treas Obl	\$ 0	10031			
		Reserve	Fed Treas Obl	\$ 157	10032			
		Expense Fund	Fed Treas Obl	\$ 0	10035			
PARS	OPEB Trust	Trust Cash	Investments	\$ 3,429,923	13050			
PARS	Retirement Trust	Trust Cash	Investments	\$ 1,200,898	13050			
Sub-total	Cash with Fiscal Agents			\$ 4,630,979				
Total other investments			\$ 22,070,263	\$ 26,701,242	\$ 21,428,049			
TOTAL INVESTMENTS & CASH BALANCES			\$ 29,595,472	\$ 34,226,451	\$ 28,953,257			

Outstanding Loans to Department Heads

	Date of loan	Amount	Amount Remaining	Interest Rate
Stuart Schillinger	4/1/2002	318,750	\$ 318,750	Based on Sales Price
Clay Holstine (1)	7/8/2008	300,000	\$ -	Paid off Dec 2016
Clay Holstine (2)	9/10/2008	200,000	\$ 200,000	Secured by other funds
Randy Breault	10/22/2001	320,000	\$ -	Paid off July 2022

FFCB - Federal Farm Credit Bank
FHLB - Federal Home Loan Bank
FHLM - Federal Home Loan Mortgage Corporation
FNMA -Federal National Mortgage Association

Two year Treasury	4.51%	
Weighted Interest	2.64%	
Weighted maturity	1.89	Years

TREASURER'S CERTIFICATE

These are all the securities in which the city funds, including all trust funds and oversight agencies funds, are invested and that (excluding approved deferred compensation plans) all these investments are in securities as permitted by adopted city policy.

It is also certified that enough liquid resources (including maturities and anticipated revenues) are available to meet the next six months' cash flow.

Carolina Yuen
CITY TREASURER

O.

File Attachments for Item:

O. Approve Co-sponsorship application for the annual Mothers of Brisbane Shop event on 2/9-2/11/22



CITY COUNCIL AGENDA REPORT

Meeting Date: December 15th, 2022

From: Sara Nahass Lopez, Recreation Coordinator

Subject: Application for Event Co-Sponsorship – MOB Shop

Community Goal/Result

Community Building - Brisbane will honor the rich diversity of our city (residents, organizations, businesses) through community engagement and participation

Purpose

Support local Non-profit organizations.

Recommendation

Approve the Mothers of Brisbane (MOB) Rummage Sale as a co-sponsored event.

Background

The Mothers of Brisbane (MOB) will host their annual Rummage Sale at Mission Blue Center on the weekend of February 9-11, 2023. The MOB is a, 501 (c)(3), non-profit parents' club and welcoming community of support for parents of young children in Brisbane, and surrounding communities. Established in the summer of 2005, the MOB is a place where families come together to make friends, learn about community resources, hold family events, arrange playgroups and childcare, share information, and support, and generally have a good time together. The MOB currently has over 300 members, and an active Board of Directors.

Started as a clothing "swap", the Clothing Sale serves as the most successful MOB fundraiser, providing members with an opportunity to repurpose gently used children's items and clothing to other families in need. At its inception in 2000, the event was held at the gazebo in the Community Park. The following year it was moved to the Community Center and has since outgrown the space. The Clothing Sale serves as both a great fundraiser for the Mothers of Brisbane and a service to the community. Offering a tax-deductible way for Brisbane families to donate gently used clothing and baby gear, the event allows other families to purchase those same items for a nominal donation (clothing is usually \$1 per item, equipment is priced based on the item and condition). All leftover items are donated to the San Mateo Shelter Network or similar organizations that serve families in our area.

This year, the Mothers of Brisbane is requesting use of Mission Blue for the event which will allow them to spread the sale over two days, conduct additional publicity to engage

surrounding communities, and essentially increase fundraising revenues for the club. Funds raised because of the event will support future MOB events and provide additional opportunities for the MOB member community.

Fiscal Impact

The Mothers of Brisbane Rummage Sale event qualifies under the Group II category for recreation facilities indoor use permits. Meeting the Group II requirements of being a resident non-profit with their event open to the public qualifies them for free use of the facility and waives the deposit requirement. The Mothers of Brisbane is requesting the City's support by allowing use of the Mission Blue Center and waiving the requirement of the club to provide insurance.

Attachments

1. Co-sponsorship Event Application

Sara Nahass Lopez

Sara Nahass Lopez, Recreation Coordinator

Clayton L. Holstine

Clay Holstine, City Manager

CO-SPONSORSHIP EVENT APPLICATION

CITY OF BRISBANE, 50 Park Place, Brisbane, CA 94005
415 - 508 - 2840

1. ORGANIZATION INFORMATION

Organization: Mothers of Brisbane
Contact Person: Maddy Johnson
Day Phone: 415-316-3796
Evening Phone: 415-316-3796
Address: 1117 Humboldt Rd.
City of Residence: Brisbane
Zip: 94005

2. FACILITY

Facility Requested: Mission Blue Community Center

If Mission Blue Center, specify room (s)

Costanos Room (Dance Floor) All rooms

Buckeye Room (Carpeted Room): ↓

Lupine Room (Conference Room): ↓

Date and Time Requesting to Enter Facility:

February 9, 2023 at 6pm

Date and Time Requesting to Leave Facility:

February 11, 2023 at 5pm

3. Event Information

Date: Feb. 9 - Feb 12, 2023 Day of Week: Thurs-Sun # of Co-sponsored events this year 0

Starting Time of Event: 12 NOON Ending Time of Event: 5pm

☒ Non Profit for Charity ☐ For Profit ☐ Fundraiser for Organization Use

150 Number attending under 18 years old: 50 18 - 20 years: 50 21+ years: 100

☒ Requesting Promotional Support

What is purpose of event: Rummage sale

Will you need special sitting, tables, chairs, risers, etc.? Yes or No (please circle) Please explain if yes. All round tables & some rectangular tables & chairs

Will event require sound equipment? NO

Sound Technician? NO

Will event require theatrical lighting equipment? NO

Lighting Technician? NO

Will event require promotional support? ☒ Yes ☐ No If Yes, what is requested? Signboard

ad in the Star & Blast

OFFICE USE ONLY

Received By: _____

Date: _____

Date Approved: _____

Title: _____

Copies: _____

Custodian - Date: _____

Police - Date: _____

Fire - Date: _____

Yes ☐ Date Paid: _____ Waived ☐

Ck # / M.O. # / Cash: _____

Event Insurance: By City ☐ By Event Organizer ☐

City: _____ Cert #: _____

Date Issued: _____

Amount: \$ _____

Date Paid: _____

Ck#/M.O.#/Cash: _____

If selling alcohol additional insurance purchased?

By City ☐ By Event Organizer ☐

Is any group being displaced? _____

If so, which group? _____

of Co-sponsored events this calendar year? _____

Promotional Support? Yes ☐ No ☐ Waived ☐Additional Lighting: Yes ☐ No ☐ Waived ☐Lighting Technician: Yes ☐ No ☐ Waived ☐Additional Sound: Yes ☐ No ☐ Waived ☐Sound Technician: Yes ☐ No ☐ Waived ☐

Facility Use Charge -

80/20 Split Yes ☐ Waived ☐Other fee? Yes ☐ Waived ☐Charge for Staffing cost for extended use of facility Yes ☐ Waived ☐

Deposit: Amount: \$ _____

Alcoholic Beverage Permit obtained?

Yes # _____ No

Business License

Yes # _____ No

County Health Permit:

Yes ☐ # _____ No ☐

5. **ALCOHOLIC BEVERAGES***

Will alcoholic beverages be served? Yes ☒ No ☐ Sold? Yes ☐ No ☒

If selling alcohol, your group must obtain an Alcoholic Beverage Permit.

Please attach a copy of the permit.

ABC permits may be obtained from:

The State of California Alcoholic Beverage Control Department
185 Berry Street
San Francisco, CA 94107
415 / 557 - 3660

*Full Liquor Liability: If liquor, beer or wine is available for consumption and money is transacted in any form (i.e. for donation, for a ticket, for a meal, for entry to the event, for the beverage) then full liquor liability premiums are necessary.

6. **ADMISSION FEES AND SALES***

Will there be an admission fee or booth fee?:

Yes ☐ No ☒ Amount of Fee: _____

Will there be sales of novelties or goods?:

Yes ☒ No ☐

Will there be sales of food?:

Yes ☐ No ☒

(If yes, a Permit To Operate is required by the California Health and Safety Code. Applications can be obtained from the Brisbane Parks & Recreation Department 415 / 467-6330)

Does your group have a City of Brisbane License?: Yes ☐ No ☒

* Additional insurance is required for exhibitors, non-food sales concessionaires and food sales concessionaires.

I have read and understand the Policy and Procedures for Event Sponsorship and hereby agree to comply with its content. I understand that failure to observe these regulations or City, State or Federal law will result in cancellation of my event and co-sponsorship status for future events.

Applicant's Signature

Madeline Johnson

Date

12-02-2022

File Attachments for Item:

P. Adopt Ordinance to Administer and Implement the Business License Tax Imposed on Hotels and Other Places Designed for Occupancy by Transients, Waiving Second Reading

(Note: This Ordinance is exempt from review under the California Environmental Quality Act because it is not a “project”. Section 15378 (b)(5) of the CEQA Guidelines)



MEMO

Meeting Date: December 15, 2022

From: Ingrid Padilla, City Clerk

Subject: Adoption of Ordinance to Administer and Implement the Business License Tax Imposed on Hotels and Other Places Designed for Occupancy by Transients. This Ordinance is exempt from review under the California Environmental Quality Act because it is not a “project”. Section 15378 (b)(5) of the CEQA Guidelines.

An Ordinance to Administer and Implement the Business License Tax Imposed on Hotels and Other Places Designed for Occupancy by Transients was introduced at the City Council Special Meeting of December 8, 2022. The ordinance is in tonight’s agenda for consideration of adoption, waiving second reading.

Note this Ordinance is exempt from review under the California Environmental Quality Act because it is not a “project”. Section 15378 (b)(5) of the CEQA Guidelines.

Attachment:
Staff Report from the December 8, 2022



CITY COUNCIL AGENDA REPORT

Meeting Date: December 8, 2022

From: Clay Holstine, City Manager & Michael Roush, Legal Counsel

Subject: Introduction of an Ordinance to Administer and Implement the Business License Tax Imposed on Hotels and Other Places Designed for Occupancy by Transients. This Ordinance is exempt from review under the California Environmental Quality Act because it is not a “project”. Section 15378 (b)(5) of the CEQA Guidelines.

Community Goal/Result:

Fiscally Prudent

Recommendation:

Introduce an Ordinance to add numerous sections to the Brisbane Municipal Code (Sections 5.20.036 through 5.20.044) to administer and implement the Business License Tax imposed on hotels and other places designed for occupancy by transients, which tax was approved by Brisbane voters at the November 8, 2022 general municipal election. Because of the numbering system in the Code, the current Section 5.20.040 (concerning the business license tax for street vendors) will need to be deleted and relocated to Section 5.20.235.

Background

In July 2022, City Council adopted Ordinance 674, adding Section 5.20.035 to the Brisbane Municipal Code, to impose a business license tax on hotels and other places designed for occupancy by “transients”—generally guests who pay to rent a room at a hotel or stay at a short term rental. The Ordinance provides that the hotel operator must pay a daily business license tax of \$2.50 for every room that is rented. The tax was contingent, however, on Brisbane voters approving it at the November 8, 2022 general municipal election. Voters approved the tax and hotels and similar businesses must begin paying the tax as of January 1, 2023.

That Ordinance, however, did not set forth how the tax would be administered or implemented, to address matters such as reporting and remitting the tax, penalties and interest if the tax is not paid timely, appeals, recording keeping, and similar provisions. Accordingly, staff has drafted the attached Ordinance to provide how the tax will be administered and implemented. These provisions did not need to be approved by the voters; only the tax itself.

Discussion

Separate from this tax, the City also has a Transient Occupancy Tax (TOT) Ordinance that requires hotel operators to collect this tax from paying guests and remit such tax to the City. Currently, as approved by the voters, this tax is 14% of the rate charged by the hotel for the accommodations.

The City's TOT Ordinance sets forth numerous provisions concerning the administration and implementation of that Ordinance and these provisions, to the extent applicable, have been incorporated into the attached Ordinance. Among other matters, they track the requirements of hotel operators under the TOT Ordinance to report and remit the tax, penalties and interest if the remittance is not timely, authorizing the tax administrator (Finance Director) to determine the tax if the operator fails or refuses to pay the tax, operator appeals, refunds, and violations of the Ordinance.

Because of the numbering system in the Municipal Code and the addition of these sections, the current section 5.20.040 which concerns the business license tax for "peddlers, hawkers and street vendors" needs to be deleted and relocated, without substantive change, to a new section 5.20.235.

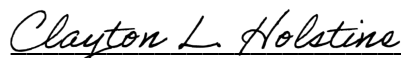
Assuming City Council introduces this Ordinance at its meeting on December 8 or December 9 if the item is carried over to that date, the second reading of the Ordinance may appear on the Council's consent calendar on December 15, 2022. It will go into effect 30 days later. Since these matters simply implement and administer the Ordinance that imposed the tax, they do not affect the requirement that hotels must begin paying the tax as of January 1, 2023. (The first remittance—covering January 1, 2023 through March 31, 2023—is not due until April 2023.)

CEQA Determination

Recently, a State appellate court has held that in order to comply with the Brown Act, certain agenda item titles must reflect what environmental review is associated with a proposed Council action and if the proposed action is exempt under CEQA, that exemption identified. The agenda title for this item reflects that this Ordinance is exempt under CEQA because it is an administrative activity of a government that will have no direct or indirect effect on the environment. CEQA Guidelines, Section 15378 (b)(5).

Fiscal Impact

There is no fiscal impact associated with the introduction or adoption of this Ordinance. Assuming that hotels are at 70% occupancy, staff estimates the City will receive \$250,000 annually from this tax.



Clayton Holstine, City Manager



Michael Roush, Legal Counsel

Attachment:

Ordinance to Administer and Implement the Business License Tax Imposed on Hotels and Other Places Designed for Occupancy by Tenants

ATTACHMENT 1

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF BRISBANE TO DELETE SECTION 5.20.040 AND TO ADD NEW SECTIONS 5.20.036, 5.20.037, 5.20.038, 5.20.039, 5.20.040, 5.20.041, 5.20.042, AND 5.20.043 TO IMPLEMENT AND ADMINISTER THE BUSINESS LICENSE TAXES FOR HOTELS AND OTHER PLACES DESIGNED FOR OCCUPANCY OF TRANSIENTS AND TO RELOCATE THE CURRENT SECTION 5.20.040 (PEDDLERS, HAWKERS AND STREET VENDORS) TO A NEW SECTION 5.20.235 WITHOUT CHANGE

The City Council of the City of Brisbane ordains as follows:

Section 1. Section 5.20.040 (Peddlers, Hawkers, and Street Vendors) is hereby deleted.

Section 2. Sections 5.20.036 through 5.20.043, inclusive are hereby added to the Brisbane Municipal Code to read as follows

Section 5.20.036—Definitions

Terms used in Sections 5.20.037 through 5.20.043 shall have the same meanings as the definitions of those terms in Section 3.24.020 of this Code, as said Section may be amended from time to time.

Section 5.20.037 Reporting and Remitting

Each operator shall, on or before the last day of April, July, October and January, make a return to the tax administrator, on forms provided by the tax administrator, of the total rooms rented during the previous three months and the amount of tax calculated for such room rentals. The full amount of the tax calculated shall be remitted to the tax administrator at the time the return is filed. The tax administrator may require additional information in any returned. Such actions may be appealed under Section 5.20.040. Returns and payments are due immediately upon cessation of any business for any reason.

Section 5.20.038 Penalties and Interest

- A. Original Delinquency. Any operator who fails to remit any tax imposed by Section 5.20.035 within the time required shall pay a penalty of ten percent (10%) of the amount of the tax in addition to the amount of the tax.
- B. Continued Delinquency. Any operator who fails to remit any delinquent remittance on or before 30 days following the date on which the remittance first became delinquent shall pay a second delinquency penalty of ten percent (10%) of the amount of the tax in addition to the amount of the tax and the ten (10%) penalty first imposed.
- C. Fraud. If the tax administrator determines that the non-payment of any remittance due under Section 5.20.035 is due to fraud, a penalty of twenty five percent (25%) of the amount of the tax shall be added thereto, in addition to the penalties stated in subsections A and B of this section.
- D. Interest. In addition to the penalties imposed, any operator who fails to remit any tax imposed by Section 5.20.035 shall pay interest at the rate of one percent (1%) per month or fraction

thereof on the amount of the tax, exclusive of penalties, from the date on which the remittance first became delinquent until paid in full.

- E. Penalties and Interest Merged With Tax. Every penalty imposed and such interest as accrues under this Section shall become part of the tax required to be paid by Section 5.20.035.

Section 5.20.039 Failure to collect and report tax—determination of tax by tax administrator.

- A. Assessment of Estimated Tax. If any operator shall fail or refuse to pay the tax and to make, within the time provided in Section 5.20.036, the tax administrator shall proceed in such manner as the tax administrator may deem best to obtain facts and information upon which to base the tax administrator's estimate of the tax due. As soon as the tax administrator shall procure such facts and information as the tax administrator is able to obtain upon which to base the assessment of any tax imposed by Section 5.20.035 and payable by any operator who has failed or refused to pay the same and to make such report and remittance, the tax administrator shall proceed to determine and assess against such operator the tax, penalty and interest provided by Section 5.20.038. The tax administrator may include in the assessment costs of any necessary audits or investigations.
- B. Notice of Assessment—Determination of Tax. Where a determination and assessment of the tax is made under subsection A of this Section, the tax administrator shall give notice of the amount so assessed by serving it personally or by depositing it in the United States mail, postage prepaid, addressed to the operator so assessed at the operator's last known place of address. Such operator may, within ten (10) days after the serving or mailing of such notice, make application in writing to the tax administrator for a hearing on the amount assessed. If application by the operator for a hearing is not made within the time prescribed, the tax, penalties, and interest, if any, determined by the tax administrator shall become final and conclusive and immediately due and payable. If such application is made, the tax administrator shall give no less than five (5) days' written notice in the manner prescribed herein to the operator to show cause at a time and place fixed in the notice why the amount specified in the notice should not be fixed for such tax, penalties and interest. At such hearing, the operator may appear and offer evidence why such specified tax, penalties and interest should not be so fixed. After such hearing, the tax administrator shall determine the proper tax, penalties and interest to be remitted and shall thereafter give written notice to the operator in the manner prescribed herein of such determination and the amount of such tax, penalties and interest. The amount determined to be due shall be paid in full within fifteen (15) days unless an appeal is taken as provided in Section 5.20.040.

Section 5.20.040 Appeal

Any operator aggrieved by any decision of the tax administrator with respect to the amount of such tax, penalties and interest, if any, may appeal to the city manager by filing a notice of appeal with the city clerk within fifteen (15) days of the serving or mailing of the determination of tax due. The city manager shall fix a time and place for hearing such appeal, and the city clerk shall give notice in writing to such operator at the operator's last known place of address. The city manager may designate a neutral hearing officer to hear the appeal and make a recommendation to the city manager as to the appeal. The findings of the city manager shall be final and conclusive and shall be served on the operator/appellant in the manner prescribed above for service of notice of hearing. Any amount found to be due shall be immediately due and payable upon service of the notice.

Section 5.20.041 Records

It shall be the duty of every operator liable for the payment to the city of any tax imposed by Section 5.20.035 to keep and preserve, for a period of three years, all records as may be necessary to determine the amount of such tax as the operator may have been liable for the payment to the city, which records the tax administrator shall have the right to inspect at all reasonable times. Such records shall be maintained at the operator's premises or shall be available for delivery to the tax administrator within two weeks after request. Such records shall be so maintained for at least six months after a change of operator. The records shall include at least the following: Daily summaries of rooms rented.

Section 5.20.042 Refunds

- A. Whenever the amount of any tax, penalty or interest has been overpaid or paid more than once, or has been erroneously or illegally paid or received by the city under Section 5.20.035 or 5.20.036, it may be refunded as provided in subsections B and C of this Section provided a claim in writing therefor, stating under penalty of perjury the specific grounds upon which the claim is founded, is filed with the tax administrator within three years of the date of payment or the date the tax was due, whichever was earlier.
- B. An operator may claim a refund or take a credit against taxed to be remitted in the amount overpaid, paid more than once, or erroneously or illegally paid or received when it is established to the satisfaction of the tax administrator that the tax paid or received was overpaid, paid more than once, or erroneously or illegally paid or received by the city.
- C. No refund shall be paid under the provisions of this Section unless the operator establishes the right thereto by written records showing entitlement to such refund.

Section 5.20.043 Collection of tax

- A. Actions to Collect. Any tax required to be paid by any operator under Section 5.20.035 shall be deemed a debt owned by the operator to the city. Any operator owing money to the city under Section 5.20.035 shall be liable to an action brought in the name of the city for recovery of such amount.
- B. Notice of Intent to Record a Lien—Hearing. If the amount required to be paid to the city under Section 5.20.035 is not paid when due, the tax administrator may within three years after the amount is due, in addition to any other rights or remedies available for collection of such amount, give written notice to the operator and the owner of the property on which the hotel is located, if different, of the city's intent to record a lien against the property on which the operator's hotel is located. The notice shall specify a time and place at which a hearing will be conducted by the tax administrator to consider any objections by the operator or property owner to the recording of such lien, which hearing shall not be less than fifteen days from the date of the notice. The date of the hearing may be continued from time to time by the tax administrator. At the conclusion of the hearing, the tax administrator shall render a decision as to whether a lien should be filed with respect to any amount payable to the city under Section 5.20.035 that the tax administrator finds is then delinquent. The decision of the tax administrator may be appealed to the city manager as provided in Section 5.20.040.
- C. Recordation and Enforcement of Tax Lien. Upon a final determination of the amount of the delinquency by the tax administrator of the city manager on appeal, as the case may be, the tax administrator may file for record in the office of the San Mateo County recorder a tax lien specifying the amount of the tax, penalty and interest due, the name and address as it appears

on the records of the operator liable for same and the name of the property owner, and the legal description of the property on which the hotel is located. From the time of the filing for record, the amount required to be paid together with penalties and interest constitutes a lien upon such real property. Such lien shall be valid for a period of ten years and may be enforced by an action to foreclose the lien in a manner prescribed by law.

- D. **Successor's Liability—Withholding by Purchaser.** If any operator liable for any amount under Section 5.20.035 sells or transfers the hotel or any ownership interest therein, the successor or transferee shall withhold sufficient funds out of the purchase price to cover such amount until the former operator produces a receipt from the tax administrator showing that it has been paid or a certificate stating that no amount is due.
- E. **Liability of Purchase.** If the purchaser of a hotel fails to withhold funds from the purchase price as required, the purchaser shall become liable for the payment of the amount required to be withheld to the extent of the purchase price.
- F. **Continued Liability of Operator.** The sale or transfer of a hotel, dismissal of the operator, or other termination of the rights of an operator to operate the hotel shall not relieve the operator from liability for taxes due or owing under Section 5.20.035.

Section 5.20.044 Violations

Any violations of Sections 5.20.035 through 5.20.043 shall be punishable by fines, penalties and enforcement provisions set forth in Chapters 1.14, 1.16, and 1.18 of this code.

Section 3. Section 5.20.235 is added to the Brisbane Municipal Code as follows:

Section 5.20.235 Peddlers, Hawkers, and Street Vendors

- A. Every person carrying on the business of a peddler of any goods, wares or merchandise shall pay a license tax of twenty five dollars (\$25.00) per day in advance.
- B. For purposes of this Section, a "peddler" is defined to be and includes every person not having a regularly established place of business in the city, who travels from place to place, or has a stand upon any public street, alley, or other public place, doorway of any building, unenclosed or vacant lot, or parcel of land, who sells or offers for sale any goods, wares or merchandise in the person's possession.

Section 4. CEQA Determination

Introduction and adoption of this Ordinance is not subject to environmental review under the California Environmental Quality Act because it is not a project as defined under the CEQA Guidelines, Section 15378 (b) (5) [organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

Section 5. Effective Date.

This Ordinance shall become effective thirty days after its adoption.

Mayor

Attest:

Ingrid Padilla, City Clerk

Approved as to form:



Thomas R. McMorrow, City Attorney

I certify that the foregoing Ordinance No. ____ was adopted by the Brisbane City Council at a regular meeting on December 15, 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Ingrid Padilla, City Clerk

File Attachments for Item:

Q. Adopt Resolutions approving the Memoranda of Understanding between the City and the following groups: Mid-management/Professional and the Brisbane Police Officers Association, each for the term of July 1, 2022 to June 30, 2026



CITY COUNCIL AGENDA REPORT

Meeting Date: December 15, 2022

From: Abby Partin, Human Resources Administrator

Subject: Resolutions approving the Memoranda of Understanding between the City and the following groups: Mid-management/Professional and the Brisbane Police Officers Association, each for the term of July 1, 2022 to June 30, 2026

Community Goal/Result

Fiscally Prudent

Purpose

To ensure the community continues to receive excellent service by retaining and attracting exceptional employees in a financially prudent manner.

Recommendation

Adopt Resolutions approving the Memoranda of Understanding between the City and the following groups: Mid-management/Professional and the Brisbane Police Officers Association, each for the term of July 1, 2022 to June 30, 2026

Background

The current Memoranda of Understanding (MOU) with the aforementioned bargaining groups expired on June 30, 2022. The labor relations team and bargaining groups' representatives have met and conferred on terms and conditions over the past months and presented tentative agreements to the City Council.

Discussion

Discussion with all the bargaining groups have resulted in the Memoranda that would have the following:

For all bargaining group employees:

Salary - 3% increase first full pay period in January 2023, 3% increase first full pay period January 2024, 6% increase first full pay period July 2024 but could be higher depending on the outcome of the salary survey, and maximum of 6% increase with a floor of 4% increase first full pay period in July 2025 based on the cumulative percentage change in the Consumers Price Index between April 2021 and April 2025, i.e., if the percentage change is 18% or more, then the increase will be 6%; if the percentage change is less than 18%, then the increase will be 4%. The CPI to be used is CPI-W (Urban Wage Earners and Clerical Workers) for the San Francisco-Oakland-Hayward area. The base period is 1982-1984=100.

Total Compensation Survey – A total compensation survey, using cities to be mutually agreed upon by the City and the bargaining groups, will be completed after January 2024 to be used to reopen the MOUs concerning compensation for the July 1, 2024 to June 30, 2025 period.

Recession Clause – Retain the existing provision in the preamble of the MOUs to allow the City to reopen MOUs, if necessary due to a recession.

Longevity Incentive - Add to the current longevity sections a 3% incentive for employees who have reached 20 continuous years of service as of and after January 2023.

In addition to the longevity incentive above, POA employees will receive an additional 1% incentive pay added for employees have reached 10 continuous years of service as of and after January 2023 and 1% incentive pay added for employees have reached 15 continuous years of service as of and after January 2023.

Health Insurance – 3% increase in Cafeteria Plan in January 2023, 3% increase in Cafeteria Plan in January 2024, 3% increase in Cafeteria Plan in January 2025, 3% increase in Cafeteria Plan in January 2026. The overall increase in the Cafeteria Plan will be no more than a cumulative 17% over the four-year period. Increases above the guaranteed rates will occur, however, if the Kaiser rate increases above the cumulative guaranteed rate.

Bi-Lingual Pay – Starting the first full pay period in July 2023, \$200 per month for members of Mid-Management/Professional Group; and \$100 per month for members of the Brisbane Police Officers Association.

To be eligible for bi-lingual pay, employees must pass a state exam showing competency in the second language. Employees are only eligible to receive bi-lingual pay for one language.

Holidays – The City’s holiday schedule will be New Year’s Day, Martin Luther King Day, President’s Day, Cesar Chavez Day, Memorial Day, Juneteenth, Independence Day, Labor Day, Veteran’s Day’s, Thanksgiving Day, Day after Thanksgiving, Day prior to Christmas, Christmas Day, Day prior to New Year’s Day, plus two floating holidays.

POA employees who are assigned shift work and must work the holidays will continue to receive holiday pay in lieu of holidays. (Holiday pay is 6%.)

Deferred Compensation- Employees will receive an increased City match from 2.5% of salary to 5% of salary.

Vacation Buyback – The City will buyback a certain number of unused vacation leave hours. Mid-management/Professional employees who have used a minimum of 60 hours during the fiscal year may “sell” up to 80 hours of vacation leave; and members of the POA who are within 15 hours of the maximum allowed vacation hours in their vacation leave bank may sell up to 84 hours of vacation leave by the end of the fiscal year. This provision will end on June 30, 2025, unless prior to June 30, 2025 the City and the bargaining groups agree otherwise.

State Disability Insurance – The City will work with members of the Mid-management/Professional Employees group to participate in the State provided SDI program at no cost to the City.

POA Special Assignment Pays:

Field Training Officer - Officers assigned as Field Training Officers shall receive a premium of 5% of base salary per shift when assigned a trainee starting the first full pay period of January 2023.

Motor Officer Assignment Pay - Officers assigned as a Motor Officer shall receive an additional 5% of base salary starting the first full pay period of January 2023

Night Shift Differential – For Officers who are assigned to the night shift (1900 to 0700) during the annual shift sign-up will receive an additional 5% starting in the first full pay period in January of 2023. The 5% will apply only to hours work during the night shift. If an employee is assigned to cover a night shift due to an injury or illness of another employee, the covering employee shall receive the night shift differential unless the shift qualifies for overtime pay, in which case the employee will receive the overtime pay, not the night shift differential pay.

School Resource Officer - Officers assigned as a School Resource Officer shall receive the same benefits as officers assigned to detective duties.

SWAT Assignment Pay - Officers assigned to SWAT shall receive an addition 2% of base salary starting the first full pay period of January 2023.

Release time for POA Board Members – POA Board Members will receive up to five days (12 hours) of release time per year, to attend association meetings and other association business matters.

POA Past Practice Section– Remove the sentence “The City shall be relieved of its obligation to meet and confer with the Association regarding changes in working conditions and practices where otherwise required by law.”

Residency Requirement – Remove from POA MOU.

Fiscal Impact

The costs are included in the adopted budget for FY 2022-23 and will need to be incorporated in ensuing budgets.

Measure of Success


Approve the Memoranda of Understanding with the bargaining groups which protect the City's long-term interests.

Attachments

1. Resolutions approving the MOUs with the bargaining groups.
2. Memoranda of Understanding



Abby Partin, HR Administrator


Clay Holstine, City Manager

RESOLUTION NO 2022-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BRISBANE CONCERNING WAGES, HOURS AND WORKING CONDITIONS FOR THE MID- MANAGEMENT/PROFESSIONAL GROUP

WHEREAS, the City of Brisbane and the Mid-management/Professional Group, have met and conferred in accordance with the requirements of the Meyers-Milias-Brown Act; and

WHEREAS, the City of Brisbane and the Mid-management/Professional Group have reached an agreement regarding wages, hours and working conditions.

NOW, THEREFORE, the City Council of the City of Brisbane resolves as follows:

The Memorandum of Understanding between the City of Brisbane and the Mid-management/Professional Group is approved as set forth in Exhibit A and is incorporated by reference as though fully set forth herein.

Mayor

I hereby certify that the foregoing Resolution No. 2022-XX was duly and regularly adopted at a regular meeting of the Brisbane City Council on December 15, 2022, by the following vote:

Ayes:

Noes:

Absent:

Abstain:

Ingrid Padilla, City Clerk

**AGREEMENT BETWEEN THE
CITY OF BRISBANE AND THE
MID-MANAGEMENT/PROFESSIONAL
EMPLOYEES GROUP**

JULY 1, 2022 – JUNE 30, 2026

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**MEMORANDUM OF UNDERSTANDING BETWEEN
THE CITY OF BRISBANE AND
THE MID-MANAGEMENT/PROFESSIONAL
EMPLOYEES GROUP**

ARTICLE 1. PREAMBLE

Pursuant to Government Code 3500, as amended, et seq., this Agreement has been entered into by the City of Brisbane and the Mid-Management/Professional Employees Group. The purpose of this Agreement is the promotion of harmonious relations, peaceful resolution of differences, and the establishment of rates of compensation, hours of work, and other matters relating to employment conditions to be observed by the parties.

The terms of the memorandum of Understanding shall be subject to review and meet and confer by the parties if the State of California or the Federal government through executive or legislative action substantially affects the ability of the City to provide funding for City Council adopted services. This review and meet and confer may also be exercised in the event there is a recession (as declared by the National Bureau of Economic Research and defined as two consecutive quarters of negative growth in the United States Gross Domestic Product (GDP)).

ARTICLE 2. RECOGNITION

The City hereby recognizes the Mid-Management/Professional Employees Group as the sole and exclusive representative for the bargaining unit consisting of the following classifications:

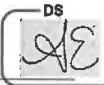
Associate Civil Engineer
Communications Manager
Deputy Director of Public Works
Deputy Finance Director
Geographic Information Systems Manager
Financial Services Manager
Harbormaster
Information Technology & Systems
Administrator
Principal Planner
Program Manager (SMCWPPP)

Public Works Superintendent
Public Works Supervisor
Public Works Team Leader
Recreation Manager
Recreation Supervisor
Regional Compliance Program Manager
(Maintenance Program Manager)
Senior Civil Engineer
Senior Management Analyst
Senior Planner
Sustainability Manager

ARTICLE 3. NON-DISCRIMINATION

- A. The parties mutually recognize and agree to protect the rights of all employees hereby to join and/or participate in protected Group activities or to refrain from joining or participating in protected activities in accordance with the Employer-Employee Relations Resolution Sections 3500 et seq.

For Mid-Mgmt/Professionals Group:

JF  1

For the City:





- B. The City and Group agree that they shall not discriminate against any employee because of race, color, sex, sexual orientation, marital status, age, physical handicap, national origin, political or religious opinions or affiliations. The City and the Group shall reopen any provisions of this Agreement for the purpose of complying with any order of a federal or state agency or court of competent jurisdiction requiring modification or change in any provision or provisions of this Agreement in compliance with state or federal anti-discrimination laws.
- C. Whenever a gender pronoun is used in the Agreement, it shall be understood to include all genders.

ARTICLE 4. MANAGEMENT RIGHTS AND IMPACT OF MANAGEMENT RIGHTS

- A. The City reserves, retains, and is vested with, solely and exclusively, all rights of management which have not been expressed abridged by specific provision of this Agreement or by law to manage the City, as such rights existed prior to the execution of this Agreement. The sole and exclusive rights of management, as they are not abridged by this Agreement or by law, shall include, but not be limited to, the following rights:
- 1) To manage the City generally and to determine the issues of policy;
 - 2) To determine the existence or non-existence of facts which are the basis of the management decision;
 - 3) To determine the necessity of organization of any service or activity conducted by the City and expand or diminish services;
 - 4) To determine the nature, manner, means, technology, and extent of services to be provided to the public;
 - 5) Methods of financing;
 - 6) Types of equipment or technology to be used;
 - 7) To determine and/or change the facilities, methods, technology, means and size of the work force by which the City operations are to be conducted;
 - 8) To determine and change the number of locations, relocations and types of operations, processes and materials to be used in carrying out all City functions but not limited to, the right to contract for or subcontract any work or operation of the City;
 - 9) To assign work to and schedule employees in accordance with requirements as determined by the City, and to establish and change work schedules and assignments;
 - 10) To relieve employees from duty for lack of work or similar non-disciplinary reasons;
 - 11) To establish and modify productivity and performance programs and standards;
 - 12) To discharge, suspend, demote or otherwise discipline employees for proper cause in accordance with the provisions and procedures set forth in City Personnel Rules and Regulations;
 - 13) To determine job classifications and to reclassify employees;
 - 14) To hire, transfer, promote and demote employees for non-disciplinary reasons in accordance with this Agreement and City's Rules and Regulations;
 - 15) To determine policies, procedures and standards for selection, training and promotion of employees;
 - 16) To establish employee performance standards including, but not limited to, quality and quality standards; and to require compliance therewith;
 - 17) To maintain order and efficiency in its facilities and operations;

For Mid-Mgmt/Professionals Group:

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For the City:



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- 18) To establish and promulgate and/or modify rules and regulations to maintain order and safety in the City which are not in contravention with this Agreement;
- 19) To take any and all necessary action to carry out the mission of the City in emergencies.

B. Impact of Management Rights

Where required by law, and within the scope of representation, the City agrees prior to implementation to meet and confer with the Group over the impact of the exercise of management's rights upon the wages, hours, and terms and conditions of employment on unit members unless the impact consequences of the exercise of a management right upon unit members is provided for in this Agreement

ARTICLE 5. CLASSIFICATIONS AND PAY PLANS

A. Salaries

Wages for covered employees are set forth in the agreed-upon schedule, which is hereby incorporated as though set forth in full.

Each employee shall be compensated on a bi-weekly basis. Payment will normally be made on Friday immediately following the conclusion of a City payroll period. A City payroll period begins on the Monday which is the first day of the City pay period and ends on the Sunday which is the last day of the City pay period and consists of fourteen (14) calendar days.

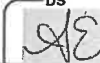
The following changes in the wages will be made during the term of the agreement:

1. Effective the first full pay period in January 2023, a Cost of Living Adjustment increase of 3%.
2. Effective the first full pay period in January 2024, a Cost of Living Adjustment increase of 3%.
3. Effective the first full pay period in July 2024, a minimum Cost of Living Adjustment increase of 6%.
4. Effective the first full pay period in July 2025, a Cost of Living Adjustment increase of 6% unless the cumulative inflation over the course of the term of the contract is less than 18%. If the cumulative inflation is less than 18%, the Cost of Living Adjustment will be reduced 1% for each percent reduction in inflation, to no lower than 4%. The measurement period will be April 2021 to April 2025. The CPI to be used is CPI-W (Urban Wage Earners and Clerical Workers) for the San Francisco-Oakland-Hayward area. The base period is 1982-1984=100.

B. Additional Compensation

1. Administrative Leave – On or about the second pay period of August each year, the department head, with approval from the City Manager may grant up to 10 days Administrative Leave annually to Mid-Management/Professional Employees in recognition of solid and consistent performance and significant contribution of time and effort over the past year. The employee can elect to receive such time in the form of pay in lieu of leave time. Such election shall be

For Mid-Mgmt/Professionals Group:

JF  3


For the City:



made before December 31 of the year prior to when the leave is granted. When the employee elects to receive this leave in the form of time off, said leave shall be taken within one year from the date it is granted, and may not be carried over beyond that point. For employees who are hired after the second pay period of August and do not serve a full year in their management position before the second pay period of the following August, their Administrative Leave Incentive leave shall be prorated.

2. **Acting Pay** - Employees of this unit are eligible to be assigned to perform the duties of a higher classification. Assignment to this higher classification is at the discretion of the department head and shall be for a term of at least one-week. The assignment is considered to be temporary in nature and in no event shall exceed 180 days, subject to the restrictions of Government Code section 20480. An employee assigned to perform the duties of a higher classification shall be entitled to receive 10.0% above his/her current base salary for the first thirty (30) days of such assignment and 15.0% above his/her current base salary for the duration of the assignment.
3. **Assignment Pay Program**
 - a) Employees in the Mid-Management/Professional Employees Group bargaining unit may apply for and participate in the City Manager's Assignment Program, in which appointed employees are assigned to perform various and specific work duties that are not within the scope of their regular work duties. The application process for such an assignment (referred to hereafter as an "Additional Assignment") shall be in accordance with the Personnel Rules & Regulations sections 7.01 - 7.04. The scope and length of an Additional Assignment is at the sole discretion of the City Manager. The current scope of duties of the regular position of an employee appointed to an Additional Assignment shall be adjusted to accommodate the time needed to perform the new assignment. Such adjustment shall be approved and agreed upon by the City Manager, the Department Head and the employee.
 - b) Prior to the employee agreeing to the assignment, an employee so assigned shall be advised of the monetary compensation from \$250 to \$750 per month and/or non-monetary compensation above and in addition to his/her current base salary for the full period of assignment. The appropriate amount of additional pay and scope and length of the assignment will be set prior to commencement of the assignment. There shall be no reduction in the amount of additional pay during the term of this agreement.
 - c) Additional Assignments shall be no more than 5 - 6 hours per week on average, but in some weeks may be more and in others less. Should an assignment change in scope of duties and/or length of time during the agreed period, the employee may negotiate new compensation terms.
 - d) The pay and scope of duties of an Additional Assignment shall not be incorporated in the salary or job description of the regular position of the employee appointed to the assignment, and an employee's participation in the Assignment Program shall not limit his/her future promotion eligibility. The probationary period and performance rating provisions of Article 27 of the Mid-Management/Professional Employees Group MOU shall apply to Additional Assignments. Application of Article 27's probationary period and performance rating provisions to an Additional Assignment shall not affect application of those provisions to an employee's regular work assignment.
 - e) Withdrawal from an Additional Assignment may be agreed upon by both the City Manager and the employee by written notification at least 2 weeks prior to the withdrawal date,

For Mid-Mgmt/Professionals Group:

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For the City:



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provided that, if completion of a time-sensitive project to which an employee committed requires more than 2 weeks from the time of notification of withdrawal, the employee will complete the project prior to withdrawal from the additional Assignment. Withdrawal from an Additional Assignment shall not negatively affect an employee's regular position or eligibility for other assignments or promotions.

- f) Any adjustment made to the scope of duties of the regular position of an employee appointed to an Additional Assignment shall end upon the employee's completion of or withdrawal from the Additional Assignment, so that the full scope of duties of the regular position prior to the Additional Assignment is restored.
- 4 Bi-Lingual Pay – Employees in this unit are eligible to receive \$200 per month beginning July 2023. This incentive will be paid on a bi-weekly basis. Employees are only eligible to receive Bi-Lingual pay for one language and must pass a state exam showing competency in the second language in order to be eligible

C. Compensation Study

A total compensation survey will be completed after January 2024. The results of the survey will be used to reopen the contract for total compensation discussion. The parties will convene to review the components of said market study. The City will meet and confer with the bargaining unit regarding the results of the market study and upon the request of the group, will meet and confer regarding total compensation based on those results, including but not limited to exploration of the feasibility of a median implementation strategy. If the total compensation survey is not completed on by March 2024, this bargaining unit shall receive a 2% increase in addition to the Cost of Living increase scheduled for July 2024 of 6%.

ARTICLE 6. TUITION REIMBURSEMENT

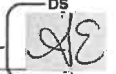
An employee who takes a job-related course at an accredited institution shall be eligible for reimbursement for the cost of registration fees, tuition, and course materials upon completion of the course. The employee shall achieve a grade of "C" or better, or "Pass" if the course was a pass/fail course. All courses shall be pre-approved by the department head.

If the course(s) being taken is part of a planned college degree program at a properly accredited institution of learning, the tuition reimbursement provided shall be limited to the amount which the California State University system charges under its fee schedule for registration fees, tuition, and course materials. Partial assistance will be considered for accelerated and other special programs on a case-by-case basis. The employee shall achieve a grade of "C" or better, or "Pass" if the course(s) was a pass/fail course. All courses shall be pre-approved by the department head.

Employees receiving reimbursement as a part of a planned degree program shall be required to complete a service obligation with the City of Brisbane after completion of the program as follows:

1. One (1) year service after the end of the last semester for part-time students (six or less units per semester or eight or less quarter units per quarter).

For Mid-Mgmt/Professionals Group:

JF  5

For the City:



2. Two (2) years of service after the end of the last semester for full-time students (over six units per semester or over eight quarter units per quarter).
3. The employee agrees to reimburse the City of Brisbane if he/she fails to obtain pre-approval from the department head, he/she does not meet the grade requirements, or he/she does not fulfill the service requirement.

ARTICLE 7. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Employees hired by the City and who have entered CalPERS membership on or prior to July 1, 2008 will receive the Local Miscellaneous 2.7% @ 55 CalPERS retirement plan. The employee contribution for those participating in the Local Miscellaneous 2.7%@ 55 retirement plan will be 8.0%.

Employees hired by the City and who have entered CalPERS membership from July 1, 2008 to December 31, 2012 will receive the Local Miscellaneous 2%@ 60 CalPERS retirement plan. The employee contribution for those participating in the Local Miscellaneous 2%@ 60 retirement plan will be 7.0%.

New bargaining unit employees hired on or after January 1, 2013 who are determined by CalPERS to be "classic" or "legacy" members of CalPERS will receive the Local Miscellaneous 2%@ 60 retirement plan. The employee contribution for those participating in the Local Miscellaneous 2%@ 60 retirement plan will be 7.0%.

For new bargaining unit employees hired on or after January 1, 2013 who are determined by CalPERS to be "new" members of CalPERS will receive the Local Miscellaneous 2% @ 62 retirement program. The employee contribution for those participating in the Local Miscellaneous 2%@ 62 plan shall pay 50% of the normal cost. In this and all other relevant respects, the City will comply with Government Code sections 7522 et seq. (PEPRA) including but not limited to the employee cost-share, the cap on pension benefits, and the three-year average for calculating final compensation.

ARTICLE 8. OVERTIME

As defined by the Fair Labor Standards Act, employees of this unit are considered exempt and as such are exempted from the Act's overtime requirements.


ARTICLE 9. INSURANCE

The City shall provide insurance benefits as agreed upon below. If the City desires to change insurance providers during the term of this agreement, the City and Mid-Management/Professionals Employee Group will negotiate the results of the change with the understanding that a similar benefit will be provided through the length of the agreement term.

A. CalPERS Employer Health Contribution

The City shall contribute the minimum health premium contribution for participating active and retired employees under the Public Employees' Medical and Hospital Care Act (PEMHCA), currently at \$149 for 2022 and \$151 for 2023. This will cease should the City no longer provide health benefits through PEMHCA in the future.

For Mid-Mgmt/Professionals Group:

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For the City:



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B. Flexible Compensation Plan


The City shall continue to offer a bona fide Flexible Compensation Plan and to make monthly contributions for allocation to health insurance and health and dependent care reimbursement accounts. It is understood that the City may establish such regulations as may become necessary to ensure that the cafeteria plan remains a bona fide plan for the purpose of taxation and FLSA compliance, subject to meet and confer to the extent required by state law.

The City's contribution to the Flexible Compensation Plan (cafeteria plan) shall increase as follows:

1. Effective December 2022, the City's contribution toward the Flexible Compensation Plan will increase by 3% to the following amounts:
No Plan: \$700.29
Single Party: \$835.29 + PEMHCA
Two Party: \$1831.81 + PEMHCA
Family: \$2429.77 + PEMHCA
2. Effective December 2023, the City's contribution toward the Flexible Compensation Plan will increase by 3% to the following amounts:
No Plan: \$721.30
Single Party: \$860.35 + PEMHCA
Two Party: \$1886.76 + PEMHCA
Family: \$2502.66 + PEMHCA
3. Effective December 2024, the City's contribution toward the Flexible Compensation Plan will increase by 3% to the following amounts:
No Plan: \$742.94
Single Party: \$886.16 + PEMHCA
Two Party: \$1943.37 + PEMHCA
Family: \$2577.74 + PEMHCA
4. Effective December 2025, the City's contribution toward the Flexible Compensation Plan will increase by 3% to the following amounts:
No Plan: \$765.23
Single Party: \$912.74 + PEMHCA
Two Party: \$2,001.67 + PEMHCA
Family: \$2,655.07 + PEMHCA

The overall increase in the cafeteria plan will be no more than a cumulative 17% over the four-year period. Increases above the guaranteed rates will occur if the Kaiser rate increases above the cumulative guaranteed rate.

For Mid-Mgmt/Professionals Group:

JF  7

For the City:



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Calendar Year	Guaranteed Increase	Amount Available based on Cumulative Kaiser Increase above Cumulative Guaranteed Increase
2022	3%	
2023	3%	5%
2024	3%	5% unless a portion used in previous year
2025	3%	5% unless a portion used in previous year

C. Dental Benefits

During the term of this agreement, the City shall contribute the sum of \$145 per month per employee toward a dental plan.

Maximum Coverage:

The current maximum reimbursement amount per employee shall be \$2,000 per plan year. The reimbursement per dependent shall be \$1,100 per plan year. The amount of the unused employee balance that can be applied to the outstanding dependent balance shall be \$530 per fiscal year.

D. Life and Long Term Disability Insurance

The City shall maintain in effect for the term of this resolution its existing life and long-term disability insurance plans.

E. Vision Care Insurance

The City shall maintain in effect for the term of this agreement the existing level of coverage. The City shall contribute 100% of the family rate for such vision care coverage.

F. Employee Assistance Program

The City shall maintain in effect for the term of this agreement its occupational health services in order to provide an Employee Assistance Program.

ARTICLE 10. SUPPLEMENTAL STIPEND

The City will provide for an amount equal to Kaiser Health Insurance for employee, employee plus 1, or employee plus 2 depending on the level of insurance the employee has in retirement. The amount will change to the Medicare Supplemental rate as designated by CALPERS once the employee or dependent is eligible for Medicare. If one covered family member is not in Medicare while another is, the employee will receive the appropriate amount for the combined plan. The benefit will continue only through the life of the employee, not survivors. This is a non-vested benefit. If the employee changes health care carriers, the benefit will cease; provided, however, that in the case of PEMHCA health care plans, an employee may change carriers as long as it the health care plan remains within the PEMHCA umbrella. All of the following conditions shall be met for the employee to be eligible to receive this benefit:

- 1) The employee has 15 years or more service with the City of Brisbane.
- 2) The employee retires from service with the City of Brisbane.
- 3) The effective date of the retirement is within one-hundred twenty (120) days of separation from the City of Brisbane.

For Mid-Mgmt/Professionals Group:  8

For the City: 

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- 4) Employees hired after July 1, 2008 are not eligible for the supplemental stipend benefit. Such employees will be eligible to receive a benefit as noted in Article 11 below.

ARTICLE 11. DEFERRED COMPENSATION-EMPLOYER CONTRIBUTION

For employees hired on or after July 1, 2008, the City will contribute one point five percent (1.5%) of the employee's base monthly salary toward one of the City's 457 deferred compensation plans and the above Article 10. Supplemental Stipend will not apply. In the event the employee makes a voluntary contribution of up to five (5.0%) percent of the employee's base monthly salary toward the 457 deferred compensation plan the City will match such contribution at the rate of dollar (\$1.00) per dollar (\$1.00) up to a maximum of five percent (5.0%).

Employees hired on or before July 1, 2008 shall have the option of contributing to their 457 deferred compensation plan without forfeiting any rights to the retiree medical supplemental stipend.

For individual employees hired on or before July 1, 2008 that are eligible for the supplemental stipend who voluntarily elect to irrevocably opt out of the supplemental stipend benefit, the City will contribute three percent (3.0%) of the employee's base monthly salary toward their 457 deferred compensation plan and the above supplemental stipend will not apply. In the event the employee makes a contribution up to five percent (5.0%) of the employee's base monthly salary towards their 457 plan, the City will match such contribution at the rate of dollar (\$1.00) per dollar (\$1.00) up to two percent (2.0%). The City's total contribution toward any employee will not exceed five percent (5.0%) annually. This benefit will terminate upon separation from service with the City. Furthermore, it is agreed that an employee who once waives his/her participation in the supplemental stipend program, it shall be irrevocable. Total contribution to 457 deferred compensation plans will be limited to annual maximum contributions dictated by IRS code.

ARTICLE 12. VACATION

- 1) All full-time personnel shall be entitled to annual vacation leave as provided below:

Years of Continuous Service	Annual Accrual Amount	Maximum Accrual Amount
First 4 years	80 hours	160 hours
After 4 years	120 hours	240 hours
After 9 years	160 hours	320 hours

- 2) Vacation credits shall be accrued pro rata on each pay period. Employees shall not be eligible to use vacation during the first six (6) months of employment, but shall receive credits for that period when six (6) months of service have been attained.
- 3) Subject to approval by the appointing authority, the department and employee shall schedule the times at which vacation leave is to be taken with due consideration being given to the desires of the employee and the operational needs of the department. Use of vacation leave in less than one-day increments shall be discouraged.

For Mid-Mgmt/Professionals Group:

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For the City:

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- 4) Based on the operational need or employee preference, vacation leave earned in a given year may be deferred to the following year. However, the total amount of vacation accrued shall not exceed the maximum accrual listed above, except as noted below.
- 5) Vacation leave accrued may exceed the listed maximum hours only with approval of the Appointing Authority. Documentation of all vacation deferments approved by the Appointing Authority shall be provided to Human Resources in such form as specified.
- 6) It is the employee's responsibility to keep track of his/her accrued hours and make timely requests to take earned vacation leave. The granting of vacation leave requests is at the discretion of the department head or designee, based on staffing and operational needs of the department. Failure to plan for and timely scheduling of vacation leave shall result in no further vacation hours being accrued when the maximum number of accrued vacation hours is reached. However, no employee shall lose the accrual of vacation hours when timely vacation requests are made. A timely vacation request shall be one that is submitted at least ten (10) days prior to the requested leave date(s).
- 7) Where an illness or injury necessitates care and treatment by a physician during an employee's vacation leave, the days shall not be charged against the employee's vacation accrual. Upon presentation of appropriated documentation from the physician such leave will be changed to the employee's sick leave.
- 8) Vacation Buyback Provision – Employees who have used a minimum of 60 hours during the fiscal year can sell up to 80 hours of vacation time back to the City in June of that fiscal year. This provision will terminate on June 30, 2025 unless agreed to continue by both parties prior to June 30, 2025.

ARTICLE 13. HOLIDAYS

A. The City shall observe the following holidays:

January 1 (New Year's Day)
 The third Monday in January (Martin Luther King, Jr. Day)
 The third Monday in February (President's Day)
 March 31 (Cesar Chavez Day)
 The last Monday in May (Memorial Day)
 June 19 (Juneteenth)
 July 4 (Independence Day)
 The first Monday in September (Labor Day)
 November 11 (Veteran's Day)
 Fourth Thursday in November (Thanksgiving Day)
 Day After Thanksgiving
 December 24 (Christmas Eve)
 December 25 (Christmas Day)
 December 31 (New Year's Eve)

For Mid-Mgmt/Professionals Group:

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For the City:



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B. Floating Holidays

Employees will receive 16 hours of floating holiday for personal use. Paid holiday time (floating holidays) is accumulated annually and may not be carried over into subsequent calendar years.

C. Floating Holiday for Marina Employees

The City shall observe the following holidays for employees who are assigned to the Marina Department as follows:

January 1
Thanksgiving
December 24
December 25
December 31

Marina employees will take not take holidays that occur on days on which they are regularly scheduled to work. Such holidays will be made available to the employee as floating holidays. In addition to the existing 16 hours of floating holidays for non-probationary employees, employees assigned to Marina duties shall be given up to an additional nine (9) paid holidays (floating holidays) in lieu of the nine (9) unobserved holidays. These additional floating holidays will be awarded after the holiday and shall be taken before the end of the calendar year. This additional paid floating holiday time may not be accumulated or carried over into subsequent calendar years. Floating holidays awarded in lieu of December holidays will be awarded in January of the following calendar year.

D. Observance of Holidays

A City holiday shall also be observed on any day proclaimed by the President, Governor or Mayor of the City as a public holiday.


Where any of the aforementioned holidays falls on a Sunday, the following Monday shall be observed as the holiday. Where the holiday falls on a Saturday, the preceding Friday shall be observed as the holiday. Where Christmas Eve or New Year's Eve falls on a Saturday or Sunday, the preceding Friday shall be observed as the holiday.

When a City holiday falls on an employee's regularly scheduled day off which is other than Saturday or Sunday, another day off shall be granted.

The City shall observe the following holidays for the classification of Recreation Supervisor:

For any holiday which is observed by both the City and the Brisbane School District, the employees assigned to Recreation duties shall observe the holiday on the same day as the school district, rather than on the day observed by other City employees. The total number of holiday hours remains unchanged.

For Mid-Mgmt/Professionals Group:

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For the City:



E. Probationary employees are not eligible for paid holiday time (floating holidays) during the first six months of employment. During the remainder of the 12-month probationary period, probationary employees are eligible for paid holiday time (floating holidays) on a pro rata basis on the number of month remaining in the 12-month probationary period.

ARTICLE 14. SICK LEAVE

Employees covered by the agreement shall be provided paid sick leave as set forth below. These benefits shall not be considered as a right which, an employee may use as his discretion, but shall be allowed only where justified by necessity and actual personal sickness or disability.

The accrual and usage of sick leave shall be governed by the following provisions:

- A. Sick leave shall be earned at the rate of eight (8) hours for each calendar month of service.
- B. Sick leave credits earned may be accumulated without limit. Employees separating from the City service shall not be entitled to any payment of unused, accrued leave.
- C. Employees shall not accrue sick leave during their first three (3) months of employment under original appointments, but shall receive credits for that period when three (3) months of service have been attained.
- D. In order to be entitled to sick leave, an employee who, because of illness or injury, is unable to report for work shall so notify his immediate supervisor within one hour from the commencement of the shift. A department head may require an earlier notification where it is warranted due to operational needs.

Failure to provide such notification without good reason may result in that day of absence being treated as a leave of absence without pay. The determination in this regard shall be made by the department head, subject to final approval by the appointing authority. Where the period of absence due to illness or injury is not known at the outset, it shall be the responsibility of the employee to remain in contact with his immediate supervisor, on a daily basis if deemed necessary by the supervisor.

Where the absence is, or is expected to be, for more than two work days, the employee may be required to file a physician's certificate or a personal affidavit with the Personnel Officer, stating the cause of absence. At its discretion, the City may establish other methods of verification as it deems appropriate. These means shall require the prior approval of the appointing authority and may include, but not be limited to, home visitation and examination by a physician selected by the City.

The payment of sick leave may be suspended by the appointing authority where he/she has reasonable grounds to believe that absences on a given day or days are the result of a concerted action of the part of two or more employees which is related to a labor dispute with the City directly or one in which the City is involved as a third party.

For Mid-Mgmt/Professionals Group:

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For the City:



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- E. Where an illness or injury is job-related and covered by State Workers' Compensation, accrued sick leave and vacation credits shall be applied to make up the difference between State benefits and full, base salary. However, sick leave shall not be paid for any absence of a law enforcement employee resulting from illness or injury arising out of the course of employment by the City.
- F. An employee may use one-half of his/her annual accrual of sick leave to attend to the diagnosis, care, or treatment of an existing health condition or preventative care for a child, spouse, registered domestic partner, parent (including biological, adoptive, foster parent, stepparent or legal guardian of an employee or the employee's spouse or registered domestic partner, or a person who stood in loco parentis when the employee was a minor child), grandparent, grandchild, or sibling. The Personnel Officer may approve use of leave for this purpose for other than the family members defined above.
- G. The City will work with the Bargaining Group to participate in the State provided SDI program at no cost to the City.
- H. Accrued sick leave may, with department head approval, be used for medical and dental appointments of the employee where it is unfeasible to schedule them on the employee's own time.
- I. No accrued leave may be used for an injury or illness arising from outside employment.

ARTICLE 15. BEREAVEMENT LEAVE

Up to five working days per occurrence may be granted by the department head to employees where there has been a death in the employee's immediate family. "Immediate family" shall be defined as the employee's spouse, domestic partner, children, parents, brothers, sisters, grandparents, grandchildren, and in-laws. The Personnel Officer may approve use of leave for this purpose for other than the family members defined above. Extensions to such leaves due to unusual circumstances may be approved by the City Manager or designee.


ARTICLE 16. PERSONAL LEAVE

Employees may use up to one (1) day per year of sick leave for the purpose of conducting personal business which cannot be accommodated on the employee's own time. Use of this leave must be approved in advance by the department head and shall be deducted from the employee's sick leave balance.

ARTICLE 17. MILITARY LEAVE

Military leave shall be granted in accordance with the provisions of the State Military and Veterans code. An employee requesting leave for this purpose shall provide the department head with a copy of the military orders specifying the dates, site and purpose of the activity or mission. Within the limits of such orders, the department head may determine when the leave is to be taken and may modify the employee's work schedule to accommodate the request for leave.

For Mid-Mgmt/Professionals Group:

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For the City:



ARTICLE 18. JURY DUTY

An employee who is called to serve as a juror shall be entitled to leave during the period of such service or while necessarily being present in court as the result of such a summons. Under these circumstances, the employee shall be paid his full salary for this period, provided the employee remits jury fees received to the City. Such fees shall not include mileage reimbursements or subsistence payments. In order to receive regular wages, the employee must provide the City with a copy of the summons and any documentation related to attendance.

An employee who is subpoenaed to appear in court in an official capacity shall be allowed to do so without loss of compensation. An employee subpoenaed to appear in court in a matter unrelated to his/her official capacity as a City employee shall be permitted time off without pay. If the employee elects, accrued vacation or administrative time off may be used for this purpose.

ARTICLE 19. MATERNITY LEAVE

Maternity leaves of absence shall be granted in accordance with applicable provisions of Federal and State law. See Personnel Rules and Regulations.

ARTICLE 20. MEDICAL LEAVE

The appointing authority may place an employee on a medical leave of absence without pay where, in the appointing authority's judgment, that employee is incapacitated to perform the regular functions of his position. This type of leave may be used pending the employee's anticipated recovery or pending the outcome of a medical evaluation of the employee's physical or mental health as it relates to the performance of his/her work. Before an employee is placed on such leave status, the employee shall be permitted to utilize all accrued sick leave and vacation credits.

Under normal circumstances, no leave directed or granted under this rule shall exceed 90 days at which time the appointing authority may, under extraordinary circumstances, extend the leave for a definite period. Otherwise, the leave shall be terminated.

ARTICLE 21. LONGEVITY RECOGNITION INCENTIVE

In recognition of twelve (12) consecutive years of service with the City of Brisbane, the City grants to such a qualified employee each year forty hours of time off with pay. Such time off is to be taken within a year of the date the leave is awarded, provided; that the employee schedules appropriate release time with the employee's supervisor and provided further that such time not taken may not be carried over nor paid out in cash.

In recognition of twenty (20) consecutive years of service with the City, the City grants to such qualified employee a 3.0% (three percent) incentive effective the first full payroll period after January 1, 2023. The incentive increase shall be given to any employee who has twenty (20) years of consecutive service as of January 1, 2023.

For Mid-Mgmt/Professionals Group:

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For the City:

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ARTICLE 22. OTHER LEAVES WITHOUT PAY

The appointing authority may grant an employee a leave of absence without pay for a definite period not to exceed three months. Department heads may grant such leaves not to exceed five working days.

The request for leave, and the reasons therefore, shall be submitted in writing by the employee and must be approved in advance by the appoint authority or the department head, as appropriate.

On expiration of the approved leave, the employee shall be reinstated to his former position or to a comparable one if the former position is abolished during the period of leave and the employee otherwise would not have been laid off. Based upon unforeseeable changes in operating requirements, the appointing authority may recall the employee from leave prior to its expiration. Failure on the part of an employee to return to work on the date originally scheduled or subsequently modified shall be considered as a resignation.

ARTICLE 23. LEAVES OF ABSENCE WITHOUT PAY: EFFECT ON SENIORITY AND BENEFITS

Except as provided under State law for employees on military leave of absence, employees on leaves of absence without pay shall not, after the first 30 days of such leave, accrue service or leave credits, nor shall the City be required to maintain contributions toward group insurance coverage. During the period of such leaves, all service and leave credits shall be retained at the levels existing as of the effective date of the leave.

ARTICLE 24. WELLNESS BENEFIT

The City provides up to \$300 per fiscal year for a wellness benefit.

ARTICLE 25. LAYOFF PROCEDURE

City Personnel Rules and Regulations.

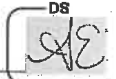
ARTICLE 26. DEMOTION

A. Based upon an employee's request or upon an employee's demonstrated inability to perform the tasks of the position, the appointing authority may demote an employee to a position in a classification which carries a lower maximum rate of pay and which the employee is qualified to perform. Under these circumstances, the employee's new rate of pay shall be that step on the new salary range which most closely corresponds to the employee's former salary step.

B. Where such action is based upon an employee's inability to perform the work of the current position, the employee may appeal the action of the appointing authority pursuant to Rule 15 of the City Rules and Regulations.

C. Advance written notice of demotion, together with the effective date, shall be provided to the employee and the employee's department head.

For Mid-Mgmt/Professionals Group:

JF  15

For the City:



ARTICLE 27. TRANSFER

A. An employee may be transferred by the appointing authority from one position to another position in the same classification or in a comparable classification carrying the same maximum salary rate and which the employee is qualified to perform. Where a transfer would involve two (2) departments or two (2) divisions of the same department, the transfer shall be subject to the approval of both managers unless it is being made for the purpose of economy or efficiency.

B. Advance written notice of this action, together with its effective date, shall be provided to the employee and the affected managers.

ARTICLE 28. PROMOTIONS

Candidates who successfully complete all components of the examination shall be placed on the appropriate employment list. Preparation and maintenance of employment lists is the responsibility of the Personnel Officer.

All open competitive and promotional lists shall remain in effect for one year unless exhausted or abolished within that period as provided. The Personnel Officer may extend such list for up to six months. The effective date of a list shall be that date on which it is approved for posting by the Personnel Officer.

ARTICLE 29. PROBATIONARY PERIOD AND PERFORMANCE RATINGS

The probationary period shall be regarded as part of the testing process and shall be utilized for closely observing the employee's work, for securing the most effective adjustment of the employee to the new position, and for rejecting any probationary employee whose performance does not meet the required standards of work.

All original appointees shall serve a probationary period of twelve (12) months. Promotional appointees shall serve a probationary period of not less than six (6) months, nor more than twelve (12) months.

Where the probationer loses time from the job, whether paid or unpaid, in sufficient amounts as to detract from the stated objective of Rule 11.10 in the City Rules and Regulations, the appointing authority may extend the period of probation beyond the limits contained in the preceding paragraph. This extension may not exceed the aggregate amount of lost time which caused the extension. The probationer shall be so advised prior to the effective date of the extension.

It shall be the duty of each department head and immediate supervisor to investigate carefully the probationer's adjustment and performance to determine whether or not the probationer is qualified for permanent status. The department head shall submit to the Personnel Officer an evaluation of the probationer's performance at times specified by the Officer, but no less than twice during the employee's probationary period.

The final probationary report on each probationer shall include, and earlier reports may include, the department head's recommendation regarding retention.

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During the probationary period, an appointee may be rejected at any time by the appointing authority without cause and without right to appeal. Notice of rejection shall be served in writing on the probationer.

An employee rejected during the probationary period from a position in the Classified Service to which he/she has been promoted shall be reinstated to a position in the class from which he was promoted unless the rejection results in dismissal from the City service. Where rejection results in dismissal, the employee shall have the right to appeal such action in accordance with Rule 14 of the City Rules and Regulations and shall be furnished advance notice pursuant to Rule 13.02 of the City Rules and Regulations.

Performance reports shall be completed at least annually for all personnel having permanent status. Such reports may be required more frequently by the Personnel Officer.

ARTICLE 30. MANDATORY ADMINISTRATIVE LEAVE

The appointing authority may place an employee on administrative leave where, in his/her judgment, such action would be in the best interests of the City service. This leave may be with or without pay. Its application may include, but not be limited to, situations where disciplinary matters are pending.

ARTICLE 31. DISCIPLINARY PROCEDURE

The appointing authority may take disciplinary action against an employee for misconduct including, but not limited to: chronic absenteeism; incompetence; insubordination; failure to follow work rules; misstatement of fact on an application or other personnel document; falsification of records; unfitness for duty; and absence without authorized leave.


The disciplinary action(s) taken may include suspension, pay reduction, demotion, discharge, or any combination of these or other appropriate penalties.

All disciplinary action taken against an employee must receive the prior approval of the appointing authority except under emergency circumstances which dictate immediate suspension of the employee by the department head or supervisor. In such cases, the employee's department head shall immediately report the action taken to the appointing authority who shall review the case and make a determination concerning the appropriateness of the suspension and of further disciplinary action.

All actions resulting in salary reductions or demotions shall be subject to review by the appointing authority and the department head involved within thirty (30) days following the effective date of the initial action and at regular intervals thereafter.

Employees shall have the right to appeal disciplinary actions pursuant to the applicable provisions of Article 32 set forth below (see Step 4).

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ARTICLE 32. GRIEVANCE PROCEDURE

A grievance is defined as any dispute involving the interpretation, application, or alleged violations of:

- 1) A current Memorandum of Understanding between the City and a recognized employee organization.
- 2) The City's Personnel Ordinance and City's Rules where the provision in dispute is within the scope of representation.

Should any dispute concern an agreement, rule, or action which prescribes a separate appeal procedure, that dispute shall be excluded from the procedure.

STEP 1 A mid-management or confidential employee who has a grievance shall bring it to the attention of his/her immediate supervisor within five (5) working days of the occurrence of the act which is the basis for the dispute. Where the grievance concerns a matter of proper compensation or a matter which could not reasonably be discovered by the employee within twenty (20) working days of the occurrence. If the employee and the immediate supervisor are unable to resolve the grievance within five (5) working days of the date it is raised with the immediate supervisor, the employee shall have the right to submit a formal grievance which shall contain the information set forth below.

1. The name of the grievant.
2. The grievant's department and specific work site.
3. The name of the grievant's immediate supervisor.
4. A statement of the nature of the grievance including date and place of occurrence.
5. The specific provision, policy, or procedure alleged to have been violated.
6. The remedy sought by the grievant.
7. The name of the individual or organization, if any, designated by the grievant to represent him in the processing of the grievance. However, in no event shall an employee organization other than the one which formally represents the position occupied by the grievant be designated as the grievant's representative.

Formal grievances shall be processed beginning with Step 2 of this procedure.

STEP 2 An employee dissatisfied with the decision of the immediate supervisor in Step 1 may submit the grievance to his department head within seven (7) working days from the date of the immediate supervisor's decision. The department head shall respond to the grievance in writing within seven (7) working days from the date of its receipt.

STEP 3 If the employee is dissatisfied with the decision of the department head in Step 2, he/she may submit the grievance to the appointing authority within ten (10) working days from receipt of the department head's response. The appointing authority, or his designated representative, shall respond to the grievance in writing within ten (10) working days of its receipt. Within this period the appointing authority, at his/her discretion, may conduct an informal hearing involving the parties to the dispute.

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STEP 4 For any disciplinary suspensions, disciplinary demotions or disciplinary terminations and for no other action(s), an employee who is dissatisfied with the decision of the appointing authority in Step 3 may submit the grievance to arbitration within ten (10) working days from receipt of the appointing authority's decision.

The City and Association shall meet promptly to select a mutually acceptable arbitrator. The fees and expenses of the arbitrator and a court reporter shall be the responsibility of the City, except in cases where allegations are of criminal misconduct, dereliction of duty, abandonment of position, gross negligence or moral turpitude. Each party, however, shall bear the cost of its own representation, including preparation and post-hearing briefs, if any.

Decision of arbitrators on matters properly set before them shall be final and binding on the parties hereto.

ARTICLE 33. OUTSIDE EMPLOYMENT

Employees shall not carry on, concurrently with their public employment, any other employment, business or undertaking which conflicts or interferes with their City employment.

Outside employment shall not be undertaken by full time employees unless the department head and the appointing authority first approve the employment and determine that it will not adversely affect the employee's quality of work or availability for City service.

Under no circumstances shall an employee be authorized to perform any function related to outside employment or activities during working hours.

ARTICLE 34. USE OF CITY FACILITIES

Upon reasonable advance notice, the City Manager or designee may authorized the use of appropriate City facilities by recognized employee organizations for meetings involving City employees they represent. Such meetings shall not conflict with the conduct of normal City business nor be held during on-duty time of the City personnel concerned.

Exceptions to the aforementioned on-duty policy may be granted by the City Manager or designee where it is clearly necessary for a represented employee to confer with his employee representative on a matter concerning employee relations and the City. The time devoted to such meeting shall be kept to a minimum, and the employee representative shall notify the responsible supervisor or manager when arriving at and leaving the work site.

Except as provided above, employee representatives shall not have access to City premises for the conduct of union or association business.

Upon request, the City Manager or designee shall also provide a reasonable amount of space at appropriate City facilities for posting of material by recognized employee organizations. This material shall be subject to review by the City Manager or designee prior to posting. Space allotted for this

For Mid-Mgmt/Professionals Group:

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[Signature]

purpose shall be withdrawn should any posted material contain inflammatory or other objectionable content.

ARTICLE 35. PROHIBITED ACTIVITIES

No employee organization shall encourage participation in, nor shall any employee participate in any strike, picketing, slow down, sick-out, or any other form of concerted activity against the City during the term of this agreement; nor shall any employee recognize any picket line in the course of his duty, nor in any way be involved in the reduction or denial of City service to any premises because of a labor dispute. (Any employee who violates any portion of this section is subject to disciplinary action.)

ARTICLE 36. WAIVER PROVISION OF BARGAINING DURING TERM OF AGREEMENT

Except as specifically provided for in this Agreement or by mutual agreement in writing during the term of this Agreement, the Group and the City hereby agree not to seek to negotiate or bargain with respect to any matters pertaining to rates, wages, hours, and terms and conditions of employment covered by this Agreement or in negotiations leading thereto, and irrespective of whether or not matters are discussed or were even within the contemplation of any parties hereto during negotiations leading to this Agreement, and any rights in that respect are hereby expressly waived during the term of this Agreement.

During the term of this Agreement, the Group may, upon action by its Executive Board, request in writing to reopen and meet and confer regarding working conditions. This re-opener shall not apply to salary, insurance, or any other monetary item(s), nor shall it apply to specific individual problems, which shall be handled under the grievance procedure.

ARTICLE 37. EMERGENCY WAIVER PROVISIONS

In the event of circumstances beyond the control of the City, such as acts of God, fire, flood, insurrection, civil disorder, national emergency, or similar circumstances, the provisions of this Agreement which restrict the City's ability to respond to these emergencies shall be suspended for the duration of such emergency. After the emergency is over, the Group shall have the right to meet with the City regarding their impact on employees of the suspension of these provisions in the Agreement.


ARTICLE 38. SEVERABILITY PROVISION

Should any article, section, subsection, subdivision, sentence, clause, phrase, or provision of this Agreement be found to be inoperative, void, or invalid by a court of competent jurisdiction, all other provisions of the Agreement shall remain in full force and effect for the duration of this Agreement.

ARTICLE 39. PAST PRACTICE

Continuance of working conditions and practices not specifically authorized by ordinance or resolution of the City Council is not guaranteed by this Agreement. The City shall not be relieved of its obligation to meet and confer with the Group regarding changes in working conditions and practices where otherwise required by law.

For Mid-Mgmt/Professionals Group:  20

For the City: 

Q.


The City's Personnel Rules and Regulations shall remain in full force and effect unless contraindicated by a specific provision of the Agreement.

It is understood and agreed by the parties that this Agreement supersedes all previous agreements between the parties, and that upon approval by the Brisbane City Council it shall be binding and enforceable to the full extent permitted by law.

ARTICLE 40. TERM OF THE MEMORANDUM OF UNDERSTANDING

The term of this Memorandum of Understanding shall commence on July 1, 2022, and terminate after June 30, 2026.

For Mid-Mgmt/Professionals Group:

JF  21

For the City:



RATIFICATION AND EXECUTION

The City and the Mid-Management/Professional Employees Group have reached an understanding as to certain recommendations to be made to the City Council for the City of Brisbane and have agreed that the parties hereto will jointly urge the Council to adopt a resolution which will provide for the changes contained in said joint recommendation. The City and the Mid-Management/Professional Employees Group acknowledge that this agreement shall not be in full force and effect until adopted by the City Council of the City of Brisbane. If the foregoing is in accordance with your understanding, please so indicate by signing below.

**MID-MANAGEMENT/PROFESSIONAL
EMPLOYEES GROUP**Dated 12/12/2022

DocuSigned by:
By Adrienne Thornton
Adrienne Thornton

By Jerry Flanagan
Jerry Flanagan

CITY OF BRISBANE

By Clayton Holstine
Clayton Holstine
City Manager

By Stuart Schillinger
Stuart Schillinger
Assistant City Manager

By Abby Partin
Abby Partin
Human Resources Administrator

For Mid-Mgmt/Professionals Group:

DS
JF 2

For the City:

JS

Effective Date: 01/02/2023

3.0% Increase

CITY OF BRISBANE

Exhibit A

Mid-Management/Professional

<u>Job Title</u>		<u>Step A</u>	<u>Step B</u>	<u>Step C</u>	<u>Step D</u>	<u>Step E</u>
Associate Civil Engineer	Monthly	9,354.78	9,820.67	10,311.93	10,828.57	11,370.57
	Bi-weekly	4,317.59	4,532.62	4,759.35	4,997.80	5,247.96
	Hourly	53.97	56.66	59.49	62.47	65.60
C/CAG Stormwater Program Director	Monthly	12,357.46	12,975.63	13,624.70	14,306.61	15,021.36
	Bi-weekly	5,703.44	5,988.75	6,288.32	6,603.05	6,932.94
	Hourly	71.29	74.86	78.60	82.54	86.66
Communications Manager	Monthly	9,131.05	9,610.79	10,115.89	10,648.67	11,209.12
	Bi-weekly	4,214.33	4,435.75	4,668.87	4,914.77	5,173.44
	Hourly	52.68	55.45	58.36	61.43	64.67
Deputy Director of Public Works	Monthly	13,806.14	14,495.75	15,222.27	15,983.38	16,781.40
	Bi-weekly	6,372.06	6,690.35	7,025.66	7,376.94	7,745.26
	Hourly	79.65	83.63	87.82	92.21	96.82
Deputy Finance Director	Monthly	12,357.46	12,975.63	13,624.70	14,306.61	15,021.36
	Bi-weekly	5,703.44	5,988.75	6,288.32	6,603.05	6,932.94
	Hourly	71.29	74.86	78.60	82.54	86.66
Financial Services Manager	Monthly	10,674.04	11,206.82	11,767.27	12,357.71	12,975.83
	Bi-weekly	4,926.48	5,172.38	5,431.05	5,703.56	5,988.84
	Hourly	61.58	64.65	67.89	71.29	74.86
Geographic Information Systems Manager	Monthly	9,131.05	9,610.79	10,115.89	10,648.67	11,209.12
	Bi-weekly	4,214.33	4,435.75	4,668.87	4,914.77	5,173.44
	Hourly	52.68	55.45	58.36	61.43	64.67
Harbormaster	Monthly	8,607.50	9,036.49	9,488.55	9,963.67	10,461.85
	Bi-weekly	3,972.69	4,170.69	4,379.33	4,598.61	4,828.55
	Hourly	49.66	52.13	54.74	57.48	60.36
Information Technology & Systems Administrator	Monthly	9,410.13	9,880.64	10,374.21	10,893.15	11,439.76
	Bi-weekly	4,343.14	4,560.29	4,788.09	5,027.61	5,279.89
	Hourly	54.29	57.00	59.85	62.85	66.00
Principal Planner	Monthly	11,631.20	12,212.41	12,823.61	13,464.79	14,138.26
	Bi-weekly	5,368.24	5,636.50	5,918.59	6,214.52	6,525.35
	Hourly	67.10	70.46	73.98	77.68	81.57
Program Manager - San Mateo Countywide Water Pollution Prevention Program	Monthly	11,504.34	12,080.94	12,685.22	13,319.48	13,986.03
	Bi-weekly	5,309.70	5,575.82	5,854.72	6,147.45	6,455.09
	Hourly	66.37	69.70	73.18	76.84	80.69

Effective Date: 01/02/2023

3.0% Increase

CITY OF BRISBANE

Exhibit A

Mid-Management/Professional

<u>Job Title</u>		<u>Step A</u>	<u>Step B</u>	<u>Step C</u>	<u>Step D</u>	<u>Step E</u>
Public Works Superintendent	Monthly	11,448.99	12,020.98	12,622.95	13,254.90	13,916.84
	Bi-Weekly	5,284.15	5,548.14	5,825.98	6,117.65	6,423.16
	Hourly	66.05	69.35	72.82	76.47	80.29
Public Works Supervisor	Monthly	8,750.50	9,188.71	9,647.69	10,129.73	10,637.14
	Bi-Weekly	4,038.69	4,240.94	4,452.78	4,675.26	4,909.45
	Hourly	50.48	53.01	55.66	58.44	61.37
Public Works Team Leader	Monthly	7,938.64	8,356.10	8,796.63	9,260.21	9,746.86
	Bi-Weekly	3,663.99	3,856.66	4,059.98	4,273.94	4,498.55
	Hourly	45.80	48.21	50.75	53.42	56.23
Recreation Manager	Monthly	10,768.60	11,305.99	11,871.06	12,466.11	13,088.84
	Bi-weekly	4,970.12	5,218.15	5,478.95	5,753.59	6,041.00
	Hourly	62.13	65.23	68.49	71.92	75.51
Recreation Supervisor	Monthly	7,954.79	8,356.10	8,771.25	9,209.47	9,670.75
	Bi-weekly	3,671.44	3,856.66	4,048.27	4,250.53	4,463.42
	Hourly	45.89	48.21	50.60	53.13	55.79
Regional Compliance Program Manager (Maintenance Program Manager)	Monthly	9,131.05	9,610.79	10,115.89	10,648.67	11,209.12
	Bi-weekly	4,214.33	4,435.75	4,668.87	4,914.77	5,173.44
	Hourly	52.68	55.45	58.36	61.43	64.67
Senior Civil Engineer	Monthly	11,504.34	12,080.94	12,685.22	13,319.48	13,986.03
	Bi-weekly	5,309.70	5,575.82	5,854.72	6,147.45	6,455.09
	Hourly	66.37	69.70	73.18	76.84	80.69
Senior Management Analyst	Monthly	8,549.84	8,976.53	9,426.27	9,896.78	10,390.35
	Bi-weekly	3,946.08	4,143.01	4,350.59	4,567.74	4,795.55
	Hourly	49.33	51.79	54.38	57.10	59.94
Senior Planner	Monthly	9,836.81	10,328.08	10,844.71	11,389.02	11,956.40
	Bi-weekly	4,540.07	4,766.81	5,005.25	5,256.47	5,518.34
	Hourly	56.75	59.59	62.57	65.71	68.98
Sustainability Manager	Monthly	9131.054	9610.786	10115.89	10648.67	11209.12
	Bi-weekly	4214.333	4435.747	4668.872	4914.77	5173.442
	Hourly	52.68	55.45	58.36	61.43	64.67

RESOLUTION NO 2022-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BRISBANE CONCERNING WAGES, HOURS AND WORKING CONDITIONS FOR THE BRISBANE POLICE OFFICERS ASSOCIATION

WHEREAS, the City of Brisbane and the Brisbane Police Officers Association, have met and conferred in accordance with the requirements of the Meyers-Milias-Brown Act; and

WHEREAS, the City of Brisbane and the Brisbane Police Officers Association have reached an agreement regarding wages, hours and working conditions.

NOW, THEREFORE, the City Council of the City of Brisbane resolves as follows:

The Memorandum of Understanding between the City of Brisbane and the Brisbane Police Officers Association is approved as set forth in Exhibit A and is incorporated by reference as though fully set forth herein.

Mayor

I hereby certify that the foregoing Resolution No. 2020-XX was duly and regularly adopted at a regular meeting of the Brisbane City Council on December 15, 2022, by the following vote:

Ayes:

Noes:

Absent:

Abstain:

Ingrid Padilla, City Clerk

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
CITY OF BRISBANE
AND THE
BRISBANE POLICE OFFICERS ASSOCIATION

JULY 1, 2022 – JUNE 30, 2026

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**MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF BRISBANE AND THE
BRISBANE POLICE OFFICERS ASSOCIATION**

ARTICLE 1. PREAMBLE

Pursuant to Government Code 3500, as amended, et seq., this Memorandum of Understanding has been entered into by the City of Brisbane, hereafter referred to as “the City”, and the Brisbane Police Officers Association, hereafter referred to as “the Association”, on _____. The purpose of this Memorandum of Understanding is the promotion of harmonious relations, peaceful resolution of differences, and the establishment of rates of compensation, hours of work, and other matters relating to employment conditions to be observed by the parties.

The terms of the Memorandum of Understanding shall be subject to review and meet and confer by the parties if the State of California or the Federal government through executive or legislative action substantially affects the ability of the City to provide funding for City Council adopted services. This review and meet and confer may also be exercised in the event there is a recession (as declared by the National Bureau of Economic Research and defined as two consecutive quarters of negative growth in the United States Gross Domestic Product (GDP)).

ARTICLE 2. RECOGNITION

A. Bargaining Unit Representation

The City hereby recognizes the Association as the sole and exclusive representative for the bargaining unit consisting of the following classifications.

Police Officer
Sergeant

B. Authorized Representatives

The Association shall provide and maintain with the City’s authorized labor relations representative and the Chief of Police, a list of current officials of the Association, as well as the names of any other person(s) who are authorized to officially represent the Association in its dealings with the City.

The City Manager or designee of the City of Brisbane or any person or organization duly authorized by the City Manager or designee, is the representative of the City of Brisbane.

Release time for POA Board Members – Employees who are POA Board Members will receive up to five (5), twelve-hour (12-hour) days of release time per calendar year.

ARTICLE 3. NON-DISCRIMINATION

- A. The parties mutually recognize and agree to protect the rights of all employees hereby to join and/or participate in protected Association activities or to refrain from joining or participating in protected activities in accordance with the Employer-Employee Relations Resolution and Government Code Sections 3500, et seq.
- B. The City and Association agree that they shall not discriminate against any employee because of race, color, religion, sex, sexual orientation, marital status, age, national origin, ancestry, disability, medical condition, military or veteran status. The City and the Association shall reopen any provision of this Agreement for the purpose of complying with any order of a federal or state agency or court of competent jurisdiction requiring modification or change in any provision or provisions of this Agreement in compliance with state and federal anti-discrimination laws.
- C. Whenever a gender pronoun is used in this Memorandum of Understanding, it shall be understood to include all genders.

ARTICLE 4. MANAGEMENT RIGHTS AND IMPACT OF MANAGEMENT RIGHTS

- A. The City reserves, retains, and is vested with, solely and exclusively, all rights of management which have not be expressed or abridged by specific provisions of this Memorandum of Understanding or by law to manage the City, as such rights existed prior to the execution of the Memorandum of Understanding. The sole and exclusive rights of management, as they are not abridged by this Agreement or by law, shall include, but not be limited to, the following rights:
 - 1. To manage the City generally and to determine the issues of policy;
 - 2. To determine the existence of non-existence of facts which are the basis of the management decision;
 - 3. To determine the necessity of organization of any service or activity conducted by the City and expand or diminish services;
 - 4. To determine the nature, manner, means, technology, and extent of services to be provided to the public;
 - 5. Methods of financing;
 - 6. Types of equipment or technology to be used;
 - 7. To determine and/or change the facilities, methods, technology, means and size of the work force by which the City operations are to be conducted;
 - 8. To determine and change the number of locations, relocations and types of operations, processes and materials to be used in carrying out all City functions including, but not limited to, the right to contract for or subcontract any work or operation of the City;
 - 9. To assign work to and schedule employees in accordance with requirements as determined by the City, and to establish and change work schedules and assignments;
 - 10. To relieve employees from duties for lack of work or similar non-disciplinary reasons;
 - 11. To establish and modify productivity and performance programs and standards;

12. To discharge, suspend, demote or otherwise discipline employees for proper cause in accordance with the provision and procedures set forth in City Personnel Rules and Regulations;
13. To determine job classifications and to reclassify employees;
14. To hire, transfer, promote and demote employees for non-disciplinary reasons in accordance with this Memorandum of Understanding and City's Rules and Regulations;
15. To determine policies, procedures and standards for selection, training and promotion of employees;
16. To establish employee performance standards including, but not limited to, quality and quality standards; and to require compliance therewith;
17. To maintain order and efficiency in its facilities and operations;
18. To establish and promulgate and/or modify rules and regulations to maintain order and safety in the City which are not in contravention with the Agreement;
19. To take any and all necessary action to carry out the mission of the City in emergencies.

B. Impact of Management Rights

Where required by law, and within the scope of representation, the City agrees prior to implementation to meet and confer with the Association over the impact of the exercise of management's rights upon the wages, hours, and terms and conditions of employment on unit members unless the impact consequences of the exercise of a management right upon unit members is provided for in the Memorandum of Understanding.

ARTICLE 5. CLASSIFICATION AND PAY RATES

A. Wages

Wages for covered employees are set forth in Appendix A, which is hereby incorporated as though set forth in full.

Each employee shall be compensated on a bi-weekly basis. Payment will normally be made on Friday immediately following the conclusion of a City payroll period. A City payroll period begins on the Monday which is the first day of the City pay period and ends on the Sunday which is the last day of the City pay period and consists of fourteen (14) calendar days.

The following changes in the wages will be made during the term of the agreement:

1. Effective the first full payroll period after January 1, 2023, the bargaining unit will receive a Cost of Living Adjustment of 3.0%.
2. Effective the first full payroll period after January 1, 2024, the bargaining unit will receive a Cost of Living Adjustment of 3.0%.
3. Effective the first full payroll period after July 1, 2024, the bargaining unit will receive a minimum Cost of Living Adjustment of 6.0%.
4. Effective the first full pay period in July 2025, a Cost of Living Adjustment increase of 6% unless the cumulative inflation over the course of the term of the contract is less

than 18%. If the cumulative inflation is less than 18%, the Cost of Living Adjustment will be reduced to no lower than 4%. The measurement period will be April 2021 to April 2025. The CPI to be used is CPI-W (Urban Wage Earners and Clerical Workers) for the San Francisco-Oakland-Hayward area. The base period is 1982-1984=100.

B. Total Compensation Survey

A total compensation survey will be completed after January 2024 and before April 2024 to be used to reopen the contract for total compensation discussion using cities mutually agreed upon between the POA and the city. The Survey will be used to as a basis for opening the contract for the July 2024 to June 2025 period. The City has historically desired to be in the 50th percentile of police agencies surveyed. If the total compensation survey is not completed on by March 2024, this bargaining unit shall receive a 2% increase in addition to the Cost of Living increase scheduled for July 2024 of 6%.

C. Payroll Deduction – Association Dues

Upon the receipt of a written request and authorization from the Union for deduction of Association dues from an employee's paycheck, the City shall withhold such dues and deductions from the salary of the employee. The amount of the deductions shall be submitted by the City to the officer, bank, and/or firm designated by the Union as the person, bank, or firm authorized to receive such funds. The City shall continue to withhold such deductions unless the Union files a statement with the City withdrawing authorization for the continued withholding of the deductions. Payroll deductions for association dues shall be conducted in accordance with applicable state law.

ARTICLE 6. OVERTIME

Overtime when authorized by an employee's supervisor, shall be paid on the following basis:

- A. The work period for employees assigned to positions other than shift work shall begin on Monday and end on Sunday (40-hours per workweek) and the hours worked will normally fall between 8:00 AM and 5:00 PM or such other schedule as determined by the Department Head.
- B. Employees assigned to shift work shall work a 7(k) work period. The shift cycle (average of 42-hours per week) shall be four (4) consecutive tours of duty followed by four (4) consecutive days off-duty. The workday shall be 12-hours, with the shifts beginning at 7:00 AM and 7:00 PM or such other schedule as determined by the Department Head. The work period shall be 24 days, where the maximum non-overtime hours will be 147 hours. The City shall retain the right to change the shift cycle and/or work period, so long as the change is intended to be permanent and not done to avoid overtime obligations required under the Fair Labor Standards Act.
- C. An employee required to work in excess of the regularly scheduled workday or regularly scheduled work shift, or as required under the Fair Labor Standard Act, shall be compensated

for each overtime hour as authorized by employee's supervisor at a rate of one-and one-half times the employee's regular rate of pay.

- D. The Fair Labor Standards Act requires that educational and other incentive pays be included in determining the regular rate of pay. For shift personnel, the hourly equivalent to the regular rate of pay shall be computed by dividing the annual base pay, including educational and incentive pays, by the total scheduled hours of 2,184. For employees assigned to a forty (40) hour workweek, the regular rate of pay shall be computed by dividing the annual base pay, including educational and incentive pays, by 2,080 hours.
- E. Nothing herein shall preclude the covered employee and supervisor from adjusting the employee's work schedule to reduce or eliminate such overtime if such adjustment is with the mutual consent of the employee and supervisor.

ARTICLE 7. CALLBACK PAY

When an off-duty employee is called back to work, a minimum of two (2) hours pay shall be paid. The callback pay shall be paid at overtime rates if the employee has worked sufficient hours to have been placed into an overtime situation.

A. Court Time

Any employee required to report to court while not on duty shall receive a minimum of four (4) hours pay for such court appearance at the time and one-half rate of pay.

B. Page Standby

Police Sergeants and Officers who volunteer to be on pager standby for purposes of callback to duty shall receive one hour of overtime compensation for every 24 consecutive hours of standby. The employee has the choice of either pay or compensatory time off.

Standby compensation is only authorized by the Chief of Police or his/her designee based on shift staffing. When patrol staffing levels reach a minimum of two sworn employees per each 12-hour shift, then pager standby is authorized for one sworn employee. When one or more of the shifts in a 24-hour period has more than two sworn employees scheduled to work, then pager standby is not authorized.

For the purpose of this article, sworn employees are defined as:

Officer/Officer
Officer/Sergeant
Sergeant/Sergeant

ARTICLE 8. SPECIAL ASSIGNMENT PAYS

A. Field Training Officer

Officers assigned as Field Training Officers shall receive a premium of 5.0% of base salary per shift when assigned a trainee starting the first full pay period of January 2023.

B. Special Assignment

The Police Chief may, from time to time, make special assignments outside the employee's classification. Such assignments carry no permanency in class and are made at the sole discretion of the Chief of Police. Participation in such assignments is strictly voluntary. Officers so assigned by the Chief of Police will receive 5.0% above base salary for the duration of the assignment.

C. K-9 Maintenance Pay

K-9 Officers shall receive compensation equivalent to eight (8) hours of pay at the overtime rate for the care and grooming of their K-9 partner during their off-duty time as outlined in General Directives, Canine Policy.

D. Detective Pay

Officers assigned to detective duties shall receive an additional 10.0% of base salary when so assigned. The assignment to such a position shall be at the discretion of the Police Chief and shall not be considered a "promotional" assignment with the expectation of continuing to receive additional compensation when re-assigned to patrol duties. Employees assigned to detective duties are not eligible to receive holiday pay (6.0%) in lieu of holiday observance.

E. School Resource Officer

Officers assigned as a School Resource Officer shall receive the same benefits as officers assigned to detective duties.

F. Commander Pay

The City may assign a Sergeant to perform the full range of duties of a City of Brisbane Police Commander. An employee so assigned will receive ten percent (10%) above the employee's current Sergeant base pay for the duration of such assignment. Such assignment outside of the Brisbane Police Officers' Association's bargaining unit is at the sole discretion of the City and may be revoked at any time.

G. SWAT Assignment Pay

Officers assigned to SWAT shall receive an addition 2.0% of base salary starting the first full pay period of January 2023.

H. Motor Officer Assignment Pay

Officers assigned as a Motor Officer shall receive an additional 5.0% of base salary starting the first full pay period of January 2023

I. Bi-Lingual Pay

Officers are eligible to receive \$100 per month beginning the first pay period in July 2023. This incentive will be paid on a bi-weekly basis. Employees are only eligible to receive Bi-Lingual pay for one language and must pass a state exam showing competency in the second language in order to be eligible.

ARTICLE 9. WORK WEEK

- A. Police Officers and Police Sergeants assigned shift work shall work four consecutive days of twelve-hour shifts followed by four consecutive days off as the shift cycle to be followed during the course of the Agreement. However, it is also understood that nothing contained in the Agreement precludes the Police Chief from making assignments of other hours of work or shift schedules for individuals should the Police Chief determine that the needs of the service so warrant such assignment(s).
- B. There will be varying shift cycles for employees covered by this unit as outlined below:
 - 1. Police Officers and Police Sergeants assigned to shift work will work 147 hours in a twenty-four (24) day cycle and/or 2,184 hours annually.
 - 2. Members who are full-time employee and not assigned as shift work personnel shall work a forty-hour workweek and/or 2,080 hours annually.
 - 3. Nothing herein shall restrict the City rights under its layoff procedure set forth in its Rules and Regulations.

ARTICLE 10. SHIFT DIFFERENTIAL

- A. Shift employees assigned to and who work a forty-two (42) hour per week work schedule will receive an additional payment of two and a half percent (2.5%) of base wage.

ARTICLE 11. NIGHT SHIFT DIFFERENTIAL INCENTIVE

- A. Employees assigned to the night shift (1900 to 0700) during the annual shift sign-up will receive an additional 5.0% of base salary starting the first full pay period in January of 2023. The 5.0% differential shall apply only to hours worked during the night shift. If an employee must cover a shift due to an injury or illness of another employee, the covering employee shall receive the night shift differential unless the shift qualifies for overtime pay.

ARTICLE 12. LONGEVITY INCENTIVE

- A. As of January 2023, employees in this unit shall receive a 1.0% step increase for those who have reached 10 years of continuous service with the City.
- B. As of January 2023, employees in this unit shall receive a 1.0% step increase for those employees who have reached 15 years of continuous service with the City.
- C. As of January 2023, employees in this unit shall receive a 3.0% step increase for those employees who have reached 20 years of continuous service with the City.

- D. Longevity pay will be based on number of continuous years of service. All percentages listed above are cumulative, for example, by January, a member with at least 20 years of service will receive a cumulative 5.0% step increase in total for longevity pay.

ARTICLE 13. VACATION

- A. All full-time personnel in the Classified Service shall be entitled to annual vacation leave as provided below:

Law Enforcement Shift Personnel (42-hour workweek)

Years	Annual	
Continuous	Accrual	Maximum
<u>Service</u>	<u>Amount</u>	<u>Accrual</u>
First 4 years	84 hours	168 hours
After 4 years	126 hours	252 hours
After 9 years	168 hours	336 hours

Non-Shift Personnel (40-hour workweek)

Years	Annual	
Continuous	Accrual	Maximum
<u>Service</u>	<u>Amount</u>	<u>Accrual</u>
First 4 years	80 hours	160 hours
After 4 years	120 hours	240 hours
After 9 years	160 hours	320 hours

- B. Vacation credits shall be accrued pro rata on each pay period. Original appointees to law enforcement classifications shall not be eligible to take vacation during the first six (6) months of employment, but shall receive credits for that period when six (6) months of service have been attained.

Lateral appointees to law enforcement classifications shall be eligible for the second tier of vacation, if upon the date of hire, the employee possess nine (9) years of demonstrated experience in his/her field of hire. Advance vacation leave allowance shall be awarded at the discretion of the City Manager. Lateral appointees awarded the second tier of vacation upon the date of hire shall be eligible to move to the third tier of vacation after four (4) years of service. The third tier of vacation shall be the maximum allowable annual vacation accrual.

- C. Subject to approval of the City Manager or designee, the department and employee shall schedule the times at which vacation leave is to be taken with due consideration being given to the desires of the employee and the operational needs of the department. Use of vacation leave in less than one-day increments shall be discouraged.
- D. Based on operational needs or employee preference, vacation leave earned in a given year may be deferred to the following year. However, the total amount of vacation accrued shall not exceed the maximum accrual listed above, except as noted below.

- E. Vacation leave accrued may exceed the listed maximum hours only with approval of the Appointing Authority. Documentation of all vacation deferments approved by the Appointing Authority shall be provided to Human Resources in such form as specified.
- F. It is the employee's responsibility to keep track of his/her accrued hours and make timely requests to take earned vacation leave. The granting of a vacation leave request is at the discretion of the Police Chief or designee, based on staffing and operational needs of the department. Failure to plan for and timely scheduling of vacation leave shall result in the loss of further accrual of vacation hours when the maximum number of accrued vacation hours is reached. However, no employee shall lose the accrual of vacation hours when timely vacation requests are made. A timely vacation request shall be one which is submitted within ten (10) days of the requested leave date(s).
- G. Where an illness or injury necessitates care and treatment by a physician during an employee's vacation leave, the days of care and treatment shall not be charged against the employee's vacation accrual. Upon presentation of appropriate documentation from the physician such leave will be changed to the employee's sick leave.
- H. Employees who leave the City service during their first six months of employment under original appointments shall not receive any vacation leave or payment therefor. All other employees in the Classified Service shall, upon separation in good standing, be entitled to receive payment at their current base rate of pay for all vacation credits earned, but not taken as of the effective date of separation. However, no such payment shall be made for vacation leave credited in advance of being earned.
- I. Vacation Buyback - Employees who are within 15 hours of the maximum allowed vacation hours in their vacation bank can sell up to 84 hours of vacation time back to the city in June of the fiscal year. This provision will terminate on June 30, 2025, unless agreed to continue by both parties prior to June 30, 2025.

ARTICLE 14. SICK LEAVE

Employees covered by this agreement shall be provided paid sick leave as set forth below. Sick leave shall not be considered as a right that an employee may use at his/her discretion, but shall be allowed only in the case of actual sickness, injury, disability or medical condition that prevents the employee from performing the full scope of the usual and customary duties of his/her classification. An employee who is granted sick leave is expected to take the appropriate recuperative steps and/or follow physician recommended recuperative steps to assure a timely return to work.

The accrual and usage of sick leave shall be governed by the following provisions:

- A. Sick leave shall be earned at the rate of eight hours for each calendar month of service, except that shift personnel shall accrue such leave at the rate of 8.4 hours per month.

- B. Sick leave credits for law enforcement shift personnel may be accumulated to a maximum of 1,092 hours and non-shift personnel may accumulate sick leave credits to a maximum of 1,040 hours. Employees separating from the City service shall not be entitled to any payment of unused, accrued leave.
- C. Employees shall not accrue sick leave during their first ninety (90) days of employment under original appointments, but shall receive credits for that period when ninety (90) days of service have been attained. However, lateral entry appointment shall be eligible to accrue and use sick leave credits upon the date of hire.
- D. In order to be entitled to sick leave, an employee who, because of illness or injury, is unable to report for work shall so notify his immediate supervisor within one hour prior to the commencement of the shift. Per the department's General Orders, a department head may require an earlier notification where it is warranted due to operational needs.

Failure to provide such notification without good reason may result in that day of absence being treated as a leave of absence without pay. The determination in this regard shall be made by the department head and is subject to final approval by the City Manager or designee. Where the period of absence due to illness or injury is not known at the outset, it shall be the responsibility of the employee to remain in contact with his/her immediate supervisor, on a daily basis if deemed necessary by the supervisor.

Where the absence is, or is expected to be, for more than one workday, the employee may be required to file a physician's certificate or stating the specific medical condition and the cause and nature of the illness, injury, disability, or condition that prevents the employee from performing the usual and customary duties of his/her classification with the City Manager or designee. When deemed appropriate, the City Manager or designee may require verification of the employee's 'doctor' certificate by a physician specified by the City.

In the event the employee's doctor's certificate and the opinion of the City's specified doctor's verification as to the employee's ability and/or scheduled time to return to work disagree, the employee may be required to report to a physician that has been agreed to by the employee's physician and the City's physician. The opinion of this physician shall be the final determination. The City will agree to pay for all costs associated with this verification and/or examination. A request for sick leave may be denied and the employee placed on leave without pay and/or disciplinary action being taken up to and including termination, should the employee fail to return to work after being deemed eligible to return to work by this third physician.

The department head or designee may deny a sick leave request and place the employee on leave without pay based on reasonable evidence that the employee failed to follow appropriate and/or doctor specified recuperative steps.

The payment of sick leave may be suspended by the City Manager or designee where there is reasonable grounds to believe that absences on a given day or days are the result of a concerted

action on the part of two or more employees which is related to a labor dispute with the City directly or one in which the City is involved as a third party.

- E. Where an illness or injury is job-related and covered by State Worker's Compensation, accrued sick leave and vacation credits shall be applied to make up the difference between State benefits and full, base salary. However, sick leave shall not be paid for any absence of a law enforcement employee resulting from illness or injury arising out of the course of employment by the City which is covered under Labor Code 4850.
- F. An employee may use one-half of his/her annual accrual of sick leave to attend to the diagnosis, care, or treatment of an existing health condition or preventative care for a child, , spouse, registered domestic partner, parent (including biological, adoptive, foster parent, stepparent or legal guardian of an employee or the employee's spouse or registered domestic partner, or a person who stood in loco parentis when the employee was a minor child), grandparent, grandchild, or sibling. The City Manager or designee may approve use of leave for this purpose for other than the family members defined above.
- G. Usage of this benefit shall be charged as follows:
 - 1. Law enforcement shift personnel – One shift equals twelve (12) hours charged against the applicable balance.
 - 2. 40-hour law enforcement personnel – One shift equals eight (8) hours charged against the applicable balance.
- H. Accrued sick leave may, with department head approval, be used for medical and dental appointments of the employee where it is unfeasible to schedule them on the employee's own time.
- I. No accrued sick leave may be used for any injury or illness arising out of outside employment.

ARTICLE 15. INSURANCE

A. CalPERS Employer Health Contribution

The City shall contribute the minimum health premium contribution for participating active and retired employees under the Public Employees' Medical and Hospital Care Act (PEMHCA), currently at \$149 for 2022 and \$151 for 2023. This will cease should the City no longer provide health benefits through PEMHCA in the future.

B. Flexible Compensation Plan

The City shall continue to offer a bona fide Flexible Compensation Plan and to make monthly contributions for allocation to health insurance and health and dependent care reimbursement accounts. It is understood that the City may establish such regulations as may become

necessary to ensure that the cafeteria plan remains a bona fide plan for the purpose of taxation and FLSA compliance, subject to meet and confer to the extend required by state law.:

The City's contribution to the Flexible Compensation Plan (cafeteria plan) shall increase as follows:

1. Effective December 2022, the City's contribution toward the Flexible Compensation Plan will increase by 3% to the following amounts:
No Plan: \$700.29
Single Party: \$835.29 + PEMHCA
Two Party: \$1831.81 + PEMHCA
Family: \$2429.77 + PEMHCA
2. Effective December 2023, the City's contribution toward the Flexible Compensation Plan will increase by 3% to the following amounts
No Plan: \$721.30
Single Party: \$860.35 + PEMHCA
Two Party: \$1886.76 + PEMHCA
Family: \$2502.66 + PEMHCA
3. Effective December 2024, the City's contribution toward the Flexible Compensation Plan will increase by 3% to the following amounts:
No Plan: \$742.94
Single Party: \$886.16 + PEMHCA
Two Party: \$1943.37 + PEMHCA
Family: \$2577.74 + PEMHCA
4. Effective December 2025, the City's contribution toward the Flexible Compensation Plan will increase by 3% to the following amounts:
No Plan: \$765.23
Single Party: \$912.74 + PEMHCA
Two Party: \$2,001.67 + PEMHCA
Family: \$2,655.07 + PEMHCA

The overall increase in the cafeteria plan will be no more than a cumulative 17% over the four-year period. Increases above the guaranteed rates will occur if the Kaiser rate increases above the cumulative guaranteed rate.

Calendar Year	Guaranteed Increase	Amount Available based on Cumulative Kaiser Increase above Cumulative Guaranteed Increase
2022	3%	
2023	3%	5%
2024	3%	5% unless a portion used in previous year
2025	3%	5% unless a portion used in previous year

C. Dental Benefits

During the term of this agreement, the City shall contribute the sum of \$145 per month per employee toward a dental plan.

Maximum Coverage: The current maximum reimbursement amount per employee shall be \$2,000 per plan year. The reimbursement per dependent shall be \$1,100 per plan year. The amount of the unused employee balance that can be applied to the outstanding dependent balance shall be \$530 per fiscal year.

D. Life and Long Term Disability Insurance

The City shall maintain in effect for the term of this agreement its existing life insurance plan. The City agrees to maintain in effect for the term of this agreement long-term disability insurance with the carrier requested by the unit, California Law Enforcement Association. The City further agrees to add the cost of the long-term disability premium to the employee's pay warrant as gross income for the purpose of the disability premium being paid by the employee through a payroll tax deduction.

E. Vision Care Insurance

The City shall maintain in effect for the term of this agreement its existing level of vision care insurance. The City shall contribute 100% of the family rate for such vision care coverage.

F. Employee Assistance Program

The City shall maintain in effect for the term of this agreement its existing agreement in order to provide an employee assistance program. In addition, this existing agreement shall provide for five (5) additional counseling sessions per incident for employees of this unit, for a total of 10 visits per incident.

ARTICLE 16. SUPPLEMENTAL STIPEND

The parties agree to a Supplemental Stipend, in recognition of long-term service with the City of Brisbane, for employees retiring from City service after July 1, 2002.

For employees who retire after July 1, 2002, a stipend will be paid that is equal to the single party premium rate charged to the City by Kaiser- if all of the following conditions are satisfied:

- 1) the employee was hired prior to January 1, 2013 if the employee separates from the City and returns to City within 5 years of their separation date his/her original hire date will be used for purposes of this section;
- 2) the employee has 15 years or more service with the City of Brisbane;
- 3) retires from service;
- 4) the effective date of the retirement is within 120 days of separation from the City of Brisbane.

In addition, it is agreed that an employee will no longer be eligible for such stipend should the employee elect to be covered by another medical plan other than that provided at the time of

retirement. Furthermore, it is agreed that an employee who once waives his/her participation, such medical plan coverage and such waiver shall be irrevocable.

ARTICLE 17. DEFERRED COMPENSATION PLAN

- A. Employees may voluntarily participate in the City's deferred compensation plan.
- B. For employees hired on or after January 1, 2013 the City will contribute one point five percent (1.5%) of the employee's base monthly salary toward a deferred compensation plan and the above Supplemental Stipend will not apply. In the event the employee makes a contribution of five percent (5.0%) or more of the employee's base monthly salary toward the deferred compensation plan, the City will match such contribution up to a maximum of five percent (5.0%).
- C. For individual employees eligible for the Supplemental Stipend who voluntarily elect to irrevocably opt out of the supplemental stipend benefit, the City will contribute three percent (3.0%) of the employee's base monthly salary toward a deferred compensation plan and the above supplemental stipend will not apply. In the event the employee makes a contribution up to five percent (5.0%) of the employee's base monthly salary towards the deferred compensation plan, the City will match such contribution up to two percent (2.0%). The City's total contribution toward any employee will not exceed five percent (5.0%). This benefit will terminate upon separation from service with the City. Furthermore, it is agreed that an employee who once waives his/her participation in the supplemental stipend program, it shall be irrevocable.

ARTICLE 18. EDUCATION INCENTIVE

Educational incentive pay is provided to those law enforcement sworn personnel covered by the agreement as follows.

Plan A

An additional 3.5% of base salary is granted to such employees holding an Intermediate POST Certificate. Another 2.5% of base salary is granted to such employees holding an Advanced POST Certificate. The maximum aggregate educational incentive pay granted under Plan A is 6.0% of base salary.

Plan B

An additional 5.0% of base salary is granted to such employees holding an Associate of Arts Degree. Another 5.0% of base salary is granted to such employee holding a Bachelor's Degree. The maximum aggregate educational incentive granted under Plan B is 10.0% of base salary.

Employee hired prior to April 1, 2001, are eligible to elect either Plan A or Plan B. Employees who elect Plan A, then subsequently meet the requirement of Plan B, are eligible to move to Plan B. Employees hired after April 1, 2001, are eligible for Plan B only.

ARTICLE 19. UNIFORM SUPPLY AND MAINTENANCE

- A. Department will issue to all safety employees the following equipment, which shall remain Department property at all times:
1. Law enforcement safety equipment, including belt, firearm, handcuff, riot gear, flashlight, rain gear and rubber boots, and jump suit.
 2. Badges, identification cards, keys.
- B. The Department will issue the following to all new employees and will inventory all existing officers and supply additional items to reach the following number and specifications. All listed items shall become the property of the officer upon successful completion of probation.
1. One nylon jacket
 2. Three short-sleeve wool uniform shirts
 3. Three long-sleeve wool uniform shirts
 4. Three pair wool uniform trousers
 5. One pair OSHA boots
 6. Four cotton T-shirts
 7. One dress jacket and tie
 8. All uniform patches
 9. One wool visor cap
 10. Three name tags
 11. 500 personalized business cards
 12. One bullet-resistant vest and two covers selected by the officers from Department approved vendors within threat level, to a maximum of \$400.
- C. The Department will replace all unserviceable items, as needed.
- D. Officers will receive annually three T-shirts and one nametag.
- E. Vests will be replaced at the officer's option at five years of service. Old vests shall be returned.
- F. The Department will also provide the following:
1. Unlimited cleaning
 2. Tailoring, alteration and repairs
 3. Service stripes, rank insignia and special assignment accouterments
- G. Personal Property
- The Department will repair or replace all items of personal property lost or damaged during the performance of duty. The maximum loss paid at any one incident will be \$100.

ARTICLE 20. COMPENSATORY TIME OFF

Members of the Association who are eligible to earn overtime shall be eligible to earn compensatory time off (CTO) at the rate of one-and-one-half times for every hour of overtime. No one may accumulate more than one hundred sixty (160) hours of comp time. An employee who has requested to use accumulated compensatory time off is permitted to use such time within a reasonable period after making the request unless, in the opinion of the department head or designee, the request would unduly disrupt the operations of the department.

ARTICLE 21. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

The City participates in the California Public Employees Retirement System (CalPERS). Retirement benefits under CalPERS are as follows:

- A. For employees classified as "Classic Members" and/or became a CalPERS member prior to January 1, 2013:
 - 1. 3% @ 55 Local Safety Police retirement formula.
 - 2. Final Compensation one (1) year
 - 3. 1959 Survivor Benefits (Level 3)
 - 4. Unused Sick Leave Credit – Local Member
 - 5. 2% Annual Cost-of-Living Allowance Increase
 - 6. Improved Non-Industrial Disability Allowance
 - 7. Military Service Credit as Public Service
 - 8. \$5,000 Retired Death Benefit

Employees classified as "Classic Members" shall pay the 9% employee CalPERS contribution.

- B. For employees classified as "New Members" and/or became a CalPERS member on or after January 1, 2013:
 - 1. 2.7% @ 57 Safety Members retirement formula
 - 2. Final Compensation three (3) year
 - 3. 1959 Survivor Benefits (Level 3)
 - 4. Unused Sick Leave Credit – Local Member
 - 5. 2% Annual Cost-of-Living Allowance Increase
 - 6. Improved Non-Industrial Disability Allowance
 - 7. Military Service Credit as Public Service
 - 8. \$5,000 Retired Death Benefit

Employees classified as "New Members" pay 50% of the normal cost of the CalPERS contribution.

- C. To the extent permitted by law, including but not limited to Internal Revenue Code Section 414(h)(2), pension cost contributions shall be made on a pre-tax basis. It is understood that the City cannot guarantee such tax treatment as the State Legislature or Congress may alter the

statutory authority for this tax treatment and the Franchise Tax Board, the IRS or the U.S. Treasury Department may alter revenue rulings regarding such tax treatment.

ARTICLE 22. TUITION REIMBURSEMENT

Tuition reimbursement shall be governed by Police Department General Orders, Tuition Reimbursement Policy. However, any tuition reimbursement provided under said orders shall be limited to the amount which the California State University system charges under its fee schedule for tuition and books.

ARTICLE 23. HOLIDAYS

- A. Employees assigned to law enforcement shifts (42-hour) shall receive compensation in lieu of holiday observance in the amount of six percent (6.0%) of their base salary.
- B. Employees assigned to duties that are scheduled for a forty-hour workweek and non-rotating shifts shall receive paid holiday time for all City holidays and take off all City holidays. Specifically,

- January 1 (New Year's Day)
- The third Monday in January (Martin Luther King, Jr. Day)
- The third Monday in February (President's Day)
- March 31 (Cesar Chavez Day)
- The last Monday in May (Memorial Day)
- June 19 (Juneteenth)
- July 4 (Independence Day)
- The first Monday in September (Labor Day)
- November 11 (Veteran's Day)
- Fourth Thursday in November (Thanksgiving Day)
- Day After Thanksgiving
- December 24 (Christmas Eve)
- December 25 (Christmas Day)
- December 31 (New Year's Eve)

- C. All employees covered herein are eligible for an additional sixteen (16) hours of paid holiday time (floating holidays) for personal use. Paid holiday time (floating holidays) is accumulated annually and may not be carried over into subsequent calendar years.

ARTICLE 24. ATTENDANCE

Employees shall be in attendance at their work in accordance with rules and policies regarding hours of work, leaves and related conditions. Department heads shall be responsible for maintaining employee attendance records which shall be reported to the City Manager or his designee in the form and at the time prescribed by him.

Except in extraordinary circumstance, an employee who is unable to report for work at the beginning of his established shift shall notify his immediate supervisor within one hour from the commencement of such shift. Failure to provide this notification may result in the unreported period of absence for the day being considered as leave without pay. An employee who is absent without notification for more than one work day shall be subject to disciplinary action including discharge, pursuant to Rule 13, Personnel Actions: Disciplinary, of the Personnel Rules and Regulations. The one-hour notification provision shall not preclude a department head, with approval of the City Manager or his designee, from requiring an earlier notification where it is warranted due to operational needs.

In order to insure employee availability for the protection of life and property and to otherwise serve the health, safety and welfare of the community, the City Manager or designee is authorized to establish a reasonable response time for employees to report to work after call to duty under emergency conditions. This response time may vary by operating unit, the type of personnel involved and the type of emergency, but shall not serve to require employees to reside within City boundaries.

ARTICLE 25. PARENTAL LEAVE

Parental leaves of absence shall be granted in accordance with applicable provisions of Federal and State law.

ARTICLE 26. MEDICAL LEAVE

The City Manager or designee may place an employee on a medical leave of absence without pay where, in the City Manager or designee's judgment, that employee is incapacitated to perform the regular functions of his position. This type of leave may be used pending the employee's anticipated recovery or pending the outcome of a medical evaluation of the employee's physical or mental health as it relates to the performance of his work. Before an employee is placed on such leave status, the employee shall be permitted to utilize all accrued sick leave and vacation credits.

A medical leave of absence may also be directed by the City Manager or designee in cases where an employee is already off the job due to illness or injury has exhausted all accrued sick and vacation credits.

Under normal circumstances, no leave directed or granted under this rule shall exceed 90 days, at which time the City Manager or designee may, under extraordinary circumstances, extend the leave for a definite period. Otherwise, the leave shall be terminated.

Nothing herein shall be construed as modifying the provisions of the State Labor Code Section 4850 as it relates to public safety personnel.

ARTICLE 27. MANDATORY ADMINISTRATIVE LEAVE

The City Manager or designee may place an employee in the Classified Service on administrative leave where, in his judgment, such action would be in the best interests of the City service. This

leave may be with or without pay. Its application may include, but not be limited to, situations where disciplinary matters are pending.

ARTICLE 28. OTHERS LEAVES WITHOUT PAY

The City Manager or designee may grant an employee a leave of absence without pay for a definite period not to exceed three months. Department heads may grant such leaves not to exceed five working days.

The request for leave, and the reasons therefor, shall be submitted in writing by the employee and must be approved in advance by the City Manager or designee or the department head, as appropriate.

On expiration of the approved leave, the employee shall be reinstated to his former position or to a comparable one if the former position is abolished during the period of leave and the employee otherwise would not have been laid off. Based upon unforeseeable changes in operating requirements, the City Manager or his designee may recall the employee from leave prior to its expiration.

ARTICLE 29. LEAVES OF ABSENCE WITHOUT PAY; AFFECT ON SENIORITY AND BENEFITS

Except as provided under State Law for employees on military leaves of absence, employees on leaves of absence without pay shall not, after the first 30 days of such leave, accrue service or leave credits, nor shall the City be required to maintain contributions toward group insurance coverages. During the period of such leaves, all service and leave credits shall be reinstated at the levels as of the effective date of the leave.

ARTICLE 30. BEREAVEMENT LEAVE

Up to five working days per occurrence may be granted by the department head to employees where there has been a death in the employee's immediate family (as defined in Rule 17.03, Sick Leave, as employee's spouse, domestic partner, children, parents, in-laws, brothers, sisters, grandparents and grandchildren). The City Manager or his designee may approve use of leave for this purpose for other than the family members defined above. Extensions to such leaves due to unusual circumstances may be approved by the City Manager or designee.

ARTICLE 31. JURY DUTY

An employee who is called to serve as a juror shall be entitled to leave during the period of such service or while necessarily being present in court as the result of such a summons. Under these circumstances, the employee shall be paid his full salary for this period, provided the employee remits jury fees received to the City. Such fees shall not include mileage reimbursements or subsistence payments. In order to receive regular wages, the employee must provide the City with a copy of the summons and any documentation related to attendance.

ARTICLE 32. LAYOFF PROCEDURE

- A. The City Council may abolish any position in the Classified Service due to lack of funds, work or need.
- B. The layoff of employees resulting from the elimination of positions shall be governed by the following procedures:
 - 1. Layoffs shall be made within the affected job classification in reverse order of total time in the Classified Service, including any period of probation, paid leave or active military leave. Except as provided under the Personnel Rules & Regulations, Leaves of Absence Without Pay: Effect on Seniority and Benefits of these Regulations, no service credits shall be earned during any leave of absence without pay. Where time in service is equal between two (2) or more affected employees, their evaluations shall serve as the determining factor.
 - 2. The order of layoff in the affected classifications shall be:
 - a. Temporary employees
 - b. Probationary employees
 - c. Permanent employees
 - 3. Probationary and permanent employees in the Classified Service who, under paragraph 1., above, are scheduled to be laid off shall receive at least twenty-one (21) days' written notice to this effect.

In lieu of layoff, a permanent employee may elect transfer or demotion to a vacant position in the Classified Service, which the City intends to fill and for which the employee is qualified. Such actions shall be governed by the terms of Rule 12.03, Demotion, and 12.04, Transfer, and in no event shall result in an employee being placed in a classification carrying a higher maximum rate of pay.

Within ten (10) days from the date layoff notices are issued, an employee who would otherwise be laid off may elect to displace an employee in a classification carrying a lower or the same maximum rate of pay; provided, however, that the displacing employee must have held permanent status in such classification and have greater time in the Classified Service than the employee being displaced.

A probationary or permanent employee displaced in accordance with this paragraph shall, in turn, be provided the same notice and displacement privilege as set forth in this paragraph.

- 4. Permanent and probationary personnel laid off in accordance with this Rule shall, at their request, be placed on a re-employment list as provided by Rule 9.03 of these Regulations. If an employee is re-employed from such a list, all service credits and other benefits accrued

to the date of layoff shall be restored. In no event, however, shall the City be required to restore credits for vacation and other benefits paid out at the time of layoff.

At the time of layoff, the employee's name shall be removed from all promotional eligible lists, but, at the employee's request, shall be retained on open-competitive lists subject to the provisions of Rule 9.05, Employment Lists, of these Regulations.

5. A probationary or permanent employee laid off pursuant to this Rule shall have the right of appeal directly to Step 3 of the Grievance Procedure contained in Rule 15, Grievance Procedure, of these Regulations. An appeal filed under these circumstances shall not in any way be construed as stemming from a disciplinary action and the sole issue appropriated for determination shall be questions concerning interpretation or administration of the layoff procedure. An appeal filed under this paragraph shall not serve to suspend or delay layoff proceedings unless the City Manager determines otherwise.

In no event shall the City Manager be empowered to hear and rule upon the City Council's judgment as to the merit and necessity of the elimination of positions.

ARTICLE 33. DEMOTIONS

- A. Based upon an employee's request or upon an employee's demonstrated inability to perform the tasks of the position, the City Manager may demote an employee to a position in a classification which carries a lower maximum rate of pay and which the employee is qualified to perform. Under these circumstances, the employee's new rate of pay shall be that step on the new salary range which most closely corresponds to the employee's former salary step.
- B. Where such action is based upon an employee's inability to perform the work of the current position, the employee may appeal the action of the City Manager pursuant to Article 37, Grievance Procedure.
- C. Advance written notice of demotion, together with the effective date, shall be provided the employee and the employee's department head.

ARTICLE 34. TRANSFER

- A. An employee may be transferred by the City Manager from one position to another position in the same classification or in a comparable classification carrying the same maximum salary rate and which the employee is qualified to perform. Where a transfer would involve two (2) departments or two (2) divisions of the same department, the transfer shall be subject to the approval of both department heads unless it is being made for the purpose of economy or efficiency.
- B. Advance written notice of this action, together with its effective date, shall be provided the employee and the affected managers.

ARTICLE 35. PROMOTIONS

Candidates who successfully complete all components of the examination shall be placed on the appropriate employment list. Preparation and maintenance of employment lists under these Rules shall be the responsibility of the City Manager or designee.

All open-competitive and promotional lists shall remain in effect for one year unless exhausted or abolished within that period as provided below. The City Manager or designee may extend such list up to six months. The effective date of a list shall be that date on which it is approved for posting by the City Manager or designee.

ARTICLE 36. PROBATIONARY PERIOD AND PERFORMANCE RATINGS

The probationary period shall be regarded as part of the testing process and shall be utilized for closely observing the employee's work, for securing the most effective adjustment of the employee to a new position and for rejecting any probationary employee whose performance does not meet the required standards of work.

All original appointees to positions in classifications covered by this agreement shall serve a probationary period of twelve (12) months. Promotional appointees shall serve a probationary period of not less than six (6) months, nor more than twelve (12) months.

Where the probationer loses time from the job, whether paid or unpaid, in sufficient amounts as to detract from the stated objectives of City's Rule 11.01, Objective of Probationary Period, the City Manager or his designee may extend the period of probation beyond the limits contained in the preceding paragraph. This extension may not exceed the aggregate amount of lost time which caused the extension. The probationer shall be so advised prior to the effective date of the extension.

It shall be the duty of each department head and immediate supervisor to investigate carefully the probationer's adjustment and performance to determine whether or not the probationer is qualified for permanent status. The department head shall submit to the City Manager or his designee an evaluation of the probationer's performance at times specified by the Officer, but no less than twice during the employee's probationary period.

The final probationary report on each probationer shall include, and earlier reports may include, the department head's recommendation regarding retention.

During the probationary period, and appointee may be rejected at any time by the City Manager or his designee without cause and without right of appeal. Notice of rejection shall be served in writing on the probationer.

An employee rejected during the probationary period from a position in the Classified Service to which he has been promoted shall be reinstated to a position in the class from which he was promoted unless the rejection results in dismissal from City service. Where rejection results in

dismissal, the employee shall have the right to appeal such action in accordance with Rule 14, Appeals Procedure and shall be furnished advance notice pursuant to Rule 13.02, Notice of Disciplinary Action.

Performance reports shall be completed at least annually for all personnel having permanent status in positions in the Classified Service. Such reports may be required more frequently by the City Manager or his designee.

ARTICLE 37. DISCIPLINARY PROCEDURE

- A. The City Manager or designee may take disciplinary action against an employee in the Classified Service for misconduct including, but not limited to, chronic absenteeism; incompetence; insubordination; failure to follow work rules; misstatement of fact on an application or other personnel document; falsification of records; unfitness for duty; and absence without authorized leave.
- B. The disciplinary action(s) taken may include suspension, pay reduction, demotion, discharge, or any combination of these or other appropriate penalties.
- C. All discipline action taken against an employee in the Classified Service must receive the prior approval of the City Manager except under emergency circumstances which dictate immediate suspension of the employee by the department head or supervisor. In such cases, the employee's department head shall immediately report the action taken to the City Manager who shall review the case and make a determination concerning the appropriateness of the suspension and of further disciplinary action.
- D. All actions resulting in salary reductions or demotions shall be subject to review by the City Manager and the department head involved within thirty (30) days following the effective date of the initial action and at regular intervals thereafter.
- E. Employees shall have the right to appeal disciplinary actions pursuant to the Personnel Rules & Regulations.

ARTICLE 38. GRIEVANCE PROCEDURE

A grievance is any dispute which involved the interpretation or application of any provision of this Memorandum of Understanding excluding, however, those provisions of the Memorandum of Understanding which specifically provide that the decision of the City Manager or any City official shall be final, the interpretation or application of those provision not being subject to the grievance procedure.

- STEP 1 An employee who has a grievance shall bring it to the attention of his immediate supervisor within five (5) working days of the occurrence of the act which is the basis for the dispute. Where the grievance concerns a matter of proper compensation or a matter which could not reasonably be discovered by the employee within five (5) working days of its occurrence, the grievance on such a

matter shall be raised within twenty (20) working days of the occurrence. If the employee and the immediate supervisor are unable to resolve the grievance within five (5) working days of the date it is raised with the immediate supervisor, the employee shall have the right to submit a formal grievance which shall contain the information set forth below.

1. The name of the grievant.
2. The grievant's department and specific work site.
3. The name of the grievant's immediate supervisor.
4. A statement of the nature of the grievance including date and place of occurrence.
5. The specific provision, policy, or procedure alleged to have been violated.
6. The remedy sought by the grievant.
7. The name of the individual or organization, if any, designated by the grievant to represent him in the processing of the grievance. However, in no event shall an employee organization other than the one which formally represents the position occupied by the grievant be designated as the grievant's representative.

Formal grievances shall be processed beginning with Step 2 of this procedure.

STEP 2 An employee dissatisfied with the decision of the immediate supervisor in Step 1 may submit the grievance to his department head within seven (7) working days from the date of the immediate supervisor's decision. The department head shall respond to the grievance in writing within seven (7) working days from the date of receipt.

STEP 3 If the employee is dissatisfied with the decision of the department head in Step 2, he may submit the grievance to the City Manager or his designee within ten (10) working days from receipt of the department head's response. The City Manager, or designated representative, shall respond to the grievance in writing within ten (10) working days of its receipt. Within this period the City Manager, at his discretion, may conduct an informal hearing involving the parties to the dispute.

STEP 4 For any disciplinary suspensions, disciplinary demotions or disciplinary terminations and for no other action(s), an employee who is dissatisfied with the decision of the City Manager in Step 3 may submit the grievance to arbitration within ten (10) working days from receipt of the City Manager's decision.

The City and the Association shall meet promptly to select a mutually acceptable arbitrator. The fees and expenses of the arbitrator and a court reporter shall be shared by the City and the Association. Each party, however, shall bear the cost of its own presentation, including preparation and post hearing briefs, if any.

Decision of arbitrators on matters properly set before them shall be final and binding on the parties hereto.

ARTICLE 39. BULLETIN BOARDS

Officers shall secure permission of their superior officer before placing any material on a departmental bulletin board, and placing notices on the daily bulletin shall conform with departmental directives.

ARTICLE 40. MEALS

All Police employees shall be granted two, 20-minute breaks during their tour of duty. Police personnel shall be granted one, 45-minute meal break during a 12-hour tour of duty. Officers shall not go out of service for meals and personal breaks without available radio or telephone communications. Officers shall not leave the City of Brisbane for meals or personal breaks without the permission of a superior officer.

ARTICLE 41. MILITARY LEAVE

Military leave shall be granted in accordance with the provisions of the State Military and Veterans Code. An employee requesting leave for this purpose shall provide the department head with a copy of the military orders specifying the dates, site and purpose of the activity or mission. Within the limits of such orders, the department head may determine when the leave is to be taken and may modify the employee's work schedule to accommodate the request for leave.

ARTICLE 42. OUTSIDE EMPLOYMENT

Employees shall not carry on, concurrently with their public employment, any other employment, business or undertaking which conflicts or interferes with their City employment.

Outside employment shall not be undertaken by full-time employees in the Classified Service unless the department head and the City Manager or his designee first approve the employment and determine that it will not adversely affect the employee's quality of work or availability for City service.

Under no circumstances shall an employee be authorized to perform any function related to outside employment or activities during working hours.

ARTICLE 43. WAIVER PROVISION ON BARGAINING DURING TERM OF AGREEMENT

Except as specifically provided for in the Agreement or by mutual agreement in writing during the term of this Agreement, the Association and the City hereby agree not to seek to negotiate or bargain with respect to any matters pertaining to rates, wages, hours, and terms and conditions or employment covered by this Memorandum of Understanding or in negotiations leading thereto, and irrespective of whether or not matters were discussed or were even within the contemplation of any parties hereto during negotiations leading to this Agreement, and any rights in that respect are hereby expressly waived during the term of this Agreement.

During the term of this Agreement, the Association may, upon action by its Executive Board, request in writing to reopen and meet and confer regarding working conditions. This reopener shall not apply to salary, insurance, or any other monetary item(s), nor shall it apply to specific individual problems, which shall be handled under the grievance procedure.

ARTICLE 44. EMERGENCY WAIVER PROVISIONS

In the event of circumstance beyond the control of the City, such as acts of God, fire, flood, insurrection, civil disorder, national emergency, or similar circumstances, the provisions of this Memorandum of Understanding which restrict the City's ability to respond to these emergencies shall be suspended for the duration of such emergency. After the emergency is over, the Association shall have the right to meet with the City regarding their impact on employees of the suspension of these provisions in the Memorandum of Understanding.

ARTICLE 45. SEVERABILITY PROVISION

Should any article, section, subsection, subdivision, sentence, clause, phrase, or provision of this Memorandum of Understanding be found to be inoperative, void, or invalid by a court of competent jurisdiction, all other provisions of the Memorandum of Understanding shall remain in full force and effect for the duration of this Memorandum of Understanding.

ARTICLE 46. PAST PRACTICE

Continuance of working conditions and practices not specifically provided herein shall not be guaranteed by this Memorandum of Understanding.

The City's Personnel Rules and Regulations shall remain in full force and effect unless contraindicated by a specific provision of this Memorandum of Understanding.

ARTICLE 47. USE OF CITY FACILITIES

Upon reasonable advance notice, the City Manager or his designee may authorize the use of appropriate City facilities by recognized employee organizations for meetings involving City employees they represent. Such meetings shall not conflict with the conduct of normal City business nor be held during on-duty time of the City personnel concerned.

Exceptions to the aforementioned on-duty policy may be granted by the City Manager or designee where it is clearly necessary for a represented employee to confer with his employee representative on a matter concerning employee relations and the City. The time devoted to such meetings shall be kept to a minimum, and the employee representative shall notify the responsible supervisor or manager when arriving at and leaving the work site.

Except as provided above, employee representatives shall not have access to City premises for the conduct of union or association business.

Upon request, the City Manager or designee shall also provide a reasonable amount of space at appropriate City facilities for posting of material by recognized employee organizations. This material shall be subject to review by the City Manager or designee prior to posting. Space allotted for this purpose shall be withdrawn should any posted material contain inflammatory or other objectionable content.

ARTICLE 48. PROHIBITED ACTIVITIES

No employee organization shall encourage participation in, nor shall any employee participate in any strike, picketing, slow down, sick-out, or any other form of concerted activity against the City during the term of the Agreement; nor shall any employee recognize any picket line in the course of his duty, nor in any way be involved in the reduction or denial of City service to any premises because of a labor dispute. Any employee who violates any portion of this section is subject to disciplinary action.

ARTICLE 49. NOTICE OF SHIFT CHANGES

The Parties agree to work collaboratively in an attempt to reduce the number of instances when shift start times are changed on short notice. The Parties agree that, in order to do so, sworn employees will need to provide additional notice to the department of planned absences. The Parties agree that flexibility requires mutual effort. The Parties shall meet within 60 days of ratification of this agreement with the intention of developing protocols to further these goals.

ARTICLE 50. TERM OF MEMORANDUM OF UNDERSTANDING

The term of this Memorandum of Understanding shall be for the period of July 1, 2022 through June 30, 2026.

RATIFICATION AND EXECUTION

The City of Brisbane and the Brisbane Police Officers Association have reached an understanding as to certain recommendations to be made to the City Council for the City of Brisbane and have agreed that the parties hereto will jointly urge Council to adopt a new wage and salary resolution which will provide for the changes contained in said joint recommendations. The City and the Association acknowledge that this Memorandum of Understanding shall not be in full force and effect until adopted by the City Council of the City of Brisbane. Subject to the foregoing, this Memorandum of Understanding is hereby executed by the authorized representative of the City and the Association entered into this _____ day of _____, 2022.

CITY OF BRISBANE

BRISBANE POLICE OFFICERS ASSOC.

Clayton Holstine, City Manager

Lester Vega, President

Stuart Schillinger, Assistant City Manager

Chad Miller , Treasurer

Abby Partin, Human Resources Administrator

Effective Date: 01/02/2023

3.0% Increase

CITY OF BRISBANE

Police Officers Association

Exhibit A

<u>Job Title</u>		<u>Step A</u>	<u>Step B</u>	<u>Step C</u>	<u>Step D</u>	<u>Step E</u>
Police Officer	Monthly	8,557.95	8,985.84	9,435.12	9,906.87	10,402.21
	Bi-weekly	3,949.82	4,147.31	4,354.67	4,572.40	4,801.02
	Hourly	47.02	49.37	51.84	54.43	57.16
Police Sergeant	Monthly	10,310.61	10,826.15	11,367.47	11,935.83	12,532.61
	Bi-weekly	4,758.74	4,996.69	5,246.52	5,508.85	5,784.28
	Hourly	56.65	59.48	62.46	65.58	68.86

Note: Hourly wages above are calculated based on 2,184 hours per year.

<u>Job Title</u>		<u>Step A</u>	<u>Step B</u>	<u>Step C</u>	<u>Step D</u>	<u>Step E</u>
Police Officer For Detective and School Resource Officer	Monthly	8,557.95	8,985.84	9,435.12	9,906.87	10,402.21
	Bi-weekly	3,949.82	4,147.31	4,354.67	4,572.40	4,801.02
	Hourly	49.37	51.84	54.43	57.16	60.01
Police Sergeant	Monthly	10,310.61	10,826.15	11,367.47	11,935.83	12,532.61
	Bi-weekly	4,758.74	4,996.69	5,246.52	5,508.85	5,784.28
	Hourly	59.48	62.46	65.58	68.86	72.30

Note: Hourly wages above are calculated based on 2,080 hours per year.

File Attachments for Item:

R. Adoption of a Resolution Declaring the Continued Need to Conduct City Council, Commission and Committee Meetings Remotely Due to Health and Safety Concerns for the Public



CITY COUNCIL AGENDA REPORT

Meeting Date: December 15, 2022

From: Clay Holstine, City Manager

Subject: Adoption of a Resolution Declaring the Continued Need to Conduct City Council, Commission and Committee Meetings Remotely Due to Health and Safety Concerns for the Public

COMMUNITY GOAL RESULTS

Safe Community

Ensuring Public Meetings Remain Open to the Public

RECOMMENDATION

Staff recommends that the City Council adopt a resolution declaring the need to continue conducting the meetings of the City Council, Commissions, and Committees remotely due to health and safety concerns.

BACKGROUND

In 2020 and 2021, the Governor signed various Executive Orders that allowed meetings of public agencies to be conducted remotely due to the COVID-19 pandemic and the need to protect the public and governmental officials. In addition, County Health Officers issued Health Orders requiring masks indoors in public places, regardless of vaccination status and that social distancing be observed. As a result, the City has been conducting its public meetings via zoom, thereby ensuring the right of the public to participate in public meetings but keeping the public, City Council, Committees, and Commissions, and City staff safe. There have been no cancelled meetings due to technical or related difficulties arising out of conducting meetings remotely.

Notwithstanding the availability of a vaccine and boosters, and the reduction of COVID related cases in the Bay Area and the State, COVID-19 variants (Delta and Omicron) have continued to spread and infect individuals. To address the need to continue to allow public agencies to conduct meetings remotely, in September 2021, AB 361 was enacted. AB 361 amends the Brown Act to permit local legislative bodies to continue to meet remotely until January 1, 2024 provided:

- The local legislative body is meeting during a declared state of emergency
- State or local health officials have imposed or recommended measures to promote social distancing
- The local legislative body has determined that there is a need to hold public meetings remotely due to imminent risks to the health or safety of attendees

Monthly since September 2021, the City Council has determined that the requirements of AB 361 have been met, namely, the declared state of emergency proclaimed by the state (as well as one by the City) remains in place; state and local health officials continue to recommend that residents observe social distancing and take other protective measures, including that masks to be worn on public transportation and in certain government buildings, and recommending masks be worn in confined spaces open to the public; and that there is a need to hold public meetings remotely due to imminent risks to the health and safety of attendees. The Council therefore has adopted Resolutions directing that the City continue to conduct public meetings normally scheduled for City Hall via Zoom to protect the health and safety of the public.

The Brown Act as amended by AB 361 requires that every 30 days the City Council review its decision not to hold in-person public meetings at City Hall and to specifically determine whether holding remote and/or hybrid public meetings continues to meet the requirements of the Brown Act as amended.

City Council last made the necessary findings on November 17, 2022 to extend meeting remotely for 30 days. Adoption of this resolution will extend meeting remotely through January 14, 2023. Because City Council is not expected to meet in regular session after the first of the year until January 19, 2023, Council will need to meet in a special meeting before January 14, 2023 if it wants to continue meeting remotely after that date.

DISCUSSION

The state of emergency issued by the Governor remains in place but will end on February 28, 2023. Nevertheless, San Mateo County's Health Officials continue to provide guidance to prevent the spread of COVID and keep people safe and have incorporated the Center for Disease Control's recommendations in that regard, e.g., social distancing is recommended for indoor public meetings where unvaccinated individuals may be present, especially for those who are at a higher risk of getting very sick from COVID. In addition, persons with health conditions may want to attend City Council meetings but would put themselves at risk of becoming ill if they had to attend in person. Therefore, the requirements to allow public meetings to be conducted remotely continue: there is a declared state of emergency; health officials have imposed measures to prevent the spread of the virus and to promote social distancing; and there continues to be a need to hold public meetings remotely due to imminent risks to the health and safety if Council meetings were not conducted remotely.

ACTION

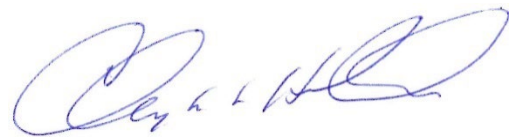
Staff recommends that the City Council adopt the attached Resolution making the findings required under AB 361, to require the public meetings of the City Council, Commissions and Committees normally scheduled for City Hall through January 14, 2023 be held remotely or in a hybrid fashion to protect the health and safety of the public.

More significantly, because the State's declaration of emergency due to COVID-19 will end on February 28, 2023, Council, as a whole, will no longer be authorized to meet remotely thereafter. Council members who want to attend meetings remotely will need to follow the technological conferencing requirements of the Brown Act, for example, a quorum of the Council must be within the jurisdiction, the agenda must reflect where the Council member will be, the Councilmember must post the agenda at that location, the location must be accessible by the public, all votes done by roll call, etc.

FISCAL IMPACT

There is no fiscal impact.

Attachment: 1. Resolution 2022-XX



Clay Holstine, City Manager

RESOLUTION NO. 2022-XX

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BRISBANE DECLARING THE NEED FOR THE CITY COUNCIL, COMMISSIONS AND COMMITTEES TO CONTINUE TO MEET REMOTELY IN ORDER TO ENSURE THE HEALTH AND SAFETY OF THE PUBLIC

WHEREAS, on March 4, 2020, Governor Newsom declared a State of Emergency to make additional resources available, formalize emergency actions already underway across multiple state agencies and departments, and help the State prepare for a broader spread of COVID-19; and

WHEREAS, on March 19, 2020, the City Council ratified and confirmed the Director of Emergency Service's proclamation of a local emergency which allowed staff to expeditiously respond to the emergency circumstances caused by the pandemic; and

WHEREAS, on March 17, 2020, in response to the COVID-19 pandemic, Governor Newsom issued Executive Order N-29-20 suspending certain provisions of the Ralph M. Brown Act in order to allow local legislative bodies to conduct meetings telephonically or by other means; and

WHEREAS, as a result of Executive Order N-29-20, staff set up Zoom meetings for all City Council, Committee and Commission meetings; and

WHEREAS, on June 11, 2021, Governor Newsom issued Executive Order N-08-21, which placed an end date of September 30, 2021, for agencies to meet remotely; and

WHEREAS, since issuing Executive Order N-08-21, the Delta and Omicron variant has emerged, causing a spike in COVID-19 cases throughout the state; and

WHEREAS, in 2021, in response to the Delta and Omicron variant, the San Mateo County Health Department ordered all individuals to wear masks when inside public spaces and maintain social distancing; and

WHEREAS, on September 16, 2021, Governor Newsom signed Assembly Bill 361 into law, amending the Brown Act to permit local legislative bodies, including the City Council, to meet remotely provided it is meeting during a declared state of emergency, state or local officials have imposed or recommended measures to promote social distancing, and the Council believes there is a need to meet remotely to protect against imminent risks to the health and safety of potential public attendees; and

WHEREAS, cases involving COVID 19, including the Delta and Omicron variant continue to exist, the City Council is concerned about and desire to protect the health and safety of individuals who might otherwise attend Council, Committee and Commission meetings;

WHEREAS, the City Council of the City of Brisbane has adopted Resolutions in 2021

and 2022 declaring the need for the City Council, Committees, and Commissions to continue to meet remotely in order to ensure the health and safety of the public; and

WHEREAS, the City Council does hereby find that the above described conditions of serious threat to the public health, safety, and welfare continue at this time; and

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BRISBANE
RESOLVES AS FOLLOWS:**

1. In compliance with AB 361, the City Council has reviewed and makes the following findings:
 - a. The State, San Mateo County and the City have each proclaimed a state of emergency due to the Coronavirus pandemic;
 - b. San Mateo County has issued a public health order requiring that individuals in many public spaces wear masks and socially distance and recommending that individuals in enclosed public spaces wear masks, but the City cannot maintain social distancing for the public, staff, councilmembers, commissioners, and committee members in its meeting spaces; and
 - c. The City Council has considered these circumstances and concludes that the City Council, City Commissions and City Committees must meet remotely due to imminent risks to the health and safety of attendees if the Council, Commissions or Committees were to meet in City facilities.
2. Based on the foregoing, the City Council declares that to protect the safety and health of the public, City Council, Commissions and Committees, meetings will continue to be conducted remotely for the next 30 days in compliance with AB 361.
3. The City Council will revisit the need to conduct public meetings remotely within 30 days after December 15, 2022.

_____, Mayor

PASSED, APPROVED AND ADOPTED by the Brisbane City Council at a regular meeting on December 15, 2022.

I hereby certify that the foregoing resolution was adopted by the City Council at a special meeting held on December 15, 2022 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Ingrid Padilla, City Clerk

Approved as to form:



Thomas McMorrow, City Attorney



California

LEGISLATIVE INFORMATION

ENROLLED SEPTEMBER 15, 2021

PASSED IN SENATE SEPTEMBER 10, 2021

PASSED IN ASSEMBLY SEPTEMBER 10, 2021

AMENDED IN SENATE SEPTEMBER 03, 2021

AMENDED IN SENATE AUGUST 30, 2021

AMENDED IN SENATE JULY 06, 2021

AMENDED IN ASSEMBLY MAY 10, 2021

AMENDED IN ASSEMBLY APRIL 06, 2021

CALIFORNIA LEGISLATURE— 2021–2022 REGULAR SESSION

ASSEMBLY BILL

NO. 361

Introduced by Assembly Member Robert Rivas

February 01, 2021

An act to add and repeal Section 89305.6 of the Education Code, and to amend, repeal, and add Section 54953 of, and to add and repeal Section 11133 of, the Government Code, relating to open meetings, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 361, Robert Rivas. Open meetings: state and local agencies: teleconferences.

(1) Existing law, the Ralph M. Brown Act requires, with specified exceptions, that all meetings of a legislative body of a local agency, as those terms are defined, be open and public and that all persons be permitted to attend and participate. The act contains specified provisions regarding the timelines for posting an agenda and providing for the ability of the public to directly address the legislative body on any item of interest to the public. The act generally requires all regular and special meetings of the legislative body be held within the boundaries of the territory over which the local agency exercises jurisdiction, subject to certain exceptions. The act allows for meetings to occur via teleconferencing subject to certain requirements, particularly that the legislative body notice each teleconference location of each member that will be participating in the public meeting, that each teleconference location be accessible to the public, that members of the public be allowed to address the legislative body at each teleconference location, that the legislative body post an agenda at each teleconference location, and that at least a quorum of the legislative body participate from locations within the boundaries of the local agency's jurisdiction. The act provides an exemption to the jurisdictional requirement for health authorities, as defined. The act authorizes the district attorney or any interested person, subject to certain provisions, to commence an action by mandamus or injunction for the purpose of obtaining a judicial determination that specified actions taken by a legislative body are null and void.

Existing law, the California Emergency Services Act, authorizes the Governor, or the Director of Emergency Services when the governor is inaccessible, to proclaim a state of emergency under specified circumstances.

Executive Order No. N-29-20 suspends the Ralph M. Brown Act's requirements for teleconferencing during the COVID-19 pandemic provided that notice and accessibility requirements are met, the public members are allowed to observe and address the legislative body at the meeting, and that a legislative body of a local agency has a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities, as specified.

This bill, until January 1, 2024, would authorize a local agency to use teleconferencing without complying with the teleconferencing requirements imposed by the Ralph M. Brown Act when a legislative body of a local agency holds a meeting during a declared state of emergency, as that term is defined, when state or local health officials have imposed or recommended measures to promote social distancing, during a proclaimed state of emergency held for the purpose of determining, by majority vote, whether meeting in person would present imminent risks to the health or safety of attendees, and during a proclaimed state of emergency when the legislative body has determined that meeting in person would present imminent risks to the health or safety of attendees, as provided.

This bill would require legislative bodies that hold teleconferenced meetings under these abbreviated teleconferencing procedures to give notice of the meeting and post agendas, as described, to allow members of the public to access the meeting and address the legislative body, to give notice of the means by which members of the public may access the meeting and offer public comment, including an opportunity for all persons to attend via a call-in option or an internet-based service option, and to conduct the meeting in a manner that protects the statutory and constitutional rights of the parties and the public appearing before the legislative body. The bill would require the legislative body to take no further action on agenda items when there is a disruption which prevents the public agency from broadcasting the meeting, or in the event of a disruption within the local agency's control which prevents members of the public from offering public comments, until public access is restored. The bill would specify that actions taken during the disruption are subject to challenge proceedings, as specified.

This bill would prohibit the legislative body from requiring public comments to be submitted in advance of the meeting and would specify that the legislative body must provide an opportunity for the public to address the legislative body and offer comment in real time. The bill would prohibit the legislative body from closing the public comment period and the opportunity to register to provide public comment, until the public comment period has elapsed or until a reasonable amount of time has elapsed, as specified. When there is a continuing state of emergency, or when state or local officials have imposed or recommended measures to promote social distancing, the bill would require a legislative body to make specified findings not later than 30 days after the first teleconferenced meeting pursuant to these provisions, and to make those findings every 30 days thereafter, in order to continue to meet under these abbreviated teleconferencing procedures.

Existing law prohibits a legislative body from requiring, as a condition to attend a meeting, a person to register the person's name, or to provide other information, or to fulfill any condition precedent to the person's attendance.

This bill would exclude from that prohibition, a registration requirement imposed by a third-party internet website or other online platform not under the control of the legislative body.

(2) Existing law, the Bagley-Keene Open Meeting Act, requires, with specified exceptions, that all meetings of a state body be open and public and all persons be permitted to attend any meeting of a state body. The act requires at least one member of the state body to be physically present at the location specified in the notice of the meeting.

The Governor's Executive Order No. N-29-20 suspends the requirements of the Bagley-Keene Open Meeting Act for teleconferencing during the COVID-19 pandemic, provided that notice and accessibility requirements are met, the public members are allowed to observe and address the state body at the meeting, and that a state body has a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities, as specified.

This bill, until January 31, 2022, would authorize, subject to specified notice and accessibility requirements, a state body to hold public meetings through teleconferencing and to make public meetings accessible telephonically, or otherwise electronically, to all members of the public

seeking to observe and to address the state body. With respect to a state body holding a public meeting pursuant to these provisions, the bill would suspend certain requirements of existing law, including the requirements that each teleconference location be accessible to the public and that members of the public be able to address the state body at each teleconference location. Under the bill, a state body that holds a meeting through teleconferencing and allows members of the public to observe and address the meeting telephonically or otherwise electronically would satisfy any requirement that the state body allow members of the public to attend the meeting and offer public comment. The bill would require that each state body that holds a meeting through teleconferencing provide notice of the meeting, and post the agenda, as provided. The bill would urge state bodies utilizing these teleconferencing procedures in the bill to use sound discretion and to make reasonable efforts to adhere as closely as reasonably possible to existing law, as provided.

(3) Existing law establishes the various campuses of the California State University under the administration of the Trustees of the California State University, and authorizes the establishment of student body organizations in connection with the operations of California State University campuses.

The Gloria Romero Open Meetings Act of 2000 generally requires a legislative body, as defined, of a student body organization to conduct its business in a meeting that is open and public. The act authorizes the legislative body to use teleconferencing, as defined, for the benefit of the public and the legislative body in connection with any meeting or proceeding authorized by law.

This bill, until January 31, 2022, would authorize, subject to specified notice and accessibility requirements, a legislative body, as defined for purposes of the act, to hold public meetings through teleconferencing and to make public meetings accessible telephonically, or otherwise electronically, to all members of the public seeking to observe and to address the legislative body. With respect to a legislative body holding a public meeting pursuant to these provisions, the bill would suspend certain requirements of existing law, including the requirements that each teleconference location be accessible to the public and that members of the public be able to address the legislative body at each teleconference location. Under the bill, a legislative body that holds a meeting through teleconferencing and allows members of the public to observe and address the meeting telephonically or otherwise electronically would satisfy any requirement that the legislative body allow members of the public to attend the meeting and offer public comment. The bill would require that each legislative body that holds a meeting through teleconferencing provide notice of the meeting, and post the agenda, as provided. The bill would urge legislative bodies utilizing these teleconferencing procedures in the bill to use sound discretion and to make reasonable efforts to adhere as closely as reasonably possible to existing law, as provided.

(4) This bill would declare the Legislature's intent, consistent with the Governor's Executive Order No. N-29-20, to improve and enhance public access to state and local agency meetings during the COVID-19 pandemic and future emergencies by allowing broader access through teleconferencing options.

(5) This bill would incorporate additional changes to Section 54953 of the Government Code proposed by AB 339 to be operative only if this bill and AB 339 are enacted and this bill is enacted last.

(6) The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

(7) Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

(8) This bill would declare that it is to take effect immediately as an urgency statute.

DIGEST KEY

Vote: 2/3 Appropriation: no Fiscal Committee: yes Local Program: no

BILL TEXT

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1.

Section 89305.6 is added to the Education Code, to read:

89305.6.

(a) Notwithstanding any other provision of this article, and subject to the notice and accessibility requirements in subdivisions (d) and (e), a legislative body may hold public meetings through teleconferencing and make public meetings accessible telephonically, or otherwise electronically, to all members of the public seeking to observe and to address the legislative body.

(b) (1) For a legislative body holding a public meeting through teleconferencing pursuant to this section, all requirements in this article requiring the physical presence of members, the clerk or other personnel of the legislative body, or the public, as a condition of participation in or quorum for a public meeting, are hereby suspended.

(2) For a legislative body holding a public meeting through teleconferencing pursuant to this section, all of the following requirements in this article are suspended:

(A) Each teleconference location from which a member will be participating in a public meeting or proceeding be identified in the notice and agenda of the public meeting or proceeding.

(B) Each teleconference location be accessible to the public.

(C) Members of the public may address the legislative body at each teleconference conference location.

(D) Post agendas at all teleconference locations.

(E) At least one member of the legislative body be physically present at the location specified in the notice of the meeting.

(c) A legislative body that holds a meeting through teleconferencing and allows members of the public to observe and address the meeting telephonically or otherwise electronically, consistent with the notice and accessibility requirements in subdivisions (d) and (e), shall have satisfied any requirement that the legislative body allow members of the public to attend the meeting and offer public comment. A legislative body need not make available any physical location from which members of the public may observe the meeting and offer public comment.

(d) If a legislative body holds a meeting through teleconferencing pursuant to this section and allows members of the public to observe and address the meeting telephonically or otherwise electronically, the legislative body shall also do both of the following:

(1) Implement a procedure for receiving and swiftly resolving requests for reasonable modification or accommodation from individuals with disabilities, consistent with the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 et seq.), and resolving any doubt whatsoever in favor of accessibility.

(2) Advertise that procedure each time notice is given of the means by which members of the public may observe the meeting and offer public comment, pursuant to paragraph (2) of subdivision (e).

(e) Except to the extent this section provides otherwise, each legislative body that holds a meeting through teleconferencing pursuant to this section shall do both of the following:

(1) Give advance notice of the time of, and post the agenda for, each public meeting according to the timeframes otherwise prescribed by this article, and using the means otherwise prescribed by this article, as applicable.

(2) In each instance in which notice of the time of the meeting is otherwise given or the agenda for the meeting is otherwise posted, also give notice of the means by which members of the public may observe the meeting and offer public comment. As to any instance in which there is a change in the means of public observation and comment, or any instance prior to the effective date of this section in which the time of the meeting has been noticed or the agenda for the meeting has been posted without also including notice of the means of public observation and comment, a legislative body may satisfy this requirement by advertising the means of public observation and comment using the most rapid means of communication available at the time. Advertising the means of public observation and comment using the most rapid means of communication available at the time shall include, but need not be limited to, posting such means on the legislative body's internet website.

(f) All legislative bodies utilizing the teleconferencing procedures in this section are urged to use sound discretion and to make reasonable efforts to adhere as closely as reasonably possible to the otherwise applicable provisions of this article, in order to maximize transparency and provide the public access to legislative body meetings.

(g) This section shall remain in effect only until January 31, 2022, and as of that date is repealed.

SEC. 2.

Section 11133 is added to the Government Code, to read:

11133.

(a) Notwithstanding any other provision of this article, and subject to the notice and accessibility requirements in subdivisions (d) and (e), a state body may hold public meetings through teleconferencing and make public meetings accessible telephonically, or otherwise electronically, to all members of the public seeking to observe and to address the state body.

(b) (1) For a state body holding a public meeting through teleconferencing pursuant to this section, all requirements in this article requiring the physical presence of members, the clerk or other personnel of the state body, or the public, as a condition of participation in or quorum for a public meeting, are hereby suspended.

(2) For a state body holding a public meeting through teleconferencing pursuant to this section, all of the following requirements in this article are suspended:

(A) Each teleconference location from which a member will be participating in a public meeting or proceeding be identified in the notice and agenda of the public meeting or proceeding.

(B) Each teleconference location be accessible to the public.

(C) Members of the public may address the state body at each teleconference conference location.

(D) Post agendas at all teleconference locations.

(E) At least one member of the state body be physically present at the location specified in the notice of the meeting.

(c) A state body that holds a meeting through teleconferencing and allows members of the public to observe and address the meeting telephonically or otherwise electronically, consistent with the notice and accessibility requirements in subdivisions (d) and (e), shall have satisfied any requirement that the state body allow members of the public to attend the meeting and offer public comment. A state body need not make available any physical location from which members of the public may observe the meeting and offer public comment.

(d) If a state body holds a meeting through teleconferencing pursuant to this section and allows members of the public to observe and address the meeting telephonically or otherwise electronically, the state body shall also do both of the following:

(1) Implement a procedure for receiving and swiftly resolving requests for reasonable modification or accommodation from individuals with disabilities, consistent with the federal

Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 et seq.), and resolving any doubt whatsoever in favor of accessibility.

(2) Advertise that procedure each time notice is given of the means by which members of the public may observe the meeting and offer public comment, pursuant to paragraph (2) of subdivision (e).

(e) Except to the extent this section provides otherwise, each state body that holds a meeting through teleconferencing pursuant to this section shall do both of the following:

(1) Give advance notice of the time of, and post the agenda for, each public meeting according to the timeframes otherwise prescribed by this article, and using the means otherwise prescribed by this article, as applicable.

(2) In each instance in which notice of the time of the meeting is otherwise given or the agenda for the meeting is otherwise posted, also give notice of the means by which members of the public may observe the meeting and offer public comment. As to any instance in which there is a change in the means of public observation and comment, or any instance prior to the effective date of this section in which the time of the meeting has been noticed or the agenda for the meeting has been posted without also including notice of the means of public observation and comment, a state body may satisfy this requirement by advertising the means of public observation and comment using the most rapid means of communication available at the time. Advertising the means of public observation and comment using the most rapid means of communication available at the time shall include, but need not be limited to, posting such means on the state body's internet website.

(f) All state bodies utilizing the teleconferencing procedures in this section are urged to use sound discretion and to make reasonable efforts to adhere as closely as reasonably possible to the otherwise applicable provisions of this article, in order to maximize transparency and provide the public access to state body meetings.

(g) This section shall remain in effect only until January 31, 2022, and as of that date is repealed.

SEC. 3.

Section 54953 of the Government Code is amended to read:

54953.

(a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, except as otherwise provided in this chapter.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all otherwise applicable requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. All votes taken during a teleconferenced meeting shall be by rollcall.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations and conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivisions (d) and (e). The agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3 at each teleconference location.

(4) For the purposes of this section, "teleconference" means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both. Nothing in this section shall prohibit a local agency from providing the public with additional teleconference locations.

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined in subdivision (d) of Section 3511.1, during the open meeting in which the final action is to be taken. This paragraph shall not affect the public's right under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), if a health authority conducts a teleconference meeting, members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and the number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(e) (1) A local agency may use teleconferencing without complying with the requirements of paragraph (3) of subdivision (b) if the legislative body complies with the requirements of paragraph (2) of this subdivision in any of the following circumstances:

(A) The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.

(B) The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(C) The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, pursuant to subparagraph (B), that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(2) A legislative body that holds a meeting pursuant to this subdivision shall do all of the following:

(A) The legislative body shall give notice of the meeting and post agendas as otherwise required by this chapter.

(B) The legislative body shall allow members of the public to access the meeting and the agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3. In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment. The agenda shall identify and include an opportunity for all persons to attend via a call-in option or an internet-based service option. This subparagraph shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(C) The legislative body shall conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties and the public appearing before the legislative body of a local agency.

(D) In the event of a disruption which prevents the public agency from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's control which prevents members of the public from offering public comments using the call-in option or internet-based service option, the body shall take no further action on items appearing on the meeting agenda until public access to the

meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption which prevents the public agency from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(E) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the legislative body and offer comment in real time. This subparagraph shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(F) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(G) (i) A legislative body that provides a timed public comment period for each agenda item shall not close the public comment period for the agenda item, or the opportunity to register, pursuant to subparagraph (F), to provide public comment until that timed public comment period has elapsed.

(ii) A legislative body that does not provide a timed public comment period, but takes public comment separately on each agenda item, shall allow a reasonable amount of time per agenda item to allow public members the opportunity to provide public comment, including time for members of the public to register pursuant to subparagraph (F), or otherwise be recognized for the purpose of providing public comment.

(iii) A legislative body that provides a timed general public comment period that does not correspond to a specific agenda item shall not close the public comment period or the opportunity to register, pursuant to subparagraph (F), until the timed general public comment period has elapsed.

(3) If a state of emergency remains active, or state or local officials have imposed or recommended measures to promote social distancing, in order to continue to teleconference without compliance with paragraph (3) of subdivision (b), the legislative body shall, not later than 30 days after teleconferencing for the first time pursuant to subparagraph (A), (B), or (C) of paragraph (1), and every 30 days thereafter, make the following findings by majority vote:

(A) The legislative body has reconsidered the circumstances of the state of emergency.

(B) Any of the following circumstances exist:

(i) The state of emergency continues to directly impact the ability of the members to meet safely in person.

(ii) State or local officials continue to impose or recommend measures to promote social distancing.

(4) For the purposes of this subdivision, "state of emergency" means a state of emergency proclaimed pursuant to Section 8625 of the California Emergency Services Act (Article 1 (commencing with Section 8550) of Chapter 7 of Division 1 of Title 2).

(f) This section shall remain in effect only until January 1, 2024, and as of that date is repealed.

SEC. 3.1.

Section 54953 of the Government Code is amended to read:

54953.

(a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency in person, except as otherwise provided in this chapter. Local agencies shall conduct meetings subject to this chapter consistent with applicable state and federal civil rights laws, including, but not limited to, any applicable language access and other nondiscrimination obligations.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all otherwise applicable requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. All votes taken during a teleconferenced meeting shall be by rollcall.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations and conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivisions (d) and (e). The agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3 at each teleconference location.

(4) For the purposes of this section, "teleconference" means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both. Nothing in this section shall prohibit a local agency from providing the public with additional teleconference locations.

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined in subdivision (d) of Section 3511.1, during the open meeting in which the final action is to be taken. This paragraph shall not affect the public's right under the California Public Records Act (Chapter 3.5 (commencing with Section

6250) of Division 7 of Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), if a health authority conducts a teleconference meeting, members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and the number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(e) (1) A local agency may use teleconferencing without complying with the requirements of paragraph (3) of subdivision (b) if the legislative body complies with the requirements of paragraph (2) of this subdivision in any of the following circumstances:

(A) The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.

(B) The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(C) The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, pursuant to subparagraph (B), that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(2) A legislative body that holds a meeting pursuant to this subdivision shall do all of the following:

(A) The legislative body shall give notice of the meeting and post agendas as otherwise required by this chapter.

(B) The legislative body shall allow members of the public to access the meeting and the agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3. In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment. The agenda shall identify and include an opportunity for all persons to attend via a call-in option or an internet-based service option. This subparagraph shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(C) The legislative body shall conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties and the public appearing before the legislative body of a local agency.

(D) In the event of a disruption which prevents the public agency from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's control which prevents members of the public from offering public comments using the call-in option or internet-based service option, the body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption which prevents the public agency from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(E) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the legislative body and offer comment in real time. This subparagraph shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(F) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(G) (i) A legislative body that provides a timed public comment period for each agenda item shall not close the public comment period for the agenda item, or the opportunity to register, pursuant to subparagraph (F), to provide public comment until that timed public comment period has elapsed.

(ii) A legislative body that does not provide a timed public comment period, but takes public comment separately on each agenda item, shall allow a reasonable amount of time per agenda item to allow public members the opportunity to provide public comment, including time for members of the public to register pursuant to subparagraph (F), or otherwise be recognized for the purpose of providing public comment.

(iii) A legislative body that provides a timed general public comment period that does not correspond to a specific agenda item shall not close the public comment period or the

opportunity to register, pursuant to subparagraph (F), until the timed general public comment period has elapsed.

(3) If a state of emergency remains active, or state or local officials have imposed or recommended measures to promote social distancing, in order to continue to teleconference without compliance with paragraph (3) of subdivision (b), the legislative body shall, not later than 30 days after teleconferencing for the first time pursuant to subparagraph (A), (B), or (C) of paragraph (1), and every 30 days thereafter, make the following findings by majority vote:

(A) The legislative body has reconsidered the circumstances of the state of emergency.

(B) Any of the following circumstances exist:

(i) The state of emergency continues to directly impact the ability of the members to meet safely in person.

(ii) State or local officials continue to impose or recommend measures to promote social distancing.

(4) For the purposes of this subdivision, "state of emergency" means a state of emergency proclaimed pursuant to Section 8625 of the California Emergency Services Act (Article 1 (commencing with Section 8550) of Chapter 7 of Division 1 of Title 2).

(f) This section shall remain in effect only until January 1, 2024, and as of that date is repealed.

SEC. 4.

Section 54953 is added to the Government Code, to read:

54953.

(a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, except as otherwise provided in this chapter.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. All votes taken during a teleconferenced meeting shall be by rollcall.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations and conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall

participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivision (d). The agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3 at each teleconference location.

(4) For the purposes of this section, “teleconference” means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both. Nothing in this section shall prohibit a local agency from providing the public with additional teleconference locations

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined in subdivision (d) of Section 3511.1, during the open meeting in which the final action is to be taken. This paragraph shall not affect the public’s right under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), if a health authority conducts a teleconference meeting, members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and the number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(e) This section shall become operative January 1, 2024.

SEC. 4.1.

Section 54953 is added to the Government Code, to read:

54953.

(a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, in person except as otherwise provided in this chapter. Local agencies shall conduct meetings subject to this chapter consistent with applicable state and federal civil rights laws, including, but not limited to, any applicable language access and other nondiscrimination obligations.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. All votes taken during a teleconferenced meeting shall be by rollcall.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations and conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivision (d). The agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3 at each teleconference location.

(4) For the purposes of this section, "teleconference" means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both. Nothing in this section shall prohibit a local agency from providing the public with additional teleconference locations.

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined in subdivision (d) of Section 3511.1, during the open meeting in which the final action is to be taken. This paragraph shall not affect the public's right under the California Public Records Act (Chapter 3.5 (commencing with Section

6250) of Division 7 of Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), if a health authority conducts a teleconference meeting, members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and the number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(e) This section shall become operative January 1, 2024.

SEC. 5.

Sections 3.1 and 4.1 of this bill incorporate amendments to Section 54953 of the Government Code proposed by both this bill and Assembly Bill 339. Those sections of this bill shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2022, but this bill becomes operative first, (2) each bill amends Section 54953 of the Government Code, and (3) this bill is enacted after Assembly Bill 339, in which case Section 54953 of the Government Code, as amended by Sections 3 and 4 of this bill, shall remain operative only until the operative date of Assembly Bill 339, at which time Sections 3.1 and 4.1 of this bill shall become operative.

SEC. 6.

It is the intent of the Legislature in enacting this act to improve and enhance public access to state and local agency meetings during the COVID-19 pandemic and future applicable emergencies, by allowing broader access through teleconferencing options consistent with the Governor's Executive Order No. N-29-20 dated March 17, 2020, permitting expanded use of teleconferencing during the COVID-19 pandemic.

SEC. 7.

The Legislature finds and declares that Sections 3 and 4 of this act, which amend, repeal, and add Section 54953 of the Government Code, further, within the meaning of paragraph (7) of

subdivision (b) of Section 3 of Article I of the California Constitution, the purposes of that constitutional section as it relates to the right of public access to the meetings of local public bodies or the writings of local public officials and local agencies. Pursuant to paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the Legislature makes the following findings:

This act is necessary to ensure minimum standards for public participation and notice requirements allowing for greater public participation in teleconference meetings during applicable emergencies.

SEC. 8.

(a) The Legislature finds and declares that during the COVID-19 public health emergency, certain requirements of the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code) were suspended by Executive Order N-29-20. Audio and video teleconference were widely used to conduct public meetings in lieu of physical location meetings, and public meetings conducted by teleconference during the COVID-19 public health emergency have been productive, have increased public participation by all members of the public regardless of their location in the state and ability to travel to physical meeting locations, have protected the health and safety of civil servants and the public, and have reduced travel costs incurred by members of state bodies and reduced work hours spent traveling to and from meetings.

(b) The Legislature finds and declares that Section 1 of this act, which adds and repeals Section 89305.6 of the Education Code, Section 2 of this act, which adds and repeals Section 11133 of the Government Code, and Sections 3 and 4 of this act, which amend, repeal, and add Section 54953 of the Government Code, all increase and potentially limit the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest:

(1) By removing the requirement that public meetings be conducted at a primary physical location with a quorum of members present, this act protects the health and safety of civil servants and the public and does not preference the experience of members of the public who might be able to attend a meeting in a physical location over members of the public who cannot travel or attend that meeting in a physical location.

(2) By removing the requirement for agendas to be placed at the location of each public official participating in a public meeting remotely, including from the member's private home or hotel room, this act protects the personal, private information of public officials and their families while preserving the public's right to access information concerning the conduct of the people's business.

SEC. 9.

This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure that state and local agencies can continue holding public meetings while providing essential services like water, power, and fire protection to their constituents during public health, wildfire, or other states of emergencies, it is necessary that this act take effect immediately.

File Attachments for Item:

T. Consider adoption of Resolution adopting the County of San Mateo's Certification of Votes and declaring results to fill 2 four-year term Council Seats at the General Municipal Election held on November 8, 2022



CITY COUNCIL AGENDA REPORT

Meeting Date: December 15, 2022

From: Ingrid Padilla, City Clerk

Subject: Adopt Resolution Adopting the County of San Mateo's Certification of Votes and Declaring Results of the General Municipal Election held on November 8, 2022 to fill two City Council Seats

Recommendation:

Adopt Resolution No. 2022-XX adopting the County of San Mateo's Certification of Votes and Declaring Results of the General Municipal Election held on November 8, 2022 to fill two City Council seats.

Background:

On June 16, 2022, the City Council adopted Resolution No. 2022-48 calling a General Municipal Election to be held on Tuesday, November 8, 2022 and adopting procedures pertaining to the conduct and administration of such election including requesting the San Mateo County Clerk-Recorder to provide specified election services. Resolution No. 2022-48 calls for an election to fill two City Councilmember seats for a term of four years.

Discussion:

The attached Resolution declares the results of the election that was held on November 8, 2022. Madison Davis and Terry O'Connell were re-elected to serve on the City Council through December 2026.

Attachment:

1. Resolution 2022-XX

Ingrid Padilla, City Clerk

Clayton Holstine, City Manager

**ATTACHMENT 1
RESOLUTION NO. 2022-XX**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BRISBANE
ADOPTING COUNTY OF SAN MATEO CERTIFICATION OF VOTES
AND DECLARING RESULTS TO FILL TWO COUNCIL SEATS AT THE GENERAL
MUNICIPAL ELECTION HELD ON NOVEMBER 8, 2022**

WHEREAS, a General Municipal Election was held in and throughout the City of Brisbane on the 8th day of November, 2022, to submit the candidates to fill two Council seats for four-year terms to the qualified electors; and

WHEREAS, the City Clerk of said City has duly posted and presented to the City Council of the City of Brisbane the County of San Mateo's certification of the votes cast in said General Municipal Election; and

WHEREAS, said City Council has access to and has examined said certification of votes cast in said election.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Brisbane finds as follows:

1. The total number of votes cast was 1,834.
2. That the record of votes cast in said election is shown on Exhibit "A" of the Certificate of the Chief Elections Official, attached hereto, and by such reference made a part hereof.
3. That Madison Davis and Terry O'Connell were elected to fill the offices of Councilmember for a term ending in December 2026 and the City Clerk is hereby directed to issue a Certificate of Election to the persons, certifying each person's election to the office appearing after their name, and to administer to the elected persons the oath of office prescribed by the Constitution of the laws of the State of California.

Coleen Mackin, Mayor

I hereby certify that the foregoing Resolution No. 2022-xx was duly and regularly adopted by the City Council of the City of Brisbane, at a regular meeting held thereof on December 15, 2022, by the following vote:

AYES:

NOES:

ABSENT:

Ingrid Padilla
City Clerk

CERTIFICATE OF THE CHIEF ELECTIONS OFFICER

In the matter of the CANVASS OF VOTES CAST)
 at the STATEWIDE GENERAL ELECTION)
 held on November 8, 2022)

I, **MARK CHURCH**, Chief Elections Officer of the County of San Mateo,
 State of California, hereby certify:

THAT an election was held within the boundaries of the CITY OF
 BRISBANE on Tuesday, November 8, 2022, for the purpose of electing two (2)
 Council Members for four (4) year terms; and I caused to have processed and
 recorded the votes from the canvass of all ballots cast at said election within the
 boundaries of the CITY OF BRISBANE.

I **HEREBY FURTHER CERTIFY** that the record of votes cast at said
 election is set forth in Exhibit "A" attached hereto and incorporated herein by
 reference as though fully set forth at length.

IN WITNESS WHEREOF, I hereunto affix my hand and seal this 8th day of
 December, 2022, and file this date with the City Clerk of the CITY OF
 BRISBANE.



MARK CHURCH
 Chief Elections Officer &
 Assessor-County Clerk-Recorder

SECTION A

Cast by Precinct

1 City of Brisbane Members, City Council							
		Registered Voters	Voters Cast	Turnout (%)	1 MADISON DAVIS	1 TERRY O'CONNELL	1 ANTHONY WALKER
50001	Total	2948	1834	62.21 %	1055	933	854
50006	Total	0	0				
Total - Vote Centers		2948	202	6.85 %	111	103	102
Total - Vote by Mail		2948	1632	55.36 %	944	830	752
Contest Total		2948	1834	62.21 %	1055	933	854

*** Indicates vote data was suppressed due to voter privacy settings.

SECTION B

Cast by District

1 City of Brisbane Members, City Council

					1	1	1
		Registered Voters	Voters Cast	Turnout (%)	MADISON DAVIS	TERRY O'CONNELL	ANTHONY WALKER
Electionwide	Total	2948	1834	62.21 %	1055	933	854
Board Of Equalization - District 2	Total	2948	1834	62.21 %	1055	933	854
15th Congressional District	Total	2948	1834	62.21 %	1055	933	854
13th Senatorial District	Total	2948	1834	62.21 %	1055	933	854
21st Assembly District	Total	2948	1834	62.21 %	1055	933	854
County of San Mateo	Total	2948	1834	62.21 %	1055	933	854
5th Supervisorial District	Total	2948	1834	62.21 %	1055	933	854
City of Brisbane	Total	2948	1834	62.21 %	1055	933	854

File Attachments for Item:

Y. Consider Adoption of Resolution authorizing the Mayor to sign the Fourth Amendment to the City Manager's Employment Agreement increasing the Manager's salary by 3% in January 2023 and extending the term of the Agreement to December 31, 2023

(If approved by the Council, the City Manager's salary would be \$11,371 bi-weekly)



CITY COUNCIL AGENDA REPORT

Meeting Date: December 15, 2022

From: City Attorney Thomas R. McMorrow

Subject: Fourth Amendment to City Manager's Employment Agreement

Community Goal Results Fiscally Prudent

Recommendation

Adopt the attached resolution authorizing the Mayor to sign the Fourth Amendment to the City Manager's Employment Agreement increasing the Manager's salary by 3% in January 2023 and extending the term of the Agreement to December 31, 2023

Background

In April 2022, after conducting a salary survey of City Managers in the Bay Area, City Council approved a Third Amendment to the City Manager's 2019 Employment Agreement. That Amendment involved a salary increase and extending the term of the Agreement to December 31, 2022. For a variety of reasons, City Council has requested Mr. Holstine to remain as City Manager beyond December 31, 2022 and he has agreed to do so.

Discussion

The attached resolution authorizes the Mayor to sign a Fourth Amendment to the City Manager's Employment Agreement increasing his salary as of the first full pay period in January by 3% and extending the term of the Agreement to December 31, 2023. If approved by the Council, the City Manager's salary would be \$295,651 annually (\$11,371 bi-weekly). The 3% increase is consistent with salary increases that other City employees are receiving. Other terms and conditions in the Agreement, as amended, remain in effect.

Fiscal Impact

There are funds budgeted to cover this increase.

A handwritten signature in blue ink, appearing to read "T. R. McMorrow", is written over a horizontal line.

Thomas R. McMorrow, City Attorney

Attachment: Resolution authorizing the Mayor to sign Fourth Amendment

ATTACHMENT 1**RESOLUTION NO. 2022-xx****A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BRISBANE APPROVING THE FOURTH AMENDMENT TO THE JULY 18, 2019 EMPLOYMENT AGREEMENT WITH THE CITY MANAGER**

WHEREAS, Clayton Holstine is the appointed City Manager of the City of Brisbane and currently serves under an Employment Agreement between the City and Mr. Holstine dated July 18, 2019, as amended; and

WHEREAS, the City and Mr. Holstine wish to amend the Employment Agreement concerning the term of the Agreement and to revise the salary schedule for the City Manager, as set forth in the attached Exhibit A.

NOW, THEREFORE, the City Council of the City of Brisbane resolve as follows:

Section 1. The pay schedule for the City Manager, as of the first full pay period of January 2023 and thereafter, as provided in the City Manager Employment Agreement, as amended, is confirmed.

Section 2. Appendix A to the Employment Agreement, as amended, sets forth the pay rate and pay schedule for the City Manager's salary, which Appendix satisfies the requirements of a publicly available pay schedule as set forth in Government Code Section 20636.

Section 3. The Fourth Amendment to the July 18, 2019 Employment Agreement between the City and Clayton Holstine is approved, and the Mayor is authorized to sign such Amendment.

Section 2. The City Clerk is directed to post the Fourth Amendment, once fully executed, including Appendix A, on the City's website under "City Manager's Contract".

Section 3. This Resolution shall take effect immediately upon adoption.

_____, Mayor

I hereby certify that the foregoing Resolution was adopted as a regular agenda item at a special scheduled meeting of the Brisbane City Council on December 15, 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN

Ingrid Padilla, City Clerk

CITY OF BRISBANE
City Manager

Appendix A

Effective Date: 01/02/2023

3.0% Increase

Job Title

City Manager

Salary

Monthly	\$24,637.60
Bi-weekly	\$11,371.20
Hourly	\$142.14

Z.

File Attachments for Item:

Z. Consider Adoption of Resolution to Amend the Master Pay Schedule



CITY COUNCIL AGENDA REPORT

Meeting Date: December 15, 2022

From: Abby Partin, Human Resources Administrator

Subject: Resolution to Amend the Master Pay Schedule

Community Goal/Result

Fiscally Prudent

Purpose

To ensure the City maintains competitive pay rates to retain qualified, stable and dedicated workforce for the community.

Recommendation

Adopt the attached resolution to amend the Master Pay Schedule.

Background and Discussion

On November 4, 2016, CalPERS issued Circular Letter 200-050-16, clarifying that pay schedules for “local agencies”, such as the City of Brisbane, must comply with Government Code Section 20636 and CCR section 570.5. If an agency does not meet the requirements outlined in GC Section 20636 and CCR section 570.5, CalPERS may determine an amount that may be considered to be the pay rate.

On May 17, 2017, in compliance with State law and regulations, the City began posting a master pay schedule that combines all of the pay schedules, including Council Member and Commissioner pay, together in one document as the master pay schedule, to avoid possible issues with CalPERS.

On December 15, 2022, the City Council approved an amendment to the City Manager’s employment contract that revised his pay schedule as follows:

- Monthly – \$24,637.60
- Bi-weekly – \$11,371.20
- Hourly - \$ 142.14

The following bargaining groups will also receive a 3% pay increase: Mid-Management/Professional Employees and Brisbane Police Officers Association.

These new rates will become effective the full pay period in January 2023 and the updated master pay schedule will reflect all the new pay rates.

Staff recommends City Council adopt the attached resolution so that the City remains in compliance with GC Section 20636 and CCR section 570.5.

Fiscal Impact

The costs are included in the adopted budget for fiscal year 2022-23 and ensuing budget year.

Measure of Success

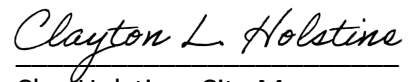
The City is able to maintain a stable and high quality workforce.

Attachments

1. CalPERS Circular Letter 200 500 16 Agreement
2. Resolutions 2022-XX



Abby Partin, Human Resources
Administrator



Clay Holstine, City Manager

RESOLUTION NO 2022-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BRISBANE ADOPTING MASTER PAY SCHEDULES FOR ALL EMPLOYEES

WHEREAS, the City of Brisbane contracts with the California Public Employee's Retirement System (CalPERS) to provide retirement benefits for its employees; and

WHEREAS, pursuant to the California Code of Regulations, Title 2, Section 570.5 CalPERS requires governing bodies of local agencies contracting with CalPERS to approve and adopt a publicly available pay schedule in accordance with public meeting laws; and

WHEREAS, the pay schedule must identify the position title for every employee position, pay rate for each position title, and the applicable time base for the pay rate; and

WHEREAS, the City Council of the City of Brisbane desires to approve and adopt a publicly available Master Pay Schedule, showing all established employee positions and pay rates, in accordance with the requirement of California Code of Regulations, Title 2, Section 570.5;

NOW, THEREFORE, the City Council of the City of Brisbane resolves as follows:

The Master Pay Schedule as set forth in Exhibit A is approved and is incorporated by reference as though fully set forth herein.

Mayor

I hereby certify that the foregoing Resolution No. 2022-XX was duly and regularly adopted at a regular meeting of the Brisbane City Council on December 15, 2022, by the following vote:

Ayes:

Noes:

Absent:

Abstain:

Ingrid Padilla, City Clerk



California Public Employees' Retirement System
P.O. Box 942715
Sacramento, CA 94229-2715
(888) CalPERS (or 888-225-7377)
TTY: (877) 249-7442
www.calpers.ca.gov

Circular Letter: 200-050-16
Distribution: IV, V, VI, X, XII, XVI

Circular Letter

November 4, 2016

TO: **ALL CALPERS EMPLOYERS**

SUBJECT: **STATUTORY AND REGULATORY REQUIREMENTS FOR COMPENSATION
EARNABLE AND PUBLICLY AVAILABLE PAY SCHEDULES**

Accurate Payroll reporting is crucial for providing accurate member benefits. The purpose of this letter is to remind employers of the requirements for compensation earnable and publicly available pay schedules.

Compensation Earnable

Only those pay amounts that meet the definition of compensation earnable are used when calculating retirement benefits. For more information about compensation earnable, please refer to the Public Employees' Retirement Law (PERL) Government Code (GC) sections 20636 and 20636.1 which define compensation earnable for State, School, and Public Agency members. Compensation earnable is further clarified by California Code of Regulations (CCR) Section 570.5.

All employers must comply with the compensation earnable provisions and corresponding regulations of the PERL. Where employers fail to comply, pay amounts will be determined to not constitute payrate, and accordingly, CalPERS will be unable to use such pay amounts when calculating members' retirement benefits.

Requirement for Publicly Available Pay Schedules

To meet the definition of compensation earnable, an amount of pay must either constitute payrate or special compensation as defined in the statutes. GC section 20636(d) further requires that payrate and special compensation schedules, ordinances, or similar documents are public records.

Employers must review their pay schedules to verify that all members' pay amounts are included within a publicly available pay schedule.

Compensation Earnable Government Codes

GC section 20636(b)(1) (applicable to Public Agency members) and 20636.1(b)(1) (applicable to School members) require pay amounts to be paid pursuant to publicly available pay schedules. For example, GC section 20636 (b)(1) states:

“Payrate means the normal monthly rate of pay or base pay of the member paid in cash to similarly situated members of the same group or class of employment for services rendered on a full-time basis during normal working hours, pursuant to publicly available pay schedules. “Payrate,” for a member who is not in a group or class, means the monthly rate of pay or base pay of the member, paid in cash and pursuant to publicly available pay schedules, for services rendered on a full-time basis during normal working hours, subject to the limitations of paragraph (2) of subdivision (e).”

CCR 570.5 specifies the required elements necessary to meet the definition of a publicly available pay schedule as follows:

- (a) For purposes of determining the amount of “compensation earnable” pursuant to GC sections 20630, 20636, and 20636.1, payrate shall be limited to the amount listed on a pay schedule that meets all of the following requirements:
 - (1) Has been duly approved and adopted by the employer’s governing body in accordance with requirements of applicable public meetings laws;
 - (2) Identifies the position title for every employee position;
 - (3) Shows the payrate for each identified position, which may be stated as a single amount or as multiple amounts within a range;
 - (4) Indicates the time base, including, but not limited to, whether the time base is hourly, daily, bi-weekly, monthly, bi-monthly, or annually;
 - (5) Is posted at the office of the employer or immediately accessible and available for public review from the employer during normal business hours or posted on the employer’s internet website;
 - (6) Indicates an effective date and date of any revisions;
 - (7) Is retained by the employer and available for public inspection for not less than five years; and
 - (8) Does not reference another document in lieu of disclosing the payrate.

All eight (8) requirements must be met in one salary schedule for each member’s pay, in order for CalPERS to approve the pay amount as payrate and reportable compensation earnable.

Publicly Available Pay Schedules Government Code

If an agency cannot provide a document meeting the requirements for a publicly available pay schedule, then CalPERS must determine that the pay amount fails to meet the definition of payrate. CCR 570.5 (b)(1)-(4) outlines the process by which CalPERS may determine a member's payrate when there is no publicly available pay schedule provided.

CCR 570.5 (b) states:

- (b) Whenever an employer fails to meet the requirements of subdivision (a) above, the Board, in its sole discretion, may determine an amount that will be considered to be payrate, taking into consideration all information it deems relevant including, but not limited to, the following:
 - (1) Documents approved by the employer's governing body in accordance with requirements of public meetings laws and maintained by the employer;
 - (2) Last payrate listed on a pay schedule that conforms to the requirements of subdivision (a) with the same employer for the position at issue;
 - (3) Last payrate for the member that is listed on a pay schedule that conforms with the requirements of subdivision (a) with the same employer for a different position;
 - (4) Last payrate for the member in a position that was held by the member and that is listed on a pay schedule that conforms with the requirements of subdivision (a) of a former CalPERS employer.

For assistance or questions, please direct your inquiries to the CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**).

Renee Ostrander, Chief
Employer Account Management Division

City of Brisbane Master Pay Schedule

Approved per Resolution No. 2022-XX

Job Classification	Hourly Grade A	Hourly Grade B	Hourly Grade C	Hourly Grade D	Hourly Grade E	Monthly	Fixed Hourly	Hourly Range	Effective Date	Bargaining Group	FLSA Status
Accounting Assistant I	\$ 26.75	\$ 28.09	\$ 29.50	\$ 30.98	\$ 32.53				1/2/2023	General Employees	Non-Exempt
Accounting Assistant II	\$ 29.45	\$ 30.93	\$ 32.48	\$ 34.09	\$ 35.80				1/2/2023	General Employees	Non-Exempt
Accounting Systems Analyst	\$ 40.44	\$ 42.57	\$ 44.70	\$ 46.93	\$ 49.28				1/2/2023	General Employees	Non-Exempt
Administrative Assistant	\$ 35.39	\$ 37.16	\$ 39.01	\$ 40.96	\$ 43.01				1/2/2023	General Employees	Non-Exempt
Administrative Management Analyst	\$ 45.04	\$ 47.28	\$ 49.66	\$ 52.13	\$ 54.75				1/2/2023	Confidential Employee	Exempt
Administrative Services Director	\$ 90.94	\$ 95.48	\$ 100.26	\$ 105.26	\$ 110.54				1/2/2023	Confidential Management	Exempt
Assistant Engineer I	\$ 41.20	\$ 43.27	\$ 45.43	\$ 47.71	\$ 50.09				1/2/2023	General Employees	Non-Exempt
Assistant Engineer II	\$ 45.33	\$ 47.58	\$ 49.97	\$ 52.46	\$ 55.09				1/2/2023	General Employees	Non-Exempt
Assistant City Manager	\$ 104.58	\$ 109.80	\$ 115.30	\$ 121.05	\$ 127.12				1/2/2023	Confidential Management	Exempt
Assistant to the City Manager	\$ 69.68	\$ 73.16	\$ 76.83	\$ 80.66	\$ 84.71				1/2/2023	Executive Management	Exempt
Assistant Fire Marshal	\$ 78.22	\$ 82.13	\$ 86.24	\$ 90.55	\$ 95.08				1/2/2023	Brisbane Fire Management	Exempt
Associate Civil Engineer	\$ 53.97	\$ 56.66	\$ 59.49	\$ 62.47	\$ 65.60				1/2/2023	Mid-Management/Professional	Exempt
Associate Planner	\$ 47.68	\$ 50.07	\$ 52.58	\$ 55.20	\$ 57.97				1/2/2023	General Employees	Non-Exempt
Cashier	\$ 15.50	\$ 16.28	\$ 17.09	\$ 17.94	\$ 18.84				1/2/2023	Unrepresented	Non-Exempt
C/CAG Stormwater Program Director	\$ 71.29	\$ 74.86	\$ 78.60	\$ 82.54	\$ 86.66				1/2/2023	Mid-Management/Professional	Exempt
City Clerk	\$ 56.39	\$ 59.21	\$ 62.17	\$ 65.29	\$ 68.54				1/2/2023	Executive Management	Exempt
City Manager	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 142.14		1/2/2023	Unrepresented	Exempt
Code Enforcement Officer	\$ 38.45	\$ 40.38	\$ 42.39	\$ 44.51	\$ 46.74				1/2/2023	General Employees	Non-Exempt
Communications Digital and Media Coordinator	\$ 36.11	\$ 37.91	\$ 39.81	\$ 41.80	\$ 43.88				1/2/2023	General Employees	Non-Exempt
Communications Manager	\$ 52.68	\$ 55.45	\$ 58.36	\$ 61.43	\$ 64.67				1/2/2023	Mid-Management/Professional	Exempt
Community Development Director	\$ 87.94	\$ 92.34	\$ 96.96	\$ 101.81	\$ 106.91				1/2/2023	Executive Management	Exempt
Community Development Technician	\$ 36.11	\$ 37.91	\$ 39.81	\$ 41.80	\$ 43.88				1/2/2023	General Employees	Non-Exempt
Community Services Officer	\$ 31.48	\$ 33.51	\$ 35.19	\$ 36.95	\$ 38.79				1/2/2023	General Employees	Non-Exempt
Council Member	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400.00			1/2/2023	Elected Position	
Crossing Guard	\$ 15.50	\$ 16.28	\$ 17.09	\$ 17.94	\$ 18.84				1/2/2023	Unrepresented	Non-Exempt
Deputy City Clerk/Executive Assistant	\$ 42.39	\$ 44.51	\$ 46.74	\$ 49.09	\$ 51.53				1/2/2023	Confidential	Exempt
Deputy Director of Public Works	\$ 79.65	\$ 83.63	\$ 87.82	\$ 92.21	\$ 96.82				1/2/2023	Mid-Management/Professional	Exempt
Deputy Finance Director	\$ 71.29	\$ 74.86	\$ 78.60	\$ 82.54	\$ 86.66				1/2/2023	Mid-Management/Professional	Exempt
Director of Marina/Aquatics Services	\$ 58.37	\$ 61.29	\$ 64.36	\$ 67.58	\$ 70.95				1/2/2023	Executive Management	Exempt
Engineering Technician	\$ 39.72	\$ 41.71	\$ 43.79	\$ 45.96	\$ 48.28				1/2/2023	General Employees	Non-Exempt
Executive Administrative Assistant	\$ 36.68	\$ 38.50	\$ 40.43	\$ 42.46	\$ 44.58				1/2/2023	General Employees	Non-Exempt
Facility Attendant	\$ 18.20	\$ 19.11	\$ 20.07	\$ 21.07	\$ 22.12				1/2/2023	Unrepresented	Non-Exempt
Finance Director	\$ 87.04	\$ 91.38	\$ 95.96	\$ 100.77	\$ 105.78				1/2/2023	Confidential Management	Exempt
Financial Services Manager	\$ 61.58	\$ 64.65	\$ 67.89	\$ 71.29	\$ 74.86				1/2/2023	Mid-Management/Professional	Exempt
Fire Captain	\$ 43.01	\$ 45.14	\$ 47.41	\$ 49.78	\$ 52.27				1/2/2023	IAFF Local 2400	Non-Exempt
Fire Prevention Officer	\$ 50.38	\$ 55.67	\$ 58.45	\$ 61.36	\$ 64.43				1/2/2023	IAFF Local 2400	Non-Exempt
Fire Trainee	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 25.06		1/2/2023	IAFF Local 2400	Non-Exempt
Firefighter	\$ 35.99	\$ 37.78	\$ 39.67	\$ 41.64	\$ 43.73				1/2/2023	IAFF Local 2400	Non-Exempt
Firefighter II	\$ 39.59	\$ 41.56	\$ 43.64	\$ 45.81	\$ 48.10				1/2/2023	IAFF Local 2400	Non-Exempt
Firefighter/Paramedic	\$ 35.99	\$ 37.78	\$ 39.67	\$ 41.64	\$ 43.73				1/2/2023	IAFF Local 2400	Non-Exempt
Firefighter/Paramedic II	\$ 39.59	\$ 41.56	\$ 43.64	\$ 45.81	\$ 48.10				1/2/2023	IAFF Local 2400	Non-Exempt
Geographic Information System Manager	\$ 52.68	\$ 55.45	\$ 58.36	\$ 61.43	\$ 64.67				1/2/2023	Mid-Management/Professional	Exempt
Habitat Restoration Lead Worker	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 15.50		1/2/2023	Unrepresented	Non-Exempt
Harbormaster	\$ 49.66	\$ 52.13	\$ 54.74	\$ 57.48	\$ 60.36				1/2/2023	Mid-Management/Professional	Exempt
Head Lifeguard	\$ 21.82	\$ 22.92	\$ 24.06	\$ 25.28	\$ 26.53				1/2/2023	Unrepresented	Non-Exempt
History Project Asst	\$ 36.94	\$ 38.79	\$ 40.72	\$ 42.75	\$ 44.90				1/2/2023	Unrepresented	Non-Exempt
Human Resources Administrator	\$ 72.75	\$ 76.39	\$ 80.21	\$ 84.22	\$ 88.43				1/2/2023	Confidential	Exempt
Human Resources Technician	\$ 36.11	\$ 37.91	\$ 39.81	\$ 41.80	\$ 43.88				1/2/2023	General Employees	Non-Exempt
Information Technology & Systems Administrator	\$ 54.29	\$ 57.00	\$ 59.85	\$ 62.85	\$ 66.00				1/2/2023	Mid-Management/Professional	Exempt
Intern	\$ -	\$ -	\$ -	\$ -	\$ -			\$15.50 - \$20.00	1/2/2023	Unrepresented	Non-Exempt
Lifeguard	\$ 16.56	\$ 17.39	\$ 18.26	\$ 19.17	\$ 20.12				1/2/2023	Unrepresented	Non-Exempt
Management Analyst (Part-time)	\$ 40.84	\$ 42.90	\$ 45.03	\$ 47.28	\$ 49.65				1/2/2023	Unrepresented	Non-Exempt

Job Classification	Hourly Grade A	Hourly Grade B	Hourly Grade C	Hourly Grade D	Hourly Grade E	Monthly	Fixed Hourly	Hourly Range	Effective Date	Bargaining Group	FLSA Status
Marina Maintenance Worker I	\$ 30.96	\$ 32.50	\$ 34.13	\$ 35.84	\$ 37.64				1/2/2023	General Employees	Non-Exempt
Marina Maintenance Worker II	\$ 34.05	\$ 35.75	\$ 37.54	\$ 39.41	\$ 41.38				1/2/2023	General Employees	Non-Exempt
Marina Maintenance Worker I (Part-time)	\$ 31.57	\$ 33.15	\$ 34.80	\$ 36.56	\$ 38.38				1/2/2023	Unrepresented	Non-Exempt
Marina Maintenance Worker II (Part-time)	\$ 34.71	\$ 36.48	\$ 38.27	\$ 40.17	\$ 42.21				1/2/2023	Unrepresented	Non-Exempt
Marina Services Director	\$ 54.56	\$ 57.29	\$ 60.16	\$ 63.16	\$ 66.32				1/2/2023	Executive Management	Exempt
Office Assistant	\$ 28.38	\$ 29.75	\$ 31.24	\$ 32.80	\$ 34.45				1/2/2023	General Employees	Non-Exempt
Office Assistant (Part-Time)	\$ 28.90	\$ 30.33	\$ 31.84	\$ 33.46	\$ 35.13				1/2/2023	Unrepresented	Non-Exempt
Office Specialist	\$ 33.27	\$ 34.92	\$ 36.68	\$ 38.50	\$ 40.43				1/2/2023	General Employees	Non-Exempt
Office Specialist (Part-Time)	\$ 33.94	\$ 35.62	\$ 37.40	\$ 39.28	\$ 41.24				1/2/2023	Unrepresented	Non-Exempt
Park/Beach/Recreation Commissioner	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100.00			1/2/2023	Appointed Position	
Parks & Recreation Director	\$ 83.85	\$ 88.06	\$ 92.45	\$ 97.07	\$ 101.93				1/2/2023	Executive Management	Exempt
Parks/Facilities Maintenance Worker I	\$ 30.96	\$ 32.50	\$ 34.13	\$ 35.84	\$ 37.64				1/2/2023	General Employees	Non-Exempt
Parks/Facilities Maintenance Worker I (Part-Time)	\$ 31.57	\$ 33.15	\$ 34.80	\$ 36.56	\$ 38.38				1/2/2023	Unrepresented	Non-Exempt
Parks/Facilities Maintenance Worker II	\$ 34.05	\$ 35.75	\$ 37.54	\$ 39.41	\$ 41.38				1/2/2023	General Employees	Non-Exempt
Payroll/Utility Billing Technician	\$ 36.11	\$ 37.91	\$ 39.81	\$ 41.80	\$ 43.88				1/2/2023	General Employees	Non-Exempt
Planning Commissioner	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100.00			1/2/2023	Appointed Position	
Police Chief	\$ 102.63	\$ 107.76	\$ 113.14	\$ 118.81	\$ 124.73				1/2/2023	Police Chief	Exempt
Police Commander	\$ 92.52	\$ 97.15	\$ 102.01	\$ 107.11	\$ 112.46				1/2/2023	Police Commander	Exempt
Police Officer	\$ 47.02	\$ 49.37	\$ 51.84	\$ 54.43	\$ 57.16				1/2/2023	Brisbane Police Officers Association*	Non-Exempt
Police Officer - 40 hour shift (Detective/SRO)	\$ 49.37	\$ 51.84	\$ 54.43	\$ 57.16	\$ 60.01				1/2/2023	Brisbane Police Officers Association*	Non-Exempt
Police Sergeant	\$ 56.65	\$ 59.48	\$ 62.46	\$ 65.58	\$ 68.86				1/2/2023	Brisbane Police Officers Association*	Non-Exempt
Police Trainee	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 34.80		1/2/2023	Unrepresented	Non-Exempt
Pre-School Teacher	\$ 18.31	\$ 19.24	\$ 20.19	\$ 21.22	\$ 22.28				1/2/2023	Unrepresented	Non-Exempt
Principal Analyst	\$ 63.00	\$ 66.16	\$ 69.46	\$ 72.92	\$ 76.58				1/2/2023	Confidential	Exempt
Principal Planner	\$ 67.10	\$ 70.46	\$ 73.98	\$ 77.68	\$ 81.57				1/2/2023	Mid-Management/Professional	Exempt
Program Manager - SMCWPPP	\$ 66.37	\$ 69.70	\$ 73.18	\$ 76.84	\$ 80.69				1/2/2023	Mid-Management/Professional	Exempt
Public Service Aide	\$ 16.29	\$ 17.12	\$ 17.96	\$ 18.85	\$ 19.81				1/2/2023	Unrepresented	Non-Exempt
Public Works Director/City Engineer	\$ 102.96	\$ 108.11	\$ 113.50	\$ 119.19	\$ 125.15				1/2/2023	Executive Management	Exempt
Public Works Inspector	\$ 50.81	\$ 53.36	\$ 56.02	\$ 58.81	\$ 61.76				1/2/2023	General Employees	Non-Exempt
Public Works Lead Maintenance Worker	\$ 40.87	\$ 42.91	\$ 45.04	\$ 47.31	\$ 49.66				1/2/2023	General Employees	Non-Exempt
Public Works Maintenance Worker I	\$ 30.96	\$ 32.50	\$ 34.13	\$ 35.84	\$ 37.64				1/2/2023	General Employees	Non-Exempt
Public Works Maintenance Worker I (Part-time)	\$ 31.57	\$ 33.15	\$ 34.80	\$ 36.56	\$ 38.38				1/2/2023	Unrepresented	Non-Exempt
Public Works Maintenance Worker II	\$ 34.05	\$ 35.75	\$ 37.54	\$ 39.41	\$ 41.38				1/2/2023	General Employees	Non-Exempt
Public Works Superintendent	\$ 66.05	\$ 69.35	\$ 72.82	\$ 76.47	\$ 80.29				1/2/2023	Mid-Management/Professional	Exempt
Public Works Supervisor	\$ 50.48	\$ 53.01	\$ 55.66	\$ 58.44	\$ 61.37				1/2/2023	Mid-Management/Professional	Exempt
Public Works Team Leader	\$ 45.80	\$ 48.21	\$ 50.75	\$ 53.42	\$ 56.23				1/2/2023	Mid-Management/Professional	Exempt
Receptionist	\$ 28.34	\$ 29.75	\$ 31.24	\$ 32.80	\$ 34.45				1/2/2023	General Employees	Non-Exempt
Receptionist (Part-time)	\$ 28.90	\$ 30.33	\$ 31.84	\$ 33.46	\$ 35.13				1/2/2023	Unrepresented	Non-Exempt
Recreation Leader	\$ 18.28	\$ 19.19	\$ 20.16	\$ 21.16	\$ 22.22				1/2/2023	Unrepresented	Non-Exempt
Recreation Leader Aide	\$ 15.50	\$ 16.28	\$ 17.09	\$ 17.94	\$ 18.84				1/2/2023	Unrepresented	Non-Exempt
Recreation Manager	\$ 62.13	\$ 65.23	\$ 68.49	\$ 71.92	\$ 75.51				1/2/2023	Mid-Management/Professional	Exempt
Recreation Program Coordinator	\$ 31.43	\$ 33.54	\$ 35.21	\$ 36.97	\$ 38.82				1/2/2023	General Employees	Non-Exempt
Recreation Supervisor	\$ 45.89	\$ 48.21	\$ 50.60	\$ 53.13	\$ 55.79				1/2/2023	Mid-Management/Professional	Exempt
Regional Compliance Program Manager	\$ 52.68	\$ 55.45	\$ 58.36	\$ 61.43	\$ 64.67				1/2/2023	Mid-Management/Professional	Exempt
Reserve Police Officer	\$ 33.59	\$ 35.27	\$ 37.03	\$ 38.88	\$ 40.83				1/2/2023	Unrepresented	Non-Exempt
Senior Accounting Assistant	\$ 33.36	\$ 35.04	\$ 36.78	\$ 38.63	\$ 40.54				1/2/2023	General Employees	Non-Exempt
Senior Civil Engineer	\$ 66.37	\$ 69.70	\$ 73.18	\$ 76.84	\$ 80.69				1/2/2023	Mid-Management/Professional	Exempt
Senior Human Resources Analyst	\$ 50.32	\$ 52.83	\$ 55.48	\$ 58.25	\$ 61.16				1/2/2023	Confidential	Exempt
Senior Management Analyst	\$ 49.33	\$ 51.79	\$ 54.38	\$ 57.10	\$ 59.94				1/2/2023	Mid-Management/Professional	Exempt
Senior Planner	\$ 56.75	\$ 59.59	\$ 62.57	\$ 65.71	\$ 68.98				1/2/2023	Mid-Management/Professional	Exempt
Senior Recreation Leader	\$ 23.46	\$ 24.63	\$ 25.86	\$ 27.15	\$ 28.52				1/2/2023	Unrepresented	Non-Exempt
Sustainability Manager	\$ 52.68	\$ 55.45	\$ 58.36	\$ 61.43	\$ 64.67				1/2/2023	Mid-Management/Professional	Exempt
Special Assistant	\$ -	\$ -	\$ -	\$ -	\$ -			\$15.50-\$75.00	1/2/2023	Unrepresented	Non-Exempt
Spe Coun-Maj Dev Pro	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 175.04		1/2/2023	Confidential Management	Exempt
Swim Instructor	\$ 18.06	\$ 18.97	\$ 19.92	\$ 20.92	\$ 21.97				1/2/2023	Unrepresented	Non-Exempt

Job Classification	Hourly Grade A	Hourly Grade B	Hourly Grade C	Hourly Grade D	Hourly Grade E	Monthly	Fixed Hourly	Hourly Range	Effective Date	Bargaining Group	FLSA Status
Van Driver	\$ 16.99	\$ 17.85	\$ 18.75	\$ 19.69	\$ 20.67				1/2/2023	Unrepresented	Non-Exempt
Water Quality Technician	\$ 34.05	\$ 35.75	\$ 37.54	\$ 39.41	\$ 41.38				1/2/2023	General Employees	Non-Exempt

File Attachments for Item:

AA. Review Projected Water and Sewer Rate Increases and Direct Staff to begin the 218 Process to increase Rates

(The following rate increases are being proposed: Fixed water charge increase from \$22.67 to \$33.52 for 5/8th inch meter and 9% increase each year until 2026/27. Water rate will increase 9% a year until 2026/27. Wastewater rate increase of approximately 25% rate increase each year until 2026/27)



CITY COUNCIL AGENDA REPORT

Meeting Date: 12/15/2022

From: Stuart Schillinger, Assistant City Manager

Subject: Review Projected Water and Sewer Rate Increases and Direct Staff to begin the 218 Process to increase Rates

Community Goal/Result

Community Prudent

Safe Community

Ecological Sustainability

Purpose

Ensure the City's water and sewer rates reflect the full cost of providing clean water and effective wastewater disposal to the various users while encouraging conservation of resources.

Recommendation

Direct staff to begin the Proposition 218 process for increasing water and sewer rates.

Background

On August 13, 2001, the City Council discussed Ordinance No. 458, which set the process for determining future water and sewer rate increases.

Subsequent to passing Ordinance No. 458, the California Supreme Court ruled that water and sewer charges are property related and subject to Proposition 218, the Right to Vote on Taxes Act. As such, we are required to notify property owners regarding any increase and hold a public hearing at least 45 days later to allow time for community input. As a courtesy to our customers, we also notify renters of the forthcoming change in rates.

The last rate study the City had performed was in 2000. The City hired FCSG and Carollo Engineers to complete a rate structure study and Capital Improvement Plan. The City has been working from this rate study for the last twenty years. The City has taken the rates recommended in the Plan and adopted them based on need. The last operational rate increase went into effect in 2012. Additionally, the City has implemented its first capital improvement charge to pay for bonds issued in 2015. This was the first of an anticipated series of Capital Rate Charges in order to pay for the water and wastewater Capital Improvement Plan. The plan is to sell bonds approximately every five years over 20 years. The bonds would have a duration

Review Projected Water and Sewer Rate Increases and Direct Staff to begin the 218 Process to increase Rates

of 20 years so after 20 years there will be a set Capital Charge that will only be reviewed to ensure it can continue to pay for the necessary Capital Improvements.

A drought reserve charge was implemented in 2019. This would ensure that during a drought the City would not need to raise rates as customers lowered their water usage as other water providers do.

In 2022 the City Council approved the second of four increases for capital improvements.

Since 2012 the amount we have paid for water has increased from \$2.69 per unit to \$4.50 per unit, an increase of 67%. Wastewater treatment has gone from \$4.81 per unit to \$11.63 per unit, an increase of 242%. The City has been able to keep operational rates constant due to an increase in usage among users and the use of one-time revenue sources (i.e. Connection fees).

In April 2021 the City retained the firm Lechowicz and Tseng to review the City's operational water and sewer rates.

Over the past 18 months, the City Council Infrastructure Subcommittee has worked with Lechowicz and Tseng to develop the proposed rate increases presented this evening.

Discussion

Water and Sewer rates to pay for the operations of the system

Currently the City's water and sewer bill has a number of lines:

- Water Service Charge – This is the charge for having a meter connected to the system and for the City to ensure that we have enough treated water available to provide the full capacity of that meter and all other meters at any given time.
- Water Usage – This is based on the number of units of water used during the billing period (Billing is every two months). 1 unit equals 100 cubic ft. of water or approximately 748 gallons
- Sewer Charge – For residential customers it is based on the average water usage from October through January. It changes every April. For commercial customers it is based on the actual water used during the billing period.
- Capital Project Charge – This is to pay for capital projects. The current charge is for the repayment of the 2015 water and sewer bonds. It is anticipated that this charge will be increased every 5 years between 2015 and 2035. City Council previously approved a plan to create a 20 year capital project plan paid for by the Capital Project Charge. Overtime the Capital Project Charge will get to a rate which will provide a source of funding for Capital Projects without a need for large increases. The charge is based on the amount of water used between February and June.

Review Projected Water and Sewer Rate Increases and Direct Staff to begin the 218 Process to increase Rates

- Drought Contingency Fund – This charge was adopted on February 1, 2018. It was set to create a reserve fund to cover loss of revenue during a drought. Traditionally, utilities have increased rates during droughts since lower water usage, due to customers conserving water, results in lower revenues but often not as large of a decrease in costs. The reason for this is approximately 70% of our costs are fixed but 70% of revenue is dependent on water usage. The City anticipates that the Drought Reserve will be fully funded by 2025 if a drought does not occur.

Lechowicz and Tseng reviewed the City's Water Service Charge, Water Usage, and Sewer Charge. The firm reviewed the City's rates, usage and revenue produced from the rates. Their analysis showed that for FY 2020/21 and FY 2021/22 the Utility Fund was operating at a loss. The City used fund balance to cover these losses. However, in the long term the Utility Fund should be able to operate at least at a breakeven and possibly at net positive.

There are two reasons the Utility Fund has operated at a net loss over the past two years. First, there has been a decrease of water usage among our commercial accounts due to COVID. Many of our main users had a reduction in their water usage. Six of largest 25 users in 2018/19 reduced their water usage by 12,300 units during 2019/20. Additionally, the cost of wastewater treatment has increased. For wastewater treatment the cost per unit has increased from \$7.26 per unit in 2019/20 to \$11.63 in 2021/22. This is an increase of 60% in two years.

This means it is time for the City to look at increasing its rates for both water and wastewater. One proposal from our consultant is to increase the base charge for water service from \$22.67 to \$33.52 for 5/8th inch meters (the prevalent meter for residential and small business use). This will help the City move from a variable rate for water usage to a fixed so that we will not be as impacted by reduced water usage in the future. This is an increase of 50% in the first year and the proposal is 9% each year thereafter through 2026/27. In 2026/27 the Fixed Charge would be \$46.38.

The proposal is also to reduce the number of tiers of charges for water users. The reason for this is to ensure that users are not subsidizing other users. State law over the past 20 years has been interpreted by the courts to be stricter on the use of tier rates and using them to allow smaller users to pay less of the cost of the overall system. Therefore, the proposal is to reduce the number of tiers from six to two.

Since the cost of wastewater, treatment has increased so dramatically over the years the increase needed for sewer is higher. The proposal is to decrease the flat charge in the first year by 7% but increase it by 25% each year through 2027/28. The proposal for the variable charge is to combine both tiers into one and increase the variable charge to \$8.29 for each unit used and then increase it by 25% for each year through 2027/28. The flat charge would range from

Review Projected Water and Sewer Rate Increases and Direct Staff to begin the 218 Process to increase Rates

\$64.20 in 2023/24 to \$153.66 in 2027/28. The Variable Charge for residential customers would range from \$8.29 in 2023/24 to \$18.67 in 2027/28.

If Council approves this proposal, we would probably still reduce our cash reserves for fiscal years 2023/24 through 2026/27 but would see a replenishment of reserves in 2027/28.

As stated in the background the City has not increased its operational rate since 2012. By controlling costs, increases to usage in the early years, and one-time revenue sources the City has been able to postpone needed increases until this year. The City reviewed the rates and determined due to recessions, COVID, and increases for the drought contingency fund and capital projects it was better to delay the increases. If the City had increased the rates incrementally throughout the last 10 years the average customer who uses 10 units of water every two months would have paid an additional \$5,100 more over the decade.

Low Income Rate Assistance Program

The City offers all users who are enrolled in the PG&E CARE program the ability to be enrolled in the City's Low Income Rate Assistance (LIRA) Program. Over the years the percentage reduction in rates has increased. As the City Council increased rates it determined it did not want to increase water and sewer rates on low-income individuals. However, there is no LIRA reduction for either the Capital Charge or Drought Contingency Charge. The reason for this is an absolute dollar amount was being raised by these rates. The decrease in revenue due to the LIRA program is offset by the City's General Fund. This is because, according to State Law, users can not offset the cost for other users. Currently, the City spends approximately \$40,000 a year from the General Fund for the LIRA program. The current reductions are as follows:

Water Service 36.75% discount
 Water Use 49.90% discount
 Sewer 42.40% discount
 Fire Service 36.75% discount

If the City Council wishes to allocate the same dollar amount in the future then a discount of 25% on the bill would do this. If the Council wishes to allocate additional General Fund dollars to this program it can increase the amount of the discount. Staff would recommend setting a flat discount rate for the bill instead of different discount rates for each type service.

Proposition 218 Process

As stated in the background we will need to mail a letter letting our property owners and our utility users know about the proposed rate increase. If more than 50% of the property owners and utility users protest the rate increase it cannot be imposed and the City will not be able to

[Review Projected Water and Sewer Rate Increases and Direct Staff to begin the 218 Process to increase Rates](#)

increase the rates to ensure the continued ability to provide clean drinking water and safe conveyance of wastewater to the treatment plan.

Fiscal Impact

	Current Bill	Proposed Rates – July 1, 2023
4 units	Water Charge - \$22.67 Water Usage – \$14.80 Sewer Charge - \$80.11 Drought Reserve -\$2.32	Water Charge - \$33.35 Water Usage - \$18.89 Sewer Charge -\$97.36 Drought Reserve -\$2.32
10 units	Water Charge - \$22.67 Water Usage - \$60.18 Sewer Charge - \$106.67 Drought Reserve \$2.32	Water Charge-\$33.35 Water Usage - \$56.68 Sewer Charge - \$147.09 Drought Reserve -\$2.32
20 units	Water Charge - \$22.67 Water Usage - \$ 170.68 Sewer Charge - \$183.27 Drought Reserve \$6.99	Water Charge- \$33.35 Water Usage - \$183.18 Sewer Charge - \$229.98 Drought Reserve - \$6.99
100 units irrigation – 2 inch meter	Water Charge – \$92.47 Water Usage -\$1,225.46 Sewer Charge \$0 Drought Reserve \$102.14	Water Charge - \$88.95 Water Usage - \$1,131.64 Sewer Charge - \$0 Drought Reserve - \$102.14

Measure of Success

The City is able to provide clean-safe drinking water and effectively disposes of wastewater as economically as possible while being financially sustainable.

Stuart Schillinger

Stuart Schillinger, Assistant City Manager

Attachment Report from Lechowicz and Tseng

Clayton L. Holstine

Clay Holstine, City Manager

Review Projected Water and Sewer Rate Increases and Direct Staff to begin the 218 Process to increase Rates



CITY OF BRISBANE

Water and Sewer Utility Rate Study

DRAFT REPORT
December 7, 2022



LECHOWICZ + TSENG
MUNICIPAL CONSULTANTS

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SECTION 1: INTRODUCTION

1.1 Background

The City of Brisbane (City) is situated in Northern San Mateo County on the west side of San Francisco Bay. Brisbane borders the cities of San Francisco, Daly City, and South San Francisco. The City provides water and wastewater (sewer) service to about 2,000 customers, serving a total population of about 4,800 people. Both water and sewer rates are billed bimonthly on the same bill. The City's last rate study for water and sewer utility services was prepared in 2001.

In 2021, the City engaged Lechowicz & Tseng Municipal Consultants to complete a comprehensive water and wastewater (sewer) rate study to recommend utility rates to ensure the financial health and stability of the City's water and sewer funds. This study focuses only on the water and sewer rates used to pay for operations, including salaries, wholesale water purchases, treatment charges, supplies and services, and other operating expenses. The operational water and sewer rates do not pay for capital projects, which are funded separately with the Capital Project Charge. Additionally, customers also pay a separate Drought Contingency Surcharge that is set aside in a specific reserve fund to avoid raising rates during a drought. This study recommends water and sewer rates for the five-year period beginning in 2023/24 through 2027/28.

The City's Utility Fund (Fund 540) includes four funds - 1) City Water Utilities (Fund 6110), 2) City Water Maintenance (Fund 6115), 3) City Sewer Utilities (Fund 6130), and 4) the Guadalupe Valley Municipal Improvement District (GVMID) Utility (Fund 6120). The GVMID provides water, sewer, and stormwater services to business and residents located within its district boundaries. The City of Brisbane provides both the management and staff for GVMID, and the water and sewer systems are maintained by the City's Public Works Department as part of the City's overall water and sewer systems.

In order to determine the revenue requirements and rate increases needed for water and sewer separately, the City Water Utilities (Fund 6110), City Water Maintenance (Fund 6115), and GVMID Water funds have been combined into a single fund called the "Water Utility." Similarly, the City Sewer Utilities (Fund 6130) and GVMID Sewer have been combined into a single fund called the "Sewer Utility." GVMID storm water revenues and expenses are not included in this study.

1.2 Requirements of Proposition 218

The implementation of utility rates in California is governed by the substantive and procedural requirements of Proposition 218 the "Right to Vote on Taxes Act" which is codified as Articles XIII C and XIII D of the California Constitution. The City must follow the procedural requirements of Proposition 218 for all utility rate increases. These requirements include:

1. **Noticing Requirement** – The City must mail a notice of the proposed rate increases to all affected property owners or ratepayers. The notice must specify the amount of the fee, the

basis upon which it was calculated, the reason for the fee, and the date/time/location of a public rate hearing at which the proposed rates will be considered/adopted.

2. **Public Hearing** – The City must hold a public hearing prior to adopting the proposed rate increases. The public hearing must be held not less than 45 days after the required notices are mailed.
3. **Rate Increases Subject to Majority Protest** – At the public hearing, the proposed rate increases are subject to majority protest. If more than 50% of affected property owners or ratepayers submit written protests against the proposed rate increases, the increases cannot be adopted.

Proposition 218 also established substantive requirements that apply to water and sewer rates and charges, including:

1. **Cost of Service** – Revenues derived from the fee or charge cannot exceed the funds required to provide the service. In essence, fees cannot exceed the “cost of service”.
2. **Intended Purpose** – Revenues derived from the fee or charge can only be used for the purpose for which the fee was imposed.
3. **Proportional Cost Recovery** – The amount of the fee or charge levied on any customer shall not exceed the proportional cost of service attributable to that customer.
4. **Availability of Service** – No fee or charge may be imposed for a service unless that service is used by, or immediately available to, the owner of the property.
5. **General Government Services** – No fee or charge may be imposed for general governmental services where the service is available to the public at large.

Charges for water and sewer collection are exempt from additional voting requirements of Proposition 218, provided the charges do not exceed the cost of providing service and are adopted pursuant to the procedural requirements of Proposition 218.

1.3 Rate Study Process

This section details the development of the City’s water and sewer rates via the Proposition 218 process as shown in the following figure.

Figure 1: Comprehensive Cost of Service Study Process



The following is a brief description of the rate study process:

- **Revenue Requirements** - Revenue requirements are analyzed via financial plans developed from the Water and Sewer Fund budgets. Based on the best information currently available, the financial plans incorporate projected operation and maintenance costs, debt service, and growth to estimate annual revenue requirements. The plans serve as a roadmap for funding the City's future operating expenses while maintaining long-term fiscal stability.
- **Cost of Service Allocation** - The cost of service process builds on the financial plan analysis and assigns water and sewer system costs to functional cost components: *metering and customer service, base, and extra* for water, and *customer service, capital, and treatment/disposal* for sewer.
- **Rate Design** - Rate design involves developing a rate structure that proportionately recovers costs from customers. Final rate recommendations are designed to (a) fund the utilities' short- and long-term costs of providing service; (b) proportionately allocate costs to all customers and customer classes; and (c) comply with the substantive requirements of Proposition 218.

The rates developed in this report were based on the best information available at the time of the study. This information was taken from City budgets, audits, billing information, water consumption data, and input from staff. The cost allocations proposed herein are based on American Water Works Association methodologies and industry standard practice. The proposed rates are based on the reasonable cost of providing service and are proportional to the benefits received by each customer.

SECTION 2: WATER RATE STUDY

The City of Brisbane provides water service to approximately 1,300 City water accounts and 700 GVMID water accounts. On average, the City consumes over 270,000 ccf (hundred cubic feet) of water each year. The last water rate study was conducted in 2001, and water rates for operations have not increased since 2012. Based on City billing records, the current average monthly residential water use is 5 ccf per month, or a total of 10 ccf per bimonthly billing period. The average water bill is currently \$120.17 per bimonthly billing period, including Drought Contingency and Capital Project charges.

2.1 Current Water Rates

Schedules of current bimonthly water rates for residential, commercial, and irrigation customers are provided in Table 1, Table 2, and Table 3. The City's current water rate structure includes two components: (a) a Fixed Charge and (b) a Consumption Rate. Moreover, customers are levied two additional charges on their bimonthly utility bill - a Capital Project Charge and a Drought Contingency Charge.

2.1.1 Fixed Charge

All customers are charged a base service charge based on the size of their water meter. The Fixed Charge is levied regardless of water consumption and recognizes that even when a customer does not use any water, the City incurs fixed costs associated with maintaining the ability or readiness to serve each connection. The current Fixed Charges also vary based on customer class. For example, a residential customer with a 5/8" or 3/4" meter currently pays \$22.67 while a commercial or irrigation customer with the same meter size pays \$35.07.

The Fixed Charges are designed to recover the City's fixed expenses and currently generate about 15% of total water rate revenues. Fixed costs include staffing, customer service, debt service, system maintenance, and repairs.

2.1.2 Consumption Rate

In addition to the Fixed Charges, all customers pay a Consumption Rate per ccf of water consumption per billing period. One ccf is equal to 748 gallons of water. The charges for water usage are based on a tiered rate system where the price per unit of water is higher as more water is used. The highest rates start at 16 ccf of water usage for each customer class. Most customers pay based on a three-tiered rate structure. However, residential customers with a 5/8" meter receive one unit of water for free and have a five-tiered rate structure and residential customers with a 3/4" meter have four tiers.

The Consumption Rate is intended to recover costs that vary based on the amount of water consumed and currently generate roughly 85% of total water rate revenues. Variable expenses include water purchases, utilities, and chemicals.

2.1.3 Capital Project Charge

In April of 2014, the City Council approved the first Capital Project Charge to pay for infrastructure projects for the water and sewer systems. The projects are based on the City's Capital Improvement Plan which outlines the need for approximately \$5 million in projects every five years. The policy adopted in 2014 included placing a new Capital Project Charge on the water and sewer bill four times over a twenty-year period. The second charge should have been implemented in 2020 but was delayed due to the impacts of COVID. To prevent further delays in completing the projects, the City Council adopted the second of four increases to the Capital Project Charge in October 2022.

The Capital Project Charge is levied according to a tiered rate system based on springtime usage (mid-February through mid-June) to ensure that lower water users pay less than higher users. Total Capital Project Charge revenue is evenly split between the water and sewer funds. The Capital Project Charge will not be reviewed or analyzed in this study.

2.1.4 Drought Contingency Charges

Approved by the City in 2018, the Drought Contingency Charge was enacted to create a separate drought reserve fund with the objective of avoiding having to raise rates in times of severe water shortages. For residential and commercial accounts, the charge is \$2.32 per bimonthly billing period for customers whose annual average consumption is below the median use of 12 ccf. For customers whose use is above the median, the bimonthly charge is \$6.99. For irrigation customers, the charge is \$102.14 per billing period. The Drought Contingency Charge will not be reviewed or analyzed in this study.

Table 1: Current Bi-Monthly Residential Water Rates
City of Brisbane
Water Utility Rate Study 2022

RESIDENTIAL WATER RATES		
FIXED CHARGES		
<u>Meter Size</u>		<u>Bimonthly Charge</u>
5/8"		\$22.67
3/4"		\$22.67
1"		\$30.60
1-1/2"		\$61.14
2"		\$97.85
3"		\$195.73
4"		\$305.78
CONSUMPTION CHARGES		
<u>Meter Size</u>	<u>Tier</u>	<u>Bimonthly Charge</u>
5/8"	0 - 1 ccf	\$0.00
	1 - 2 ccf	\$2.17
	3 ccf	\$5.63
	4 - 8 ccf	\$7.00
	9 - 16 ccf	\$8.69
	Over 16 ccf	\$11.05
3/4"	0 - 3 ccf	\$5.19
	4 - 8 ccf	\$7.00
	9 - 16 ccf	\$8.69
	Over 16 ccf	\$11.05
All Other Meter Sizes	0 - 8 ccf	\$7.00
	9 - 16 ccf	\$8.69
	Over 16 ccf	\$11.05

Effective 10/15/2012

ccf = cubic feet. 1 ccf = 748 gallons

Table 2: Current Bi-Monthly Commercial Water Rates
City of Brisbane
Water Utility Rate Study 2022

COMMERCIAL WATER RATES		
FIXED CHARGES		
<u>Meter Size</u>		<u>Bimonthly Charge</u>
5/8"		\$35.07
3/4"		\$41.46
1"		\$58.41
1-1/2"		\$116.80
2"		\$186.90
3"		\$373.75
4"		\$587.00
6"		\$1,168.00
CONSUMPTION CHARGES		
<u>Meter Size</u>	<u>Tier</u>	<u>Bimonthly Charge</u>
5/8" & 3/4"	0 - 8 ccf	\$5.20
	9 - 16 ccf	\$8.69
	Over 16 ccf	\$11.05
All Other Meter Sizes	0 - 8 ccf	\$7.00
	9 - 16 ccf	\$8.69
	Over 16 ccf	\$11.05

Effective 10/15/2012

ccf = cubic feet. 1 ccf = 748 gallons

**Table 3: Current Bi-Monthly Irrigation Water Rates
City of Brisbane
Water Utility Rate Study 2022**

IRRIGATION WATER RATES		
FIXED CHARGES		
<u>Meter Size</u>		<u>Bimonthly Charge</u>
5/8"		\$35.07
3/4"		\$41.46
1"		\$44.64
1-1/2"		\$66.95
2"		\$92.47
3"		\$178.56
4"		\$521.55
CONSUMPTION CHARGES		
<u>Meter Size</u>	<u>Tier</u>	<u>Bimonthly Charge</u>
All except for 4"	0 - 8 ccf	\$5.18
	9 - 16 ccf	\$11.35
	Over 16 ccf	\$13.19
4" Meter	0 - 8 ccf	\$8.49
	9 - 16 ccf	\$11.35
	Over 16 ccf	\$13.19

Effective 10/15/2012

ccf = cubic feet. 1 ccf = 748 gallons

2.2 Water System Overview

2.2.1 Water System

The City obtains all of its water from the San Francisco Public Utilities Commission (SFPUC) through five turnouts of the Crystal Springs Pipeline. Approximately 80% of the SFPUC's water supply is from the Hetch Hetchy Reservoir in Yosemite National Park, with the Alameda and Peninsula Watersheds supplying the remainder.

The City operates two separate water districts—the City of Brisbane Water District and the Guadalupe Valley Municipal Improvement District (GVMID). GVMID serves Crocker Industrial Park and the Northeast Ridge Development, while the City of Brisbane Water District serves the remainder of the City including Central Brisbane, Sierra Point, and the Baylands. The City Water Enterprise is interconnected with the GVMID Combined Enterprise, allowing for maximum circulation and flow within the system. The combined water distribution system includes 5 water storage tanks, 4 booster pump stations serving 7 pressure zones, more than 25 miles of underground pipeline, and over 700 valves.

2.2.2 Water Customers

The City of Brisbane provides water service to approximately 1,284 City water accounts and 754 GVMID water accounts as shown on Table 4. The majority of customers are single family residential customers with 5/8" meters.

Table 4: Number of Water Accounts by Meter Size & Customer Class for 2020
City of Brisbane
Water Utility Rate Study 2022

	5/8"	3/4"	1"	1-1/2"	2"	3"	4"	TOTAL	% of Total
CITY									
Single Family Residential	832	89	90	19	0	0	0	1,030	50.5%
Multi-Family Residential	79	7	12	7	6	1	1	113	5.5%
Commercial/Government	55	9	6	4	12	9	3	98	4.8%
Landscape	1	3	6	2	16	4	0	32	1.6%
Hydrant	0	0	0	0	0	11	0	11	0.5%
Total City	967	108	114	32	34	25	4	1,284	63.0%
GVMID									
Single Family Residential	351	26	50	77	0	0	0	504	24.7%
Multi-Family Residential	0	0	0	0	0	0	0	0	0.0%
Commercial/Government	90	19	21	31	21	6	0	188	9.2%
Landscape	1	3	7	24	25	0	0	60	2.9%
Hydrant	0	0	0	0	0	2	0	2	0.1%
Total GVMID	442	48	78	132	46	8	0	754	37.0%
Customer Class									
Single Family Residential	1,183	115	140	96	0	0	0	1,534	75.3%
Multi-Family Residential	79	7	12	7	6	1	1	113	5.5%
Commercial/Government	145	28	27	35	33	15	3	286	14.0%
Landscape	2	6	13	26	41	4	0	92	4.5%
Hydrant	0	0	0	0	0	13	0	13	0.6%
TOTAL WATER ACCOUNTS	1,409	156	192	164	80	33	4	2,038	100.0%

Source: Number of Accts & Total Water Use by Class 2018-2020

2.2.3 Water Consumption

Table 5 summarizes annual water consumption by customer class for the past 3 calendar years. In 2020, total consumption increased approximately 8.0%. In total, residential customers (single family and multi-family) account for roughly 36% of overall consumption. Commercial accounts represent approximately 35% of total use. Irrigation use accounts for 26% of total consumption, followed by hydrant use at nearly 3%.

Table 5: Annual Water Consumption
City of Brisbane
Water Utility Rate Study 2022

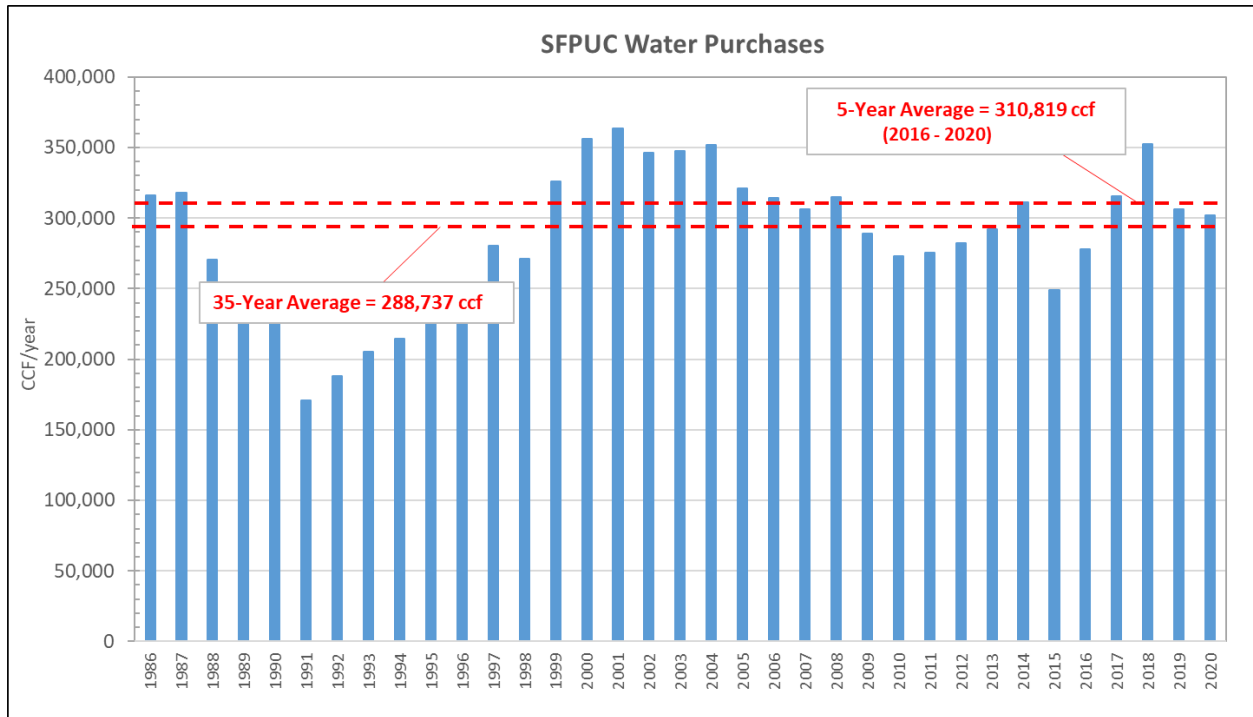
Calendar Year	2018	2019	2020	3-Year Average	% of Total
CITY					
Single Family Residential	56,169	55,666	61,134	57,656	20.4%
Multi-Family Residential	15,312	16,603	17,437	16,451	5.8%
Commercial/Government	33,983	32,443	28,959	31,795	11.2%
Landscape	37,177	31,786	39,283	36,082	12.7%
Hydrant	<u>0</u>	<u>0</u>	<u>22,998</u>	<u>7,666</u>	<u>2.7%</u>
Total City	142,641	136,498	169,811	149,650	52.9%
Percent Change		-4%	24%		
GVMID					
Single Family Residential	26,197	26,553	30,662	27,804	9.8%
Multi-Family Residential	0	0	0	0	0.0%
Commercial/Government	79,437	69,714	51,947	67,033	23.7%
Landscape	38,456	37,544	39,409	38,470	13.6%
Hydrant	<u>0</u>	<u>0</u>	<u>184</u>	<u>61</u>	<u>0.0%</u>
Total GVMID	144,090	133,811	122,202	133,368	47.1%
Percent Change		-7.1%	-8.7%		
TOTAL					
Single Family Residential	82,366	82,219	91,796	85,460	30.2%
Multi-Family Residential	15,312	16,603	17,437	16,451	5.8%
Commercial/Government	113,420	102,157	80,906	98,828	34.9%
Landscape	75,633	69,330	78,692	74,552	26.3%
Hydrant	<u>0</u>	<u>0</u>	<u>23,182</u>	<u>7,727</u>	<u>2.7%</u>
TOTAL WATER USE	286,731	270,309	292,013	283,018	100.0%
Percent Change		-5.7%	8.0%		

Source: Number of Accts & Total Water Use by Class 2018-2020

2.2.4 SFPUC Wholesale Water

This chart shows the City's historical SFPUC water purchases over the past 35 years by calendar year. The five-year average from 2016 through 2020 is 310,819 ccf.

Figure 2: Historical SFPUC Water Purchases
City of Brisbane
Water Utility Rate Study 2022



2.3 Water Financial Plan

2.3.1 Water Reserves

For accounting, the City's Utility Fund (Fund 540) combines water and sewer finances into one fund. As of July 1, 2021, the total fund balance for the Utility Fund (Fund 540) in "Cash and investments" was approximately \$7.7 million. However, for the purposes of this study, the total reserves have been allocated between the water and sewer funds as shown on Table 6. Because the Sewer Utility is currently operating in a deficit, additional reserves have been assigned to the sewer utility to mitigate rate impacts. Cash reserves are not split evenly between the water and sewer funds. The allotted beginning fund balance for the water utility is \$2.8 million.

Table 6: Utility Fund (Fund 540) Reserves
City of Brisbane
Water Utility Rate Study 2022

Fund	Beginning Balance as of June 30, 2021
Total Utility Fund (Fund 540) Reserves (1)	\$7,656,890
Water Utility Reserves (2)	\$2,828,445
Sewer Utility Reserves (2)	\$4,828,445

1) Cash and investments (Unaudited Financials).

Source: Proprietary Funds, Statement of Net Position, June 30, 2020

2) Includes GVMID

Adequate fund reserves protect the City when faced with unforeseen financial challenges such as emergency expenses or revenue deficits. Fund reserves allow the City to maintain its financial health and positive credit ratings, especially during emergencies. Moreover, funding can be drawn from reserves to supplement rate revenues lost during drought conditions or other unexpected situations. It is acceptable if reserves dip below the target on a temporary basis, provided the City takes action to attain the target over the longer run.

The City currently has two water reserve fund targets:

- *Operating Reserve:* The fund balance target is equal to 35% of annual operating expenses per City policy. This is in line with industry standards that recommend an operating reserve target of at least 25% of annual expenses to account for the time (at least 4 months) that it would take an agency to approve new rate increases to comply with Proposition 218.
- *Drought Reserve:* The fund balance target is \$700,000 which the City would draw on only if needed during times of severe drought. This reserve is funded by the Drought Contingency Surcharges.

2.3.2 Water Revenues

Table 7 shows a history of revenues for Utility Fund (Fund 540). The “Water Sales” revenues are evenly split between City Water and GVMID Water. “Sewer Service Charges” are evenly split between City Sewer and GVMID Sewer. The “GVMID Only” tax revenues are divided evenly between the three GVMID utilities (GVMID water, sewer, and storm drain). The GVMID storm drain revenues are not included in this study. All Other Revenues including “Investment Earnings,” “Low Income Rate Assistance,” and “Capital Charge” are divided evenly amongst the four utilities.

Table 7: Utility Fund (Fund 540) Budgeted Revenues
City of Brisbane
Water Utility Rate Study 2022

REVENUE CATEGORY	Actual 2018/19	Budgeted		
		2019/20	2020/21	2021/22
WATER ONLY (1)				
40801 Water Sales	\$3,050,110	\$2,950,000	\$2,750,000	\$3,000,000
40804 Meter Connection Fees	\$68,663	\$20,000	\$20,000	\$20,000
40805 Fire Service Charges	\$118,952	\$115,000	\$115,000	\$115,000
40806 Altamar Meter Reading Fee	\$7,656	\$7,500	\$7,500	\$7,500
<u>Drought Reserve Charge</u>	<u>\$95,481</u>	<u>\$120,000</u>	<u>\$100,000</u>	<u>\$100,000</u>
Total Water Only	\$3,340,862	\$3,212,500	\$2,992,500	\$3,242,500
SEWER ONLY (2)				
40820 Sewer Service Charges	\$2,188,866	\$2,200,000	\$2,000,000	\$2,000,000
40821 <u>Sewer Connection Fees</u>	<u>\$123,706</u>	<u>\$3,000</u>	<u>\$3,000</u>	<u>\$3,000</u>
Total Sewer Only	\$2,312,572	\$2,203,000	\$2,003,000	\$2,003,000
GVMID ONLY (3)				
40101 Current Secured Tax	\$27,358	\$29,000	\$29,000	\$29,000
40102 Current Unsecured Tax	\$1,513	\$1,500	\$1,500	\$1,500
40103 Prior Year Tax	(\$1)	\$0	\$0	\$0
40105 Supplemental Property Taxes	\$1,048	\$0	\$0	\$0
40108 Property Tax from RDA	\$2,866	\$100	\$100	\$100
40150 <u>ERAF</u>	<u>\$134</u>	<u>\$100</u>	<u>\$100</u>	<u>\$100</u>
Total GVMID	\$32,918	\$30,700	\$30,700	\$30,700
ALL OTHER REVENUES (4)				
40501 Investment Earnings	\$133,599	\$50,000	\$50,000	\$50,000
40503 Unrealized-Gain/Loss	\$96,152	\$0	\$0	\$0
40609 H.O.P.T R	\$121	\$100	\$100	\$100
40770 Processing Fee	\$5,472	\$0	\$0	\$0
40802 Account Open/Reconnections	\$2,987	\$3,000	\$3,000	\$3,000
40803 Late Payment Charges	\$8,117	\$10,000	\$10,000	\$10,000
40810 Less: Low Income Rate Assistance	(\$42,336)	(\$50,000)	(\$75,000)	(\$75,000)
40825 Capital Charge	\$378,443	\$365,000	\$365,000	\$365,000
40941 Returned Check Fees	\$75	\$0	\$0	\$0
40959 Reimbursed Expenses - Current Year	\$3,541	\$0	\$0	\$0
40961 <u>Transfers from Other Funds</u>	<u>\$43,000</u>	<u>\$50,000</u>	<u>\$75,000</u>	<u>\$75,000</u>
Total All Other Revenues	\$629,172	\$428,100	\$428,100	\$428,100
TOTAL REVENUES	\$6,315,524	\$5,874,300	\$5,454,300	\$5,704,300

Source: Budget 2020_2022

1 - Divided by 2 between City Water & GVMID Water

2 - Divided by 2 between City Sewer & GVMID Sewer

3 - Divided by 3 between GVMID Water, Sewer, & Stormwater

4 - Divided by 4 between City Water, City Sewer, GVMID Water, & GVMID Sewer

Table 8 summarizes total revenues for the Water Utility. For 2021/22, Water Sales are estimated at \$3 million with total water revenues projected at \$3.4 million.

Table 8: Water Utility Revenues
City of Brisbane
Water Utility Rate Study 2022

	Actual 2018/19	Budget		
		2019/20	2020/21	2021/22
WATER REVENUES				
Water Sales	\$3,050,110	\$2,950,000	\$2,750,000	\$3,000,000
Other Water Only Revenues (1)	\$195,271	\$142,500	\$142,500	\$142,500
Drought Reserve Charge	\$95,481	\$120,000	\$100,000	\$100,000
<u>All Other Revenues (2)</u>	<u>\$314,586</u>	<u>\$214,050</u>	<u>\$214,050</u>	<u>\$214,050</u>
Total	\$3,655,448	\$3,426,550	\$3,206,550	\$3,456,550
<i>Percent Change</i>		-6.3%	-6.4%	7.8%

1 - Includes Meter Connection Fees, Fire Service Charges, and Altamar Meter Reading Fees

2 - All Other Revenues divided by 2 (Table 7)

2.3.3 Water Expenses

Table 9 summarizes the operating expenses for Water Utilities (Fund 1110). On average, operating expenses have increased by 7% over the past 4 years.

Table 9: Water Utilities (Fund 1110) Operating Expenses
City of Brisbane
Water Utility Rate Study 2022

Expense (1)	Actual 2018/19	Budgeted			Avg Annual Increase
		2019/20	2020/21	2021/22	
Salaries	\$176,372	\$270,136	\$369,070	\$383,832	
<i>Percent Change</i>	12.9%	53.2%	36.6%	4.0%	21.5%
Payroll Taxes	\$2,642	\$3,884	\$5,308	\$5,522	
<i>Percent Change</i>	13.1%	47.0%	36.7%	4.0%	20.2%
Benefits	\$112,905	\$180,750	\$186,854	\$217,088	
<i>Percent Change</i>	28.0%	60.1%	3.4%	16.2%	17.8%
Insurance	\$26,657	\$28,196	\$45,594	\$45,764	
<i>Percent Change</i>	36.3%	5.8%	61.7%	0.4%	14.5%
Supplies and Services	\$1,092,293	\$1,111,297	\$1,247,416	\$1,236,584	
<i>Percent Change</i>	4.8%	1.7%	12.2%	-0.9%	3.2%
Admin Charges and Credits	\$300,162	\$323,897	\$322,357	\$346,290	
<i>Percent Change</i>	7.0%	7.9%	-0.5%	7.4%	3.6%
TOTAL FUND 1110 OPERATING EXPENSES	\$1,711,033	\$1,918,160	\$2,176,599	\$2,235,080	
<i>Percent Change</i>	7.7%	12.1%	13.5%	2.7%	6.9%

Source: Budget 2020_2022

1 - Does not include depreciation

Table 10 summarizes the operating expenses for GVMID Utility (Fund 6120). On average, total GVMID operating expenses have increased by 7% over the past 4 years. Each expense category is divided by 3 to determine how much should be allocated to the Water Utility, Sewer Utility, and GVMID storm water. GVMID storm water expenses are not included in this study.

Table 10: GVMID Combined Utility (Fund 6120) Operating Expenses
City of Brisbane
Water Utility Rate Study 2022

Expense (1)	Actual 2018/19	Budgeted			Avg Annual Increase	2021/22 Budget per Utility (2)
		2019/20	2020/21	2021/22		
Salaries	\$180,809	\$179,236	\$333,150	\$345,879		\$115,293
Percent Change	-5.3%	-0.9%	85.9%	3.8%	17.6%	
Payroll Taxes	\$3,987	\$2,306	\$4,584	\$4,769		\$1,590
Percent Change	39.2%	-42.2%	98.8%	4.0%	4.6%	
Benefits	\$98,172	\$95,450	\$153,452	\$181,974		\$60,658
Percent Change	0.8%	-2.8%	60.8%	18.6%	16.7%	
Insurance	\$15,567	\$16,406	\$39,376	\$39,521		\$13,174
Percent Change	-7.8%	5.4%	140.0%	0.4%	26.2%	
Supplies and Services	\$1,105,804	\$1,166,543	\$1,165,054	\$1,291,240		\$430,413
Percent Change	41.8%	5.5%	-0.1%	10.8%	4.0%	
Admin Charges and Credits	\$303,900	\$335,321	\$341,554	\$380,262		\$126,754
Percent Change	-2.0%	10.3%	1.9%	11.3%	5.8%	
TOTAL GVMID UTILITY OPERATING EXPENSES	\$1,708,239	\$1,795,263	\$2,037,171	\$2,243,645		\$747,882
Percent Change	22.2%	5.1%	13.5%	10.1%	7.1%	

Source: Budget 2020_2022

1 - Does not include expenses to "Operate a Storm Drain System" or Depreciation

2 - Budget divided by the 3 GVMID utilities (water, sewer, & storm water)

Table 11 combines the Water Utilities (Fund 1110) Operating Expenses from Table 9 with the GVMID Combined Utility (Fund 6120) Operating Expenses from Table 10 to calculate the total Water Utility expenses. As described above, only one third of the GVMID Combined Utility expenses are categorized as Water Utility expenses.

Table 11: Water Utility Combined Operating Expenses
City of Brisbane
Water Utility Rate Study 2022

Expense (1)	Actual 2018/19	Budget		
		2019/20	2020/21	2021/22
Salaries	\$236,642	\$329,881	\$480,120	\$499,125
Payroll Taxes	\$3,971	\$4,653	\$6,836	\$7,112
Benefits	\$145,629	\$212,567	\$238,005	\$277,746
Insurance	\$31,846	\$33,664	\$58,719	\$58,938
Supplies and Services	\$1,460,895	\$1,500,145	\$1,635,767	\$1,666,998
Admin Charges and Credits	<u>\$401,462</u>	<u>\$435,670</u>	<u>\$436,209</u>	<u>\$473,044</u>
TOTAL WATER OPERATING EXPENSES	\$2,280,446	\$2,516,581	\$2,855,656	\$2,982,962
<i>Percent Change</i>	<i>11.0%</i>	<i>10.4%</i>	<i>13.5%</i>	<i>4.5%</i>

Source: Budget 2020_2022

1 - Does not include Depreciation

Table 12 includes a projection of future water operating expenses over the next five years through 2027/28. Escalation factors were determined using City input. Supplies and Services, which includes water purchases, is projected to increase by 10.0% each year. Salaries and Benefits are projected to increase by 4.0% each year. Insurance is increased by 5.0% per year, and Admin Charges and Credits are escalated by 3.0% each year. Overall, water operating expenses are projected to increase by approximately 7 to 8% each year.

Table 12: Water Utility Projection of Future Operating Expenses
City of Brisbane
Water Utility Rate Study 2022

Expense (1)	Budget 2021/22	Escalation Factor	Projected 2022/23	Years 1 - 5: Proposition 218				
				2023/24	2024/25	2025/26	2026/27	2027/28
Salaries	\$499,125	4.0%	\$519,000	\$540,000	\$562,000	\$584,000	\$607,000	\$631,000
Payroll Taxes	\$7,112	4.0%	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000
Benefits	\$277,746	4.0%	\$289,000	\$301,000	\$313,000	\$326,000	\$339,000	\$353,000
Insurance (2)	\$58,938	5.0%	\$65,000	\$68,000	\$71,000	\$75,000	\$79,000	\$83,000
Supplies and Services	\$1,666,998	10.0%	\$1,932,000	\$2,125,000	\$2,338,000	\$2,572,000	\$2,829,000	\$3,112,000
Admin Charges and Credits	<u>\$473,044</u>	3.0%	<u>\$487,000</u>	<u>\$502,000</u>	<u>\$517,000</u>	<u>\$533,000</u>	<u>\$549,000</u>	<u>\$565,000</u>
TOTAL WATER OPERATING EXPENSES	\$2,982,962		\$3,299,000	\$3,543,000	\$3,808,000	\$4,097,000	\$4,410,000	\$4,751,000
<i>Percent Change</i>	<i>4.5%</i>		<i>10.6%</i>	<i>7.4%</i>	<i>7.5%</i>	<i>7.6%</i>	<i>7.6%</i>	<i>7.7%</i>

Source: Budget 2020_2022

1 - Does not include Depreciation

2.3.4 Water Purchases

As shown on Table 13, wholesale water purchases are the largest expense for the Water Utility, accounting for nearly half of total operating expenses in 2022/23.

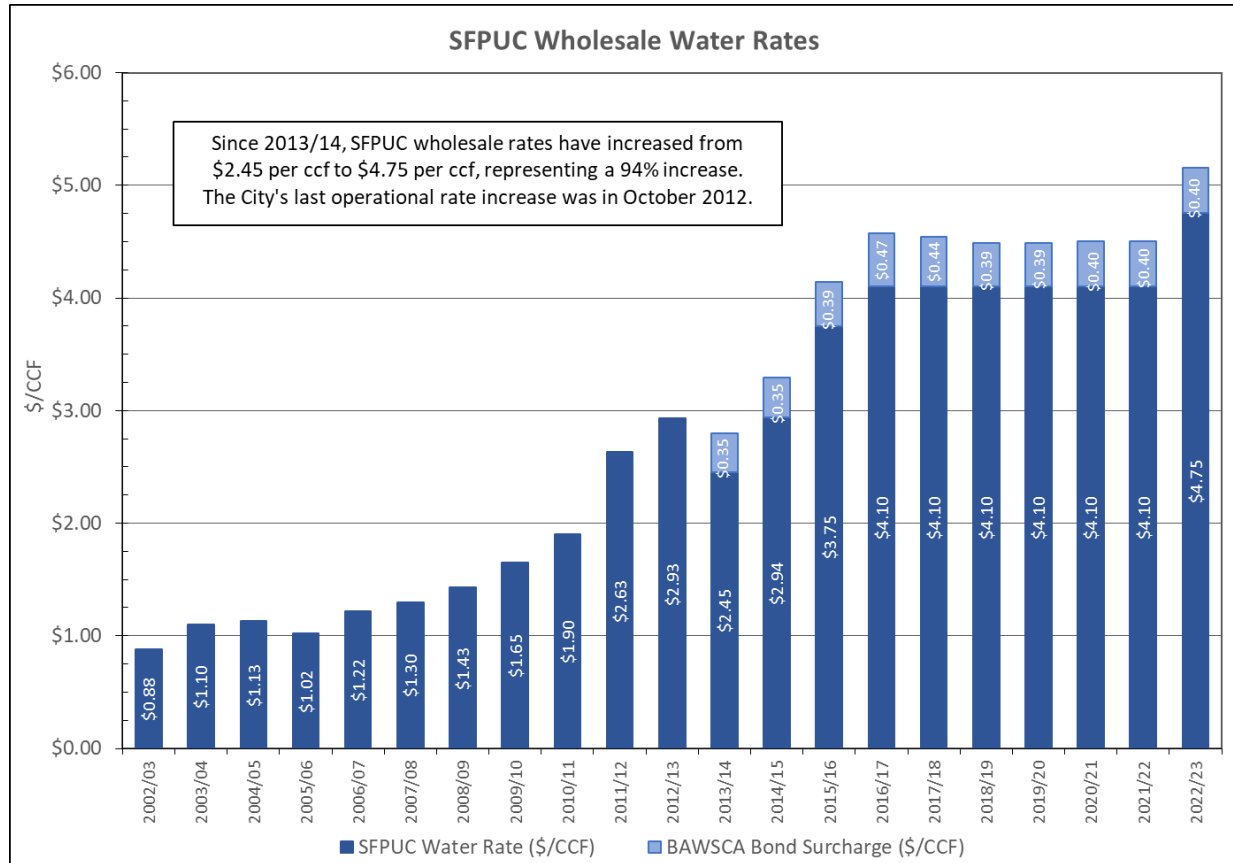
Table 13: SFPUC Water Purchase Costs
City of Brisbane
Water Utility Rate Study 2022

	Budget				Projected 2022/23
	2018/19	2019/20	2020/21	2021/22	
Estimated SFPUC Rate (\$ per ccf) (1)	\$4.49	\$4.49	\$4.50	\$4.50	\$5.15
<i>% Increase</i>		0.0%	0.2%	0.0%	14.5%
Estimated Total Water Purchased (ccf)	352,347	306,221	302,003	302,003	311,063
<i>% Increase</i>		-13.1%	-1.4%	0.0%	3.0%
Total Water Purchases	\$1,582,038	\$1,374,932	\$1,359,014	\$1,359,014	\$1,602,566
<i>% Increase</i>		-13.1%	-1.2%	0.0%	17.9%
Total Water Operating Expenses	\$2,280,446	\$2,516,581	\$2,855,656	\$2,982,962	\$3,299,000
<i>% Increase</i>		10.4%	13.5%	4.5%	10.6%
% of Water Purchases / Total Operating Expenses	69.4%	54.6%	47.6%	45.6%	48.6%

1 - Includes both the water rate and BAWSCA Surcharge

In 2022/23, the SFPUC implemented a 16% increase for its water rates to \$4.75 per ccf. The SFPUC is nearing its completion of the \$4.8 billion Water System Improvement Project (WSIP) to upgrade the Hetch Hetchy Water System; however, the SFPUC is projecting significant increases to its operating costs over the next five years and rates are projected to continue to increase. Figure 3 shows historical SFPUC wholesale water rates.

**Figure 3: Historical SFPUC Wholesale Water Rates
City of Brisbane
Water Utility Rate Study 2022**



The chart above shows SFPUC's historical wholesale water rates since 2002/03. Since 2013/14, SFPUC wholesale rates have increased from \$2.45 per ccf to \$4.75 per ccf, representing a 94% increase. To be conservative, this study estimates that wholesale rates will increase by 10.0% each year during the rate study period. The chart shows the actual wholesale water rate as well as the separate BAWSCA bond surcharge.

In 2013, BAWSCA issued Revenue Bonds (Series 2013A and 2013B) to prepay the remaining capital cost recovery payments that the BAWSCA member agencies owed the SFPUC as of June 30, 2013. Beginning in 2013/14, BAWSCA began collecting a fixed bond surcharge from each member agency as a separate item on their monthly water bills from the SFPUC. The payments are used to make debt service payments on the revenue bonds, reimburse bond administration expenses, and, as necessary, replenish a stabilization fund set up to limit the volatility in annual changes in the payments.

The allocation of the bond surcharge among the BAWSCA member agencies in a given year is based on the prior year's actual water sales to each agency. The following year, a financial reconciliation is

performed where each agency's final payments are adjusted based on actual water sales during the prior year. The current BAWSCA bond surcharge is \$0.40 per ccf.

2.3.5 Water Net Revenues

The water utility has been doing well for the past few years, fully covering costs while building reserves. For 2021/22, total net revenues are projected at approximately \$155,245, as noted below in Table 14.

Table 14: Water Net Revenues
City of Brisbane
Water Utility Rate Study 2022

	Actual 2018/19	Budget		
		2019/20	2020/21	2021/22
WATER REVENUES				
Water Sales Revenues	\$3,050,110	\$2,950,000	\$2,750,000	\$3,000,000
<u>Other Revenues</u>	<u>\$605,338</u>	<u>\$476,550</u>	<u>\$456,550</u>	<u>\$456,550</u>
Total	\$3,655,448	\$3,426,550	\$3,206,550	\$3,456,550
WATER EXPENSES				
Operating	\$2,280,446	\$2,516,581	\$2,855,656	\$2,982,962
<u>Debt Service</u>	<u>\$312,156</u>	<u>\$313,906</u>	<u>\$315,156</u>	<u>\$318,344</u>
Subtotal	\$2,592,602	\$2,830,487	\$3,170,812	\$3,301,305
TOTAL NET REVENUES	\$1,062,846	\$596,063	\$35,738	\$155,245

2.3.6 Debt Service

The Water Utility currently has one outstanding debt obligation that is shared with the Sewer Utility – the 2015 Utility Revenue Bonds for \$8.3 million. Total debt service for 2022/23 is \$632,063, see Table 15. Debt service payments are split evenly between the Water Utility and Sewer Utility.

Table 15: 2015 Utility Revenue Bonds - Debt Service Schedule
City of Brisbane
Water Utility Rate Study 2022

Fiscal Year Ending June 30	Principal	Interest	Total Debt Service (1)
2016	\$170,000	\$247,103	\$417,103
2017	\$305,000	\$327,763	\$632,763
2018	\$310,000	\$318,513	\$628,513
2019	\$320,000	\$304,313	\$624,313
2020	\$340,000	\$287,813	\$627,813
2021	\$360,000	\$270,313	\$630,313
2022	\$385,000	\$251,688	\$636,688
2023	\$400,000	\$232,063	\$632,063
2024	\$415,000	\$211,688	\$626,688
2025	\$440,000	\$190,313	\$630,313
2026	\$455,000	\$167,938	\$622,938
2027	\$480,000	\$149,363	\$629,363
2028	\$490,000	\$134,813	\$624,813
2029	\$510,000	\$119,175	\$629,175
2030	\$525,000	\$102,356	\$627,356
2031	\$540,000	\$84,713	\$624,713
2032	\$570,000	\$65,625	\$635,625
2033	\$305,000	\$50,313	\$355,313
2034	\$320,000	\$39,175	\$359,175
2035	\$330,000	\$23,063	\$353,063
2036	\$340,000	\$6,375	\$346,375
TOTALS	\$8,310,000	\$3,584,471	\$11,894,471

(1) Debt service is allocated 50% to the Water Utility and 50% to the Sewer Utility.

Debt Service Coverage

A chief covenant for the City to secure State loans/grants or revenue bonds/Certificates of Participation (COPs) is to maintain a specific debt service coverage ratio. A debt service coverage ratio is a financial measure of an agency's ability to repay outstanding debt. For the 2015 Utility Revenue Bonds, the debt service coverage ratio means that annual water net revenues (gross revenues less operating and maintenance expenses) must be at least 1.25 times the combined annual debt service payments on all

parity obligations. Failure to meet the debt service coverage ratio on an annual basis is considered to be technical default, thereby making the revenue bonds/COPs callable or payable upon demand. Thus, rates and fees must be set to meet this legal requirement. Moreover, failing to meet debt service coverage may hinder the City's ability to qualify for future bond funding.

2.3.7 Water Cash Flow Objectives

With input from City Staff, L&T developed three water cash flow scenarios based on various rate increase options. The following three goals are indicators of the overall fiscal health of the Water Utility, and the proposed rate adjustments for the rate scenarios have been designed to meet these objectives.

1. Meet debt service coverage (1.25x)
 - a. The debt service coverage ratio for the 2015 Utility Revenue Bonds is 1.25x.
 - b. Ratio is calculated as Net Operating Revenue/Total Debt Service.
2. Meet Water Utility reserve targets
 - a. Operating Reserve Target = 25.0% of annual operating costs
 - b. Drought Reserve Target = \$700,000
3. Maintain positive net operating revenues
 - a. To ensure that the Water Utility is covering its cost of service
 - b. To avoid an operating deficit and dipping into reserves

The three cash flow scenarios considered are:

- *Water Scenario #1: No Rate Increases*
 - This scenario demonstrates what would happen if the City did not raise the water rates. Without rate increases, the projections show that the Water Utility would not meet debt service coverage beginning in 2022/23. Additionally, the Water Utility would be operating in a deficit and would run down its reserves by the end of 2026/27.
- *Water Scenario #2: 8.0% Annual Rate Increases*
 - This scenario shows the impact to the Water Utility with 8.0% annual rate increases to cover operating cost inflation. With Scenario #2, the projections show that the Water Utility would not meet debt service coverage beginning in 2022/23. Additionally, the Water Utility would be operating in a deficit for the next 10 years.
- *Water Scenario #3: 9.0% Annual Rate Increases*
 - This scenario shows the impact to the Water Utility with annual 9.0% rate increases. With Scenario #3, the Water Utility would meet debt service coverage by 2024/25. The Water Utility would meet its reserve targets each year and would be maintaining positive net operating revenue by 2027/28.

2.3.8 Water Scenario #1: Water Cash Flow Projection with No Rate Increases

Table 16 forecasts the financial health of the water utility over the next 10 years if the City does not implement any rate increases. Using 2021/22 as the base year, the cash flow for *Scenario #1* shows that the Water Utility will miss debt service coverage (line 54) and will have negative net operating

revenues beginning in 2022/23 (line 43). Additionally, the Water Utility will run down its reserves by the end of 2026/27 (line 45).

The cash flow uses the 2021/22 budget as the base year and includes the following assumptions:

Revenues

- Total Water Sales revenues are estimated at \$3.0 million based on the 2021/22 budget.
- Rate increases will go into effect on July 1 of each year, beginning in 2023 through 2027.
- Meter Connection Fees, Fire Service Charges, and Altamar Meter Reading Fee revenues are increased by the Overall Rate Adjustment percentage.
- Drought Charge remains in effect through 2026/27.
- The Capital Charge is increased by \$85,000 beginning in December 2022 and then \$170,000 in 2023/24. The total estimated increase in the Capital Charge is estimated at \$700,000 and is split evenly with the Sewer Utility.
- The Capital Charge will be increased again in 2027/28.
- Interest is increased by 1.0% each year.
- All other revenues are increased by 3.0% each year.
- The Low Income Rate Assistance contribution from the General Fund remains at \$75,000 per year and is divided evenly between water and sewer.
- Growth is estimated at 0.5% each year.
- Water consumption is based on 2020 usage and is projected to increase on average approximately 2.0% each year through 2027/28.

Expenses

- Expenses are increased based on the escalation factors from Table 12.
- The only current debt obligation is the 2015 Utility Revenue Bonds. Total debt service is approximately \$625,000 per year and is split evenly with the Sewer Utility.
- Debt service coverage is estimated at 1.25x and is calculated by dividing Net Revenues by Total Debt Service.
- Assuming that the City will issue \$5 million in debt to pay for capital projects in 2027/28, total debt service is projected at \$300,000 and is split evenly with the Sewer Utility beginning in 2027/28.
- No capital project expenditures are included.
- Annual depreciation is not included.

Table 16: Water Scenario #1: No Rate Increases - Water Cash Flow Projection
City of Brisbane
Water Utility Rate Study 2022

	Budget 2021/22	Projected 2022/23	Years 1 -5: Proposition 218					Years 6 - 10: Extended Projection				
			2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
1 Overall Revenue Adjustment			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2 Rate Increase Effective			Jul 1, 2023	Jul 1, 2024	Jul 1, 2025	Jul 1, 2026	Jul 1, 2027	Jul 1, 2028	Jul 1, 2029	Jul 1, 2030	Jul 1, 2031	Jul 1, 2032
3												
4												
5 BEGINNING FUND BALANCE	\$2,828,445	\$2,983,640	\$2,643,640	\$2,062,640	\$1,214,640	\$81,640	(\$1,368,360)	(\$2,903,860)	(\$4,813,360)	(\$7,125,860)	(\$9,878,360)	(\$13,118,860)
6												
7 REVENUES												
8 Water Sales	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
9 Meter Connection Fees	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
10 Fire Service Charges	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000
11 Altamar Meter Reading Fee	7,500	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
12 Drought Reserve Charge	100,000	100,000	100,000	100,000	100,000	100,000	0	0	0	0	0	0
13 Capital Charge (1)	182,500	267,500	352,500	352,500	352,500	352,500	502,500	502,500	502,500	502,500	502,500	502,500
14 Investment Earnings	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
15 Account Open/Reconnection Fees	1,500	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
16 Late Payment Charges	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
17 Transfers from Other Funds	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500
18 Less: Low Income Rate Assistance	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)
19 Grant Revenue	0	0	0	0	0	0	0	0	0	0	0	0
20 Total Revenues	3,456,500	3,542,500	3,627,500	3,627,500	3,627,500	3,627,500	3,677,500	3,677,500	3,677,500	3,677,500	3,677,500	3,677,500
21												
22 EXPENSES												
23 Operating & Maintenance												
24 Salaries	499,125	519,000	540,000	562,000	584,000	607,000	631,000	656,000	682,000	709,000	737,000	766,000
25 Payroll Taxes	7,112	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
26 Benefits	277,746	289,000	301,000	313,000	326,000	339,000	353,000	367,000	382,000	397,000	413,000	430,000
27 Insurance	58,938	65,000	68,000	71,000	75,000	79,000	83,000	87,000	91,000	96,000	101,000	106,000
28 Supplies and Services	1,666,998	1,932,000	2,125,000	2,338,000	2,572,000	2,829,000	3,112,000	3,423,000	3,765,000	4,142,000	4,556,000	5,012,000
29 Admin Charges and Credit	473,044	487,000	502,000	517,000	533,000	549,000	565,000	582,000	599,000	617,000	636,000	655,000
30 Subtotal O&M	2,982,962	3,299,000	3,543,000	3,808,000	4,097,000	4,410,000	4,751,000	5,122,000	5,526,000	5,968,000	6,450,000	6,976,000
31												
32 Net Operating Revenue	473,538	243,500	84,500	(180,500)	(469,500)	(782,500)	(1,073,500)	(1,444,500)	(1,848,500)	(2,290,500)	(2,772,500)	(3,298,500)
33												
34 Debt Service												
35 2015 Utility Bonds (2)	318,344	316,000	313,000	315,000	311,000	315,000	312,000	315,000	314,000	312,000	318,000	159,000
36 New Bonds	0	0	0	0	0	0	150,000	150,000	150,000	150,000	150,000	150,000
37 Subtotal Debt Service	318,344	316,000	313,000	315,000	311,000	315,000	462,000	465,000	464,000	462,000	468,000	309,000
38												
39 Capital Projects	0	267,500	352,500	352,500	352,500	352,500	0	0	0	0	0	0
40												
41 Total Expenses	3,301,305	3,882,500	4,208,500	4,475,500	4,760,500	5,077,500	5,213,000	5,587,000	5,990,000	6,430,000	6,918,000	7,285,000
42												
43 Total Net Revenues	155,195	(340,000)	(581,000)	(848,000)	(1,133,000)	(1,450,000)	(1,535,500)	(1,909,500)	(2,312,500)	(2,752,500)	(3,240,500)	(3,607,500)
44												
45 ENDING FUND BALANCE	2,983,640	2,643,640	2,062,640	1,214,640	81,640	(1,368,360)	(2,903,860)	(4,813,360)	(7,125,860)	(9,878,360)	(13,118,860)	(16,726,360)
46												
47												
48 Reserve Funds												
49 Operating Reserve Target (25% of O&M)	745,700	824,800	885,800	952,000	1,024,300	1,102,500	1,187,800	1,280,500	1,381,500	1,492,000	1,612,500	1,744,000
50 Drought Reserve (\$700,000)	447,499	547,499	647,499	747,499	847,499	947,499	947,499	947,499	947,499	947,499	947,499	947,499
51 Total Water Reserves	1,193,199	1,372,299	1,533,299	1,699,499	1,871,799	2,049,999	2,135,299	2,227,999	2,328,999	2,439,499	2,559,999	2,691,499
52 Target Met?	yes	yes	yes	yes	no	no	no	no	no	no	no	no
53												
54 Debt Service Coverage - 1.25x (3)	1.49	0.77	0.27	-0.57	-1.51	-2.48	-2.32	-3.11	-3.98	-4.96	-5.92	-10.67
55 Target Met?	yes	no	no	no	no	no	no	no	no	no	no	no
56												

1 - Assumes Capital Charge will increase every 5 years. First increase will go into effect on Dec 1, 2022. Second increase is anticipated in 2027/28 and assumes that the City will issue \$5M in new debt (combined water & sewer)
2 - Total debt service for New Bonds is estimated at \$300,000 and is split evenly with the Sewer Utility.
3 - (Net Operating Revenue less Projected Grant Revenue) divided by (Total Debt Service)

2.3.9 Water Scenario #2: Water Cash Flow Projection with 8.0% Annual Rate Increases

Water Scenario #2 includes the same assumptions for the Revenues and Expenses as Table 16 but includes annual rate increases of 8.0% each year to cover operating cost inflation. With *Scenario #2*, the projections show that the Water Utility would not meet debt service coverage beginning in 2022/23 (line 54). Additionally, the Water Utility would be operating in a deficit for the next 10 years (line 43).

Table 17: Scenario #2: 8% Annual Rate Increases - Water Cash Flow Projection
City of Brisbane
Water Utility Rate Study 2022

	Budget 2021/22	Projected 2022/23	Years 1 - 5: Proposition 218					Years 6 - 10: Extended Projection				
			2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
1 Overall Revenue Adjustment			8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
2 Rate Increase Effective			Jul 1, 2023	Jul 1, 2024	Jul 1, 2025	Jul 1, 2026	Jul 1, 2027	Jul 1, 2028	Jul 1, 2029	Jul 1, 2030	Jul 1, 2031	Jul 1, 2032
3												
4												
5 BEGINNING FUND BALANCE	\$2,828,445	\$2,983,640	\$2,643,640	\$2,314,640	\$1,990,640	\$1,675,640	\$1,360,640	\$1,302,140	\$1,239,640	\$1,174,140	\$1,099,640	\$1,002,140
6												
7 REVENUES												
8 Water Sales	3,000,000	3,000,000	3,240,000	3,499,000	3,779,000	4,081,000	4,407,000	4,760,000	5,141,000	5,552,000	5,996,000	6,476,000
9 Meter Connection Fees	20,000	20,000	22,000	24,000	26,000	28,000	30,000	32,000	35,000	38,000	41,000	44,000
10 Fire Service Charges	115,000	115,000	124,000	134,000	145,000	157,000	170,000	184,000	199,000	215,000	232,000	251,000
11 Altamar Meter Reading Fee	7,500	8,000	9,000	10,000	11,000	12,000	13,000	14,000	15,000	16,000	17,000	18,000
12 Drought Reserve Charge	100,000	100,000	100,000	100,000	100,000	100,000	0	0	0	0	0	0
13 Capital Charge (1)	182,500	267,500	352,500	352,500	352,500	352,500	502,500	502,500	502,500	502,500	502,500	502,500
14 Investment Earnings	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
15 Account Open/Reconnection Fees	1,500	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
16 Late Payment Charges	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
17 Transfers from Other Funds	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500
18 Less: Low Income Rate Assistance	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)
19 Grant Revenue	0	0	0	0	0	0	0	0	0	0	0	0
20 Total Revenues	3,456,500	3,542,500	3,879,500	4,151,500	4,445,500	4,762,500	5,154,500	5,524,500	5,924,500	6,355,500	6,820,500	7,323,500
21												
22 EXPENSES												
23 Operating & Maintenance												
24 Salaries	499,125	519,000	540,000	562,000	584,000	607,000	631,000	656,000	682,000	709,000	737,000	766,000
25 Payroll Taxes	7,112	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
26 Benefits	277,746	289,000	301,000	313,000	326,000	339,000	353,000	367,000	382,000	397,000	413,000	430,000
27 Insurance	58,938	65,000	68,000	71,000	75,000	79,000	83,000	87,000	91,000	96,000	101,000	106,000
28 Supplies and Services	1,666,998	1,932,000	2,125,000	2,338,000	2,572,000	2,829,000	3,112,000	3,423,000	3,765,000	4,142,000	4,556,000	5,012,000
29 Admin Charges and Credit	473,044	487,000	502,000	517,000	533,000	549,000	565,000	582,000	599,000	617,000	636,000	655,000
30 Subtotal O&M	2,982,962	3,299,000	3,543,000	3,808,000	4,097,000	4,410,000	4,751,000	5,122,000	5,526,000	5,968,000	6,450,000	6,976,000
31												
32 Net Operating Revenue	473,538	243,500	336,500	343,500	348,500	352,500	403,500	402,500	398,500	387,500	370,500	347,500
33												
34 Debt Service												
35 2015 Utility Bonds (2)	318,344	316,000	313,000	315,000	311,000	315,000	312,000	315,000	314,000	312,000	318,000	159,000
36 New Bonds	0	0	0	0	0	0	150,000	150,000	150,000	150,000	150,000	150,000
37 Subtotal Debt Service	318,344	316,000	313,000	315,000	311,000	315,000	462,000	465,000	464,000	462,000	468,000	309,000
38												
39 Capital Projects	0	267,500	352,500	352,500	352,500	352,500	0	0	0	0	0	0
40												
41 Total Expenses	3,301,305	3,882,500	4,208,500	4,475,500	4,760,500	5,077,500	5,213,000	5,587,000	5,990,000	6,430,000	6,918,000	7,285,000
42												
43 Total Net Revenues	155,195	(340,000)	(329,000)	(324,000)	(315,000)	(315,000)	(58,500)	(62,500)	(65,500)	(74,500)	(97,500)	38,500
44												
45 ENDING FUND BALANCE	2,983,640	2,643,640	2,314,640	1,990,640	1,675,640	1,360,640	1,302,140	1,239,640	1,174,140	1,099,640	1,002,140	1,040,640
46												
47 Reserve Funds												
48 Operating Reserve Target (25% of O&M)	745,700	824,800	885,800	952,000	1,024,300	1,102,500	1,187,800	1,280,500	1,381,500	1,492,000	1,612,500	1,744,000
49 Drought Reserve (\$700,000)	447,499	547,499	647,499	747,499	847,499	947,499	947,499	947,499	947,499	947,499	947,499	947,499
50 Total Water Reserves	1,193,199	1,372,299	1,533,299	1,699,499	1,871,799	2,049,999	2,135,299	2,227,999	2,328,999	2,439,499	2,559,999	2,691,499
51 Target Met?	yes	yes	yes	yes	yes	yes	yes	no	no	no	no	no
52												
53 Debt Service Coverage - 1.25x (3)	1.49	0.77	1.08	1.09	1.12	1.12	0.87	0.87	0.86	0.84	0.79	1.12
54 Target Met?	yes	no	no	no	no	no	no	no	no	no	no	no
55												
56												

1 - Assumes Capital Charge will increase every 5 years. First increase will go into effect on Dec 1, 2022. Second increase is anticipated in 2027/28 and assumes that the City will issue \$5M in new debt (combined water & sewer).

2 - Total debt service for New Bonds is estimated at \$300,000 and is split evenly with the Sewer Utility.

3 - (Net Operating Revenue less Projected Grant Revenue) divided by (Total Debt Service)

2.3.10 Water Scenario #3: Water Cash Flow Projection with 9.0% Annual Rate Increases

Water Scenario #3 includes the same assumptions for the Revenues and Expenses as Table 16 but includes rate increases of 9.0% per year to meet the three financial goals. With *Scenario #3*, the projections show that the Water Utility would meet debt service coverage beginning in 2023/24 (line 54). Additionally, the Water Utility will meet its reserve fund targets (line 45) and maintain positive net revenues for the next 10 years (line 43).

Table 18: Scenario #3: 9% Annual Rate Increases - Water Cash Flow Projection
City of Brisbane
Water Utility Rate Study 2022

	Budget 2021/22	Projected 2022/23	Years 1 - 5: Proposition 218					Years 6 - 10: Extended Projection				
			2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
1 Overall Revenue Adjustment			9.0%	9.0%	9.0%	9.0%	9.0%	8.0%	8.0%	8.0%	8.0%	8.0%
2 Rate Increase Effective			Jul 1, 2023	Jul 1, 2024	Jul 1, 2025	Jul 1, 2026	Jul 1, 2027	Jul 1, 2028	Jul 1, 2029	Jul 1, 2030	Jul 1, 2031	Jul 1, 2032
3												
4												
5 BEGINNING FUND BALANCE	\$2,828,445	\$2,983,640	\$2,643,640	\$2,345,640	\$2,088,640	\$1,882,640	\$1,725,640	\$1,882,140	\$2,050,640	\$2,234,140	\$2,428,640	\$2,622,140
6												
7 REVENUES												
8 Water Sales	3,000,000	3,000,000	3,270,000	3,564,000	3,885,000	4,235,000	4,616,000	4,985,000	5,384,000	5,815,000	6,280,000	6,782,000
9 Meter Connection Fees	20,000	20,000	22,000	24,000	26,000	28,000	31,000	33,000	36,000	39,000	42,000	45,000
10 Fire Service Charges	115,000	115,000	125,000	136,000	148,000	161,000	175,000	189,000	204,000	220,000	238,000	257,000
11 Altamar Meter Reading Fee	7,500	8,000	9,000	10,000	11,000	12,000	13,000	14,000	15,000	16,000	17,000	18,000
12 Drought Reserve Charge	100,000	100,000	100,000	100,000	100,000	100,000	0	0	0	0	0	0
13 Capital Charge (1)	182,500	267,500	352,500	352,500	352,500	352,500	502,500	502,500	502,500	502,500	502,500	502,500
14 Investment Earnings	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
15 Account Open/Reconnection Fees	1,500	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
16 Late Payment Charges	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
17 Transfers from Other Funds	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500
18 Less: Low Income Rate Assistance	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)
19 Grant Revenue	0	0	0	0	0	0	0	0	0	0	0	0
20 Total Revenues	3,456,500	3,542,500	3,910,500	4,218,500	4,554,500	4,920,500	5,369,500	5,755,500	6,173,500	6,624,500	7,111,500	7,636,500
21												
22 EXPENSES												
23 <u>Operating & Maintenance</u>												
24 Salaries	499,125	519,000	540,000	562,000	584,000	607,000	631,000	656,000	682,000	709,000	737,000	766,000
25 Payroll Taxes	7,112	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
26 Benefits	277,746	289,000	301,000	313,000	326,000	339,000	353,000	367,000	382,000	397,000	413,000	430,000
27 Insurance	58,938	65,000	68,000	71,000	75,000	79,000	83,000	87,000	91,000	96,000	101,000	106,000
28 Supplies and Services	1,666,998	1,932,000	2,125,000	2,338,000	2,572,000	2,829,000	3,112,000	3,423,000	3,765,000	4,142,000	4,556,000	5,012,000
29 Admin Charges and Credit	473,044	487,000	502,000	517,000	533,000	549,000	565,000	582,000	599,000	617,000	636,000	655,000
30 Subtotal O&M	2,982,962	3,299,000	3,543,000	3,808,000	4,097,000	4,410,000	4,751,000	5,122,000	5,526,000	5,968,000	6,450,000	6,976,000
31												
32 Net Operating Revenue	473,538	243,500	367,500	410,500	457,500	510,500	618,500	633,500	647,500	656,500	661,500	660,500
33												
34 Debt Service												
35 2015 Utility Bonds (2)	318,344	316,000	313,000	315,000	311,000	315,000	312,000	315,000	314,000	312,000	318,000	159,000
36 New Bonds	0	0	0	0	0	0	150,000	150,000	150,000	150,000	150,000	150,000
37 Subtotal Debt Service	318,344	316,000	313,000	315,000	311,000	315,000	462,000	465,000	464,000	462,000	468,000	309,000
38												
39 Capital Projects	0	267,500	352,500	352,500	352,500	352,500	0	0	0	0	0	0
40												
41 Total Expenses	3,301,305	3,882,500	4,208,500	4,475,500	4,760,500	5,077,500	5,213,000	5,587,000	5,990,000	6,430,000	6,918,000	7,285,000
42												
43 Total Net Revenues	155,195	(340,000)	(298,000)	(257,000)	(206,000)	(157,000)	156,500	168,500	183,500	194,500	193,500	351,500
44												
45 ENDING FUND BALANCE	2,983,640	2,643,640	2,345,640	2,088,640	1,882,640	1,725,640	1,882,140	2,050,640	2,234,140	2,428,640	2,622,140	2,973,640
46												
47												
48 Reserve Funds												
49 Operating Reserve Target (25% of O&M)	745,700	824,800	885,800	952,000	1,024,300	1,102,500	1,187,800	1,280,500	1,381,500	1,492,000	1,612,500	1,744,000
50 Drought Reserve (\$700,000)	447,499	547,499	647,499	747,499	847,499	947,499	947,499	947,499	947,499	947,499	947,499	947,499
51 Total Water Reserves	1,193,199	1,372,299	1,533,299	1,699,499	1,871,799	2,049,999	2,135,299	2,227,999	2,328,999	2,439,499	2,559,999	2,691,499
52 Target Met?	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
53												
54 Debt Service Coverage - 1.25x (3)	1.49	0.77	1.17	1.30	1.47	1.62	1.34	1.36	1.40	1.42	1.41	2.14
55 Target Met?	yes	no	no	yes	yes	yes	yes	yes	yes	yes	yes	yes
56												

1 - Assumes Capital Charge will increase every 5 years. First increase will go into effect on Dec 1, 2022. Second increase is anticipated in 2027/28 and assumes that the City will issue \$5M in new debt (combined water & sewer)

2 - Total debt service for New Bonds is estimated at \$300,000 and is split evenly with the Sewer Utility.

3 - (Net Operating Revenue less Projected Grant Revenue) divided by (Total Debt Service)

2.3.11 Water Scenario Comparison

Table 19 includes a summary of the proposed rate adjustments and the three financial goals for all three scenarios. Based on the proposed rate adjustments, only *Water Scenario #3: 9.0% Annual Rate Increases* meets the three financial objectives by the end of the rate study period.

Table 19: Water Scenario Comparison
City of Brisbane
Water Utility Rate Study 2022

GOAL 1 : MEET DEBT SERVICE COVERAGE

	Budget 2021/22	Projected 2022/23	Proposed				
			2023/24	2024/25	2025/26	2026/27	2027/28
Debt Service Coverage Ratio Required	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Scenario 1: No Rate Increases <i>Target Met?</i>	1.49 yes	0.77 no	0.27 no	(0.57) no	(1.51) no	(2.48) no	(2.32) no
Scenario 2: 8% Annual Rate Increases <i>Target Met?</i>	1.49 yes	0.77 no	1.08 no	1.09 no	1.12 no	1.12 no	0.87 no
Scenario 3: 9% Annual Rate Increases <i>Target Met?</i>	1.49 yes	0.77 no	1.17 no	1.30 yes	1.47 yes	1.62 yes	1.34 yes

GOAL 2: MEET RESERVE FUND TARGETS

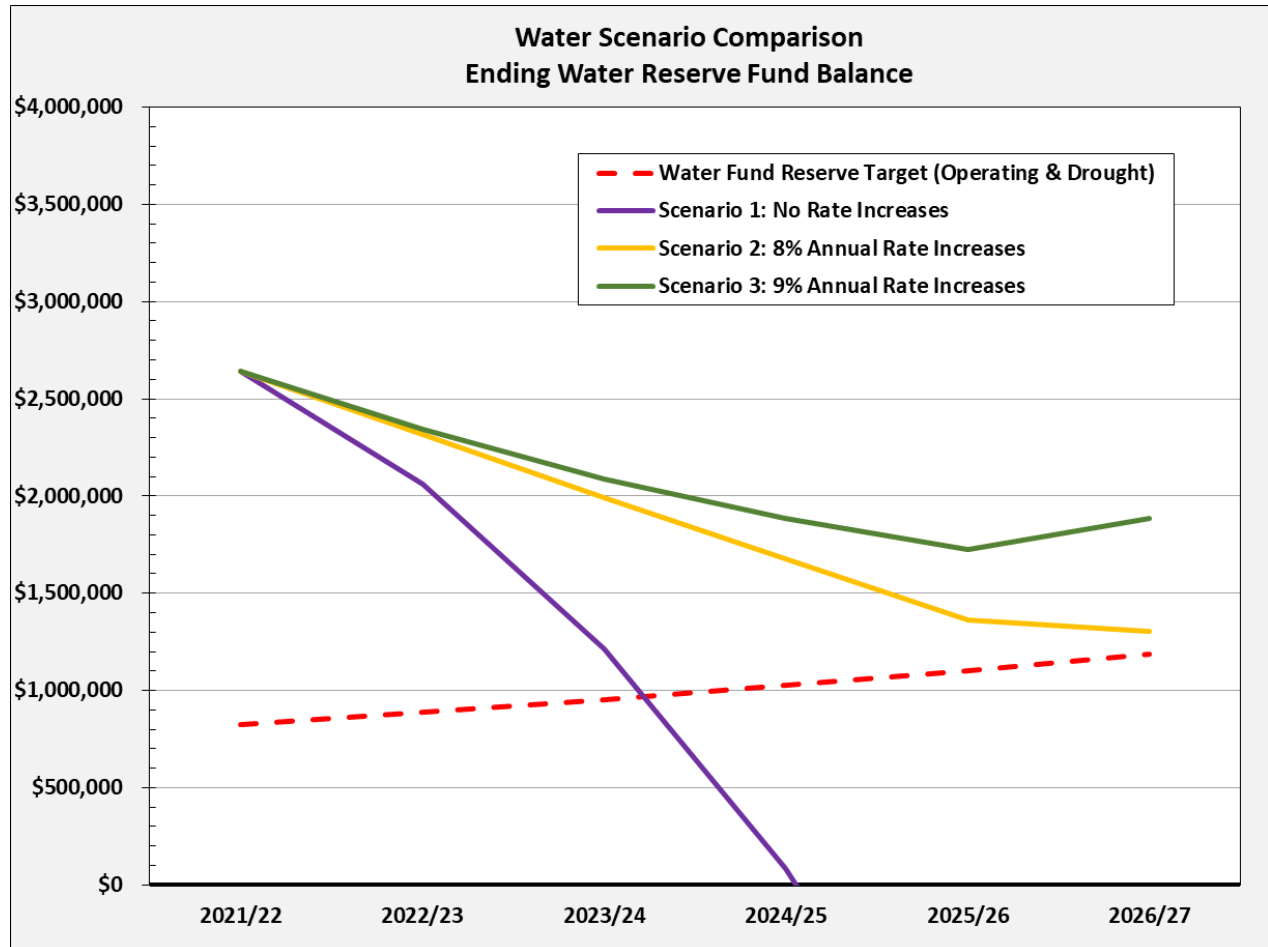
	Budget 2021/22	Projected 2022/23	Proposed				
			2023/24	2024/25	2025/26	2026/27	2027/28
Water Fund Reserve Target (Operating & Drought)	\$824,800	\$885,800	\$952,000	\$1,024,300	\$1,102,500	\$1,187,800	\$1,280,500
Scenario 1: No Rate Increases <i>Target Met?</i>	\$2,643,640 yes	\$2,062,640 yes	\$1,214,640 yes	\$81,640 no	(\$1,368,360) no	(\$2,903,860) no	(\$4,813,360) no
Scenario 2: 8% Annual Rate Increases <i>Target Met?</i>	\$2,643,640 yes	\$2,314,640 yes	\$1,990,640 yes	\$1,675,640 yes	\$1,360,640 yes	\$1,302,140 yes	\$1,239,640 no
Scenario 3: 9% Annual Rate Increases <i>Target Met?</i>	\$2,643,640 yes	\$2,345,640 yes	\$2,088,640 yes	\$1,882,640 yes	\$1,725,640 yes	\$1,882,140 yes	\$2,050,640 yes

GOAL 3: POSITIVE TOTAL NET REVENUES

	Budget 2021/22	Projected 2022/23	Proposed				
			2023/24	2024/25	2025/26	2026/27	2027/28
Scenario 1: No Rate Increases <i>Target Met?</i>	\$155,195 yes	(\$340,000) no	(\$581,000) no	(\$848,000) no	(\$1,133,000) no	(\$1,450,000) no	(\$1,535,500) no
Scenario 2: 8% Annual Rate Increases <i>Target Met?</i>	\$155,195 yes	(\$340,000) no	(\$329,000) no	(\$324,000) no	(\$315,000) no	(\$315,000) no	(\$58,500) no
Scenario 3: 9% Annual Rate Increases <i>Target Met?</i>	\$155,195 yes	(\$340,000) no	(\$298,000) no	(\$257,000) no	(\$206,000) no	(\$157,000) no	\$156,500 yes

Figure 4 graphically shows the projected total ending reserve fund balance under each scenario. The red dotted line represents the total reserve fund target. The purple line represents *Water Scenario #1: No Rate Increases*. The yellow line represents *Water Scenario #2: 8.0% Annual Rate Increases*. The green line represents *Water Scenario #3: 9.0% Annual Rate Increases*. It is projected that the Water Fund will meet its reserve fund targets through 2026/27 in each scenario except for *Water Scenario #1*.

Figure 4: Water Scenario Comparison - Ending Water Fund Reserve Fund Balance
City of Brisbane
Water Utility Rate Study 2022



2.4 Water Cost Allocation

The water revenue requirement detailed in the previous section determines the amount of revenue to be recovered from water rates. The cost of service allocation determines how revenues will be recovered from customers based on how they use the water system. Proposition 218 requires that agencies providing “property-related services” (including water utility service) set rates and charges that are based on the cost of providing those services and are proportional to how customers use the system.

2.4.1 Overview of Water Cost of Service Methodology

The purpose of the cost allocation is to classify costs and to determine the amount of revenue that will be recovered from fixed rates and from consumption charges. The American Water Works Association (AWWA) recommends methods to classify costs among various customers. Using the Base-Extra Capacity Method as recommended by the AWWA, water operating expenses are allocated to the following categories: (a) *Base*, (b) *Extra*, (c) *Meters and Services*, and (d) *Customer Service*. The *Base* and *Extra* categories are intended to recover variable (consumption) costs, while the *Customer Service* and *Meters and Services* categories are intended to recover fixed expenses that are incurred regardless of water used.

- *Base*: Base costs include the expenses related to providing water under average, “base” demand conditions.
- *Extra*: The extra category includes costs related to providing water above the system average demand (ie. related to peak, “extra” usage).
- *Meters and Services*: These include costs related to maintaining and replacing water meters.
- *Customer Service*: This category contains costs associated with serving customers, such as billing and answering customer inquiries.

2.4.2 Cost Allocation

Table 20 provides the proposed cost allocation for the water utility. 2022/23 is used as the test year for the cost allocation. Costs are allocated according to how they are incurred by the City. Based on Table 20, 15.5% of costs will be recovered from the Fixed Charges while the remaining 84.5% will be recovered from the Consumption Charges, which is in line with the current split (15.0% from Fixed Charges / 85.0% from Consumption Charges).

Table 20: Water Cost Allocation
City of Brisbane
Water Utility Rate Study 2022

Operating Expense	2022/23 Budget	FIXED CHARGES		CONSUMPTION CHARGES		Total	Notes
		Meters & Services	Customer Service	Base	Extra		
Salaries	\$519,000	10%	10%	25%	55%	100%	Staff Estimate
Payroll Taxes	\$7,000	10%	10%	25%	55%	100%	Staff Estimate
Benefits	\$289,000	10%	10%	25%	55%	100%	Staff Estimate
Insurance (2)	\$65,000	10%	10%	25%	55%	100%	Staff Estimate
Supplies and Services	\$1,932,000	2%	2%	25%	71%	100%	Peaking
Admin Charges and Credits	\$487,000	25%	25%	25%	25%	100%	Even
<u>Debt Service</u>	<u>\$316,000</u>	<u>10%</u>	<u>10%</u>	<u>25%</u>	<u>55%</u>	<u>100%</u>	Staff Estimate
Total Water Operating Expenses	\$3,615,000	\$280,000	\$280,000	\$903,800	\$2,151,300	\$3,615,100	
Total Allocation %		7.8%	7.8%	25.0%	59.5%	100.0%	

2.5 Water Rate Design Considerations

Following the allocation of costs, the next step is to derive the total cost responsibility for each customer class by developing unit costs of service for each cost function and then assigning those costs to the customer classes based on the respective service requirements of each.

2.5.1 Rate Structure Modifications

The proposed modifications to the existing water rate structure are as follows:

- **Fixed Charges**
 - All customer classes will be charged the same Fixed Charges which will vary by meter size.
 - L&T recommends developing a single fixed rate structure based on meter size that applies to all customer classes. Additionally, we propose to use the AWWA meter capacity ratios to calculate rates for the larger meter sizes. The re-alignment will amend the fixed charges so that each meter size will be charged based on their proportional impact on the system.
 - All customers will receive 1 unit of water with the Fixed Charges.
 - Currently, only customers with a 5/8" meter receive 1 unit of water with the Fixed Charges. To comply with Proposition 218, L&T recommends that the City extend the 1 ccf water allotment to all customers.



Consumption Charges

- All Customers --> Transition to a two-tiered rate structure
 - Proposed Bimonthly Tiers:
 - Tier 1: 1- 20 ccf
 - Tier 2: Over 20 ccf
 - To comply with Proposition 218, each water rate tier breakpoint (i.e. the consumption used in each tier) and the price of each tier must be individually cost-justified. Higher use must be directly tied to specific costs such as imported water, higher electricity costs associated with peak pumping, increased maintenance, and/or conservation programs. Tiers can no longer be assigned to customers solely based on conservation objectives. For example, public agencies may not arbitrarily raise the price of higher use tiers in order to offer a discount to lower water users.
 - Based on input from the Infrastructure, Utilities, & Franchise Subcommittee, the first tier will be set at 20 ccf per two-month billing period. The current average bimonthly use for residential customers is 10 ccf.

2.5.2 Projected Customer Growth & Water Consumption

Table 21 estimates water consumption by customer class for the next 5 years using 2019/20 usage data as a baseline. The table also shows the estimated reduction in billed consumption with the proposed 1 ccf allotment for all customers. The estimated billed consumption is used to determine the unit costs for water consumption charges. For 2022/23, total consumption is projected at 289,715 ccf. However, 11,602 ccf will be unbilled as the proposed Fixed Charge will include 1 ccf of water for all customers. Therefore, the total amount of billed water is 278,113 ccf.

Table 21: Projected Water Consumption with 1 Unit Allotment
City of Brisbane
Water Utility Rate Study 2022

	CURRENT	PROJECTED			PROJECTED - RATE STUDY PERIOD				
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Residential									
<i>Annual Increase %</i>		0.0%	0.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Annual Consumption (ccf)	109,065	109,065	109,065	110,156	111,257	112,370	113,493	114,628	115,775
<u>Less 1 ccf Allotment</u>	<u>9,655</u>	<u>9,655</u>	<u>9,655</u>	<u>9,752</u>	<u>9,849</u>	<u>9,948</u>	<u>10,047</u>	<u>10,148</u>	<u>10,249</u>
Total Consumption for Consumption Charges	99,410	99,410	99,410	100,404	101,408	102,422	103,446	104,481	105,526
Commercial									
<i>Annual Increase %</i>		0.0%	0.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Annual Consumption (ccf)	95,700	95,700	95,700	98,571	101,528	104,574	107,711	110,943	114,271
<u>Less 1 ccf Allotment</u>	<u>1,400</u>	<u>1,400</u>	<u>1,400</u>	<u>1,442</u>	<u>1,485</u>	<u>1,530</u>	<u>1,576</u>	<u>1,623</u>	<u>1,672</u>
Total Consumption for Consumption Charges	94,300	94,300	94,300	97,129	100,043	103,044	106,135	109,320	112,599
Irrigation									
<i>Annual Increase %</i>		0.0%	0.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Annual Consumption (ccf)	79,400	79,400	79,400	80,988	82,608	84,260	85,945	87,664	89,417
<u>Less 1 ccf Allotment</u>	<u>400</u>	<u>400</u>	<u>400</u>	<u>408</u>	<u>416</u>	<u>424</u>	<u>433</u>	<u>442</u>	<u>450</u>
Total Consumption for Consumption Charges	79,000	79,000	79,000	80,580	82,192	83,835	85,512	87,222	88,967
Total Consumption									
Total Consumption	284,165	284,165	284,165	289,715	295,393	301,204	307,150	313,235	319,463
<u>Less 1 ccf Allotment</u>	<u>11,455</u>	<u>11,455</u>	<u>11,455</u>	<u>11,602</u>	<u>11,750</u>	<u>11,902</u>	<u>12,056</u>	<u>12,212</u>	<u>12,371</u>
TOTAL CONSUMPTION (CCF) FOR CONSUMPTION CHARGES	272,710	272,710	272,710	278,113	283,643	289,302	295,094	301,023	307,092

1 - The May 25, 2021 memo prepared by Jerry Flanagan shows projected SFPUC water purchases in 2025 to be 435,800 ccf/year, representing a 44.3% increase from the 2020 total water purchases of 302,003 ccf. His projections assume that Biotech Developments in Sierra Point will be built out by 2025 and does not include the UPC parcel at Sierra Point nor the future Baylands Development.

Table 22 shows a projection of water meters, meter equivalents, and consumption for the rate study period. The number of meter equivalents is based on the total number of meters (Table 4) and the ratio of each meter size to that of the 5/8" meter. The amount of consumption that will be billed under the consumption charges is taken from Table 21 and is divided between Tier 1 and Tier 2 based on the City's bimonthly billing data history. The number of customers is estimated to increase at 0.5% each year. Residential consumption is conservatively estimated to increase 1.0% each year. Commercial consumption is estimated to increase by 3.0% each year. Irrigation consumption is increased each year by 2.0%.

Table 22: Projected Customer Growth & Water Consumption
City of Brisbane
Water Utility Rate Study 2022

	CURRENT 2019/20	PROJECTED			PROJECTED - RATE STUDY PERIOD				
		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
NUMBER OF METERS									
Growth Increase %		0.00%	0.00%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Total Water Meters	2,038	2,038	2,038	2,048	2,058	2,069	2,079	2,089	2,090
Total Meter Equivalents	3,259	3,259	3,259	3,275	3,292	3,308	3,325	3,341	3,358
WATER CONSUMPTION									
Residential									
<i>Annual Increase % Consumption</i>		0.0%	0.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Tier 1: 1 - 20 ccf	86,634	86,634	86,634	87,501	88,376	89,259	90,152	91,054	91,964
Tier 2: Over 20 ccf	<u>12,776</u>	<u>12,776</u>	<u>12,776</u>	<u>12,903</u>	<u>13,032</u>	<u>13,163</u>	<u>13,294</u>	<u>13,427</u>	<u>13,562</u>
Subtotal Residential	99,410	99,410	99,410	100,404	101,408	102,422	103,446	104,481	105,526
Commercial									
<i>Annual Increase % Consumption (1)</i>		0.0%	0.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Tier 1: 1 - 20 ccf	26,948	26,948	26,948	27,757	28,590	29,447	30,331	31,241	32,178
Tier 2: Over 20 ccf	<u>67,352</u>	<u>67,352</u>	<u>67,352</u>	<u>69,372</u>	<u>71,453</u>	<u>73,597</u>	<u>75,805</u>	<u>78,079</u>	<u>80,421</u>
Subtotal Commercial	94,300	94,300	94,300	97,129	100,043	103,044	106,135	109,320	112,599
Irrigation									
<i>Annual Increase % Consumption</i>		0.0%	0.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Tier 1: 1 - 20 ccf	12,344	12,344	12,344	12,591	12,843	13,100	13,362	13,629	13,902
Tier 2: Over 20 ccf	<u>66,656</u>	<u>66,656</u>	<u>66,656</u>	<u>67,989</u>	<u>69,349</u>	<u>70,736</u>	<u>72,150</u>	<u>73,593</u>	<u>75,065</u>
Subtotal Irrigation	79,000	79,000	79,000	80,580	82,192	83,835	85,512	87,222	88,967
Total Consumption									
<i>Annual Increase % Consumption</i>		0.0%	0.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Tier 1: 1 - 20 ccf	125,927	125,927	125,927	127,849	129,808	131,807	133,845	135,923	138,044
Tier 2: Over 20 ccf	<u>146,783</u>	<u>146,783</u>	<u>146,783</u>	<u>150,264</u>	<u>153,834</u>	<u>157,495</u>	<u>161,249</u>	<u>165,099</u>	<u>169,048</u>
Total Consumption	272,710	272,710	272,710	278,113	283,643	289,302	295,094	301,023	307,092

1 - The May 25, 2021 memo prepared by Jerry Flanagan shows projected SFPUC water purchases in 2025 to be 435,800 ccf/year, representing a 44.3% increase from the 2020 total water purchases of 302,003 ccf. His projections assume that Biotech Developments in Sierra Point will be built out by 2025 and does not include the UPC parcel at Sierra Point nor the future Baylands Development

2.6 Water Rate Design for Water Scenario #3

2.6.1 Current Water Rate Revenues - Fixed vs. Consumption Revenue Recovery

Table 23 summarizes the percentage of service charge revenues derived from the Fixed Charges versus the Consumption Charges. On average, the City collects roughly 15.0% of revenues from the Fixed Charges and 85.0% from the Consumption Charge. Based on input from staff, the City would like to maintain the current 15% fixed / 85% variable revenue recovery because the largest expense for the Water Utility is wholesale water purchases from SFPUC.

Table 23: Current Water Sales - Fixed vs. Variable Water Service Revenue
City of Brisbane
Water Utility Rate Study 2022

	Fixed Charges	Consumption Charges	Total Water Sales Revenues
Total Revenues City vs. GVMID			
City	\$283,555	\$1,351,795	\$1,635,350
<u>GVMID</u>	<u>\$198,935</u>	<u>\$1,410,981</u>	<u>\$1,609,916</u>
Total Water Sales Revenues	\$482,490	\$2,762,776	\$3,245,267
% of Total	14.9%	85.1%	100.0%
Total Revenues by Customer Class			
Residential	\$261,029	\$735,794	\$996,824
Commercial	\$179,813	\$1,010,745	\$1,190,557
<u>Irrigation</u>	<u>\$41,648</u>	<u>\$1,016,237</u>	<u>\$1,057,886</u>
Total Water Sales Revenues	\$482,490	\$2,762,776	\$3,245,267
% of Total	14.9%	85.1%	100.0%

Source: Utility Billing Data 2018-202 Water & sewer Export

2.6.2 Water Scenario #3: Annual Revenue Requirement Allocation

Table 24 shows the annual revenue requirement for *Scenario #3: 9.0% Annual Rate Increases* for the rate study period based on the cost allocation percentages from Table 20 and the total water rate revenue requirements for each year from the cash flow projection (Table 18). The fixed charge revenue requirement is based on the *meters and services* and *customer service* categories from the cost allocation. The consumption charge revenue requirement is based on the *base* and *extra* categories.

Table 24: Annual Revenue Requirement Allocation
City of Brisbane
Water Utility Rate Study 2022

	Cost Allocation %	PROJECTED - RATE STUDY PERIOD				
		2023/24	2024/25	2025/26	2026/27	2027/28
Total Revenue Requirement (1)		\$3,270,000	\$3,564,000	\$3,885,000	\$4,235,000	\$4,616,000
FIXED CHARGES						
Meters & Services	7.8%	\$253,425	\$276,210	\$301,088	\$328,213	\$357,740
<u>Customer Service Charge</u>	<u>7.8%</u>	<u>\$253,425</u>	<u>\$276,210</u>	<u>\$301,088</u>	<u>\$328,213</u>	<u>\$357,740</u>
Total Fixed Charges	15.5%	\$506,850	\$552,420	\$602,175	\$656,425	\$715,480
CONSUMPTION CHARGES						
Base	25.0%	\$817,500	\$891,000	\$971,250	\$1,058,750	\$1,154,000
<u>Extra</u>	<u>59.5%</u>	<u>\$1,945,977</u>	<u>\$2,120,936</u>	<u>\$2,311,964</u>	<u>\$2,520,249</u>	<u>\$2,746,982</u>
Total Consumption Charges	84.5%	\$2,763,477	\$3,011,936	\$3,283,214	\$3,578,999	\$3,900,982
TOTAL	100.0%	\$3,270,327	\$3,564,356	\$3,885,389	\$4,235,424	\$4,616,462

1 - From Cash Flow (Table 18, line 5)

2.6.3 Water Scenario #3: Water Fixed Charge Derivation

The rate derivation for the Fixed Charges is shown on Table 25. The total revenue requirement for *meter and services* are divided by the total number of meter equivalents. *Customer service* costs are divided amongst the total number of meters. These two categories are then combined into a single Fixed Charge that increases based on meter size.

For 2023/24, the proposed meter equivalent charge \$12.83 is multiplied by the corresponding meter equivalent ratio to calculate a charge for each meter size. The customer service charge of \$20.52 is added to the meter equivalent charge to derive a total fixed meter charge. The proposed total bimonthly Fixed Charge for a 5/8" or 3/4" meter is \$33.35 for 2023/24.

Table 25: Water Fixed Charge Derivation
City of Brisbane
Water Utility Rate Study 2022

		PROJECTED - RATE STUDY PERIOD				
		2023/24	2024/25	2025/26	2026/27	2027/28
REVENUE REQUIREMENT						
Meters & Services		\$253,425	\$276,210	\$301,088	\$328,213	\$357,740
Customer Service Charge		<u>\$253,425</u>	<u>\$276,210</u>	<u>\$301,088</u>	<u>\$328,213</u>	<u>\$357,740</u>
Total Fixed Charge Revenue Requirement		\$506,850	\$552,420	\$602,175	\$656,425	\$715,480
METER EQUIVALENT CHARGE						
Total Meter Equivalent Charge Revenue Requirement		\$253,425	\$276,210	\$301,088	\$328,213	\$357,740
Total Number of Meter Equivalents		<u>3,292</u>	<u>3,308</u>	<u>3,325</u>	<u>3,341</u>	<u>3,358</u>
Total Meter Equivalent Charge		\$12.83	\$13.92	\$15.09	\$16.37	\$17.76
Meter Equivalent Charge by Meter Size						
<u>Meter Size</u>	<u>Meter Ratio</u>					
5/8"	1.00	\$12.83	\$13.92	\$15.09	\$16.37	\$17.76
3/4"	1.00	\$12.83	\$13.92	\$15.09	\$16.37	\$17.76
1"	1.67	\$21.38	\$23.20	\$25.15	\$27.28	\$29.60
1-1/2"	3.33	\$42.77	\$46.40	\$50.30	\$54.57	\$59.20
2"	5.33	\$68.43	\$74.24	\$80.48	\$87.31	\$94.72
3"	10.67	\$136.85	\$148.48	\$160.96	\$174.61	\$189.44
4"	16.67	\$213.83	\$232.00	\$251.50	\$272.83	\$296.00
6"	33.33	\$427.67	\$464.00	\$503.00	\$545.67	\$592.00
CUSTOMER SERVICE CHARGE						
Total Customer Service Charge Revenue Requirement		\$253,425	\$276,210	\$301,088	\$328,213	\$357,740
Total Number of Meters		<u>2,058</u>	<u>2,069</u>	<u>2,079</u>	<u>2,089</u>	<u>2,090</u>
Total Customer Service Charge per Account		\$20.52	\$22.25	\$24.14	\$26.18	\$28.52
TOTAL BIMONTHLY FIXED CHARGE (1)						
<u>Meter Size</u>						
5/8"		\$33.35	\$36.17	\$39.23	\$42.55	\$46.28
3/4"		\$33.35	\$36.17	\$39.23	\$42.55	\$46.28
1"		\$41.90	\$45.45	\$49.29	\$53.46	\$58.12
1-1/2"		\$63.29	\$68.65	\$74.44	\$80.75	\$87.72
2"		\$88.95	\$96.49	\$104.62	\$113.49	\$123.24
3"		\$157.37	\$170.73	\$185.10	\$200.79	\$217.96
4"		\$234.35	\$254.25	\$275.64	\$299.01	\$324.52
6"		\$448.19	\$486.25	\$527.14	\$571.85	\$620.52

1 - Total Bimonthly Fixed Charge is the sum of the "Meter Equivalent Charge" by meter size plus the "Total Customer Service Charge per Account"

2.6.4 Water Scenario #3: Consumption Charge Derivation

Consumption charges are calculated based on the revenue requirements derived in Table 24 and the projected total consumption per tier calculated in Table 22. The revenue requirement for each year is divided by the projected consumption to derive a per unit cost, see Table 26. The *base* revenue requirement is used for Tier 1 and the *extra* revenue requirement is used for Tier 2. For 2023/24, the proposed rates are \$6.30 per ccf for Tier 1 and \$12.65 per ccf for Tier 2.

Table 26: Consumption Charge Rate Derivation
City of Brisbane
Water Utility Rate Study 2022

	PROJECTED - RATE STUDY PERIOD				
	2023/24	2024/25	2025/26	2026/27	2027/28
REVENUE REQUIREMENT					
Base Charge Revenue Requirement	\$817,500	\$891,000	\$971,250	\$1,058,750	\$1,154,000
<u>Extra Charge Revenue Requirement</u>	<u>\$1,945,977</u>	<u>\$2,120,936</u>	<u>\$2,311,964</u>	<u>\$2,520,249</u>	<u>\$2,746,982</u>
Total Consumption Charge Revenue Requirement	\$2,763,477	\$3,011,936	\$3,283,214	\$3,578,999	\$3,900,982
CONSUMPTION CHARGE DERIVATION					
All Customers					
Tier 1 Revenue Requirement	\$817,500	\$891,000	\$971,250	\$1,058,750	\$1,154,000
<u>Tier 1: 1-20 ccf Consumption (ccf)</u>	<u>129,808</u>	<u>131,807</u>	<u>133,845</u>	<u>135,923</u>	<u>138,044</u>
Tier 1 Rate per ccf	\$6.30	\$6.76	\$7.26	\$7.79	\$8.36
Tier 2 Revenue Requirement	\$1,945,977	\$2,120,936	\$2,311,964	\$2,520,249	\$2,746,982
<u>Tier 2: Over 20 ccf Consumption (ccf)</u>	<u>153,834</u>	<u>157,495</u>	<u>161,249</u>	<u>165,099</u>	<u>169,048</u>
Tier 2 Rate per ccf	\$12.65	\$13.47	\$14.34	\$15.27	\$16.25

2.6.5 Water Scenario #3: Proposed 5-Year Schedule of Rates

Table 27 summarizes the proposed bimonthly water rates. All customers including residential, commercial, and irrigation customers are proposed to be charged according to the proposed rate schedule shown. The estimated SFPUC Rate and Bond Surcharge is also shown for reference. The first rate change is proposed to take effect on July 1, 2023, with subsequent rate increases each July 1 through 2027.

Table 27: Proposed Bimonthly Water Rates
City of Brisbane
Water Utility Rate Study 2022

	RATE STUDY PERIOD				
	July 1, 2023	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027
FIXED CHARGES					
<u>Meter Size</u>					
5/8"	\$33.35	\$36.17	\$39.23	\$42.55	\$46.28
3/4"	\$33.35	\$36.17	\$39.23	\$42.55	\$46.28
1"	\$41.90	\$45.45	\$49.29	\$53.46	\$58.12
1-1/2"	\$63.29	\$68.65	\$74.44	\$80.75	\$87.72
2"	\$88.95	\$96.49	\$104.62	\$113.49	\$123.24
3"	\$157.37	\$170.73	\$185.10	\$200.79	\$217.96
4"	\$234.35	\$254.25	\$275.64	\$299.01	\$324.52
6"	\$448.19	\$486.25	\$527.14	\$571.85	\$620.52
CONSUMPTION CHARGES (per ccf)					
(1)					
<u>All Customers (Usage over 1 ccf)</u>					
Tier 1: 1- 20 ccf	\$6.30	\$6.76	\$7.26	\$7.79	\$8.36
Tier 2: Over 20 ccf	\$12.65	\$13.47	\$14.34	\$15.27	\$16.25

1 - 1 ccf (hundred cubic feet) = 748 gallons

2.6.6 Scenario #3: Water Bill Impacts

For FY 2023/24, the proposed 9.0% revenue adjustment in the cash flow does not directly correlate to a 9.0% increase in rates due to the cost of service reallocation and the updated rate structure. Because of the reallocation, the bill impacts to customers for the first year will vary based on customer class, meter size, and actual consumption. Moreover, water consumption, particularly for single family customers, typically varies due to seasonal variations in weather and/or other factors. Hence, a single customer could face a range of impacts throughout the year. Table 28 includes a sample of bill impacts for residential, commercial, and irrigation customers at different levels of water use.

Table 28: Sample Bimonthly Water Bill Impacts
City of Brisbane
Water Utility Rate Study 2022

RESIDENTIAL BILL IMPACTS - 5/8" METER

	Bimonthly Use (ccf)	Current Bill	Proposed				
			July 1, 2023	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027
Residential: 5/8" meter, 1 ccf							
Fixed Meter Charge - 5/8"		\$22.67	\$33.35	\$36.17	\$39.23	\$42.55	\$46.28
Consumption Charge							
Tier 1: 0 - 1 ccf	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Tier 2: 2 - 3 ccf	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Tier 3: 3 ccf	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Tier 4: 4 - 8 ccf	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Tier 5: 9 - 16 ccf	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Tier 6: Over 16 ccf	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Subtotal Consumption Charge	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Bimonthly Water Bill		\$22.67	\$33.35	\$36.17	\$39.23	\$42.55	\$46.28
\$ Change			\$10.68	\$2.82	\$3.06	\$3.32	\$3.73
% Change			47.1%	8.5%	8.5%	8.5%	8.8%
Residential: 5/8" meter, 4 ccf							
Fixed Meter Charge - 5/8"		\$22.67	\$33.35	\$36.17	\$39.23	\$42.55	\$46.28
Consumption Charge							
Tier 1: 0 - 1 ccf	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Tier 2: 2 - 3 ccf	1	\$2.17	\$6.30	\$6.76	\$7.26	\$7.79	\$8.36
Tier 3: 3 ccf	1	\$5.63	\$6.30	\$6.76	\$7.26	\$7.79	\$8.36
Tier 4: 4 - 8 ccf	1	\$7.00	\$6.30	\$6.76	\$7.26	\$7.79	\$8.36
Tier 5: 9 - 16 ccf	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Tier 6: Over 16 ccf	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Subtotal Consumption Charge	4	\$14.80	\$18.89	\$20.28	\$21.77	\$23.37	\$25.08
Total Bimonthly Water Bill		\$37.47	\$52.24	\$56.45	\$61.00	\$65.92	\$71.36
\$ Change			\$14.77	\$4.21	\$4.55	\$4.92	\$5.44
% Change			39.4%	8.1%	8.1%	8.1%	8.3%

	Bimonthly Use (ccf)	Current Bill	Proposed				
			July 1, 2023	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027
Residential: 5/8" meter, 10 ccf							
Fixed Meter Charge - 5/8"		\$22.67	\$33.35	\$36.17	\$39.23	\$42.55	\$46.28
Consumption Charge							
Tier 1: 0 - 1 ccf	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Tier 2: 2 - 3 ccf	1	\$2.17	\$6.30	\$6.76	\$7.26	\$7.79	\$8.36
Tier 3: 3 ccf	1	\$5.63	\$6.30	\$6.76	\$7.26	\$7.79	\$8.36
Tier 4: 4 - 8 ccf	5	\$35.00	\$31.49	\$33.80	\$36.28	\$38.95	\$41.80
Tier 5: 9 - 16 ccf	2	\$17.38	\$12.60	\$13.52	\$14.51	\$15.58	\$16.72
Tier 6: Over 16 ccf	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Subtotal Consumption Charge	10	\$60.18	\$56.68	\$60.84	\$65.31	\$70.10	\$75.24
Total Bimonthly Water Bill		\$82.85	\$90.03	\$97.01	\$104.54	\$112.65	\$121.52
\$ Change			\$7.18	\$6.98	\$7.53	\$8.11	\$8.86
% Change			8.7%	7.8%	7.8%	7.8%	7.9%
Residential: 5/8" meter, 20 ccf							
Fixed Meter Charge - 5/8"		\$22.67	\$33.35	\$36.17	\$39.23	\$42.55	\$46.28
Consumption Charge							
Tier 1: 0 - 1 ccf	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Tier 2: 2 - 3 ccf	1	\$2.17	\$6.30	\$6.76	\$7.26	\$7.79	\$8.36
Tier 3: 3 ccf	1	\$5.63	\$6.30	\$6.76	\$7.26	\$7.79	\$8.36
Tier 4: 4 - 8 ccf	5	\$35.00	\$31.49	\$33.80	\$36.28	\$38.95	\$41.80
Tier 5: 9 - 16 ccf	8	\$69.52	\$50.38	\$54.08	\$58.05	\$62.31	\$66.88
Tier 6: Over 16 ccf	4	\$44.20	\$25.19	\$27.04	\$29.03	\$31.16	\$33.44
Subtotal Consumption Charge	20	\$156.52	\$119.66	\$128.44	\$137.87	\$148.00	\$158.83
Total Bimonthly Water Bill		\$179.19	\$153.01	\$164.61	\$177.10	\$190.55	\$205.11
\$ Change			(\$26.18)	\$11.60	\$12.50	\$13.44	\$14.57
% Change			-14.6%	7.6%	7.6%	7.6%	7.6%
Residential: 5/8" meter, 40 ccf							
Fixed Meter Charge - 5/8"		\$22.67	\$33.35	\$36.17	\$39.23	\$42.55	\$46.28
Consumption Charge							
Tier 1: 0 - 1 ccf	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Tier 2: 2 - 3 ccf	1	\$2.17	\$6.30	\$6.76	\$7.26	\$7.79	\$8.36
Tier 3: 3 ccf	1	\$5.63	\$6.30	\$6.76	\$7.26	\$7.79	\$8.36
Tier 4: 4 - 8 ccf	5	\$35.00	\$31.49	\$33.80	\$36.28	\$38.95	\$41.80
Tier 5: 9 - 16 ccf	8	\$69.52	\$50.38	\$54.08	\$58.05	\$62.31	\$66.88
Tier 6: Over 16 ccf	24	\$265.20	\$278.19	\$296.37	\$315.78	\$336.46	\$358.43
Subtotal Consumption Charge	40	\$377.52	\$372.65	\$397.77	\$424.63	\$453.30	\$483.83
Total Bimonthly Water Bill		\$400.19	\$406.00	\$433.94	\$463.86	\$495.85	\$530.11
\$ Change			\$5.81	\$27.94	\$29.92	\$31.99	\$34.26
% Change			1.5%	6.9%	6.9%	6.9%	6.9%

RESIDENTIAL BILL IMPACTS - 3/4" METER

	Bimonthly Use (ccf)	Current Bill	Proposed				
			July 1, 2023	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027
Residential: 3/4" meter, 1 ccf							
Fixed Meter Charge – 3/4"		\$22.67	\$33.35	\$36.17	\$39.23	\$42.55	\$46.28
Consumption Charge							
Tier 1: 0 - 3 ccf	1	\$5.19	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Tier 2: 4 - 8 ccf	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Tier 3: 9 - 16 ccf	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<u>Tier 4: Over 16 ccf</u>	<u>0</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
Subtotal Consumption Charge	1	\$5.19	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Bimonthly Water Bill		\$27.86	\$33.35	\$36.17	\$39.23	\$42.55	\$46.28
\$ Change			\$5.49	\$2.82	\$3.06	\$3.32	\$3.73
% Change			19.7%	8.5%	8.5%	8.5%	8.8%
Residential: 3/4" meter, 4 ccf							
Fixed Meter Charge – 3/4"		\$22.67	\$33.35	\$36.17	\$39.23	\$42.55	\$46.28
Consumption Charge							
Tier 1: 0 - 3 ccf	3	\$15.57	\$12.60	\$13.52	\$14.51	\$15.58	\$16.72
Tier 2: 4 - 8 ccf	1	\$7.00	\$6.30	\$6.76	\$7.26	\$7.79	\$8.36
Tier 3: 9 - 16 ccf	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<u>Tier 4: Over 16 ccf</u>	<u>0</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
Subtotal Consumption Charge	4	\$22.57	\$18.89	\$20.28	\$21.77	\$23.37	\$25.08
Total Bimonthly Water Bill		\$45.24	\$52.24	\$56.45	\$61.00	\$65.92	\$71.36
\$ Change			\$7.00	\$4.21	\$4.55	\$4.92	\$5.44
% Change			15.5%	8.1%	8.1%	8.1%	8.3%
Residential: 3/4" meter, 10 ccf							
Fixed Meter Charge – 3/4"		\$22.67	\$33.35	\$36.17	\$39.23	\$42.55	\$46.28
Consumption Charge							
Tier 1: 0 - 3 ccf	3	\$15.57	\$12.60	\$13.52	\$14.51	\$15.58	\$16.72
Tier 2: 4 - 8 ccf	5	\$35.00	\$31.49	\$33.80	\$36.28	\$38.95	\$41.80
Tier 3: 9 - 16 ccf	2	\$17.38	\$12.60	\$13.52	\$14.51	\$15.58	\$16.72
<u>Tier 4: Over 16 ccf</u>	<u>0</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
Subtotal Consumption Charge	10	\$67.95	\$56.68	\$60.84	\$65.31	\$70.10	\$75.24
Total Bimonthly Water Bill		\$90.62	\$90.03	\$97.01	\$104.54	\$112.65	\$121.52
\$ Change			(\$0.59)	\$6.98	\$7.53	\$8.11	\$8.86
% Change			-0.7%	7.8%	7.8%	7.8%	7.9%

	Bimonthly Use (ccf)	Current Bill	Proposed				
			July 1, 2023	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027
Residential: 3/4" meter, 20 ccf							
Fixed Meter Charge – 3/4"		\$22.67	\$33.35	\$36.17	\$39.23	\$42.55	\$46.28
Consumption Charge							
Tier 1: 0 - 3 ccf	3	\$15.57	\$12.60	\$13.52	\$14.51	\$15.58	\$16.72
Tier 2: 4 - 8 ccf	5	\$35.00	\$31.49	\$33.80	\$36.28	\$38.95	\$41.80
Tier 3: 9 - 16 ccf	8	\$69.52	\$50.38	\$54.08	\$58.05	\$62.31	\$66.88
Tier 4: Over 16 ccf	<u>4</u>	<u>\$44.20</u>	<u>\$25.19</u>	<u>\$27.04</u>	<u>\$29.03</u>	<u>\$31.16</u>	<u>\$33.44</u>
Subtotal Consumption Charge	20	\$164.29	\$119.66	\$128.44	\$137.87	\$148.00	\$158.83
Total Bimonthly Water Bill		\$186.96	\$153.01	\$164.61	\$177.10	\$190.55	\$205.11
\$ Change			(\$33.95)	\$11.60	\$12.50	\$13.44	\$14.57
% Change			-18.2%	7.6%	7.6%	7.6%	7.6%
Residential: 3/4" meter, 40 ccf							
Fixed Meter Charge – 3/4"		\$22.67	\$33.35	\$36.17	\$39.23	\$42.55	\$46.28
Consumption Charge							
Tier 1: 0 - 3 ccf	3	\$15.57	\$12.60	\$13.52	\$14.51	\$15.58	\$16.72
Tier 2: 4 - 8 ccf	5	\$35.00	\$31.49	\$33.80	\$36.28	\$38.95	\$41.80
Tier 3: 9 - 16 ccf	8	\$69.52	\$50.38	\$54.08	\$58.05	\$62.31	\$66.88
Tier 4: Over 16 ccf	<u>24</u>	<u>\$265.20</u>	<u>\$278.19</u>	<u>\$296.37</u>	<u>\$315.78</u>	<u>\$336.46</u>	<u>\$358.43</u>
Subtotal Consumption Charge	40	\$385.29	\$372.65	\$397.77	\$424.63	\$453.30	\$483.83
Total Bimonthly Water Bill		\$407.96	\$406.00	\$433.94	\$463.86	\$495.85	\$530.11
\$ Change			(\$1.96)	\$27.94	\$29.92	\$31.99	\$34.26
% Change			-0.5%	6.9%	6.9%	6.9%	6.9%

COMMERCIAL BILL IMPACTS

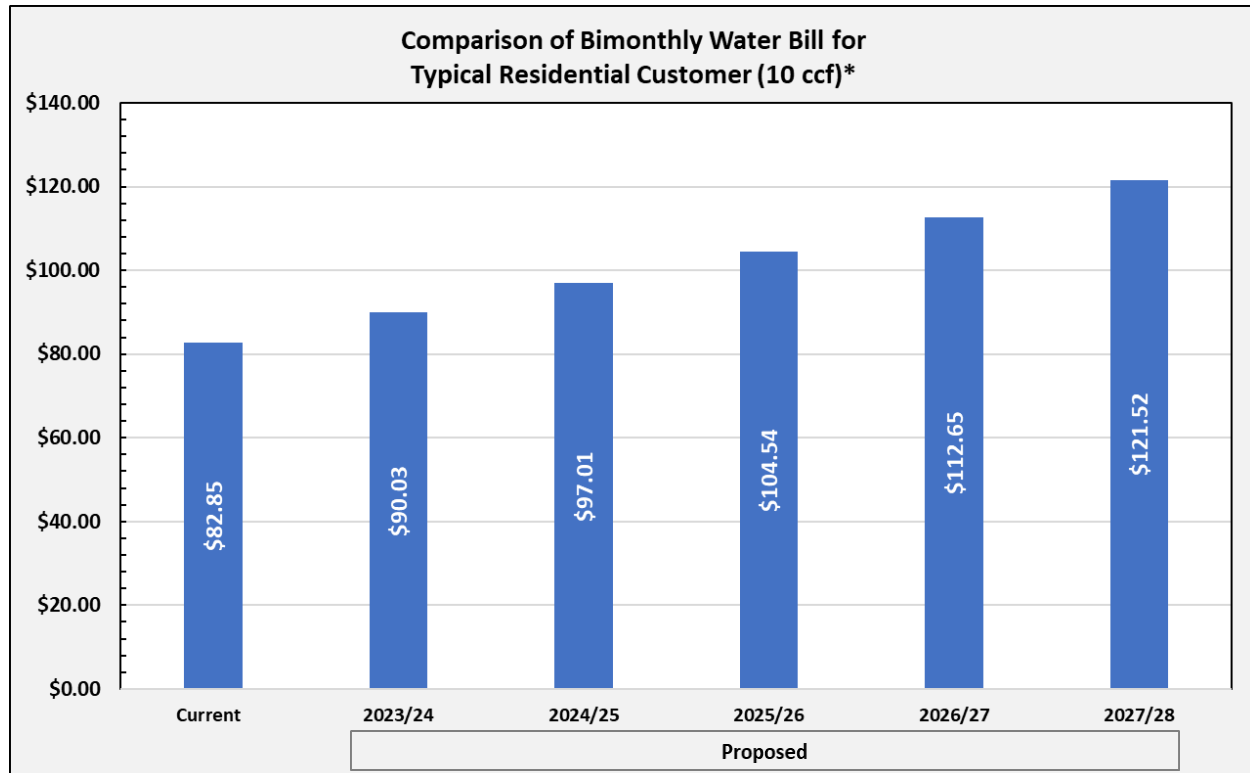
	Bimonthly Use (ccf)	Current Bill	Proposed				
			July 1, 2023	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027
Commercial: 5/8" meter, 10 ccf							
Fixed Meter Charge - 5/8"		\$35.07	\$33.35	\$36.17	\$39.23	\$42.55	\$46.28
Consumption Charge							
Tier 1: 0 - 8 ccf	8	\$41.58	\$44.08	\$47.32	\$50.80	\$54.53	\$58.52
Tier 2: 9 - 16 ccf	2	\$17.38	\$12.60	\$13.52	\$14.51	\$15.58	\$16.72
Tier 3: Over 16 ccf	<u>0</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
Subtotal Consumption Charge	10	\$58.96	\$56.68	\$60.84	\$65.31	\$70.10	\$75.24
Total Bimonthly Water Bill		\$94.03	\$90.03	\$97.01	\$104.54	\$112.65	\$121.52
\$ Change			(\$4.00)	\$6.98	\$7.53	\$8.11	\$8.86
% Change			-4.3%	7.8%	7.8%	7.8%	7.9%
Commercial: 1-1/2" meter, 40 ccf							
Fixed Meter Charge - 1-1/2"		\$0.00	\$33.35	\$36.17	\$39.23	\$42.55	\$46.28
Consumption Charge							
Tier 1: 0 - 8 ccf	8	\$56.00	\$44.08	\$47.32	\$50.80	\$54.53	\$58.52
Tier 2: 9 - 16 ccf	8	\$69.52	\$50.38	\$54.08	\$58.05	\$62.31	\$66.88
Tier 3: Over 16 ccf	<u>24</u>	<u>\$265.20</u>	<u>\$278.19</u>	<u>\$296.37</u>	<u>\$315.78</u>	<u>\$336.46</u>	<u>\$358.43</u>
Subtotal Consumption Charge	40	\$390.72	\$372.65	\$397.77	\$424.63	\$453.30	\$483.83
Total Bimonthly Water Bill		\$390.72	\$406.00	\$433.94	\$463.86	\$495.85	\$530.11
\$ Change			\$15.28	\$27.94	\$29.92	\$31.99	\$34.26
% Change			3.9%	6.9%	6.9%	6.9%	6.9%

IRRIGATION BILL IMPACTS

	Bimonthly Use (ccf)	Current Bill	Proposed				
			July 1, 2023	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027
Irrigation: 1-1/2" meter, 50 ccf							
Fixed Meter Charge - 5/8"		\$92.47	\$88.95	\$96.49	\$104.62	\$113.49	\$123.24
Consumption Charge							
Tier 1: 0 - 8 ccf	8	\$41.42	\$44.08	\$47.32	\$50.80	\$54.53	\$58.52
Tier 2: 9 - 16 ccf	8	\$90.80	\$50.38	\$54.08	\$58.05	\$62.31	\$66.88
Tier 3: Over 16 ccf	<u>34</u>	<u>\$448.46</u>	<u>\$455.29</u>	<u>\$484.91</u>	<u>\$516.51</u>	<u>\$550.17</u>	<u>\$585.93</u>
Subtotal Consumption Charge	50	\$580.68	\$549.75	\$586.31	\$625.36	\$667.01	\$711.32
Total Bimonthly Water Bill		\$673.15	\$638.70	\$682.80	\$729.98	\$780.49	\$834.56
\$ Change			(\$34.46)	\$44.10	\$47.18	\$50.51	\$54.07
% Change			-5.1%	6.9%	6.9%	6.9%	6.9%
Irrigation: 2" meter, 100 ccf							
Fixed Meter Charge - 2"		\$92.47	\$88.95	\$96.49	\$104.62	\$113.49	\$123.24
Consumption Charge							
Tier 1: 0 - 8 ccf	8	\$41.42	\$44.08	\$47.32	\$50.80	\$54.53	\$58.52
Tier 2: 9 - 16 ccf	8	\$90.80	\$50.38	\$54.08	\$58.05	\$62.31	\$66.88
Tier 3: Over 16 ccf	<u>84</u>	<u>\$1,107.96</u>	<u>\$1,087.78</u>	<u>\$1,158.24</u>	<u>\$1,233.40</u>	<u>\$1,313.42</u>	<u>\$1,398.42</u>
Subtotal Consumption Charge	100	\$1,240.18	\$1,182.24	\$1,259.64	\$1,342.25	\$1,430.26	\$1,523.81
Total Bimonthly Water Bill		\$1,332.65	\$1,271.19	\$1,356.13	\$1,446.87	\$1,543.75	\$1,647.05
\$ Change			(\$61.46)	\$84.94	\$90.74	\$96.88	\$103.30
% Change			-4.6%	6.7%	6.7%	6.7%	6.7%

Figure 5 below demonstrates the typical bimonthly water bill a residential customer with a 5/8" or 3/4" meter will be charged during each year of the five-year Proposition 218 period.

**Figure 5: Comparison of Bimonthly Water Bill for Typical Residential Customer
City of Brisbane
Water Utility Rate Study 2022**

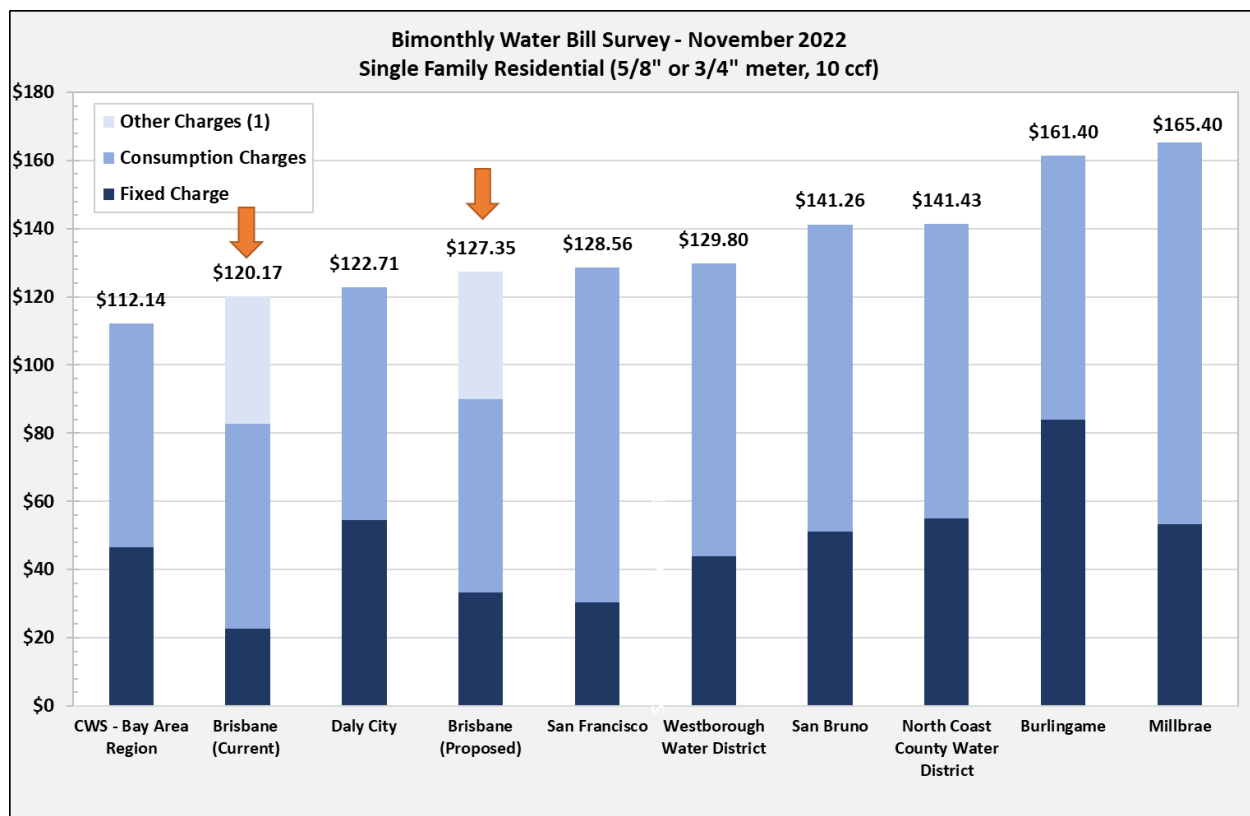


* Does not include Drought Surcharge or Capital Charge

2.6.7 Regional Water Bill Survey

The bar graph in Figure 6 below compares the City's current typical bimonthly residential water bill based on a 5/8" or 3/4" meter using 10 ccf over a 2-month period with the proposed 2023/24 bill. The bill estimates also include the Drought Contingency Charge (\$2.32) and half of the Capital Projects Charge that is evenly split with the Sewer Bill ($\$70/2 = \35). The City's bill is compared with those of other local agencies.

Figure 6: Bimonthly Water Bill Survey
City of Brisbane
Water Utility Rate Study 2022



2.7 Water Low Income Discount

To comply with Proposition 218's cost of service requirements, water rate revenues from one group of customers cannot be used to subsidize the rates of another group. Instead, the City could utilize non-rate revenues, such as General Fund revenues, interest earnings, or delinquent penalties to fund a low income discount program. Moreover, to eliminate the administrative burden of the City developing its own low-income criteria, it is recommended that the City provide assistance to low income residents who meet the criteria of other local assistance programs such as PG&E's CARE program.

The low income discount program should be reviewed annually by the City to determine whether the water fund has adequate non-rate revenues to fund the program. Because non-water rate revenues will be used to pay for the discount, the amount of the low income discount is based on the discretion of the City.

Table 29 calculates a sample low income discount for water that is funded from a General Fund transfer. This transfer is estimated at \$37,500 for the current year. The City estimates that approximately 400 customers or about 24.0% of all accounts could qualify for a discount based on the PG&E's CARE program requirements. Based on 400 customers, the table shows a bimonthly discount of approximately \$15.60 per customer. For an average residential customer (10 ccf bimonthly use), this equates to a 17.3% discount off the proposed bimonthly bill for July 1, 2023.

Table 29: Water Low Income Discount
City of Brisbane
Water Utility Rate Study 2022

Total Number of Residential Water Customers	1,650
Estimated Number of Customers Eligible for Discount	400
Total Est. Water Low Income Discount Revenue	\$37,500
Annual Discount per Customer	\$93.80
Bimonthly Discount per Customer	\$15.60
Proposed Average Bimonthly Water Bill (10 ccf) for July 1, 2023	\$90.03
Proposed Average Bimonthly Water Bill (10 ccf) with Discount for July 1, 2023	\$74.43
<i>% of Discount</i>	<i>17.3%</i>

SECTION 3: SEWER RATE STUDY

The City of Brisbane provides sewer service to approximately 1,900 residents, several commercial areas, and some light industrial development. On average, the City's sewage effluent totals approximately 173,000 ccf each year. The last sewer rate study was conducted in 2001, and sewer rates for operations have not increased since 2012. Based on City billing records, the current average monthly residential sewer flow is 5 ccf per month, or a total of 10 ccf per bimonthly billing period. The average sewer bill is currently \$106.67 per bimonthly billing period (not including Capital Project Charges).

3.1 Current Wastewater Rates

A schedule of current bimonthly wastewater rates is provided in Table 30. The City's current rate structure includes two components: (a) a Fixed Charge and (b) a Variable Rate.

3.1.1 Fixed Charge

All customers are charged the same Fixed Charge. The Fixed Charge is the minimum charge for all customers. Even when a customer does not use the sewer system, the City incurs fixed costs associated with maintaining the ability or readiness to serve each connection.

The Fixed Charges are intended to recover the City's fixed expenses and currently generate about 40.0% of total wastewater rate revenues. Fixed costs include staffing, customer service, debt service, system maintenance, and repairs.

3.1.2 Variable Rate

In addition to the Fixed Charge, customers pay a Variable Rate per ccf based on a two-tiered rate structure that varies based on customer class. For residential customers, sewer flow is approximated using winter consumption for the four-month period between October and January. Commercial accounts are billed according to three customer strength categories.

The Variable Rate is intended to recover costs that vary based on the amount of sewer flow and currently generate roughly 60.0% of total wastewater rate revenues. Variable expenses include treatment costs from the City of San Francisco, utilities, and chemicals.

3.1.3 Capital Project Charge

In April of 2014, the City Council approved the first Capital Project Charge to pay for infrastructure projects for the water and sewer systems. The projects are based on the City's Capital Improvement Plan which outlines the need for approximately \$5 million in projects every five years. The policy adopted in 2014 included placing a new Capital Project Charge on the water and sewer bill four times over a twenty-year period. The second charge should have been implemented in 2020 but was delayed due to the impacts of COVID. To prevent further delays in completing the projects, the City Council adopted the second of four increases to the Capital Project Charge in October 2022.

The Capital Project Charge is levied according to a tiered rate system based on springtime usage (mid-February through mid-June) to ensure that lower water users pay less than higher users. Total Capital Project Charge revenue is evenly split between the water and sewer funds. The Capital Project Charge will not be reviewed or analyzed in this study.

Table 30: Current Bi-Monthly Sewer Rates (Effective 10/15/12)
City of Brisbane
Sewer Utility Rate Study 2022

RESIDENTIAL	Bimonthly Charge
Flat Charge	\$68.87
Variable Charge [1]	
Tier 1: 0 - 8 ccf	\$2.81
Tier 2: Over 8 ccf	\$7.66
COMMERCIAL [2]	Bimonthly Charge
Standard	
Flat Charge	\$68.87
Variable Charge	
Tier 1: 0 - 8 ccf	\$3.84
Tier 2: Over 8 ccf	\$7.66
Medium	
Flat Charge	\$68.87
Variable Charge	
Tier 1: 0 - 8 ccf	\$5.68
Tier 2: Over 8 ccf	\$9.74
Heavy	
Flat Charge	\$68.87
Variable Charge	
Tier 1: 0 - 8 ccf	\$7.59
Tier 2: Over 8 ccf	\$11.82

1 - Residential bill is based on winter consumption (Oct, Nov, Dec & Jan)

2 - Standard: offices, retail establishments without restaurant, warehouses, churches, and schools

Medium: automotive services, retail establishments or offices with restaurant, laundromats, and markets

Heavy: restaurants, food preparation establishments, printing shops, metal fabrication shops, and laboratories.

3.2 Wastewater System Overview

3.2.1 Wastewater System

Wastewater is collected and conveyed by the sewer gravity system, force mains, and four City-owned lift stations: Hitachi Lift Station, Harbor Lift Station, Sierra Point Lift Station, and Valley Drive Lift Station.

The sewer collection system consists of more than 80,000 feet of laterals, mains, trunks, and 20,000 feet of forcemains ranging in size from 6 to 24 inches in diameter. The majority of the wastewater collected within the City's service area flows by gravity or is pumped by privately owned lift stations to one of the City's lift stations. From the Valley Drive Lift Station, all wastewater in the City and GVMID service areas is then pumped to the Southeast Water Pollution Control Plant in San Francisco via the Candlestick Interceptor Trunk Line.

3.2.2 Sewer Customers and Flow

Table 31 includes the current number of accounts and flow by customer strength. Residential customers represent about 87.0% of total accounts and roughly 52.0% of total flow.

**Table 31: Current Sewer Accounts & Flow by Customer Class
City of Brisbane
Sewer Utility Rate Study 2022**

	Current	% of Total
NO. OF ACCOUNTS (1)		
Residential	1,669	87.0%
Standard Commercial	215	11.2%
Medium Commercial	8	0.4%
<u>Heavy Commercial</u>	<u>26</u>	<u>1.4%</u>
Total	1,918	100.0%
SEWER FLOW		
Residential	89,719	51.9%
Standard Commercial	37,290	21.6%
Medium Commercial	4,261	2.5%
<u>Heavy Commercial</u>	<u>41,651</u>	<u>24.1%</u>
Total	172,921	100.0%

1 - Based on 2021 billing data

3.3 Wastewater Financial Plan

3.3.1 Sewer Reserves

For accounting purposes, the City's Utility Fund (Fund 540) combines water and sewer finances into one fund. As of July 1, 2020, the total fund balance for the Utility Fund (Fund 540) in "Cash and investments" was approximately \$7.7 million. However, for the purposes of this study, the total reserves have been allocated between the water and sewer funds as shown on Table 32. Because the Sewer Utility has been operating in a deficit, additional reserves have been assigned to sewer to mitigate rate increases.

Table 32: Utility Fund (Fund 540) Reserves
City of Brisbane
Sewer Utility Rate Study 2022

Fund	Beginning Balance as of June 30, 2021
Total Utility Fund (Fund 540) Reserves (1)	\$7,656,890
Water Utility Reserves (2)	\$2,828,445
Sewer Utility Reserves (2)	\$4,828,445

1) Cash and investments (Unaudited Financials).

Source: Proprietary Funds, Statement of Net Position, June 30, 2020

2) Includes GVMID

Adequate fund reserves protect the City when faced with unforeseen financial challenges such as emergency expenses or revenue deficits. Fund reserves allow the City to maintain its financial health and positive credit ratings, especially during emergencies. Moreover, funding can be drawn from reserves to supplement rate revenues lost during drought conditions or other unexpected situations. It is acceptable if reserves dip below the target on a temporary basis, provided the City takes action to attain the target over the longer run.

The City currently has the following sewer reserve fund target:

- *Operating Reserve*: The fund balance target is equal to 25% of annual operating expenses per City policy. This is in line with industry standards that recommend an operating reserve target of at least 25% of annual expenses to account for the time (at least 4 months) that it would take an agency to approve new rate increases to comply with Proposition 218.

3.3.2 Sewer Revenues

Table 33 shows a history of revenues for the City's Utility Fund (Fund 540). The "Water Sales" revenues are evenly split between City Water and GVMID Water. "Sewer Service Charges" are evenly split between City Sewer and GVMID Sewer. The "GVMID Only" tax revenues are divided evenly by the three GVMID utilities (GVMID water, sewer, and storm drain) to ensure that storm drain revenues are not included in this study. All Other Revenues including "Investment Earnings," "Low Income Rate Assistance," and "Capital Charge" are divided evenly amongst the four utilities.

Table 33: Utility Fund (Fund 540) Budgeted Revenues
City of Brisbane
Sewer Utility Rate Study 2022

REVENUE CATEGORY	Actual 2018/19	Budgeted		
		2019/20	2020/21	2021/22
WATER ONLY (1)				
40801 Water Sales	\$3,050,110	\$2,950,000	\$2,750,000	\$3,000,000
40804 Meter Connection Fees	\$68,663	\$20,000	\$20,000	\$20,000
40805 Fire Service Charges	\$118,952	\$115,000	\$115,000	\$115,000
40806 Altamar Meter Reading Fee	\$7,656	\$7,500	\$7,500	\$7,500
<u>Drought Reserve Charge</u>	<u>\$95,481</u>	<u>\$120,000</u>	<u>\$100,000</u>	<u>\$100,000</u>
Total Water Only	\$3,340,862	\$3,212,500	\$2,992,500	\$3,242,500
SEWER ONLY (2)				
40820 Sewer Service Charges	\$2,188,866	\$2,200,000	\$2,000,000	\$2,000,000
40821 <u>Sewer Connection Fees</u>	<u>\$123,706</u>	<u>\$3,000</u>	<u>\$3,000</u>	<u>\$3,000</u>
Total Sewer Only	\$2,312,572	\$2,203,000	\$2,003,000	\$2,003,000
GVMID ONLY (3)				
40101 Current Secured Tax	\$27,358	\$29,000	\$29,000	\$29,000
40102 Current Unsecured Tax	\$1,513	\$1,500	\$1,500	\$1,500
40103 Prior Year Tax	(\$1)	\$0	\$0	\$0
40105 Supplemental Property Taxes	\$1,048	\$0	\$0	\$0
40108 Property Tax from RDA	\$2,866	\$100	\$100	\$100
40150 <u>ERAF</u>	<u>\$134</u>	<u>\$100</u>	<u>\$100</u>	<u>\$100</u>
Total GVMID	\$32,918	\$30,700	\$30,700	\$30,700
ALL OTHER REVENUES (4)				
40501 Investment Earnings	\$133,599	\$50,000	\$50,000	\$50,000
40503 Unrealized-Gain/Loss	\$96,152	\$0	\$0	\$0
40609 H.O.P.T.R	\$121	\$100	\$100	\$100
40770 Processing Fee	\$5,472	\$0	\$0	\$0
40802 Account Open/Reconnections	\$2,987	\$3,000	\$3,000	\$3,000
40803 Late Payment Charges	\$8,117	\$10,000	\$10,000	\$10,000
40810 Less: Low Income Rate Assistance	(\$42,336)	(\$50,000)	(\$75,000)	(\$75,000)
40825 Capital Charge	\$378,443	\$365,000	\$365,000	\$365,000
40941 Returned Check Fees	\$75	\$0	\$0	\$0
40959 Reimbursed Expenses - Current Year	\$3,541	\$0	\$0	\$0
40961 <u>Transfers from Other Funds</u>	<u>\$43,000</u>	<u>\$50,000</u>	<u>\$75,000</u>	<u>\$75,000</u>
Total All Other Revenues	\$629,172	\$428,100	\$428,100	\$428,100
TOTAL REVENUES	\$6,315,524	\$5,874,300	\$5,454,300	\$5,704,300

Source: Budget 2020_2022

1 - Divided by 2 between City Water & GVMID Water

2 - Divided by 2 between City Sewer & GVMID Sewer

3 - Divided by 3 between GVMID Water, Sewer, & Stormwater

4 - Divided by 4 between City Water, City Sewer, GVMID Water, & GVMID Sewer

Table 34 summarizes total revenues for the Sewer Utility. For 2022/23, Sewer Service Revenues are estimated at \$2 million with total sewer revenues projected at \$2.2 million.

Table 34: Sewer Utility Revenues
City of Brisbane
Sewer Utility Rate Study 2022

	Actual 2018/19	Budget		
		2019/20	2020/21	2021/22
SEWER REVENUES				
Sewer Service Revenues	\$2,188,866	\$2,200,000	\$2,000,000	\$2,000,000
Sewer Connection Fees	\$123,706	\$3,000	\$3,000	\$3,000
All Other Revenues (1)	\$314,586	\$214,050	\$214,050	\$214,050
Total	\$2,627,158	\$2,417,050	\$2,217,050	\$2,217,050
Percent Change		-8.0%	-8.3%	0.0%

1 – All other revenues divided by 2 (Table 33)

3.3.3 Sewer Expenses

Table 35 summarizes the operating expenses for the Sewer Utility (Fund 6130) based on the budget. On average, operating expenses have increased by 9.1% over the past 4 years. The most significant increase was for “Service and Supplies” which includes treatment costs from the City of San Francisco.

Table 35: Sewer Utility (Fund 6130) Operating Expenses
City of Brisbane
Sewer Utility Rate Study 2022

Expense	Actual 2018/19	Budgeted			Avg Annual Increase
		2019/20	2020/21	2021/22	
Salaries	\$267,242	\$233,759	\$322,891	\$335,165	
<i>Percent Change</i>	1.9%	-12.5%	38.1%	3.8%	5.0%
Payroll Taxes	\$4,062	\$3,357	\$4,421	\$4,599	
<i>Percent Change</i>	3.6%	-17.4%	31.7%	4.0%	3.2%
Benefits	\$122,495	\$143,745	\$158,152	\$184,923	
<i>Percent Change</i>	1.9%	17.3%	10.0%	16.9%	9.0%
Insurance	\$24,716	\$24,664	\$37,974	\$38,113	
<i>Percent Change</i>	22.5%	-0.2%	54.0%	0.4%	13.6%
Supplies and Services	\$1,125,704	\$1,128,565	\$1,230,164	\$1,487,945	
<i>Percent Change</i>	32.0%	0.3%	9.0%	21.0%	11.8%
Admin Charges and Credits	\$258,621	\$289,277	\$331,504	\$337,027	
<i>Percent Change</i>	3.2%	11.9%	14.6%	1.7%	6.1%
TOTAL CITY SEWER OPERATING EXPENSES	\$1,887,323	\$1,927,367	\$2,170,105	\$2,472,772	
<i>Percent Change</i>	18.1%	2.1%	12.6%	13.9%	9.1%

Source: Budget 2020_2022

Table 36 summarizes the operating expenses for GVMID Utility (Fund 6120). On average, operating expenses have increased by 7.0% over the past 4 years. Each expense category is divided by 3 to determine how much should be allocated to the Water Utility, Sewer Utility, and GVMID storm water. GVMID storm water expenses are not included in this study.

Table 36: GVMID Combined Utility (Fund 6120) Operating Expenses
City of Brisbane
Sewer Utility Rate Study 2022

Expense (1)	Actual 2018/19	Budgeted			Avg Annual Increase	2021/22 Budget per Utility (2)
		2019/20	2020/21	2021/22		
Salaries	\$180,809	\$179,236	\$333,150	\$345,879		\$115,293
<i>Percent Change</i>	-5.3%	-0.9%	85.9%	3.8%	17.6%	
Payroll Taxes	\$3,987	\$2,306	\$4,584	\$4,769		\$1,590
<i>Percent Change</i>	39.2%	-42.2%	98.8%	4.0%	4.6%	
Benefits	\$98,172	\$95,450	\$153,452	\$181,974		\$60,658
<i>Percent Change</i>	0.8%	-2.8%	60.8%	18.6%	16.7%	
Insurance	\$15,567	\$16,406	\$39,376	\$39,521		\$13,174
<i>Percent Change</i>	-7.8%	5.4%	140.0%	0.4%	26.2%	
Supplies and Services	\$1,105,804	\$1,166,543	\$1,165,054	\$1,291,240		\$430,413
<i>Percent Change</i>	41.8%	5.5%	-0.1%	10.8%	4.0%	
Admin Charges and Credits	\$303,900	\$335,321	\$341,554	\$380,262		\$126,754
<i>Percent Change</i>	-2.0%	10.3%	1.9%	11.3%	5.8%	
TOTAL GVMID UTILITY OPERATING EXPENSES	\$1,708,239	\$1,795,263	\$2,037,171	\$2,243,645		\$747,882
<i>Percent Change</i>	22.2%	5.1%	13.5%	10.1%	7.1%	

Source: Budget 2020_2022

1 - Does not include expenses to "Operate a Storm Drain System" or Depreciation

2 - Budget divided by the 3 GVMID utilities (water, sewer, & storm water)

Table 37 combines the Sewer Utility (Fund 6130) Operating Expenses from Table 35 with the GVMID Combined Utility (Fund 6120) Operating Expenses from Table 36 to determine total Sewer Utility expenses for the past 4 years.

Table 37: Sewer Utility Combined Operating Expenses
City of Brisbane
Sewer Utility Rate Study 2022

Expense (1)	Actual 2018/19	Budget		
		2019/20	2020/21	2021/22
Salaries	\$327,511	\$293,505	\$433,940	\$450,458
Payroll Taxes	\$5,391	\$4,125	\$5,949	\$6,188
Benefits	\$155,219	\$175,562	\$209,302	\$245,581
Insurance	\$29,905	\$30,133	\$51,099	\$51,287
Supplies and Services	\$1,494,306	\$1,517,413	\$1,618,515	\$1,918,359
Admin Charges and Credits	<u>\$359,921</u>	<u>\$401,051</u>	<u>\$445,356</u>	<u>\$463,781</u>
TOTAL SEWER OPERATING EXPENSES	\$2,372,253	\$2,421,788	\$2,764,162	\$3,135,654
<i>Percent Change</i>	<i>20.1%</i>	<i>2.1%</i>	<i>14.1%</i>	<i>13.4%</i>

Source: Budget 2020_2022

1 - Does not include Depreciation

Table 38 below provides a projection of estimated costs for the next 5 years through 2027/28. Escalation factors were determined using City input. Supplies and Services which includes treatment costs is projected to increase by 10.0% each year. Salaries and Benefits are projected to increase by 4.0% each year. Insurance is increased by 5.0% per year, and Admin Charges and Credits are escalated by 3.0% each year. Overall, based on the escalation factors shown, total sewer operating expenses are projected to increase by approximately 8.0% each year.

Table 38: Sewer Utility Projection of Future Operating Expenses
City of Brisbane
Sewer Utility Rate Study 2022

Expense (1)	Budget 2021/22	Escalation Factor	Projected 2022/23	Years 1-5: Proposition 218				
				2023/24	2024/25	2025/26	2026/27	2027/28
Salaries	\$450,458	4.0%	\$468,000	\$487,000	\$506,000	\$526,000	\$547,000	\$569,000
Payroll Taxes	\$6,188	4.0%	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
Benefits	\$245,581	4.0%	\$255,000	\$265,000	\$276,000	\$287,000	\$298,000	\$310,000
Insurance (2)	\$51,287	5.0%	\$56,000	\$59,000	\$62,000	\$65,000	\$68,000	\$71,000
Supplies and Services	\$1,918,359	10.0%	\$2,115,000	\$2,327,000	\$2,560,000	\$2,816,000	\$3,098,000	\$3,408,000
Admin Charges and Credits	<u>\$463,781</u>	4.0%	<u>\$482,000</u>	<u>\$501,000</u>	<u>\$521,000</u>	<u>\$542,000</u>	<u>\$564,000</u>	<u>\$587,000</u>
TOTAL SEWER OPERATING EXPENSES	\$3,135,654		\$3,382,000	\$3,645,000	\$3,931,000	\$4,242,000	\$4,581,000	\$4,951,000
Percent Change	13.4%		7.9%	7.8%	7.8%	7.9%	8.0%	8.1%

Source: Budget 2020_2022

1 - Does not include Depreciation

2 - Insurance anticipated to increase by 10% in 2023/23

3.3.4 Sewer Treatment Costs

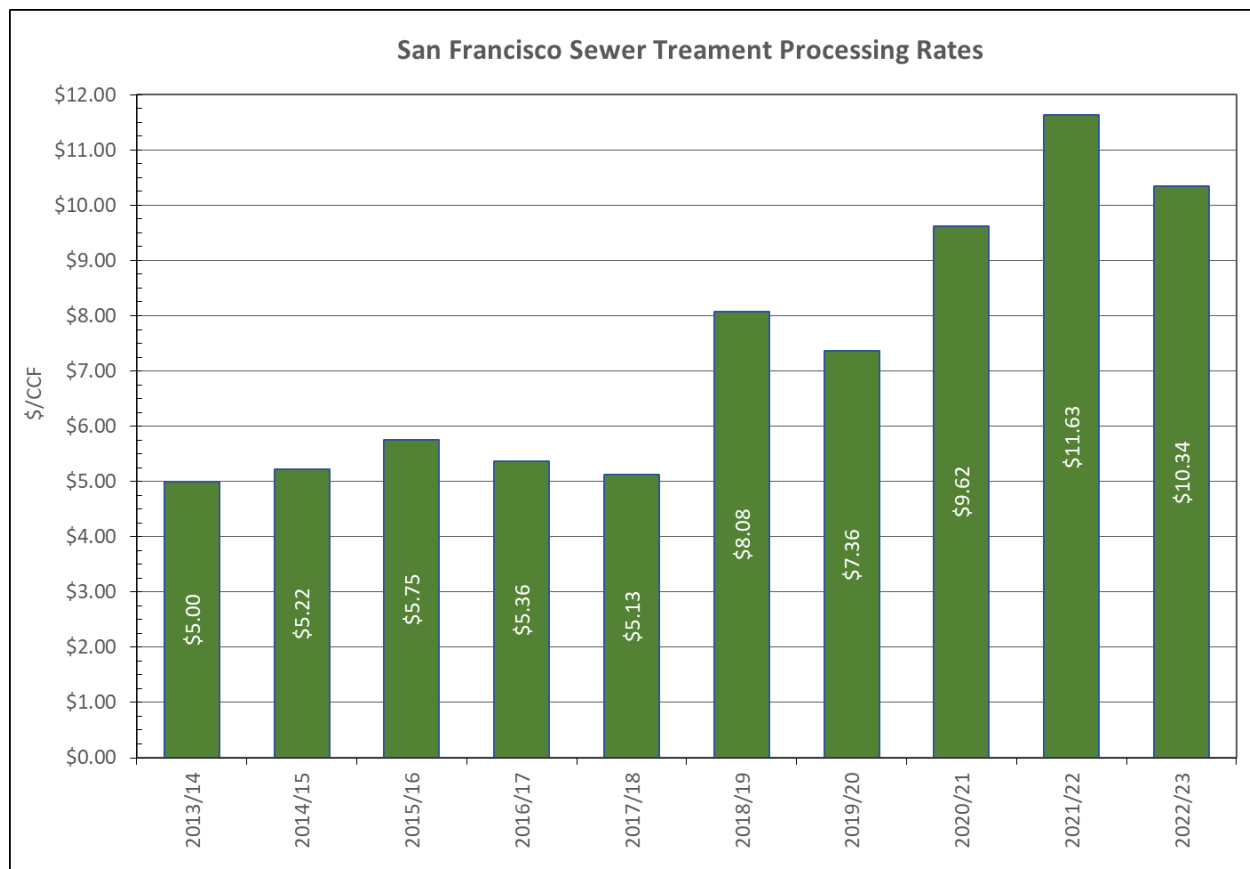
As shown on Table 39, sewer treatment costs are the largest expense for the Sewer Utility, accounting for 54.1% of total operating expenses in 2022/23.

Table 39: Sewer Treatment Processing Costs
City of Brisbane
Sewer Utility Rate Study 2022

	Budget				Projected 2022/23
	2018/19	2019/20	2020/21	2021/22	
Treatment Rate per ccf	\$8.08	\$7.36	\$9.62	\$11.63	\$10.34
Estimated Total Sewer Flow	172,000	172,000	173,000	173,000	177,000
Total Treatment Costs	\$1,389,760	\$1,265,920	\$1,664,260	\$2,011,990	\$1,830,180
Total Sewer Operating Expenses	\$2,372,253	\$2,421,788	\$2,764,162	\$3,135,654	\$3,382,000
% of Total Treatment Costs/ Total Sewer Operating Expenses	58.6%	52.3%	60.2%	64.2%	54.1%

Figure 7 shows a history of treatment processing rates set by San Francisco. Since 2013/14, the cost for treatment has more than doubled from \$5.00 per ccf to \$10.34 per ccf for 2022/23. Meanwhile, the City has not increased its operational sewer rates since 2012. To be conservative, this study estimates that rates will increase by 10.0% each year during the rate study period.

Figure 7: Historical San Francisco Treatment Processing Rates
City of Brisbane
Sewer Utility Rate Study 2022



3.3.5 Sewer Net Revenues

Table 40 shows a history of the Sewer Utility's net revenues. The Sewer Utility has been operating in a deficit in which expenses exceed revenues. The 2021/22 budget is projecting a deficit of approximately \$1.2 million which means that the Sewer Fund will need to rely on reserves to cover expenses and will not meet debt coverage.

Table 40: Sewer Net Revenues
City of Brisbane
Sewer Utility Rate Study 2022

	Actual 2018/19	Budget		
		2019/20	2020/21	2021/22
SEWER REVENUES				
Sewer Service Revenues	\$2,188,866	\$2,200,000	\$2,000,000	\$2,000,000
<u>Other Revenues</u>	<u>\$438,292</u>	<u>\$217,050</u>	<u>\$217,050</u>	<u>\$217,000</u>
Total	\$2,627,158	\$2,417,050	\$2,217,050	\$2,217,000
SEWER EXPENSES				
Operating	\$2,372,253	\$2,421,788	\$2,764,162	\$3,135,654
<u>Debt Service</u>	<u>\$312,156</u>	<u>\$313,906</u>	<u>\$315,156</u>	<u>\$318,344</u>
Subtotal	\$2,684,409	\$2,735,695	\$3,079,318	\$3,453,998
TOTAL NET REVENUES	(\$57,251)	(\$318,645)	(\$862,268)	(\$1,236,998)

3.3.6 Debt Service

The Sewer Utility currently has one outstanding debt obligation that is shared with the Water Utility – the 2015 Utility Revenue Bonds for \$8.3 million. Total debt service for 2022/23 is \$632,063. Debt service payments are split evenly between the Water Utility and Sewer Utility, see Table 41.

Table 41: 2015 Utility Revenue Bonds - Debt Service Schedule
City of Brisbane
Sewer Utility Rate Study 2022

Fiscal Year Ending June 30	Principal	Interest	Total Debt Service (1)
2016	\$170,000	\$247,103	\$417,103
2017	\$305,000	\$327,763	\$632,763
2018	\$310,000	\$318,513	\$628,513
2019	\$320,000	\$304,313	\$624,313
2020	\$340,000	\$287,813	\$627,813
2021	\$360,000	\$270,313	\$630,313
2022	\$385,000	\$251,688	\$636,688
2023	\$400,000	\$232,063	\$632,063
2024	\$415,000	\$211,688	\$626,688
2025	\$440,000	\$190,313	\$630,313
2026	\$455,000	\$167,938	\$622,938
2027	\$480,000	\$149,363	\$629,363
2028	\$490,000	\$134,813	\$624,813
2029	\$510,000	\$119,175	\$629,175
2030	\$525,000	\$102,356	\$627,356
2031	\$540,000	\$84,713	\$624,713
2032	\$570,000	\$65,625	\$635,625
2033	\$305,000	\$50,313	\$355,313
2034	\$320,000	\$39,175	\$359,175
2035	\$330,000	\$23,063	\$353,063
2036	\$340,000	\$6,375	\$346,375
TOTALS	\$8,310,000	\$3,584,471	\$11,894,471

(1) Debt service is allocated 50% to the Water Utility and 50% to the Sewer Utility.

Debt Service Coverage

A chief covenant for the City to secure State loans/grants or revenue bonds/Certificates of Participation (COPs) is to maintain a specific debt service coverage ratio. A debt service coverage ratio is a financial measure of an agency's ability to repay outstanding debt. For the 2015 Utility Revenue Bonds, the debt service coverage ratio means that annual water net revenues (gross revenues less operating and maintenance expenses) must be at least 1.25 times the combined annual debt service payments on all

parity obligations. Failure to meet the debt service coverage ratio on an annual basis is considered to be technical default, thereby making the revenue bonds/COPs callable or payable upon demand. Thus, rates and fees must be set to meet this legal requirement. Moreover, failing to meet debt service coverage may hinder the City's ability to qualify for future bond funding.

3.3.7 Sewer Cash Flow Objectives

With input from City Staff, L&T developed three sewer cash flow scenarios based on the following three financial objectives. These goals are indicators of the overall fiscal health of the Sewer Utility:

1. Meet debt service coverage
 - a. The debt service coverage ratio for the 2015 bonds is 1.25x.
 - b. Ratio is calculated as Net Operating Revenue/Total Debt service
2. Meet Sewer Utility reserve targets
 - a. Operating Reserve Target = 25.0% of annual operating costs
3. Maintain positive net revenues
 - a. To ensure that the Sewer Utility is covering its cost of service
 - b. To avoid an operating deficit and dipping into reserves

3.3.8 Sewer Cash Flow Scenarios

The cash flow scenarios are as follows:

- *Sewer Scenario #1: No Rate Increases*
 - This scenario shows what would happen if the City did not increase the sewer rates. Without rate increases, the projections show that the Sewer Utility will continue to operate in a deficit and will not meet debt service coverage. Additionally, the Sewer Utility will draw down all of its reserves by the end of 2024/25.
- *Sewer Scenario #2: 8.0% Annual Rate Increases*
 - This scenario shows the impact to the Sewer Utility with 8.0% annual rate increases to cover operating cost inflation. With *Scenario #2*, the projections show that the Sewer Utility will continue to operate in a deficit and will not meet debt service coverage. Additionally, the Sewer Utility will draw down all of its reserves by the end of 2024/25.
- *Sewer Scenario #3: 25.0% Annual Rate Increases*
 - This scenario shows the impact to the Sewer Utility with annual 25.0% annual rate increases. With *Scenario #3*, the Sewer Utility would meet debt service coverage by 2026/27. The Sewer Utility will likely draw down its reserves by 2024/25 but will meet its operating reserve fund targets by 2029/30.

3.3.9 Sewer Cash Flow Assumptions

The cash flows are based on the 2021/22 budget and are based on the following assumptions:

- **Revenues**
 - Total Sewer Service Charge revenues are estimated at \$2.0 million based on the 2021/22 budget.

- Rate increases will go into effect on July 1 of each year, beginning in 2023 through 2027.
- The Capital Charge is increased by \$85,000 beginning in December 2022 and then \$170,000 in 2023/24. The total estimated increase in the Capital Charge is estimated at \$700,000 and is split evenly with the Sewer Utility.
- Interest is increased by 1% each year.
- All other revenues are increased by 3% each year.
- The Low Income Rate Assistance contribution from the General Fund remains at \$75,000 per year and is divided evenly between water and sewer.
- Growth is estimated at 0.5% each year.
- Total sewer flow is based on 2020 usage and is not anticipated to increase significantly over the next 5 years.

➤ **Expenses**

- Expenses are increased based on the escalation factors from Table 38.
- The only current debt obligation is the 2015 Utility Revenue Bonds. Total debt service is approximately \$625,000 per year and is split evenly with the Water Utility.
- Debt service coverage is estimated at 1.25x and is calculated by dividing Net Revenues by Total Debt Service.
- Assuming that the City will issue \$5 million in debt to pay for capital projects in 2027/28, total debt service is projected at \$300,000 and is split evenly with the Sewer Utility beginning in 2027/28.
- No capital project expenditures are included.
- Annual depreciation is not included.

3.3.10 Sewer Scenario #1: Sewer Cash Flow Projection with No Rate Increases

Table 42 forecasts the financial health of the sewer utility over the next 10 years if the City does not implement any rate increases. Using 2021/22 as the base year, the cash flow for *Sewer Scenario #1* shows that the Sewer Utility is currently operating in a deficit (line 40). Moreover, the sewer fund is not meeting its debt service coverage requirement (line 49) and will draw down reserves by the end of 2024/25 (line 42).

Without rate increases, the sewer fund will continue to miss coverage and operate in a deficit, having to draw down reserves to pay for expenses.

Table 42: Sewer Scenario #1: No Rate Increases – Sewer Cash Flow Projection
City of Brisbane
Sewer Utility Rate Study 2022

	Budget 2021/22	Projected 2022/23	Years 1 - 5: Proposition 218					Years 6 - 10: Extended Projection				
			2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Overall Revenue Adjustment			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	14.0%
Rate Increase Effective			Jul 1, 2023	Jul 1, 2024	Jul 1, 2025	Jul 1, 2026	Jul 1, 2027	Jul 1, 2028	Jul 1, 2029	Jul 1, 2030	Jul 1, 2031	Jul 1, 2032
BEGINNING FUND BALANCE	\$4,828,445	\$3,591,447	\$1,929,416	\$8,072	(\$950,084)	(\$3,464,553)	(\$6,320,234)	(\$9,040,140)	(\$12,314,228)	(\$16,026,406)	(\$20,215,262)	(\$24,932,575)
REVENUES												
Sewer Service Charges	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,280,000
Investment Earnings	25,000	26,000	27,000	28,000	29,000	30,000	31,000	32,000	33,000	34,000	35,000	36,000
Sewer Connection Fees	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Account Open/Reconnections	1,500	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Late Payment Charges	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Capital Charge (1)	182,500	267,500	352,500	352,500	352,500	352,500	502,500	502,500	502,500	502,500	502,500	502,500
Transfers from Other Funds	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500
Less: Low Income Rate Assistance	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)
Projected Grant Revenue	0	0	0	1,250,000	0	0	0	0	0	0	0	0
Total Revenues	2,217,000	2,303,500	2,389,500	3,640,500	2,391,500	2,392,500	2,543,500	2,544,500	2,545,500	2,546,500	2,547,500	2,828,500
EXPENSES												
Operating & Maintenance												
Salaries	450,458	468,000	487,000	506,000	526,000	547,000	569,000	592,000	616,000	641,000	667,000	694,000
Payroll Taxes	6,188	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Benefits	245,581	255,000	265,000	276,000	287,000	298,000	310,000	322,000	335,000	348,000	362,000	376,000
Insurance	51,287	56,000	59,000	62,000	65,000	68,000	71,000	75,000	79,000	83,000	87,000	91,000
Supplies and Services	1,918,359	2,115,000	2,327,000	2,560,000	2,816,000	3,098,000	3,408,000	3,749,000	4,124,000	4,536,000	4,990,000	5,489,000
Admin Charges and Credit	463,781	482,000	501,000	521,000	542,000	564,000	587,000	610,000	634,000	659,000	685,000	712,000
Subtotal O&M	3,135,654	3,382,000	3,645,000	3,931,000	4,242,000	4,581,000	4,951,000	5,354,000	5,794,000	6,273,000	6,797,000	7,368,000
Net Operating Revenues	(918,654)	(1,078,500)	(1,255,500)	(290,500)	(1,850,500)	(2,188,500)	(2,407,500)	(2,809,500)	(3,248,500)	(3,726,500)	(4,249,500)	(4,539,500)
Debt Service												
2015 Utility Bonds	318,344	316,031	313,344	315,156	311,469	314,681	312,406	314,588	313,678	312,356	317,813	158,906
New Bonds (2)	0	0	0	0	0	0	0	150,000	150,000	150,000	150,000	150,000
Subtotal Debt Service	318,344	316,031	313,344	315,156	311,469	314,681	312,406	464,588	463,678	462,356	467,813	308,906
Capital Projects	0	267,500	352,500	352,500	352,500	352,500	0	0	0	0	0	0
Total Expenses	3,453,998	3,965,531	4,310,844	4,598,656	4,905,969	5,248,181	5,263,406	5,818,588	6,257,678	6,735,356	7,264,813	7,676,906
Net Revenues	(1,236,998)	(1,662,031)	(1,921,344)	(958,156)	(2,514,469)	(2,855,681)	(2,719,906)	(3,274,088)	(3,712,178)	(4,188,856)	(4,717,313)	(4,848,406)
ENDING FUND BALANCE	3,591,447	1,929,416	8,072	(950,084)	(3,464,553)	(6,320,234)	(9,040,140)	(12,314,228)	(16,026,406)	(20,215,262)	(24,932,575)	(29,780,981)
Reserve Funds												
Operating Reserve Target (25% of O&M)	783,900	845,500	911,300	982,800	1,060,500	1,145,300	1,237,800	1,338,500	1,448,500	1,568,300	1,699,300	1,842,000
Target Met?	yes	yes	no	no	no	no	no	no	no	no	no	no
Debt Service Coverage - 1.25x (3)	(2.89)	(3.41)	(4.01)	(4.89)	(5.94)	(6.95)	(7.71)	(6.05)	(7.01)	(8.06)	(9.08)	(14.70)
Target Met?	no	no	no	no	no	no	no	no	no	no	no	no

1 - Assumes Capital Charge will increase every 5 years. First increase will go into effect on Dec 1, 2022. Second increase is anticipated in 2027/28 and assumes that the City will issue \$5M in new debt (combined water & sewer).

2 - Total debt service for New Bonds is estimated at \$300,000 and is split evenly with the Sewer Utility.

3 - (Net Operating Revenue less Projected Grant Revenue) divided by (Total Debt Service)

3.3.11 Sewer Scenario #2: 8% Annual Rate Increases - Cash Flow Projection

Table 43 includes annual rate increases of 8.0% each year to cover operating cost inflation. With *Sewer Scenario #2*, the projections show that the Sewer Utility will continue to operate in a deficit (line 40) and will not meet debt service coverage (line 49). Additionally, the Sewer Utility will draw down all of its reserves by the end of 2024/25 (line 42).

Table 43: Sewer Scenario #2: 8% Annual Rate Increases – Sewer Cash Flow Projection
City of Brisbane
Sewer Utility Rate Study 2022

	Budget 2021/22	Projected 2022/23	Years 1 -5: Proposition 218					Years 6 - 10: Extended Projection				
			2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Overall Revenue Adjustment			8.0%	8.0%	8.0%	8.0%	8.0%	4.0%	4.0%	4.0%	8.0%	8.0%
Rate Increase Effective			Jul 1, 2023	Jul 1, 2024	Jul 1, 2025	Jul 1, 2026	Jul 1, 2027	Jul 1, 2028	Jul 1, 2029	Jul 1, 2030	Jul 1, 2031	Jul 1, 2032
BEGINNING FUND BALANCE	\$4,828,445	\$3,591,447	\$1,929,416	\$168,072	(\$457,084)	(\$2,451,553)	(\$4,585,234)	(\$6,515,140)	(\$8,731,228)	(\$11,263,406)	(\$14,145,262)	(\$17,290,575)
REVENUES												
Sewer Service Charges	2,000,000	2,000,000	2,160,000	2,333,000	2,520,000	2,722,000	2,940,000	3,058,000	3,180,000	3,307,000	3,572,000	3,858,000
Investment Earnings	25,000	26,000	27,000	28,000	29,000	30,000	31,000	32,000	33,000	34,000	35,000	36,000
Sewer Connection Fees	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Account Open/Reconnections	1,500	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Late Payment Charges	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Capital Charge (1)	182,500	267,500	352,500	352,500	352,500	352,500	502,500	502,500	502,500	502,500	502,500	502,500
Transfers from Other Funds	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500
Less: Low Income Rate Assistance	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)
<u>Projected Grant Revenue</u>	0	0	0	1,250,000	0	0	0	0	0	0	0	0
Total Revenues	2,217,000	2,303,500	2,549,500	3,973,500	2,911,500	3,114,500	3,483,500	3,602,500	3,725,500	3,853,500	4,119,500	4,406,500
EXPENSES												
<u>Operating & Maintenance</u>												
Salaries	450,458	468,000	487,000	506,000	526,000	547,000	569,000	592,000	616,000	641,000	667,000	694,000
Payroll Taxes	6,188	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Benefits	245,581	255,000	265,000	276,000	287,000	298,000	310,000	322,000	335,000	348,000	362,000	376,000
Insurance	51,287	56,000	59,000	62,000	65,000	68,000	71,000	75,000	79,000	83,000	87,000	91,000
Supplies and Services	1,918,359	2,115,000	2,327,000	2,560,000	2,816,000	3,098,000	3,408,000	3,749,000	4,124,000	4,536,000	4,990,000	5,489,000
<u>Admin Charges and Credit</u>	463,781	482,000	501,000	521,000	542,000	564,000	587,000	610,000	634,000	659,000	685,000	712,000
Subtotal O&M	3,135,654	3,382,000	3,645,000	3,931,000	4,242,000	4,581,000	4,951,000	5,354,000	5,794,000	6,273,000	6,797,000	7,368,000
Net Operating Revenues	(918,654)	(1,078,500)	(1,095,500)	42,500	(1,330,500)	(1,466,500)	(1,467,500)	(1,751,500)	(2,068,500)	(2,419,500)	(2,677,500)	(2,961,500)
Debt Service												
2015 Utility Bonds	318,344	316,031	313,344	315,156	311,469	314,681	312,406	314,588	313,678	312,356	317,813	158,906
New Bonds (2)	0	0	0	0	0	0	150,000	150,000	150,000	150,000	150,000	150,000
Subtotal Debt Service	318,344	316,031	313,344	315,156	311,469	314,681	462,406	464,588	463,678	462,356	467,813	308,906
Capital Projects	0	267,500	352,500	352,500	352,500	352,500	0	0	0	0	0	0
Total Expenses	3,453,998	3,965,531	4,310,844	4,598,656	4,905,969	5,248,181	5,413,406	5,818,588	6,257,678	6,735,356	7,264,813	7,676,906
Net Revenues	(1,236,998)	(1,662,031)	(1,761,344)	(625,156)	(1,994,469)	(2,133,681)	(1,929,906)	(2,216,088)	(2,532,178)	(2,881,856)	(3,145,313)	(3,270,406)
ENDING FUND BALANCE	3,591,447	1,929,416	168,072	(457,084)	(2,451,553)	(4,585,234)	(6,515,140)	(8,731,228)	(11,263,406)	(14,145,262)	(17,290,575)	(20,560,981)
Reserve Funds												
Operating Reserve Target (25% of O&M)	783,900	845,500	911,300	982,800	1,060,500	1,145,300	1,237,800	1,338,500	1,448,500	1,568,300	1,699,300	1,842,000
Target Met?	yes	yes	no	no	no	no	no	no	no	no	no	no
Debt Service Coverage - 1.25x (3)	(2.89)	(3.41)	(3.50)	(3.83)	(4.27)	(4.66)	(3.17)	(3.77)	(4.46)	(5.23)	(5.72)	(9.59)
Target Met?	no	no	no	no	no	no	no	no	no	no	no	no

1 - Assumes Capital Charge will increase every 5 years. First increase will go into effect on Dec 1, 2022. Second increase is anticipated in 2027/28 and assumes that the City will issue \$5M in new debt (combined water & sewer).

2 - Total debt service for New Bonds is estimated at \$300,000 and is split evenly with the Sewer Utility.

3 - (Net Operating Revenue less Projected Grant Revenue) divided by (Total Debt Service)

3.3.12 Sewer Scenario #3: 25% Annual Rate Increases – Cash Flow Projection

Sewer Scenario #3 includes 25.0% annual rate increases. With *Sewer Scenario #3*, the Sewer Utility would meet debt service coverage by 2026/27 (line 49) and would be out of the operating deficit by 2026/27 (line 42). The Sewer Utility will likely draw down its reserves by 2024/25 but will meet its operating reserve fund targets by 2029/30 (line 46).

Table 44: Sewer Scenario #3: 25% Annual Rate Increases – Sewer Cash Flow Projection
City of Brisbane
Sewer Utility Rate Study 2022

	Budget 2021/22	Projected 2022/23	Years 1 - 5: Proposition 218					Years 6 - 10: Extended Projection				
			2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Overall Revenue Adjustment			25.0%	25.0%	25.0%	25.0%	25.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Rate Increase Effective			Jul 1, 2023	Jul 1, 2024	Jul 1, 2025	Jul 1, 2026	Jul 1, 2027	Jul 1, 2028	Jul 1, 2029	Jul 1, 2030	Jul 1, 2031	Jul 1, 2032
BEGINNING FUND BALANCE	\$4,828,445	\$3,591,447	\$1,929,416	\$508,072	(\$575,084)	(\$1,183,553)	(\$1,156,234)	\$77,860	\$1,151,772	\$2,041,594	\$2,718,738	\$3,142,425
REVENUES												
Sewer Service Charges	2,000,000	2,000,000	2,500,000	3,125,000	3,906,000	4,883,000	6,104,000	6,348,000	6,602,000	6,866,000	7,141,000	7,427,000
Investment Earnings	25,000	26,000	27,000	28,000	29,000	30,000	31,000	32,000	33,000	34,000	35,000	36,000
Sewer Connection Fees	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Account Open/Reconnections	1,500	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Late Payment Charges	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Capital Charge (1)	182,500	267,500	352,500	352,500	352,500	352,500	502,500	502,500	502,500	502,500	502,500	502,500
Transfers from Other Funds	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500
Less: Low Income Rate Assistance	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)
Projected Grant Revenue	0	0	0	0	0	0	0	0	0	0	0	0
Total Revenues	2,217,000	2,303,500	2,889,500	3,515,500	4,297,500	5,275,500	6,647,500	6,892,500	7,147,500	7,412,500	7,688,500	7,975,500
EXPENSES												
<u>Operating & Maintenance</u>												
Salaries	450,458	468,000	487,000	506,000	526,000	547,000	569,000	592,000	616,000	641,000	667,000	694,000
Payroll Taxes	6,188	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Benefits	245,581	255,000	265,000	276,000	287,000	298,000	310,000	322,000	335,000	348,000	362,000	376,000
Insurance	51,287	56,000	59,000	62,000	65,000	68,000	71,000	75,000	79,000	83,000	87,000	91,000
Supplies and Services	1,918,359	2,115,000	2,327,000	2,560,000	2,816,000	3,098,000	3,408,000	3,749,000	4,124,000	4,536,000	4,990,000	5,489,000
Admin Charges and Credit	463,781	482,000	501,000	521,000	542,000	564,000	587,000	610,000	634,000	659,000	685,000	712,000
Subtotal O&M	3,135,654	3,382,000	3,645,000	3,931,000	4,242,000	4,581,000	4,951,000	5,354,000	5,794,000	6,273,000	6,797,000	7,368,000
Net Operating Revenues	(918,654)	(1,078,500)	(755,500)	(415,500)	55,500	694,500	1,696,500	1,538,500	1,353,500	1,139,500	891,500	607,500
Debt Service												
2015 Utility Bonds	318,344	316,031	313,344	315,156	311,469	314,681	312,406	314,588	313,678	312,356	317,813	158,906
New Bonds (2)	0	0	0	0	0	0	150,000	150,000	150,000	150,000	150,000	150,000
Subtotal Debt Service	318,344	316,031	313,344	315,156	311,469	314,681	462,406	464,588	463,678	462,356	467,813	308,906
Capital Projects	0	267,500	352,500	352,500	352,500	352,500	0	0	0	0	0	0
Total Expenses	3,453,998	3,965,531	4,310,844	4,598,656	4,905,969	5,248,181	5,413,406	5,818,588	6,257,678	6,735,356	7,264,813	7,676,906
Net Revenues	(1,236,998)	(1,662,031)	(1,421,344)	(1,083,156)	(608,469)	27,319	1,234,094	1,073,913	889,822	677,144	423,688	298,594
ENDING FUND BALANCE	3,591,447	1,929,416	508,072	(575,084)	(1,183,553)	(1,156,234)	77,860	1,151,772	2,041,594	2,718,738	3,142,425	3,441,019
Reserve Funds												
Operating Reserve Target (25% of O&M)	783,900	845,500	911,300	982,800	1,060,500	1,145,300	1,237,800	1,338,500	1,448,500	1,568,300	1,699,300	1,842,000
Target Met?	yes	yes	no	no	no	no	no	no	yes	yes	yes	yes
Debt Service Coverage - 1.25x (3)	(2.89)	(3.41)	(2.41)	(1.32)	0.18	2.21	3.67	3.31	2.92	2.46	1.91	1.97
Target Met?	no	no	no	no	no	yes	yes	yes	yes	yes	yes	yes

1 - Assumes Capital Charge will increase every 5 years. First increase will go into effect on Dec 1, 2022. Second increase is anticipated in 2027/28 and assumes that the City will issue \$5M in new debt (combined water & sewer).

2 - Total debt service for New Bonds is estimated at \$300,000 and is split evenly with the Sewer Utility.

3 - (Net Operating Revenue less Projected Grant Revenue) divided by (Total Debt Service)

3.3.13 Sewer Scenario Comparison

Table 45 includes a summary of the proposed rate adjustments and the three financial goals for all three scenarios. Based on the proposed rate adjustments, only *Sewer Scenario #3: 25% Annual Rate Increases* would allow the Sewer Utility to meet its debt service coverage ratio and have positive net revenues by 2027/28.

Table 45: Sewer Scenario Comparison
City of Brisbane
Sewer Utility Rate Study 2022

GOAL 1 : MEET DEBT SERVICE COVERAGE

	Projected 2022/23	Proposed				
		2023/24	2024/25	2025/26	2026/27	2027/28
Debt Service Coverage Ratio Required	1.25	1.25	1.25	1.25	1.25	1.25
Scenario 1: No Rate Increases <i>Target Met?</i>	(3.41) no	(4.01) no	(4.89) no	(5.94) no	(6.95) no	(7.71) no
Scenario 2: 8% Annual Rate Increases <i>Target Met?</i>	(3.41) no	(3.50) no	(3.83) no	(4.27) no	(4.66) no	(3.17) no
Scenario 3: 25% Annual Rate Increases <i>Target Met?</i>	(3.41) no	(2.41) no	(1.32) no	0.18 no	2.21 yes	3.67 yes

GOAL 2: MEET SEWER RESERVE FUND TARGET

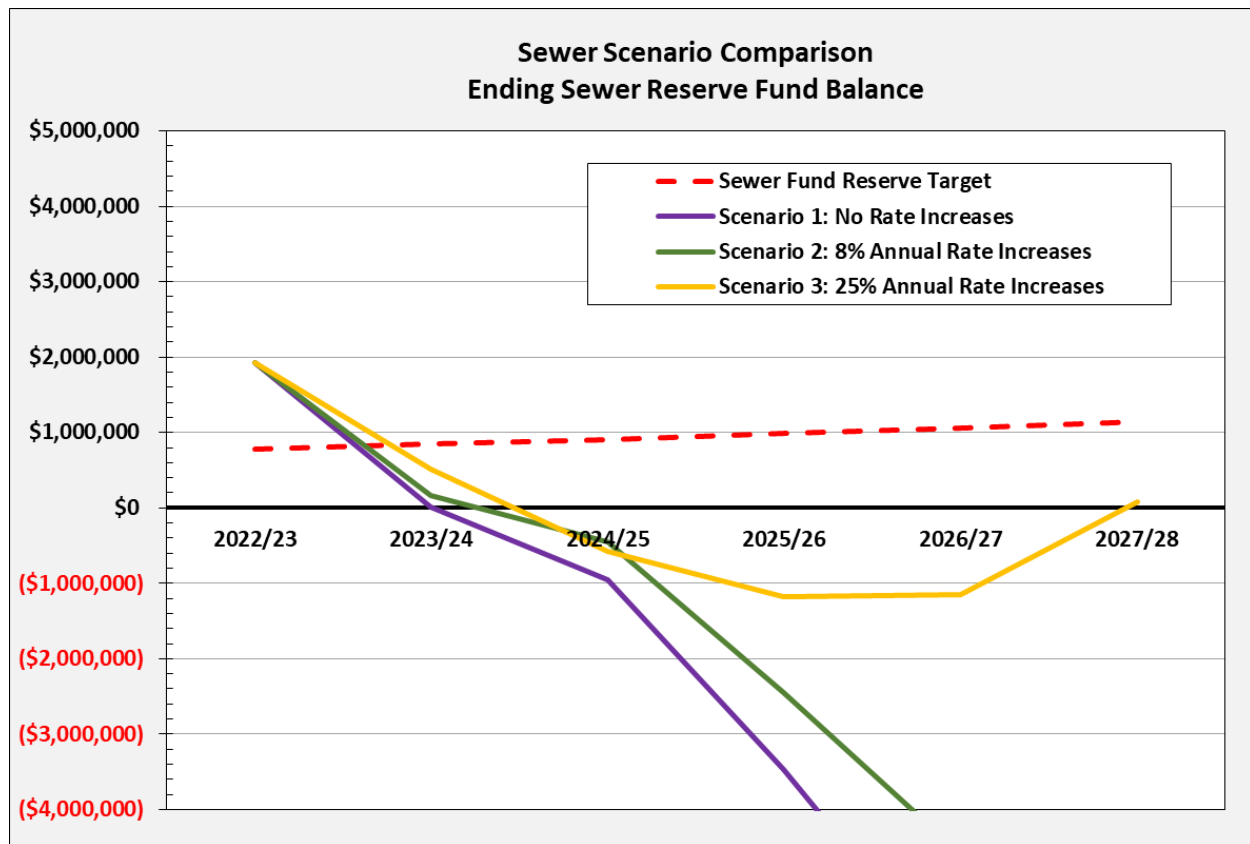
	Projected 2022/23	Proposed				
		2023/24	2024/25	2025/26	2026/27	2027/28
Sewer Fund Reserve Target	\$783,900	\$845,500	\$911,300	\$982,800	\$1,060,500	\$1,145,300
Scenario 1: No Rate Increases <i>Target Met?</i>	\$1,929,416 no	\$8,072 no	(\$950,084) no	(\$3,464,553) no	(\$6,320,234) no	(\$9,040,140) no
Scenario 2: 8% Annual Rate Increases <i>Target Met?</i>	\$1,929,416 no	\$168,072 no	(\$457,084) no	(\$2,451,553) no	(\$4,585,234) no	(\$6,515,140) no
Scenario 3: 25% Annual Rate Increases <i>Target Met?</i>	\$1,929,416 no	\$508,072 no	(\$575,084) no	(\$1,183,553) no	(\$1,156,234) no	\$77,860 no

GOAL 3: POSITIVE TOTAL NET REVENUES

	Projected 2022/23	Proposed				
		2023/24	2024/25	2025/26	2026/27	2027/28
Scenario 1: No Rate Increases <i>Target Met?</i>	(\$1,662,031) no	(\$1,921,344) no	(\$958,156) no	(\$2,514,469) no	(\$2,855,681) no	(\$2,719,906) no
Scenario 2: 8% Annual Rate Increases <i>Target Met?</i>	(\$1,662,031) no	(\$1,761,344) no	(\$625,156) no	(\$1,994,469) no	(\$2,133,681) no	(\$1,929,906) no
Scenario 3: 25% Annual Rate Increases <i>Target Met?</i>	(\$1,662,031) no	(\$1,421,344) no	(\$1,083,156) no	(\$608,469) no	\$27,319 yes	\$1,234,094 yes

Figure 8 graphically shows the projected total ending reserve fund balance under each scenario. The red dotted line represents the total reserve fund target. The purple line represents *Sewer Scenario #1: No Rate Increases*. The green line represents *Sewer Scenario #2: 8.0% Annual Rate Increases*. The yellow line represents *Sewer Scenario #3: 25.0% Annual Rate Increases*. It is projected that the Sewer Utility will reverse the operating deficit by the end of 2027/28 with *Sewer Scenario #3*.

Figure 8: Sewer Scenario Comparison - Ending Water Fund Reserve Fund Balance
City of Brisbane
Sewer Utility Rate Study 2022



3.4 Sewer Cost Allocation

The revenue requirements detailed in the previous section determine the amount of revenue to be recovered from sewer rates. The cost of service allocation determines how revenues will be recovered from customers based on their estimated impact on the sewer system. Proposition 218 requires that agencies providing “property-related services” (including sewer service) set rates and charges that are based on the cost of providing those services.

3.4.1 Overview of Sewer Cost Allocation Methodology

The determination of the sewer flows, sewer loadings, and the revenue requirements of the Sewer Utility provide the basis for performing the cost of service analysis. The concept of proportionate allocation to each customer class indicates that allocations should take into consideration the quantity of effluent a customer contributes in addition to the strength of sewer.

The key factors used to assign sewer utility costs are estimated effluent (flow) going to the wastewater treatment plant and effluent strengths, measured in biochemical oxygen demand (BOD) and total suspended solids (TSS). Higher levels of BOD or TSS typically equate to increased treatment costs. The total revenue requirement shown in the sewer cash flow projections is the net cost of providing service and is allocated to the flow, BOD, and TSS parameters. These allocations are then used as the basis to develop unit rates for the sewer parameters and to assign costs to each customer class in proportion to the sewer services rendered.

Using the 2021/22 budget as the base year, sewer expenses are allocated to the following categories (a) *Base*, (b) *Flow*, and (c) *Strength* which is typically measured in biochemical oxygen demand (BOD) and total suspended solids (TSS).

- *Base Costs:* Base costs represent the fixed expenditures of the sewer utility, including personnel costs and overhead expenses. These fixed costs are allocated based on the total number of sewer accounts or meters.
- *Flow Costs:* Volume- or flow-related costs that vary with the total quantity of wastewater collected. Because most agencies do not meter wastewater discharges, metered water consumption is used to estimate contributed average wastewater volume units of service.
- *Strength Costs:* Strength-related costs are those expenditures associated with the additional handling and treatment of high strength sewer. Sewer strength is typically measured in BOD and TSS. Increased levels of BOD or TSS typically equate to increased treatment costs.

3.4.2 Current Sewer Service Revenues – Fixed vs Variable Revenue Recovery

Table 46 summarizes the percentages of Sewer Service Revenues currently derived from the Fixed Charges vs. Variable Charges. On average, the City collects roughly 40.0% of total Sewer Service Revenues from the Fixed Charge and 60.0% from the Variable Charges. Based on input from staff, the City would like to transition to a 30% fixed / 70% variable revenue recovery because the largest expense for the Sewer Utility is treatment costs which vary each year based on the rates set by the City of San Francisco.

Table 46: Current Sewer Service Revenues – Fixed vs. Variable Revenue Recovery
City of Brisbane
Sewer Utility Rate Study 2022

	Fixed Charges	Variable Charges	Total Sewer Service Charge Revenues	% of Total
Total Revenues City vs. GVMID				
City	\$506,195	\$706,101	\$1,212,295	59.8%
<u>GVMID</u>	<u>\$286,361</u>	<u>\$526,929</u>	<u>\$813,290</u>	<u>40.2%</u>
Total Sewer Service Charge Revenues	\$792,556	\$1,233,030	\$2,025,585	100.0%
<i>% of Total</i>	<i>39.1%</i>	<i>60.9%</i>	<i>100.0%</i>	
Total Revenues by Customer Class				
Residential	\$689,664	\$407,878	\$1,097,542	54.2%
Commercial				
Standard	\$88,842	\$295,333	\$384,175	19.0%
Medium	\$3,306	\$34,017	\$37,323	1.8%
<u>Heavy</u>	<u>\$10,744</u>	<u>\$495,801</u>	<u>\$506,545</u>	<u>25.0%</u>
Subtotal Commercial	\$102,892	\$825,151	\$928,043	45.8%
Total Sewer Service Charge Revenues	\$792,556	\$1,233,030	\$2,025,585	100%
<i>% of Total</i>	<i>39.1%</i>	<i>60.9%</i>	<i>100.0%</i>	

Source: Utility Billing Data 2018-2020 Water & sewer Export

3.4.3 Cost Allocation

Table 47 summarizes the cost allocation for a 30.0% fixed / 70.0% variable revenue recovery. These allocations are then used as the basis to develop unit rates for each charge.

Table 47: Sewer Cost Allocation – 30% Fixed/70% Variable
City of Brisbane
Sewer Utility Rate Study 2022

Expenses	FY2022/23 Budget	Cost Allocation - %					Cost Allocation - \$				
		Base	Flow	BOD	TSS	Total	Base	Flow	BOD	TSS	Total
<i>Operating Expenses</i>											
Salaries	\$468,000	30%	23%	23%	23%	100%	\$140,400	\$109,200	\$109,200	\$109,200	\$468,000
Payroll Taxes	\$6,000	30%	23%	23%	23%	100%	\$1,800	\$1,400	\$1,400	\$1,400	\$6,000
Benefits	\$255,000	30%	23%	23%	23%	100%	\$76,500	\$59,500	\$59,500	\$59,500	\$255,000
Insurance	\$56,000	30%	23%	23%	23%	100%	\$16,800	\$13,067	\$13,067	\$13,067	\$56,000
Supplies and Services	\$2,115,000	30%	23%	23%	23%	100%	\$634,500	\$493,500	\$493,500	\$493,500	\$2,115,000
<u>Admin Charges and Credit</u>	<u>\$482,000</u>	30%	23%	23%	23%	100%	<u>\$144,600</u>	<u>\$112,467</u>	<u>\$112,467</u>	<u>\$112,467</u>	<u>\$482,000</u>
Subtotal Operating Expenses	\$3,382,000						\$1,014,600	\$789,133	\$789,133	\$789,133	\$3,382,000
<i>Debt Service</i>											
2015 Utility Bonds	\$316,031	30%	23%	23%	23%	100%	\$94,809	\$73,741	\$73,741	\$73,741	\$316,031
<u>New Bonds</u>	<u>\$0</u>	30%	23%	23%	23%	100%	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Subtotal Debt Service	\$316,031						\$94,809	\$73,741	\$73,741	\$73,741	\$316,031
Total Allocation	\$3,698,031	30.0%	23.3%	23.3%	23.3%	100.0%	\$1,109,409	\$862,874	\$862,874	\$862,874	\$3,698,031

3.5 Sewer Rate Design

The cost of service analysis calculated the revenue requirements for each customer class. The next step is rate design which determines how those revenue requirements are collected from each class based on their estimated impact on the sewer system.

The proposed sewer rate structure is as follows:

- Fixed Charges
 - All customer classes will continue to pay the same bimonthly flat charge.
- Variable Charges
 - Eliminate tiered rates for all customers and transition to single tier based on customer strength. Tiers are typically utilized for water rates to encourage conservation and are less relevant to sewer flow.
 - Residential customers will continue to only be charged for winter water use (October through January) while commercial customers will be charged for all consumption.

3.5.1 Sewer Flow and Loadings

Table 48 summarizes the flow and strength characteristics by customer class. Sewer flow is based on the City's 2019/20 billing data. The strength factors and sewer loadings are based on the guidelines from the State Water Resources Control Council (SWRCB) Revenue Program and standards utilized by other wastewater agencies.

**Table 48: Sewer Flow and Loadings
City of Brisbane
Sewer Utility Rate Study 2022**

Customer Class	BASE	FLOW		BOD		TSS	
	Accounts	Flow (ccf) (1)	Flow (MG)	Strength (mg/l)	Loadings (lbs)	Strength (mg/l)	Loadings (lbs)
Residential	1,669	89,719	67.1	165	92,350	165	92,350
Standard Commercial	208	37,290	27.9	200	46,525	200	46,525
Medium Commercial	6	4,261	3.2	300	7,974	300	7,974
Heavy Commercial	<u>28</u>	<u>41,651</u>	<u>31.2</u>	400	<u>103,933</u>	400	<u>103,933</u>
Total	1,911	172,921	129.3		250,783		250,783

1 - Based on 2019/20 billing data

3.5.2 Projected Sewer Accounts & Sewer Flow

Table 49 shows a projection of sewer accounts, flow, and loadings for the rate study period through 2027/28. Growth is estimated at 0.5% each year while sewer flow is anticipated to increase by 2.0% annually beginning in 2022/23.

Table 49: Projected Growth, Sewer Flow, and Loadings
City of Brisbane
Sewer Utility Rate Study 2022

	Actual 2019/20	PROJECTED			PROJECTED - RATE STUDY PERIOD				
		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
NUMBER OF ACCOUNTS									
Increase %		0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Residential	1,669	1,677	1,686	1,694	1,703	1,711	1,720	1,728	1,737
Standard Commercial	215	216	217	218	219	220	222	223	224
Medium Commercial	8	8	8	8	8	8	8	8	8
Heavy Commercial	26	26	26	26	27	27	27	27	27
Total Sewer Accounts	1,918	1,928	1,937	1,947	1,957	1,966	1,976	1,986	1,996
SEWER FLOW (ccf)									
Increase %		0.00%	0.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Residential	89,719	90,000	90,000	92,000	94,000	96,000	98,000	100,000	102,000
Standard Commercial	37,290	37,000	37,000	38,000	39,000	40,000	41,000	42,000	43,000
Medium Commercial	4,261	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Heavy Commercial	41,651	42,000	42,000	43,000	44,000	45,000	46,000	47,000	48,000
Total Estimated Flow (ccf)	172,921	173,000	173,000	177,000	181,000	185,000	189,000	193,000	197,000
SEWER LOADINGS (mg/l)									
Increase %		0.00%	0.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Residential	92,350	92,000	92,000	94,000	96,000	98,000	100,000	102,000	104,000
Standard Commercial	46,525	47,000	47,000	48,000	49,000	50,000	51,000	52,000	53,000
Medium Commercial	7,974	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Heavy Commercial	103,933	104,000	104,000	106,000	108,000	110,000	112,000	114,000	116,000
Total Estimated Loadings	250,783	251,000	251,000	256,000	261,000	266,000	271,000	276,000	281,000

3.6 Sewer Rate Design for Scenario #3

3.6.1 Scenario #3: Sewer Rate Derivation

Table 50 details the rate derivation for the Fixed Charge for *Sewer Scenario #3* based on a 30.0% fixed / 70.0% variable revenue recovery. For the rate study period, the “Fixed Charge Revenue Requirement” for each year is divided by the “Total Number of Accounts” to derive a “Bimonthly Fixed Charge per Account.” The proposed 2023/24 Fixed Charge is \$64.20, representing a \$4.67 (or 6.8%) decrease from the current Fixed Charge of \$68.87.

The rates have been calculated to increase total Sewer Service Revenues by 25.0% each year. However, for 2023/24, the proposed revenue adjustments in the cash flow do not directly correlate to the same increase in rates because of the shift to a 30% fixed/70% variable revenue recovery.

Table 50: Sewer Flat Charge Rate Derivation
City of Brisbane
Sewer Utility Rate Study 2022

	Current	PROJECTED - RATE STUDY PERIOD				
		2023/24	2024/25	2025/26	2026/27	2027/28
TOTAL REVENUE REQUIREMENT (1)		\$2,500,000	\$3,125,000	\$3,906,000	\$4,883,000	\$6,104,000
Fixed/Variable Allocation						
Fixed Charge		30.0%	30.0%	30.0%	30.0%	30.0%
Variable Charge		70.0%	70.0%	70.0%	70.0%	70.0%
FIXED SERVICE CHARGE CALCULATION						
Fixed Revenue Requirement		\$750,000	\$937,500	\$1,171,800	\$1,464,900	\$1,831,200
Total Number of Accounts	1,918	1,947	1,957	1,966	1,976	1,986
Bimonthly Flat Charge per Account	\$68.87	\$64.20	\$79.86	\$99.32	\$123.54	\$153.66
% Change		-6.8%	24.4%	24.4%	24.4%	24.4%

1 – Table 44, Line 5

3.6.2 Sewer Scenario #3: Variable Rate Derivation

Table 51 demonstrates how the Variable Charge for 2023/24 is calculated for *Sewer Scenario #3* based on a 30.0% fixed / 70.0% variable revenue recovery. The total “Variable Charge Recovery \$” is first apportioned to flow, BOD and TSS (50.0% to Flow, 25.0 % to BOD, and 25.0% to SS). The City of San Francisco currently does not charge based on effluent strength but may do so in the future. Therefore, costs are evenly split between flow costs and strength costs. Next, the “Cost Allocation \$” for each parameter is then divided by its “Total Annual Loadings” (Table 49) to derive unit costs. The unit costs for the remaining years in the study period are derived in the same manner, and the tables are included in the appendix.

Table 51: Sewer Scenario #3 - Sewer Variable Unit Rate Derivation for 2023/24
City of Brisbane
Sewer Utility Rate Study 2022

Allocation to Variable Charges			
FY2023/24 Revenue Requirement (1)		\$2,500,000	
Variable Charge Recovery %		70%	
Variable Charge Recovery \$		\$1,750,000	
Allocation to Flow, BOD, SS	<u>Flow</u>	<u>BOD</u>	<u>SS</u>
Cost Allocation %	50%	25%	25%
Cost Allocation \$	\$875,000	\$438,000	\$438,000
Total Annual Loadings	181,000	261,000	261,000
Units	ccf	lbs	lbs
Unit Cost	\$4.83 per ccf	\$1.68 per lb	\$1.68 per lb

1 - Table 44, Line 10

3 - Table 49

The unit rates from Table 51 are multiplied by each customer class's respective loadings to determine a "Total Variable Rate per ccf" for each customer class, see Table 52. The Variable Rate is the sum of the flow, BOD, and TSS unit costs. For Residential customers, the proposed "Total Variable Rate" for 2023/24 is \$8.29 per ccf. The Variable Rates for the remaining years in the study period are derived in the same manner and the tables are included in the appendix.

Table 52: Sewer Scenario #3 - Volume Rate by Customer Classes for 2023/24
City of Brisbane
Sewer Utility Rate Study 2022

Customer Class	Wastewater Strength (mg/l)		Unit Rates (\$ per ccf or lb) (1)			Total Variable Rate per ccf
	BOD	SS	Flow \$4.83	BOD \$1.68	SS \$1.68	
Residential	165	165	\$4.83	\$1.73	\$1.73	\$8.29
Standard Commercial	200	200	\$4.83	\$2.09	\$2.09	\$9.02
Medium Commercial	300	300	\$4.83	\$3.14	\$3.14	\$11.12
Heavy Commercial	400	400	\$4.83	\$4.19	\$4.19	\$13.21

1 - Table 51

3.6.3 Sewer Scenario #3: Proposed Bimonthly Sewer Rates

Table 53 summarizes the proposed bimonthly sewer rates. The proposed Flat Charges are the same for all customers. The proposed Variable Charges include different charges for Residential and Commercial customers.

Table 53: Proposed Bi-Monthly Sewer Rates
City of Brisbane
Sewer Utility Rate Study 2022

	RATE STUDY PERIOD				
	July 1, 2023	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027
RESIDENTIAL (1)					
Flat Charge	\$64.20	\$79.86	\$99.32	\$123.54	\$153.66
Variable Charge (per ccf) (2)	\$8.29	\$10.15	\$12.43	\$15.23	\$18.67
COMMERCIAL					
Standard					
Flat Charge	\$64.20	\$79.86	\$99.32	\$123.54	\$153.66
Variable Charge (per ccf)	\$9.02	\$11.04	\$13.53	\$16.59	\$20.33
Medium					
Flat Charge	\$64.20	\$79.86	\$99.32	\$123.54	\$153.66
Variable Charge (per ccf)	\$11.12	\$13.61	\$16.68	\$20.45	\$25.07
Heavy					
Flat Charge	\$64.20	\$79.86	\$99.32	\$123.54	\$153.66
Variable Charge (per ccf)	\$13.21	\$16.18	\$19.83	\$24.32	\$29.81

1 - Residential bill is based on winter consumption (Oct, Nov, Dec & Jan)

2 - 1 ccf (hundred cubic feet) = 748 gallons

3.6.4 Sewer Scenario #3: Sewer Bill Impacts

Table 54 includes a sample of bill impacts for residential and commercial customers. For 2023/24, the proposed revenue adjustments in the cash flow do not directly correlate to the same increase in rates because the cost of service analysis reallocates the required revenue proportionate to each customer class's total flow. Therefore, actual bill impacts will vary based on customer class and consumption.

Table 54: Sewer Scenario #3 – Sample Bimonthly Sewer Bills
City of Brisbane
Sewer Utility Rate Study 2022

RESIDENTIAL BILL IMPACTS

	Bimonthly Use (ccf)	Current Bill	Proposed				
			July 1, 2023	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027
Residential - 4 ccf							
Fixed Charge		\$68.87	\$64.20	\$79.86	\$99.32	\$123.54	\$153.66
Variable Charge							
Tier 1: 0 - 8 ccf	4	\$11.24	\$33.16	\$40.59	\$49.72	\$60.93	\$74.67
Tier 2: Over 8 ccf	0	\$0.00					
Subtotal Variable Charge	4	\$11.24					
Total Bimonthly Sewer Bill		\$80.11	\$97.36	\$120.45	\$149.04	\$184.47	\$228.33
\$ Change			\$17.25	\$23.09	\$28.59	\$35.43	\$43.86
% Change			21.5%	23.7%	23.7%	23.8%	23.8%
Residential - 10 ccf							
Fixed Charge		\$68.87	\$64.20	\$79.86	\$99.32	\$123.54	\$153.66
Variable Charge							
Tier 1: 0 - 8 ccf	8	\$22.48	\$82.89	\$101.47	\$124.29	\$152.32	\$186.67
Tier 2: Over 8 ccf	2	\$15.32					
Subtotal Variable Charge	10	\$37.80					
Total Bimonthly Sewer Bill		\$106.67	\$147.09	\$181.33	\$223.61	\$275.86	\$340.33
\$ Change			\$40.42	\$34.24	\$42.28	\$52.25	\$64.47
% Change			37.9%	23.3%	23.3%	23.4%	23.4%
Residential - 20 ccf							
Fixed Charge		\$68.87	\$64.20	\$79.86	\$99.32	\$123.54	\$153.66
Variable Charge							
Tier 1: 0 - 8 ccf	8	\$22.48	\$165.78	\$202.94	\$248.58	\$304.64	\$373.34
Tier 2: Over 8 ccf	12	\$91.92					
Subtotal Variable Charge	20	\$114.40					
Total Bimonthly Sewer Bill		\$183.27	\$229.98	\$282.80	\$347.90	\$428.18	\$527.00
\$ Change			\$46.71	\$52.82	\$65.10	\$80.29	\$98.81
% Change			25.5%	23.0%	23.0%	23.1%	23.1%

STANDARD COMMERCIAL

	Bimonthly Use (ccf)	Current Bill	Proposed				
			Jan 1, 2023	July 1, 2023	July 1, 2024	July 1, 2025	July 1, 2026
Standard Commercial - 10 ccf							
Fixed Charge		\$68.87	\$64.20	\$79.86	\$99.32	\$123.54	\$153.66
Variable Charge							
Tier 1: 0 - 8 ccf	8	\$30.72	\$90.22	\$110.45	\$135.31	\$165.85	\$203.27
Tier 2: Over 8 ccf	<u>2</u>	<u>\$15.32</u>					
Subtotal Variable Charge	10	\$46.04					
Total Bimonthly Sewer Bill		\$114.91	\$154.42	\$190.31	\$234.63	\$289.39	\$356.93
\$ Change			\$39.51	\$35.89	\$44.32	\$54.76	\$67.54
% Change			34.4%	23.2%	23.3%	23.3%	23.3%
Standard Commercial - 20 ccf							
Fixed Charge		\$68.87	\$64.20	\$79.86	\$99.32	\$123.54	\$153.66
Variable Charge							
Tier 1: 0 - 8 ccf	8	\$30.72	\$180.44	\$220.90	\$270.62	\$331.70	\$406.53
Tier 2: Over 8 ccf	<u>12</u>	<u>\$91.92</u>					
Subtotal Variable Charge	20	\$122.64					
Total Bimonthly Sewer Bill		\$191.51	\$244.64	\$300.76	\$369.94	\$455.24	\$560.19
\$ Change			\$53.13	\$56.12	\$69.18	\$85.30	\$104.95
% Change			27.7%	22.9%	23.0%	23.1%	23.1%

MEDIUM COMMERCIAL

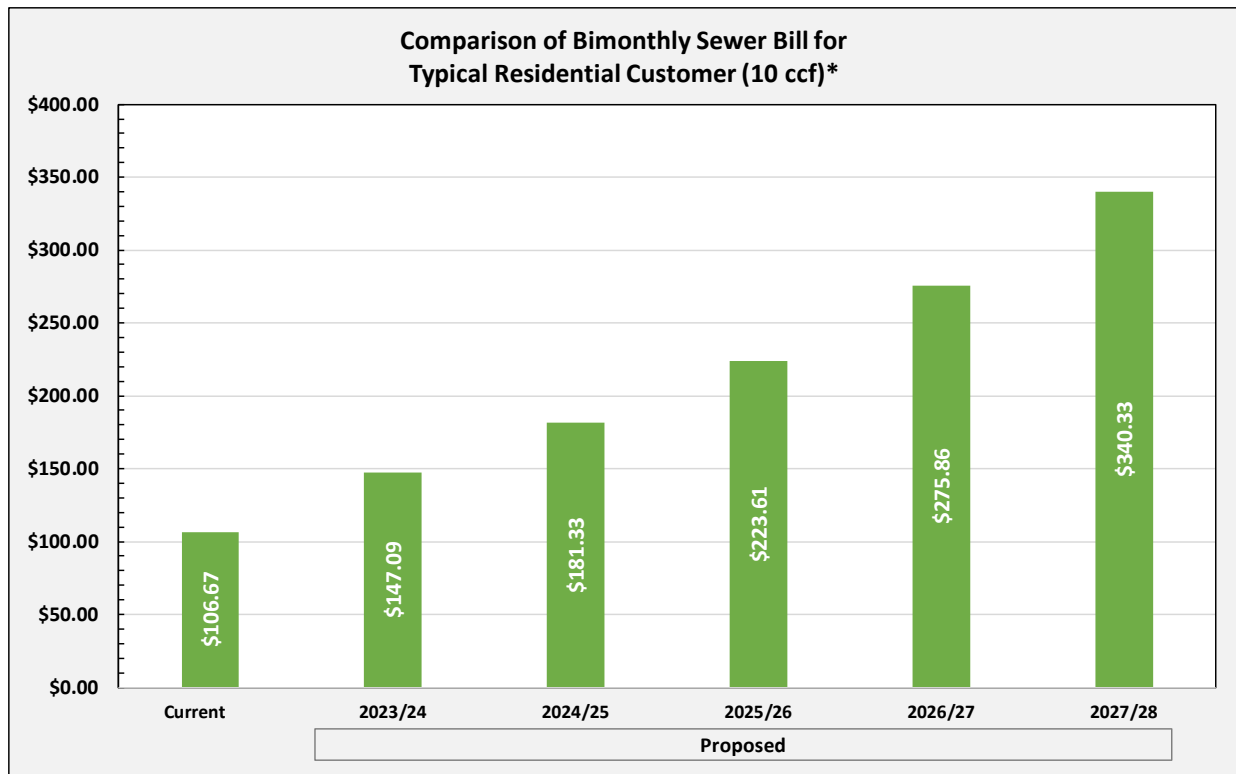
	Bimonthly Use (ccf)	Current Bill	Proposed				
			Jan 1, 2023	July 1, 2023	July 1, 2024	July 1, 2025	July 1, 2026
Medium Commercial - 30 ccf							
Fixed Charge		\$68.87	\$64.20	\$79.86	\$99.32	\$123.54	\$153.66
Variable Charge							
Tier 1: 0 - 8 ccf	8	\$45.44	\$333.47	\$408.32	\$500.40	\$613.50	\$752.06
Tier 2: Over 8 ccf	<u>22</u>	<u>\$214.28</u>					
Subtotal Variable Charge	30	\$259.72					
Total Bimonthly Sewer Bill		\$328.59	\$397.67	\$488.18	\$599.72	\$737.04	\$905.72
\$ Change			\$69.08	\$90.51	\$111.54	\$137.32	\$168.68
% Change			21.0%	22.8%	22.8%	22.9%	22.9%
Medium Commercial - 50 ccf							
Fixed Charge		\$68.87	\$64.20	\$79.86	\$99.32	\$123.54	\$153.66
Variable Charge							
Tier 1: 0 - 8 ccf	8	\$45.44	\$555.78	\$680.53	\$834.00	\$1,022.50	\$1,253.43
Tier 2: Over 8 ccf	<u>42</u>	<u>\$409.08</u>					
Subtotal Variable Charge	50	\$454.52					
Total Bimonthly Sewer Bill		\$523.39	\$619.98	\$760.39	\$933.32	\$1,146.04	\$1,407.09
\$ Change			\$96.59	\$140.41	\$172.93	\$212.72	\$261.05
% Change			18.5%	22.6%	22.7%	22.8%	22.8%

HEAVY COMMERCIAL

	Bimonthly Use (ccf)	Current Bill	Proposed				
			Jan 1, 2023	July 1, 2023	July 1, 2024	July 1, 2025	July 1, 2026
Heavy Commercial - 80 ccf							
Variable Charge		\$68.87	\$64.20	\$79.86	\$99.32	\$123.54	\$153.66
Tier 1: 0 - 8 ccf	8	\$60.72					
Tier 2: Over 8 ccf	72	<u>\$848.51</u>	\$1,056.75	\$1,294.10	\$1,586.33	\$1,945.21	\$2,384.85
Subtotal Variable Charge	80	\$909.23					
Total Bimonthly Sewer Bill		\$978.10	\$1,120.95	\$1,373.96	\$1,685.65	\$2,068.75	\$2,538.51
\$ Change			\$142.85	\$253.01	\$311.69	\$383.10	\$469.77
% Change			14.6%	22.6%	22.7%	22.7%	22.7%
Heavy Commercial - 100 ccf							
Fixed Charge		\$68.87	\$64.20	\$79.86	\$99.32	\$123.54	\$153.66
Variable Charge							
Tier 1: 0 - 8 ccf	8	\$60.72					
Tier 2: Over 8 ccf	92	<u>\$1,084.91</u>	\$1,320.94	\$1,617.63	\$1,982.91	\$2,431.51	\$2,981.07
Subtotal Variable Charge	100	\$1,145.63					
Total Bimonthly Sewer Bill		\$1,214.50	\$1,385.14	\$1,697.49	\$2,082.23	\$2,555.05	\$3,134.73
\$ Change			\$170.64	\$312.35	\$384.75	\$472.82	\$579.68
% Change			14.1%	22.5%	22.7%	22.7%	22.7%

Figure 9 shows the proposed bimonthly sewer bill for a typical residential customer using 10 ccf per 2-month period during each year of the five-year Proposition 218 period.

**Figure 9: Comparison of Bimonthly Sewer Bill for Typical Residential Customer
City of Brisbane
Sewer Utility Rate Study 2022**

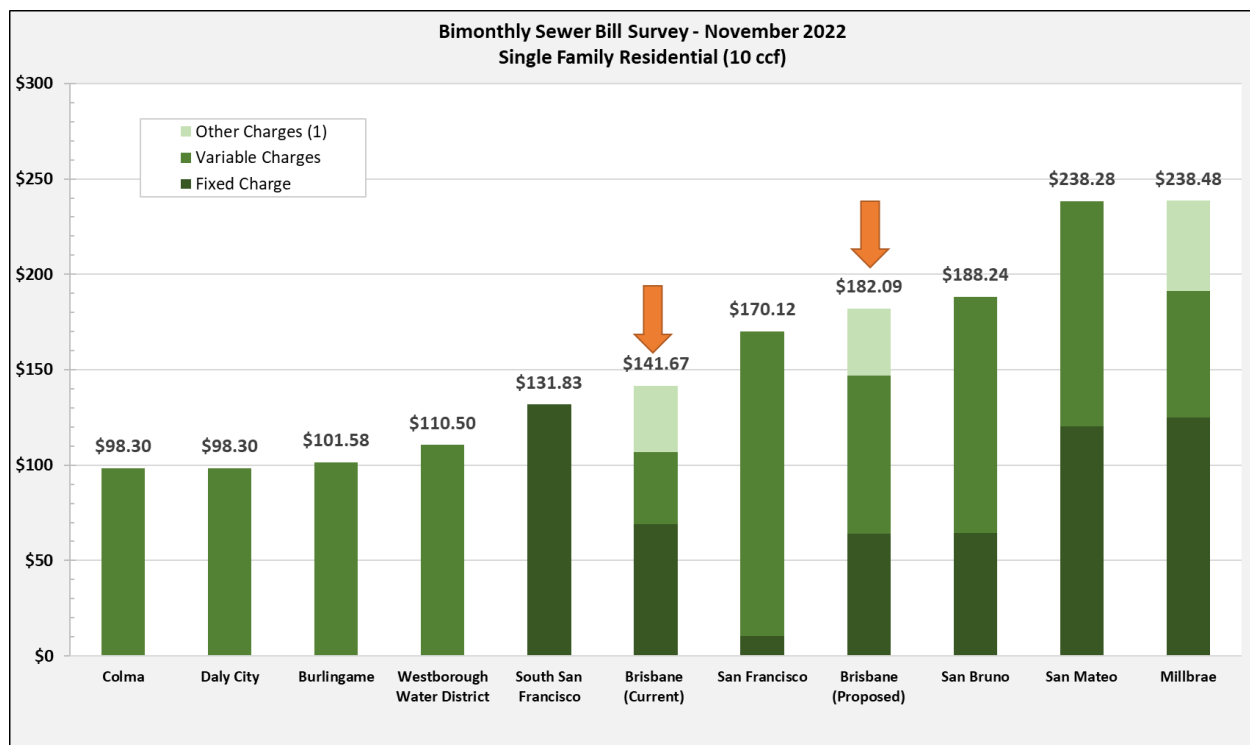


* Does not include Capital Charge

3.6.5 Regional Sewer Bill Survey

Figure 10 compares the City's current typical bimonthly residential sewer bill using 10 ccf over a 2-month period with those of surrounding agencies. The chart also includes the proposed 2023/24 bill which includes half of the Capital Projects Charge that is evenly split with the Water Bill ($\$70/2 = \35). It should be noted that many of the agencies shown on the chart will likely also be increasing their sewer rates over the next few years.

Figure 10: Bimonthly Sewer Bill Survey
City of Brisbane
Sewer Utility Rate Study 2022



3.7 Sewer Low Income Discount

To comply with Proposition 218's cost of service requirements, rate revenues from one group of customers cannot be used to subsidize the rates of another group. Instead, the City could utilize non-rate revenues, such as General Fund revenues, interest earnings, or delinquent penalties to fund a low income discount program. Moreover, to eliminate the administrative burden of the City developing its own low-income criteria, it is recommended that the City provide assistance to low income residents who meet the criteria of other local assistance programs such as PG&E's CARE program.

The low income discount program should be reviewed annually by the City to determine whether the Sewer Utility has adequate non-rate revenues to fund the program. Because non-sewer rate revenues will be used to pay for the discount, the amount of the low income discount is based on the discretion of the City.

Table 55 calculates a sample low income discount for sewer that is funded from a General Fund transfer. This transfer is estimated at \$37,500 for the current year. The City estimates that approximately 400 customers or about 24.0% of all accounts could qualify for a discount based on the PG&E's CARE program requirements. Based on 400 customers, the table shows a bimonthly discount of \$15.60 per customer. For an average residential customer (10 ccf bimonthly use), this equates to a 10.6% discount off the proposed bimonthly bill for July 1, 2023.

Table 55: Sewer Low Income Discount
City of Brisbane
Sewer Utility Rate Study 2022

Total Number of Residential Sewer Customers	1,669
Estimated Number of Customers Eligible for Discount	400
Total Est. Sewer Low Income Discount Revenue	\$37,500
Annual Discount per Customer	\$93.80
Bimonthly Discount per Customer	\$15.60
Proposed Average Sewer Bill for July 1, 2023	\$147.09
Proposed Average Sewer Bill with Discount for July 1, 2023	\$131.49
<i>% of Discount</i>	<i>10.6%</i>

SECTION 4: UTILITY FUND 540 – COMBINED CASH FLOW

4.1 Combined Cash Flow Projection

Table 56 includes a combined Water Utility and Sewer Utility cash flow. The proposed rate increases will rectify the current operating deficit and restore financial stability to Utility Fund 540. With the proposed 9% annual water rate increases and 25% annual sewer rate increases, Fund 540 will meet debt service coverage by 2026/27. Fund 540 is projected to obtain positive net revenues by 2027/28 and will meet its fund reserve targets by 2028/29.

Table 56: Combined Water and Sewer Cash Flow Projection
City of Brisbane
Water and Sewer Utility Rate Study 2022

	Budget 2021/22	Projected 2022/23	Years 1 - 5: Proposition 218					Years 6 - 10: Extended Projection				
			2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
BEGINNING FUND BALANCE	\$7,656,890	\$6,575,087	\$4,573,056	\$2,853,712	\$1,513,556	\$699,087	\$569,406	\$1,959,999	\$3,202,412	\$4,275,734	\$5,147,377	\$5,764,565
REVENUES												
Water Sales	3,000,000	3,000,000	3,270,000	3,564,000	3,885,000	4,235,000	4,616,000	4,985,000	5,384,000	5,815,000	6,280,000	6,782,000
Sewer Service Charges	2,000,000	2,000,000	2,500,000	3,125,000	3,906,000	4,883,000	6,104,000	6,348,000	6,602,000	6,866,000	7,141,000	7,427,000
Drought Reserve Charge	100,000	100,000	100,000	100,000	100,000	100,000	0	0	0	0	0	0
Capital Charge	365,000	535,000	705,000	705,000	705,000	705,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000
Investment Earnings	50,000	51,000	52,000	53,000	54,000	55,000	56,000	57,000	58,000	59,000	60,000	61,000
Account Open/Reconnection Fees	3,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Late Payment Charges	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Sewer & Meter Connection Fees	23,000	23,000	25,000	27,000	29,000	31,000	34,000	36,000	39,000	42,000	45,000	48,000
Fire Service Charges	115,000	115,000	125,000	136,000	148,000	161,000	175,000	189,000	204,000	220,000	238,000	257,000
Altamar Meter Reading Fee	7,500	8,000	9,000	10,000	11,000	12,000	13,000	14,000	15,000	16,000	17,000	18,000
Transfers from Other Funds	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Less: Low Income Rate Assistance	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)
Grant Revenue	0	0	0	0	0	0	0	0	0	0	0	0
Total Revenues	5,673,500	5,846,000	6,800,000	7,734,000	8,852,000	10,196,000	12,017,000	12,648,000	13,321,000	14,037,000	14,800,000	15,612,000
EXPENSES												
Operating & Maintenance												
Salaries	949,583	987,000	1,027,000	1,068,000	1,110,000	1,154,000	1,200,000	1,248,000	1,298,000	1,350,000	1,404,000	1,460,000
Payroll Taxes	13,300	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000
Benefits	523,326	544,000	566,000	589,000	613,000	637,000	663,000	689,000	717,000	745,000	775,000	806,000
Insurance	110,225	121,000	127,000	133,000	140,000	147,000	154,000	162,000	170,000	179,000	188,000	197,000
Supplies and Services	3,585,356	4,047,000	4,452,000	4,898,000	5,388,000	5,927,000	6,520,000	7,172,000	7,889,000	8,678,000	9,546,000	10,501,000
Admin Charges and Credit	936,825	969,000	1,003,000	1,038,000	1,075,000	1,113,000	1,152,000	1,192,000	1,233,000	1,276,000	1,321,000	1,367,000
Subtotal O&M	6,118,616	6,681,000	7,188,000	7,739,000	8,339,000	8,991,000	9,702,000	10,476,000	11,320,000	12,241,000	13,247,000	14,344,000
Net Operating Revenue	(445,116)	(835,000)	(388,000)	(5,000)	513,000	1,205,000	2,315,000	2,172,000	2,001,000	1,796,000	1,553,000	1,268,000
Debt Service												
2015 Utility Bonds	636,688	632,031	626,344	630,156	622,469	629,681	624,406	629,588	627,678	624,356	635,813	317,906
New Bonds (1)	0	0	0	0	0	0	300,000	300,000	300,000	300,000	300,000	300,000
Subtotal Debt Service	636,688	632,031	626,344	630,156	622,469	629,681	924,406	929,588	927,678	924,356	935,813	617,906
Capital Projects	0	535,000	705,000	705,000	705,000	705,000	0	0	0	0	0	0
Total Expenses	6,755,303	7,848,031	8,519,344	9,074,156	9,666,469	10,325,681	10,626,406	11,405,588	12,247,678	13,165,356	14,182,813	14,961,906
Total Net Revenues	(1,081,803)	(2,002,031)	(1,719,344)	(1,340,156)	(814,469)	(129,681)	1,390,594	1,242,413	1,073,322	871,644	617,188	650,094
ENDING FUND BALANCE	6,575,087	4,573,056	2,853,712	1,513,556	699,087	569,406	1,959,999	3,202,412	4,275,734	5,147,377	5,764,565	6,414,659
Reserve Funds												
Operating Reserve Target (25% of O&M)	1,529,700	1,670,300	1,797,000	1,934,800	2,084,800	2,247,800	2,425,500	2,619,000	2,830,000	3,060,300	3,311,800	3,586,000
Drought Reserve (\$700,000)	447,499	547,499	647,499	747,499	847,499	947,499	947,499	947,499	947,499	947,499	947,499	947,499
Total Combined Reserves	1,977,199	2,217,799	2,444,499	2,682,299	2,932,299	3,195,299	3,372,999	3,566,499	3,777,499	4,007,799	4,259,299	4,533,499
Target Met?	yes	yes	yes	no	no	no	no	yes	yes	yes	yes	yes
Debt Service Coverage - 1.25x (2)	-0.70	-1.32	-0.62	-0.01	0.82	1.91	2.50	2.34	2.16	1.94	1.66	2.05
Target Met?	no	no	no	no	no	yes	yes	yes	yes	yes	yes	yes

1 - Total debt service for New Bonds is estimated at \$300,000

2 - (Net Operating Revenue less Projected Grant Revenue) divided by (Total Debt Service)

4.2 Combined Sample Bill Impacts

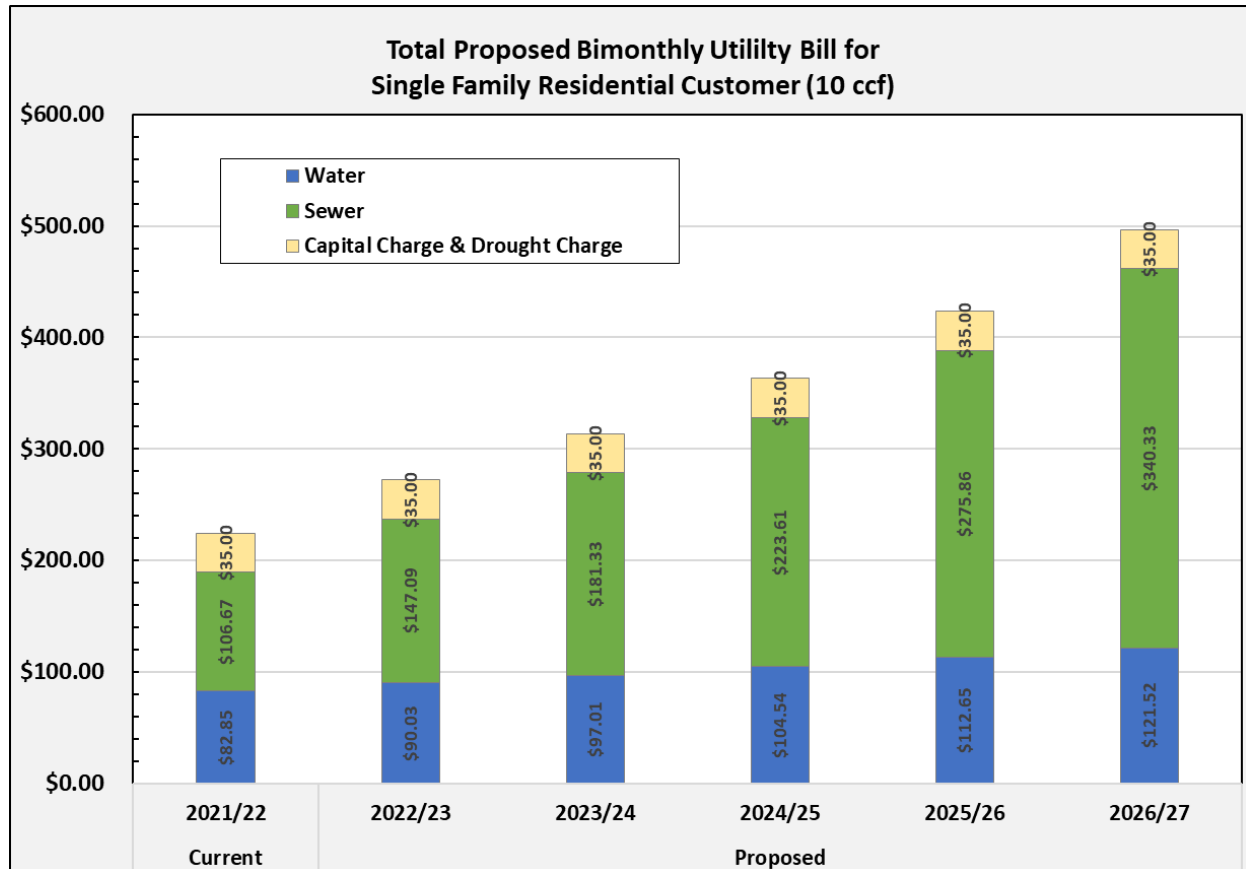
Table 57 includes a sample of residential bill impacts for a combined water and sewer bill based on the proposed rate increases. Combined, the average residential customer who uses 10 ccf bimonthly will see a \$47.60 or 25.1% increase from their current bill. Actual bill impacts will vary based on customer class and consumption per billing period.

Table 57: Sample Residential Combined Bill Impacts
City of Brisbane
Water and Sewer Utility Rate Study 2022

	Bimonthly Use (ccf)	Current Bill	Proposed				
			2023/24	2024/25	2025/26	2026/27	2027/28
Residential: 5/8" meter, 4 ccf							
Water Bill	4	\$37.47	\$52.24	\$56.45	\$61.00	\$65.92	\$71.36
Sewer Bill	4	<u>\$80.11</u>	<u>\$97.36</u>	<u>\$120.45</u>	<u>\$149.04</u>	<u>\$184.47</u>	<u>\$228.33</u>
Total Utility Bill		\$117.58	\$149.60	\$176.90	\$210.03	\$250.39	\$299.69
\$ Change			\$32.02	\$27.30	\$33.14	\$40.35	\$49.30
% Change			27.2%	18.2%	18.7%	19.2%	19.7%
Residential: 5/8" meter, 10 ccf							
Water Bill	10	\$82.85	\$90.03	\$97.01	\$104.54	\$112.65	\$121.52
Sewer Bill	10	<u>\$106.67</u>	<u>\$147.09</u>	<u>\$181.33</u>	<u>\$223.61</u>	<u>\$275.86</u>	<u>\$340.33</u>
Total Utility Bill		\$189.52	\$237.12	\$278.34	\$328.15	\$388.52	\$461.85
\$ Change			\$47.60	\$41.22	\$49.81	\$60.37	\$73.33
% Change			25.1%	17.4%	17.9%	18.4%	18.9%
Residential: 5/8" meter, 20 ccf							
Water Bill	20	\$193.35	\$216.53	\$231.68	\$247.92	\$265.30	\$284.01
Sewer Bill	20	<u>\$183.27</u>	<u>\$229.98</u>	<u>\$282.80</u>	<u>\$347.90</u>	<u>\$428.18</u>	<u>\$527.00</u>
Total Utility Bill		\$376.62	\$446.51	\$514.47	\$595.81	\$693.49	\$811.01
\$ Change			\$69.89	\$67.97	\$81.34	\$97.68	\$117.52
% Change			18.6%	15.2%	15.8%	16.4%	16.9%

Figure 11 below shows the total bimonthly utility bill for the next five years, including Water, Sewer, Capital Project, and Drought Charges for a typical residential customer using 10 ccf per 2-month billing period. The current combined bill is \$224.52. With the proposed rate increases, the combined bill is projected to increase to \$496.85 by 2026/27.

Figure 11: Bimonthly Combined Utility Bill
City of Brisbane
Water Utility Rate Study 2022



APPENDIX A: SEWER TABLES

Appendix 1: Sewer Variable Unit Rate Derivation

2023/24

Allocation to Variable Charges			
FY2023/24 Revenue Requirement (1)		\$2,500,000	
Variable Charge Recovery %		70%	
Variable Charge Recovery \$		\$1,750,000	
Allocation to Flow, BOD, SS	<u>Flow</u>	<u>BOD</u>	<u>SS</u>
Cost Allocation %	50%	25%	25%
Cost Allocation \$	\$875,000	\$438,000	\$438,000
Total Annual Loadings (2)	181,000	261,000	261,000
Units	ccf	lbs	lbs
Unit Cost	\$4.83 per ccf	\$1.68 per lb	\$1.68 per lb

1 - Table 34, Line 10

2 - Table 38

3 - Table 39

2024/25

Allocation to Variable Charges			
FY2024/25 Revenue Requirement (1)		\$3,125,000	
Variable Charge Recovery %		70%	
Variable Charge Recovery \$		\$2,187,500	
Allocation to Flow, BOD, SS	<u>Flow</u>	<u>BOD</u>	<u>SS</u>
Cost Allocation %	50%	25%	25%
Cost Allocation \$	\$1,094,000	\$547,000	\$547,000
Total Annual Loadings (2)	185,000	266,000	266,000
Units	ccf	lbs	lbs
Unit Cost	\$5.91 per ccf	\$2.06 per lb	\$2.06 per lb

2025/26

Allocation to Variable Charges			
FY2025/26 Revenue Requirement (1)		\$3,906,000	
Variable Charge Recovery %		70%	
Variable Charge Recovery \$		\$2,734,200	
Allocation to Flow, BOD, SS	<u>Flow</u>	<u>BOD</u>	<u>SS</u>
Cost Allocation %	50%	25%	25%
Cost Allocation \$	\$1,367,000	\$684,000	\$684,000
Total Annual Loadings (2)	189,000	271,000	271,000
Units	ccf	lbs	lbs
Unit Cost	\$7.23 per ccf	\$2.52 per lb	\$2.52 per lb

2026/27

Allocation to Variable Charges			
FY2026/27 Revenue Requirement (1)		\$4,883,000	
Variable Charge Recovery %		70%	
Variable Charge Recovery \$		\$3,418,100	
Allocation to Flow, BOD, SS	<u>Flow</u>	<u>BOD</u>	<u>SS</u>
Cost Allocation %	50%	25%	25%
Cost Allocation \$	\$1,709,000	\$855,000	\$855,000
Total Annual Loadings (2)	193,000	276,000	276,000
Units	ccf	lbs	lbs
Unit Cost	\$8.85 per ccf	\$3.10 per lb	\$3.10 per lb

2027/28

Allocation to Variable Charges			
FY2027/28 Revenue Requirement (1)	\$6,104,000		
Variable Charge Recovery %	70%		
Variable Charge Recovery \$	\$4,272,800		
Allocation to Flow, BOD, SS	<u>Flow</u>	<u>BOD</u>	<u>SS</u>
Cost Allocation %	50%	25%	25%
Cost Allocation \$	\$2,136,000	\$1,068,000	\$1,068,000
Total Annual Loadings (2)	197,000	281,000	281,000
Units	ccf	lbs	lbs
Unit Cost	\$10.84 per ccf	\$3.80 per lb	\$3.80 per lb

Appendix 2: Volume Rate by Customer Class

2023/24

Customer Class	Wastewater Strength (mg/l)		Unit Rates (\$ per ccf or lb) (1)			Total Variable Rate per ccf
			Flow	BOD	SS	
	BOD	SS	\$4.83	\$1.68	\$1.68	
Residential	165	165	\$4.83	\$1.73	\$1.73	\$8.29
Standard Commercial	200	200	\$4.83	\$2.09	\$2.09	\$9.02
Medium Commercial	300	300	\$4.83	\$3.14	\$3.14	\$11.12
Heavy Commercial	400	400	\$4.83	\$4.19	\$4.19	\$13.21

2024/25

Customer Class	Wastewater Strength (mg/l)		Unit Rates (\$ per ccf or lb)			Total Variable Rate per ccf
			Flow	BOD	SS	
	BOD	SS	\$5.91	\$2.06	\$2.06	
Residential	165	165	\$5.91	\$2.12	\$2.12	\$10.15
Standard Commercial	200	200	\$5.91	\$2.57	\$2.57	\$11.04
Medium Commercial	300	300	\$5.91	\$3.85	\$3.85	\$13.61
Heavy Commercial	400	400	\$5.91	\$5.13	\$5.13	\$16.18

2025/26

Customer Class	Wastewater Strength (mg/l)		Unit Rates (\$ per ccf or lb)			Total Variable Rate per ccf
			Flow	BOD	SS	
	BOD	SS	\$7.23	\$2.52	\$2.52	
Residential	165	165	\$7.23	\$2.60	\$2.60	\$12.43
Standard Commercial	200	200	\$7.23	\$3.15	\$3.15	\$13.53
Medium Commercial	300	300	\$7.23	\$4.72	\$4.72	\$16.68
Heavy Commercial	400	400	\$7.23	\$6.30	\$6.30	\$19.83

2026/27

Customer Class	Wastewater Strength (mg/l)		Unit Rates (\$ per ccf or lb)			Total Variable Rate per ccf
			Flow	BOD	SS	
	BOD	SS	\$8.85	\$3.10	\$3.10	
Residential	165	165	\$8.85	\$3.19	\$3.19	\$15.23
Standard Commercial	200	200	\$8.85	\$3.87	\$3.87	\$16.59
Medium Commercial	300	300	\$8.85	\$5.80	\$5.80	\$20.45
Heavy Commercial	400	400	\$8.85	\$7.73	\$7.73	\$24.32

2027/28

Customer Class	Wastewater Strength (mg/l)		Unit Rates (\$ per ccf or lb)			Total Variable Rate per ccf
			Flow	BOD	SS	
	BOD	SS	\$10.84	\$3.80	\$3.80	
Residential	165	165	\$10.84	\$3.91	\$3.91	\$18.67
Standard Commercial	200	200	\$10.84	\$4.74	\$4.74	\$20.33
Medium Commercial	300	300	\$10.84	\$7.11	\$7.11	\$25.07
Heavy Commercial	400	400	\$10.84	\$9.48	\$9.48	\$29.81

1 - Table 12