



# CITY OF DEL REY OAKS

650 CANYON DEL REY BLVD, DEL REY OAKS, CALIFORNIA 93940  
PHONE (831) 394-8511 FAX (831) 394-6421

## **REGULAR CITY COUNCIL MEETING AGENDA OF THE CITY OF DEL REY OAKS CITY COUNCIL TUESDAY, JANUARY 23, 2024 AT 6:00 PM**

Del Rey Oaks City Hall is inviting you to an **IN-PERSON MEETING AT CITY HALL**

PLEASE NOTE THIS WILL BE LIVE STREAMED FOR VIEWING ONLY  
YOU WILL NOT BE ABLE TO MAKE PUBLIC COMMENTS ON ZOOM

### **JOIN ZOOM MEETING**

<https://us02web.zoom.us/j/87314254300>

- 1. ROLL CALL - Council**
- 2. PLEDGE OF ALLEGIANCE**
- 3. PUBLIC COMMENTS: General Public Comment must deal with matters subject to the jurisdiction of the City and the Council that are not on the Agenda. Anyone wishing to address the City Council on matters not appearing on the Agenda may do so now. The public may comment on any other matter listed on the Agenda at the time the matter is being considered. There will be a time limit of not more than three minutes for each speaker. No action will be taken on matters brought up under this item and all comments will be referred to staff.**
- 4. CONSENT AGENDA:**
  - A. MINUTES: (CEQA: as to all, not a project per Guidelines Article 20, Section 15378)**
    - 1.** December 13, 2023, Special City Council Meeting Minutes
    - 2.** December 19, 2023, Regular City Council Meeting Minutes
  - B. MONTHLY REPORTS: (CEQA: as to all, not a project per Guidelines Article 20, Section 15378)**
    - 1.** Financials December 2022 - December 2023
    - 2.** Fire Department Response Report, December 2023
    - 3.** Police Activity Report, December 2023

**C. MISCELLANEOUS: (CEQA: as to all, not a project per Guidelines Article 20, Section 15378)**

- 1.** Adoption of Tobacco Retailer License Ordinance and Smoke Free Public Places Ordinance (Second Reading)
- 2.** Authorize City Manager to publish Request for Proposals for Comprehensive Fee Study
- 3.** Authorize City Manager to sign the Agreement with Community Tree Service for the work to be performed for the Cal Fire Grant

**5. OLD BUSINESS: None**

**6. NEW BUSINESS:**

- A.** Approval of the FY 2022-23 City Audit Report
- B.** Appeal of Building Official Determination Regarding Square Footage Calculations at 121 Calle Del Oaks

**7. STAFF REPORTS:**

- A.** City Manager Report
- B.** Council Reports

**8. CORRESPONDENCE:**

- A.** Department of Housing and Community Development Letter
- B.** MST Highlights
- C.** TAMC Highlights

**9. NEXT MEETING DATE: February 27, 2024 at 6:00pm**

**10. ADJOURNMENT** in Honor of Former Mayor Joseph Russell

***Information distributed to the Council at the meeting becomes part of the public record. A copy of written material, pictures, etc. must be provided to the secretary for- this purpose. All enclosures and materials regarding these agenda items are available for public review at the Del Rey Oaks City Hall, 650 Canyon Del Rey Road, Del Rey Oaks.***

# **City of Del Rey Oaks**

**City Hall  
650 Canyon Del Rey Blvd  
Del Rey Oaks, CA 93940**



## **Action Minutes**

**Wednesday December 13, 2023 - 6:30 PM**

**City Council – Special Meeting**

**Del Rey Oaks City Council**

**Scott Donaldson – Mayor  
Kim Shirley – Vice Mayor  
Jeremy Hallock – Councilmember  
John Uy – Councilmember  
Bill Ragsdale-Cronin - Councilmember**

**6:30 PM – Called to Order:**

The meeting was called to order by Vice Mayor Shirley.

**Roll Call:**

**Present: Vice Mayor Shirley, Councilmember Hallock, Councilmember Ragsdale-Cronin and Councilmember Uy.**

**Absent: Mayor Donaldson**

**Also Present: City Manager Guertin, City Attorney Lorca and City Clerk Minami**

**Pledge of Allegiance:**

**Councilmember Uy led the Pledge of Allegiance**

**Public Comment:**

None

**Public Comment closed**

**NEW BUSINESS:**

**Action Item**

Received comments from the public and consider adopting a Resolution to amend the Del Rey Oaks General Plan by adopting the 6<sup>th</sup> cycle (2023-2031) Draft Housing Element

**Denise Duffy:** Reviews timeline and explains the resolution correction that is in front of Council.

The entire City Council thanked Denise Duffy and Associates for all of their hard work.

**Motion made by Council Member Uy to approve the resolution 2023-21 to amend the Del Rey Oaks General Plan by adopting the 6<sup>th</sup> cycle (2023-2031) Draft Housing Element, seconded by Council Member Ragsdale Cronin.**

**Passed unanimously 4-0**

**Mayor Donaldson absent**

**Public Comment:**

None



**NEXT REGULAR MEETING DATE:**

**Tuesday, December 19, 2023 at 6:00pm**

**ADJOURNMENT: 6:40pm**

**Attest:**

**Date:**

-----

-----

# **City of Del Rey Oaks**

**City Hall  
650 Canyon Del Rey Blvd  
Del Rey Oaks, CA 93940**



## **Action Minutes**

**Tuesday December 19, 2023 - 6:00 PM**

**City Council – Regular Meeting**

**Del Rey Oaks City Council**

**Scott Donaldson – Mayor**

**Kim Shirley – Vice Mayor**

**Jeremy Hallock – Councilmember**

**John Uy – Councilmember**

**Bill Ragsdale-Cronin - Councilmember**

**6:00 PM – Called to Order:**

The meeting was called to order by Mayor Donaldson.

**Roll Call:**

**Present: Mayor Donaldson, Councilmember Shirley, Councilmember Hallock, Councilmember Ragsdale-Cronin and Councilmember Uy.**

**Absent: None**

**Also Present: City Manager Guertin, City Attorney Lorca, City Clerk Minami**

**Pledge of Allegiance:**

**Mayor Donaldson led the Pledge of Allegiance**

**Public Comment: None**

**PUBLIC COMMENT IS CLOSED**

**CONSENT AGENDA:            *Action Items***

**A.     MINUTES: (CEQA: as to all, not a project per Guidelines Article 20, Section 15378)**

1.            November 14, 2023, Regular City Council Meeting Minutes
2.            November 8, 2023, Regular Planning Commission Meeting Minutes

**B.     MONTHLY REPORTS: (CEQA: as to all, not a project per Guidelines Article 20, Section 15378)**

1.            Financials November 2023
2.            Fire Department Response Report, November 2023
3.            Police Activity Report November 2023

**C.     MISCELLANEOUS: (CEQA: as to all, not a project per Guidelines Article 20, Section 15378)**

1.    Approval of 2024 Regional Agencies Boards & Committees Representatives Appointment List
2.    Approval of the 2024 City Meeting Calendar
3.    Approval of the appointment of Councilmember John Uy as Vice Mayor for the 2024 calendar year.

4. Consider a Contribution of \$2,500 to the Monterey County Business Council as Part of a Regional Local Match for the MCBC to Host the Small Business Development Center
5. Authorize the Establishment of a Deputy City Clerk/Permit Clerk Position in the Fiscal Year 2023-24 Budget

A motion was made by **Council Member Hallock**, seconded by **Council Member Uy** to approve the consent agenda item as presented with the exception of Item 4.C.1. to be further discussed.

**Council Member Ragsdale-Cronin** pulled item 4.C.1. to express his request to be assigned to Monterey One Water. Would like to be the primary representative for the city because of his experience and he is a good fit, it's in his wheelhouse and has relationships with board members.

**Further discussion was had regarding an email that Council Member Ragsdale Cronin stated that he sent about this assignment.**

**Mayor Donaldson:** Good relationship. The board isn't operations, its policy focused.

Suggested the primary position to Ragsdale-Cronin and asked if Council Member Uy would be secondary on the Seaside County Sanitation District.

**Council Member Uy:** Only one primary role and likes it and it fits into his schedule. Unfair to ask.

**Council Member Hallock:** Offers even trade with him for Monterey Peninsula Water Management District primary.

**Council Member Shirley:** The council owes this assignment Council Member Ragsdale-Cronin, was appointed late and it fits into his schedule. Deserves it.

**PUBLIC COMMENT:**

**Helen Birdsong:** He is a good fit.

**Public Comment closed**

**Mayor Donaldson:** Table this for January to find something that works.

A motion was made by **Council Member Shirely**, seconded by **Council Member Uy** to accept item 4.C.1. with the placement of Council Member Ragsdale-Cronin as the primary rather than Mayor Donaldson on the Monterey One Water Board.

**Mayor Donaldson:** Wants to compromise and work on primary positions and is being forced out of this position.

Motion passed with a **ROLLCALL VOTE:**

**Council Member Uy**- Yes  
**Council Member Hallock**- Abstain  
**Council Member Shirley**- Yes  
**Council Member Ragsdale-Cronin**- Yes  
**Mayor Donaldson**:- No

**NEW BUSINESS:**

**A. Adopt Resolution 2023-22 to Approve Professional Services Agreement with Whitson Engineers and Denise Duffy & Associates for Engineering and Environmental Services for the South Boundary Road Realignment and General Jim Moore Blvd Intersection Project**

Andy Hunter of Whitson Engineering answered questions from Council regarding timing, water, utilities, and the request to have periodic updates. He gave some details of how the road will eventually look like.

Motion passed unanimously 5-0

**No Public Comment Received**

**B. First Reading of Tobacco Retailer License Ordinance and Smoke Free Public Place Ordinance.**

**City Manager Guertin:** Reviews meetings and the need for two ordinances. Wanted to be in line with other local cities and tried to capture all in both ordinances.

**Council Member Uy:** Problems in other cities?

City Manager Guertin: None that he has heard of, but still new.

**Council Member Hallock:** Pleasure to work with Council Member Shirley, the Blue Zone and the County. Future work to be done and has fast tracked item.

**City Attorney Lorca:** This is an action item.

**Council Member Shirley:** Safeway signage for no smoking isn't enforced. Would like an amendment for signage. Multi-unit buildings. Thanks Council Member Hallock.

**Mayor Donaldson:** Appreciates swift action and collaboration.

**Public comment:**

**Helen Birdsong:** The Oaks board member and wants the multi-unit buildings included.

**Celia:** Gave hand out regarding 81 cities that have passed it. Suffers from asthma and wants city to pass it in Multi Unit buildings.

**Sun Street Center:** Spoke about vaping programs at 6<sup>th</sup> grade level.

**Blue Zone:** Clean air, smoke free outdoor spaces.

**Public Comment Closed.**

A motion was made by **Council Member Shirley**, seconded by **Council Member Hallock** to approve the first reading of Tobacco Retailer License Ordinance.

Motion passed unanimously 5-0

A motion was made by **Council Member Hallock**, seconded by **Council Member Shirley** to approve the first reading of Smoke Free Public Place Ordinance.

**Motion passed unanimously 5-0**

**Public Comment: None**

**NEXT MEETING DATE: Tuesday, January 23, 2024 at 6:00pm**

**ADJOURNMENT: 7:28pm**

**Attest:**

**Date:**

-----

-----



# CITY OF DEL REY OAKS

650 CANYON DEL REY BLVD., DEL REY OAKS, CALIFORNIA 93940  
 PHONE (831) 394-8511 FAX (831) 394-6421

## Staff Report

**DATE:** January 23, 2024

**TO:** Honorable Mayor and Council Members

**FROM:** John Guertin, City Manager

**SUBJECT:** Receive December 2023 Financial Reports

**CEQA:** This action does not constitute a “project” as defined by the California Environmental Quality Act (CEQA) guidelines section 15378 as it is an administrative activity of the City that will not result in direct or indirect physical changes in the environment.

### Consideration

Approval of financial reports for the month of December 2023.

### Background

The Budget and Finance Committee routinely receives financial reports for the previous month.

### Summary & Discussion

Attached are the December 2023 financial reports.

- December 2023 Cash Balances – The report shows where the City’s funds are invested. The City continue to have a healthy cash balance \$13,458,163 of which \$4,799,220 are unrestricted.
- December 2023 Checks Issued Register –This is a listing of all the payments issued during the month. The total checks issued of \$67,867.
- December 2023 General Fund Summary – This is a one-page summary of the General Fund, the City’s main operating fund. For the month of December, the General Fund shows revenue of \$734,450. As of 12/31/2023 the General Fund shows an operating surplus of \$482,962. At 50% of the year (6 months) the revenues are slightly higher at 53.28% due to the receipt of Property Taxes and the expenditures are at 43.01% of the budget.
- December 2023 YTD Budget v. Actual Detail – This report shows the line-item detail for all revenues and expenditures by fund and department.

**Fiscal Impacts**

None. This is informational only.

**Recommendation**

Staff recommend approval of the reports.

**ATTACHMENTS:**

- December 2023 Cash and Investment
- December 2023 Checks Register
- December 2023 General Fund Summary
- December 2023 YTD Budget v. Actual Detail

Respectfully Submitted,

---

John Guertin  
City Manager



**City of Del Rey Oaks  
Summary of Cash & Investments  
As of 12/31/2023**

Accounts

Unrestricted

General Checking	\$ 916,027.36	
Local Agency Investment Fund		
Reserve for Economic Uncertainties	1,652,182.00	3.843%
Unappropriated Funds	2,231,010.49	3.843%
Total Unrestricted	<u>4,799,219.85</u>	

Restricted

PARS	324,899.52	
Dev - Monterey Peninsula Partner	9,062.62	
Fidelity Title Escrow Acct - GJM/SBR Intersection	1,056,168.00	
Fidelity Title Escrow Acct - SBR Construction	7,268,813.00	
Total Restricted	<u>8,658,943.14</u>	

**Total Cash and Investments** **\$ 13,458,162.99**

**City of Del Rey Oaks**  
**Check/Voucher Register**  
**From 12/01/2023 Through 12/31/2023**

Check Number	Payee	Transaction Description	Check Amount
21769	A.F. Electric	#14954 Park restrooms lighting	235.00
21770	AFLAC	Acct #QAE62 November 2023 Monthly Premium	381.70
21771	AMERICAN LOCK & KEY	Inv #1-2353 Supplies	117.99
21772	AT&T MOBILITY	Acct #287290891231 - Mobile Service Period 12-03-23 to 01-02-24	613.80
21773	CALIFORNIA BUILDING STANDARDS COMMISSION	California Building Standards Commission - Fee 063023	29.27
21774	California Peace Officers Association	Inv #423540 Webinar	175.00
21775	CoPower	ID #145153 - January 2024 Dental Coverage	2,177.32
21776	COMCAST BUSINESS	Acct #8155100280008479 Internet Service Period 12-10-23 to 01-09-24	378.31
21777	CORELOGIC SOLUTIONS, LLC.	Acct #2010705640RR681524- November 2023 Data Search Service	154.50
21778	CRITICAL REACH INC	Inv #3164 - 2024 APBnet Annual Support Fee	325.00
21779	DENISE DUFFY & ASSOCIATES	#8898 DRO - Housing Element, Reimbursable Direct Cost.	3,889.25
21780	Dooley Enterprises, Inc.	Inv #66914 - PD Supplies	3,905.89
21781	Express Services, Inc	Acct #20340225 - Admin Assistant - 11-26-23	165.00
21782	Government Forms & Supplies	Inv #0344499 - Office Supplies	131.12
21783	G.P.S. SOLUTIONS	#75 November 2023 - Building, Plumbing Permits, Plan Check Fees	7,969.45
21784	HOME DEPOT CRC	1270645 - Supplies	163.16
	HOME DEPOT CRC	9271160 - Supplies	124.87
21785	Leigh Fitz	L. Fitz ER - Wellness Program	222.00
21786	Monterey County Peace Officers	2023058R - August 2023 - Shooting Range Use	280.00
	Monterey County Peace Officers	202308iR - November 2023 - Shooting Range Use	280.00
21787	MONTEREY BAY TECHNOLOGIES	#236120 - December 2023 IT Services	1,800.00
21788	MONTEREY COUNTY WEEKLY CLASSIFIEDS	105-060200-00001 Notice Sealed Bids for Fire Prevention Program	519.75
	MONTEREY COUNTY WEEKLY CLASSIFIEDS	106-060200-00001 Notice of Public Hearing	173.25
21789	MONTEREY ONE WATER	Acct #09-000306 Sewer Service Period 11-01-23 to 12-31-23	81.02
21790	MONTEREY PENINSULA AIRPORT DISTRICT	0147404-IN Diesel Usage 05/31/23	197.39
21791	ODP Business Solutions, LLC	275041604001 - Office Supplies	53.58
	ODP Business Solutions, LLC	286244035001 - Office Supplies	56.34
	ODP Business Solutions, LLC	322589108001 - Office Supplies	21.99
	ODP Business Solutions, LLC	342392586001 - Supplies	119.69
	ODP Business Solutions, LLC	342765126001 Supplies	8.27
	ODP Business Solutions, LLC	342765146001 - Supplies	4.16
	ODP Business Solutions, LLC	343530670001 - Supplies	72.03
	ODP Business Solutions, LLC	343567226001 - Office Supplies	61.16
21792	PG&E	Acct #4283033409-2 PGE Service Period 10-23-23 to 11-20-23	2,036.07
21793	Pitney Bowes Global Financial Services LLC	Acct #3106401733 - Meter Lease Quarterly	169.79
21794	PROAC LEGAL DEFENSE FUND	Acct #3162 Legal Defense Fund Dues Sept 2023-January 2024	2,039.40
21795	Peace Officers Research Association of California	425218 - Acct #3162 Quarterly Member Dues	767.00
	Peace Officers Research Association of California	Acct #3163- Quarterly Membership Dues for Reserve POA	72.00
21796	PURE WATER	Inv #425570 - Supplies	34.75
21797	ROGER GUZMAN	R. Guzman ER 12112023 - Travel Expenses	734.00
21798	TERMINIX	Acct #6099531 - November 2023 - Pest Control	102.00
21799	THE MAYNARD GROUP	#IN2041156 - November 2023 Telecommunication Service	67.00
21800	UNITED SITE SERVICES	INV-02148362 - November 2023 Service	81.76
	UNITED SITE SERVICES	INV-4006024 -November 2023 DRO Park Service Supplies	682.52
21801	US Bank Equipment Finance	Acct #500-0673430 December 2023 Konica Minolta Copier	428.84
21802	Verizon	Acct #342533778-00001 - Mobile Service Period 10-24-23 to 11-23-23	80.02
121223	PERS	CalPERS 1900 457 (12/08) Contribution 12/15/23	2,300.00
pers 121223-:	PERS	PERS 3100 Contribution Retirements 11/18-12/01/23 -Plan 1365	4,713.68
pers 121223-:	PERS	PERS 3100 Contribution Retirement 11/18-12/01/23 -Plan 25623	3,857.70
pers 121223-:	PERS	PERS 3100 Contribution Retirement 11/18-12/01/23 -Plan 1364	549.68
pers 121223-:	PERS	PERS 3100 Contribution Retirement 11/18-12/01/23 -Plan 26934	781.45
pers-111723	PERS	PERS 3100 Contribution Retirement 11/04-11/17/23 --Plan 1364	542.46
	PERS	PERS 3100 Contribution Retirement 11/04-11/17/23 -Plan 25623	3,816.05
	PERS	PERS 3100 Contribution Retirement 11/04-11/17/23 -Plan 26934	815.88
	PERS	PERS 3100 Contribution Retirements 11/4-11/17823 -Plan 1365	4,387.29
pers-111723-:	PERS	CalPERS 1900 457 (11/17) Contribution 11/30/2023	2,300.00
PERS122223	PERS	PERS 3100 Contribution Retirement 12/02-12/15/23 -Plan 1364	556.90
	PERS	PERS 3100 Contribution Retirement 12/02-12/15/23 -Plan 26934	781.45
	PERS	PERS 3100 Contribution Retirement 12/2-12/15/23 -Plan 25623	3,799.26
	PERS	PERS 3100 Contribution Retirements 12/2-12/15/23 -Plan 1365	4,182.89
PERS122223-:	PERS	CalPERS 1900 457 (12/22) Contribution 12/31/23	2,300.00

**Total**

**67,867.10**

City of Del Rey Oaks  
**Statement of Revenues and Expenditures-General Fund Summary**  
**100 - General Fund**

From 12/1/2023 Through 12/31/2023

	FY 2024 Budget - Revised	December 2023 Actual	FY 2024 YTD Actual	Percent Collected/Spent
<b>Revenue</b>				
Property Taxes	767,700.00	455,472.24	455,472.24	59.32%
Sales Tax	1,313,000.00	101,025.44	719,650.87	54.80%
Other Taxes	487,500.00	19,258.12	257,188.01	52.75%
Licenses and Permits	286,300.00	7,519.94	93,922.63	32.80%
Fines and Forfeitures	10,200.00	875.90	6,364.90	62.40%
Other Revenue	12,200.00	325.19	67,993.91	557.32%
Grants	264,520.00	15,016.74	208,616.53	78.86%
Airport Police Services	1,376,500.00	110,457.00	552,285.00	40.12%
Current Services	186,700.00	24,499.58	145,009.40	77.66%
<b>Total Revenue</b>	<b>4,704,620.00</b>	<b>734,450.15</b>	<b>2,506,503.49</b>	<b>53.28%</b>
<b>Expenditures</b>				
Council	32,200.00	1,058.08	9,047.73	28.09%
City Clerk	443,900.00	15,699.02	195,325.26	44.00%
City Manager	318,300.00	16,382.95	146,235.02	45.94%
Audit/Treasurer	288,100.00	218.46	133,831.33	46.45%
Legal	201,500.00	693.00	41,374.88	20.53%
Planning & Building Regulation	105,400.00	7,969.45	50,279.25	47.70%
Government Buildings	19,100.00	102.00	1,010.00	5.28%
Non-Departmental	42,700.00	29.27	22,210.76	52.01%
Police	2,668,790.00	126,480.64	1,225,317.42	45.91%
Fire/Animal Control	227,600.00	0.00	56,878.75	24.99%
Public Works/Streets	313,530.00	9,994.48	126,140.02	40.23%
Parks/Recreation	43,500.00	917.52	15,891.39	36.53%
<b>Total Expenditures</b>	<b>4,704,620.00</b>	<b>179,544.87</b>	<b>2,023,541.81</b>	<b>43.01%</b>
Net Revenues	0.00	554,905.28	482,961.68	0.00%
Other Financing Sources and Uses				
<b>Uses</b>				
Transfers Out to CIP	(193,900.00)	0.00	0.00	0.00%
<b>Total Uses</b>	<b>(193,900.00)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00%</b>
<b>Total Other Financing Sources     and Uses</b>	<b>(193,900.00)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00%</b>
<b>Net Revenues After Other Financing Sources and Uses</b>	<b>(193,900.00)</b>	<b>554,905.28</b>	<b>482,961.68</b>	<b>(249.07)%</b>

City of Del Rey Oaks  
Statement of Revenues and Expenditures-YTD Budget v. Actual Detail

100 - General Fund  
From 12/1/2023 Through 12/31/2023

		FY 2024 Budget - Revised	December 2023 Actual	FY 2024 YTD Actual	Percent Collected/Used
Revenue					
Non Department Specific	000				
P/T-Secured	41110	531,000.00	313,327.40	313,327.40	59.00%
P/T-Unsecured	41120	24,500.00	26,962.16	26,962.16	110.04%
P/T-Prior Secured	41130	6,100.00	6,028.38	6,028.38	98.82%
Prior Unsecured	41140	100.00	0.00	0.00	0.00%
P/T-Unitary Tax	41150	10,000.00	5,981.99	5,981.99	59.81%
P/T-Supplemental Roll (SB813)	41160	12,200.00	7,379.20	7,379.20	60.48%
Property Tax - VLF	41170	183,000.00	95,158.50	95,158.50	51.99%
Prop Tax-Interest/Penalty	41180	800.00	634.61	634.61	79.32%
Sales Tax	42210	470,000.00	34,532.86	244,939.95	52.11%
Sales Tax - 145 (Measure S-1%)	42220	562,000.00	43,456.99	316,060.92	56.23%
Sales Tax -409 (Measure R 1/2%)	42221	281,000.00	23,035.59	158,650.00	56.45%
Cannabis Tax	42222	99,000.00	15,088.84	68,448.44	69.13%
Transient Occupancy Tax	42230	190,000.00	349.25	116,675.04	61.40%
Property Transfer Tax	42250	5,000.00	3,820.03	8,124.33	162.48%
Sewer Impact	42290	15,000.00	0.00	0.00	0.00%
Business Licenses	42310	210,000.00	304.00	54,729.47	26.06%
Gas Franchises	42761	8,000.00	0.00	0.00	0.00%
Electric Franchises	42762	21,500.00	0.00	0.00	0.00%
Garbage Franchises	42763	100,000.00	0.00	51,487.18	51.48%
Cable Tv Franchises	42764	26,000.00	0.00	12,453.02	47.89%
Water Franchises	42765	23,000.00	0.00	0.00	0.00%
SB1186 Disability Access Fund	43311	1,000.00	16.00	410.00	41.00%
SB1473 Environmental Assessment Fee	43312	100.00	32.50	55.80	55.80%
Building Permits	43320	40,000.00	5,255.26	17,997.32	44.99%
Cannabis Business Permit	43325	10,000.00	0.00	4,000.00	40.00%
Plan Check Fees	43330	17,000.00	1,303.18	12,690.04	74.64%
Street Opening Permits Fees	43340	5,000.00	500.00	2,950.00	59.00%
Plumbing Permits	43350	1,600.00	125.00	1,125.00	70.31%
Electrical Permits	43360	1,600.00	0.00	375.00	23.43%
Other Licenses/Permits	43390	1,000.00	0.00	0.00	0.00%
Fines & Forfeitures	45000	200.00	294.90	1,289.90	644.95%
Vehicle Code Fines	45510	5,000.00	250.00	1,164.00	23.28%
Parking and Admin Fines	45512	5,000.00	331.00	3,911.00	78.22%
Interest Earned	46100	10,000.00	0.00	64,684.76	646.84%
Interest Earned-PARS	46101	0.00	0.00	1,971.49	0.00%
Rental Income - Garden Center	46815	36,000.00	3,000.00	20,000.00	55.55%
Rental Income - Airport RV	46816	35,000.00	4,377.08	23,317.47	66.62%
Rental Income - PW Bldg (CHC Enterprise)	46817	24,000.00	2,000.00	8,000.00	33.33%
HOPTR	47130	1,200.00	309.19	309.19	25.76%
COPS	47240	165,200.00	8,333.33	136,158.98	82.42%
AMBAG REAP Grant - Housing Element	47241	0.00	0.00	20,980.25	0.00%
HCD LEAP Grant - Housing Element	47242	0.00	0.00	18,226.50	0.00%
SB1383 Organics Recycling	47243	9,000.00	4,957.78	4,957.78	55.08%
Prop 172	47750	25,000.00	1,725.63	9,276.37	37.10%
Wellness Program	47760	7,500.00	0.00	7,500.00	100.00%

City of Del Rey Oaks  
**Statement of Revenues and Expenditures-YTD Budget v. Actual Detail**

100 - General Fund  
 From 12/1/2023 Through 12/31/2023

		FY 2024 Budget - Revised	December 2023 Actual	FY 2024 YTD Actual	Percent Collected/Used
Police Grants & Other Reimbursements	47780	5,000.00	0.00	5,982.87	119.65%
POST Reimbursements	47781	3,000.00	0.00	5,533.78	184.45%
DEA Reimbursements	47782	44,000.00	0.00	0.00	0.00%
Grant Other Agencies	47783	5,820.00	0.00	0.00	0.00%
Police Service Fees	48210	1,000.00	0.00	607.00	60.70%
Police Services-Special Events	48211	48,000.00	11,312.50	17,687.50	36.84%
Public Events	48212	5,000.00	0.00	7,500.00	150.00%
Use Permits	48805	20,000.00	710.00	15,085.89	75.42%
Maps/Publications	48810	100.00	0.00	0.00	0.00%
Property Inspections	48825	4,500.00	250.00	1,000.00	22.22%
Miscellaneous Revenue	48840	10,000.00	2,750.00	49,462.32	494.62%
Rental - Park	48910	3,100.00	100.00	2,349.22	75.78%
Miscellaneous Refunds	48930	0.00	0.00	618.47	0.00%
<b>Total Non Department Specific</b>		<b>3,328,120.00</b>	<b>623,993.15</b>	<b>1,954,218.49</b>	<b>58.72%</b>
Police	210				
Airport Police Services	48220	1,376,500.00	110,457.00	552,285.00	40.12%
<b>Total Police</b>		<b>1,376,500.00</b>	<b>110,457.00</b>	<b>552,285.00</b>	<b>40.12%</b>
<b>Total Revenue</b>		<b>4,704,620.00</b>	<b>734,450.15</b>	<b>2,506,503.49</b>	<b>53.28%</b>

Expense

Council	110				
Council Member Stipend	61115	7,500.00	625.00	2,022.31	26.96%
Medicare-ER	61130	200.00	9.06	54.36	27.18%
Social Security-ER	61131	500.00	38.75	232.50	46.50%
Unemployment Ins-Fed & State	61132	100.00	3.75	22.50	22.50%
Dental Expense	61135	11,400.00	381.52	2,418.63	21.21%
Materials/Supply	62410	0.00	0.00	100.00	0.00%
Membership Dues-Professional Org	64550	4,000.00	0.00	340.35	8.50%
Strategic Planning	64570	5,000.00	0.00	0.00	0.00%
Travel Expenses	64610	3,500.00	0.00	3,857.08	110.20%
<b>Total Council</b>		<b>32,200.00</b>	<b>1,058.08</b>	<b>9,047.73</b>	<b>28.10%</b>
City Clerk	111				
Payroll	61105	149,600.00	11,171.22	69,222.14	46.27%
Temp Payroll	61107	10,000.00	0.00	0.00	0.00%
Overtime	61110	20,000.00	380.25	2,765.72	13.82%
PERS UAL	61124	36,900.00	0.00	36,879.00	99.94%
PERS Retirement	61125	13,800.00	1,417.37	5,874.82	42.57%
Medicare-ER	61130	2,200.00	167.50	1,038.35	47.19%
Unemployment Ins-Fed & State	61132	200.00	0.00	0.00	0.00%
Dental Expense	61135	3,200.00	190.76	1,144.56	35.76%
Health Insurance	61140	60,500.00	(36.42)	18,284.05	30.22%
Health Insurance -Retiree	61141	1,800.00	0.00	0.00	0.00%
Vision Ins	61145	500.00	0.00	155.96	31.19%
Workers Comp and EAP	61150	9,100.00	0.00	4,844.48	53.23%
Wellness Program	61155	1,000.00	222.00	971.20	97.12%
Materials/Supply	62410	16,300.00	119.43	1,933.30	11.86%
Office Supplies	62430	11,200.00	215.28	2,438.09	21.76%
Repair/Maintenance	63505	3,000.00	0.00	597.23	19.90%
Other Outside Services	63508	0.00	598.63	2,341.41	0.00%
Shredding Services	63509	1,000.00	0.00	355.72	35.57%
Telephone	63530	7,700.00	33.50	3,843.14	49.91%
Website Design & Maintenance	63535	3,800.00	0.00	0.00	0.00%

**City of Del Rey Oaks  
Statement of Revenues and Expenditures-YTD Budget v. Actual Detail**

**100 - General Fund**  
From 12/1/2023 Through 12/31/2023

		FY 2024 Budget - Revised	December 2023 Actual	FY 2024 YTD Actual	Percent Collected/Used
Postage / Shipping	63540	4,000.00	0.00	1,126.20	28.15%
Training	63605	5,000.00	0.00	1,324.59	26.49%
Insurance-Liability	63620	17,370.00	0.00	8,684.57	49.99%
Insurance-Property	63621	230.00	0.00	1,264.14	549.62%
Contract Services - IT	63635	6,000.00	900.00	7,793.75	129.89%
HR Services-RGS	63652	31,500.00	0.00	0.00	0.00%
Temporary Assistance	63657	0.00	165.00	5,671.05	0.00%
Janitorial Services	63660	0.00	0.00	750.00	0.00%
Software/Server Subscription	64310	2,000.00	154.50	6,621.52	331.07%
Agenda Management System	64315	5,000.00	0.00	4,920.00	98.40%
Document Management System	64316	1,500.00	0.00	437.50	29.16%
Municipal Code Service	64320	10,000.00	0.00	1,097.25	10.97%
Membership Dues-Professional Org	64550	3,200.00	0.00	285.00	8.90%
Membership Dues-Government Agency	64552	1,300.00	0.00	650.00	50.00%
Printing / Publications	64575	2,000.00	0.00	1,233.38	61.66%
Travel Expenses	64610	0.00	0.00	602.35	0.00%
Furniture & Equipment	66300	3,000.00	0.00	174.79	5.82%
<b>Total City Clerk</b>		<b>443,900.00</b>	<b>15,699.02</b>	<b>195,325.26</b>	<b>44.00%</b>
<b>City Manager</b>	<b>120</b>				
Payroll	61105	192,500.00	15,548.80	99,288.73	51.57%
PERS UAL	61124	1,000.00	0.00	0.00	0.00%
PERS Retirement	61125	14,800.00	0.00	4,951.01	33.45%
Medicare-ER	61130	2,800.00	225.46	1,438.64	51.38%
Unemployment Ins-Fed & State	61132	100.00	0.00	0.00	0.00%
Dental Expense	61135	1,600.00	193.29	1,159.74	72.48%
Health Insurance	61140	30,200.00	0.00	15,601.55	51.66%
Vision Ins	61145	200.00	0.00	118.40	59.20%
Workers Comp and EAP	61150	11,700.00	0.00	6,025.74	51.50%
Wellness Program	61155	500.00	0.00	0.00	0.00%
Auto Allowance	61180	5,400.00	415.40	2,492.36	46.15%
Materials/Supply	62410	0.00	0.00	35.83	0.00%
Office Supplies	62430	1,500.00	0.00	605.48	40.36%
Insurance-Liability	63620	22,405.00	0.00	11,201.12	49.99%
Insurance-Property	63621	295.00	0.00	1,629.24	552.28%
Membership Dues-Professional Org	64550	0.00	0.00	300.00	0.00%
Books and Periodicals	64565	300.00	0.00	0.00	0.00%
Travel Expenses	64610	8,000.00	0.00	1,387.18	17.33%
Contingency	66905	25,000.00	0.00	0.00	0.00%
<b>Total City Manager</b>		<b>318,300.00</b>	<b>16,382.95</b>	<b>146,235.02</b>	<b>45.94%</b>
<b>Audit/Treasurer</b>	<b>130</b>				
ADP Payroll Fees	62310	3,500.00	0.00	2,882.15	82.34%
Bank Service Charges	62320	4,600.00	218.46	2,910.33	63.26%
Grant Writing Services	62327	30,000.00	0.00	0.00	0.00%
Accounting Software	62431	3,600.00	0.00	8,493.75	235.93%
Audit-Finance	63625	29,000.00	0.00	16,950.00	58.44%
Audit -Sales Tax	63626	5,000.00	0.00	0.00	0.00%
Actuarial Services	63627	4,500.00	0.00	0.00	0.00%
Accounting Services-RGS	63645	207,900.00	0.00	102,595.10	49.34%
<b>Total Audit/Treasurer</b>		<b>288,100.00</b>	<b>218.46</b>	<b>133,831.33</b>	<b>46.45%</b>
<b>Legal</b>	<b>150</b>				
Legal Services	63650	200,000.00	0.00	39,080.83	19.54%

**City of Del Rey Oaks  
Statement of Revenues and Expenditures-YTD Budget v. Actual Detail**

**100 - General Fund**  
From 12/1/2023 Through 12/31/2023

		FY 2024 Budget - Revised	December 2023 Actual	FY 2024 YTD Actual	Percent Collected/Used
Legal Advert	64560	1,500.00	693.00	1,834.11	122.27%
Misc Expenses	64580	0.00	0.00	459.94	0.00%
<b>Total Legal</b>		<b>201,500.00</b>	<b>693.00</b>	<b>41,374.88</b>	<b>20.53%</b>
<b>Planning &amp; Building Regulation</b>	<b>160</b>				
Economic Development Services	63639	20,000.00	0.00	0.00	0.00%
Planning Services	63640	40,000.00	0.00	9,800.00	24.50%
Contract Services - Housing Element	63642	0.00	0.00	12,845.90	0.00%
Building Inspections Services	63648	32,400.00	7,637.45	20,129.68	62.12%
Engineering Services	63649	5,000.00	0.00	3,629.25	72.58%
Code Enforcement Services	63656	5,000.00	332.00	954.50	19.09%
Travel Expenses	64610	3,000.00	0.00	2,919.92	97.33%
<b>Total Planning &amp; Building Regulation</b>		<b>105,400.00</b>	<b>7,969.45</b>	<b>50,279.25</b>	<b>47.70%</b>
<b>Government Buildings</b>	<b>180</b>				
Repair/Maintenance	63505	16,100.00	0.00	204.00	1.26%
Other Outside Services	63508	0.00	102.00	306.00	0.00%
Janitorial Services	63660	3,000.00	0.00	500.00	16.66%
<b>Total Government Buildings</b>		<b>19,100.00</b>	<b>102.00</b>	<b>1,010.00</b>	<b>5.29%</b>
<b>Non-Departmental</b>	<b>190</b>				
Materials/Supply	62410	6,200.00	0.00	65.24	1.05%
Telephone	63530	1,000.00	0.00	123.32	12.33%
Insurance-Liability	63620	12,830.00	0.00	6,414.74	49.99%
Insurance-Property	63621	170.00	0.00	1,875.35	1,103.14%
Membership Dues-Professional Org	64550	4,300.00	0.00	0.00	0.00%
Membership Dues-Non Profit Agency Contrib	64551	11,800.00	0.00	8,279.00	70.16%
Membership Dues-Government Agency	64552	5,100.00	0.00	5,131.68	100.62%
Misc Expenses	64580	1,000.00	0.00	273.17	27.31%
S.M.I.P.	64930	200.00	0.00	18.99	9.49%
SB 1473	64940	100.00	29.27	29.27	29.27%
<b>Total Non-Departmental</b>		<b>42,700.00</b>	<b>29.27</b>	<b>22,210.76</b>	<b>52.02%</b>
<b>Police</b>	<b>210</b>				
Payroll	61105	1,081,000.00	78,330.64	449,015.83	41.53%
Overtime	61110	110,000.00	10,377.62	77,155.51	70.14%
Overtime-DEA	61111	44,000.00	0.00	11,545.18	26.23%
Reserves Payroll	61120	80,000.00	5,830.41	45,789.29	57.23%
PERS UAL - After 06/30/18	61123	1,000.00	0.00	1,020.00	102.00%
PERS UAL	61124	102,000.00	0.00	101,918.00	99.91%
PERS Retirement	61125	136,500.00	15,015.64	64,493.54	47.24%
PERS 457 Expense	61126	32,400.00	3,600.00	14,700.00	45.37%
Medicare-ER	61130	15,700.00	1,368.92	8,466.45	53.92%
Social Security-ER	61131	1,600.00	6.63	700.42	43.77%
Unemployment Ins-Fed & State	61132	10,500.00	1.60	107.55	1.02%
Dental Expense	61135	17,900.00	1,284.77	7,599.11	42.45%
Health Insurance	61140	296,400.00	(345.28)	92,785.38	31.30%
Health Insurance -Retiree	61141	2,000.00	0.00	755.00	37.75%
Vision Ins	61145	2,900.00	0.00	1,194.20	41.17%
Workers Comp and EAP	61150	172,400.00	0.00	88,182.44	51.14%
Wellness Program	61155	5,300.00	0.00	0.00	0.00%
Uniform Allowance	61160	10,000.00	0.00	2,250.00	22.50%

City of Del Rey Oaks  
Statement of Revenues and Expenditures-YTD Budget v. Actual Detail

100 - General Fund  
From 12/1/2023 Through 12/31/2023

		FY 2024 Budget - Revised	December 2023 Actual	FY 2024 YTD Actual	Percent Collected/Used
Materials/Supply	62410	28,670.00	119.47	5,569.29	19.42%
Ammunition	62420	5,000.00	3,905.89	3,905.89	78.11%
Body Armor Vests	62422	12,150.00	0.00	0.00	0.00%
Office Supplies	62430	3,000.00	108.91	1,360.48	45.34%
PD Safety Equip Lease - Principal	62460	24,300.00	0.00	0.00	0.00%
PD Safety Equip Lease - Interest	62461	1,000.00	0.00	0.00	0.00%
Auto Operations - Supplies / Equip	62710	2,500.00	0.00	0.00	0.00%
Auto Operations - Fuel	62720	30,000.00	197.39	15,445.80	51.48%
Repair/Maintenance	63505	14,000.00	0.00	480.00	3.42%
Other Outside Services	63508	0.00	0.00	2,501.16	0.00%
Shredding Services	63509	1,000.00	0.00	355.73	35.57%
Telephone	63530	14,000.00	727.32	6,868.34	49.05%
Internet	63531	2,500.00	378.31	3,645.02	145.80%
Annual Maintenance-Records Management Software	63537	6,020.00	0.00	2,902.79	48.21%
Annual Maintenance	63538	3,400.00	0.00	0.00	0.00%
Annual Maintenance-MDT	63539	3,300.00	0.00	0.00	0.00%
Postage / Shipping	63540	500.00	0.00	68.43	13.68%
Training	63605	15,000.00	735.00	2,968.65	19.79%
Insurance-Liability	63620	125,435.00	0.00	80,673.30	64.31%
Insurance-Property	63621	1,665.00	0.00	10,065.45	604.53%
Audit-Finance	63625	4,500.00	0.00	0.00	0.00%
Contract Services - IT	63635	6,000.00	900.00	7,481.25	124.68%
Contract Services-Others	63637	4,200.00	0.00	2,791.05	66.45%
HR Services-RGS	63652	3,000.00	0.00	0.00	0.00%
Janitorial Services	63660	3,000.00	0.00	1,250.00	41.66%
911-Radio Dispatch	63665	58,500.00	0.00	41,280.13	70.56%
911-Inform MDT Terminal Service	63666	1,500.00	0.00	0.00	0.00%
911-Notification System	63667	400.00	0.00	0.00	0.00%
911-NGEN O&M	63668	8,000.00	0.00	5,976.16	74.70%
911-NGEN Debt	63669	5,200.00	0.00	5,128.32	98.62%
Auto Repair/Maintenance	63730	14,000.00	0.00	8,605.90	61.47%
Parking & Admin Citations Services	63812	5,000.00	0.00	1,725.55	34.51%
Animal Regulation Fire	63820	500.00	0.00	239.00	47.80%
Fund Jail & Prisoner	63830	200.00	0.00	0.00	0.00%
ACJIS System	63840	9,000.00	0.00	0.00	0.00%
Software/Server Subscription	64310	12,000.00	325.00	12,840.05	107.00%
Computer Server	64318	3,500.00	0.00	0.00	0.00%
Personnel Recruit & Pre-Employment	64545	3,000.00	0.00	957.26	31.90%
Membership Dues-Professional Org	64550	4,000.00	2,878.40	4,701.20	117.53%
Books and Periodicals	64565	900.00	0.00	0.00	0.00%
Printing / Publications	64575	3,000.00	0.00	1,079.21	35.97%
Travel Expenses	64610	13,000.00	734.00	5,454.79	41.95%
Principal-Motorola Lease-Cameras	65104	21,350.00	0.00	21,319.32	99.85%
Vehicle Replacement	66735	70,000.00	0.00	0.00	0.00%
<b>Total Police</b>		<u>2,668,790.00</u>	<u>126,480.64</u>	<u>1,225,317.42</u>	<u>45.91%</u>



**City of Del Rey Oaks  
Statement of Revenues and Expenditures-YTD Budget v. Actual Detail**

**100 - General Fund**  
From 12/1/2023 Through 12/31/2023

		FY 2024 Budget - Revised	December 2023 Actual	FY 2024 YTD Actual	Percent Collected/Used
Fire/Animal Control	220				
Fire Seaside	63810	227,600.00	0.00	56,878.75	24.99%
Total Fire/Animal Control		227,600.00	0.00	56,878.75	24.99%
Public Works/Streets	311				
Payroll	61105	83,600.00	6,428.80	38,646.33	46.22%
Overtime	61110	3,000.00	0.00	0.00	0.00%
PERS UAL	61124	1,000.00	0.00	0.00	0.00%
PERS Retirement	61125	6,500.00	740.61	3,191.14	49.09%
Medicare-ER	61130	1,300.00	93.22	559.32	43.02%
Unemployment Ins-Fed & State	61132	100.00	0.00	0.00	0.00%
Dental Expense	61135	1,600.00	126.98	761.88	47.61%
Health Insurance	61140	30,300.00	0.00	12,001.20	39.60%
Vision Ins	61145	300.00	0.00	99.06	33.02%
Workers Comp and EAP	61150	5,200.00	0.00	2,749.74	52.87%
Wellness Program	61155	500.00	0.00	576.93	115.38%
Materials/Supply	62410	16,500.00	406.02	2,972.83	18.01%
Office Supplies	62430	1,500.00	0.00	400.96	26.73%
Auto Operations - Supplies / Equip	62710	2,500.00	0.00	645.97	25.83%
Auto Operations - Fuel	62720	5,000.00	0.00	2,281.62	45.63%
Repair/Maintenance	63505	41,000.00	0.00	5,849.40	14.26%
Other Outside Services	63508	0.00	0.00	440.00	0.00%
Gabilan Crew	63515	5,000.00	81.76	566.60	11.33%
Utilities - PG&E	63520	15,000.00	2,036.07	10,666.25	71.10%
Utilities - Water	63525	4,000.00	81.02	2,814.02	70.35%
Telephone	63530	0.00	0.00	206.11	0.00%
Training	63605	5,000.00	0.00	675.00	13.50%
Insurance-Liability	63620	10,660.00	0.00	5,329.17	49.99%
Insurance-Property	63621	140.00	0.00	775.50	553.92%
Insurance-Vehicles	63622	4,500.00	0.00	4,267.00	94.82%
Organic Waste Regs Services	63654	9,000.00	0.00	0.00	0.00%
Auto Repair/Maintenance	63730	8,300.00	0.00	1,724.14	20.77%
Printing / Publications	64575	1,250.00	0.00	770.86	61.66%
Storm Water Project - Phase 4	64920	23,000.00	0.00	7,067.00	30.72%
Equipment	66302	0.00	0.00	20,101.99	0.00%
Contingency	66905	27,780.00	0.00	0.00	0.00%
Total Public Works/Streets		313,530.00	9,994.48	126,140.02	40.23%
Parks/Recreation	411				
Materials/Supply	62410	15,500.00	682.52	7,535.04	48.61%
Office Supplies	62430	0.00	0.00	68.19	0.00%
Repair/Maintenance	63505	25,000.00	235.00	6,682.00	26.72%
Utilities - Water	63525	3,000.00	0.00	1,536.31	51.21%
Travel Expenses	64610	0.00	0.00	69.85	0.00%
Total Parks/Recreation		43,500.00	917.52	15,891.39	36.53%
Total Expense		4,704,620.00	179,544.87	2,023,541.81	43.01%
Other Financing Sources and Uses					
Non Department Specific	000				
Transfers Out to CIP	81001	(193,900.00)	0.00	0.00	0.00%
Total Non Department Specific		(193,900.00)	0.00	0.00	0.00%
Total Other Financing Sources and Uses		(193,900.00)	0.00	0.00	0.00%
Excess(Deficit) of Revenue Over Expenditures		(193,900.00)	554,905.28	482,961.68	(249.07)%

City of Del Rey Oaks  
**Statement of Revenues and Expenditures-YTD Budget v. Actual Detail**

210 - Gas Tax Fund  
 From 12/1/2023 Through 12/31/2023

		FY 2024 Budget - Revised	December 2023 Actual	FY 2024 YTD Actual	Percent Collected/Used
Revenue					
Non Department Specific	000				
Gas Tax 2103	47010	14,600.00	1,417.02	8,041.78	55.08%
Gas Tax 2105	47020	10,000.00	798.63	4,850.82	48.50%
Gas Tax 2106	47030	9,000.00	746.08	4,513.27	50.14%
Gas Tax 2107	47040	11,900.00	1,143.48	6,724.97	56.51%
Gas Tax 2107.5	47050	<u>1,000.00</u>	<u>0.00</u>	<u>1,000.00</u>	<u>100.00%</u>
Total Non Department Specific		<u>46,500.00</u>	<u>4,105.21</u>	<u>25,130.84</u>	<u>54.04%</u>
Total Revenue		<u><u>46,500.00</u></u>	<u><u>4,105.21</u></u>	<u><u>25,130.84</u></u>	<u><u>54.04%</u></u>
Expense					
Public Works/Streets	311				
Street Sweeping	63510	10,000.00	0.00	0.00	0.00%
Street Lighting	63910	<u>15,000.00</u>	<u>0.00</u>	<u>1,951.39</u>	<u>13.00%</u>
Total Public Works/Streets		<u>25,000.00</u>	<u>0.00</u>	<u>1,951.39</u>	<u>7.81%</u>
Total Expense		<u><u>25,000.00</u></u>	<u><u>0.00</u></u>	<u><u>1,951.39</u></u>	<u><u>7.81%</u></u>
Excess(Deficit) of Revenue Over Expenditures		21,500.00	4,105.21	23,179.45	107.81%

City of Del Rey Oaks  
**Statement of Revenues and Expenditures-YTD Budget v. Actual Detail**

211 - SB1 Fund-RMRA  
 From 12/1/2023 Through 12/31/2023

		FY 2024 Budget - Revised	December 2023 Actual	FY 2024 YTD Actual	Percent Collected/Used
Revenue					
Non Department Specific	000				
SB 1 Funds	47777	38,900.00	2,843.76	15,670.05	40.28%
Total Non Department Specific		38,900.00	2,843.76	15,670.05	40.28%
General Government (Header)					
SB 1 Funds	47777	0.00	0.00	3,593.82	0.00%
Total General Government (Header)		0.00	0.00	3,593.82	0.00%
Total Revenue		<u>38,900.00</u>	<u>2,843.76</u>	<u>19,263.87</u>	<u>49.52%</u>
Expense					
Curb Repair	536				
Curb and Gutter Repair	66327	20,000.00	0.00	0.00	0.00%
Total Curb Repair		20,000.00	0.00	0.00	0.00%
Saucito/Work Gutter & Curb	537				
Curb and Gutter Repair	66327	40,000.00	0.00	0.00	0.00%
Total Saucito/Work Gutter & Curb		40,000.00	0.00	0.00	0.00%
Via Verde Curb & Gutter Repair	538				
Curb and Gutter Repair	66327	90,000.00	0.00	13,195.00	14.66%
Total Via Verde Curb & Gutter Repair		90,000.00	0.00	13,195.00	14.66%
Total Expense		<u>150,000.00</u>	<u>0.00</u>	<u>13,195.00</u>	<u>8.80%</u>
Excess(Deficit) of Revenue Over Expenditures		(111,100.00)	2,843.76	6,068.87	(5.46)%

**City of Del Rey Oaks  
Statement of Revenues and Expenditures-YTD Budget v. Actual Detail**

**212 - Measure X Fund**  
From 12/1/2023 Through 12/31/2023

		<u>FY 2024 Budget - Revised</u>	<u>December 2023 Actual</u>	<u>FY 2024 YTD Actual</u>	<u>Percent Collected/Used</u>
<b>Revenue</b>					
Non Department Specific	000				
Measure X	47775	<u>94,400.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00%</u>
Total Non Department Specific		<u>94,400.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00%</u>
Total Revenue		<u><u>94,400.00</u></u>	<u><u>0.00</u></u>	<u><u>0.00</u></u>	<u><u>0.00%</u></u>
<b>Expense</b>					
Via Verde/Los Encinos Street Repair	524				
Street Improvements	66410	<u>30,000.00</u>	<u>0.00</u>	<u>39,480.00</u>	<u>131.60%</u>
Total Via Verde/Los Encinos Street Repair		<u>30,000.00</u>	<u>0.00</u>	<u>39,480.00</u>	<u>131.60%</u>
Angelus/Rosita Storm Drain Repair (Engineering)	525				
Street Improvements	66410	<u>10,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00%</u>
Total Angelus/Rosita Storm Drain Repair (Engineering)		<u>10,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00%</u>
Angelus/Rosita Storm Drain Repair (Construction)	526				
Street Improvements	66410	<u>60,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00%</u>
Total Angelus/Rosita Storm Drain Repair (Construction)		<u>60,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00%</u>
Debt Service - Measure X	610				
Principal - Measure X Loan	65103	<u>80,400.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00%</u>
Interest - Measure X	65203	<u>14,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00%</u>
Total Debt Service - Measure X		<u>94,400.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00%</u>
Total Expense		<u><u>194,400.00</u></u>	<u><u>0.00</u></u>	<u><u>39,480.00</u></u>	<u><u>20.31%</u></u>
Excess(Deficit) of Revenue Over Expenditures		(100,000.00)	0.00	(39,480.00)	39.48%

City of Del Rey Oaks  
**Statement of Revenues and Expenditures-YTD Budget v. Actual Detail**

221 - FORA Habitat Management Fund

From 12/1/2023 Through 12/31/2023

		<u>FY 2024 Budget - Revised</u>	<u>December 2023 Actual</u>	<u>FY 2024 YTD Actual</u>	<u>Percent Collected/Used</u>
Expense					
Planning & Building Regulation	160				
Contract Services - Habitat Management Plan	63646	34,536.50	0.00	0.00	0.00%
Total Planning & Building Regulation		<u>34,536.50</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00%</u>
Total Expense		<u>34,536.50</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00%</u>
Excess(Deficit) of Revenue Over Expenditures		(34,536.50)	0.00	0.00	0.00%

**City of Del Rey Oaks  
Statement of Revenues and Expenditures-YTD Budget v. Actual Detail**

**223 - ARPA Fund**  
From 12/1/2023 Through 12/31/2023

		<u>FY 2024 Budget - Revised</u>	<u>December 2023 Actual</u>	<u>FY 2024 YTD Actual</u>	<u>Percent Collected/Used</u>
Expense					
Police	210				
Mobile Data Terminals	66305	5,998.17	0.00	465.55	7.76%
Portable Radios	66306	<u>2,589.89</u>	<u>0.00</u>	<u>2,548.26</u>	<u>98.39%</u>
Total Police		8,588.06	0.00	3,013.81	35.09%
City Hall Parking Lot Imp	527				
Parking Lot Improvements & Repairs	66425	100,000.00	0.00	0.00	0.00%
Total City Hall Parking Lot Imp		<u>100,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00%</u>
Total Expense		<u>108,588.06</u>	<u>0.00</u>	<u>3,013.81</u>	<u>2.78%</u>
Excess(Deficit) of Revenue Over Expenditures		(108,588.06)	0.00	(3,013.81)	2.77%

City of Del Rey Oaks  
**Statement of Revenues and Expenditures-YTD Budget v. Actual Detail**

**231 - BSCC-Officer Wellness & Mental Health Grant**

From 12/1/2023 Through 12/31/2023

		<u>FY 2024 Budget - Revised</u>	<u>December 2023 Actual</u>	<u>FY 2024 YTD Actual</u>	<u>Percent Collected/Used</u>
Expense					
Police	210				
Law Enforcement Wellness App	64314	<u>2,000.00</u>	<u>0.00</u>	<u>1,999.00</u>	<u>99.95%</u>
Total Police		<u>2,000.00</u>	<u>0.00</u>	<u>1,999.00</u>	<u>99.95%</u>
Total Expense		<u>2,000.00</u>	<u>0.00</u>	<u>1,999.00</u>	<u>99.95%</u>
Excess(Deficit) of Revenue Over Expenditures		(2,000.00)	0.00	(1,999.00)	99.95%

City of Del Rey Oaks  
**Statement of Revenues and Expenditures-YTD Budget v. Actual Detail**

235 - Asset Forfeitures  
 From 12/1/2023 Through 12/31/2023

		<u>FY 2024 Budget - Revised</u>	<u>December 2023 Actual</u>	<u>FY 2024 YTD Actual</u>	<u>Percent Collected/Used</u>
Revenue					
Police	210				
Police Grants & Other Reimbursements	47780	5,000.00	0.00	0.00	0.00%
Total Police		<u>5,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00%</u>
Total Revenue		<u>5,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00%</u>
Excess(Deficit) of Revenue Over Expenditures		5,000.00	0.00	0.00	0.00%



**City of Del Rey Oaks  
Statement of Revenues and Expenditures-YTD Budget v. Actual Detail**

**301 - Capital Projects**  
From 12/1/2023 Through 12/31/2023

		FY 2024 Budget - Revised	December 2023 Actual	FY 2024 YTD Actual	Percent Collected/Used
Expense					
Housing Element 6th Cycle	532				
Housing Element Cost - 6th Cycle	63638	138,900.00	3,889.25	3,889.25	2.80%
		<u>138,900.00</u>	<u>3,889.25</u>	<u>3,889.25</u>	<u>2.80%</u>
Total Housing Element 6th Cycle					
Vehicle Replacement	533				
Vehicle Replacement	66735	35,000.00	0.00	0.00	0.00%
Total Vehicle Replacement		35,000.00	0.00	0.00	0.00%
City Hall Facility Repairs & Upgrades	541				
Repairs and Improvements	66322	10,000.00	0.00	0.00	0.00%
Total City Hall Facility Repairs & Upgrades		10,000.00	0.00	0.00	0.00%
Council Chamber Technology Project	542				
Technology Upgrades	66323	10,000.00	0.00	0.00	0.00%
Total Council Chamber Technology Project		10,000.00	0.00	0.00	0.00%
<b>Total Expense</b>		<u>193,900.00</u>	<u>3,889.25</u>	<u>3,889.25</u>	<u>2.01%</u>
Other Financing Sources and Uses					
Housing Element 6th Cycle	532				
Transfers In from GF	82001	138,900.00	0.00	0.00	0.00%
Total Housing Element 6th Cycle		138,900.00	0.00	0.00	0.00%
Vehicle Replacement	533				
Transfers In from GF	82001	35,000.00	0.00	0.00	0.00%
Total Vehicle Replacement		35,000.00	0.00	0.00	0.00%
City Hall Facility Repairs & Upgrades	541				
Transfers In from GF	82001	10,000.00	0.00	0.00	0.00%
Total City Hall Facility Repairs & Upgrades		10,000.00	0.00	0.00	0.00%
Council Chamber Technology Project	542				
Transfers In from GF	82001	10,000.00	0.00	0.00	0.00%
Total Council Chamber Technology Project		10,000.00	0.00	0.00	0.00%
<b>Total Other Financing Sources and Uses</b>		<u>193,900.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00%</u>
<b>Excess(Deficit) of Revenue Over Expenditures</b>		0.00	(3,889.25)	(3,889.25)	0.00%

City of Del Rey Oaks  
**Statement of Revenues and Expenditures-YTD Budget v. Actual Detail**

321 - SBR Engineering Fund  
 From 12/1/2023 Through 12/31/2023

		<u>FY 2024 Budget - Revised</u>	<u>December 2023 Actual</u>	<u>FY 2024 YTD Actual</u>	<u>Percent Collected/Used</u>
Expense					
SBR Engineering	518				
Contract Services - Engineering	63611	<u>505,830.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00%</u>
Total SBR Engineering		<u>505,830.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00%</u>
Total Expense		<u>505,830.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00%</u>
Excess(Deficit) of Revenue Over Expenditures		(505,830.00)	0.00	0.00	0.00%



**FIRE DEPARTMENT**

1635 Broadway Avenue  
Seaside, CA 93955

Telephone (831) 899-6790  
FAX (831) 899-6261

January 2, 2024

John Guertin, City Manager  
Del Rey Oaks City Hall  
650 Canyon Del Rey  
Del Rey Oaks, CA 93940

Dear Mr. Guertin:

Enclosed is a copy of the response reports for the Seaside Fire Department response to Del Rey Oaks for the period of December 1, 2023 through December 31, 2023.

The Seaside Fire Department responded to the following incidents in the month of December:

Incident #

231201-SEA03161	231212-SEA03271	231220-SEA03358	231228-SEA03442
231201-SEA03163	231212-SEA03272	231222-SEA03380	231229-SEA03453
231202-SEA03183	231212-SEA03280	231223-SEA03395	
231204-SEA03192	231214-SEA03295	231223-SEA03397	
231204-SEA03202	231216-SEA03326	231227-SEA03431	
231205-SEA03211	231218-SEA03340	231227-SEA03434	
231210-SEA03255	231219-SEA03348	231227-SEA03439	

There are Twenty-Three (23) fire calls for the month of December. If you have any questions, please contact me.

Sincerely,

Paul Blaha  
Deputy Fire Chief  
CC: File

**SEASIDE FIRE DEPARTMENT**  
**City of Del Rey Oaks - Response Report**

Incident Date	Incident Number	Alarm Time	Arrival Time	Response Time (Minutes)	Incident Type Code	District	Street Or Highway Name	Priority
12/1/2023	231201-SEA03161	3:44:09 AM	3:50:14 AM	6.08	622	29	General Jim Moore	Emergent Downgraded to Non-Emergent
12/1/2023	231201-SEA03163	9:29:29 AM	9:35:21 AM	5.20	321	29	Canyon Del Rey	Emergent
12/2/2023	231202-SEA03183	11:32:31 PM	11:39:37 PM	6.58	321	29	Via Verde	Emergent
12/4/2023	231204-SEA03192	3:11:57 AM	3:20:19 AM	7.77	321	29	Paloma	Emergent
12/4/2023	231204-SEA03202	7:30:41 PM	7:39:47 PM	8.98	522	29	Via Verde	Non-Emergent
12/5/2023	231205-SEA03211	11:34:53 AM	11:39:50 AM	4.95	522	29	Via Verde	Non-Emergent
12/10/2023	231210-SEA03255	1:48:11 PM	1:53:00 PM	4.20	412	29	PHEASANT RIDGE	Non-Emergent
12/12/2023	231212-SEA03271	6:01:14 AM	6:10:53 AM	9.27	522	29	Via Verde	Non-Emergent
12/12/2023	231212-SEA03272	7:25:23 AM	7:35:05 AM	7.73	522	29	Via Verde	Non-Emergent
12/12/2023	231212-SEA03280	5:03:45 PM	5:12:59 PM	7.03	622	29	Pheasant Ridge	Non-Emergent
12/14/2023	231214-SEA03295	2:41:28 AM	2:47:51 AM	5.75	321	29	Via Verde	Emergent
12/16/2023	231216-SEA03326	5:08:04 PM	5:15:15 PM	6.65	321	29	Rosita	Emergent
12/18/2023	231218-SEA03340	4:03:57 PM	4:15:16 PM	7.00	622	29	Via Verde	Non-Emergent
12/19/2023	231219-SEA03348	10:00:51 AM	10:10:30 AM	8.55	745	29	Pheasant Ridge	Emergent
12/20/2023	231220-SEA03358	7:59:57 AM	8:05:28 AM	5.40	521	29	Carlton	Non-Emergent
12/22/2023	231222-SEA03380	7:56:14 AM	8:01:08 AM	4.23	321	29	Carlton	Emergent
12/23/2023	231223-SEA03395	8:21:57 PM	8:26:35 PM	3.98	321	29	Work	Emergent
12/23/2023	231223-SEA03397	9:44:06 PM	9:49:27 PM	5.35	6111	29	Canyon Del Rey	Emergent
12/27/2023	231227-SEA03431	1:02:48 AM	1:12:37 AM	9.27	6111	29	Pheasant Ridge	Emergent
12/27/2023	231227-SEA03434	10:25:08 AM	10:31:08 AM	4.63	622	29	Los Encinos	Emergent Downgraded to Non-Emergent
12/27/2023	231227-SEA03439	6:28:41 PM	6:36:22 PM	7.10	321	29	Paloma	Emergent
12/28/2023	231228-SEA03442	1:08:09 AM	1:15:36 AM	6.52	6111	29	Canyon Del Rey	Emergent
12/29/2023	231229-SEA03453	1:18:53 AM	1:25:37 AM	6.37	6111	29	Canyon Del Rey	Emergent

Total Calls 23

LEGEND CODE:	INCIDENT TYPE:
100-173	FIRE
200-251	OVERPRESSURE
300-381	MEDICAL RESPONSE
400-482	HAZARDOUS CONDITION
500-571	SERVICE CALL
600-672	GOOD INTENT CALL
700-751	FALSE ALARM/FALSE CALL
800-810	SEVERE WEATHER
900-911	SPECIAL/CITIZEN COMPLAINT



# POLICE

## DEL REY OAKS

# City Council Report

## Dec 2023

### Chris Bourquin - Chief

Case #	Date	Offense Code 1	Offense Code Description	DRO	MPAD	OJ	Residential	Commercial
Case #	Date	Offense Code 1						
23-312	12/01/2023	Information Only						
23-313	12/01/2023	Information Only						
23-314	12/02/2023	Information Only						
23-315	12/02/2023	Outside Warrant/F						
23-316	12/04/2023	Death Investigation						
23-317	12/04/2023	Information Only						
23-318	12/05/2023	ACN						
23-319	12/06/2023	Void						
23-320	12/07/2023	Information Only						
23-321	12/07/2023	23152(A) VC						
23-322	12/08/2023	Susp Circ						
23-323	12/08/2023	Susp Circ						
23-324	12/09/2023	Information Only						
23-325	12/09/2023	Surrendered Property						
23-326	12/11/2023	Information Only						
23-327	12/11/2023	Information Only						
23-328	12/11/2023	Lost Property						
23-329	12/15/2023	368(D)(1) PC						
23-330	12/19/2023	594(A)(2) PC						
23-331	12/22/2023	484(A) PC						
23-332	12/22/2023	Surrendered Property						
23-333	12/27/2023	Information Only						
23-334	12/28/2023	12500(A) VC						
23-335	12/29/2023	Found Property						
23-336	12/29/2023	Lost Property						
23-337	12/30/2023	243(E)(1) PC						
26 CASES								

Calls for Service	
Month	YTD
270	3,894

Case Reports	
Month	YTD
26	337

Alarms					
Residential		Commercial		MPAD	
Mo.	YTD	Mo.	YTD	Mo.	YTD
2	18	5	37	9	68

Citations					
Moving		Parking		Warning	
Mo.	YTD	Mo.	YTD	Mo.	YTD
3	124	36	344	4	230



# Group A Offense Report

Printed On: 01/08/2024

Page 1 of 1

Item 3.

Beginning Date: 12/01/2023

Ending Date: 12/31/2023

Agency: All

Offense	Reported in 2023	Reported in 2022	Percent Change	Offenses Cleared	Percent Cleared	Percent Of Category	Rate Per 100,000*
Murder	12	72	-83.33%	5	41.67%	0.20%	0.07
Negligent Manslaughter	1	14	-92.86%	0	0.00%	0.02%	0.01
Justifiable Homicide	0	2	-100.00%	0	0.00%	0.00%	0.00
Non-consensual Sex Offenses:							
Rape	93	412	-77.43%	13	13.98%	1.53%	0.52
Sodomy	25	139	-82.01%	3	12.00%	0.41%	0.14
Sexual Assault with Object	9	79	-88.61%	0	0.00%	0.15%	0.05
Fondling	176	558	-68.46%	32	18.18%	2.89%	0.98
Aggravated Assault	1,616	4,912	-67.10%	827	51.18%	26.55%	8.96
Simple Assault	3,433	10,027	-65.76%	1,708	49.75%	56.41%	19.05
Intimidation	521	1,652	-68.46%	246	47.22%	8.56%	2.89
Kidnapping/Abduction	180	520	-65.38%	121	67.22%	2.96%	1.00
Consensual Sex Offenses:							
Incest	0	1	-100.00%	0	0.00%	0.00%	0.00
Statutory Rape	17	73	-76.71%	1	5.88%	0.28%	0.09
Human Trafficking, Commercial Sex Acts	1	20	-95.00%	1	100.00%	0.02%	0.01
Human Trafficking, Involuntary Servitude	2	5	-60.00%	0	0.00%	0.03%	0.01
<b>Crimes Against Persons Total</b>	<b>6,086</b>	<b>18,486</b>	<b>-67.08%</b>	<b>2,957</b>	<b>48.59%</b>	<b>24.85%</b>	<b>33.76</b>
Robbery	496	1,565	-68.31%	170	34.27%	3.48%	2.75
Burglary/Breaking & Entering	1,308	6,152	-78.74%	175	13.38%	9.17%	7.26
Larceny/Theft Offenses	6,328	25,722	-75.40%	893	14.11%	44.36%	35.11
Motor Vehicle Theft	1,763	7,197	-75.50%	121	6.86%	12.36%	9.78
Arson	62	289	-78.55%	24	38.71%	0.43%	0.34
Destruction Of Property	2,635	9,182	-71.30%	426	16.17%	18.47%	14.62
Counterfeiting/Forgery	153	994	-84.61%	39	25.49%	1.07%	0.85
Fraud Offense	1,084	6,749	-83.94%	189	17.44%	7.60%	6.01
Embezzlement	46	237	-80.59%	8	17.39%	0.32%	0.26
Extortion/Blackmail	17	110	-84.55%	0	0.00%	0.12%	0.09
Bribery	2	0	NA	2	100.00%	0.01%	0.01
Stolen Property Offenses	372	1,601	-76.76%	283	76.08%	2.61%	2.06
<b>Crimes Against Property Total</b>	<b>14,266</b>	<b>59,798</b>	<b>-76.14%</b>	<b>2,330</b>	<b>16.33%</b>	<b>58.25%</b>	<b>79.14</b>
Drug/Narcotic Violations	1,921	6,472	-70.32%	1,705	88.76%	46.41%	10.66
Drug Equipment Violations	1,526	4,842	-68.48%	1,376	90.17%	36.87%	8.47
Gambling Offenses	0	6	-100.00%	0	0.00%	0.00%	0.00
Pornography/Obscene Material	44	141	-68.79%	4	9.09%	1.06%	0.24
Prostitution	13	85	-84.71%	11	84.62%	0.31%	0.07
Weapons Law Violation	624	2,353	-73.48%	469	75.16%	15.08%	3.46
Animal Cruelty	11	55	-80.00%	1	9.09%	0.27%	0.06
<b>Crimes Against Society Total</b>	<b>4,139</b>	<b>13,954</b>	<b>-70.34%</b>	<b>3,566</b>	<b>86.16%</b>	<b>16.9%</b>	<b>22.96</b>
<b>Total Group "A" Offenses</b>	<b>24,491</b>	<b>92,238</b>	<b>-73.45%</b>	<b>8,853</b>	<b>36.15%</b>	<b>100%</b>	<b>135.87</b>

Note: The Rate per 100,000 will be 'NA' when the Adjusted Population Base is Zero.



# Group A Offense Report

Printed On: 01/08/2024

Beginning Date: 01/01/2023

Ending Date: 12/31/2023

Page 1 of 1

Item 3.

Agency: All

Offense	Reported in 2023	Reported in 2022	Percent Change	Offenses Cleared	Percent Cleared	Percent Of Category	Rate Per 100,000*
Murder	0	0	NA	0	0.00%	0.00%	NA
Negligent Manslaughter	0	0	NA	0	0.00%	0.00%	NA
Justifiable Homicide	0	0	NA	0	0.00%	0.00%	NA
Non-consensual Sex Offenses:							
Rape	1	0	NA	0	0.00%	6.25%	NA
Sodomy	1	0	NA	0	0.00%	6.25%	NA
Sexual Assault with Object	0	0	NA	0	0.00%	0.00%	NA
Fondling	0	1	-100.00%	0	0.00%	0.00%	NA
Aggravated Assault	4	4	0.00%	1	25.00%	25.00%	NA
Simple Assault	4	7	-42.86%	1	25.00%	25.00%	NA
Intimidation	6	2	200.00%	4	66.67%	37.50%	NA
Kidnapping/Abduction	0	0	NA	0	0.00%	0.00%	NA
Consensual Sex Offenses:							
Incest	0	0	NA	0	0.00%	0.00%	NA
Statutory Rape	0	0	NA	0	0.00%	0.00%	NA
Human Trafficking, Commercial Sex Acts	0	0	NA	0	0.00%	0.00%	NA
Human Trafficking, Involuntary Servitude	0	0	NA	0	0.00%	0.00%	NA
<b>Crimes Against Persons Total</b>	<b>16</b>	<b>14</b>	<b>14.29%</b>	<b>6</b>	<b>37.5%</b>	<b>14.55%</b>	<b>NA</b>
Robbery	0	0	NA	0	0.00%	0.00%	NA
Burglary/Breaking & Entering	6	1	500.00%	0	0.00%	7.89%	NA
Larceny/Theft Offenses	39	77	-49.35%	10	25.64%	51.32%	NA
Motor Vehicle Theft	1	3	-66.67%	0	0.00%	1.32%	NA
Arson	0	0	NA	0	0.00%	0.00%	NA
Destruction Of Property	10	14	-28.57%	2	20.00%	13.16%	NA
Counterfeiting/Forgery	2	3	-33.33%	0	0.00%	2.63%	NA
Fraud Offense	15	13	15.38%	2	13.33%	19.74%	NA
Embezzlement	0	0	NA	0	0.00%	0.00%	NA
Extortion/Blackmail	0	0	NA	0	0.00%	0.00%	NA
Bribery	0	0	NA	0	0.00%	0.00%	NA
Stolen Property Offenses	3	2	50.00%	3	100.00%	3.95%	NA
<b>Crimes Against Property Total</b>	<b>76</b>	<b>113</b>	<b>-32.74%</b>	<b>17</b>	<b>22.37%</b>	<b>69.09%</b>	<b>NA</b>
Drug/Narcotic Violations	6	5	20.00%	5	83.33%	33.33%	NA
Drug Equipment Violations	7	6	16.67%	6	85.71%	38.89%	NA
Gambling Offenses	0	0	NA	0	0.00%	0.00%	NA
Pornography/Obscene Material	2	0	NA	1	50.00%	11.11%	NA
Prostitution	0	0	NA	0	0.00%	0.00%	NA
Weapons Law Violation	2	4	-50.00%	0	0.00%	11.11%	NA
Animal Cruelty	1	0	NA	0	0.00%	5.56%	NA
<b>Crimes Against Society Total</b>	<b>18</b>	<b>15</b>	<b>20%</b>	<b>12</b>	<b>66.67%</b>	<b>16.36%</b>	<b>NA</b>
<b>Total Group "A" Offenses</b>	<b>110</b>	<b>142</b>	<b>-22.54%</b>	<b>35</b>	<b>31.82%</b>	<b>100%</b>	<b>NA</b>

Note: The Rate per 100,000 will be 'NA' when the Adjusted Population Base is Zero.





# CITY OF DEL REY OAKS

650 CANYON DEL REY BLVD, DEL REY OAKS, CALIFORNIA 93940  
PHONE (831) 394-8511 FAX (831) 394-6421

**DATE:** January 23, 2024

**TO:** Honorable Mayor and City Council

**FROM:** John Guertin, City Manager

**SUBJECT:** Adoption of Tobacco Retailer License Ordinance and Smoke Free Public Places Ordinance (Second Reading)

**CEQA:** This activity is covered by the commonsense exemption that the California Environmental Quality Act (CEQA) applies only to projects that have the potential to have a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA pursuant to Section 15061(b)(3) of the CEQA Guidelines.

## Recommended Action

It is recommended that the City Council:

1. Adopt Ordinance 316 amending Title 5 of the Del Rey Oaks Municipal Code to add Chapter 5.28 "Tobacco Retailer License"; and
2. Adopt Ordinance 317 amending Title 9 of the Del Rey Oaks Municipal Code by deleting Section 9.05.100 "Smoking on Public Property" and amending Title 8 "Health and Safety" by adding Chapter 8.38 "Smoke Free Public Places".

## Background

An overview of the proposed ordinances was presented to the Council on October 24, 2023, and staff was directed to bring the attached ordinances to the Council for consideration. On December 19, 2023, the Council held the first reading of the proposed ordinances.

## Discussion

Currently, the City of Del Rey Oaks is part of the of the Peninsula Cities work of Blue Zone Projects, a Monterey County-wide initiative committed to ensuring that all people have a fair and just opportunity to live a long and healthy life. One of the focal points for the Blue Zones Project is their "Tobacco Policy" which encourages local agencies to create an environment where smoking (including vaping) and the use of nicotine is less desirable, accessible, and acceptable.<sup>1</sup>

---

<sup>1</sup> 2021 Monterey County Peninsula Cities Blueprint,  
<https://info.bluezonesproject.com/montereycounty>.

## Tobacco Retailing License

Monterey County enacted an ordinance to establish tobacco licensing regulations. The County has asked local jurisdictions to adopt tobacco licensing ordinances mirroring the County so the County can enforce compliance with tobacco laws uniformly throughout the County. Attachment 1 (Comprehensive Tobacco Retail License Ordinance #316) would ensure tobacco retailers comply with tobacco control laws and business standards. This ordinance would also meet the Blue Zone's intent to decrease secondhand smoke exposure (including aerosol from e-cigarettes and smoke from marijuana) and reduce access to, and availability of smoking, vaping, and tobacco products. The proposed ordinance before the City Council is modeled after the County's Ordinance (Attachment 3).

## Smoke-Free Public Places

The Monterey County Health Department has advised staff that tobacco use is the number one cause of preventable deaths in California.<sup>2</sup> Secondhand smoke has repeatedly been identified as a health hazard and the U.S. Surgeon General has concluded that there is no risk-free level of exposure to secondhand smoke.<sup>3</sup> Over the last decade, many California communities have passed tobacco-free laws or regulations that cover outdoor areas such as parks, recreational facilities, beaches, outdoor workplaces, restaurant and bar patios, transit waiting areas, and public events such as county fairs and farmers' markets. As of January 2019, more than 235 California cities and counties had adopted outdoor secondhand smoke ordinances.<sup>4</sup> Attachment 2 (Smoke-Free Public Place Ordinance #317) is based on a model ordinance that can be modified for local purposes to limit exposure to secondhand smoke.

These proposed ordinances are submitted for City Council consideration.

## **Fiscal Impacts**

There are no fiscal impacts associated with consideration of this item.

## **Attachments**

- Comprehensive Tobacco Retailer Licensing Ordinance #316
- Establishing a Smoke Free Public Place Ordinance #317
- Monterey County Code Chapter 7.80 TOBACCO RETAILER LICENSE

Respectfully Submitted,

---

John Guertin  
City Manager

<sup>2</sup> United States Department of Health and Human Services, The Health Consequences of Smoking: 50 Years of Progress. A Report of the Surgeon General (2014).

[https://www.ncbi.nlm.nih.gov/books/NBK179276/pdf/Bookshelf\\_NBK179276.pdf](https://www.ncbi.nlm.nih.gov/books/NBK179276/pdf/Bookshelf_NBK179276.pdf)

<sup>3</sup>United States Department of Health and Human Services, The Health Consequences of Involuntary Exposure to Tobacco Smoke, A Report of the Surgeon General (2006), <https://www.cdc.gov/tobacco/sgr/2006/pdfs/no-riskfree.pdf>

<sup>4</sup> Tam D. Vuong, California Tobacco Facts and Figures, California Department of Health (2019)

**ORDINANCE NO. 316****AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DEL REY OAKS AMENDING TITLE 5 OF THE DEL REY OAKS MUNICIPAL CODE BY ADDING CHAPTER 5.28, "TOBACCO RETAILER LICENSE"**

**WHEREAS**, the State of California enacted California Business and Professions Code, Division 8.6, entitled "Cigarette and Tobacco Products Licensing Act of 2003" (the "Act") to control tobacco sales; and

**WHEREAS**, the Act explicitly permits cities and counties to enact local tobacco retail licensing ordinances, and allows for the suspension or revocation of a local license for a violation of any state tobacco control law (Cal. Bus. & Prof. Code § 22971.3); and

**WHEREAS**, pursuant to the authority established by the Act applicable to a local entity's ability to adopt tobacco licensing regulations, Monterey County ("County") enacted Ordinance 5200 adding Chapter 7.80, "Tobacco Retailer License" to the County Code establishing licensing requirements for tobacco retailing to "encourage responsible retailing of tobacco" and to "discourage violations of tobacco-related laws"; and

**WHEREAS**, over 200 cities and counties in California have passed tobacco retailer licensing ordinances in an effort to stop youth from using tobacco; and

**WHEREAS**, a majority of cities within the County have adopted a tobacco retail licensing ordinance; and

**WHEREAS**, the City of Del Rey Oaks ("City") has a substantial interest in protecting youth and underserved populations from the harms of tobacco use; and

**WHEREAS**, despite the state's efforts to limit youth access to tobacco, youth are still able to access tobacco products, as evidenced by the following: In 2022, 27.7 percent of retailers illegally sold tobacco to young adult decoys; almost 90% of adults who smoke began by age 18, and 99% began by age 26; disparities in tobacco use exist among California high school students, with higher rates found among LGBTQ, American Indian, and Pacific Islander youth; in 2023, 20.3% of high school students in California had tried some sort of tobacco product, and almost 18% of high school students have tried vapes; and

**WHEREAS**, youth are more receptive to and influenced by tobacco advertising compared to adults, and the tobacco industry spends an estimated \$485 billion in tobacco advertising in California each year; and

**WHEREAS**, research indicates that the density and proximity of tobacco retailers increase smoking behaviors, including number of cigarettes smoked per day, particularly in neighborhoods experiencing poverty; and

**WHEREAS**, the density of tobacco retailers near adolescents' homes has been associated with increased youth smoking rates and initiation of noncigarette tobacco product use; and

**WHEREAS**, adults who smoke are likely to have a harder time quitting when residential proximity to tobacco retailers is closer and density is higher; and

**WHEREAS**, the City Council finds that a local licensing system for tobacco retailers is appropriate to ensure that retailers comply with tobacco control laws and business standards of the City in order to protect the health, safety, and welfare of our residents; and

**WHEREAS**, the County Health Department has asked for local jurisdictions to adopt tobacco licensing ordinances mirroring the County’s, so the County can enforce compliance with tobacco laws uniformly throughout the County and improve overall compliance while limiting sales to minors; and

**WHEREAS**, City staff and County staff have a long history of working together to promote community health and wellness; and

**WHEREAS**, the activity is covered by the commonsense exemption that the California Environmental Quality Act (CEQA) applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA pursuant to Section 15061(b)(3) the CEQA Guidelines;

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF DEL REY OAKS DOES ORDAIN AS FOLLOWS:**

**Section 1. Findings.**

- 1. The City Council finds and determines the recitals set forth above to be true and correct and by this reference, incorporates the same herein as findings.
- 2. The City Council finds that the recitals set forth above contain persuasive support for the proposition that the City has adequate authority to allow and regulate tobacco retail sales in the City.
- 3. The City Council hereby finds that it is in the best interest of the health, safety and welfare of the residents of the City to establish regulations that will license tobacco retail sales within the City.
- 4. The City wishes to adopt regulations that mirror County Code 7.80 so as to allow either the City or the County to oversee and enforce provisions applicable to licensing tobacco retailers.

**Section 2.** New Chapter 5.28, “Tobacco Retail Licensing” is hereby added to Title 5, BUSINESS LICENSES AND REGULATIONS, of the Del Rey Oaks Municipal Code as follows:

**CHAPTER 5.28 - TOBACCO RETAILER LICENSE**

**Sections:**

- 5.28.010 Monterey County Tobacco Retailer License Provisions Adopted

**5.28.010 Monterey County Tobacco Retailer License Provisions Adopted**

A. Monterey County Code Chapter 7.80, titled “Tobacco Retailer License” pertaining to tobacco retailer products, as may be amended, is hereby adopted by the city and incorporated by reference into this Chapter, and made a part hereof, and shall be enforced within the limits of the city.

B. For purposes of the city, the following terms shall apply to incorporation of the Monterey County ordinance into this Chapter.

1. All reference to the term “unincorporated areas of the County of Monterey,” “County of Monterey,” “Monterey County,” or “County” in the Monterey County Code shall be amended to include the term “city limits of Del Rey Oaks.”
2. All reference to the term “County of Monterey,” “Monterey County,” or “County” in the Monterey County Code shall be amended to include the term “City of Del Rey Oaks.”
3. All reference to the term “Chapter” in the Monterey County Code shall be to the term “Chapter” in the Del Rey Oaks Municipal Code.
4. All reference to the term “Code” in the Monterey County Code shall be to the Del Rey Oaks Municipal Code.
5. All reference to the term “Board of Supervisors of the County of Monterey,” in the Monterey County Code shall be amended to include the term “Del Rey Oaks City Council.”

C. Basis for Establishing the Tobacco Retail License Program. The Monterey County Code titled “Chapter 7.80 – Tobacco Retail License,” with accompanying Chapter section and all subsequent revisions or amendments, are hereby adopted by reference and declared to be a part of this Chapter.

D. A violation of the Monterey County ordinance is considered an infraction and a violation of the Del Rey Oaks Municipal Code and may be enforced pursuant to Chapter 1.19.

### **Section 3. Severability.**

It is the intent of the City Council of the City of Del Rey Oaks to supplement applicable state and federal law and not to duplicate or contradict such law and this ordinance shall be construed consistently with that intention. If any section, subsection, subdivision, paragraph, sentence, clause, or phrase of this ordinance, or its application to any person or circumstance, is for any reason held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases of this ordinance, or its application to any other person or circumstance. The City Council declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause, or phrase independently, even if any one or more other sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases were declared invalid or unenforceable.

Further, if any section, subsection, subdivision, paragraph, sentence, clause, or phrase of Monterey County Code Chapter 7.80, titled “Tobacco Retailer License”, or its application to any person or circumstance, is for any reason held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases of this ordinance, or its application to any other person or circumstance. The City Council declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause, or phrase of Monterey County Code Chapter 7.80 independently, even if any one or more other sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases were declared invalid or unenforceable.

### **Section 4. Effective Date.**

This ordinance shall be in full force and effect thirty (30) days following its passage and adoption, as certified by the City Clerk. This foregoing ordinance was introduced at a regular meeting of the City Council and read on the 19th day of December 2023 and was adopted on the XXth day of XXX 202X, by the following vote:

- AYES: COUNCILMEMBERS:
- NOES: COUNCILMEMBERS:
- ABSENT: COUNCILMEMBERS:
- ABSTAIN: COUNCILMEMBERS:

SIGNED:

\_\_\_\_\_  
Scott Donaldson, Mayor

ATTEST:

\_\_\_\_\_  
Karen Minami, City Clerk

**ORDINANCE NO. 317**

**AN ORDINANCE OF THE CITY OF DEL REY OAKS AMENDING TITLE 9, "CONDUCT ON PUBLIC PROPERTY," OF THE DEL REY OAKS MUNICIPAL CODE BY DELETING SECTION 9.05.100, "SMOKING ON PUBLIC PROPERTY," AND AMENDING TITLE 8, "HEALTH AND SAFETY," OF THE DEL REY OAKS MUNICIPAL CODE BY ADDING CHAPTER 8.38, "SMOKE FREE PUBLIC PLACES," TO REGULATE SMOKING AND TOBACCO USE**

**WHEREAS**, secondhand smoke has been repeatedly identified as a health hazard; and

**WHEREAS**, exposure to secondhand smoke anywhere has negative health impacts, and exposure to secondhand smoke can occur at significant levels outdoors; and

**WHEREAS**, smoking cigarettes near building entryways can increase air pollution levels by more than two times background levels, with maximum levels reaching the "hazardous" range on the United States Environmental Protection Agency's Air Quality Index; and

**WHEREAS**, exposure to secondhand smoke causes death and disease, as since 1964 approximately 2.5 million nonsmokers have died from health problems caused by exposure to secondhand smoke; and

**WHEREAS**, secondhand smoke was responsible for an estimated 34,000 heart disease-related and 7,300 lung cancer-related deaths among adult nonsmokers each year during 2005 - 2009 in the United States; and

**WHEREAS**, secondhand cannabis smoke has been identified as a health hazard, as evidenced by the following:

- The California Environmental Protection Agency includes cannabis smoke on the Proposition 65 list of chemicals known to the state of California to cause cancer;
- Cannabis smoke contains at least 33 known carcinogens;
- In one study, exposure to cannabis smoke in an unventilated setting resulted in detectable levels of cannabinoids in non-smoker participants' blood and urine, and participants experienced minor increases in heart rate and impaired cognitive performance; and
- A recent systematic review of the literature concluded that secondhand exposure to cannabis smoke leads to cannabinoid metabolites in bodily fluids and individuals experiencing self-reported psychoactive effects; and

**WHEREAS**, significant disparities in tobacco use exist in California, which create barriers to health equity as African American (17.0%) and American Indian (19.1%) Californians report a higher smoking prevalence than white Californians (11.8%); and

**WHEREAS**, Californians with the highest levels of educational attainment and annual household income report the lowest smoking rates; and

**WHEREAS**, smokeless tobacco is not a safe alternative to smoking and causes its own share of death and disease, as smokeless tobacco use can lead to nicotine addiction, and cause oral, esophageal, and pancreatic cancers; and

**WHEREAS**, smokeless tobacco use is associated with increased risk for heart disease and stroke and stillbirth and preterm delivery; and

**WHEREAS**, electronic smoking device aerosol may be considered a health hazard, as evidenced by the following:

- Research has found electronic smoking device aerosol contains at least 12 chemicals known to the State of California to cause cancer, birth defects, or other reproductive harm, such as formaldehyde, acetaldehyde, lead, nickel, chromium, arsenic, and toluene;
- Electronic smoking device aerosol is not harmless water vapor as it contains varying concentrations of particles and chemicals with some studies finding particle sizes and nicotine concentrations similar to, or even exceeding, conventional cigarette smoke;
- Evidence continues to build that exposure to electronic smoking device aerosol, including secondhand exposure, has immediate impacts on the human respiratory and cardiovascular systems, and poses a risk to human health; and
- Given the increasing prevalence of electronic smoking device use, especially among youth and young adults, widespread nicotine exposure resulting in addiction and other harmful consequences of serious concerns; and

**WHEREAS**, the activity is covered by the commonsense exemption that the California Environmental Quality Act (CEQA) applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA pursuant to Section 15061(b)(3) the CEQA Guidelines;

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF DEL REY OAKS DOES ORDAIN AS FOLLOWS:**

**Section 1. Findings.**

The City Council finds and determines the recitals set forth above to be true and correct and by this reference, incorporates the same herein as findings.

**Section 2.** Existing Municipal Code section 9.05.100 of Chapter 9.05, titled “Smoking On Public Property” shall be amended by the deletion of all text as shown in ~~strikeout~~ (strikeout text) below:

~~9.05.100 – Smoking on public property. —~~

~~No person shall smoke a cigar, cigarette, pipe or other smoking material, in any city building or portion thereof, except in those areas wherein “smoking permitted” signs are posted.~~

**Section 3.** New Chapter 8.38, “Smoke Free Public Places” is hereby added to Title 8, HEALTH AND SAFETY, of the Del Rey Oaks Municipal Code as follows:

**CHAPTER 8.38 SMOKE FREE PUBLIC PLACES**

**Sections:**

8.38.010 Purpose and Intent.

8.38.020 Definitions.



8.38.030 Prohibition of Smoking in Unenclosed Areas.

8.38.040 Smoke Free Buffer Zones.

8.38.050 Tobacco Waste.

8.38.060 Enforcement.

8.38.070 Violation and Penalties.

**8.38.010 Purpose and Intent.**

The council of the City of Del Rey Oaks hereby finds:

(a) Numerous studies have found that tobacco smoke is a major contributor to indoor air pollution; and

(b) Reliable studies have shown that breathing secondhand smoke is a significant health hazard for certain population groups, including elderly people, those with cardiovascular disease, and those with impaired respiratory function, including asthmatics and those with obstructive airway disease; and

(c) Health hazards induced by breathing secondhand smoke include lung cancer, respiratory infection, decreased exercise tolerance, decreased respiratory function, bronchoconstriction, and bronchospasm; and

(d) The smoking or vaping of tobacco, or any other plant or substance, is a proven danger to health; and

(e) Section 6404.5 of the California Labor Code prohibits smoking in a “place of employment,” with certain exceptions, and provides that local government may regulate smoking in any areas not included within the definition of place of employment. The provisions of this chapter are intended to prohibit smoking in areas deemed by the council as worthy of regulation, such areas, in the opinion of the council, not covered by Labor Code Section 6404.5, as may be amended.

(f) The use of electronic smoking devices has increased significantly in recent years, and studies on electronic smoking devices’ vapor emissions and cartridge contents have found a number of dangerous substances.

**8.38.020 Definitions.**

For the purposes of this chapter the following definitions shall govern unless the context clearly requires otherwise.

A. “Cannabis” has the meaning set forth in California Business and Professions Code Section 26001, as that section may be amended from time to time.

B. “Electronic smoking device” means any device that may be used to deliver any aerosolized or vaporized substance to the person inhaling from the device, including, but not limited to, an e-cigarette, e-cigar, e-pipe, vape pen, or e-hookah. This shall not include inhalers or medical devices prescribed by a physician for medical purposes.

- C. “Enclosed area” means all space between a floor and a ceiling that is bounded by walls, doorways, or windows, whether open or closed, covering more than 50 percent of the combined surface area of the vertical planes constituting the perimeter of the area. A wall includes any retractable divider, garage door, or other physical barrier, whether temporary or permanent.
- D. “Multi-unit Residence” means property containing three or more units, including, but not limited to, apartment buildings, common interest developments, senior and assisted living facilities, and long-term health care facilities.
- E. “Outdoor Dining Area” means any publicly or privately owned outdoor area, including streets and sidewalks, that is available to or customarily used by the general public or an employee, and that is designed, established, or regularly used for consuming food or drink.
- F. “Person” means any natural person, business, corporation, partnership, cooperative association, personal representative, receiver, trustee, assignee, or any other legal entity.
- G. “Public event areas” means any publicly or privately owned place used for an event open to the general public, regardless of any fee or age requirement, including a farmers’ market, parade, fair, or festival.
- H. “Public place” means any publicly or privately owned place that is open to the general public, regardless of any fee or age requirement, including public parks, streets, parking lots, plazas, shopping areas, stadiums, or sporting facilities.
- I. “Recreational area” means any publicly or privately owned area, including streets and sidewalks located within the area, that is open to the general public for recreational purposes, regardless of any fee or age requirement. The term “Recreational Area” includes, but is not limited to, facilities, parks, playgrounds, athletic fields, restrooms, picnic areas, spectator and concession areas, walking paths, gardens, vernal ponds, hiking trails, bike paths, riding trails, roller and ice-skating rinks, and skateboard parks.
- J. “Service area” means any publicly or privately owned area, including streets and sidewalks, designed to be used or is regularly used by one or more persons to receive a service, wait to receive a service, or to make a transaction, whether or not such service or transaction includes the exchange of money. The term “service area” includes, but is not limited to, areas including or within 25 feet of information kiosks, automatic teller machines (ATMs), service lines, bus stops or shelters, or cab stands.
- K. “Service lines” means an outdoor line, in any publicly or privately owned area, in which one or more persons are waiting for or receiving service of any kind, whether or not the service involves the exchange of money, including but not limited to, ATM lines, concert lines, food vendor lines, mobile vendor lines, movie ticket lines, and sporting event lines.
- L. “Smoke” or “Smoking” means: (1) inhaling, exhaling, or burning, any tobacco, nicotine, cannabis, or plant product, whether natural or synthetic; (2) carrying any lighted, heated, or activated tobacco, nicotine, cannabis, or plant product, whether natural or synthetic, intended for inhalation; or (3) using an electronic smoking device or hookah.

M. “Tobacco Product” means any substance containing tobacco leaf, including but not limited to cigarettes, cigars, pipe tobacco, hookah, tobacco, snuff, chewing tobacco, dipping tobacco, bidis, or any other preparation of tobacco, and any product or formulation of matter containing biologically active amounts of nicotine that is product or matter that will be introduced into the human body.

N. “Tobacco product waste” means any component, part, or remnant of any tobacco product. Tobacco product waste includes any waste that is produced from the use of a tobacco product, including all tobacco product packaging and incidental waste such as lighters or matches, whether or not it contains tobacco or nicotine.

O. “Tobacco use” means the act of smoking or the consumption of any other tobacco product in any form.

P. “Unenclosed area” means any area that is not an enclosed area.

#### **8.38.030 Prohibition of Smoking in Unenclosed Areas.**

A. Smoking is prohibited in the unenclosed areas of the following places within the city:

1. Recreational areas
2. Service areas
3. Outdoor dining areas
4. Public event areas
5. Sidewalks
6. Public places

B. Nothing in this chapter prohibits any person or employer with control over any property from prohibiting smoking and tobacco use on any part of such property, even if smoking or tobacco use is not otherwise prohibited in that area.

#### **8.38.040 Smoke Free Buffer Zones**

Smoking in all unenclosed areas shall be prohibited within 25 feet from any area in which smoking is prohibited under Section 8.38.030 of this chapter or by any other law. This prohibition shall not apply to unenclosed areas of private residential properties that are not multi-unit residences.

#### **8.38.050 Tobacco Waste**

A. No person or employer shall permit smoking ash receptacles within an area under their control and in which smoking is prohibited by law, including within twenty-five (25) feet from any area in which smoking is prohibited. The presence of smoking ash receptacles in violation of this subsection shall not be a defense to a charge of smoking in violation of any provision of this chapter.

B. No person shall dispose of tobacco product waste within the boundaries of an area in which smoking is prohibited.

#### **8.38.060 Enforcement**

A. No person shall permit smoking or tobacco use in an area that is under the control of that person and in which smoking, or tobacco use is prohibited by this article or any other law.

B. Event organizers shall post no smoking signs at an entrance to the event. Signs shall have letters of no less than one inch in height and shall include the international “No Smoking” symbol and may be printed.

C. A person that has control of an area in which smoking and tobacco use is prohibited by this chapter shall direct anyone who is smoking or using tobacco in violation of this chapter to extinguish the product being smoked or stop using the tobacco product.

D. No person shall intimidate, threaten any reprisal, or effect any reprisal, for the purpose of retaliating against another person who seeks to attain compliance with this chapter.

#### **8.38.070 Violations and Penalties.**

Enforcement of these provisions shall be governed by Chapters 1.19 of the Del Rey Oaks Municipal Code. Each instance of smoking or tobacco use in violation of this chapter shall be an infraction and constitute a separate violation. The remedies provided by this chapter are cumulative and in addition to any other remedies available at law or in equity.

#### **Section 3. California Environmental Quality Act (CEQA).**

The adoption of this ordinance is exempt from the California Environmental Quality Act, based on 14 California Code of Regulations Section 15061(b)(3), where, as the case here, it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment because no change in existing permitted uses of land results from adoption of this ordinance, and to the extent impacts associated with the proposed location of cultivation and manufacturing facilities exist, they have been previously addressed in other environmental documents.

#### **Section 4. Severability.**

It is the intent of the City Council of the City of Del Rey Oaks to supplement applicable state and federal law and not to duplicate or contradict such law and this ordinance shall be construed consistently with that intention. If any section, subsection, subdivision, paragraph, sentence, clause, or phrase of this ordinance, or its application to any person or circumstance, is for any reason held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases of this ordinance, or its application to any other person or circumstance. The City Council declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause, or phrase independently, even if any one or more other sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases were declared invalid or unenforceable.

#### **Section 5. Effective Date.**

This ordinance shall be in full force and effect thirty (30) days following its passage and adoption, as certified by the City Clerk.

This ordinance was introduced and read on the 19th day of December 2023 and was finally adopted on the XXth day of XXX 202X, by the following vote:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:  
ABSTAIN: COUNCILMEMBERS:

SIGNED:

\_\_\_\_\_  
Scott Donaldson, Mayor

ATTEST:

\_\_\_\_\_  
Karen Minami, City Clerk

---

## Chapter 7.80 TOBACCO RETAILER LICENSE

### 7.80.010 Purpose and application.

- A. In promoting the health, safety, and general welfare of its residents, the County has a substantial interest in encouraging compliance with Federal, State, and local laws regulating tobacco sales and use.
- B. State law permits local governments to enact ordinances regarding the local licensing of retailers of tobacco and allows for the suspension or revocation of a local license for a violation of any State tobacco control law.
- C. This Chapter is adopted to: (1) ensure compliance with business standards and practices of the County; (2) encourage responsible retailing of tobacco; (3) promote the health and welfare of youth by discouraging the commercial exploitation of underage tobacco users; and (4) discourage violations of tobacco-related laws, but not to expand or reduce the degree to which the acts regulated by Federal or State law are criminally proscribed or otherwise regulated.
- D. This Chapter applies in the unincorporated area of the County of Monterey.

(Ord. No. 5200, § 1, 5-15-2012; Ord. No. 5372, § 2, 3-15-2022)

### 7.80.020 Definitions.

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

- A. "Department" means the Monterey County Health Department.
- B. "Drug paraphernalia" shall have the definitions set forth in California Health and Safety Code Section 11014.5, as that Section may be amended from time to time.
- C. "Flavored tobacco product" shall mean any tobacco product that contains a taste or smell, other than the taste or smell of tobacco, that is distinguishable by a consumer either prior to, or during the consumption of, a tobacco product, including but not limited to, any taste or smell relating to fruit, menthol, mint, wintergreen, chocolate, cocoa, vanilla, honey or any candy, dessert, alcoholic beverage, herb or spice.
- D. "Health Officer" means the Health Officer of the County of Monterey or his or her designee.
- E. "License" means a Tobacco Retailer License issued by the County pursuant to this Chapter.
- F. "Licensee" means any Proprietor holding a License issued by the County pursuant to this Chapter.
- G. "License Fee" means the charge established by resolution of the Board of Supervisors of the County of Monterey, calculated to recover the reasonable regulatory costs of issuing and administering licenses, retailer education, performing investigations, inspections, and the administrative enforcement and adjudication thereof.
- H. "Person" means any natural person, partnership, cooperative, association, corporation, personal representative, receiver, trustee, assignee, or any other legal entity.
- I. "Proprietor" means a person with an ownership or managerial interest in a business. An ownership interest shall be deemed to exist when a person has a ten (10) percent or greater interest in the stock, assets, or income of a business other than the sole interest of security for debt. A managerial interest

shall be deemed to exist when a person can or does have or share ultimate control over the day-to-day operations of a business.

- J. "Tobacco paraphernalia" means cigarette papers or wrappers, pipes, holders of smoking materials of all types, cigarette rolling machines, and any other item designed or used for the smoking or ingestion of tobacco products.
- K. "Tobacco product" means any substance containing tobacco leaf- including but not limited to cigarettes, cigars, pipe tobacco, hookah, tobacco, snuff, chewing tobacco, dipping tobacco, bidis, or any other preparation of tobacco - and any product or formulation of matter containing biologically active amounts of nicotine that is product or matter will be introduced into the human body, but does not include any product specifically approved by the United States Food and Drug Administration for use in treating nicotine or tobacco product dependence.
- L. "Tobacco retailer" means any person who engages in tobacco retailing.
- M. "Tobacco retailing" means selling, offering for sale, exchanging, or offering to exchange for any form of consideration, tobacco, tobacco products, or tobacco paraphernalia without regard to the quantity sold, offered for sale, exchanged, or offered for exchange.
- N. "Sale," "sell" or "to sell" means any transaction where, for any consideration, ownership is transferred from one (1) person or entity to another including, but not limited to any transfer of title or possession for consideration, exchange or barter, in any manner by any means.
- O. "Single use electronic cigarette" means any single-use device or delivery system sold in combination with nicotine which can be used to deliver to a person nicotine in aerosolized or vaporized form, including but not limited to, a single-use e-cigarette, e-cigar, e-pipe, vape pen, or e-hookah. Single use electronic cigarettes shall not include any product that has been approved by the Food and Drug Administration for sale as a tobacco cessation product or other therapeutic purposes where that product is marketed and sold solely for such approved use.
- P. "State" means the State of California.

(Ord. No. 5200, § 1, 5-15-2012; Ord. No. 5372 , § 2, 3-15-2022)

### **7.80.030 Mandatory license.**

- A. Any person who is or intends to become a tobacco retailer shall obtain pursuant to this Chapter a license for each fixed location at which tobacco retailing is to occur.
- B. Any person who is a tobacco retailer as of the effective date of the ordinance enacting this Chapter shall obtain a license within ninety (90) days of the effective date of the ordinance that enacted this Chapter.
- C. Any person who intends to act as a tobacco retailer shall obtain a license prior to acting as a tobacco retailer.
- D. Each license shall be prominently displayed in a publicly visible location at the licensed location.
- E. Nothing in this Chapter shall be construed to grant any licensee any status or right other than to act as a tobacco retailer at the location identified on the face of the license, subject to compliance with all other applicable laws, regulations, or ordinances.
- F. Nothing in this Chapter shall be construed to render inapplicable, supersede, or apply in lieu of any other provision of applicable law.

(Ord. No. 5200, § 1, 5-15-2012)

### 7.80.040 Issuance of license.

- A. No license shall be issued to authorize tobacco retailing at other than a fixed business location. It is unlawful for any person to engage in tobacco retailing at non-fixed locations. For example, tobacco retailing by persons on foot and tobacco retailing from vehicles are prohibited.
- B. No license shall be issued to authorize tobacco retailing at a temporary or recurring temporary event. For example, tobacco retailing at flea markets and farmers' markets is prohibited.
- C. No license shall be issued to authorize tobacco retailing at any location for which a license suspension is in effect or during a period of ineligibility following a revocation pursuant to Section 7.80.100.
- D. In the course of tobacco retailing or in the operation of the business or maintenance of the location for which a license issued, it shall be a violation of this Chapter for a licensee, or any of the licensee's agents or employees, to violate any local, State, or Federal law applicable to tobacco products, tobacco paraphernalia, or tobacco retailing.
- E. No person engaged in tobacco retailing shall sell or transfer a tobacco product or tobacco paraphernalia to another person who appears to be under the age of twenty-seven (27) without first examining the identification of the recipient to confirm that the recipient is at least the minimum age under State law to purchase and possess the tobacco product or tobacco paraphernalia.
- F. No person who is younger than the minimum age established by State law for the purchase or possession of tobacco products shall engage in tobacco retailing.
- G. It shall be a violation of this Chapter for any tobacco retailer or any of the tobacco retailer's agents or employees to sell or offer for sale, or to possess with intent to sell or offer for sale, any flavored tobacco product.
  - 1. It should be a rebuttable presumption that a tobacco retailer in possession of four (4) or more flavored tobacco products, including, but not limited to, individual flavored tobacco products, packages of flavored tobacco products, or any combination thereof, possesses such flavored tobacco products with intent to sell or offer for sale.
  - 2. There shall be a rebuttable presumption that a tobacco product is a flavored tobacco product if a tobacco retailer, manufacturer, or any employee or agent of a tobacco retailer or manufacturer has:
    - a. Made a public statement or claim that the tobacco product imparts a characterizing flavor;
    - b. Used text and/or images on the tobacco products' labeling or packaging to explicitly or implicitly indicate that the tobacco product imparts a characterizing flavor; or
    - c. Taken action directed to consumers that would be reasonably expected to cause consumers to believe the tobacco product imparts a characterizing flavor.
- H. It shall be a violation of this Chapter for any tobacco retailer or any of the tobacco retailer's agents or employees to sell or offer for sale, or to possess with intent to sell or offer for sale, any single use electronic cigarette.

(Ord. No. 5200, § 1, 5-15-2012; Ord. No. 5372, § 2, 3-15-2022)

### 7.80.050 Applications for license.

All applications for a license shall be submitted to the Department in the name of each proprietor proposing to conduct tobacco retailing and signed by each prospective proprietor or an authorized agent. Each license application must be accompanied by the required license fee, which is set by resolution of the Board of



Supervisors. A proprietor proposing to conduct tobacco retailing at more than one (1) location shall submit a separate application for each location. Every application shall contain the following information:

- A. The name, address, and telephone number of each prospective proprietor;
- B. The business name, address, and telephone number of the fixed location for which the license is sought;
- C. Whether or not each prospective proprietor has previously been issued a license pursuant to this Chapter that is, or was at any time, suspended or revoked and, if so, the date of the suspension or revocation;
- D. Proof that the location for which a license is sought has been issued a valid State cigarette and tobacco products retail license by the State of California Board of Equalization pursuant to the California Cigarette and Tobacco Products Licensing Act of 2003 (Cal. Bus. & Prof. Code, §§ 22970 et seq.);
- E. A statement signed by each prospective proprietor that no drug paraphernalia is or will be sold at the location for which the license is sought;
- F. A statement signed by each prospective proprietor that the proprietor is informed of the laws affecting licenses; and
- G. Such other information as the County deems necessary for the administration of this Chapter.

(Ord. No. 5200, § 1, 5-15-2012)

#### **7.80.060 Issuance of a license.**

- A. Upon the receipt of a complete application for a license and the license fee required by this Chapter, the Health Officer shall issue a license unless one (1) or more of the following grounds exists:
  1. The application is incomplete or inaccurate;
  2. The application seeks authorization for tobacco retailing at a location for which a suspension is in effect pursuant to this Chapter, for which a license has been revoked pursuant to this Chapter, or for which this Chapter otherwise prohibits issuance of licenses;
  3. The application seeks authorization for tobacco retailing for a prospective proprietor for whom a suspension is in effect pursuant to this Chapter for the subject location or another location, whose License has been revoked pursuant to this Chapter for the subject location or another location, or to whom this Chapter otherwise prohibits a license to be issued;
  4. The Department has information that the prospective proprietor or his or her agent or employee has violated any local, State or Federal tobacco control law, including this Chapter, within the preceding twelve (12) months; or
  5. The application seeks authorization for tobacco retailing that is prohibited pursuant to this Chapter, that is otherwise unlawful pursuant to this Code, or that is unlawful pursuant to any other local, State, or Federal law.
- B. Any denial of an application for a license shall be in writing, setting forth the reasons for the denial and notifying the applicant for a license that the decision to deny an application for a license shall become final unless the applicant seeks an appeal pursuant to Section 7.80.130 within fourteen (14) calendar days of the date of service of the Health Officer's decision. Service of the decision shall be provided in accordance with the service requirements set forth in Subsection A of Section 7.80.120.

- C. All information required to be submitted pursuant to Section 7.80.050 in order to apply for a license shall be updated whenever the information changes. A tobacco retailer shall provide the Department with any updates within ten (10) business days of a change.

(Ord. No. 5200, § 1, 5-15-2012)

#### **7.80.070 License renewal and expiration.**

- A. A license is invalid unless the appropriate license fee has been paid in full and the term of the license has not expired. The term of a license is one (1) year beginning each fiscal year on July 1st and ending on June 30th of the following year. Each tobacco retailer shall apply for the renewal of his or her license and submit the license fee no later than thirty (30) calendar days prior to expiration of the term.
- B. A license that is not timely renewed shall expire at the end of its term. To reinstate a license that has expired, or to renew a license not timely renewed pursuant to Subsection A of this Section, the proprietor must:
1. Submit the license fee; and
  2. Submit a signed affidavit affirming that the proprietor:
    - a. Has not sold and will not sell any tobacco product or tobacco paraphernalia after the license expiration date and before the license is renewed; or
    - b. Has waited the appropriate ineligibility period established for tobacco retailing without a license, as set forth in Section 7.80.110, before seeking renewal of the license.

(Ord. No. 5200, § 1, 5-15-2012)

#### **7.80.080 License nontransferable.**

- A. A license may not be transferred from one person to another or from one location to another. Whenever a tobacco retailing location has a change in proprietors, a new license is required.
- B. Notwithstanding any other provision of this Chapter, prior violations at a location shall continue to be counted against a location, and license ineligibility periods shall continue to apply to a location unless:
1. The location has been fully transferred to an entirely new proprietor or fully transferred to entirely new proprietors; and
  2. The new proprietor(s) provides the Department with clear and convincing evidence that the new proprietor(s) has acquired or is acquiring the location in an arm's length transaction. As used in this Section, the term "arm's length transaction" shall mean a sale in good faith and for valuable consideration that reflects the fair market value in the open market between two (2) informed and willing parties, neither of which is under any compulsion to participate in the transaction. A sale between relatives, related companies or partners, or a sale for which a significant purpose is avoiding the effect of the violations of this Chapter is not an arm's length transaction.

(Ord. No. 5200, § 1, 5-15-2012)

#### **7.80.090 Inspections, investigations and enforcement.**

- A. Compliance with this Chapter shall be monitored by the Department or any law enforcement officer. Employees of the Department or a law enforcement officer may conduct compliance checks, including but

(Supp. No. 51)

Created: 2023-08-21 13:07:18 [EST]

not limited to youth decoy operations. Any law enforcement officer may enforce the penal provisions of this Chapter. Compliance checks may be unannounced.

- B. The County shall not enforce any tobacco-related minimum age law against a person who otherwise might be in violation of such law because of the person's age (hereinafter "youth decoy") if the potential violation occurs when:
1. The youth decoy is participating in a compliance check supervised by an employee of the Department or a law enforcement officer;
  2. The youth decoy is acting as an agent of a person designated by the County to monitor compliance with this Chapter;
  3. The youth decoy is participating in a compliance check funded in part, either directly or indirectly through subcontracting, by the Department; or
  4. The youth decoy has an immunity letter from the District Attorney's Office.
- C. Whenever evidence of a violation of this Chapter is obtained in any part through the participation of a person under the age of eighteen (18) years old, such a person shall not be required to appear or give testimony in any civil or administrative process brought to enforce this Chapter and the alleged violation shall be adjudicated based upon the sufficiency and persuasiveness of the evidence presented.

(Ord. No. 5200, § 1, 5-15-2012)

### **7.80.100 Suspension or revocation of license.**

- A. In addition to any other remedy authorized by law, after notice and opportunity to be heard pursuant to Section 7.80.120 of this Chapter, a license may be suspended or revoked as provided in this Section if the Health Officer finds by a preponderance of the evidence that the licensee, or any of the licensee's agents or employees, has:
1. Violated any of the requirements, conditions prohibitions of this Chapter; or
  2. Pleaded guilty, "no contest" or its equivalent, or admitted to any of the following:
    - a. The original or renewal application contained incorrect, false, or misleading information;
    - b. One or more of the grounds for denial listed in Section 7.80.060 existed before the license was issued; or
    - c. A licensee is convicted of a misdemeanor or felony violation of any Federal, State, or local tobacco retailing law or regulation, including any provision of this Chapter.
- B. During any period of suspension or revocation, the licensee shall remove all tobacco products and tobacco paraphernalia from public view. Failure to do so may be considered a subsequent violation.
- C. When the Health Officer finds a violation as set forth in Subsection A of this Section, the license shall be suspended or revoked as follows:
1. Upon a finding by the Health Officer of a first license violation, the license shall be suspended for sixty (60) days;
  2. Upon a finding by the Health Officer of a second license violation within any sixty (60) month period, the license shall be suspended for one hundred twenty (120) days;
  3. Upon a finding by the Health Officer of a third license violation in any sixty (60) month period, the license shall be suspended for one hundred eighty (180) days; and

4. Upon a finding by the Health Officer of a fourth license violation within any sixty (60) month period, the license shall be revoked and no new license shall issue for the location until five (5) years has passed from the date of revocation.
- D. Violation by a licensee at one location shall not be construed as a violation at another location of the same licensee, nor shall violations by a prior licensee at the same location be accumulated against a subsequent licensee at the same location.
  - E. A license shall be revoked if the Health Officer finds that one or more of the grounds for denial of an application for a license pursuant to Section 7.80.060 existed at the time the application was made or at any time before the license was issued.

(Ord. No. 5200, § 1, 5-15-2012)

### **7.80.110 Penalties for tobacco retailing without a license.**

- A. In addition to any other penalty authorized by law, if a court of competent jurisdiction determines, or the Health Officer finds after notice and opportunity to be heard pursuant to Section 7.80.120 of this Chapter, that any person has engaged in tobacco retailing at a location without a valid license, either directly or through the person's agents or employees, the person shall be ineligible to apply for, or to be issued, a License as follows:
  1. After a first violation of this Section at a location, no new license may issue for the person or the location (unless ownership of the business at the location has been transferred in an arm's length transaction), until sixty (60) days have passed from the date of the violation.
  2. After a second violation of this Section at a location within any sixty (60) month period, no new license may issue for the person or the location (unless ownership of the business at the location has been transferred in an arm's length transaction), until one hundred eighty (180) days have passed from the date of the violation.
  3. After a third or subsequent violation of this Section at a location within any sixty (60) month period, no new license may issue for the person or the location (unless ownership of the business at the location has been transferred in an arm's length transaction), until five (5) years have passed from the date of the violation.
- B. Any imposition of a penalty pursuant to this Section shall be in writing, setting forth the reasons for the imposition of a penalty and notifying the person subject to the penalty that the decision to impose the penalty shall become final unless the person seeks an appeal pursuant to Section 7.80.130 within fourteen (14) calendar days of the date of service of the Health Officer's decision. Service of the decision shall be provided in accordance with the service requirements set forth in Subsection A of Section 7.80.120.

(Ord. No. 5200, § 1, 5-15-2012)

### **7.80.120 Health Officer decision.**

- A. Upon determining the existence of any of the grounds pursuant to this Chapter for the suspension or revocation of a license, or the imposition of a penalty for tobacco retailing without a license, the Health Officer shall issue a notice of intended decision to the applicant for a license, the licensee, or the person against whom the penalty for tobacco retailing without a license is directed. The notice shall be provided by personal service or by first class mail, postage prepaid, and shall include a copy of the affidavit or certificate of mailing.

- B. The notice of intended decision shall state all the grounds upon which the revocation, suspension, or imposition of penalty is based.
- C. The notice of intended decision shall specify the effective date of the action.
- D. The notice of intended decision shall state that the Health Officer shall give the applicant for a license, the licensee, or the person against whom the penalty for tobacco retailing without a license is directed an opportunity to request a hearing thereon. The hearing shall be an informal hearing before the Health Officer. Following the hearing, or within a reasonable time if no hearing is requested, the Health Officer shall issue a decision and serve the decision in accordance with the service requirements set forth in Subsection A of this Section.
- E. The decision of the Health Officer shall be in writing, setting forth the reasons for the decision, and shall advise the applicant for a license, the licensee, or the person against whom the penalty for tobacco retailing without a license is directed that the decision to suspend or revoke the license, or to impose the penalty for tobacco retailing without a license shall become final unless the applicant for a license, the licensee, or the person against whom the penalty for tobacco retailing without a license is directed seeks an appeal pursuant to Section 7.80.130.

(Ord. No. 5200, § 1, 5-15-2012)

### **7.80.130 Appeal procedures.**

With regard to any denial of an application for a license pursuant to Section 7.80.060 or any decision issued by the Health Officer pursuant to Section 7.80.120, the following rules apply:

- A. A decision of the Health Officer to deny an application for a license, to suspend or revoke a license, or to impose a penalty for tobacco retailing without a license can be appealed to a Hearing Officer, subject to the following requirements and procedures. A person served with a decision issued pursuant to Subsection B of Section 7.80.060 or Subsection D of Section 7.80.120 may seek an appeal by filing with the Health Officer a written request for hearing within fourteen (14) calendar days of service of the decision. Failure to timely file a written request for hearing shall be deemed a waiver of the right to challenge the decision of the Health Officer and a failure to exhaust administrative remedies. The hearing officers shall be individuals selected by the County who may hear the appeals, issue subpoenas, receive evidence to administer oaths, rule on questions of law and the admissibility of evidence, prepare a record of the proceedings, and issue orders with regard to an appeal.
- B. The Hearing Officer shall schedule a hearing.
  - 1. Written notice of the time, date and location of a hearing before the Hearing Officer shall be given by personal service or by first class mail, postage prepaid, including a copy of the affidavit or certificate of mailing, to the appellant.
  - 2. Hearing Procedures.
    - a. Requirements for Taking Testimony. In any proceeding before a Hearing Officer, oral testimony offered as evidence shall be taken only on oath or affirmation, and the Hearing Officer, his/her clerk, or other designee shall have the power to administer oaths and affirmations and to certify to official acts. Oaths of witnesses may be given individually or en masse. Witnesses shall be asked to raise their right hands and to swear or affirm that the testimony they shall give will be the truth, the whole truth, and nothing but the truth.
    - b. Continuances. The Hearing Officer may continue the hearing as determined appropriate by the Hearing Officer.

- c. Administrative Interpretations. In conducting the hearing, the Hearing Officer shall consider the previously established interpretation of an ordinance provision by the Department charged with its enforcement unless that interpretation is shown to be clearly erroneous or unauthorized.
  - d. Hearing Officer Decisions. Within thirty (30) calendar days after the close of the hearing, the Hearing Officer shall issue a written decision, including a statement of the basis for the decision. The Hearing Officer's written decision shall constitute the final administrative decision of the County.
  - e. In the event a civil action is initiated to obtain enforcement of the decision of the Hearing Officer, and judgment is entered to enforce the decision, the person against whom the order of enforcement has been entered shall be liable to pay the County's total costs of enforcement, including reasonable attorney's fees.
- C. The appellant's failure to appear at the hearing on appeal shall constitute an abandonment of the review request and a failure to exhaust administrative remedies.

(Ord. No. 5200, § 1, 5-15-2012)

#### **7.80.140 Other penalties.**

The remedies provided by this Chapter are cumulative and in addition to any other remedies available at law or in equity.

- A. Violations of this Chapter may, in the discretion of the District Attorney, be prosecuted as infractions or misdemeanors.
- B. Causing, permitting, aiding, abetting, or concealing a violation of any provision of this Chapter shall constitute a violation.
- C. Violations of this Chapter are hereby declared to be public nuisances.

(Ord. No. 5200, § 1, 5-15-2012)

#### **7.80.150 Stipulated fine in lieu of hearing.**

For a first or second alleged violation of this Chapter within any sixty (60) month period, the Health Officer may allow a tobacco retailer alleged to have violated this Chapter to stipulate in writing to the penalties provided in this Section in lieu of the penalties that would otherwise apply pursuant to this Chapter and to forego any right the tobacco retailer may have to a hearing pursuant to Section 7.80.130. Notice of any stipulation shall be provided to the Sheriff's Office, and no hearing shall be held. Stipulations shall not be confidential, shall be in writing, and shall contain the following terms plus any other noncriminal provisions established by the Health Officer in the interests of justice:

- A. After a first alleged violation of the Chapter at a location:
  1. An agreement by the tobacco retailer to stop acting as a tobacco retailer for one (1) day;
  2. An administrative penalty of one thousand and no/100ths (\$1,000.00) dollars;
  3. An admission by the tobacco retailer that the first alleged violation of the Chapter at the location occurred; and
  4. An agreement that the first alleged violation of the Chapter at the location shall be considered in determining the penalty for any future violation.

(Supp. No. 51)

Created: 2023-08-21 13:07:18 [EST]

- 
- B. After a second alleged violation of the Chapter at a location within any sixty (60) month period:
1. An agreement by the tobacco retailer to stop acting as a tobacco retailer for ten (10) days;
  2. An administrative penalty of five thousand and no/100ths (\$5,000.00) dollars;
  3. An admission by the tobacco retailer that the second alleged violation of the Chapter at the location occurred; and
  4. An agreement by the tobacco retailer that the second alleged violation of the Chapter at the location will be considered in determining the penalty for any future violations.

(Ord. No. 5200, § 1, 5-15-2012)

### **7.80.160 Implementation.**

The Department shall begin implementing the provisions of this Chapter effective July 1, 2012.

(Ord. No. 5200, § 1, 5-15-2012)

### **7.80.170 Severability.**

If any provision of this Chapter or the application thereof to any person or circumstance is held invalid, the remainder of this Chapter or the application of such provision to other persons or circumstances shall not be affected thereby.

(Ord. No. 5200, § 1, 5-15-2012)



# Staff Report

**DATE:** January 23, 2024  
**TO:** Honorable Mayor and City Council  
**FROM:** John Guertin, City Manager  
**SUBJECT:** Request for Proposal (RFP) for a Comprehensive Fee Study  
**CEQA:** This action does not constitute a “project” as defined by the California Environmental Quality Act (CEQA) guidelines section 15378 as it is an administrative activity of the City that will not result in direct or indirect physical changes in the environment.

### Discussion

The City currently maintains a Master Fee Schedule of all the fees the City charges for various services. The City is a local government agency and as such is not in the practice to make a profit off of these charges but instead, fees are set to reasonably recover City costs.

It is customary for cities to regularly review their fees for appropriateness. It has been a long time since the City of Del Rey Oaks has conducted a comprehensive review of our fees.

It is recommended that the City issue an RFP for consulting services for a comprehensive fee study to evaluate all the City’s fees in all departments.

The study will review operating costs (including wage rates and benefits), current fee schedules, and comparisons to other entities. After the study is completed, staff will bring the recommended fees for the Council to review and approve with the goal of setting reasonable fees for cost recovery. This study is recommended to be completed at a minimum of every five years.

### Fiscal Impacts

While we won’t know the cost of the study until proposals are received, it is estimated that the cost will be around \$20,000. Staff recommends utilizing funds set aside in FY 2023-24 for grant writing services. Due to other competing priorities, the grant contract will not be completed this fiscal year.

### ATTACHMENTS:

- Draft RFP

Respectfully Submitted,

---

John Guertin  
City Manager





# City of Del Rey Oaks Request for Proposal (RFP)

*for*  
A Comprehensive Fee Study

**Issue Date: January 24, 2024**

**Proposal Due Date: February 28, 2024**

Submit responses to:

City of Del Rey Oaks  
Attn: Karen Minami, City Clerk  
650 Canyon Del Rey Boulevard  
Del Rey Oaks, California 93940  
Email address: [kminami@delreyoaks.org](mailto:kminami@delreyoaks.org)

# Table of Contents

- 1. RFP Overview**
  - 1.1 Introduction and Background**
  - 1.2 Purpose of RFP**
  - 1.3 Schedule of Events**
  - 1.4 RFP Coordinator**
  - 1.5 RFP Amendment and Cancellation**
  - 1.6 Letter of Intent to Respond**
  - 1.7 Questions Pertaining to the RFP**
  - 1.8 Public Records Law**
  - 1.9 Rights to Submitted Materials**
  - 1.10 City Agreements and Insurance Requirements**
  
- 2. Scope of Work and Specifications**
  - 2.1 Overview of the Project**
  - 2.2 Desired Outcome**
  - 2.3 Performance Requirements**
    - 2.3.1 User Fee Study**
  
- 3. Proposal Submission Requirements**
  - 3.1 General Instructions**
  - 3.2 Proposal Format**
    - 3.2.1 Transmittal Letter**
    - 3.2.2 Table of Contents**
    - 3.2.3 Executive Summary**
    - 3.2.4 Company Information**
    - 3.2.5 Company Background**
    - 3.2.6 Statement of Qualifications**
    - 3.2.7 Key Staffing, Development, and Implementation Approach**
    - 3.2.8 Training**
    - 3.2.9 Ongoing Support**
    - 3.2.10 References**
    - 3.2.11 Pricing**
    - 3.2.12 Proposed Legal Agreement**
    - 3.2.13 Additional Information**
  
- 4. Proposal Evaluation**
  
- 5. General Terms and Conditions**
  - 5.1 General Conditions**
  - 5.2 Reference Checks**
  - 5.3 Changes to RFP**
  - 5.4 Submittal Address**

# 1. RFP Overview

## 1.1 Introduction and Background

The City of Del Rey Oaks is a General Law City nestled in a canyon between the cities of Seaside and Monterey. It is run by a council-manager form of government. The major operating departments of the City are: City Manager/Treasurer, City Clerk, Planning and Building, Public Works/Streets/Parks, and Police. The City provides contract Police Services to the Monterey Regional Airport. Contract Fire Services are provided by the City of Seaside. The City population is 1,600.

## 1.2 Purpose of RFP

The objective of the RFP is to receive proposals for a Comprehensive Fee Study that includes reviewing and updating all fees and charges for services, and recommending additional fees, with a goal for cost recovery.

The City is seeking to evaluate all cost of services provided and examine whether a reasonable relationship exists between the cost of providing services and current service fees, while ensuring compliance with all applicable statutory requirements. The City desires to undertake a comprehensive citywide review and evaluation of user fee and rate charges resulting in a cost-based user fee study.

The Comprehensive Fee Study will calculate the full cost of providing certain City services and provide a recommended fee to be charged. The firm shall recommend cost recovery strategies and identify best practices in establishing user fees. It is the City's goal to have a well-documented and legally defensible cost of service plan that will identify rates that will be used to recover billable costs for services. A survey of comparable rates and fees with similar cities is required.

## 1.3 Schedule of Events

The RFP schedule of events identifies the City’s best estimate of the schedule that will be followed.

<b>RFP Event</b>	<b>Date/Time</b>
RFP Issued	January 24, 2024
Deadline for Written Questions	February 14, 2024 at 4:30 pm
Deadline for Letter of Intent to Respond	February 14, 2024 at 4:30 pm
City Issues Response to Written Questions	February 21, 2024
Deadline for Submitting a Proposal	February 28, 2024 at 4:30 pm
City Evaluation of Proposals	March 4 -8, 2024
Estimated time when City Determines Finalist	March 11, 2024
Contract Awarded	March 26, 2024

The City reserves the right to adjust this schedule as it deems necessary.

#### **1.4 RFP Coordinator**

All communications concerning this RFP must be submitted in an e-mail to the RFP Coordinator, Karen Minami, City Clerk. The RFP Coordinator will be the sole point of contact for this RFP. The coordinator can be reached via email at [kminami@delreyoaks.org](mailto:kminami@delreyoaks.org).

#### **1.5 RFP Amendment and Cancellation**

The City reserves the unilateral right to amend this RFP in writing at any time. The City also reserves the right to cancel or reissue all or any part of the RFP at its sole discretion. This information will be posted to the City's website. If an amendment is issued, it will also be provided to all vendors who have submitted a Letter of Intent to Respond.

#### **1.6 Letter of Intent to Respond**

Vendors who anticipate submitting a proposal should submit an email indicating a vendor's intent to respond to this RFP. The letter of intent should be emailed to the RFP Coordinator. The subject line should read, "Company Name – Letter of Intent to Respond". The following information should be included in the Letter of Intent to Respond:

- Name of Vendor
- Vendor's Address
- Vendor's Contact Person
- Contact Person's Telephone Number & E-mail Address

Submittal of a Letter of Intent to respond, by the specified deadline, is highly desirable for submitting a proposal, and is necessary to ensure a vendor's receipt of RFP amendments and other communications regarding the RFP. The Letter of Intent does not bind vendors to submitting a proposal. Not submitting a Letter of Intent does not preclude a vendor from submitting a proposal by the required deadline.

#### **1.7 Questions Pertaining to the RFP**

All questions pertaining to this RFP must be submitted by e-mail to the RFP Coordinator: Karen Minami, City Clerk at [kminami@delreyoaks.org](mailto:kminami@delreyoaks.org). All vendors who have notified the City of their intent to respond to the RFP will be provided, via e-mail, a copy of all questions submitted as well as the City's responses.

#### **1.8 Public Records Law**

Pursuant to the California Public Records Act, Government Code Section 6250 and following, public records may be inspected and examined by anyone desiring to do so, at a reasonable time, under reasonable conditions, and under supervision by the custodian of the public record. All submitted proposals are subject to the California Public Records Act, and may be determined to be public records subject to disclosure, even if the vendor claims confidential treatment. The City will disclose public records as required under the California Public Records Act.

## **1.9 Rights to Submitted Materials**

All Proposals and related correspondence, reports, charges, schedules, exhibits and other documentation submitted with this RFP will become property of the City and a matter of public record. All documents submitted in response to this request will be subject to disclosure if requested by a member of the public. There are a very limited number of narrow exceptions to these disclosure requirements.

## **1.10 City Agreements and Insurance Requirements**

The successful proposer(s) will be required to sign a contract with the City relating to the work to be performed. Once selected, the proposer must procure and maintain insurance in accordance with the City's insurance requirements for the duration of the contract. The cost of this insurance is the proposer's responsibility.

# **2. Scope of Work and Specifications**

## **2.1 Overview of the Project**

The City of Del Rey Oaks is interested in engaging a consultant to work with staff to prepare a Comprehensive Fee Study.

The consultant will ensure that all project documents are both accurate and appropriate for the City's current needs, and work with City staff on strategies to maximize cost recovery. General steps would include:

- 2.1.1 Work with staff to define the purpose, uses, and goals of the Study.
- 2.1.2 Meet with staff and conduct interviews to gain an understanding of the City's practices and operations.
- 2.1.3 Review any existing documentation related to fees.
- 2.1.4 Provide any suggestions or strategies to improve cost recovery levels, and recommend any new fees, if necessary.
- 2.1.5 Develop fee modification strategies that incentivize local policy goals.
- 2.1.6 Develop and present a draft final report for City staff to review.
- 2.1.7 Provide staff with worksheets to support the components in the final plan (in excel or other editable format), as well as any training on how to update any schedules that need to be revisited annually or until the next study.
- 2.1.8 Produce a final written report based on specific project needs, including a rate and fee comparison with similar organizations.

2.1.9 Present final recommendation to the City Council at a City Council Meeting.

Additional specifics will be listed in the Performance Requirements section of this document.

## 2.2 Desired Outcome

The desired outcome would be to receive a report that will be used to establish fees and allocate percentages/rates that support the full cost recovery of services. Individual performance requirements are listed below:

## 2.3 Performance Requirements

### 2.3.1 User Fee Study

Project tasks shall include, but are not necessarily limited to, the following. If the consultant feels that additional tasks are warranted, they must be clearly identified in the consultant's proposal.

- 2.3.1.1 Work and meet with City staff to refine the project scope, purpose, uses and goals of the City's User Fee Study to ensure that the study will be both accurate and appropriate to the City's needs. Review project schedule and answer any questions pertaining to the successful development of the Study.
- 2.3.1.2 Conduct a comprehensive review of the City's existing fees. For a list of City fees, see the attached "Exhibit A", which is adopted annually and is effective July 1. Identify the total cost of providing each City service and in a manner that is consistent with all applicable laws, statutes, rules and regulations governing the collection of fees, rates and charges by public entities.
- 2.3.1.3 Compare service costs with existing recovery levels. This should include any service areas where the City is currently charging for services as well as areas where the City, perhaps, should charge in light of the City's practices, or the practices of similar or neighboring cities. Include (as allowed by statutes/laws/rules/regulations) practices for deferral and/or forgiveness of fees and/or substitution of public services/facilities in lieu of fees for privately funded and City projects with public benefit. Include a comparison of current City practices and similar practices of similar or neighboring cities.
- 2.3.1.4 Recommend appropriate fees and charges based on your analysis together with the appropriate subsidy percentage for those fees where full cost recovery may be unrealistic (e.g. senior services). Consider the cost of pre-application and post-application meetings to mitigate project problems, assist project proponents to prepare the application, emergency response cost recovery such as inspection costs after fires and/or acts of god and how those costs can be recovered, either on a permit specific basis or as an overall percentage applied to permit fees.

- 2.3.1.5 Prepare a report that identifies each service, its full cost, recommended and current cost recovery levels. The report should also identify the direct cost, the indirect cost, and the overhead cost for each service; and provide a model for adjusting these fees for the City's current and future needs.
- 2.3.1.6 Prepare a report that identifies the present scope performed under the fee, the proposed scope performed under the recommended fee, present fees, recommended fees, percentage change, cost recovery percentage, revenue impact, and fee comparison with other Monterey County cities or other California cities that are comparable to Del Rey Oaks. A survey comparison of fees with similar cities is for information only.
- 2.3.1.7 Report on other matters that come to your attention in the course of your evaluation that in your professional opinion the City should consider.
- 2.3.1.8 Present your study to the City's management group and make necessary adjustments as requested.
- 2.3.1.9 Prepare and participate in presenting the plan to interested external parties (public meetings).
- 2.3.1.10 Assist the City staff in presenting the plan to the City Council.
- 2.3.1.11 Provide the City with an electronic copy of the final comprehensive study, including related schedules and cost documentation in a format that can be edited and updated by City staff to accommodate changes in the organization or changes in costs. Develop a model for adjusting fees to include the addition of hypothetical service area information for future service enhancements, and the ability to calculate the estimated costs of providing the service under consideration (Scenario and "what if" analyses).
- 2.3.1.12 Provide on-site training to enable staff to update fee schedule.
- 2.3.1.13 Prepare a final fee study report in a single PDF file of the plan that can be made available to City staff. Any master fee schedule revisions developed shall be made available to the City electronically, providing the ability to add or delete and/or update information as needed.
- 2.3.1.14 Consult with City staff should it become necessary to defend the City's User Fees as a result of any legal or other challenge.



## 3 Proposal Submission Requirements

### 3.1 General Instructions

Proposals should provide a straightforward, concise description of the vendor's company, qualifications, proposed solution, and capabilities to satisfy the requirements of this RFP. Emphasis should be on completeness and clarity of content.

Proposals should be organized consistent with the outline provided in this section of the RFP. Vendors must follow all formats and address all portions of the RFP set forth herein providing all information requested.

Submittals must be received no later than February 28, 2024 at 4:30 pm. Proposals received after this date and time will not be considered.

### 3.2 Proposal Format

Proposals must be structured, presented, and labeled in the following manner:

- Transmittal Letter
- Table of Contents
- Executive Summary
- Company Information
- Company Background
- Statement of Qualifications
- Implementation and Development Approach
- Training
- Ongoing Support
- References
- Pricing for each study or any discounts associated with conducting all three studies/plans. All pricing must be placed in a sealed envelope.
- Proposed Legal Agreement(s)
- Additional Information

*Details of information that shall be included in each response are listed in Sections 3.2.1 – 3.2.13.*

Failure to follow the specified format, to label the responses correctly, or to address all the subsections may result in the rejection of the Proposal.



### 3.2.1 Transmittal Letter

The proposal must provide a written transmittal of the proposal in the form of a standard business letter. The Transmittal Letter will reference and respond to each of the following bulleted items.

- Signature of a company officer empowered to bind the vendor to the provisions of this RFP and any contract awarded pursuant to it.
- A high-level statement of the vendor's credentials to deliver the services sought under the RFP.
- A statement indicating the proposal remains valid for at least 90 days.
- A statement that the vendor or any individual who will perform work for the vendor is free of any conflict of interest (e.g., employment by the City).

### 3.2.2 Table of Contents

All pages are to be numbered and the table of contents should identify each major section.

### 3.2.3 Executive Summary

This section of the proposal should provide a concise synopsis of vendor's proposal and credentials to deliver the services sought under the RFP. In addition, it should explain how the vendor's proposal will differentiate itself from other consultant solutions and the reasons the City should select the vendor's proposal. This may include a list of the unique attributes or experience that gives the vendor a competitive edge.

### 3.2.4 Company Information

This section of the proposal must include the following company information:

- Provide the legal entity name, Federal Employer Identification Number (EIN), and form of business (i.e. Corporation, LLC, etc.).
- Identify if the vendor is a subsidiary of a larger company. If so, whom?
- Provide a primary contact name, address, phone number, and email address.
- Identify the location of company headquarters and offices, which will support the implementation.
- Identify the location, hours of operation, and contact information of ongoing maintenance and support staff.
- Provide the current number of employees at the company.
- Provide the current number of employees dedicated to the solution you are proposing.
- Identify all subcontractors and associated scope of work.
- List the company's Del Rey Oaks business license number, or statement of understanding that a business license must be purchased prior to doing business with City.

- Identify any pending litigation against the vendor.
- Identify if vendor has filed any bankruptcy or insolvency processing in the last 10 years.
- Identify any mergers, acquisitions, or sales of the vendor company within the last five years (if so, an explanation providing relevant details).

### **3.2.5 Company Background**

This section should identify the following:

- A description of the Vendor's background, nature of business and organizational history.
- A statement of how long the Vendor has been providing the services that are being proposed and required by this RFP.
- Disclose the Vendor's annual company revenues and profit for the last three company fiscal years. It is acceptable to include this information as an appendix in the proposal.

### **3.2.6 Statement of Qualifications**

In this section of proposal, the Vendor should identify company and staff qualifications and experience in implementing the proposed studies or plans. More specifically, this section should identify the following:

- Describe your experience in providing comprehensive fee studies, development impact fee studies, and cost allocation plans; especially for municipalities similar in size to Del Rey Oaks.
- Identify some examples of your existing client base including the number of clients you provided the services being proposed here.

### **3.2.7 Key Staffing, Development, and Implementation Approach**

In this section the vendor should address the following:

- Provide a project organization chart highlighting the key staff who will be assigned to accomplish the work and any related bios for the project manager and key personnel
- Describe your implementation methodology and approach. This includes the tools and techniques that will be used and methodologies that the firm will employ.
- Outline strategies and options that will result in the development and recommendations that are practical to the City of Del Rey Oaks, meaning that the recommendations must not exceed the City's ability to implement and properly utilize them.
- Describe the roles and responsibilities of both the City and vendor staff during each phase of implementation. In addition, provide an estimated level of effort and skillset required for the City staff during implementation.

- Provide a project schedule that includes all tasks, deliverables, milestones, and resources required. The City seeks a detailed understanding of the work plan that will be followed to ensure success. Please also indicate any lead time that is needed before a company representative can begin working on the study.
- Describe your validation process for ensuring all information is accurate and your criteria for success. Also, outline the responsibilities of City staff during the final validation and acceptance process.

### **3.2.8 Training**

- Provide an overview of any training that would be needed to understand the methodology related to the studies. The goal would be to allow City staff to understand the how any fees or allocations were derived.
- If applicable, describe your training strategy/plan that includes current and future employees of the City in any updates to the underlying calculations with the study during periods when formal studies are not conducted.

### **3.2.9 Ongoing Support**

Please provide an overview of any support that your firm will offer in relation to follow-up questions regarding the completed study.

### **3.2.10 References**

The vendor must provide at least five references. At least three of the references should be for comprehensive fee studies in the last three years. The City prefers references from local government agencies with similar demographics. For each reference, vendor should provide the following information:

- Entity name
- Customer contact information (name, title, phone, and email)
- Scope of work performed identifying the services provided and solutions implemented
- Project start and end dates

### **3.2.11 Pricing**

The City is seeking a clear and comprehensive understanding of all costs associated with the project. This would include development of the study, on-going training, and travel. The City may entertain remote meetings, however an on-site presentation may be required by the City Council.

All pricing shall be submitted in a separate sealed envelope.

### 3.2.12 Proposed Legal Agreement

It is recognized that the formal basis of any agreement between the City and the vendor is a contract rather than a proposal. The City's standard contract is included in Exhibit B. While the City does not typically modify the contract terms, the Vendor may include a draft of any proposed modifications to the City's standard contract. If the Vendor requires an alternate contract, that information must be included with the RFP response.

The proposed legal agreement(s) may serve as the basis for contract negotiations between the City and the selected vendor(s) or the City may elect to use its own agreement as the basis.

### 3.2.13 Additional Information

In this section, the vendors may provide the following materials:

- An example of any training material for on-going support. The City is typically planning to update the study on five-year intervals; however this could be subject to change.
- If the company offers a complimentary service to enhance the requested study, please include any informational material, as well as the costs. Please note that these documents are not required for this proposal; however it is requested for potential consideration and future studies.

## 4 Proposal Evaluations

After the proposals are received, the City shall review and evaluate them for responsiveness to the RFP in order to determine whether the proposer possesses the qualifications necessary for the satisfactory performance of the services required. The City may also investigate qualifications of all proposers to whom the award is contemplated, and the City may request clarifications of proposals directly from one or more proposers.

In reviewing the proposals, the City will consider the following:

- The qualifications (including education, training, licenses, experience and past performance) of the proposer and its agents, employees and sub-consultants in completing projects of a similar type, size and complexity.
- The feasibility of the proposal based upon the methodology of the proposed scope of services to meet the City's needs, the quality of services proposed, and the reasonableness of the total project costs and of the proposed time period over which the work will be completed.
- Understanding of the work to be completed based upon the clarity of the proposal and responsiveness to this RFP.
- Quality, clarity, completeness, and responsiveness of proposal.
- Demonstrated ability to work in a cooperative and collaborative manner with clients.

- Proposed timeline.
- Anticipated value and price.
- Perceived risk or lack of risk.
- Company financial stability.
- References.
- Reasonableness of any proposed adjustments to the City's contracts.
- Ability to negotiate and execute a contract in a timely manner.

The City reserves the right, at its sole discretion, to request clarifications of proposals or to conduct discussions for the purpose of clarification with any or all vendors. The purpose of any such discussions shall be to ensure full understanding of the proposal. Discussions shall be limited to specific sections of the proposal identified by the City and, if held, shall be after initial evaluation of proposals are complete. If clarifications are made as a result of such discussion, the vendor shall put such clarifications in writing.

## 5 General Terms and Conditions

### 5.1 General Conditions

- The City reserves the right to reject any and all proposals, to waive any informality, to request interviews of Contractor(s) prior to award and to select and negotiate the Contract services in the best interest of the City.
- The City reserves the right to accept all or part of any proposal, and to negotiate a contract for services and cost with the selected Contractor.
- The Contractor shall provide all necessary personnel, materials and equipment to perform and complete all work under this proposal.
- The Contractor shall be unbiased and vendor neutral.
- Unless otherwise stated, invoices are to be submitted to City Hall upon delivery of service to the City. The invoice must include an itemization of all services provided, including unit list price, net price, extensions total amount(s) due, and amounts previously paid.
- Unless otherwise stated, payment will be made within thirty (30) days of the completion of the service, in an acceptable fashion, to the City, and receipt of invoice, whichever is later.
- The contract for the services described in the RFP should not be considered exclusive. As deemed necessary, the City reserves the right to obtain these services from any other vendor.
- Neither party shall be liable for any inability to perform its obligations under any subsequent agreement due to war, riot, insurrection, civil commotion, fire, flood, earthquake, storm or other act of nature.

- Notification of the parties shall be considered to have been constructively received when it is mailed via the United States Postal Service, e-mailed, or delivered in hand to the parties as stated in the contract.
- Proposal shall also mean quotation, bid, offer, qualification/experience statement, and services. Proposers shall also mean vendors, proposer's, bidders, or any person or firm responding to a Request for Information.
- The City reserves the right to retain all proposals for a period of 60 days for examination and comparison.
- All contracts entered into by the City of Del Rey Oaks shall be governed by the Laws of the State of California. Any disputes shall be resolved within the venue of the State of California.
- The proposer may submit an alternative proposal or proposals that it believes will also meet the City's project objectives, but in a different way. In this case, the proposed must provide an analysis of the advantages and disadvantages of each of the alternatives, and discuss under what circumstances the City would prefer one alternative to the other(s).

**5.2 Reference Checks**

The City of Del Rey Oaks reserves the right to contact any reference, or any client listed in the documents for information which may be helpful to the City in evaluating the Contractor's performance on previous assignments.

**5.3 Changes to RFP**

Changes to the RFP will be e-mailed to all vendors that submitted a letter of intent to respond. Such changes become an integral part of the RFP for incorporation into any contract awarded pursuant to the RFP.

**5.4 Submittal Address**

Send proposals to Karen Minami, City Clerk at [kminami@delreyoaks.org](mailto:kminami@delreyoaks.org) or mail to:

City of Del Rey Oaks  
City Hall  
Attn: Karen Minami, City Clerk  
650 Canyon Del Rey Boulevard  
Del Rey Oaks, CA 93940

If submitting by mail, please ensure "title of RFP" is written in the lower left-hand corner of the envelope. Three bound copies, plus one electronic file shall be submitted.

Proposals must be complete and submitted by the due date. Late submissions or delivery via facsimile will not be considered. The City assumes no responsibility for delays caused by delivery service. Postmarking by the due date will not substitute for actual receipt.



## City of Del Rey Oaks Fee Schedule

### Establishing Certain Fees Effective July 1, 2021

CITY OF DEL REY OAKS FEE SCHEDULE		FEE
<b>Planning</b>		
<b>Architectural Review Committee Review:</b>		
<b>Commercial</b>		
Major	(New commercial)	\$1,990
Minor	(Commercial additions, remodels, exterior tenant improvements,	\$620
<b>Residential</b>		
Major	(New one or two-story buildings, or second-story additions)	\$840
Minor	(One-story additions, exterior alterations to one-story buildings or one-story of a two-story)	\$200
<b>Architectural Review Committee Sign Review:</b>		
Major	(Large monument signs, multiple freestanding signs, pole signs, internally illuminated signs)	\$680
Minor	(All signs not included above)	\$120
	Architectural Review/Solar Panels	No Fee
<b>Appeal Fees</b>		
	Appeals of Planning Commission Decisions to City Council	\$370
	Appeals of Staff Decisions/Home Occupation Permits	\$170
<b>Environmental Review</b>		
	Environmental Impact Report	contract price + 17%
	Environmental Initial Study Leading to a Negative Declaration (Excludes Fish and Game Fee and technical studies)	\$3,570
	Environmental Exemption	\$100
<b>Use Permits</b>		
Master	(Projects requiring environmental review and/or multiple permits)	\$4,000 deposit
Major	(Commercial, industrial, multi-family, cannabis)	\$2,990
Minor	(Single-family residential uses)	\$820
<b>Cannabis</b>		
	Annual Cannabis Business Permit	\$5,000
	Cannabis Tax	5% of Gross Receipts
<b>Short Term Rental</b>		
New	One-time approval fee Whole Home or Home Share	\$820
Annual	Whole Home	\$500
	Home Share	\$250
<b>Permits</b>		
	Home Occupation (Business) Permit due every year	\$150
	Home Occupational Use Permit Application Fee	\$10
	Permit Extension	\$780
	Reopen Permit	\$850
	Special Permits (Temporary use)	\$280
	Special Sign Permit (Temporary window/banner sign)	\$170
	Investigative fee for work without permit(s)	Cost of the permit
	Missed Inspections or work not complete	\$95/hour
	Electrical/Plumbing/Mechanical Permit	\$125
	Grading Permit Fee	\$120
	Tree Removal/Significant Alteration Permit	\$50
	Residential Property Inspections Reports - Single Family Dwelling	\$250
	Duplicate Job Card	\$25
<b>Variance Permit</b>		
Master	(Multiple variances for commercial, multi-family or industrial projects)	\$1,410
Major	(One variance {coverage, height, parking adjustments} for commercial, multi-family or industrial sites)	\$980
Minor	(One variance - residential fences, setbacks, parking, etc.	\$820

CITY OF DEL REY OAKS FEE SCHEDULE	FEE
-----------------------------------	-----

<b>Engineering</b>		
	Encroachment Permit (Residential)	\$250
	Encroachment Permit (Commercial)	\$300 plus 2% of cost of public improvements requires plan check
	Street Opening Permit (Residential)	\$250
	Street Opening Permit (Commercial)	\$300 plus 2% of cost of public improvements requires plan check
	Driveway, Curb, Gutter, Sidewalk Permit	\$150
	Construction Activity Road Impact Fee	1% of the sum of the building permit's project valuation
	Storm Water Review & Inspection Fee	\$250 plus \$95/hour for plan review & inspection

<b>Zoning Permits</b>		
	R-1 District	\$100
	D District (Condo.)	\$100
	Hotel/motel/multi-family	\$200
	1-7 units	\$925
	8-36 units	\$125/unit
	>36 units	Negotiated fee for cost of service

<b>Commercial &amp; Industrial</b>		
	<15,000 sf	\$500+140 K/sf
	>15,000	Negotiated fee for cost of service
	Additional meetings	\$400

<b>Reclassification or Rezoning</b>		
	Major text (alterations of existing sections)	\$1,500 Deposit/cost of service
	Minor text (addition of new section)	\$1,000/1st section charged+\$300 for each additional section

<b>Standard Subdivision Map</b>		
	Tentative	\$1,800 + \$100/lot
	Exceptions	\$700/lot w/exceptions
	Minor	\$1,600
	Exceptions	\$700/lot w/exceptions
	Additional meetings for minor text amendments	\$120

<b>Final Map</b>		
	Processing	\$750 + \$60/lot
	Parcel Map	\$600 per map
	Lot Line Adjustment	\$1,000

<b>General Plan Amendment</b>		
	Minor Text (alterations of existing sections)	Contract Cost plus 10%
	Major Text (addition of new sections)	Contract Cost plus 15%

<b>Printed Material</b>		
	Copies	\$0.20 per page
	R-1 Guidelines	\$10
	Commercial Guidelines	\$10
	Council Packet Yearly Subscription	\$180
	Sign Ordinance	\$10
	Subdivision Ordinance	\$10
	Zoning Ordinance Text	\$15
	General Plan Text	\$20

**Development Agreement**

Consultant fee, plus 30% of consultant fees to cover normal staff costs, plus 15% of consultant fee as a contingency fund to cover unanticipated costs, plus duplication. These fees shall be considered advances and should the actual cost be less than the fee advanced, the excess shall be returned to the applicant; should the actual cost be more than the fee advanced, the difference shall be paid by the applicant.

Applicant shall, in addition to those fees listed in this fee schedule, pay the actual cost of legal advertising.

It is the City policy and requirement that processing of development or planning projects be fully cost recoverable. Application fees are intended to reimburse the City for minimal costs incurred for the normal or routine amount of time necessary to process applicant's requests. If additional or other unusual time is required on a particular project, then the developer/applicant will be charged for these additional costs to the City, plus a 30% administrative overhead fee.



CITY OF DEL REY OAKS FEE SCHEDULE		FEE
<b>SERVICES</b>		
<b>Reports</b>		
Accident Report		\$25
Police Report		\$25
<b>Police / Fire Fees</b>		
Hazardous Materials / Fire Response fee/Traffic Accident - (Fire presence required)		\$2,500
False Alarm / Fire Response / Fire Alarm - Sprinkler System (Fire presence required)		\$2,500
Fingerprinting - Hard Card		\$25 per card
Fingerprinting - Livescan		\$70
Special Events		\$125 per hour
Vehicle Repossession		\$25
Vehicle Storage Release		\$250
Citation Sign-Off		\$25
VIN Verification		\$25
Police Shoulder Patch Request		\$20
<b>False Police Alarm Fees</b>		
1st alarm within 60 days		No Charge
2nd alarm within 60 days		\$150
Subsequent Alarms		\$250
<b>Duplication Fees</b>		
Duplication of Audio Tape		\$50 Each
Duplication of DVD (Council Meeting, Etc.)		\$50 Each
Duplication of DVD / Police Photos		\$50 Each
Enlargement of Photographs		City's cost
<b>Returned Check Fee</b>		
Stop Payment/NSF		\$35
<b>Miscellaneous Fees</b>		
Maps		\$5
Business License Application Fee		\$26
Dog park annual registration fee		Free membership - Replacement key \$10
County of Monterey Animal Services		Actual Cost to City to be paid by owner
<b>Park Barbeque Reservation Fees:</b>		
Residents:	Groups of 1 to 50	\$50
	Groups of 51 to 100	\$100
	Groups of 101 to 150	\$150
Non-Residents:	Groups of 1 to 50	\$100
	Groups of 51 to 100	\$150
	Groups of 101 to 150	\$200
Bounce House Permit		\$50
Temporary Day Use Permit		\$50
<b>Old Town Hall Reservation Fees:</b>		
Resident :	First 3 hours (per hour)	\$50
	Each additional hour	\$25
	Cleaning Fee	\$10
	Use Permit	\$50
	Refundable Cleaning/Damage Deposit	\$250
Non-Resident:	First 3 hours (per hour)	\$70
	Each additional hour	\$25
	Cleaning Fee	\$10
	Use Permit	\$50
	Refundable Cleaning/Damage Deposit	\$250
Non-Profit:	First 3 hours (per hour)	\$40
	Each additional hour	\$15
	Cleaning Fee	\$10
	Use Permit	\$50
	Refundable Cleaning/Damage Deposit	\$250

## CITY OF DEL REY OAKS AGREEMENT

**THIS AGREEMENT** (“Agreement”) is executed \_\_\_\_\_, 20\_\_\_\_ by and between the CITY OF DEL REY OAKS, a municipal corporation (hereinafter “City”), and \_\_\_\_\_ (hereinafter “Consultant”), each of which is referred to herein as a “party,” and collectively referred to herein as the “parties.”

### RECITALS

**WHEREAS**, the City wishes to engage Consultant to perform the services required by this Agreement as City does not have the capability to perform such work;

**WHEREAS**, Consultant is customarily engaged in the business of providing the services required herein and is willing to provide such services on the following terms and conditions; and

**WHEREAS**, Consultant represents it is specially trained, experienced, and competent to perform the services required by this Agreement.

### AGREEMENT

**NOW, THEREFORE**, in consideration of the terms and conditions herein contained, the parties hereby covenant and agree as follows:

#### 1. SERVICES

- A. **Scope of Services.** Consultant agrees to provide to the City, as the scope of services under this Agreement, the following services: Consulting services for a comprehensive fee study to evaluate all of the City’s fees in all departments.
- B. **Amendment of Services.** The parties may make changes to the scope of services as defined in Section 1.A above. The parties shall agree in writing prior to commencement of any such changes.

#### 2. COMPENSATION

A. **Total Fee.** The City agrees to pay and Consultant agrees to accept as full and fair consideration for the performance of this Agreement \$\_\_\_\_\_. If the City determines the services set forth in the written invoice have not been performed in accordance with the terms of this Agreement, the City shall not be responsible for payment until the services have been satisfactorily performed.

B. **Invoicing.** Consultant shall submit written invoices to the City. Consultant’s invoices shall include a brief description of services performed.

#### 3. AGREEMENT TERM

A. **Term.** The work under this Agreement shall commence at the mutual reasonable agreement of the parties.

B. **Timely Work.** Consultant shall perform all services in a timely fashion. Failure to perform shall be deemed a material breach of this Agreement, and the City may terminate this Agreement with no further liability hereunder, or may authorize, in writing, an extension of time to the Agreement.

#### 4. INDEPENDENT CONSULTANT

##### A. **Independent Consultant.**

i. Consultant is an independent consultant. This Agreement does not create the relationship of employer and employee, a partnership, or a joint venture.

ii. No offer or obligation of permanent employment with the City or particular City department or agency is intended in any manner, and Consultant shall not become entitled by virtue of this Agreement to receive from the City any form of employee benefits including, but not limited to, sick leave, vacation, retirement benefits, workers' compensation coverage, insurance or disability benefits. Consultant shall be solely liable for and obligated to pay directly all applicable taxes, including federal and state income taxes and social security, arising out of Consultant's performance of services under this Agreement. In connection therewith, Consultant shall defend, indemnify and hold the City harmless from any and all liability, which the City may incur because of Consultant's failure to pay such taxes.

B. **Not an Agent of the City.** Nothing in this Agreement shall be interpreted so as to render the City the agent, employer, or partner of Consultant, or the employer of anyone working for or subcontracted by Consultant, and Consultant must not do anything that would result in anyone working for or subcontracted by Consultant being considered an employee of the City. Consultant is not, and must not claim to be, an agent of the City.

#### 5. REPRESENTATIVES AND COMMUNICATIONS

A. **City's Representative.** The City appoints the individual named below as the City's contact person for the purposes of this Agreement.

Name: John Guertin  
 Title: City Manager  
 Address: 650 Canyon Del Rey Blvd. Del Rey Oaks, CA 93940  
 Telephone: 831-394-8511

B. **Consultant's Representative.** Consultant appoints the individual named below as its contact person for the purposes of this Agreement.

Name:  
 Title:  
 Address:  
 Telephone:

C. **Communications and Notices.** Any notice, report, or other document that either party may be required or may wish to give to the other must be in writing, unless otherwise provided

for, and shall be deemed to be validly given to and received by the addressee, if delivered personally, on the date of such personal delivery, if delivered by email, on the date of transmission, or if by mail, seven (7) calendar days after posting.

## 6. INDEMNIFICATION

Consultant hereby agrees to the following indemnification clause:

To the fullest extent permitted by law Consultant shall indemnify and hold harmless the City and its officers, designated agents, departments, officials, representatives and employees (collectively “Indemnitees”) from and against claims, loss, cost, damage, injury expense and liability (including incidental and consequential damages, court costs, reasonable attorneys’ fees, litigation expenses and fees of experts, consultants or expert witnesses incurred in connection therewith and costs of investigation) to the extent they arise out of, pertain to, or relate to, the negligence, recklessness, or willful misconduct of Consultant, anyone directly or indirectly employed by Consultant, or anyone Consultant controls (collectively “Liabilities”). Consultant shall have liability for reasonable and necessary defense costs incurred by persons indemnified to the extent caused by Consultant’s negligence herein and recoverable under applicable law on account of negligence. Such obligations to defend, hold harmless and indemnify any Indemnitee shall not apply to the extent that such Liabilities are caused in part by the gross negligence or willful misconduct of such Indemnitee.

## 7. INSURANCE

Consultant shall submit and maintain in full force all insurance as described herein. Without altering or limiting Consultant’s duty to indemnify, Consultant shall maintain in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability:

A. **Commercial General Liability Insurance** including, but not limited to, premises, personal injuries, bodily injuries, property damage, products, and completed operations, with a combined single limit of not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate.

B. **Automobile Liability Insurance** covering all automobiles, including owned, leased, non-owned, and hired automobiles, used in providing services under this Agreement, with a combined single limit of not less than \$1,000,000 per occurrence.

C. **Workers’ Compensation Insurance.** If Consultant employs others in the performance of this Agreement, Consultant shall maintain Workers’ Compensation insurance in accordance with California Labor Code section 3700 and with a minimum of \$1,000,000 per occurrence.

D. **Other Insurance Requirements:**

- i. The City shall be a named additional insured on Consultant’s policy.
- ii. All insurance required under this Agreement must be written by an insurance company either:

1. admitted to do business in California with a current A.M. Best rating of no less than A:VI;

or

2. an insurance company with a current A.M. Best rating of no less than A:VII.

iii. Prior to the start of work under this Agreement, Consultant shall file certificates of insurance and endorsements evidencing the coverage required by this Agreement with the City Manager. Consultant shall file a new or amended certificate of insurance promptly after any change is made in any insurance policy that would alter the information on the certificate then on file, including, without limitation, the amount of coverages or the term of coverages.

iv. Neither the insurance requirements hereunder, nor acceptance or approval of Consultant's insurance, nor whether any claims are covered under any insurance, shall in any way modify or change Consultant's obligations under the indemnification clause in this Agreement, which shall continue in full force and effect. Notwithstanding the insurance requirements contained herein, Consultant is financially liable for its indemnity obligations under this Agreement.

v. City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

## 8. PERFORMANCE STANDARDS

A. Consultant warrants that Consultant and Consultant's employees performing services under this Agreement are specially trained and experienced to perform the services described herein.

B. Consultant and its employees shall perform all services in a safe and skillful manner consistent with the highest standards of care, diligence and skill ordinarily exercised by professionals in similar fields. All services performed under this Agreement that are required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.

C. Consultant shall furnish, at its own expense, all materials, equipment and personnel necessary to carry out the terms of this Agreement, except as otherwise specified in this Agreement. Consultant shall not use the City premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations under this Agreement, the RFP, or Consultant's Estimate.

D. Consultant agrees to perform all work under this Agreement to the satisfaction of City and as specified herein. The City Manager or his or her designee shall perform an evaluation of the work. If the quality of work is not satisfactory, City in its discretion may meet with Consultant to review the quality of work and resolve the matters of concern.

## 9. CITY INFORMATION AND RESOURCES

A. **City Resources.** The City acknowledges that Consultant's ability to provide services in accordance with this Agreement may be dependent on the City providing available information and resources in a prompt and timely manner as reasonably required by Consultant. To the extent that the City fails to provide City resources, Consultant shall not be liable for any resulting delay in services,

but in no event shall such delay or failure to provide City resources constitute a breach of this Agreement by the City, nor shall Consultant be entitled to extra compensation for same.

B. **Obligations of Consultant.** No reviews, approvals, or inspections carried out or supplied by the City shall derogate from the duties and obligations of Consultant, and all responsibility related to performance of services shall be and remain with Consultant.

## 10. OWNERSHIP AND USE OF MATERIALS

A. **Ownership of the Materials.** All data, studies, reports, calculations, field notes, sketches, designs, drawings, plans, specifications, cost estimates, manuals, correspondence, agendas, minutes, notes, audio-visual materials, photographs, models, software data, computer software (if purchased on the City's behalf) and other documents or products produced by Consultant under this Agreement (collectively, "the Materials") are and shall remain the property of the City even though Consultant or another party may have physical possession of them or a portion thereof. Consultant hereby waives, in favor of the City, any moral rights Consultant, its employees, vendors, successors or assignees may have in the Materials. Consultant agrees that all copyrights, which arise from creation of the work or services pursuant to this Agreement, shall be vested in the City and waives and relinquishes all claims to copyright or intellectual property rights in favor of the City.

B. **Delivery and Use of the Materials.** All Materials shall be transferred and delivered by Consultant to the City without further compensation following the expiration or sooner termination of this Agreement, provided that the City may, at any time prior to the expiration or earlier termination of this Agreement, give written notice to Consultant requesting delivery by Consultant to the City of all or any part of the Materials in which event Consultant shall forthwith comply with such request. The Materials created electronically must be submitted in a format and medium acceptable to the City. The Materials may be used by the City in any manner for the intended purpose or as part of its operations associated with the Materials.

## 11. DISPUTE RESOLUTION

The City Manager and Consultant shall make reasonable efforts to resolve any dispute by amicable negotiations and shall provide frank, candid, and timely disclosure of all relevant facts, information, and documents to facilitate negotiations.

If all or any portion of a dispute cannot be resolved by good faith negotiations as set forth above within thirty (30) days either party may, by notice to the other party, submit the dispute for formal mediation to a mediator selected mutually by the parties. The cost of the mediation (including fees of mediators) shall be borne equally by the parties, and each party shall bear its own costs of participating in mediation. The mediation shall take place within Monterey County.

Should either party not be satisfied with the outcome of the mediation, the matter may be submitted to a court of competent jurisdiction.

All claims by Consultant against the City for money or damages must comply with the Government Claims Act (California Government Code Sections 810-996.6).

## 12. TERMINATION OF AGREEMENT

A. **Termination for Cause or Default.** The City reserves the right to immediately terminate this Agreement, in whole or in part, if Consultant defaults or fails to deliver the services in accordance with the terms and conditions of this Agreement. Such termination shall be in writing, shall set forth the effective date of termination, and may be issued without any prior notice. Without limitation, Consultant is in default of its obligations contained in this Agreement if Consultant:

- i. Fails to perform the required services within the term and/or in the manner provided under this Agreement;
- ii. Fails to observe or comply with the City's reasonable instructions;
- iii. Otherwise violates any provision of this Agreement.

### 13. LEGAL ACTION / VENUE

Should either party to this Agreement bring legal action against the other, the validity, interpretation and performance of this Agreement shall be controlled by and construed under the laws of the State of California, excluding California's choice of law rules. Venue for any such action relating to this Agreement shall be in the Monterey County Superior Court.

### 14. MISCELLANEOUS PROVISIONS

A. **Non-discrimination.** During the performance of this Agreement, Consultant shall not unlawfully discriminate against any person because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status, either in Consultant's employment practices or in the furnishing of services to recipients.

B. **Acceptance of Services Not a Release.** Acceptance by the City of services to be performed under this Agreement does not operate as a release of Consultant from professional responsibility for the services performed.

C. **Headings.** The headings appearing herein shall not be deemed to govern, limit, modify, or in any manner affect the scope, meaning or intent of the provisions of this Agreement. The headings are for convenience only.

D. **Entire Agreement.** This Agreement, including the Exhibits attached hereto, constitute the entire agreement between the parties hereto with respect to the terms, conditions, and services and supersedes any and all prior proposals, understandings, communications, representations and agreements, whether oral or written, relating to the subject matter thereof pursuant to Section 1B, "Amendment of Services." Any amendment to this Agreement will be effective only if it is in writing signed by both parties hereto and shall prevail over any other provision of this Agreement in the event of inconsistency between them.

E. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and may be signed in counterparts, but all of which together shall constitute one and the same Agreement.

F. **Multiple Copies of Agreement.** Multiple copies of this Agreement may be executed, but the parties agree that the Agreement on file in the office of the City’s City Clerk is the version of the Agreement that shall take precedence should any difference exist among counterparts of this Agreement.

G. **Authority.** Any individual executing this Agreement on behalf of the City or Consultant represents and warrants hereby that he or she has the requisite authority to enter into this Agreement on behalf of such party and bind the party to the terms and conditions of this Agreement.

H. **Severability.** If any of the provisions contained in this Agreement are held illegal, invalid or unenforceable, the enforceability of the remaining provisions shall not be impaired thereby. Limitations of liability and indemnities shall survive termination of the Agreement for any cause. If a part of the Agreement is valid, all valid parts that are severable from the invalid part remain in effect. If a part of this Agreement is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

I. **Non-exclusive Agreement.** This Agreement is non-exclusive and both the City and Consultant expressly reserve the right to enter into agreements with other Consultants for the same or similar services, or may have its own employees perform the same or similar services.

J. **Assignment of Interest.** The duties under this Agreement shall not be assignable, delegable, or transferable without the prior written consent of the City. Any such purported assignment, delegation, or transfer shall constitute a material breach of this Agreement upon which the City may terminate this Agreement and be entitled to damages.

K. **Laws.** Consultant agrees that in the performance of this Agreement it will reasonably comply with all applicable federal, state and local laws and regulations. This Agreement shall be governed by and construed in accordance with the laws of the State of California and the City of Del Rey Oaks.

L. **Exhibits.** The following Exhibits are incorporated herein by reference as if fully set forth: \_\_\_\_\_

**IN WITNESS WHEREOF**, the parties enter into this Agreement on the day and year first above written in Del Rey Oaks, California.

**CITY OF DEL REY OAKS**

\_\_\_\_\_  
John Guertin,  
City Manager

\_\_\_\_\_  
  
\_\_\_\_\_





## Staff Report

**DATE:** January 23, 2024

**TO:** Honorable Mayor and Members of City Council

**FROM:** John Guertin, City Manager

**SUBJECT:** Award of Contract for the Calfire Grant Funded Fire Prevention Project to Community Tree Service

**CEQA:** The project is categorically exempt from the California Environmental Quality Act (CEQA) Guidelines Sections, Section 15304 (i) Minor Alteration to Land – Fuel management activities within 30 to 100 feet of structures to reduce the volume of flammable vegetation, provided that the activities will not result in the taking of endangered, rare, or threatened plant or animal species or significant erosion and sedimentation of surface waters. The understory fuel reduction is a minor alteration to land that involves fuel management activities within 30 to 100 feet of structures.

### Recommendation

It is recommended that the City Council:

1. Approve the Award of a Contract to Community Tree Service in the amount of \$61,070 for the Del Rey Oaks Fire Prevention Program (Work Memorial Park) Project; and
2. Authorize the City Manager to approve additional expenditures up to \$12,214 (20% of the agreement value) in contract contingencies for potential additional services and unanticipated work that may arise, for a total amount not-to-exceed \$73,284; and
3. Authorize the City Manager to sign and execute the contract services agreement and potential future amendments to the agreement within the designated contingency amount, on behalf of the City Council.

### Background

On February 28, 2023, the City Council approved Resolution #2023-01 authorizing the filing of an application for "California Climate Investment Fire Prevention Grant Program", for the Del Rey Oaks Fire Prevention Program. On September 29, 2023, the City was awarded \$317,931.90 in grant funding for the project.

The project is expected to reduce fire fuels along Work Memorial Park (from Via Verde to Fremont Blvd). The Treatment Influence Zone is approximately 41 acres in area, including proximity to over 300 homes. The project area is located near Highway 68 and the former Fort Ord, both of which are designated as high fire threat areas according to the Monterey County Community Wildfire Protection Plan.

### Summary & Discussion

The bid opening for the Fuel Reduction contractor occurred on January 11, 2024. Four (4) bids were received (Tabulation of Bids – Attachment 1). Community Tree Services was the lowest responsive bidder. Although Community's bid is significantly lower than the other three received,

staff has confirmed with their management that they can perform the required services for the amount bid. Additionally, staff have contacted references for Community and are confident in their abilities to address the grant scope.

The project includes fire fuel clearing with hand crews and mechanical abatement depending on slope, accessibility, and density. An estimated 41 acres based on surface area will be treated. Community Tree Services intends to start mobilizing in early Spring. The target sites contain some of the heaviest areas of fine fuels, trees, shrubs and non-native vegetation. In addition, these areas are near residences, high intensity power lines, and community facilities including City Hall, parks, and churches. The fuel biomass in these areas contributes to increased fuel load and potential fire. By removal of hazardous fuels, a reduction in the frequency and intensity of wildfires will be realized along with a reduction in GHG emissions.

### **Fiscal Impacts**

The City has received the Grant Agreement (5GG22134) from the State of California CAL FIRE Program. The total amount of the grant is \$317,931.90. Within this amount the Fuel Reduction Treatment portion allocated is \$297,300. Expenses for this agreement will be charged to the C.I.P. project account which is reimbursable by the grant. The proposed contract amount is fully budgeted within the project budget.

### **ATTACHMENTS:**

Attachment 1 – Tabulation of Bids

Attachment 2 – Community Tree Services Bid Package

Attachment 3 – Contract Services Agreement

Respectfully Submitted,

---

John Guertin  
City Manager

Owner: CITY OF DEL REY OAKS  
 Project: FIRE PREVENTION PROGRAM  
 WORK MEMORIAL PARK

Bid Opening: January 11, 2024 11:00 AM

### TABULATION OF BIDS



Description	Qty. / Unit	Community Tree Service Royal Oaks, CA Amount	Julian Tree Care Richmond, CA Amount	Rodriguez Tree Service Salinas, CA Amount	Topes Tree Service Pacific Grove, CA Amount
<b>AREA 1</b> Create shaded fuel break condition, thin from below to reduce horizontal and vertical continuity of fuels within greenbelt area along northside of Via Verde from Canyon Del Rey Blvd to 996 Via Verde	Lump Sum	\$27,579.00	\$65,000.00	\$85,000.00	\$95,000.00
<b>AREA 2</b> Create shaded fuel break condition, thin from below to reduce horizontal and vertical continuity of fuels within Work Memorial Park for the area along Rosita Rd and Angelus Way	Lump Sum	\$26,625.00	\$39,000.00	\$50,000.00	\$32,000.00
<b>AREA 3</b> Create shaded fuel break condition, thin from below to reduce horizontal and vertical continuity of fuels within Work Memorial Park for the area along the southside of Canyon Del Rey from Hana Gardens to Safeway grocery store	Lump Sum	\$3,721.00	\$30,000.00	\$25,000.00	\$25,000.00
<b>AREA 4</b> Create shaded fuel break condition, thin from below to reduce horizontal and vertical continuity of fuels along southside of Canyon Del Rey Blvd from City Hall to front entrance of Del Rey Park	Lump Sum	\$3,145.00	\$20,000.00	\$10,000.00	\$25,000.00
<b>GRAND TOTAL:</b>		<b>\$61,070.00</b>	<b>\$154,000.00</b>	<b>\$170,000.00</b>	<b>\$177,000.00</b>

**PROPOSAL TO THE CITY OF DEL REY OAKS, CALIFORNIA**

**FIRE PREVENTION PROGRAM  
WORK MEMORIAL PARK**

**NAME OF BIDDER** Community Tree Service, LLC

**BUSINESS ADDRESS** 416 Salinas Rd. Royal Oaks, CA 95076

**PLACE OF RESIDENCE** 416 Salinas Rd. Royal Oaks, CA 95076

**GENERAL DESCRIPTION**

The construction referred to herein is in the City of Del Rey Oaks, Monterey County, California, located within the corporate limits of the City of Del Rey Oaks, and is to be performed in accordance with the Special Provisions, Technical Specifications and the Contract annexed hereto and in accordance with the applicable sections of the 2015 Standard Specifications of the State of California, Department of Transportation.

**TO THE CITY COUNCIL:**

The undersigned, as bidder, declares that the only person or parties interested in this proposal as principals are those named herein; that this proposal is made without collusion with any other person, firm, or corporation; that he has carefully examined the location of the proposed work, the annexed proposed form of contract, and the plans therein referred to; and he proposes and agrees if this proposal is accepted, that he will contract with the City of Del Rey Oaks in the form of the copy of the contract annexed hereto, to provide all necessary machinery, tools, apparatus and other means of construction and to do all the work and furnish all the materials specified in the contract, in the manner and time therein prescribed, and according to the requirements of the Public Works Supervisor as therein set forth and that he will take in full payment there fore the following unit prices, to wit:

RECEIVED  
JAN 11 2024  
CITY OF DEL REY OAKS  
CITY CLERK

**CITY OF DEL REY OAKS**

**BIDDING SCHEDULE**

**FIRE PREVENTION PROGRAM  
WORK MEMORIAL PARK**

**AREA 1**

Create shaded fuel break condition, thin from below to reduce horizontal and vertical continuity of fuels within greenbelt area along northside of Via Verde from Canyon Del Rey Blvd to 996 Via Verde

Work generally includes but not limited to:

- Mastication of shrubs and weeds
- Remove fallen, diseased, dead and hazardous trees
- Remove ivy and poison oak or any ladder fuel from live trees
- Haul and dispose of wood
- Install Silt Fence for sediment control along creek

Lump Sum Cost \$ 27,579

**AREA 2**

Create shaded fuel break condition, thin from below to reduce horizontal and vertical continuity of fuels within Work Memorial Park for the area along Rosita Rd. and Angelus Way

Work generally includes but not limited to:

- Mastication of shrubs and weeds
- Remove fallen, diseased, dead and hazardous trees
- Remove ivy and poison oak or any ladder fuel from live trees
- Haul and dispose of wood
- Install Silt Fence for sediment control along creek

Lump Sum Cost \$ 26,625

**CITY OF DEL REY OAKS**

**BIDDING SCHEDULE**

**FIRE PREVENTION PROGRAM  
WORK MEMORIAL PARK**

**AREA 3**

Create shaded fuel break condition, thin from below to reduce horizontal and vertical continuity of fuels within Work Memorial Park for the area along the southside of Canyon Del Rey from Hana Gardens to Safeway Grocery store

Work generally includes but not limited to:

- Mastication of shrubs and weeds
- Remove fallen, diseased, dead and hazardous trees
- Remove ivy and poison oak or any ladder fuel from live trees
- Haul and dispose of wood

Lump Sum Cost \$ 3,721

**AREA 4**

Create shaded fuel break condition, thin from below to reduce horizontal and vertical continuity of fuels along southside of Canyon Del Rey Blvd. from City Hall to front entrance of Del Rey Park

Work generally includes but not limited to:

- Remove fallen diseased and dead trees
- Haul and dispose of wood

Lump Sum Cost \$ 3,145

**TOTAL: \$ 61,070**

Low bid will be based on the total amount.

In case of discrepancy between the unit prices and the extended amounts, unit prices shall prevail.

The quantities as set forth under the foregoing items are approximate only. The undersigned agrees that these quantities may be increased or decreased, or the relative amounts of the various items varied, without claim for damage, or loss of anticipated profit.

The undersigned has examined the location of the proposed work and is familiar with the Special Provisions, Technical Specifications and the local conditions at the place where the work is to be done. The undersigned has checked all the above figures and understands that the City will not be responsible for any errors or omissions on the part of the undersigned in making up this proposal.

The undersigned understands that the City reserves the right to reject any and all bids and to waive any informalities in bids received and may at its option make the award that in the judgment of the City is to the best interest of the City. Award of contract will be to the lowest responsible bidder.

It is agreed that this proposal may not be withdrawn within a period of thirty (30) days after the date set for the opening thereof.

Enclosed herein is a (bidder's bond, certified check, cashier's check) for the sum of Six Thousand, One Hundred and Seven

dollars being not less than ten (10) percent of the total amount of this proposal and the undersigned agrees that, in case of his default in executing the contract and the necessary bonds after award and due notice thereof, the said check or bond and the money payable thereon shall become and remain the property of the City as liquidated damages without proof of actual loss.

Attached hereto is a true and correct statement of Contractor's Subcontractors proposed to be used on the proposed public work.

Licensed in accordance with an act providing for the registration of Contractor,  
License No.: 1100816  
Name of Business: Community Tree Service, LLC  
Full Legal Name of Licensee: Community Tree Service, LLC

Organized as (check one)  Individual  
 Partnership  
 Corporation  
 Other: Describe LLC

**SIGN HERE** By Adolfo Garcia  
Name and Title

Adolfo Garcia, President

### BIDDER'S STATEMENT OF SUBCONTRACTORS

The undersigned submits herewith a list of subcontractors whom he proposes to employ on the work, with the proper firm name and business address of each.

No Subcontractors

Firm Name \_\_\_\_\_

Principal Name \_\_\_\_\_

Address \_\_\_\_\_

Portion of Work \_\_\_\_\_

Firm Name \_\_\_\_\_

Principal Name \_\_\_\_\_

Address \_\_\_\_\_

Portion of Work \_\_\_\_\_

Firm Name \_\_\_\_\_

Principal Name \_\_\_\_\_

Address \_\_\_\_\_

Portion of Work \_\_\_\_\_

Signed Adolfo Garcia



**WORK EXPERIENCE HISTORY**

**Work Experience History:**

Job Name Defined Scope/ Routine Maintenance

Owner Pacific Gas and Electric

Engineer/Representative Alexandra Baldwin

Bid Cost ~\$10MM Annually Date of Completion 12/31/2022

Location Central Coast Region

Description of Work Tree trimming, removal, and vegetation removal,

**Work Experience History:**

Job Name Caltrans District 8 Wildfire Fuels Reduction

Owner California Department of Transportation

Engineer/Representative Adrian Shum

Bid Cost \$3.4 Million Date of Completion June 2023

Location San Bernardino County, CA

Description of Work ~150 acres of wildfire fuels reduction- vegetation removal, clearing, mowing.

**Work Experience History:**

Job Name Camp Butano Forest Health Project

Owner San Mateo County Resource Conservation District

Engineer/Representative David Cowman

Bid Cost \$179,000 Date of Completion 2022

Location Pescadero, CA

Description of Work Tree trimming, vegetation removal, land clearing.

**CITY OF DEL REY OAKS  
AGREEMENT FOR FIRE PREVENTION PROGRAM  
WORK MEMORIAL PARK PROJECT**

**THIS AGREEMENT** (“Agreement”) is executed this \_\_\_\_\_, by and between the CITY OF DEL REY OAKS, a municipal corporation, (hereinafter “City”), and Community Tree Service, LLC. (hereinafter “Contractor”), each of which is referred to herein as a “party,” and collectively referred to herein as the “parties”.

**RECITALS**

**WHEREAS**, the City wishes to engage Contractor to perform the services required by this Agreement as City does not have the capability to perform such work; and

**WHEREAS**, Contractor is customarily engaged in the business of providing the services required herein and is willing to provide such services on the following terms and conditions; and

**WHEREAS**, Contractor represents it is specially trained, experienced, and competent to perform the services required by this Agreement.

**AGREEMENT**

**NOW, THEREFORE**, in consideration of the terms and conditions herein contained, the parties hereby covenant and agree as follows:

**1. SERVICES**

A. **Scope of Services.** Contractor agrees to provide to the City, as the scope of services under this Agreement, the services described in “Proposal” attached hereto and incorporated herein as Exhibit “A”.

B. **Amendment of Services.** The parties may make changes to the scope of services as defined in Section 1.A above. The parties shall agree in writing prior to commencement of any such changes.

**2. COMPENSATION**

A. **Total Fee.** The City agrees to pay and Contractor agrees to accept as full and fair consideration for the performance of this Agreement \$61,070.00. If the City determines the services set forth in the written invoice have not been performed in accordance with the terms of this Agreement, the City shall not be responsible for payment until the services have been satisfactorily performed.

B. **Invoicing.** Contractor shall submit written invoices to the City. Contractor’s invoices shall include a brief description of services performed.

**3. AGREEMENT TERM**

A. **Term.** The work under this Agreement shall commence on \_\_\_\_\_.

B. **Timely Work.** Contractor shall perform all services in a timely fashion. Failure to perform shall be deemed a material breach of this Agreement, and the City may terminate this Agreement with no further liability hereunder, or may authorize, in writing, an extension of time to the Agreement.

**4. INDEPENDENT CONTRACTOR**

A. **Independent Contractor.**

i. Contractor is an independent contractor. This Agreement does not create the relationship of employer and employee, a partnership, or a joint venture.

ii. No offer or obligation of permanent employment with the City or particular City department or agency is intended in any manner, and Contractor shall not become entitled by virtue of this Agreement to receive from the City any form of employee benefits including but not limited to sick leave, vacation, retirement benefits, workers' compensation coverage, insurance or disability benefits. Contractor shall be solely liable for and obligated to pay directly all applicable taxes, including federal and state income taxes and social security, arising out of Contractor's performance of services under this Agreement. In connection therewith, Contractor shall defend, indemnify and hold the City harmless from any and all liability, which the City may incur because of Contractor's failure to pay such taxes.

B. **Not an Agent of the City.** Nothing in this Agreement shall be interpreted so as to render the City the agent, employer, or partner of Contractor, or the employer of anyone working for or subcontracted by Contractor, and Contractor must not do anything that would result in anyone working for or subcontracted by Contractor being considered an employee of the City. Contractor is not, and must not claim to be, an agent of the City.

**5. REPRESENTATIVES AND COMMUNICATIONS**

A. **City's Representative.** The City appoints the individual named below as the City's contact person for the purposes of this Agreement.

Name: John Guertin  
Title: City Manager  
Address: 650 Canyon Del Rey Blvd. Del Rey Oaks, CA 93940  
Telephone: (831) 394-8511

B. **Contractor's Representative.** Contractor appoints the person named below as its contract person for the purposes of this Agreement.

Name: Adolfo Garcia  
Title: President  
Address: 416 Salinas Rd. Royal Oaks, CA 95076  
Telephone: \_\_\_\_\_

C. **Communications and Notices.** Any notice, report, or other document that either party may be required or may wish to give to the other must be in writing, unless otherwise provided for, and shall be deemed to be validly given to and received by the addressee, if delivered personally,

on the date of such personal delivery, if delivered by email, on the date of transmission, or if by mail, seven (7) calendar days after posting.

## 6. INDEMNIFICATION

Contractor hereby agrees to the following indemnification clause:

To the fullest extent permitted by law Contractor shall defend (with legal counsel reasonably acceptable to the City), indemnify and hold harmless the City and its officers, designated agents, departments, officials, representatives and employees (collectively "Indemnitees") from and against claims, loss, cost, damage, injury expense and liability (including incidental and consequential damages, court costs, reasonable attorneys' fees, litigation expenses and fees of experts, consultants or expert witnesses incurred in connection therewith and costs of investigation) to the extent they arise out of, pertain to, or relate to, the negligence, recklessness, or willful misconduct of Contractor, anyone directly or indirectly employed by Contractor, or anyone Contractor controls (collectively "Liabilities"). Such obligations to defend, hold harmless and indemnify any Indemnitee shall not apply to the extent that such Liabilities are caused in part by the gross negligence or willful misconduct of such Indemnitee.

## 7. INSURANCE

Contractor shall submit and maintain in full force all insurance as described herein. Without altering or limiting Contractor's duty to indemnify, Contractor shall maintain in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability:

A. Commercial General Liability Insurance including but not limited to premises, personal injuries, bodily injuries, property damage, products, and completed operations, with a combined single limit of not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate.

B. Automobile Liability Insurance covering all automobiles, including owned, leased, non-owned, and hired automobiles, used in providing services under this Agreement, with a combined single limit of not less than \$1,000,000 per occurrence.

C. Workers' Compensation Insurance. If Contractor employs others in the performance of this Agreement, Contractor shall maintain Workers' Compensation insurance in accordance with California Labor Code section 3700 and with a minimum of \$1,000,000 per occurrence.

D. Other Insurance Requirements:

- i. The City shall be a named additional insured on Contractor's policy.
- ii. All insurance required under this Agreement must be written by an insurance company either:
  1. admitted to do business in California with a current A.M. Best rating of no less than A:VI;
  - or
  2. an insurance company with a current A.M. Best rating of no less than A:VII.

iii. Prior to the start of work under this Agreement, Contractor shall file certificates of insurance and endorsements evidencing the coverage required by this Agreement with the City Manager. Contractor shall file a new or amended certificate of insurance promptly after any change is made in any insurance policy that would alter the information on the certificate then on file, including, without limitation, the amount of coverages or the term of coverages.

iv. Neither the insurance requirements hereunder, nor acceptance or approval of Contractor's insurance, nor whether any claims are covered under any insurance, shall in any way modify or change Contractor's obligations under the indemnification clause in this Agreement, which shall continue in full force and effect. Notwithstanding the insurance requirements contained herein, Contractor is financially liable for its indemnity obligations under this Agreement.

v. City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

## 8. PERFORMANCE STANDARDS

A. Contractor warrants that Contractor and Contractor's employees performing services under this Agreement are specially trained and experienced to perform the services described herein.

B. Contractor and its employees shall perform all services in a safe and skillful manner consistent with the highest standards of care, diligence and skill ordinarily exercised by professionals in similar fields. All services performed under this Agreement that are required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.

C. Contractor shall furnish, at its own expense, all materials, equipment and personnel necessary to carry out the terms of this Agreement, except as otherwise specified in this Agreement. Contractor shall not use the City premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations under this Agreement, the RFP, or Contractor's Estimate.

D. Contractor agrees to perform all work under this Agreement to the satisfaction of City and as specified herein. The City Manager or his or her designee shall perform an evaluation of the work. If the quality of work is not satisfactory, City in its discretion may meet with Contractor to review the quality of work and resolve the matters of concern.

## 9. CITY INFORMATION AND RESOURCES

A. **City Resources.** The City acknowledges that Contractor's ability to provide services in accordance with this Agreement may be dependent on the City providing available information and resources in a prompt and timely manner as reasonably required by Contractor. To the extent that the City fails to provide City resources, Contractor shall not be liable for any resulting delay in services, but in no event shall such delay or failure to provide City resources constitute a breach of this Agreement by the City, nor shall Contractor be entitled to extra compensation for same.

B. **Obligations of Contractor.** No reviews, approvals, or inspections carried out or supplied by the City shall derogate from the duties and obligations of Contractor, and all responsibility related to performance of services shall be and remain with Contractor.

## 10. OWNERSHIP AND USE OF MATERIALS

A. **Ownership of the Materials.** All data, studies, reports, calculations, field notes, sketches, designs, drawings, plans, specifications, cost estimates, manuals, correspondence, agendas, minutes, notes, audio-visual materials, photographs, models, software data, computer software (if purchased on the City's behalf) and other documents or products produced by Contractor under this Agreement (collectively, "the Materials") are and shall remain the property of the City even though Contractor or another party may have physical possession of them or a portion thereof. Contractor hereby waives, in favor of the City, any moral rights Contractor, its employees, vendors, successors or assignees may have in the Materials. Contractor agrees that all copyrights, which arise from creation of the work or services pursuant to this Agreement, shall be vested in the City and waives and relinquishes all claims to copyright or intellectual property rights in favor of the City.

B. **Delivery and Use of the Materials.** All Materials shall be transferred and delivered by Contractor to the City without further compensation following the expiration or sooner termination of this Agreement, provided that the City may, at any time prior to the expiration or earlier termination of this Agreement, give written notice to Contractor requesting delivery by Contractor to the City of all or any part of the Materials in which event Contractor shall forthwith comply with such request. The Materials created electronically must be submitted in a format and medium acceptable to the City. The Materials may be used by the City in any manner for the intended purpose or as part of its operations associated with the Materials.

## 11. DISPUTE RESOLUTION

The City Manager and Contractor shall make reasonable efforts to resolve any dispute by amicable negotiations and shall provide frank, candid, and timely disclosure of all relevant facts, information, and documents to facilitate negotiations.

If all or any portion of a Dispute cannot be resolved by good faith negotiations as set forth above within thirty (30) days either party may, by notice to the other party, submit the dispute for formal mediation to a mediator selected mutually by the parties. The cost of the mediation (including fees of mediators) shall be borne equally by the parties, and each party shall bear its own costs of participating in mediation. The mediation shall take place within the Monterey County.

Should either party not be satisfied with the outcome of the mediation, the matter may be submitted to a court of competent jurisdiction.

All claims by Contractor against the City for money or damages must comply with the Government Claims Act (California Government Code Sections 810 *et seq.*)

## 12. TERMINATION OF AGREEMENT

A. **Termination for Cause or Default.** The City reserves the right to immediately terminate this Agreement, in whole or in part, if Contractor defaults or fails to deliver the services in accordance with the terms and conditions of this Agreement. Such termination shall be in writing, shall set forth the effective date of termination, and may be issued without any prior notice. Without limitation, Contractor is in default of its obligations contained in this Agreement if Contractor:

- i. Fails to perform the required services within the term and/or in the manner provided under this Agreement;
- ii. Fails to observe or comply with the City's reasonable instructions;
- iii. Otherwise violates any provision of this Agreement.

## 13. LEGAL ACTION / VENUE

Should either party to this Agreement bring legal action against the other, the validity, interpretation and performance of this Agreement shall be controlled by and construed under the laws of the State of California, excluding California's choice of law rules. Venue for any such action relating to this Agreement shall be in the Monterey County Superior Court.

## 14. MISCELLANEOUS PROVISIONS

A. **Non-discrimination.** During the performance of this Agreement, Contractor shall not unlawfully discriminate against any person because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status, either in Contractor's employment practices or in the furnishing of services to recipients.

B. **Acceptance of Services Not a Release.** Acceptance by the City of services to be performed under this Agreement does not operate as a release of Contractor from professional responsibility for the services performed.

C. **Headings.** The headings appearing herein shall not be deemed to govern, limit, modify, or in any manner affect the scope, meaning or intent of the provisions of this Agreement. The headings are for convenience only.

D. **Entire Agreement.** This Agreement, including the Exhibits attached hereto, constitute the entire agreement between the parties hereto with respect to the terms, conditions, and services and supersedes any and all prior proposals, understandings, communications, representations and agreements, whether oral or written, relating to the subject matter thereof pursuant to Section 1B, "Amendment of Services". Any amendment to this Agreement will be effective only if it is in writing signed by both parties hereto and shall prevail over any other provision of this Agreement in the event of inconsistency between them.

E. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and may be signed in counterparts, but all of which together shall constitute one and the same Agreement.

F. **Multiple Copies of Agreement.** Multiple copies of this Agreement may be executed, but the parties agree that the Agreement on file in the office of the City’s City Clerk is the version of the Agreement that shall take precedence should any difference exist among counterparts of this Agreement.

G. **Authority.** Any individual executing this Agreement on behalf of the City or Contractor represents and warrants hereby that he or she has the requisite authority to enter into this Agreement on behalf of such party and bind the party to the terms and conditions of this Agreement.

H. **Severability.** If any of the provisions contained in this Agreement are held illegal, invalid or unenforceable, the enforceability of the remaining provisions shall not be impaired thereby. Limitations of liability and indemnities shall survive termination of the Agreement for any cause. If a part of the Agreement is valid, all valid parts that are severable from the invalid part remain in effect. If a part of this Agreement is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

I. **Non-exclusive Agreement.** This Agreement is non-exclusive and both the City and Contractor expressly reserve the right to enter into agreements with other Contractors for the same or similar services, or may have its own employees perform the same or similar services.

J. **Assignment of Interest.** The duties under this Agreement shall not be assignable, delegable, or transferable without the prior written consent of the City. Any such purported assignment, delegation, or transfer shall constitute a material breach of this Agreement upon which the City may terminate this Agreement and be entitled to damages.

K. **Laws.** Contractor agrees that in the performance of this Agreement it will reasonably comply with all applicable federal, state and local laws and regulations. This Agreement shall be governed by and construed in accordance with the laws of the State of California and the City of Del Rey Oaks.

L. **Exhibits.** The following Exhibit is incorporated herein by reference as if fully set forth: Exhibit A, Proposal from Community Tree Service, LLC

IN WITNESS WHEREOF, the parties enter into this Agreement on the day and year first above written in Del Rey Oaks, California.

CITY OF DEL REY OAKS

CONTRACTOR

\_\_\_\_\_  
John Guertin,  
City Manager  
Date:\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
Printed name  
Date:\_\_\_\_\_





## Staff Report

**DATE:** January 23, 2024

**TO:** Honorable Mayor and City Council

**FROM:** John Guertin, City Manager

**SUBJECT:** Audited Financial Statements for fiscal year ended June 30, 2023

**CEQA:** This action does not constitute a “project” as defined by the California Environmental Quality Act (CEQA) guidelines section 15378 as it is an organizational activity of the City that will not result in direct or indirect physical changes in the environment.

### Recommendation

Staff recommends that the Council approves the audited financial statements for the fiscal year ended June 30, 2023.

### Background

The City’s financial statements were audited by Chavan & Associates, LLP. The audit of the financial statements is an annual requirement.

### Summary & Discussion

#### Auditor’s Opinion

The auditors, Chavan & Associates, state on page 1 of the Annual Financial Report (“Report”) (Attachment 1), that the financial statements in the Report “present fairly, in all material respects” the City’s financial position and results of operations for the fiscal year ended June 30, 2023. This is an unqualified opinion, meaning that the financial statements can be relied upon.

A summary of the City’s finances can be found in the section titled “Management Discussion and Analysis” beginning at page 5 of the Report. Staff will highlight some of the most important numbers in the financial statements in this Staff Report.

#### Statement of Net Position of \$20,848,643, page 11

The Statement of Net Position shows a total Net Position of \$20,848,643. Readers of the financial statements should keep in mind that the Statement of Net Position treats the City as if it was a business using full accrual accounting. This statement therefore takes into account all assets, including those that cannot be sold or used by anyone else, and all the liabilities, including those that will be paid in the distant future. It then divides the Net Position (assets and deferred outflows, minus liabilities and deferred inflows) into seven major categories. “Net invested in capital assets” is the total of all fixed assets less any debt on those assets. Restricted for land held for resale represents funds that cannot be used for budget purposes. The Net Position of \$20,848,643 shows that the City’s finances are in a positive position.

Positive Change in Net Position of \$392,499 page 12

The Statement of Activities, like the Statement of Net Position, is prepared on a full accrual basis, like a business. It includes depreciation, interest expense accruals, and net gains on sale of property which are not typically reported in Government Funds Statements.

Balance Sheet – Unassigned unappropriated fund balance of \$1,242,852 in the General Fund, page 13

The Balance Sheet is prepared on a modified accrual basis, which is how the City budgets. It considers only current assets (assets that can be readily converted to cash) and current liabilities (liabilities that will be paid within the next year). It shows the General Fund with an “Unassigned Unappropriated” fund balance of \$1,242,852. This represents funds available to spend at June 30, 2023 that have not been appropriated for a specific purpose. In addition to this amount the City has \$1,637,349 in monies set-aside for economic uncertainties.

All other funds reported have restrictions as to what the monies can be spent on as shown on the Balance Sheet.

Statement of Revenues, Expenditures, and Changes in General Fund Fund Balances of \$98,794, page 15

The Statement of Revenues, Expenditures and Changes in Fund Balance is prepared on the same basis as the budget. It shows excess revenues over expenditures in the General Fund of \$98,794.

Note 6 – Long-Term Debt \$2,134,433 page 32

Page 32 shows the long-term debt of the City as of June 30, 2023, which is an important number. The Federal Group debt totals \$1,590,454 which is not due and payable until sales or development takes place on the former Fort Ord land. It is expected that any development or sales should cover this debt.

Auditor’s Report on Internal Controls

As part of the audit, the auditor issued an Independent Auditor’s Report on Internal Control over Financial Reporting, which states on page 55 of the Report that there are no findings. The report noted “no instances of noncompliance”.

**Fiscal Impacts**

This item has no fiscal impact. It reports the results of the 2022-23 fiscal year’s operations.

**Recommended Action**

Approve the audited financial statements for the fiscal year ending June 30, 2023.

**ATTACHMENTS:**

1. Annual Financial Report for the fiscal year ended June 30, 2023

Respectfully Submitted,

---

John Guertin  
City Manager

# City of Del Rey Oaks

## Annual Financial Report

### June 30, 2023



**Chavan & Associates, LLP**  
Certified Public Accountants  
15105 Concord Circle, Ste. 130  
Morgan Hill, CA 95037

*Page Intentionally Left Blank*

**City of Del Rey Oaks**  
**Annual Financial Report**  
**For the year ended June 30, 2023**

---

**TABLE OF CONTENTS**

**FINANCIAL SECTION**

Independent Auditor’s Report..... 1  
Management’s Discussion and Analysis (Required Supplementary Information) ..... 4  
Basic Financial Statements:  
    *Government-Wide Financial Statements:*  
        Statement of Net Position..... 11  
        Statement of Activities..... 12  
    *Fund Financial Statements*  
        *Governmental Funds:*  
            Balance Sheet..... 13  
            Reconciliation of the Governmental Funds Balance Sheet  
                to the Government-Wide Statement of Net Position..... 14  
            Statement of Revenues, Expenditures and Changes in Fund Balances..... 15  
            Reconciliation of the Governmental Funds Statement of Revenues,  
                Expenditures and Changes in Fund Balances to the Government-Wide  
                Statement of Activities ..... 16  
        Notes to the Basic Financial Statements ..... 17

**REQUIRED SUPPLEMENTARY INFORMATION**

Schedule of Revenues, Expenditures and Changes in Fund Balances –  
    Budget and Actual (GAAP Basis) – General Fund ..... 43  
Schedule of Pension Plan Contributions..... 44  
Schedule of Proportionate Share of Net Pension Liabilities ..... 45  
Schedule of Changes in Total OPEB Liability ..... 46  
Notes to the Required Supplementary Information ..... 47

**SUPPLEMENTARY INFORMATION**

Combining Statements - Nonmajor funds:  
    Combining Balance Sheet - Nonmajor Governmental Funds..... 49  
    Combining Schedule of Revenues, Expenditures and Changes in Fund  
        Balances - Nonmajor Governmental Funds..... 51

**OTHER INDEPENDENT AUDITOR’S REPORT**

Independent Auditor’s Report on Internal Control over Financial Reporting and on  
    Compliance and Other Matters Based on an Audit of the Financial Statements  
    Performed in Accordance with *Government Auditing Standards*..... 54

**FINDINGS AND RESPONSES**

Schedule of Findings and Responses..... 56

*Page Intentionally Left Blank*



## FINANCIAL SECTION



## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the  
City Council of the City of Del Rey Oaks  
Del Rey Oaks, California

### Report on the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Del Rey Oaks (the "City"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Del Rey Oaks, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

City management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.





### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAGAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAGAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



**Chavan and Associates, LLP**  
Certified Public Accountants

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining individual non-major fund schedules, statistical data, and other information as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory, budgetary and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*C & A LLP*

Chavan & Associates, LLP  
Certified Public Accountants  
December 6, 2023  
Morgan Hill, California



# MANAGEMENT'S DISCUSSION AND ANALYSIS

## INTRODUCTION

The discussion and analysis of the City of Del Rey Oaks' (the City) financial performance provides an overview and analysis of the City's financial activities for the fiscal year ended June 30, 2023. It should be read in conjunction with the accompanying basic financial statements.

## FINANCIAL HIGHLIGHTS

- On a government-wide basis the assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the year ended June 30, 2023 by \$20.85 million. However, \$1.90 million is a net investment in capital assets, restricted net position of \$19.10 million, leaving an unrestricted deficit net position of \$186 thousand.
- The City's total net position increased by \$392,499 from current year operations.
- The City's governmental funds reported combined ending fund balance of \$22.20 million. The net change in fund balances was an increase of \$324 thousand.
- The General Fund reported a fund balance of \$12.13 million. The net change was an increase of \$99 thousand.

## OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis serves as an introduction to the City's financial statements. The City's Financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statements** - The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The statement of net position combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations. Other nonfinancial factors should also be taken into consideration, such as changes in the City's property tax base, the condition of the City's infrastructure (i.e. roads, drainage improvements, storm and sewer lines, etc.) and redevelopment projects, to assess the overall health or financial condition of the City.

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

The government-wide financial statements include all the governmental activities of the City. The governmental activities of the City include public safety, streets, parks, planning, community development and general administration. The City does not operate any business-type activities.

**Fund Financial Statements** - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The fund financial statements provide detail information about the most significant funds, not the City as a whole. The City, like other local

governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the City's funds are governmental fund types. Fund financial statements report essentially the same functions as those reported in the government-wide financial statements. However, unlike the government-wide financial statements, fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

Because the focus of the governmental fund is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented in the government-wide financial statements. Both the governmental fund *Balance Sheet* and the governmental fund *Statement of Revenues, Expenditures and Changes in Fund Balances* provide a reconciliation to facilitate the comparison between the governmental fund and government-wide statements.

The City maintains eleven individual governmental funds. Information is presented in the Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund and the nonmajor governmental funds.

**Notes to Basic Financial Statements** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. The City's net position increased by \$392 thousand in fiscal year 2023 from fiscal year 2022. The City's net investment in assets of \$1.90 million is used to provide services to citizens; consequently, these assets are not available for future spending, leaving the City with a deficit for operating purposes.

**Summary of Net Position  
As of June 30**

	<u>2023</u>	<u>2022</u>	<u>Increase (Decrease)</u>
<b>Assets</b>			
Current and other assets	\$ 22,795,137	\$ 22,498,949	\$ 296,188
Capital assets	2,543,861	2,396,689	147,172
<b>Total Assets</b>	<u>\$ 25,338,998</u>	<u>\$ 24,895,638</u>	<u>\$ 443,360</u>
<b>Deferred Outflows of Resources</b>	<u>\$ 981,977</u>	<u>\$ 554,039</u>	<u>\$ 427,938</u>
<b>Liabilities</b>			
Current and other liabilities	\$ 498,342	\$ 549,172	\$ (50,830)
Noncurrent liabilities	4,549,689	3,572,766	976,923
<b>Total Liabilities</b>	<u>\$ 5,048,031</u>	<u>\$ 4,121,938</u>	<u>\$ 926,093</u>
<b>Deferred Inflows of Resources</b>	<u>\$ 424,301</u>	<u>\$ 871,595</u>	<u>\$ (447,294)</u>
<b>Net Position</b>			
Net investment in capital assets	\$ 1,904,136	\$ 1,739,312	\$ 164,824
Restricted	19,130,819	19,114,340	16,479
Unrestricted	(186,312)	(397,508)	211,196
<b>Total Net Position</b>	<u>\$ 20,848,643</u>	<u>\$ 20,456,144</u>	<u>\$ 392,499</u>

- Current assets and capital assets increased by \$443 thousand, while current and noncurrent liabilities also increased by \$926 thousand.
- Increases in capital assets were mainly due to vehicle and equipment purchases, as well as a park improvement project.
- Increases in noncurrent liabilities were mainly the result of GASB 68 and GASB 75 adjustments to the City's pension and OPEB plans.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Statement of Activities  
As of June 30

Functions/Programs	2023	2022	Increase (Decrease)
<b>Revenue:</b>			
Program Revenues:			
Charges for services	\$ 1,360,110	\$ 1,397,489	\$ (37,379)
Operating grants and contributions	227,079	248,668	(21,589)
Capital grants and contributions	460,361	272,685	187,676
General Revenues:			
Property tax	774,673	740,530	34,143
Sales tax	554,986	675,929	(120,943)
Transaction tax	677,824	1,092,247	(414,423)
Franchise tax	178,351	175,643	2,708
Business license tax	205,750	161,659	44,091
Other taxes	512,556	227,207	285,349
Investment earnings	65,141	12,073	53,068
Other revenue	16,346	102,860	(86,514)
<b>Total Revenue</b>	<b>5,033,177</b>	<b>5,106,990</b>	<b>(73,813)</b>
<b>Expenses:</b>			
General government	1,241,170	1,000,427	240,743
Public safety	2,766,643	2,221,215	545,428
Public works	369,259	297,202	72,057
Community development	130,071	106,733	23,338
Parks	59,868	37,032	22,836
Interest on long-term debt	64,667	105,442	(40,775)
<b>Total Expenses</b>	<b>4,631,678</b>	<b>3,768,051</b>	<b>863,627</b>
<b>Special and Extraordinary Items:</b>			
Special item - gain/loss on disposal of capital assets	(9,000)	2,720	(11,720)
<b>Total Special and Extraordinary Items</b>	<b>(9,000)</b>	<b>2,720</b>	<b>(11,720)</b>
Change in Net Position	392,499	1,341,659	(949,160)
Prior Period Adjustments	-	24,167	(24,167)
<b>Net Position, Beginning of Year</b>	<b>20,456,144</b>	<b>19,090,318</b>	<b>1,365,826</b>
<b>Net Position, End of Year</b>	<b>\$ 20,848,643</b>	<b>\$ 20,456,144</b>	<b>\$ 392,499</b>

- The increase in capital grants and contributions is mainly due to contributions received from federal and state assistance in 2023.
- The decrease in transaction tax is due to less consumer spending as a result of ongoing inflation pressures.
- The decrease in sales tax is due to less consumer spending as a result of ongoing inflation pressures.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets** - The City's investment in capital assets as of June 30, 2023, amounted to \$2.5 million (net of accumulated depreciation). This amount included land, buildings, improvements, furniture, equipment, and vehicles.

**Debt Administration** - At fiscal year end, the City had \$2.23 million in debt. Additions to debt were due to compounding interest from the Federal Group International loan, while deletions were due to principal payments on the TAMC Measure X loan and lease purchase agreement.

**FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS**

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements.

At the end of the current fiscal year, the City's governmental funds reported a total fund balance of \$22.22 million. During the current fiscal year, the fund balance of the City's total governmental funds increased \$324,277 thousand.

**FUND BUDGETARY HIGHLIGHTS**

**General Fund** - The original budgeted general fund revenues decreased by \$125 thousand. General Fund estimated budgeted revenues exceeded the actuals by \$109 thousand. The original budgeted general fund expenditures increased by \$530 thousand. Actual expenditures were \$340 thousand less than final budgeted expenditures.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The fiscal year 2023-24 budget is expecting a 5.9% increase in General Fund revenues as the City returns to a more normal economy. The budget is balanced.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the City's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Del Rey Oaks, 650 Canyon Del Rey Road, Del Rey Oaks, California 93940.





## **BASIC FINANCIAL STATEMENTS**

**City of Del Rey Oaks**  
**Statement of Net Position**  
**June 30, 2023**

<b>ASSETS</b>	
Current Assets:	
Cash and investments	\$ 4,634,121
Restricted cash and investments	8,656,972
Receivables:	
Taxes	386,352
Accounts	30,033
Due from other governments	32,342
Other receivables	29,981
Land held for resale	8,904,673
Total Current Assets	22,674,474
Noncurrent Assets:	
Leases receivable	120,663
Capital Assets:	
Nondepreciable	549,500
Depreciable, net of accumulated depreciation	1,994,361
Total Capital Assets - Net	2,543,861
Total Noncurrent Assets	2,664,524
<b>Total Assets</b>	<b>\$ 25,338,998</b>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	
OPEB Adjustments	\$ 65,712
Pension Adjustments	916,265
<b>Total Deferred Outflows of Resources</b>	<b>\$ 981,977</b>
 <b>LIABILITIES</b>	
Current Liabilities:	
Accounts payable	\$ 234,434
Payroll related liabilities	69,903
Prepaid business licenses	156,932
Prepaid developer deposits	9,063
Long-term debt - due within one year	28,010
Total Current Liabilities	498,342
Noncurrent Liabilities:	
Long-term debt - due in more than one year	2,202,166
Compensated absences	106,060
Net pension liability	1,919,495
Total OPEB liability	321,968
Total Noncurrent Liabilities	4,549,689
<b>Total Liabilities</b>	<b>\$ 5,048,031</b>
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Leases	\$ 98,342
OPEB Adjustments	92,585
Pension Adjustments	233,374
<b>Total Deferred Inflows of Resources</b>	<b>\$ 424,301</b>
 <b>NET POSITION</b>	
Net investment in capital assets	\$ 1,904,136
Restricted for land held for resale	8,904,673
Restricted for pension	322,928
Restricted for streets and roads	7,603,829
Restricted for habitat management	736,441
Restricted for capital projects	1,562,948
Unrestricted	(186,312)
<b>Total Net Position</b>	<b>\$ 20,848,643</b>

The accompanying notes are an integral part of these financial statements.

**City of Del Rey Oaks**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2023**

Functions/Programs	Expenses	Program Revenues			Total	Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
General government	\$ 1,241,170	\$ 369,635	\$ -	\$ 460,361	\$ 829,996	\$ (411,174)
Public safety	2,766,643	823,939	183,323	-	1,007,262	(1,759,381)
Public works	369,259	109,970	43,756	-	153,726	(215,533)
Community development	130,071	38,737	-	-	38,737	(91,334)
Parks	59,868	17,829	-	-	17,829	(42,039)
Interest and fiscal charges	64,667	-	-	-	-	(64,667)
<b>Total</b>	<b>\$ 4,631,678</b>	<b>\$ 1,360,110</b>	<b>\$ 227,079</b>	<b>\$ 460,361</b>	<b>\$ 2,047,550</b>	<b>\$ (2,584,128)</b>

**General Revenues and Special Item:**

## Taxes:

Property taxes	774,673
Sales tax	554,986
Transaction tax	677,824
Franchise tax	178,351
Business license tax	205,750
Other taxes	512,556
Investment earnings	65,141
Other revenues	16,346

## Special item:

Gain (loss) on disposal of capital assets	(9,000)
<b>Total General Revenues and Special Items</b>	<b>2,976,627</b>

Change in Net Position 392,499

Net Position - Beginning of Year 20,456,144

Net Position - End of Year \$ 20,848,643

**City of Del Rey Oaks**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2023**

Item A.

	General Fund	SBR Construction Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 2,891,099	\$ -	\$ 2,799,190	\$ 5,690,289
Restricted cash and investments	331,991	7,268,813	-	7,600,804
Receivables:				
Taxes	364,043	-	22,309	386,352
Accounts	26,874	-	3,159	30,033
Due from other governments	32,342	-	-	32,342
Other receivables	29,981	-	-	29,981
Leases receivable	120,663	-	-	120,663
Land held for resale	8,904,673	-	-	8,904,673
<b>Total assets</b>	<u>\$ 12,701,666</u>	<u>\$ 7,268,813</u>	<u>\$ 2,824,658</u>	<u>\$ 22,795,137</u>
<b>LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 229,474	\$ -	\$ 4,960	\$ 234,434
Payroll related liabilities	69,903	-	-	69,903
Prepaid business licenses	156,932	-	-	156,932
Prepaid developer deposits	9,063	-	-	9,063
<b>Total liabilities</b>	<u>465,372</u>	<u>-</u>	<u>4,960</u>	<u>470,332</u>
<b>Deferred Inflows of Resources:</b>				
Leases	98,342	-	-	98,342
Unavailable revenue	5,983	-	-	5,983
<b>Total Deferred Inflows of Resources</b>	<u>104,325</u>	<u>-</u>	<u>-</u>	<u>104,325</u>
<b>Fund Balances:</b>				
Nonspendable				
Leases	24,167	-	-	24,167
Restricted:				
Land held for resale	8,904,673	-	-	8,904,673
Pension	322,928	-	-	322,928
Streets and roads	-	7,268,813	335,016	7,603,829
Habitat management	-	-	736,441	736,441
Capital projects	-	-	1,562,948	1,562,948
Wellness programs	-	-	14,833	14,833
Unassigned:				
Economic uncertainties	1,637,349	-	-	1,637,349
Unappropriated	1,242,852	-	-	1,242,852
<b>Total fund balances</b>	<u>12,131,969</u>	<u>7,268,813</u>	<u>2,819,698</u>	<u>22,220,480</u>
<b>Total Liabilities, Deferred Inflows     of Resources and Fund Balances</b>	<u>\$ 12,701,666</u>	<u>\$ 7,268,813</u>	<u>\$ 2,824,658</u>	<u>\$ 22,795,137</u>

The accompanying notes are an integral part of these financial statements.

**City of Del Rey Oaks**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Position**  
**June 30, 2023**

**Total Fund Balances - Total Governmental Funds** \$ 22,220,480

Amounts reported for governmental activities in the statement of net position were different because:

Capital assets used in governmental activities were not current financial resources.

Therefore, they were not reported in the governmental funds balance sheet. The capital assets were adjusted as follows:

Capital assets	\$ 3,763,128	
Less: accumulated depreciation	(1,219,267)	
<b>Total Capital Assets</b>	<b>2,543,861</b>	<b>2,543,861</b>

Contributions made to pension plans will not be included in the calculation of the City's net pension liability of the plan year included in this report and have been deferred and reported as deferred outflows of resources.

OPEB adjustments:

Difference between actual and expected experience	63,974	
Change in assumptions	(92,585)	
Contribution subsequent to measurement date	1,738	

Pension adjustments:

Net change in assumptions	194,448	
Net difference between expected and actual experience	45,416	
Net difference between projected and actual investment earnings	317,049	
Net differences between employer's contributions and proportionate share of contributions	(178,409)	
Net change in employer's proportion	157,521	
Contribution subsequent to measurement date	146,866	

Amounts due from others will not be collected soon enough to pay current period expenditures and are reported as deferred inflows of resources in governmental funds.

5,983

Long-term obligations were not due and payable in the current period. Therefore, they were not reported in the governmental funds balance sheet. The long-term liabilities were adjusted as follows:

Long-term debt	\$ (2,230,176)	
Compensated absences	(106,060)	
Net pension liability	(1,919,495)	
Total OPEB liability	(321,968)	
<b>Total Long-Term Obligations</b>	<b>(4,577,699)</b>	<b>(4,577,699)</b>

**Net Position of Governmental Activities**

**\$ 20,848,643**

**City of Del Rey Oaks**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2023**

	General Fund	SBR Construction Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes:				
Property taxes	\$ 774,673	\$ -	\$ -	\$ 774,673
Sales tax	455,955	-	99,031	554,986
Transaction tax	508,336	-	-	508,336
Franchise tax	178,351	-	-	178,351
Business license tax	205,750	-	-	205,750
Other taxes	643,875	-	32,187	676,062
Licenses and permits	105,560	-	-	105,560
Fines, forfeits and penalties	7,248	-	-	7,248
Charges for current services	1,159,455	-	-	1,159,455
Intergovernmental revenues	252,895	-	434,544	687,439
Interest, rents and concessions	152,988	-	-	152,988
Other revenues	16,342	-	-	16,342
<b>Total Revenues</b>	<b>4,461,428</b>	<b>-</b>	<b>565,762</b>	<b>5,027,190</b>
<b>EXPENDITURES</b>				
Current:				
General government	1,122,628	-	18,685	1,141,313
Public safety	2,650,134	-	70,316	2,720,450
Public works	252,868	-	24,460	277,328
Community development	122,940	-	7,131	130,071
Parks	47,719	-	-	47,719
Capital outlay	199,983	-	155,656	355,639
Debt service				
Principal	27,791	-	88,621	116,412
Interest and fiscal charges	2,331	-	10,410	12,741
<b>Total Expenditures</b>	<b>4,426,394</b>	<b>-</b>	<b>375,279</b>	<b>4,801,673</b>
Excess (Deficiency) of Revenues over Expenditures	35,034	-	190,483	225,517
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from finance purchase agreement	98,760	-	-	98,760
Transfers in	-	-	65,000	65,000
Transfers out	(35,000)	-	(30,000)	(65,000)
<b>Total Other Financing Sources (Uses)</b>	<b>63,760</b>	<b>-</b>	<b>35,000</b>	<b>98,760</b>
Net Change in Fund Balances	98,794	-	225,483	324,277
Fund Balances Beginning	12,033,175	7,268,813	2,594,215	21,896,203
Fund Balances Ending	<b>\$ 12,131,969</b>	<b>\$ 7,268,813</b>	<b>\$ 2,819,698</b>	<b>\$ 22,220,480</b>

The accompanying notes are an integral part of these financial statements.

**City of Del Rey Oaks**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures**  
**and Changes in Fund Balances to the Government-Wide Statement of Activities**  
**For the Fiscal Year Ended June 30, 2023**

<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$ 324,277
Amounts reported for governmental activities in the statement of activities and changes in net position were different because:	
Governmental funds report capital outlay as expenditures. However, in the government-wide statement of activities and changes in net position, the cost of those assets was allocated over their estimated useful lives as depreciation expense.	
Capital outlay	343,632
Depreciation expense	(187,460)
Gain (loss) on disposal of capital assets	(9,000)
Revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	5,983
Long-term compensated absences and claims payables were reported in the government-wide statement of activities, but they did not require the use of current financial resources and were not reported as expenditures in governmental funds.	(1,430)
In governmental funds, actual contributions to pension plans are reported as expenditures in the year incurred. However, in the government-wide statement of activities, only the current year pension expense as noted in the plans' valuation reports is reported as an expense, as adjusted for deferred inflows and outflows of resources.	14,625
In governmental funds, actual contributions to the OPEB plan is reported as expenditures in the year incurred. However, in the government-wide statement of activities, only the current year OPEB expense as noted in the plan's valuation reports is reported as an expense, as adjusted for deferred inflows and outflows of resources.	(63,854)
The governmental funds report debt proceeds as an other financing source, while repayment of debt principal is reported as an expenditure. The net effect of these differences in the treatment of long-term debt and related items is as follows:	
Repayment of debt principal	116,412
Proceeds from capital lease	(98,760)
Interest expense on long-term debt was reported in the government-wide statement of activities and changes in net position, but it did not require the use of current financial resources. Therefore, interest expense was not reported as expenditures in governmental funds. The following amount represented the net change in compound interest from current year to prior year.	(51,926)
<b>Change in Net Position of Governmental Activities</b>	<u>\$ 392,499</u>

**City of Del Rey Oaks**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the City of Del Rey Oaks, California, (the City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Boards (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

**A. Financial Reporting Entity**

The City of Del Rey Oaks, California was incorporated as a general law city on September 3, 1953. The City operates under a city council-manager form of government and provides a wide range of municipal services.

As required by GAAP, these basic financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The City Council acts as the governing board. In addition, the City staff performs all administrative and accounting functions for these entities and these entities provide their services entirely to the City. Blended component units, although legally separate entities are, in substance, part of the City's operations and data from these units are combined with data of the City. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize their legal separateness from the City. The City had no component units as of June 30, 2023.

The City applies all applicable GASB pronouncements for certain accounting and financial reporting guidance. In December of 2010, GASB issued *GASBS No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This statement incorporates pronouncements issued on or before November 30, 1989 into GASB authoritative literature. This includes pronouncements by the Financial Accounting Standards Board (FASB), Accounting Principles Board Opinions (APB), and the Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure, unless those pronouncements conflict with or contradict with GASB pronouncements.

**B. Basis of Accounting and Measurement Focus**

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

**Government-Wide Financial Statements**

The City's government-wide financial statements include a *Statement of Net Position* and a *Statement of Activities and Changes in Net Position*. These statements present a summary of the governmental activities for the City. Fiduciary activities of the City are not included in these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The City did not have any business-type activities during the year. These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets, deferred outflows of resources, liabilities, deferred inflows of resources (including capital assets, as well as infrastructure assets, and long-term liabilities), are included in the accompanying *Statement of Net Position*.



**City of Del Rey Oaks**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

---

The *Statement of Activities* presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those clearly identifiable with a specific function or segment. In conformity with the City's indirect cost allocation plan, certain indirect costs are included in the program expense reported for individual functions and activities.

Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated. The following interfund activities have been eliminated:

- Transfers in/Transfers out

**Governmental Fund Financial Statements**

Governmental fund financial statements include a *Balance Sheet* and a *Statement of Revenues, Expenditures and Changes in Fund Balances* for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in net position as presented in these statements to the net position presented in the government-wide financial statements. The City has presented all major funds that met the applicable criteria.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheets. The *Statement of Revenues, Expenditures and Changes in Fund Balances* present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (up to 90 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property tax, sales tax, intergovernmental revenues, other taxes, interest revenue, rental revenue and certain charges for services. Fines, forfeitures, and licenses and permits are not susceptible to accrual because they are usually not measurable until received in cash. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Unearned revenues arise when potential revenues do not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods when both revenue recognition criteria are met or when the government has a legal claim to the resources, the unearned revenue is removed from the combined balance sheet and revenue is recognized.

**City of Del Rey Oaks**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

---

Major individual governmental funds are reported as separate columns in the fund financial statements.

The following funds are major funds:

*General Fund* - The General Fund is the general operating fund of the City. It accounts for the City's primary services (Public Safety, Public Works, Park, etc.) and is the primary operating unit of the City.

*SBR Construction Fund* - This capital project fund was established to account for the financial resources received as a result of the dissolution of FORA to be used for the completion of construction services for the South Boundary Roadway project that were initiated by FORA.

The following funds are nonmajor funds:

*Gas Tax Fund* - This special revenue fund was established to account for the financial resources required to be used on street/road projects.

*SB 1 Fund* - This special revenue fund was established to account for the financial resources received for transportation purposes.

*Measure X Fund* - This special revenue fund was established to account for the financial resources received as part of the Measure X retail transactions and use tax. The funds are to be used to fund transportation safety and mobility projects in Monterey County.

*BSCC Officer Wellness & Mental Health Fund* – This special revenue fund was established to account for the financial resources received in grants to be used for the officer wellness and mental health.

*Fora Habitat Management Fund* – This special revenue fund was established to account for the financial resources received as a result of the dissolution of FORA to be used maintenance and management of properties that were previously under the purview of FORA.

*American Rescue Plan Act (ARPA) Fund* – This special revenue fund was established to account for the financial resources received in federal grants as part of the Covid-19 recovery.

*Capital Projects Fund* – This capital project fund accounts for the resources accumulated for the acquisition of fixed assets or construction of major capital projects. Significant maintenance projects and major purchases of equipment are also accounted for in the capital projects fund.

*Prop 68 Parks Grant Fund* - This capital project fund was established to account for the financial resources received from the state to be used for park improvements.

*SBR Engineering Fund* - This capital project fund was established to account for the financial resources received as a result of the dissolution of FORA to be used for the completion of engineering services for the South Boundary Roadway that were initiated by FORA.

*SBR/GJM Intersection Fund* - This capital project fund was established to account for the financial resources received as a result of the dissolution of FORA to be used for the completion of an intersection construction project that was initiated by FORA.

**City of Del Rey Oaks**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

---

**C. Cash, Cash Equivalents and Investments**

The City pools its cash and investments of all funds. Interest earned as a result of pooling is distributed to the appropriate funds utilizing a formula based on the average daily balance of cash of each fund. The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturity of three months or less from the date of acquisition. Cash and cash equivalents are combined with investments and displayed as Cash and Investments.

Deposit and Investment Risk Disclosures - In accordance with GASB Statement No. 40, *Deposit and Investment Disclosures* (Amendment of GASB Statement No. 3), certain disclosure requirements, if applicable, for Deposits and Investment Risks in the following areas:

- Interest Rate Risk
- Credit Risk
  - Overall
  - Custodial Credit Risk
  - Concentrations of Credit Risk
- Foreign Currency Risk

Other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end and other disclosures.

The City participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF). Under Federal Law, the State of California cannot declare bankruptcy; therefore, deposits in the LAIF shall not be subject to either of the following: (a) transfer or loan pursuant to Government Code Section 16310, 16312, or 16313, or (b) impoundment or seizure by any state official or state agency.

Investments are recorded at fair value in accordance with GASB Statement No. 72, Fair Value Measurement and Application. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

The following is a summary of the definition of fair value:

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. In determining this amount, three valuation techniques are available:

- Market approach - This approach uses prices generated for identical or similar assets or liabilities. The most common example is an investment in a public security traded in an active exchange such as the NYSE.
- Cost approach - This technique determines the amount required to replace the current asset. This approach may be ideal for valuing donations of capital assets or historical treasures.
- Income approach - This approach converts future amounts (such as cash flows) into a current discounted amount.

Each of these valuation techniques requires inputs to calculate a fair value. Observable inputs have been maximized in fair value measures, and unobservable inputs have been minimized.

**City of Del Rey Oaks**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

---

***D. Interfund Receivables and Payables***

Items classified as interfund receivables/payables are referred to as “advances to/advances from other funds” or as “due to/from other funds”. Due to/from other funds include short-term lending/borrowing transactions between funds. This classification also includes the current portion of an advance to or from another fund. Advances to/advances from other funds represents non-current portions of any long-term lending/borrowing transactions between funds. This amount will be equally offset by a reserve of fund balance which indicates that it does not represent available financial resources and therefore, is not available for appropriation.

***E. Receivables***

Billed, but unpaid, services provided to individuals or non-governmental entities are recorded as accounts receivable. Revenues earned but not collected by year-end are accrued. No allowance for uncollectible accounts receivable has been provided as management has determined that uncollectible accounts have historically been immaterial and the direct write-off method does not result in a material difference from the allowance method.

***F. Assets Held for Sale***

Property that has been classified as held for sale have met the following criteria:

- Management has committed to a plan to sell the asset;
- An active program to locate a buyer and other actions required to complete the plan of sale have been initiated;
- The sale of the property or asset within one year is probable and will qualify for accounting purposes as a sale;
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value; and
- Actions required to complete the plan of sale indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

***G. Leases Receivable***

The City’s lease receivable is measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable plus incentive payments received. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease. If there is no stated rate in the lease contract (or if the stated rate is not the rate the City charges the lessee) and the implicit rate cannot be determined, the City uses its own estimated incremental borrowing rate as the discount rate to measure lease receivables. The City’s estimated incremental borrowing rate is based on its actual incremental borrowing rate for the most recent debt issuance.

***H. Capital Assets***

Capital outlays are recorded as expenditures of the General, Special Revenue, and Capital Projects Funds and as assets in the Government-Wide Financial Statements to the extent the City's capitalization threshold is met.

**City of Del Rey Oaks**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

---

Capital assets, which include property, facilities, equipment, and infrastructure purchased or acquired are carried at historical cost or estimated historical cost. Contributed fixed assets are recorded at estimated fair market value at the time received. Infrastructure fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems have been capitalized on a prospective basis, from July 1, 2003. Prior to July 1, 2003, infrastructure assets were not capitalized. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 for equipment, \$25,000 for facilities and improvements, \$150,000 for infrastructure, all land, and an estimated useful life in excess of one year.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Interest is capitalized on the construction or acquisition of major assets using debt proceeds. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. No interest was capitalized during the year ended June 30, 2023.

Property, facilities, equipment, and infrastructure are depreciated using the straight-line method over the following estimated useful lives:

Buildings	40 Years
Improvements	5-20 Years
Equipment	5-10 Years
Vehicles	8 Years
Furniture and Fixtures	10 Years
Infrastructure	20-50 Years

***I. Deferred Outflows/Deferred Inflows***

In addition to assets, the Statement of Net Position includes a separate section for deferred outflow of resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net position that applies to a future period(s), and as such will not be recognized as an outflow of resources (expenses/expenditure) until then. The City has recognized deferred outflows of resources related to the recognition of the net pension liability and OPEB liability reported in the Statement of Net Position.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and as such, will not be recognized as an inflow of resources (revenue) until that time. The City has recognized deferred inflows of resources related to the recognition of the lease revenue, pension liability and OPEB liability reported in the Statement of Net Position.

***J. Interest Payable***

In the government-wide financial statements, interest payable of long-term debt is recognized as an incurred liability for governmental fund types. The City has not allocated the interest on long-term debt to departments.

In the fund financial statements, governmental fund types do not recognize the interest payable when the liability is incurred. Interest on long-term debt is recorded in the fund statements when payment is made.

**City of Del Rey Oaks**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

---

***K. Deferred Compensation Plan***

City employees may defer a portion of their compensation under a City sponsored deferred compensation plan created in accordance with Internal Revenue Code Section 457. Under this plan, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, and death or in an emergency as defined by the Plan. Member contributions for the fiscal year ending June 30, 2023 totaled \$30,600.

The laws governing deferred compensation plan assets require plan assets to be held by a Trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these plans are not the City's property and are not subject to City control, they have been excluded from these financial statements.

***L. Compensated Absences***

Compensated absences comprise of unpaid vacation, which are accrued as earned. Unused vacation may be accumulated up to 160 hours and is paid at the time of termination from City employment. The liability for compensated absence is determined annually. The long-term portion is recorded in the Statement of Net Position and represents a reconciling item between the fund and government-wide presentations. The following is a summary of the changes in compensated absences for the fiscal year ended June 30, 2023:

Description	June 30, 2022	Earned	Taken	June 30, 2023	Due Within One Year
Government Activities	\$ 104,629	\$ 9,152	\$ 7,721	\$ 106,060	\$ 44,219

***M. Long-Term Liabilities***

In the government-wide financial statements, long-term liabilities are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Debt issuance costs are expensed in year incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financial sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

***N. Fund Balances***

In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Governmental Fund Type Definitions, the City classifies governmental fund balances as follows:

***Nonspendable***

Nonspendable fund balance are amounts that cannot be spent because they are either (a) not in spendable form, such as long term receivables or (b) legally or contractually required to be maintained intact, such as a trust that must be retained in perpetuity.

**City of Del Rey Oaks**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

---

**Restricted**

Restricted fund balance are restricted when constrains placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

**Committed**

Committed fund balance are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority and does not lapse at year-end. Committed fund balances are imposed by the City Council.

**Assigned**

Assigned fund balance are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the City Manager.

**Unassigned**

The Unassigned Fund Balance category represents fund balance which may be held for specific types of uses or stabilization purposes, but is not yet directed to be used for a specific purpose.

The detail of amounts reported for each of the above defined fund balance categories is reported in the governmental funds balance sheet.

**Flow Assumption /Spending Order Policy**

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to be spent first. When expenditures are incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to be spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has directed otherwise.

***N. Net Position***

In the government-wide financial statements, net position is classified in the following categories:

**Net Investment in Capital Assets**

This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction, or improvement of the assets. In addition, deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also are included in the net investment in capital assets component of net position.

**Restricted Net Position**

This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

**Unrestricted Net Position**

This amount is all net position that does not meet the definition of "net investment in capital assets" or "restricted net position."

The detail of amounts reported for each of the above defined net position categories is reported in the government-wide Statement of Net Position.

**City of Del Rey Oaks**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

---

**Use of Restricted/Unrestricted Net Position**

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the City's policy is to apply restricted net position first.

***O. Property Taxes***

County tax assessments include secured and unsecured property taxes. "Unsecured" refers to taxes on personal property. These tax assessments are secured by liens on the property being taxed.

Monterey County is responsible for the assessment, collection and apportionment of property taxes for all taxing jurisdictions. Property taxes are levied in equal installments on November 1 and February 1. They become delinquent on December 10 and April 10, respectively. The lien date is January 1 of each year.

Property taxes are accounted for in the General Fund. Property tax revenues are recognized when they become measurable and available to finance current liabilities. The City considers property taxes as available if they are collected within 90 days after year end. Property tax on the unsecured roll are due on the January 1 lien date and become delinquent if unpaid on August 31. However, unsecured property taxes are not susceptible to year end accrual.

The City is permitted by Article XIII A of the State of California Constitution (known as Proposition 13) to levy a maximum tax of \$1.00 per \$100 of full cash value.

***P. Unearned Revenue***

Unearned revenue arises when assets (such as cash) are received before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements (such as qualified expenditures) are met are recorded as liabilities from unearned revenue.

***Q. Unavailable Revenue***

In the governmental fund financial statements, receivables associated with non-exchange transactions that will not be collected within the availability period have been recorded as deferred inflows as unavailable revenue.

***S. Use of Estimates***

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

***T. Benefit Plans***

**Pensions**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.



City of Del Rey Oaks  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* (GASB Statement No. 68) requires that the reported results pertain to liability and asset information within certain defined timeframes.

For this report, the following timeframes were used:

Valuation Date (VD) ..... June 30, 2021  
Measurement Date (MD) ..... June 30, 2022  
Measurement Period (MP) ..... July 1, 2021 to June 30, 2022

**Other Postemployment Benefits Other Than Pensions (OPEB)**

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources, and OPEB expense, information about the City’s Retiree Benefits Plan (the Plan) and additions to/deductions are based on when they are due and payable in accordance with the benefit terms for the measurement period included in the OPEB plan’s actuarial reports.

Valuation Date (VD) ..... June 30, 2021  
Measurement Date (MD) ..... June 30, 2022  
Measurement Period (MP) ..... June 30, 2021 to June 30, 2022

***O. Implementation of New Accounting Pronouncements***

During the year, the City implemented GASB Statement No. 96, *Subscription-based Information Technology Arrangements*. GASB Statement No. 96 is an accounting pronouncement issued by the Governmental Accounting Standards Board (GASB) that provides guidance on how the costs and investments for subscription-based information technology arrangements (SBITAs) are accounted for and disclosed by governmental entities. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. As of June 30, 2023, the City did not identify any material SBITAs that were required to be reported under GASB 96.

***U. Upcoming New Accounting Pronouncements***

The City is currently analyzing its accounting practices to determine the potential impact on the financial statements of the following recent GASB Statements:

***GASB Statement No. 100, Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62, effective fiscal 2024.***

This statement enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. GASB 100 also requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. And, GASB 100 addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI).

**City of Del Rey Oaks**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**GASB Statement No. 101, *Compensated Absences*, effective fiscal 2025.**

Updates the recognition and measurement guidance for compensated absences by:

1. Aligning the recognition and measurement guidance under a unified model
2. Amending certain previously required disclosures
3. Amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability
4. Supersedes GASB 16

**NOTE 2 - CASH AND INVESTMENTS**

As of June 30, 2023, cash and investments were reported in the financial statements as follows:

	Statement of Net Position		Total Cash and Investments
	Unrestricted	Restricted	
Cash in bank	\$ 815,613	\$ -	\$ 815,613
Cash with fiscal agent	-	8,656,972	8,656,972
Local Agency Investment Fund	3,818,508	-	3,818,508
Total cash and investments	\$ 4,634,121	\$ 8,656,972	\$ 13,291,093

**A. *Cash Deposits***

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest, and places the City ahead of general creditors of the institution.

The market value of pledged securities must equal at least 110 percent of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes that have a value of 150 percent of the City's total cash deposits. The City has waived the collateral requirements for cash deposits which are fully insured to \$250,000 by the Federal Deposits Insurance Corporation (FDIC).

The bank balances before reconciling items totaled \$874,271 at June 30, 2023 and were different from carrying amounts due to deposits in transit and outstanding checks. As of June 30, 2023, the City's cash balances exceeded insurance by \$624,271 but were collateralized as discussed above.

**B. *Restricted Cash with Fiscal Agent***

For the year ended June 30, 2023, the City had a balance of \$322,928 in a Public Agency Retirement Services (PARS) Pension Rate Stabilization Program (PRSP) 115 irrevocable trust for pensions. Participating agencies maintain oversight of investment management and control over the risk tolerance level. Assets in the plan can be accessed to offset unexpected rate increases or be used as a rainy-day fund related to their pension plan (CalPERS). These assets are not dedicated to providing plan benefits to plan participants and are not directly used to pay benefits until such time as the City transfers the funds from the PARS trust to the pension plan (CalPERS). The trust restricts the use of the assets to be used solely for pension related expenses. Amounts held in Trust for FORA Dissolution Administration and Successor Agency obligations are also reported as restricted cash and investments.

**City of Del Rey Oaks**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**C. Fair Value Measurements**

GASB 72 established a hierarchy of inputs to the valuation techniques. This hierarchy has three levels.

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2 inputs are quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable.
- Level 3 inputs are unobservable inputs, such as a property valuation or an appraisal.

The City has the following recurring fair value measurements as of June 30, 2023:

- California Local Agency Investment Fund (LAIF) of \$3,818,508; valued using Level 2 inputs.

**D. Investment Policies**

**City Investment Policy**

The City has an investment policy, which is in accordance with the California Government Code, the following investments are authorized:

Authorized Investment Type	Maximum Maturity (1)	Maximum Total of Portfolio	Maximum Investment in Anyone Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	20%	None
Reverse Repurchase Agreements	92 days	20%	None
Medium-Term Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	2 years	20%	None
County Pooled Investment Funds	1 year	20%	None
Local Agency Investment Fund (LAIF)	N/A	None	None
JPA Pools (other investment pools)	N/A	None	None

***E. External Investment Pool***

The City's investments with LAIF at June 30, 2023, include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments include the following:

**Structured Notes**

These are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

**Asset-Backed Securities**

The bulk of asset-backed securities are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as CMO's) or credit card receivables.

LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The approved investments policy is listed on the LAIF website, located at <http://www.treasurer.ca.gov/pmia-laif/laif/index.asp>.

***F. Risk Disclosures***

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the term of an investment's maturity, the greater the sensitivity to changes in market interest rates. It is the City's practice to manage its exposure to interest rate risk is by purchasing a combination of shorter and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for City's operations.

**Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of an investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. As of June 30, 2023, the City's investments were in compliance with the ratings required by the City's investment policy, indenture agreements and Government Code.

**Concentrations of Credit Risk**

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. As of June 30, 2023, the City had no investments in any one issuer (other than U.S. Treasury securities, mutual funds and external investment pools) that represented 5% or more of the total City investments.

**Custodial Credit Risk**

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

**City of Del Rey Oaks**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**NOTE 3 - INTERFUND TRANSACTIONS**

**A. Transfers In/Out**

With Council approval resources may be transferred from one fund to another. Transfers routinely reimburse funds that have made an expenditure on behalf of another fund. Transfers may also be made to pay for capital projects or capital outlays, lease or debt service payments, and operating expenses. The City transferred \$35,000 from the General Fund to the Capital Projects Fund and \$30,000 from the ARPA Fund to the Proposition 68 Grant Fund during the fiscal year ended June 30, 2023.

**B. Interfund Receivables and Payables**

The timing of when cash is received and paid can result in a negative cash balance in a fund as of fiscal year end. At year-end, a liability, “Due To Other Funds” is created to eliminate any negative cash balances along with a corresponding asset, “Due From Other Funds.” In the following fiscal year, the liabilities are settled and the assets are liquidated. The City did not have any interfund receivables and payables as of June 30, 2023.

**NOTE 4 - LEASES RECEIVABLE**

As of June 30, 2023, the City recognized two contract as a lease and implemented the applicable accounting and reporting requirements of a lessor under GASB 87. The following schedule summarizes the lease balances and the impact on beginning net position and fund balance:

Description	Lease Receivable	Deferred Inflows of Resources	Prior Period Adjustment
Initial Net Present Value	\$ 307,003	\$ 307,003	\$ -
Accumulated Amortization	-	(214,902)	-
Other adjustments	-	-	-
Principal Payments	(223,440)	(30,700)	-
Beginning Balances 7/1/2022	83,563	61,401	-
Current Amortization	-	(48,247)	-
Issuance	85,188	85,188	-
Current Principal Payments	(48,087)	-	-
Ending Balances 6/30/2023	\$ 120,664	\$ 98,342	\$ -

**City of Del Rey Oaks**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**NOTE 5 - CAPITAL ASSETS**

Capital assets consisted of the following as of June 30, 2023:

	Balance June 30, 2022	Additions	Deletions/ Adjustments	Balance June 30, 2023
<b>Non-depreciable:</b>				
Land	\$ 549,500	\$ -	\$ -	\$ 549,500
Total Non-Depreciable	549,500	-	-	549,500
<b>Depreciable:</b>				
Buildings and Improvements	691,438	-	-	691,438
Furniture, Equipment, and Vehicles	752,487	123,266	(9,905)	865,848
Structure and Improvements	1,435,976	121,606	-	1,557,582
Finance purchase assets	-	98,760	-	98,760
Total Depreciable	2,879,901	343,632	(9,905)	3,213,628
<b>Less Accumulated Depreciation for:</b>				
Buildings and Improvements	(436,594)	(15,828)	-	(452,422)
Furniture, Equipment, and Vehicles	(413,268)	(83,831)	905	(496,194)
Structure and Improvements	(182,850)	(68,049)	-	(250,899)
Finance purchase assets	-	(19,752)	-	(19,752)
Total Accumulated Depreciation	(1,032,712)	(187,460)	905	(1,219,267)
Total Depreciable Capital Asset - Net	1,847,189	156,172	(9,000)	1,994,361
Total Capital Assets - Net	<u>\$ 2,396,689</u>	<u>\$ 156,172</u>	<u>\$ (9,000)</u>	<u>\$ 2,543,861</u>

During fiscal year ended June 30, 2019, the City reclassified \$8,904,673 in land to “held for resale” as the City is in the process of selling the land, which the City originally received as part of an Economic Development Conveyance through the Fort Ord Reuse Authority (FORA). The land remained classified as held for sale as of June 30, 2023.

Depreciation expense was charged to the functions of the government as follows:

General Government	\$ 15,159
Police Department	70,126
Parks	12,147
Public Works	90,028
Total depreciation expense	<u>\$ 187,460</u>

**City of Del Rey Oaks**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**NOTE 6 - LONG-TERM LIABILITIES**

The City's long-term liabilities consisted of the following as of June 30, 2023:

Description	Balance			Balance June 30, 2023	Due Within One Year
	June 30, 2022	Additions	Retirements		
Finance purchase agreements:					
Police department - body cameras	\$ -	\$ 98,760	\$ 19,752	\$ 79,008	\$ 19,752
Software	24,777	-	8,039	16,738	8,258
Subtotal finance purchase agreements	24,777	98,760	27,791	95,746	28,010
Loans payable:					
Federal Group International, LLC	1,200,000	-	-	1,200,000	-
Federal Group International, LLC					
Compound Interest	338,528	51,926	-	390,454	-
TAMC Measure X Loan	632,600	-	88,621	543,979	-
Subtotal loans payable	2,171,128	51,926	88,621	2,134,433	-
Total	\$ 2,195,905	\$ 150,686	\$ 116,412	\$ 2,230,179	\$ 28,010

**Records Management Software Lease Purchase Agreement**

The City entered into a software and service agreement with Sun Ridge System, Inc. to receive computer software and services from Sun Ridge System, Inc. The lease qualifies as a leases purchase agreement for accounting purposes and therefore have been recorded at the present value of future minimum lease payments at the date of the inception of the lease. The principal and interest payments on the lease are \$8,713 with the interest rate of 2.721%.

As of June 30, 2023, the annual debt service requirements on the Records Management Software Lease Purchase Agreement are as follows:

Year Ending June 30	Principal	Interest	Total
2024	\$ 8,258	\$ 455	\$ 8,713
2025	8,480	233	8,713
Total	\$ 16,738	\$ 688	\$ 17,426

**Body Worn Cameras, Data Storage and Software Finance Purchase Agreement**

The City entered into a software, hardware, and services finance purchase agreement with Motorola Solutions to receive body worn cameras, data storage, and software from Motorola Solutions. The agreement qualifies as a finance purchase agreement for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments at the date of the inception of the agreement. The principal payments on the agreement are \$19,752.

As of June 30, 2023, the annual debt service requirements on the Body Worn Cameras, Data Storage and Software Finance Purchase Agreement are as follows:

Year Ending June 30	Principal	Interest	Total
2024	\$ 19,752	\$ -	\$ 19,752
2025	19,752	-	19,752
2026	19,752	-	19,752
2027	19,752	-	19,752
Total	\$ 79,008	\$ -	\$ 79,008

**City of Del Rey Oaks**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

---

**Federal Group International, LLC Loan Payable**

The City has a promissory note with Federal Group International, LLC in the amount of \$1,200,000, \$700,000 of the note is the City's obligation to pay for funds loaned by Federal/JER Associates I, LLC to the former Redevelopment Agency of the City of Del Rey Oaks, the remaining \$500,000 of the note evidences the City's obligation to pay the holder as settlement of claims between the City and Bellmont Rock Holdings, LLC. Interest is accrued at 5% per annum on the \$700,000 beginning June 1, 2014, until the entire outstanding loan amount, plus interest, is paid in full. Payments on the note, once they commence, shall be for a five-year period, however if the note is not paid in full at the end of the five-year term it shall automatically renew, once, for an additional five-year term. No payment shall be due under this loan until commencement of construction on the Fort Ord property and are based on an increase of 50% of City revenue associated with the development of the entire property.

**TAMC Measure X Loan Payable**

In December 2018, the City entered into an agreement with the Transportation Agency for Monterey County (TAMC) for the purpose of receiving advance funding for the Del Rey Oaks Slurry Seal (the project). As of June 30, 2021, the TAMC had advanced \$817,659 to the City. The loan is payable from Measure X revenue, which can only be estimated year to year, so no amortization schedule has been established at this time. An interest rate of 2.5% is fixed until such time as the Monterey County Pool Quarterly Rate rises above 2.0%, at which point the interest rate will be variable, tied to the Monterey County Pool Quarterly Rate plus 50 basis points, only becoming fixed again at 2.5% when the Monterey County Pool Quarterly Rate drops below 2.0%. The outstanding balance on the loan at June 30, 2023, was \$543,979.

**NOTE 7 - RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts, thefts, damage to, or destruction of assets; errors and omissions; injuries to workers; and natural disasters. These risks are covered by a combination of commercial insurance purchased from independent third parties and participation in the Monterey Bay Area Self Insurance Authority (MBASIA), which is a public entity risk pool. There have not been any significant reductions in insurance coverage as compared to the previous year. Settled claims from these risks have not exceeded commercial coverage for the past three fiscal years.

MBASIA was formed under a joint powers agreement (JPA) pursuant to California Government Code Section 6500 et seq. effective July 1, 1982. MBASIA is administered by a Board of Directors consisting of thirteen members appointed by the cities participating. The Board controls the operations of the JPA, including selection of management and approval of operating budgets, independent of any influence by member cities beyond their representation on the Board. Each member city pays a premium commensurate with the amount of predicted losses and shares surpluses and deficits proportionate to their participation in the JPA.

Financial statements for the Authority may be obtained from [www.mbasia.org](http://www.mbasia.org).

**NOTE 8 - CALPERS PENSION PLAN**

***General Information about the Pension Plans***

**Plan Description** - All qualified permanent and probationary employees are eligible to participate in the City's Miscellaneous and Safety Employee Pension Plans (the Plans); cost-sharing multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.



**City of Del Rey Oaks**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**Benefits Provided** - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 55 with statutorily reduced benefits. All members are eligible for non-industrial disability benefits after 10 years of service. The death benefit is the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for the Plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2023, are summarized as follows:

	<u>Miscellaneous</u>		<u>Safety</u>	
	Tier 1	PEPRA	Police	Police - PEPRA
Benefit formula	2% @ 55	2% @ 62	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 Years	5 Years	5 Years	5 Years
Benefit payments	Monthly for Life	Monthly for Life	Monthly for Life	Monthly for Life
Retirement age	55	62	50	57
Monthly benefits as a				
% of eligible compensation	2.00%	2%	3.00%	2-2.70%
Required employee contribution rates	7.00%	6.75%	9.000%	12.000%
Required employer contribution rates	10.87%	7.47%	21.927%	13.034%

**Employees Covered** - At June 30, 2023 (fiscal year), June 30, 2021 (the valuation date), the following employees were covered by the benefit terms for the Plans:

	<u>Miscellaneous</u>	<u>Safety</u>
Active	3	11
Transferred	2	3
Separated	3	2
Retired	7	14
Total	<u>15</u>	<u>30</u>

**Contributions** - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rates are the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2023, the City's contributions were as follows:

	<u>Employer</u> <u>Contributions</u>
Miscellaneous	\$ 39,951
Safety	106,914
Total Employer Contributions	<u>\$ 146,865</u>

**City of Del Rey Oaks**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

***Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions***

As of June 30, 2023, the City reported net pension liabilities for its proportionate shares of the net pension liability as follows:

	<b>Proportionate Share of Net Pension Liability/(Asset)</b>
Miscellaneous	\$ 551,615
Safety	1,367,880
<b>Total</b>	<b>\$ 1,919,495</b>

The City's net pension liability for the Plans is measured as the proportionate share of the net pension liability. The net pension liability of the Plans are measured as of June 30, 2022, and the total pension liability for the Plans used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plans as of June 30, 2022 and 2023 was as follows:

	<b>Miscellaneous</b>	<b>Safety</b>	<b>Combined Plans</b>
Proportion - June 30, 2022	0.01115%	0.01824%	0.01575%
Proportion - June 30, 2023	0.01179%	0.01991%	0.01662%
Change - Increase/(Decrease)	0.00064%	0.00167%	0.00087%

For the year ended June 30, 2023, the City recognized pension expense of \$132,241 for the plans.

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Miscellaneous and Safety</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes of Assumptions	\$ 194,448	\$ -
Differences between Expected and Actual Experience	67,689	22,273
Differences between Projected and Actual Investment Earnings	317,049	-
Differences between Employer's Contributions and Proportionate Share of Contributions	26,280	204,689
Change in Employer's Proportion	163,933	6,412
Pension Contributions Made Subsequent to Measurement Date	146,865	-
<b>Total</b>	<b>\$ 916,264</b>	<b>\$ 233,374</b>

The City reported \$146,865 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

**City of Del Rey Oaks**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<b>Fiscal Year</b>	<b>Deferred Outflows/(Inflows) of Resources</b>		
	<b>Miscellaneous</b>	<b>Safety</b>	<b>Total</b>
<b>Ending June 30:</b>			
2024	\$ 50,358	\$ 67,944	\$ 118,302
2025	54,236	77,791	132,027
2026	38,628	53,500	92,128
2027	61,800	131,767	193,567
2028	-	-	-
Thereafter	-	-	-
<b>Total</b>	<b>\$ 205,022</b>	<b>\$ 331,002</b>	<b>\$ 536,024</b>

**Actuarial Assumptions** - The total pension liabilities in the June 30, 2021 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
<b>Actuarial Assumptions:</b>	
Discount Rate	6.80%
Inflation	2.30%
Payroll Growth	2.80%
Projected Salary Increase	(1)
Investment Rate of Return	6.8% (2)
Mortality	(3)

- (1) Varies by entry age and service
- (2) Net of pension plan investment expenses, including inflation
- (3) Derived using CalPERS' membership data for all funds

**Discount Rate** - The discount rate used to measure the total pension liability was 6.80 percent for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 6.80 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 6.80 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS' website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns

**City of Del Rey Oaks**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

These rates of return are net of administrative expenses.

<u>Asset Class (a)</u>	<u>Assumed Asset Allocation</u>	<u>Long-Term Expected Real Return (1)(2)</u>
Global Equity Cap Weighted	30.00%	4.54%
Global Equity NonCap Weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	<u>100.00%</u>	

- (1) An expected inflation of 2.3% used for this period.
- (2) Figures are based on the 2021-22 Asset Liability Study.

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate -**

The following presents the City's proportionate share of the net pension liability for the Plans, calculated using the discount rate for the Plans, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>Miscellaneous</u>	<u>Safety</u>
1% Decrease	5.90%	5.90%
Net Pension Liability \$	860,682	2,075,093
Current	6.90%	6.90%
Net Pension Liability \$	551,615	1,367,880
1% Increase	7.90%	7.90%
Net Pension Liability \$	297,329	789,894

City of Del Rey Oaks  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023

**Pension Plan Fiduciary Net Position** - Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

**NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS PLAN**

**Plan Description** - The City of Del Rey Oaks has contracted with the Public Employees Retirement System (PERS) under the PERS Care Health Plan to provide benefits of the Meyers-Geddes State Employees' Medical and Hospital Care Act per Government Code Section 22850.

The Plan provides for continuation of medical insurance benefits for certain retirees or annuitants and their dependents. The Plan can be amended by action of the City Council on passing a resolution.

**Benefits Provided** - The City contributes toward post-retirement benefits for employees who retire after age 50 with at least 5 years of service. The City will pay the minimum CalPERS PEMHCA contribution. The monthly payment is \$143 in 2021 and \$149 in 2022 and is expected to increase further in future years. Payments are made for as long as the retired employee or dependent spouse is living.

**Employees Covered by Benefit Terms –**

At June 30, 2022 (the measurement date), the benefit terms covered the following employees:

Active employees	11
Inactive employees	<u>2</u>
<b>Total employees</b>	<u><u>13</u></u>

**Contributions** - The City makes contributions based on an actuarially determined rate and are approved by the authority of the City’s Council. Total contributions to the OPEB plan during the year were \$1,738. Total benefit payments included in the measurement period were \$1,480. The actuarially determined contribution for the measurement period was \$74,782. The City’s contributions were 0.21% of covered employee payroll during the measurement period June 30, 2022 (reporting period June 30, 2023). Employees are not required to contribute to the plan. There have been no assets accumulated in a trust to provide for the benefits of this plan.

**Actuarial Assumptions**

<b>Valuation Date:</b>	June 30, 2021
<b>Measurement Date:</b>	June 30, 2022
<b>Actuarial Cost Method:</b>	Entry-Age Normal Cost Method
<b>Amortization Period:</b>	8.8 years
<b>Actuarial Assumptions:</b>	
<b>Discount Rate</b>	4.09%
<b>Inflation</b>	2.75%
<b>Salary Increases</b>	3.25%
<b>Healthcare Trend Rate</b>	4.00%
<b>Mortality</b>	2017 CalPERS OPEB Assumptions Model for miscellaneous
<b>Retirement</b>	2017 CalPERS OPEB Assumptions Model for miscellaneous public employees with 2.0% at 55 retirement.

**City of Del Rey Oaks**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**Discount Rate** - The discount rate was taken from the S&P Municipal Bond 20 Year High Grade Rate Index, which was 4.09% as of June 30, 2022 ( the measurement date).

**Changes in the Total OPEB Liability** - The following summarizes the changes in the total OPEB liability during the year ended June 30, 2023, for the measurement date of June 30, 2022:

<b>Fiscal Year Ended June 30, 2023 (Measurement Date June 30, 2022)</b>	<b>Total OPEB Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net OPEB Liability (Asset)</b>
<b>Balance at June 30,2022</b>	\$ 428,334	\$ -	\$ 428,334
Service cost	58,684	-	58,684
Interest in Total OPEB Liability	9,219	-	9,219
Balance of changes in assumptions	(171,212)	-	(171,212)
Benefit payments	(3,057)	-	(3,057)
<b>Net changes</b>	<b>(106,366)</b>	<b>-</b>	<b>(106,366)</b>
<b>Balance at June 30, 2023</b>	<b>\$ 321,968</b>	<b>\$ -</b>	<b>\$ 321,968</b>

Covered Employee Payroll	\$ 1,466,891
Total OPEB Liability as a % of Covered Employee Payroll	21.95%
Plan Fid. Net Position as a % of Total OPEB Liability	0.00%
Service Cost as a % of Covered Employee Payroll	4.00%
Net OPEB Liability as a % of Covered Employee Payroll	21.95%

The City’s plan is nonfunded, meaning there have not been assets placed into an irrevocable trust, therefore the plan fiduciary net position is zero.

**Deferred Inflows and Outflows of Resources** - At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between actual and expected experience	\$ 63,974	\$ -
Change in assumptions	-	92,585
OPEB contribution subsequent to measurement date	1,738	-
<b>Totals</b>	<b>\$ 65,712</b>	<b>\$ 92,585</b>

Of the total amount reported as deferred outflows of resources related to OPEB, \$1,738 resulting from City contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the total OPEB liability in the year ended June 30, 2024.

**City of Del Rey Oaks**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,		
2024	\$	(733)
2025		(733)
2026		(733)
2027		(392)
2028		470
Thereafter		(26,490)
<b>Total</b>	<u>\$</u>	<u>(28,611)</u>

**OPEB Expense** - The following summarizes the OPEB expense by source during the year ended June 30, 2023, for the measurement date of June 30, 2022:

Service cost	\$	58,684
Interest in TOL		9,219
Difference between actual and expected experience		11,667
Change in assumptions		(12,401)
<b>OPEB Expense</b>	<u>\$</u>	<u>67,169</u>

The following summarizes changes in the total OPEB liability as reconciled to OPEB expense during the year ended June 30, 2023, for the measurement date of June 30, 2022:

Total OPEB liability ending	\$	321,968
Total OPEB liability beginning		(428,334)
Change in total OPEB liability		(106,366)
Changes in deferred outflows		77,635
Changes in deferred inflows		92,585
Employer contributions and implicit subsidy		3,315
<b>OPEB Expense</b>	<u>\$</u>	<u>67,169</u>

**Sensitivity to Changes in the Municipal Bond Rate** - The total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a municipal bond rate (used to determine the discount rate) that is one percentage point lower or one percentage point higher, is as follows:

	<b>Municipal Bond Rate</b>		
	<b>(1% Decrease )</b>	<b>4.09%</b>	<b>(1% Increase )</b>
Total OPEB Liability	\$ 398,789	\$ 321,968	\$ 263,691

**City of Del Rey Oaks**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**Sensitivity to Changes in the Healthcare Cost Trend Rates** - The total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than current healthcare cost trend rates, is as follows:

	Trend Rate		
	(1% Decrease )	4.00%	(1% Increase )
Total OPEB Liability	\$ 264,301	\$ 321,968	\$ 396,789

**NOTE 10 - COMMITMENTS AND CONTINGENCIES**

**A. Lawsuits**

The City is presently involved in certain matters of litigation that have arisen in the normal course of conducting City business. City management believes, based upon consultation with the City Attorney, that these cases, in the aggregate, are not expected to result in a material adverse financial impact on the City. Additionally, City management believes that the City's insurance programs are sufficient to cover any potential losses should an unfavorable outcome materialize.

**B. Federal and State Grant Programs**

The City participates in Federal and State grant programs. These programs are audited by the City's independent accountants if required by and in accordance with the provisions of the Federal Single Audit Act Amendments of 1996 and applicable State requirements. For Federal programs, the City did not reach the level of qualifying expenditures during the current fiscal year that would require a single audit. Expenditures which may be disallowed, if any, by the granting agencies, cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

**NOTE 11 - INTERGOVERNMENTAL AGREEMENTS**

The City has an agreement with the City of Seaside for fire protection and related services to be provided by Seaside pursuant to Government Code Section 55632. The annual fee for these services for fiscal year ending June 30, 2023 was \$219,102. Either party may cancel the agreement with at least 90 days written notice.

The City has an agreement, effective as of October 2018, with the Monterey Peninsula Airport District (Airport), a Special District, for the City to provide law enforcement services to the Airport pursuant to Government Code Sections 54981 and 55632. The City received \$774,306, a portion of the annual fee of \$1,097,408, from the Airport for the initial year, then each subsequent year the fee will be increased by 2.5% per year or 50% of known cost increases, subject to the annual true up of costs to account for actual costs incurred by the City. The annual fee for these services for fiscal year ending June 30, 2023 was \$1,083,650.





## **REQUIRED SUPPLEMENTARY INFORMATION**

**City of Del Rey Oaks**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual (GAAP Basis)**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes:				
Property taxes	\$ 737,700	\$ 738,700	\$ 774,673	\$ 35,973
Other taxes	2,078,000	1,870,000	1,992,267	122,267
Licenses and permits	96,300	96,300	105,560	9,260
Reimbursements	1,000	1,000	-	(1,000)
Fines, forfeits and penalties	5,200	5,200	7,248	2,048
Grants	175,600	257,500	252,895	(4,605)
Current services	1,299,850	1,299,850	1,159,455	(140,395)
Parks and recreation	74,100	74,100	65,141	(8,959)
Other	10,000	10,000	104,189	94,189
<b>Total Revenues</b>	<b>4,477,750</b>	<b>4,352,650</b>	<b>4,461,428</b>	<b>108,778</b>
<b>EXPENDITURES</b>				
Payroll and benefits	2,711,300	2,711,600	2,870,001	(158,401)
Office and Supplies	126,280	127,280	96,308	30,972
Utility and services	166,600	166,600	174,493	(7,893)
Other services	50,300	49,300	28,790	20,510
Outside services	747,800	1,298,897	824,976	473,921
Auto ops	62,300	62,300	61,057	1,243
Police and fire	228,800	228,800	230,136	(1,336)
Streets and storm water	23,300	23,300	33,563	(10,263)
Capital improvement	3,000	3,000	-	3,000
Debt service				
Principal	114,300	92,980	90,730	2,250
Interest and fiscal charges	2,000	2,000	16,340	(14,340)
<b>Total Expenditures</b>	<b>4,235,980</b>	<b>4,766,057</b>	<b>4,426,394</b>	<b>339,663</b>
Excess (Deficiency) of Revenues over Expenditures	<b>241,770</b>	<b>(413,407)</b>	<b>35,034</b>	<b>448,441</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
'Proceeds from finance purchase agreement	-	-	98,760	-
Transfers in	-	-	-	-
Transfers out	-	-	(35,000)	35,000
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>63,760</b>	<b>35,000</b>
Net Change in Fund Balances	<b>\$ 241,770</b>	<b>\$ (413,407)</b>	<b>98,794</b>	<b>\$ 483,441</b>
Fund Balances - Beginning of Year			12,033,175	
Fund Balances Ending			<b>\$ 12,131,969</b>	

The City employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. The budgets are revised during the year by the City Council to provide for revised priorities. Expenditures cannot legally exceed appropriations by major object code. The originally adopted and final revised budgets for the General Fund are presented as Required Supplementary Information. The basis of budgeting is the same as GAAP. The expenditures noted above in excess of appropriations were covered by fund balance, appropriations available in other categories, or revenues in excess of budget.

**City of Del Rey Oaks  
Schedule of Pension Plan Contributions  
For the Fiscal Year Ended 2023**

<b>Miscellaneous and Safety Plan</b>										
Fiscal Year Ended	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Contractually Required Contributions	\$ 33,822	\$ 44,939	\$ 37,901	\$ 34,721	\$ 23,757	\$ 25,884	\$ 16,607	\$ 125,005	\$ 39,951	
Contributions in Relation to Contractually Required Contributions	33,822	44,939	37,901	34,721	23,757	25,884	16,607	125,005	39,951	
<b>Contribution Deficiency (Excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Covered Payroll</b>	<b>\$ 368,033</b>	<b>\$ 374,374</b>	<b>\$ 296,535</b>	<b>\$ 297,685</b>	<b>\$ 434,368</b>	<b>\$ 322,853</b>	<b>\$ 385,980</b>	<b>\$ 401,325</b>	<b>\$ 397,546</b>	
<b>Contributions as a % of Covered Payroll</b>	<b>9.19%</b>	<b>12.00%</b>	<b>12.78%</b>	<b>11.66%</b>	<b>5.47%</b>	<b>8.02%</b>	<b>4.30%</b>	<b>31.15%</b>	<b>10.05%</b>	
<b>Safety Plan</b>										
Plan Measurement Date	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Fiscal Year Ended	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Contractually Required Contributions	\$ 185,949	\$ 185,949	\$ 162,246	\$ 149,453	\$ 79,875	\$ 75,687	\$ 110,590	\$ 125,293	\$ 106,914	
Contributions in Relation to Contractually Required Contributions	185,949	185,949	162,246	149,453	79,875	75,687	110,590	125,293	106,914	
<b>Contribution Deficiency (Excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Covered Payroll</b>	<b>\$ 483,025</b>	<b>\$ 500,535</b>	<b>\$ 426,293</b>	<b>\$ 301,916</b>	<b>\$ 803,799</b>	<b>\$ 464,427</b>	<b>\$ 964,824</b>	<b>\$ 1,105,926</b>	<b>\$ 1,237,658</b>	
<b>Contributions as a % of Covered Payroll</b>	<b>38.50%</b>	<b>37.15%</b>	<b>38.06%</b>	<b>49.50%</b>	<b>9.94%</b>	<b>16.31%</b>	<b>11.46%</b>	<b>11.33%</b>	<b>8.64%</b>	

Notes to Schedule:

Valuation Date: June 30, 2021

Assumptions Used: Entry Age Method used for Actuarial Cost Method  
 Level Percentage of Payroll and Direct Rate Smoothing  
 Remaining Amortization Period no more than 29 years  
 Inflation Assumed at 2.30%  
 Investment Rate of Returns set at 6.8%

The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

Fiscal year 2015 was the first year of implementation, therefore only nine years are shown.

The CalPERS discount rate was increased from 7.50% to 7.65% in FY2016, to 7.15% in FY2018, and then decreased to 6.80% in FY2023.

The CalPERS mortality assumptions was adjusted in fiscal year 2023.

**City of Del Rey Oaks  
 Schedule of Proportionate Share of Net Pension Liabilities  
 For the Fiscal Year Ended June 30, 2023**

<b>Miscellaneous and Safety Plan</b> Fiscal Year Ended	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Proportion of Net Pension Liability (Safety and Misc)	0.02058%	0.01585%	0.01592%	0.01564%	0.01561%	0.01546%	0.01548%	0.01575%	0.01662%
Proportionate Share of Net Pension Liability	\$ 1,280,369	\$ 1,088,059	\$ 1,377,408	\$ 1,551,296	\$ 1,504,158	\$ 1,584,252	\$ 1,683,831	\$ 851,727	\$ 1,919,495
Covered Payroll	\$ 853,661	\$ 851,058	\$ 874,909	\$ 722,828	\$ 599,601	\$ 1,238,167	\$ 786,980	\$ 1,350,804	\$ 1,507,251
<b>Proportionate Share of NPL as a % of Covered Payroll</b>	<b>149.99%</b>	<b>127.85%</b>	<b>157.43%</b>	<b>214.61%</b>	<b>250.86%</b>	<b>127.95%</b>	<b>213.96%</b>	<b>63.05%</b>	<b>127.35%</b>
<b>Plan's Fiduciary Net Position as a % of the TPL</b>	<b>79.31%</b>	<b>76.30%</b>	<b>75.12%</b>	<b>75.25%</b>	<b>75.63%</b>	<b>75.80%</b>	<b>75.17%</b>	<b>87.99%</b>	<b>74.02%</b>

Fiscal year 2015 was the first year of implementation, therefore only nine years are shown.  
 The CalPERS discount rate was increased from 7.50% to 7.65% in FY2016, to 7.15% in FY2018, and then decreased to 6.80% in FY2023.  
 The CalPERS mortality assumptions was adjusted in fiscal year 2023.

**City of Del Rey Oaks  
Schedule of Changes in Total OPEB Liability  
For the Fiscal Year Ended June 30, 2023**

<b>Fiscal Year Ended</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Total OPEB liability</b>						
Service cost	\$ 9,840	\$ 8,537	\$ 8,242	\$ 49,908	\$ 70,745	\$ 58,684
Interest	7,961	9,288	9,987	11,770	10,865	9,219
Changes of benefit terms	-	-	-	-	(183,330)	-
Differences between expected and actual experience	-	-	63,643	-	38,296	-
Changes of assumptions	(33,928)	(12,049)	4,378	103,454	5,630	(171,212)
Benefit payments	(770)	(6,774)	(7,542)	(8,523)	(11,016)	(3,057)
Implicit subsidy fulfilled	-	-	-	-	-	-
Net change in Total OPEB Liability	(16,897)	(998)	78,708	156,609	(68,810)	(106,366)
Total OPEB Liability - beginning	279,722	262,825	261,827	340,535	497,144	428,334
Total OPEB Liability - ending	\$ 262,825	\$ 261,827	\$ 340,535	\$ 497,144	\$ 428,334	\$ 321,968
<b>Plan fiduciary net position</b>						
Net change in plan fiduciary net position	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position - beginning	-	-	-	-	-	-
Plan fiduciary net position - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB liability (asset)	\$ 262,825	261,827	340,535	497,144	428,334	321,968
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered Employee Payroll	\$ 977,093	\$ 953,262	\$ 1,080,538	\$ 1,308,070	\$ 1,313,110	\$ 1,466,891
Net OPEB liability as a percentage of covered employee payroll	26.90%	27.47%	31.52%	38.01%	32.62%	21.95%
Total OPEB liability as a percentage of covered employee payroll	26.90%	27.47%	31.52%	38.01%	32.62%	21.95%

*Other Notes*

GASB 75 requires a schedule of contributions for the last ten fiscal years, or for as many years as are available if less than ten years are available. GASB 75 was adopted as of June 30, 2018.

There were not changes in benefit terms.

The discount rate increased from 2.16% to 4.09% in fiscal year 2023.

There were no changes in trends or inflation rates.

The mortality rates were updated to the 2017 CalPERS OPEB Assumptions model.

**City of Del Rey Oaks**  
**Notes to the Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2023**

---

**NOTE 1 - BUDGETARY DATA**

The City Council adopts an annual legal budget for the General Fund and the SBR Special Revenue Fund. All appropriations lapse at fiscal year end and then are rebudgeted for the coming fiscal year. Encumbrance accounting is not used. The budgets are prepared on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles.

A mid-year budget review is performed and the budget is amended by passage of a resolution. Additional appropriations or interfund transfers not included in the amended budget resolution must be approved by the City Council.



## SUPPLEMENTARY INFORMATION

**City of Del Rey Oaks**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended June 30, 2023**

	Special Revenue Funds					
	Gas Tax Fund	SB 1 Fund	Measure X Fund	BSCC Officer Wellness & Mental Health	FORA Habitat Management Fund	ARPA Fund
<b>ASSETS</b>						
Cash and investments	\$ 82,759	\$ 131,872	\$ 95,971	\$ 15,000	\$ 740,180	\$ 170,460
Receivables:						
Taxes	3,741	-	18,568	-	-	-
Accounts	-	3,159	-	-	-	-
<b>Total assets</b>	<u>\$ 86,500</u>	<u>\$ 135,031</u>	<u>\$ 114,539</u>	<u>\$ 15,000</u>	<u>\$ 740,180</u>	<u>\$ 170,460</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 1,054	\$ -	\$ -	\$ 167	\$ 3,739	\$ -
<b>Total liabilities</b>	<u>1,054</u>	<u>-</u>	<u>-</u>	<u>167</u>	<u>3,739</u>	<u>-</u>
<b>FUND BALANCES</b>						
Restricted:						
Streets and roads	\$ 85,446	\$ 135,031	\$ 114,539	\$ -	\$ -	\$ -
Habitat management	-	-	-	-	736,441	-
Capital projects	-	-	-	-	-	-
Wellness programs	-	-	-	\$ 14,833	-	-
Covid-19 recovery	-	-	-	-	-	170,460
<b>Total fund balances</b>	<u>\$ 85,446</u>	<u>\$ 135,031</u>	<u>\$ 114,539</u>	<u>\$ 14,833</u>	<u>\$ 736,441</u>	<u>\$ 170,460</u>



**City of Del Rey Oaks  
Combining Balance Sheet  
Nonmajor Governmental Funds  
For the Fiscal Year Ended June 30, 2023**

	Capital Project Funds				Total Nonmajor Governmental Funds
	Capital Projects	Prop 68 Grant Fund	SBR Engineering Fund	SBR/GJM Intersection Fund	
<b>ASSETS</b>					
Cash and investments	\$ 950	\$ -	\$ 505,830	\$ 1,056,168	\$ 2,799,190
Receivables:					
Taxes	-	-	-	-	22,309
Accounts	-	-	-	-	3,159
<b>Total assets</b>	<u>\$ 950</u>	<u>\$ -</u>	<u>\$ 505,830</u>	<u>\$ 1,056,168</u>	<u>\$ 2,824,658</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 4,960
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,960</u>
<b>FUND BALANCES</b>					
Restricted:					
Streets and roads	\$ -	\$ -	\$ -	\$ -	\$ 335,016
Habitat management	-	-	-	-	736,441
Capital projects	950	-	505,830	1,056,168	1,562,948
Wellness programs	-	-	-	-	14,833
Covid-19 recovery	-	-	-	-	170,460
<b>Total fund balances</b>	<u>\$ 950</u>	<u>\$ -</u>	<u>\$ 505,830</u>	<u>\$ 1,056,168</u>	<u>\$ 2,819,698</u>

**City of Del Rey Oaks**  
**Combining Schedule of Revenues,**  
**Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended June 30, 2023**

	Special Revenue Funds					
	Gas Tax Fund	SB 1 Fund	Measure X Fund	BSCC Officer Wellness & Mental Health	FORA Habitat Management Fund	ARPA Fund
<b>REVENUES</b>						
Taxes:						
Sales tax	\$ -	\$ -	\$ 99,031	\$ -	\$ -	\$ -
Other taxes	-	32,187	-	-	-	-
Intergovernmental revenues	43,756	-	-	15,000	-	197,836
<b>Total Revenues</b>	<u>43,756</u>	<u>32,187</u>	<u>99,031</u>	<u>15,000</u>	<u>-</u>	<u>197,836</u>
<b>EXPENDITURES</b>						
Current:						
General government	-	-	-	-	-	18,685
Public safety	-	-	-	167	-	70,149
Public works	24,460	-	-	-	-	-
Community development	-	-	-	-	7,131	-
Capital outlay	-	-	-	-	-	97,556
Debt service						
Principal	-	-	88,621	-	-	-
Interest and fiscal charges	-	-	10,410	-	-	-
<b>Total Expenditures</b>	<u>24,460</u>	<u>-</u>	<u>99,031</u>	<u>167</u>	<u>7,131</u>	<u>186,390</u>
Excess (Deficiency) of Revenues over Expenditures	<u>19,296</u>	<u>32,187</u>	<u>-</u>	<u>14,833</u>	<u>(7,131)</u>	<u>11,446</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(30,000)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,000)</u>
Net Change in Fund Balances	19,296	32,187	-	14,833	(7,131)	(18,554)
Fund Balances Beginning	66,150	102,844	114,539	-	743,572	189,014
Fund Balances Ending	<u>\$ 85,446</u>	<u>\$ 135,031</u>	<u>\$ 114,539</u>	<u>\$ 14,833</u>	<u>\$ 736,441</u>	<u>\$ 170,460</u>

**City of Del Rey Oaks**  
**Combining Schedule of Revenues,**  
**Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended June 30, 2023**

	Capital Projects Funds				Total Nonmajor Governmental Funds
	Capital Projects	Prop 68 Grant Fund	SBR Engineering Fund	SBR/GJM Intersection Fund	
<b>REVENUES</b>					
Taxes:					
Sales tax	\$ -	\$ -	\$ -	\$ -	\$ 99,031
Other taxes	-	-	-	-	32,187
Intergovernmental revenues	-	177,952	-	-	434,544
<b>Total Revenues</b>	<u>-</u>	<u>177,952</u>	<u>-</u>	<u>-</u>	<u>565,762</u>
<b>EXPENDITURES</b>					
Current:					
General government	-	-	-	-	18,685
Public safety	-	-	-	-	70,316
Public works	-	-	-	-	24,460
Community development	-	-	-	-	7,131
Capital outlay	34,050	24,050	-	-	155,656
Debt service					
Principal	-	-	-	-	88,621
Interest and fiscal charges	-	-	-	-	10,410
<b>Total Expenditures</b>	<u>34,050</u>	<u>24,050</u>	<u>-</u>	<u>-</u>	<u>375,279</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(34,050)</u>	<u>153,902</u>	<u>-</u>	<u>-</u>	<u>190,483</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	35,000	30,000	-	-	65,000
Transfers out	-	-	-	-	(30,000)
<b>Total Other Financing Sources (Uses)</b>	<u>35,000</u>	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>35,000</u>
Net Change in Fund Balances	950	183,902	-	-	225,483
Fund Balances Beginning	-	(183,902)	505,830	1,056,168	2,594,215
Fund Balances Ending	<u>\$ 950</u>	<u>\$ -</u>	<u>\$ 505,830</u>	<u>\$ 1,056,168</u>	<u>\$ 2,819,698</u>



**OTHER INDEPENDENT  
AUDITOR'S REPORT**



**Chavan and Associates, llp**  
Certified Public Accountants

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

*Independent Auditor’s Report*

To the Honorable Mayor and Members of the  
City Council of the City of Del Rey Oaks  
Del Rey Oaks, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Del Rey Oaks (the “City”) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City’s basic financial statements, and have issued our report thereon dated December 6, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered City’s internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City’s internal control. Accordingly, we do not express an opinion on the effectiveness of City’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



Chavan and Associates, llp  
Certified Public Accountants

### Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

C & A LLP

Chavan & Associates, LLP  
Certified Public Accountants  
December 6, 2023  
Morgan Hill, California

**City of Del Rey Oaks**  
**Schedule of Findings and Responses**  
**For the Fiscal Year Ended June 30, 2023**

---

Item A.

**Current Year Findings:**

None Noted

**Status of Prior Year Findings:**

None Noted



## Staff Report

**DATE:** January 23, 2023

**TO:** Honorable Mayor and City Council

**FROM:** John Guertin, City Manager

**SUBJECT:** Appeal of Building Official Determination Regarding Square Footage Calculations at 121 Calle Del Oaks

**CEQA:** This action does not constitute a “project” as defined by the California Environmental Quality Act (CEQA) guidelines section 15378 as it is an administrative activity of the City that will not result in direct or indirect physical changes in the environment.

### Recommendation

Conduct an appeal hearing of City Building Official Joe Headley’s determination regarding the square footage calculation at 121 Calle Del Oaks, and uphold the appeal or deny it.

### Summary & Discussion

#### Authority for Appeal

The California Building Code, at Section 1.8.8.1 provides, in relevant part, “[e]very city... shall establish a process to hear and decide appeals of orders, decisions and determinations made by the enforcing agency relative to the application and interpretation of this code and other regulations governing construction, use, maintenance and change of occupancy. The governing body of any city... may establish a local appeals board and a housing appeals board to serve this purpose.” And that, “[w]here no such appeals boards or agencies have been established, the governing body of the city... shall serve as the local appeals board...”

#### Factual and Procedural Background

In May of 2023, the new owners (Owner) of 121 Calle Del Oaks (Property) applied for a business license from the City to operate an automotive restoration facility. Shortly thereafter, the Owner submitted plans to modify the existing structure at the Property (Building).

On June 9, 2023, the City’s Building Official, Joe Headley, provided Plan Review Comments that included, in relevant part, a determination that the plans incorrectly stated the Building’s square footage. The June 9, 2023, Plan Review Comment document is attached hereto as Exhibit A.

Shortly thereafter, the Owner’s counsel submitted a letter, dated June 16, 2023, to the City arguing that Mr. Headley’s determination regarding the Building’s square footage was incorrect for a variety of reasons. The letter is attached hereto as Exhibit B.



In response, Mr. Headley issued another Plan Review Comment document dated July 11, 2023, which clarified and augmented the June 9, 2023 Plan Review Comment document. The July 11, 2023, Plan Review Comment document is attached hereto as Exhibit C.

Shortly thereafter, Mr. Headley and City Manager Guertin met with the City Attorney to discuss this matter. After the meeting, on July 13, 2023 the City Attorney sent Owner's counsel a letter outlining the reasons for the City's position on the matter, and why the City disputed the contentions made by the Owner's counsel. The July 13, 2023, City Attorney's letter is attached hereto as Exhibit D.

Thereafter, the Owner filed an appeal of Mr. Headley's determination.

### Appeal

In many jurisdictions, a separate hearing board is established to hear appeals of building decisions and interpretations. Here, the City has no such hearing board and therefore, as noted above, the Council is the appropriate body to hear this appeal.

This appeal hearing before the City Council is *de novo*, meaning the Council does not defer to Mr. Headley's determination. Rather, the Council must hear the Owner's appeal, the City's response, and consider the evidence presented by both parties at the hearing. From there, the Council has the authority to deny the appeal (and therefore uphold Mr. Headley's determination), or grant the appeal (and therefore reverse Mr. Headley's determination).

Whether the Council upholds the appeal or denies it, it must make specific findings on the record at the hearing to support its decision.

### **Fiscal Impacts**

There will be no direct financial impact as a result of this action.

### **ATTACHMENTS:**

- As noted.

Respectfully Submitted,

---

John Guertin  
City Manager

# Exhibit A

# City of *Del Rey Oaks*

## Plan Review comments

Address: 121 Calle Del Oaks  
APN: 012-601-015-000  
Tennant: Finaldi  
Scope of work: T.I.

Date: 6-9-23  
Plan checker: Joe Headley  
Phone: 920-1815

- 
- 1) Records provided on sheet T2 for “square footage validation” are not records of the AHJ (Authority Having Jurisdiction). For this project the City of Del Rey Oaks records are the AHJ, along with “Water Management district”, with overlay authority per State of California legislation. Water management district is a validating regulator for all development within the jurisdiction.  
Commentary A) Non-jurisdictional records provided include unpermitted square footage, as these kinds of errors are common in non-AHJ records, this is why they are not acceptable validating records.  
Commentary B) AHJ records are clear, previous unpermitted work was removed in accordance with plan submitted by architect of record Al Saroyan for permit #B16-38. The records clearly identify stairs to the area were removed, and subsequent pages clearly show the roof of the offices labeled as a mezzanine with a Large X crossing out that square footage. A ships ladder was installed as a typical roof top access for equipment to non-occupied space  
Commentary C) Subsequent plans by Architect of record “WRD” shows occupied space totaling 9604 square feet. The plans submitted on sheet A-3 also show the existing unoccupied space with access to this by ships ladder only
  - 2) Should water credit be made available through regulatory action, proper plans would be required showing compliance with the California building Code. Current plans do not provide analysis for compliance with building area limitations or occupancy separation walls.
  - 3) Per ALL previous communication, project plans are required to be prepared by a California licensed professional per CBC section 107.1
  - 4) Complete attached ADA compliance form for resubmittal

# Exhibit B

**ANTHONY LOMBARDO & ASSOCIATES**  
A PROFESSIONAL CORPORATION

ANTHONY L. LOMBARDO  
KELLY MCCARTHY SUTHERLAND  
JOSEPH M. FENECH  
CODY J. PHILLIPS

144 W. GABILAN STREET  
SALINAS, CA 93901  
(831) 751-2330  
FAX (831) 751-2331

June 16, 2023

**VIA HAND DELIVERY AND EMAIL**

Our File No: 5568.000

John Guertin, City Manager  
City of Del Rey Oaks  
650 Canyon Del Rey Blvd.  
Del Rey Oaks, CA 93940  
[jguertin@delreyoaks.org](mailto:jguertin@delreyoaks.org)

***Re: 121 Calle Del Oaks, Del Rey Oaks, CA 93940: Tenant Improvements/Plan Review; Notice of Claim for Damages and Declaratory Relief.***

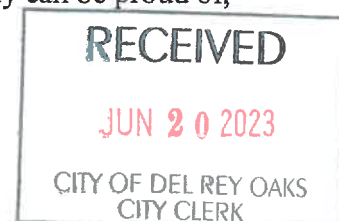
Dear John:

I represent Mr. Vince William Finaldi, Esq., and Cairati Monterey, Inc., who is purchasing property in the City of Del Rey Oaks ("City") located at: 121 Calle Del Oaks, Del Rey Oaks, California, 93940 (the "Premises"). My client, Mr. Finaldi, is purchasing the Premises from the Davi Family Trust, who has owned and managed it for several decades, for the price of \$4,200,000.00. Mr. Finaldi's company, Cairati Monterey, Inc., is currently leasing the premises and will be the sole tenant upon completion of the real estate transaction.

**Background Regarding the Premises**

The building on this site was constructed in 1978. It was first operated as an ice cream distribution warehouse (from 1978-1985 as McDonald Refrigeration; from 1986-1987 as New Produce Development; and from 1988-2002 as Frank Dreyer's, Ben & Jerry's, and Frank Enea's Dairies). Then, it was operated as a tile and countertop manufacturing business and automotive storage facility (until 2017), and most recently, from 2019 to the present, it operated as a cannabis extraction facility.

As the City knows, the cannabis extraction facility on the premises has had financial difficulties for several years. The building has fallen into disrepair and its exterior appearance is in considerable need of attention. Mr. Finaldi intends to use the Premises for an automotive restoration business and plans to renovate the building into a facility that the City can be proud of, and which would bring substantial tax revenue to the City.



John Guertin, City Manager  
City of Del Rey Oaks  
June 16, 2023  
Page 2

### **Dispute Regarding Tenant Improvements on the Premises**

In May of 2023, my clients applied for and received a business license from the City of Del Rey Oaks (for Cairati Monterey, Inc.), License Number CAI001, to run a low-volume, high-end automotive restoration facility. Since March my clients have been in communication with the City regarding a building permit for tenant improvements to the Premises, which are required for the intended business use. Currently, the footprint of the building on the Premises is 9,600 square feet. There is also a 1,600 square foot mezzanine atop the internal office in the southwest corner of the building that was constructed when the building was first built in 1978, and which has been in continual usage since then, which brings the total square footage of the building to 11,200 square feet.

We have consulted with the Monterey County Tax Assessor's Office, and their records confirm that the Premises is assessed as a 11,200 square foot building. The owners of the building have been paying property taxes on the building, predicated on this building size, since 1978—for over 40 years. We also consulted with the Monterey Peninsula Water Management District, who confirms they list the building size as 11,200 square feet with applicable water credits and rights for a building that size. We also consulted with the City's records on the building. The sole document in the City's file that lists the size of the Premises is a MetroScan printout, which also states the building size is 11,200 square feet. *The City's file is devoid of the original 1978 building permits or plans for the building.* Lastly, we have consulted with the current and prior owners of the Premises, all of who confirm that the mezzanine above the office has been in continual usage since 1978.

Not only do the records of multiple municipalities and the testimony of prior owners and tenants support our position regarding the true buildable square footage of the building—the building *itself* also yields important clues as to its square footage and usage since 1978. First, the second-floor mezzanine area above the office is built using 2 x 12 inch floor joists spaced at 16 inches on center. This evidences the fact that it was not merely built as a ceiling to the offices below, it was constructed as usable square footage. It was also finished with thick plywood for this very purpose. Otherwise, the office would have simply had a drop ceiling, not structural flooring based on simple economics. Second, the mezzanine area was constructed with six windows and a door (which are clearly original construction, evident from their age, material, condition, and the original framing which are all consistent with the remaining portions and fixtures of the building) to the exterior, which provide light and ingress/egress to/from the mezzanine area and which are not present, and have never been present, on any other area of the building. Also, the building had a set of stairs to this mezzanine space, for access (see more about these stairs below). This construction is clear evidence that this area was intended to be and used as a part of the building they weren't windows, doors and stairs to nowhere. Additionally, the plywood floor on the mezzanine area shows clear signs of its age, usage and wear, evidencing that it has been in continual use for many decades.

### **Mr. Headley's June 9, 2023, Plan Review Comments and Denial of Permit**

On June 9, 2023, Mr. Headley, the City's outside Plan Checker/consultant, produced a one-page set of Plan Review Comments with 4 separate comments regarding the project. (6/9/23 Plan

John Guertin, City Manager  
 City of Del Rey Oaks  
 June 16, 2023  
 Page 3

Review Comments attached hereto as Exhibit “A”). Comments 2-4 have been addressed and incorporated into the current revised plan set that are being submitted concurrently with this letter. (See 6/16/23 Letter from Bradley Green, Hastings Construction, Regarding Plan Changes and Statement of Access Compliance dated 6/16/23 attached hereto collectively as Exhibit “B”). As we read Comment 1, Mr. Headley appears to effectively deny the permit application to improve the 1,600 square foot mezzanine.

Mr. Headley takes issue with the square footage validation records (of the Monterey County Tax Assessor’s Office, Water Management District, and MetroScan from *the City’s own file*), stating they are not records of the Authority Having Jurisdiction (“AHJ”), apparently ignoring the fact that the CityScan records are contained *within the AHJ’s (City of Del Rey Oaks) own file*. He further concedes that the “[w]ater management district is a validating regulator for all development within the jurisdiction,” *but he ignores the fact that the WMD’s records list the building is indeed 11,200 square feet.*

In the comments under Commentary A, Headley states: *“non-jurisdictional records provided include unpermitted square footage, as these kinds of errors are common in non-AHJ records, this is why they are not acceptable validating records.”* First, Mr. Headley leads with the assumption that the mezzanine was *“unpermitted”* when first built, but in fact he has no authority nor evidence to support his position because the City is not in possession of any of the original building permits or plans for the Premises. Following his logic to its reasonable conclusion should lead him to deny the permit for the *entire* building, because there is no original permit in the City’s records for the remainder of the building either. And further, it stands to reason that if this mezzanine was constructed when the building was first built in 1978—which it indeed was—then the mezzanine must have been part of the original building permit. Second, Mr. Headley concludes that these non-AHJ records must be incorrect because *“these kinds of errors are common.”* However, he has presented no evidence that, in fact, these non-AHJ records are in error, and importantly, the fact that multiple municipal sources *dating back several decades all list the building as 11,200 square feet* stands as considerable, strong evidence that they are, in fact, correct.

In the comments under Commentary B, Headley states:

*“AHJ records are clear, previous unpermitted work was removed in accordance with plan submitted by architect of record Al Saroyan for permit #B16-38. The records clearly identify stairs to the area were removed, and subsequent pages clearly show the roof of the offices labeled as mezzanine with a Large X crossing out that square footage. A ships ladder was installed as a typical roof top access for equipment to non-occupied space.”*

What Mr. Headley fails to include in this comment is that it was he—as the plan checker—who directed that the changes be made to the plans and building by the former tenant in order to deny them the use of the mezzanine. It was Mr. Headley who required the removal of the stairs (which had been in place and used for decades) and allowed what he calls a “ship’s ladder” to be installed. Thus, Mr. Headley is relying upon *his own prior actions* with respect to the premises *to justify his current actions* with respect to the project—Mr. Headley is, thus, attempting to create his own foundation for his current position through his prior decision. That does not mean,

John Guertin, City Manager  
City of Del Rey Oaks  
June 16, 2023  
Page 4

however, that his prior actions (in denying the permit for the mezzanine and requiring removal of the stairs) were proper or legal.

There was no factual or legal basis for Mr. Headley's prior demand to remove access to the mezzanine which the prior tenant did without knowing that the demand was improper. What also makes no sense is that Mr. Headley directed that a ladder be installed to provide access to the mezzanine in lieu of stairs. There is no mechanical system or roof access from the mezzanine area. Mr. Headley's comment that the "ship's ladder" is there for "typical roof top access" is incorrect because the roof is not accessible from the mezzanine area. Why allow the installation of a permanent ladder to access that area when it was not proper usable space? The double doors to the mezzanine are still there, and in use, as are the ladder and the entire floor—the mezzanine has been in continual use since the building was constructed in 1978.

Early this year, when my client's general contractor engaged Mr. Headley in exploratory discussions, prior to submission of the plans, explaining to Mr. Headley that my client intended to submit plans that included buildout of the mezzanine, Mr. Headley became irate raising his voice and cursing at Mr. Hastings, telling him not to submit plans for the mezzanine because doing so would "throw [Headley] under the bus." At the time, Mr. Hastings did understand why it was that Mr. Headley was so passionate about his denial, or why he was so irate, or what he meant by being "thrown under the bus," but now, it is clear that what Mr. Headley meant was that applying for a permit to build the mezzanine would "throw him under the bus" *because it would expose the fact that Mr. Headley improperly denied the prior permit applications to build out that area without any factual or legal support.* The problem is Mr. Headley continues to insist that the mezzanine is not useable space, relying on his own prior rulings to support this position, because to do otherwise would be to admit that his prior rulings were incorrect—that he ordered the stairs removed and denied the prior permits without proper justification.

Under Comment C, Mr. Headley goes on to state, "*Subsequent plans by Architect of record "WRD" shows occupied space totaling 9604 square feet. The plans submitted on sheet A-3 also show the existing unoccupied space with access to this by ships ladder only.*" These plans are not evidence of the correct building square footage, they are evidence of what Mr. Headley made the prior tenant do. Nor are these not AHJ records. Mr. Headley is attempting to support his current position based on his prior decisions and that does not mean that his prior instructions were correct or legal.

In sum, there is no evidence, other than Mr. Headley's belief and prior action that the 1,600 square foot mezzanine is not original and usable/buildable space. Effectively an "unlawful taking" of the use of a part of this building without adequate compensation. My clients have engaged in several conversations with Mr. Headley and he continues to be steadfast in his unjustified position. Interestingly, the company through which Mr. Headley provides his outside consultant plan checking work for the City, "Government Private Solutions, LLC aka GPS Solutions," is currently suspended from conducting business by the Franchise Tax Board and California Secretary of State. (California Secretary of State Certificate of Status for Government Private Sector Solutions, LLC, a true and correct copy of which is attached hereto as Exhibit "C"). So, we actually question whether *any* of Mr. Headley's work on behalf of this defunct business, for the City, is in fact legal.



John Guertin, City Manager  
City of Del Rey Oaks  
June 16, 2023  
Page 5

Several of the prior discussions with Mr. Headley can only be described as “strained”. From day one, before a single document was prepared or submitted to the City, while my clients were doing their due diligence regarding the Premises, Mr. Headley lambasted my client’s contractor Mr. Hastings, and Hastings’ employee Bodhi Kvenild, using profane language. Then, Mr. Headley took it upon himself to go to the Monterey Peninsula Water Management District to inquire about the Premises and its water allotment and building square footage *even though my clients had not even submitted plans or a permit yet!* It is clear that the only reason Mr. Headley would have gone to the Water District to inquire about this project was in hopes of discovering that their records supported his position on square footage which they did not.

It is my understanding that after their attempts to discuss the mezzanine with Mr. Headley were unsuccessful, my clients and their contractor met with you on April 18, 2023, to discuss the project and the prospective tenant improvements. After meeting for 30 minutes, at which they showed you a Powerpoint presentation that laid out the above-noted chain of events and authority, you urged my clients to file a permit application along with a preliminary set of plans, for consideration by the City, noting that you saw no reason why the permit for the mezzanine should be denied. At your request, they emailed a copy of that presentation to you the same day. (121 Calle Del Oaks Powerpoint Presentation, a true and correct copy of which is attached hereto as Exhibit “D”).

My clients prepared, filed and paid for a permit application with the City on April 20, 2023. They submitted an initial set of preliminary plans the next day, which were summarily rejected by Mr. Headley on March 28, 2023, because he would not review any plans that were not stamped by an engineer and/or architect. Our clients then submitted plans stamped by a California-licensed structural engineer (Yutaka Uyeda), and re-submitted them on May 30, 2023. On June 9, 2023, we received Mr. Headley’s Plan Review Comments, essentially denying the permit because the plans included the improvement of the mezzanine area.

#### **Current Submission of Updated Plans**

Along with this correspondence we are submitting a revised plan set that addresses and corrects the issues noted in Plan Review Comments 2-4, dated June 9, 2023. My clients request that, in light of this evidence, you direct Mr. Headley to plan check the plans with the mezzanine space so that my client can obtain a building permit to improve the mezzanine so that they can utilize all of the building’s 11,200 square feet that is listed in every agency’s record and upon which taxes have been paid since 1978.

#### **Notice of Intent to File Notice of Claim Upon Denial of Permit**

Although my client does not wish to do so, if the plans are rejected by the City because of the mezzanine issue, they would be left with no choice but to file a Claim with the City of Del Rey Oaks and thereafter proceed to litigation. My clients are buying an 11,200 square foot building and if the City refuses to allow my client to use the 1,600 square foot mezzanine area, the City would effectively be “taking” \$600,000.00 of the value of the building, in addition to the damage my client’s business would suffer.

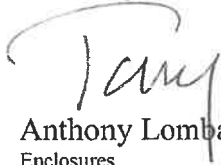
John Guertin, City Manager  
City of Del Rey Oaks  
June 16, 2023  
Page 6

I have been informed by the project architect and engineer that there is nothing about the improvement of the mezzanine space that would violate any City zoning or use regulations, nor any building code. The Water Management District has stated that the building is listed as 11,200 square feet and it has adequate water rights/credits for the planned renovations, so there are no issues with the Water District. Mr. Headley's prior instructions to remove the mezzanine stairs, and his denial of prior permits to build out this area, were improper, and we are seeking your assistance in correcting this error. I must add that refusing to approve a building permit, without proper legal basis and under the conditions noted above, would also subject the building official to personal liability as well as the City.

My clients should be well underway in the construction phase of their project by now, working towards their goal of opening for business in Spring of 2024. These unjustified delays and denials by the City will result in the business not opening on time, and in turn will also injure the City who is losing out on valuable tax revenue while the building sits empty. In addition to the losses suffered by my client as they have parts, equipment and tools that are currently on their way to the U.S. from Italy, which will result in additional business losses.

If you feel a meeting is necessary to resolve this issue, my client, his contractor, architect and I would be happy to do so in the next week. My clients' sole desire is to improve the entire 11,200 square foot of space that was purchased (at a considerable sum I must add) so that they can carry on with developing their business. If the City would like to take us up on this offer, feel free to call me at: (831) 751-2330 or email me at: [tony@alombardolaw.com](mailto:tony@alombardolaw.com).

Sincerely,



Anthony Lombardo  
Enclosures

cc: client  
Anthony Davi Sr.

# Exhibit C

# City of *Del Rey Oaks*

## Plan Review comments

Address: 121 Calle Del Oaks  
APN: 012-601-015-000  
Tennant: Finaldi/Davi  
Scope of work: T.I.

Date: 7-11-23  
Plan checker: Joe Headley  
Phone: 920-1815

---

- 1) Water permit required. City of Del Rey Oaks and water management records recognize this as a 9,600 square foot building
- 2) Sewer permit/waiver required
- 3) Provide elevation drawings showing all exterior changes (planning commission review may be required)
- 4) Deferred submittal for paint spray booth is not allowed. Provide specifications for unit.
- 5) Mechanical engineering required for air handling for paint booth. Specify air intake and exhaust locations
- 6) Identify all caustic, corrosive and volatile chemical used and stored on site. Specify quantities
- 7) Provide letter from architect of record that the plans have been prepared by, or under their supervision. The access compliance form shall be signed by architect of record

# Exhibit D

## FENTON &amp; KELLER

A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

2801 MONTEREY-SALINAS HIGHWAY

POST OFFICE BOX 791

MONTEREY, CALIFORNIA 93942-0791

TELEPHONE (831) 373-1241

FACSIMILE (831) 373-7219

www.FentonKeller.com

LEWIS L. FENTON  
1925-2005OF COUNSEL  
CHARLES R. KELLERCHRISTOPHER E. PANETTA  
SARA B. BOYNS  
BRIAN D. CALL  
TROY A. KINGSHAVEN  
JOHN E. KESECKER  
ELIZABETH R. LEITZINGER  
ANDREW B. KREEFT  
KENNETH S. KLEINKOPF  
ALEX J. LORCA  
DERRIC G. OLIVERCAROL S. HILBURN  
MARCO A. LUCIDO  
GLADYS RODRIGUEZ-MORALES  
BRADLEY J. LEVANG  
ASHLEY E. CAMERON  
CHRISTOPHER M. LONG  
CHRISTOPHER J. NANNINI  
TARA L. CLEMENS  
MATTHEW D. FERRY

ALEX J. LORCA

July 13, 2023

ALorca@fentonkeller.com  
ext. 258

VIA US MAIL AND EMAIL (TONY@LOMBARDOLAW.COM)

Anthony Lombardo  
144 W. Gabilan Street  
Salinas, CA 93901Re: 121 Calle De Oaks  
Our File: 34837.33652

Dear Tony:

This letter is in response to your June 16, 2023 letter to City Manager John Guertin regarding 121 Calle Del Oaks in the City of Del Rey Oaks (Premises). I recently met with Mr. Guertin and City Building Official Joe Headly regarding the issues you presented in your letter.

The City disputes the contention in your letter that the County of Monterey Assessor's Office determination regarding the Premises' square footage is binding on the City for the purpose of the Mr. Headley's determination of the same. Likewise, the data from MetroScan/CoreLogic is not binding on the City. Indeed, the MetroScan/CoreLogic report included with your client's application explicitly states, "Information compiled from various sources. CoreLogic makes representations or warranties as to accuracy or completeness of information contained in this report." The City welcomes a legal citation to support the contention that the Assessor's data or that of MetroScan/CoreLogic is binding on the City Building Official.

The City also disputes the assertion in your letter that the Monterey Peninsula Water Management District (District) "confirms they list the building size as 11,200 square feet..." Assuming, *arguendo*, the District's square footage calculations were binding on the City, the enclosed Commercial Water Inspection (enclosed herein as Exhibit A) obtained by Jeff Davi on February 21<sup>st</sup> of this year, clearly shows the District's determination that the Premises contains 9,500 square feet. Indeed, the Premises has long been marketed as a 9,500 square foot building. See enclosed advertisement (enclosed herein as Exhibit B) from the Premises' former owner clearly listing it as 9,500 square feet.

Anthony Lombardo  
July 11, 2023  
Page 2

Mr. Headley confirms the mezzanine area was used for equipment such as heating, ventilation, and air conditioning units, as well as other mechanical units. This is why the District, the City, and the former owner all list the Premises' square footage as 9,500.

Neither the April 3, 1978 nor the April 29, 1985 plans submitted on behalf of Mc Donald Refrigeration contain any language suggesting the mezzanine area was a second floor. Indeed, these plans show the Premises' having 9,600 square feet. Likewise, the plans submitted on June 20, 2019 by Seaweed, LLC also show the Premises as having 9,600 square feet.

With respect to the purported suspension of Mr. Headley's corporation, I am not aware of the details of as much. Regardless of the status of Mr. Headley's corporation, at no relevant time were Mr. Headley's credentials as the City Building Official suspended or otherwise compromised, nor was any licensure Mr. Headley has from the State of California.

Please note that Mr. Headley's determination regarding the square footage may be appealed to the City Council within thirty (30) days of this letter.

Very truly yours,

FENTON & KELLER  
A Professional Corporation



Alex J. Lorca,  
City Attorney,  
City of Del Rey Oaks

AJL:kmc  
Enclosure: as noted  
cc: J. Guertin (email)  
J. Headley (email)

# Exhibit A



# MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

5 HARRIS COURT, BLDG. G · P.O. BOX 85 · MONTEREY, CA 93942 · (831) 658-5601 · FAX (831) 644-9558 · [www.mpwmd.net](http://www.mpwmd.net)

## COMMERCIAL INSPECTION REPORT

CII    Change of Title    Pre-Inspection/Credits    New Construction    Remodel/Addition    Re-Inspection

BUSINESS NAME(S): SEAWEED, VACANT E-mail: \_\_\_\_\_

PROPERTY ADDRESS: 121/120 CALLE DEL OAKS

CITY: DEL REY OAKS ASSESSOR'S PARCEL NUMBER: 012-601-015

OWNER'S NAME: DAVI PERSON CONTACTED: JEFF DAVI /

TYPE OF USE(S): GRP. 1, GRP. 4 NO. OF BLDGS: 1 CHANDLER

This form certifies that an inspection was conducted at the above address to verify Water Efficiency Standards as listed in Regulation XIV District Rules and Regulations. At the time of the inspection, the property  WAS  WAS NOT found to be in compliance with MPWMD Water Efficiency Standards and/or with MPWMD Water Permit: \_\_\_\_\_.

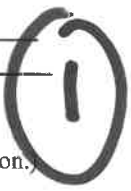
Types of use / Inspector Notes: A: SEAWEED, CANNABIS EXTRACTION, MFG. 3,200  
B: VACANT, ROUGHLY 6,200

### WATER EFFICIENCY INVENTORY:

Y	N	N/A		Remarks:
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Showerheads 2.0 gpm.....	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Toilet 1.3 gpf unless 1.6 gpf prior to 2013.....	
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Public Washbasins 0.5 gpm.....	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Other Sink 2.2 gpm.....	
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Public Washbasins (Sensor/Metered) auto 0.25 gpm.....	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Washbasins (private) 1.5 gpm.....	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	High Efficiency Urinals .....	-1.25-1.0 GAL, 0.5 LITERS
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	High Efficiency Clothes Washer.....	
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Water Efficiency Ice Machine.....	
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Pre-Rinse Spray Valve 1.6 gpm.....	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Conservation Signage.....	
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Landscaping (Refer to Cal Am).....	
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Pressure (PSI).....	

### ACTION REQUIRED:

- Items not in compliance **must be corrected** within thirty (30) days.
- Re-inspection required.** Please call 658-5601 to schedule. (Re-inspection Fees of \$105.00 are required prior to inspection.)
- Provide itemized receipts/photos for \_\_\_\_\_
- Water Release Form & Water Permit Application Form required (Jurisdiction). Fees may be due. **(Contact the District.)**



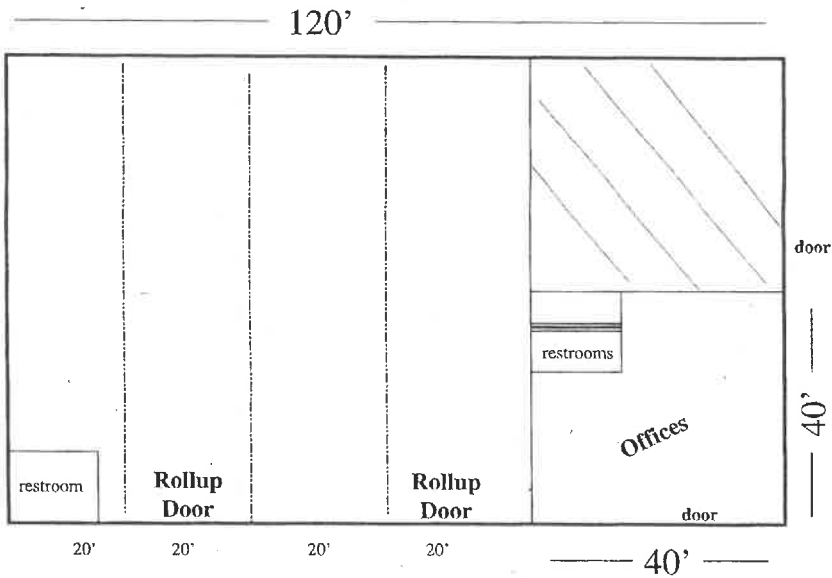
EMAILED TO AGENT 2/21/23  
Acknowledgment of Receipt      Date

MPWMD Representative

2/21/23  
Date

See Important Terms and Conditions on back of form.

## Exhibit B



**121 Calle De Oaks in Del Rey Oaks**

- 8000 square feet available for Lease at affordable rents
- Divisible into areas of 1600, 3200, 4800, or 8000 square feet.
- 22' ceiling height
- 1400 square feet +/- office space
- 3 Phase Electrical Service

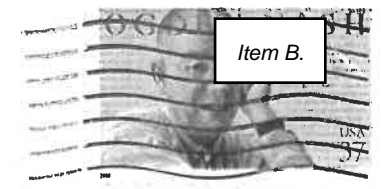
**A.G. DAVI**  
REAL ESTATE

**Also available for Lease:**

- 3,500 Square Feet**  
at Laguna Seca Office Park
- 10,000 Square Feet.**  
Lighthouse Ave. in Monterey  
Near Aquarium
- 325-3,324 Square Feet**  
Carmel Rancho Blvd - Divisible
- 650-1,008 Square Feet**  
Downtown Carmel Retail or Office
- Up to 15,000 Square Feet**  
Greenfield shopping center - Divisible
- 490-1,322 Square Feet**  
Seaside Office on Hilby

Several small affordable offices in Monterey and P.G. between **300-700 Square Feet**

**A.G. DAVI**  
REAL ESTATE  
P.O. Box 2350  
Monterey, CA 93942  
831.373.2222



Item B.

2003

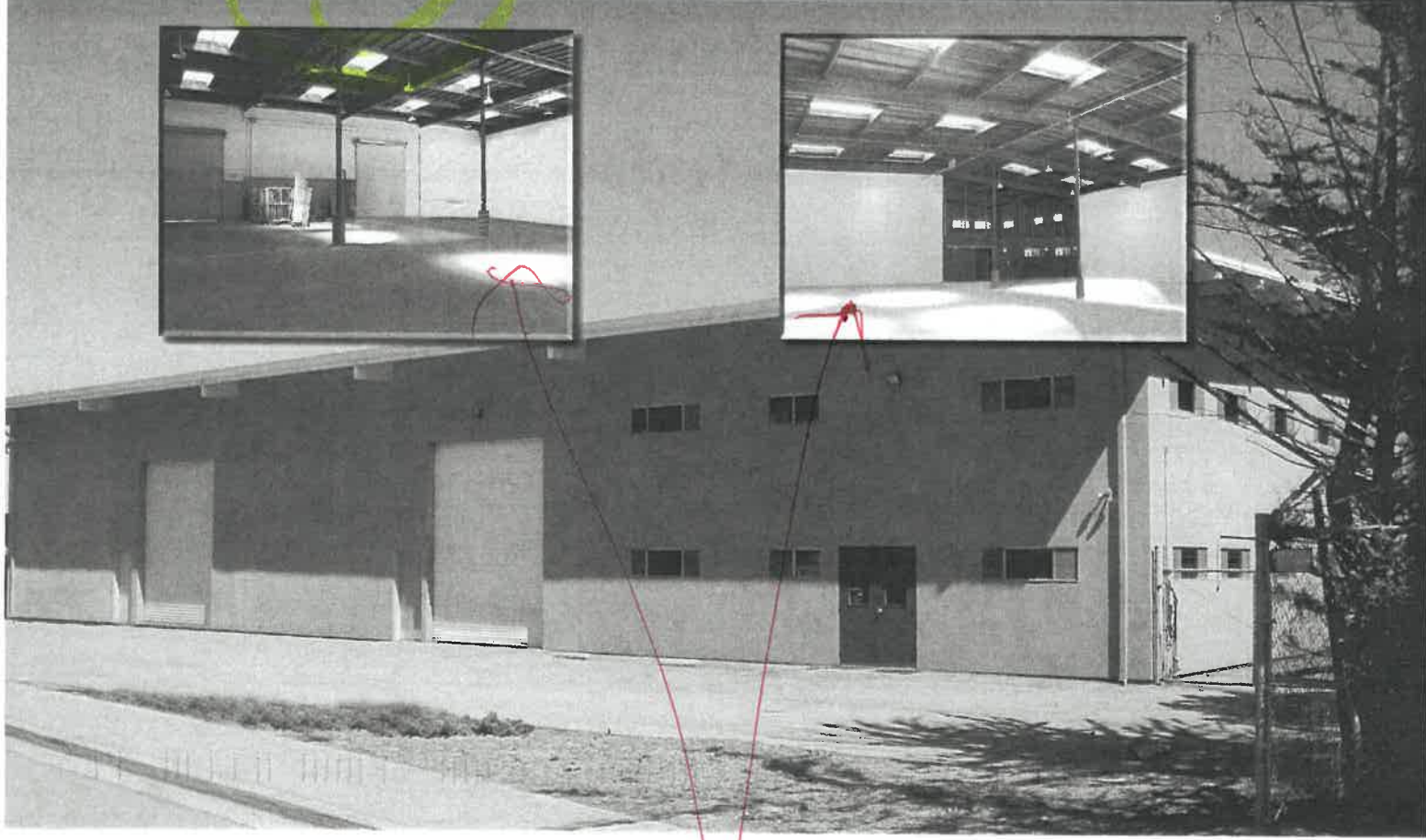
Ron Langford  
City Of Del Rey Oaks  
650 Canyon Del Rey Boulevard  
Del Rey Oaks, CA 93940-5505

8,000  
1,400  

---

9,400

*For Lease:*  
**Warehouse, Office, Retail, or Industrial**  
**1600-8000 Square Feet, Del Rey Oaks**



**A.G. DALL** Item B.  
**REAL ESTATE**

**Also For Lease:**  
**1200 Square Feet • Pacific Grove**



**831.373.2222**  
**831.229.3284**

*no stairs ~~of~~ to  
second floor*

# Appellant's Presentation



# 121 Calle Del Oaks Del Rey Oaks, CA 93923

Office Mezzanine Historical Timeline and Etiology



# 121 Calle Del Oaks

Photos of Building and Mezzanine Evidence Original Construction and Use of Mezzanine  
March 9, 2023









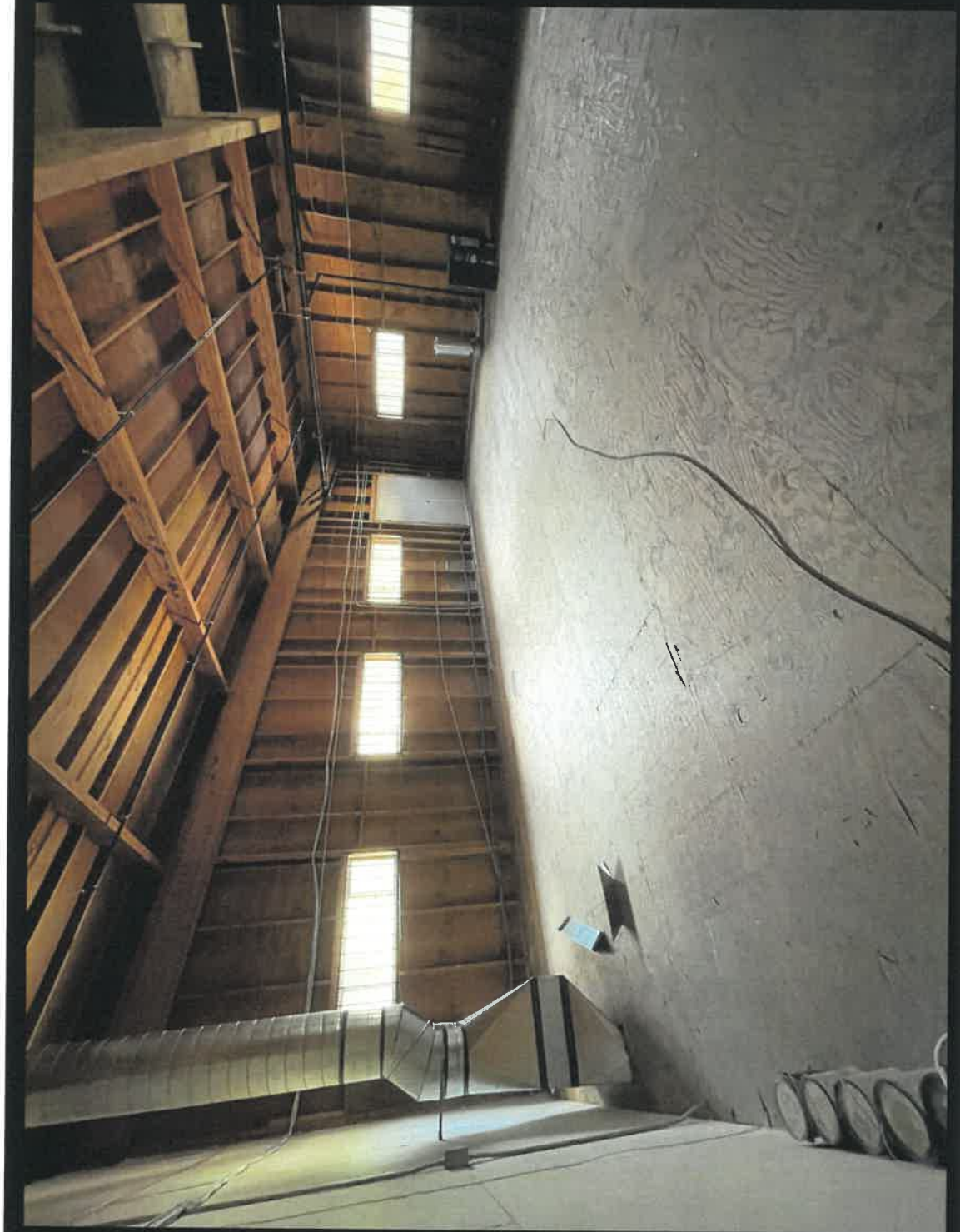


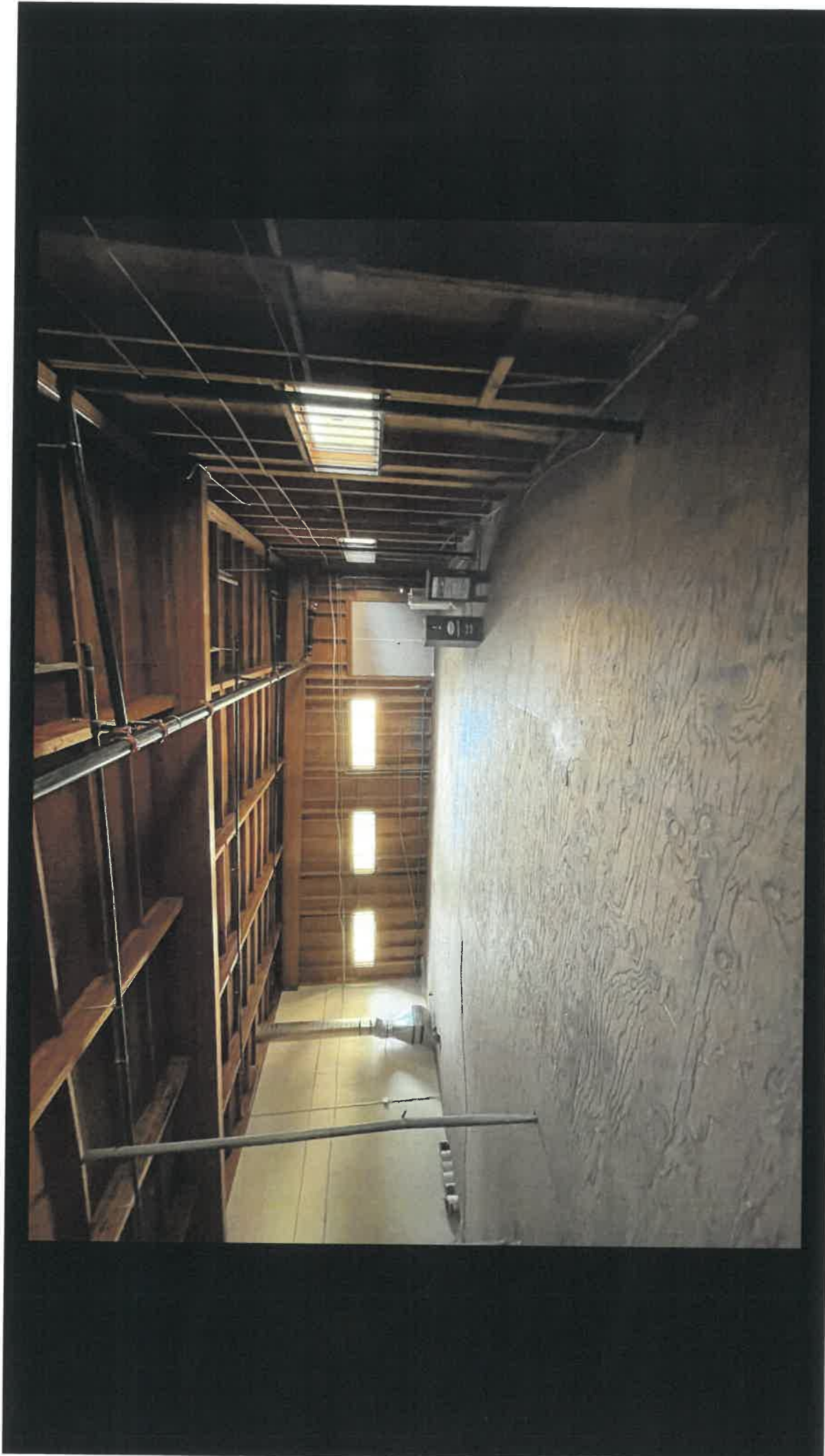


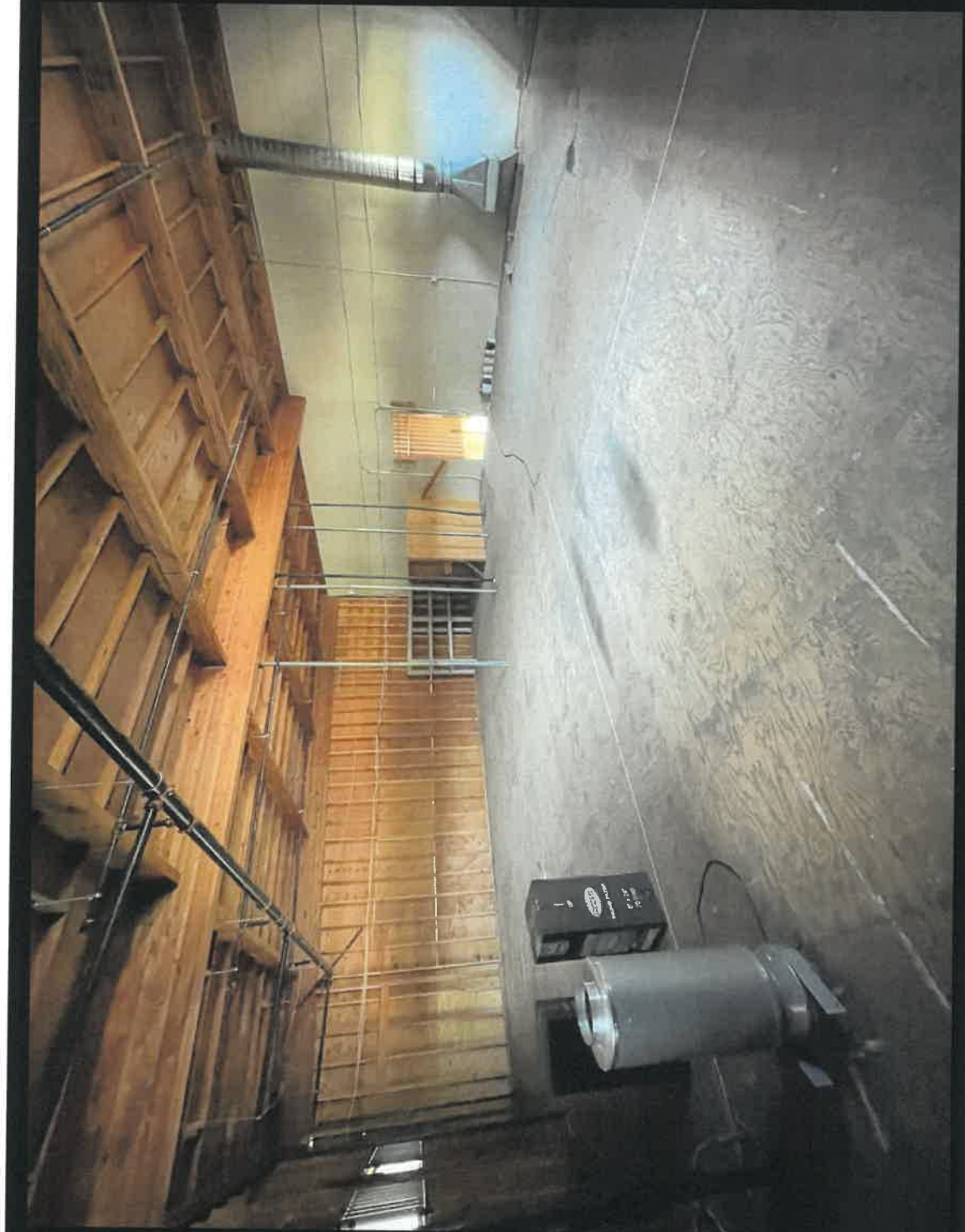




































# 121 Calle Del Oaks

## Construction Details Evidencing Original Construction of Mezzanine and Use

- Exterior doors (same framing as building)
- Exterior windows (same type, age and framing as lower windows)
- Ladder
- No skylights
- Floor is finished (no exposed rafters, HVAC, electrical)
- Floor built with 2 x 12 floor joists
- Framing and windows are original construction
- Plywood is original and worn

# 121 Calle Del Oaks

Records Received from Monterey County Assessor's Office Confirm 11,200 sq. ft.

March 9, 2023

File Edit View Window Help  
 Home Tools Document  
 ? Sign In

---

**From:** Vidauri, Triana  
**To:** Vince, Vinaddi  
**Subject:** Building Records  
**Date:** Thursday, March 9, 2023 9:29:45 AM  
**Attachments:** 012601015 BLDG RECS.pdf

Good morning Vince,

We received a call back confirming the authorization. Attached are the records we have on file.

Have a nice day,

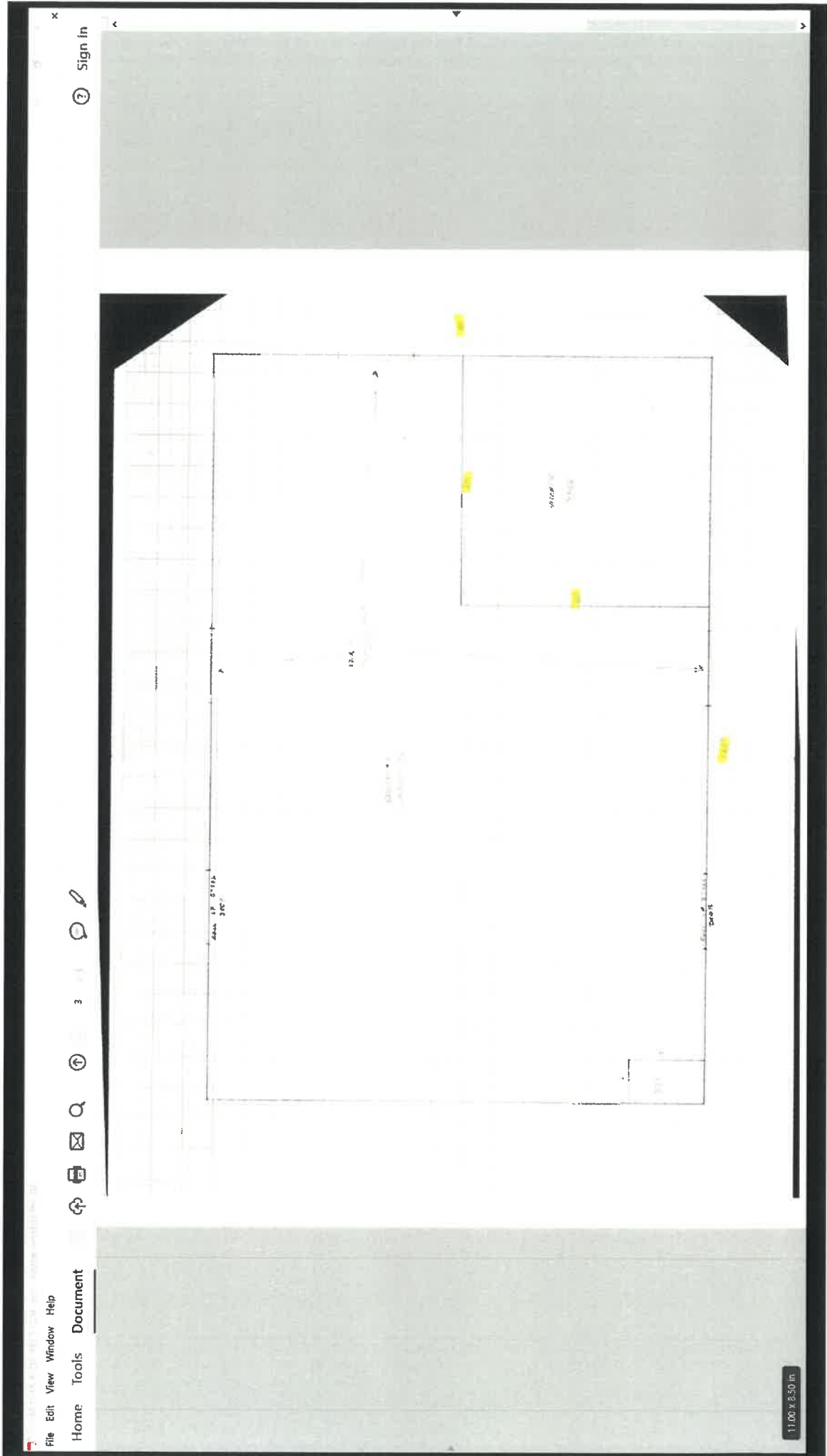
**Triana K. Vidauri**  
*Office Assistant II*  
 County of Monterey, Assessor's Office  
 168 W. Alisal Street, 1<sup>st</sup> Floor, Salinas, CA 93901  
 P: (831)755-5035  
[VidauriTK@co.monterey.ca.us](mailto:VidauriTK@co.monterey.ca.us)

6.50 x 11.00 in









# 121 Calle Del Oaks

Records Contained in Del Rey Oaks File for Property Confirm 11,200 sq. ft.

March 9, 2023

File Edit View Window Help
Sign In

Home
Tools
Document

```

-----: Merced / Monterey (CA) -----
Owner :Randasso Family Trust              Parcel:012 501 029 000
      :Carmel, CA 93910                    Xferd:10/03/2016
Mail :254 1/2 N Carmel Valley Rd Carmel Valley Ca 93924 Price :
Usr:C Res,Single Family Res,1 Bldg Site  YB:1395Cool:
Bedrm:2 Bath:1.00 Toilet:1 Monterey (CA) BldgSF:1,116 Ac.:.15
-----: Merced / Monterey (CA) -----
Owner :Carmelo Daniel J & Gina Contreras Tr Parcel:012 501 035 000
      :Carmel, CA 93940                    Xferd:04/17/2008
Mail :14 Bree Pl Del Rey Oaks 93940
Usr:C Res,Single Family Res,1 Bldg Site  YB:1395Cool:
Bedrm:2 Bath:1.00 Toilet:1 Monterey (CA) BldgSF:1,867 Ac.:.16
-----: Merced / Monterey (CA) -----
Owner :Lester H Johnson                   Parcel:012 501 039 000
      :Carmel, CA 93940                    Xferd:10/27/2003
Mail :17 Bree Pl Del Rey Oaks 93940
Usr:C Res,Single Family Res,1 Bldg Site  YB:1395Cool:
Bedrm:2 Bath:1.00 Toilet:1 Monterey (CA) BldgSF:1,119 Ac.:.15
-----: Merced / Monterey (CA) -----
Owner :Monetta Maxine Ellen Tr           Parcel:012 501 014 000
      :Carmel, CA 93940                    Xferd:09/27/1997
Mail :13 Bree Pl Del Rey Oaks 93940
Usr:C Res,Single Family Res,1 Bldg Site  YB:1395Cool:
Bedrm:1 Bath:2.00 Toilet:1 Monterey (CA) BldgSF:1,116 Ac.:.01
-----: Merced / Monterey (CA) -----
Owner :Deer Flat Rd Monterey Ca 93940    Parcel:012 501 033 000
      :Carmel, CA 93940                    Xferd:05/04/2008
Mail :1440 Deer Flat Rd Monterey Ca 93940 Phone :
Usr:C Res,Single Family Res,1 Bldg Site  YB:1395Cool:
Bedrm:1 Bath:1.00 Toilet:1 Monterey (CA) BldgSF:1,456 Ac.:.15
-----: Merced / Monterey (CA) -----
Owner :Sechub Family Trust               Parcel:012 501 019 000
      :Carmel, CA 93940                    Xferd:05/10/2006
Mail :13 Bree Pl Del Rey Oaks 93940
Usr:C Res,Single Family Res,1 Bldg Site  YB:1395Cool:
Bedrm:2 Bath:1.00 Toilet:1 Monterey (CA) BldgSF:2,100 Ac.:.17
-----: Merced / Monterey (CA) -----
Owner :15 Bree Pl Del Rey Oaks 93940    Parcel:012 501 032 000
      :Carmel, CA 93940                    Xferd:02/13/2004
Mail :15 Bree Pl Del Rey Oaks Ca 93940 Price :$572,000 Full
Usr:C Res,Single Family Res,1 Bldg Site  YB:1395Cool:
Bedrm:4 Bath:1.50 Toilet:1 Monterey (CA) BldgSF:1,166 Ac.:.13
-----: Merced / Monterey (CA) -----
Owner :Russo James J & Angela A Tr     Parcel:012 451 023 000
      :Carmel, CA 93940                    Xferd:10/16/2003
Mail :120 Calle Del Oaks Del Rey Oaks Ca 93940 Phone :
Usr:C Res,Single Family Res,1 Bldg Site  YB:1395Cool:
Bedrm:2 Bath:1 Toilet:1 Monterey (CA) BldgSF:1,847 Ac.:.09
-----: Merced / Monterey (CA) -----
Owner :David Anthony G Tr               Parcel:012 601 012 000
      :Carmel, CA 93940                    Xferd:01/24/2003
Mail :PO Box 2350 Monterey Ca 93942
Usr:C Res,Single Family Res,1 Bldg Site  YB:1395Cool:
Bedrm:1 Bath:1.00 Toilet:1 Monterey (CA) BldgSF:1,500 Ac.:.50
-----: Merced / Monterey (CA) -----
Owner :Kurtz David G & Tracy           Parcel:012 501 036 000
      :Carmel, CA 93940                    Xferd:04/06/2005
Mail :110 Calle Del Oaks Del Rey Oaks 93940 Phone :
Usr:C Res,Single Family Res,1 Bldg Site  YB:1395Cool:
Bedrm:1 Bath:1.00 Toilet:1 Monterey (CA) BldgSF:1,150 Ac.:.07
-----: Merced / Monterey (CA) -----
Owner :Uddhas Enterprises               Parcel:012 601 017 000
      :Carmel, CA 93940                    Xferd:03/26/1996
Mail :181 Calle Del Oaks Del Rey Oaks Ca 93940 Phone :
Usr:C Res,Single Family Res,1 Bldg Site  YB:1395Cool:
Bedrm:1 Bath:1.00 Toilet:1 Monterey (CA) BldgSF:1,160 Ac.:.17
-----: Merced / Monterey (CA) -----

```

Information compiled from various sources. Copyright © 1996 by California Automated Real Estate Services, Inc. All rights reserved.



# 121 Calle Del Oaks

MPWMD Records for Property Confirm 11,200 Sq. Ft.

March 9, 2023

FW: 121 Calle Del Oaks 012-601-015 - Message (HTML)

File Message Help Acrobat

Delete Archive Move Reply Reply All Forward Move to? Categorize Follow Up Find Search Read Aloud Immersive Reader Zoom

012601015\_20200212\_Permit\_40595.pdf 287 KB

012601015\_20230221\_Inspection.pdf 237 KB

012601015\_20191223\_FPlan2.pdf 5 MB

012601015\_20190516\_Permit\_36357.pdf 169 KB

012601015\_20190516\_Permit\_36357.pdf 279 KB

Mon 4/10/2023 3:18 PM

**FW: 121 Calle Del Oaks 012-601-015**

Justin Hastings <[justin@hastingsconstruction.com](mailto:justin@hastingsconstruction.com)>  
To: Vince Finaldi

**From:** Stephanie Kister <[skister@mpwmd.net](mailto:skister@mpwmd.net)>  
**Date:** Monday, April 10, 2023 at 3:10 PM  
**To:** Justin Hastings <[justin@hastingsconstruction.com](mailto:justin@hastingsconstruction.com)>  
**Subject:** RE: 121 Calle Del Oaks 012-601-015

Hi Justin,

Water Permit 36357 was issued for 6,245 sqft (units B & C). Water Permit 40595 was issued for unit A at 3,242 sqft. Those spaces total 9,487 sqft. Plans dated 4/30/21 submitted by WR&D list the building as 9,604 sqft. County file lists the building as 11,200 sqft. Copies of each are attached.

Thanks,  
Stephanie Kister Campbell  
658-5601

**From:** Carrie Osborn <[carrie@mpwmd.net](mailto:carrie@mpwmd.net)>  
**Sent:** Monday, April 10, 2023 2:40 PM  
**To:** Stephanie Kister <[skister@mpwmd.net](mailto:skister@mpwmd.net)>  
**Subject:** FW: 121 Calle Del Oaks

**Carrie Osborn**  
Permitting Technician  
Office: 831.658.5601  
[carrie@mpwmd.net](mailto:carrie@mpwmd.net)

**WATER**  
MANAGEMENT DISTRICT

**From:** Justin Hastings <[justin@hastingsconstruction.com](mailto:justin@hastingsconstruction.com)>  
**Sent:** Monday, April 10, 2023 2:40 PM  
**To:** Conserve Email <[conserve@mpwmd.net](mailto:conserve@mpwmd.net)>  
**Subject:** 121 Calle Del Oaks

4/19/23, 3:08 PM

RealQuest.com © - Report



### Property Detail Report For Property Located At: 181 CALLE DEL OAKS, DEL REY OAKS, CA 95540-6444



**Owner Information**  
Owner Name: DARI ANTHONY G  
Mailing Address: PO BOX 2350, MONTEREY CA 97942-2350 B021  
Vesting Codes: //TR

**Location Information**  
Legal Description: TRACT 712 DEL REY GARDENS SUBD NO 2 LOT 2 BLK 1  
County: MONTEREY, CA  
Census Tract / Block: 134.00 / 1  
Township-Range-Sect: /  
Legal Book/Page: /  
Legal Lot: /  
Legal Block: /  
Assessor's Parcel No: /  
Neighbor Code: F12A

**Owner Transfer Information**  
Recording/Sale Date: 01/24/2003 10/11/14/2003  
Sale Price: 9129  
Document #: 9129

**Last Market Sale Information**  
Recording/Sale Date: 02/28/1988 /  
Sale Price: 2219710  
Document #: DEED (REG)  
Title Company: /

**Owner Record**  
Seller Name: /  
Prior Sale Information: /  
Prior Rec/Sale Date: 12/31/1987 /  
Prior Sale Price: \$700,000  
Prior Doc Number: 2184-553  
Prior Deed Type: DEED (REG)

**Property Characteristics**  
Year Bldg Est: 1972 / 1988  
Gross Area: 11,230  
Tot Adj Area: /  
Above Grade: /  
# of Stories: /  
Other Improvements: /

**Site Information**  
Zoning: /  
Lot Area: 21,730  
Land Use: WAREHOUSE  
Sale Information: /  
Total Rooms/Offices: 4  
Total Bathrooms: 2  
Roof Type: /  
Roof Material: WOOD  
Construction: /  
Foundation: /  
Basement Area: /  
Acres: 0.50  
County Use: WHSE/SLUMBER YARD (6E)  
Lot Width/Depth: #  
Real/Comm Units: /

**Garage Area**  
Garage Capacity: /  
Parking Spaces: /  
Heat Type: /  
A/C Cond: /  
Pool: /  
Quality: /  
Condition: /

https://pro.realquest.com/bskreport.jsp?function=confirm&type=ingrpt&weatdno=0&seponoptions=03108118453124681184531246

1/2

# 121 Calle Del Oaks

## Multiple Record Sources All Confirm 11,200 Sq. Ft. Building Size

- Historical record of building condition confirms original construction of mezzanine
  - Historical condition of building confirms continual usage of mezzanine
- Assessor's records confirm 11,200 square foot building
  - Assessor's records also confirm payment of property taxes on 11,200 square foot building since 1978
- Del Rey Oaks file for 121 Calle Del Oaks confirms 11,200 square foot building
- MCWMD records confirm 11,200 sq. ft.



HOME ABOUT US CONTACT

RESTORATIONS GALLERY LINKS



# Specializing in Ferrari Restoration and Lamborghini Miura Restoration

Opening Spring 2024 in Monterey, California!

JOIN OUR CONTACT LIST

About Us

# 121 Calle Del Oaks

## Net Effect to Del Rey Oaks by Allowing Renovation to Proceed

- Removal of mezzanines in center and left unit
- Creation of a world-class restoration facility that the City can be proud of
- Renovation of a building that is unattractive and has fallen into disrepair
- Removal of non-performing cannabis distribution facility from City
- Purchase/remodel of building, creating a re-assessment and new tax revenues for City
- Operation of restoration facility bringing tax revenues to the City



**STATEMENT OF ACCESS COMPLIANCE**  
 Based on the 2022 California Building Code  
Required to be submitted for all nonresidential alterations or additions to existing buildings.

**Project Information:**

**Project Address:** 121 Calle Del Oaks, Unit B **Permit No.** \_\_\_\_\_

**Scope of Work:** Tenant Improvement on the 1st and 2nd floor of an industrial building.

Conversion of an existing 2 story office with showroom.

**Project Designer:** Bradley Green | Hastings Construction Inc.

In accordance with California Building Code Section 11B-202.1, all new and altered elements in existing nonresidential buildings under this permit application shall comply with the accessibility requirements of Chapter 11B.

In addition to accessibility for new and altered elements, existing elements of the path of travel to the area of alteration are required to be accessible as outlined in Section 11B-202.4, including Exceptions 1 through 10.

For the subject project, select one of the following four (4) paths to compliance. This form shall be completed and signed by the Project Designer. This form must be reviewed and approved by the Authority Having Jurisdiction prior to obtaining a building permit.

\_\_\_\_ I am the responsible designer for this project. I have visited the site and can confirm that all elements of the path of travel specified in Section 11B-202.4 are existing and in compliance with the requirements of Chapter 11B. Elements of the path of travel shall be verified by the contractor and are subject to inspection by the city inspector. Any discrepancies shall be submitted as a revision for review and, upon approval, be constructed prior to final inspection.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

I am the responsible designer for this project. All elements of the path of travel specified in 11B202.4 are compliant or are to be brought into compliance with work proposed under this permit. There is no request for Unreasonable Hardship determination.

Signature: Bradley Green Date: June 16, 2023

\_\_\_\_ I am the responsible designer for this project. The scope of work for this project does not require improvements to the path of travel. This determination is based on application of the following exception(s) to Section 11B-202.4 (Circle All That Apply): Exception 2 3 4 5 6 7 10

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

\_\_\_\_ I am the responsible designer for this project. The Adjusted Construction Cost for this project is below the Current Valuation Threshold (\$195,358.00). Improvements to the path of travel are being proposed which will constitute no less than 20% of the total Adjusted Construction Cost. See the tabulation on the following sheet. 11B-202.4, Exception 8.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

PLEASE CONTACT THE BUILDING OFFICIAL REGARDING REQUESTS FOR TECHNICAL INFEASIBILITY DETERMINATION OR HARDSHIP BEYOND THE SCOPE OF THIS FORM. ADDITIONAL DOCUMENTATION WILL BE REQUIRED.

CBC 11B-202.4, Exception 8

The following calculation justifies that at least 20% of the total adjusted construction costs is being dedicated to improvements to the path of travel. Priority should be given to those elements that will provide the greatest access in the order listed below.

Adjusted Construction Cost for this Project: \_\_\_\_\_ (A)

Total Adjusted Construction Cost of all work performed in this area in the past three (3) years \_\_\_\_\_ (B) Sum of A and B (A + B):

\_\_\_\_\_ (C)

20% of C (0.20 x C): \_\_\_\_\_ (D)

Element	Currently Complies? (Yes/No)	If no, is work included in this project? (Yes/No)	Cost of work proposed
Accessible Entrance			
Accessible route to altered area (including accessible parking)			
At least one accessible restroom for each sex or one accessible single-user restroom			
Accessible telephones (if provided)			
Accessible drinking fountains (if provided)			
Additional accessible items			
		<b>Total: (equal to or greater than D)</b>	

Note that the Adjusted Construction Cost (A) includes the cost of improvements to the path of travel listed here.

Additional notes regarding the information in this worksheet:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

I \_\_\_ have/\_\_\_ have not attached additional sheets to justify the information in this worksheet.

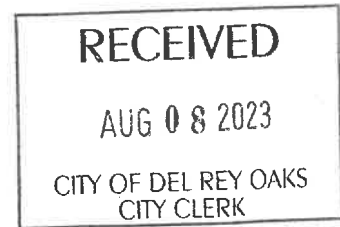
**BUILDING DEPARTMENT USE ONLY:**

Rec'd by: \_\_\_\_\_ Date: \_\_\_\_\_ Approved by: \_\_\_\_\_ Date: \_\_\_\_\_  
 Print Name: \_\_\_\_\_



**Cairati Monterey, Inc.**

121 Calle del Oaks  
Monterey, California 93940  
[www.cairatimonterey.com](http://www.cairatimonterey.com)  
(831) 402-5432



August 8, 2023

**VIA HAND DELIVERY AND EMAIL**

**City of Del Rey Oaks**  
650 Canyon Del Rey Blvd.  
Del Rey Oaks, CA 93940  
[jguertin@delreyoaks.org](mailto:jguertin@delreyoaks.org)  
[joe@joegps.com](mailto:joe@joegps.com)  
[alorca@fentonkeller.com](mailto:alorca@fentonkeller.com)

**Re: 121 Calle Del Oaks: Notice of Appeal Regarding Plan Review Comment 1  
Dated 7/11/23.**

City of Del Rey Oaks,

Cairati Monterey, Inc. ("Cairati") hereby submits this Notice of Appeal as to Mr. Joseph Headley's Plan Review Comments dated July 11, 2023, regarding the tenant improvement building plans submitted for 121 Calle del Oaks, APN: 012-601-015-000. Specifically, Cairati disagrees with Mr. Headley's conclusion that 121 Calle del Oaks is a 9,600 square foot building based upon the history, facts and evidence regarding this property which have been provided to the City thus far. Cairati will prepare appeal materials for the September 26, 2023, regular meeting and provide them to the City no later than the September 8, 2023, deadline.

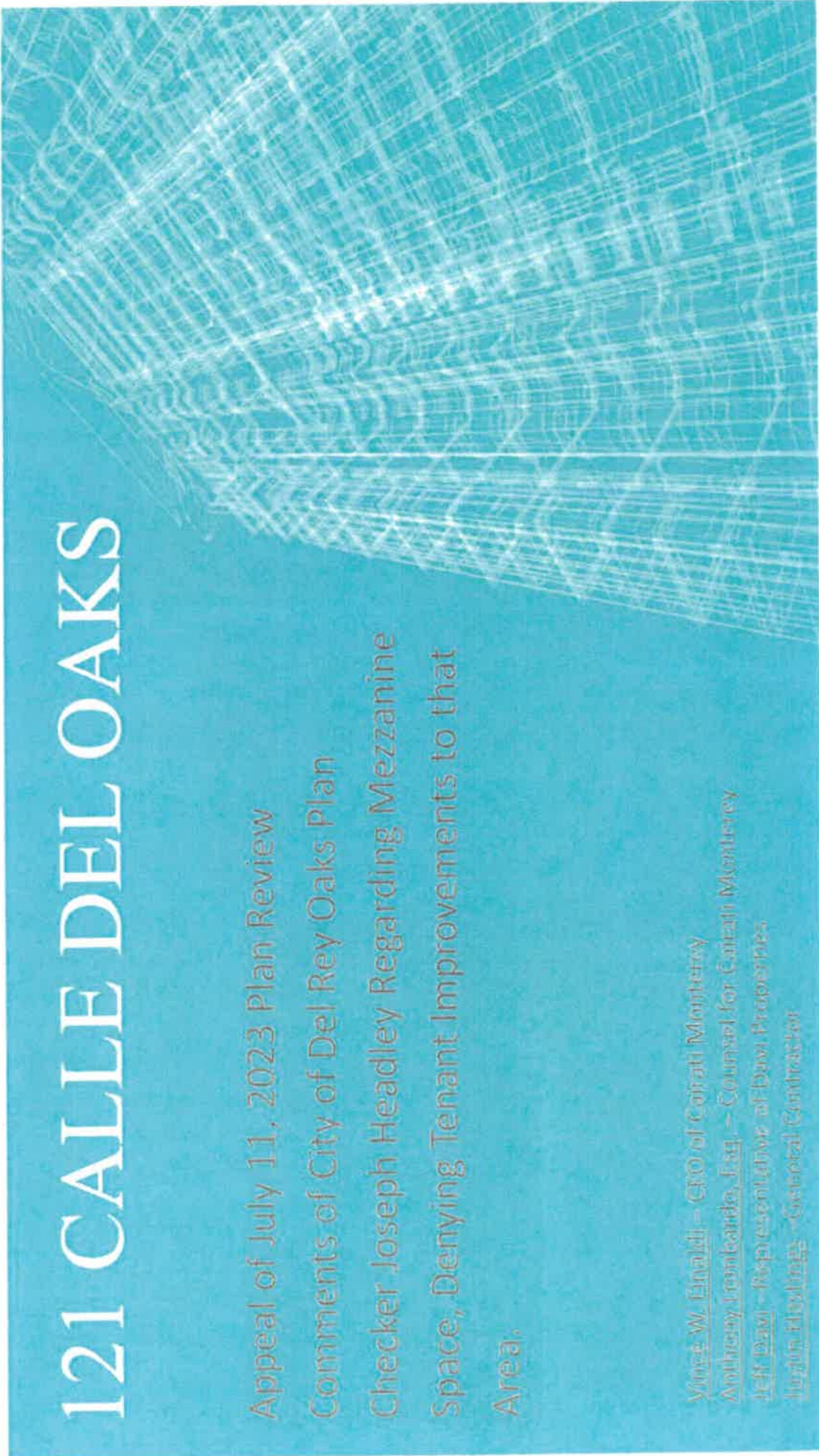
Delivered with this letter is a check in the amount of \$170.00 for the requisite appeal fee.

Feel free to contact me at your convenience with any questions or comments you may have that are related hereto by emailing [vwf@manlystewart.com](mailto:vwf@manlystewart.com).

Very Truly Yours,

  
VINCE WILLIAM FINALDI, Esq.  
CAIRATI MONTEREY, INC.

Cc: Anthony Lombardo, Esq.



# 121 CALLE DEL OAKS

Appeal of July 11, 2023 Plan Review

Comments of City of Del Rey Oaks Plan

Checker Joseph Headley Regarding Mezzanine Space, Denying Tenant Improvements to that Area.

Vincent W. Enaldi – CEO of Cairati Monterey

Anthony Lombardo, Esq. – Counsel for Cairati Monterey

Jeff Pavi – Representative of Bova Properties.

Hugh Hobbins – General Contractor

# 121 CALLE DEL OAKS



## Reasons Cairati Monterey Selected Del Rey Oaks

- Quiet, family-oriented city.
- Business-friendly environment.
- Proximity to significant automotive events including: Pebble Beach Concours d'Elegance, Monterey Motorsports Reunion, Porsche Rennsport Reunion, Numerous world-renowned auctions, and Automobile manufacturer product shoots and launches.
- Proximity to San Francisco International Airport.





# 121 CALLE DEL OAKS

## Subject Commercial Building

- Commercial building converted for cannabis extraction in 2016 and non-performing for several years.
- Building has fallen into disrepair and is in need of significant and expensive investment and improvement.
- Current appearance does not align with City's aspirations.

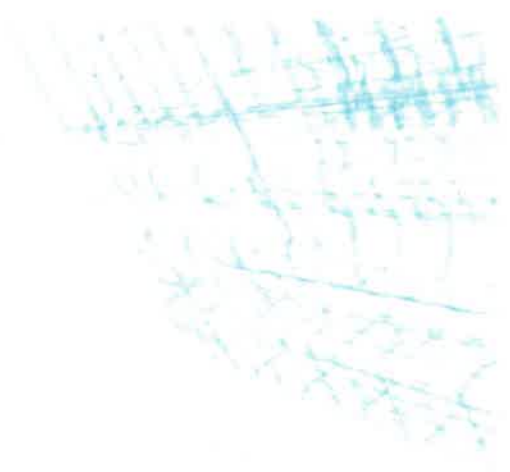




# 121 CALLE DEL OAKS

-Built in 1978 by McDonald Refrigeration, Inc. as its company headquarters.

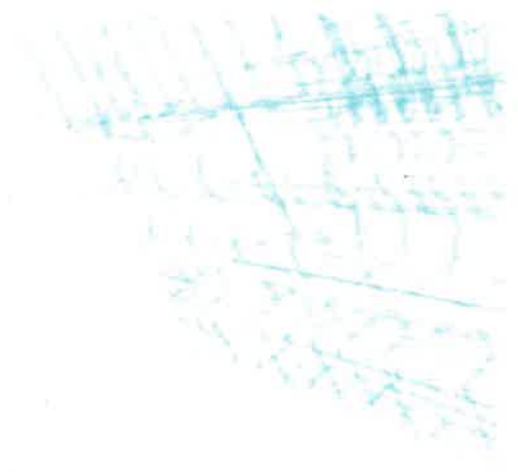
-McDonald was established in the 1930's in Cannery Row.





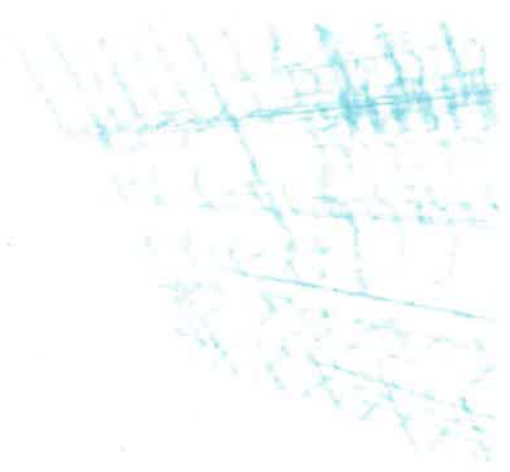
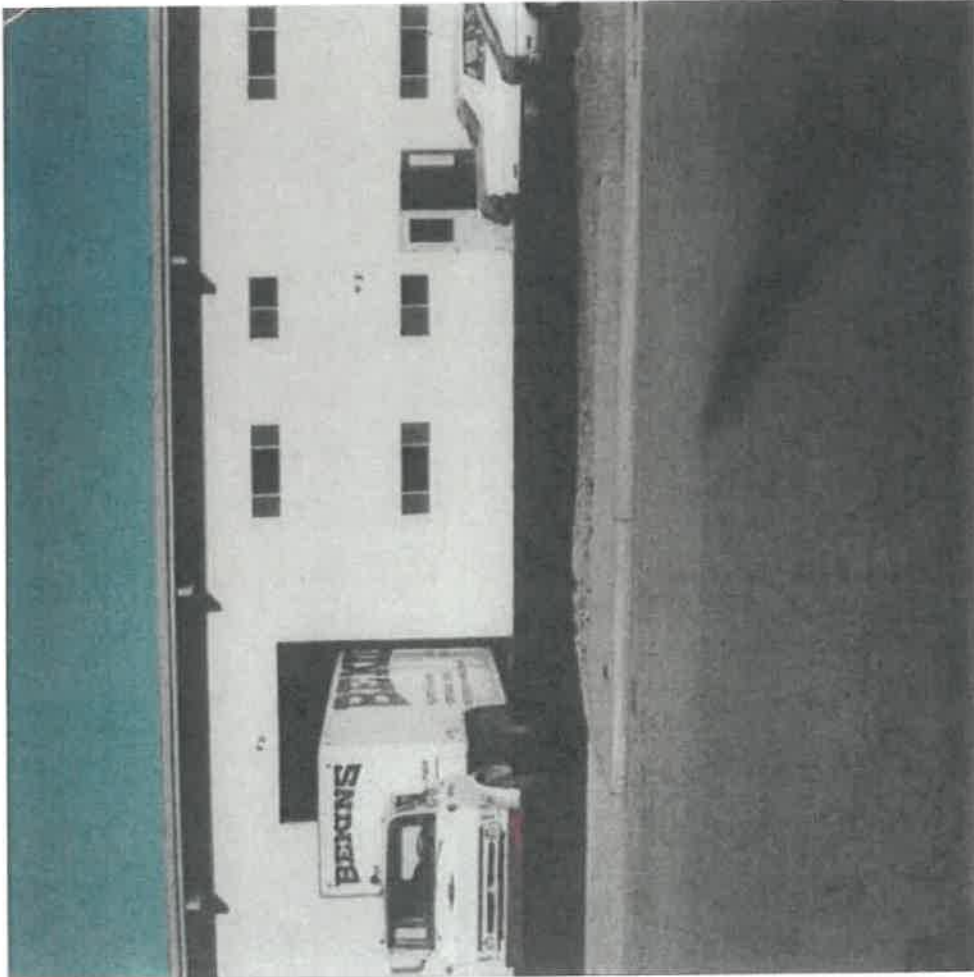
# 121 CALLE DEL OAKS

- McDonald built commercial refrigerators.
- McDonald also performed refrigeration repairs on-site.



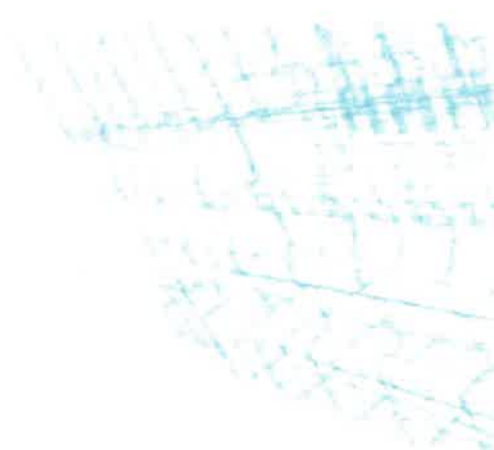
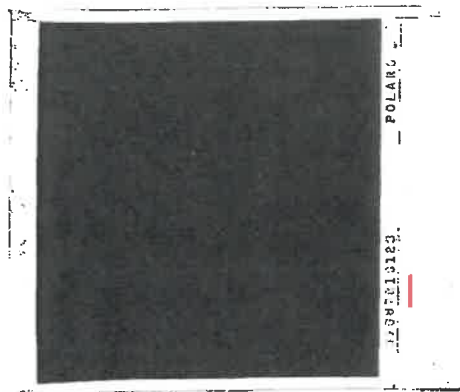
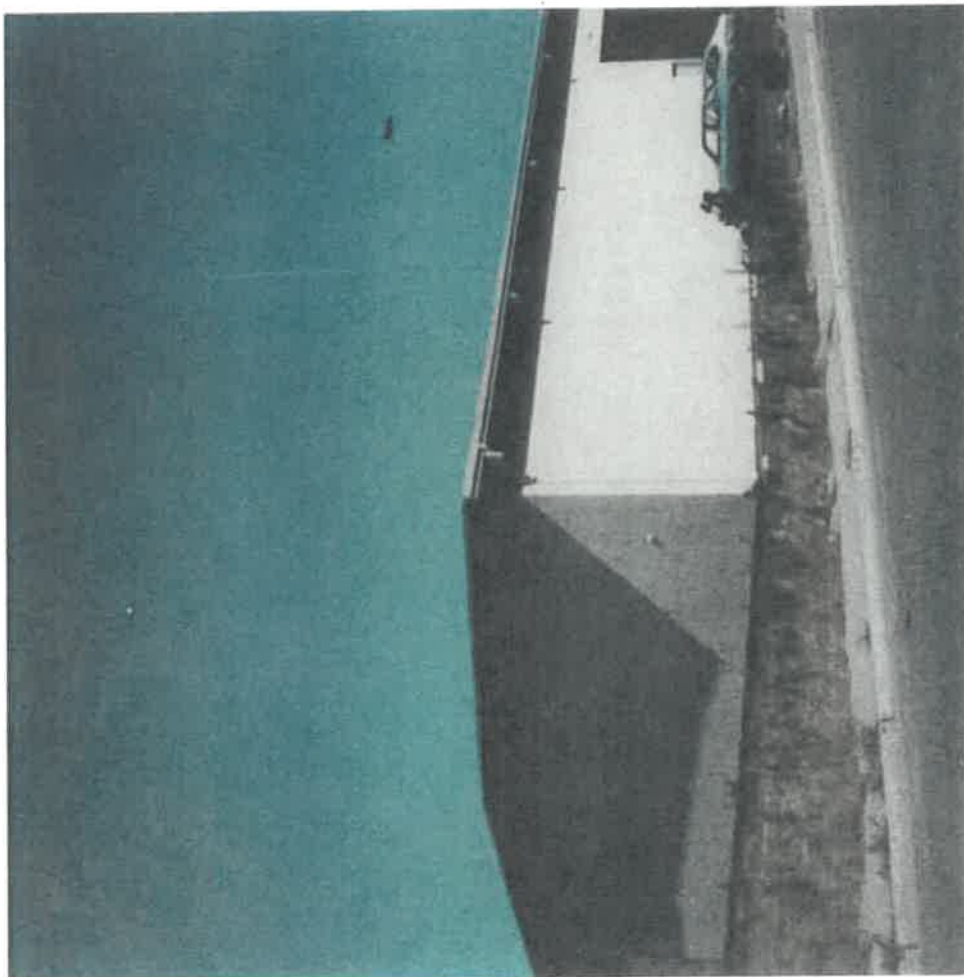
# 121 CALLE DEL OAKS

-McDonald is still in existence, now based in Seaside, California.



# 121 CALLE DEL OAKS

-These photos are from McDonald Company's archives, and were taken by company officers in 1981 after construction was completed.

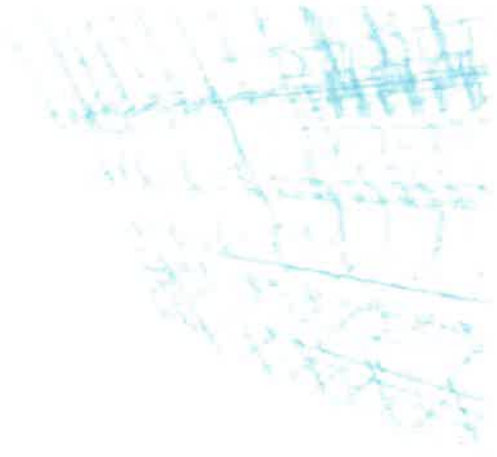




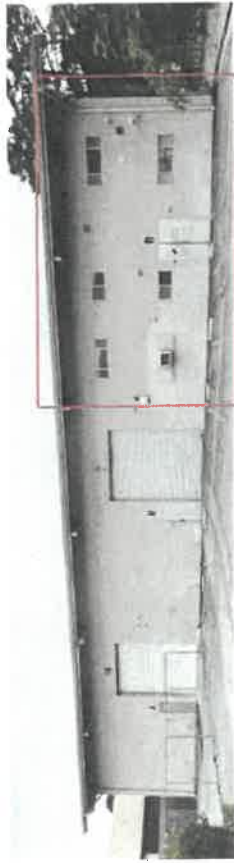
# 121 CALLE DEL OAKS

-The front and side doors and windows are original to the 1978 building construction.

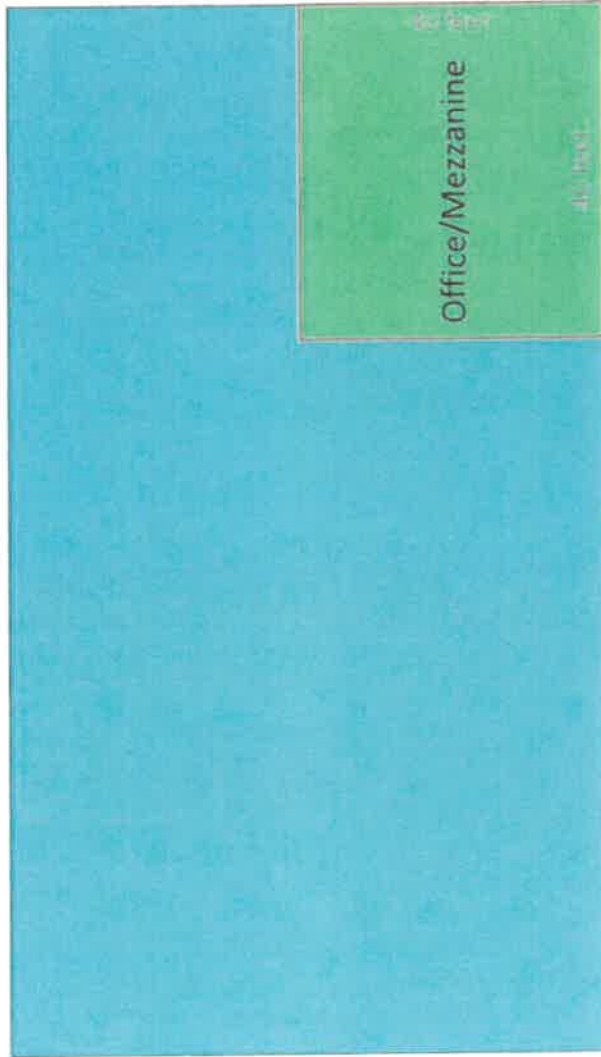
-SW corner of the building is a ground-level office with mezzanine directly above.



# 121 CALLE DEL OAKS



120 feet



80 feet

120 feet

80 feet

-Building envelope is 120 feet by 80 feet.

-Office/Mezzanine on SW corner is 40 feet by 40 feet.

-Without mezzanine, the building would be 9,600 square feet.

-**Monterey County Assessor's Office** lists the building at 11,200 square feet (3/9/23), which includes the mezzanine as square footage.

-Owners have been paying property taxes on 11,200 sq. ft. since 1978.

-**City of Del Rey Oaks** file for 121 Calle del Oaks contains document listing building size as 11,200 sq. ft.

-**Monterey Peninsula Water Management District** states 121 Calle del Oaks has 11,200 sq. ft. available with water.

# 121 CALLE DEL OAKS

-Monterey County Assessor's Record.

File Edit View Window Help Home Tools Document

AS1920062.5.0.34: Land-Building

Physical Characteristics - Industrial

Doc # [012-601-015-000] Status [ACTIVE] Owner [DAV ANTHONY G TR] Latitude [34.595229800] View Aerial Photo of Property

Use Type [INDUSTRIAL] Site Address [121 CALLE DEL OAKS PL DEL RE...] Longitude [121.6915569000] Multi Status

Land Details:

Land Use1 [RE-WAREHOUSING,INDU...] Zoning [ ] Sewer Code [ ] Permitted [ ]

Land Use2 [RE-ZED USE,PROPERTIES,OT...] Topography [ ] Utilities Code [ ] Location [ ]

Land Size [0.75000] View Code [ ] Site Coverage [ ] Parking Spaces [ ]

Acres [0.00] Water Source [ ] Landscape [ ] Landfield7 [ ]

Height Code [F12A] Subdiv. Name [ ] Problem Code [ ] LandFields [ ]

Excess Land SF [0.00] Multi Parcel Econ [ ] Land Shape [ ]

Building Details:

Building No [ ] Primary [ ] Building Type [2b-Comm-Shell] Building Used For [ ] Condition [ ] Quality Class [K070X]

Year Built [1978] Effective Year [1998] Building Size [11706] Series Cnt [ ] Units Cnt [ ] Perimeter LF [ ]

Net Leasable SF [ ] Bldg Footprint SF [ ] Office Space SF [800] Non-Conditioned SF [ ] Mezzanine SF [ ] Attach Garage SF [ ] Attach Carport SF [ ]

Construction:

Structural Frame [ ] Building Designed For [ ] Roof Cover [ ] Cooling [ ]

Exterior Type [ ] Structural Floor [Solar] Heating [ ] Central AC [ ] Room/Wall [ ]

Extrusive [ ] Refrigeration [ ]

Escalator [ ] Elevator [ ] Bathrooms [ ] Roll Up Door [ ] Dock [ ] Bay [ ]

Field16 [ ] Field17 [ ] Field18 [ ] Field19 [ ]

Building other details:

Field20 [ ]

Building 1/1 [ ] New [ ] Save [ ] Cancel [ ] Delete [ ] Total Units for All Buildings: 1 MPT5\_Conv, 12/21/13 05:21:30 PM

Sign In



-Monterey Peninsula Water Management  
District Records for 121 Calle del Oaks.

121 CALLE DEL OAKS

FW: 121 Calle Del Oaks 012-601-015

Justin Hastings <justin@basincconstruction.com>  
The View Front

012601012\_20230317\_Permit\_40395.pdf  
27 KB

012601015\_20230317\_Permit\_40395.pdf  
5 MB

0174001520190516\_Permit\_40395.pdf  
123 KB

From: Stephanie Kister <skister@penwa.com>  
Date: Monday, April 10, 2023 at 3:10 PM  
To: Justin Hastings <justin@basincconstruction.com>  
Subject: RE: 121 Calle Del Oaks 012-601-015

Hi Justin,

Water Permit 36357 was issued for 6,245 sqft (units B & C). Water Permit 40595 was issued for unit A at 3,247 sqft. Those spaces total 9,492 sqft. Plans dated 4/30/21 submitted by WR&D list the building as 9,604 sqft.

Thanks,  
Stephanie Kister Campbell  
658-5601

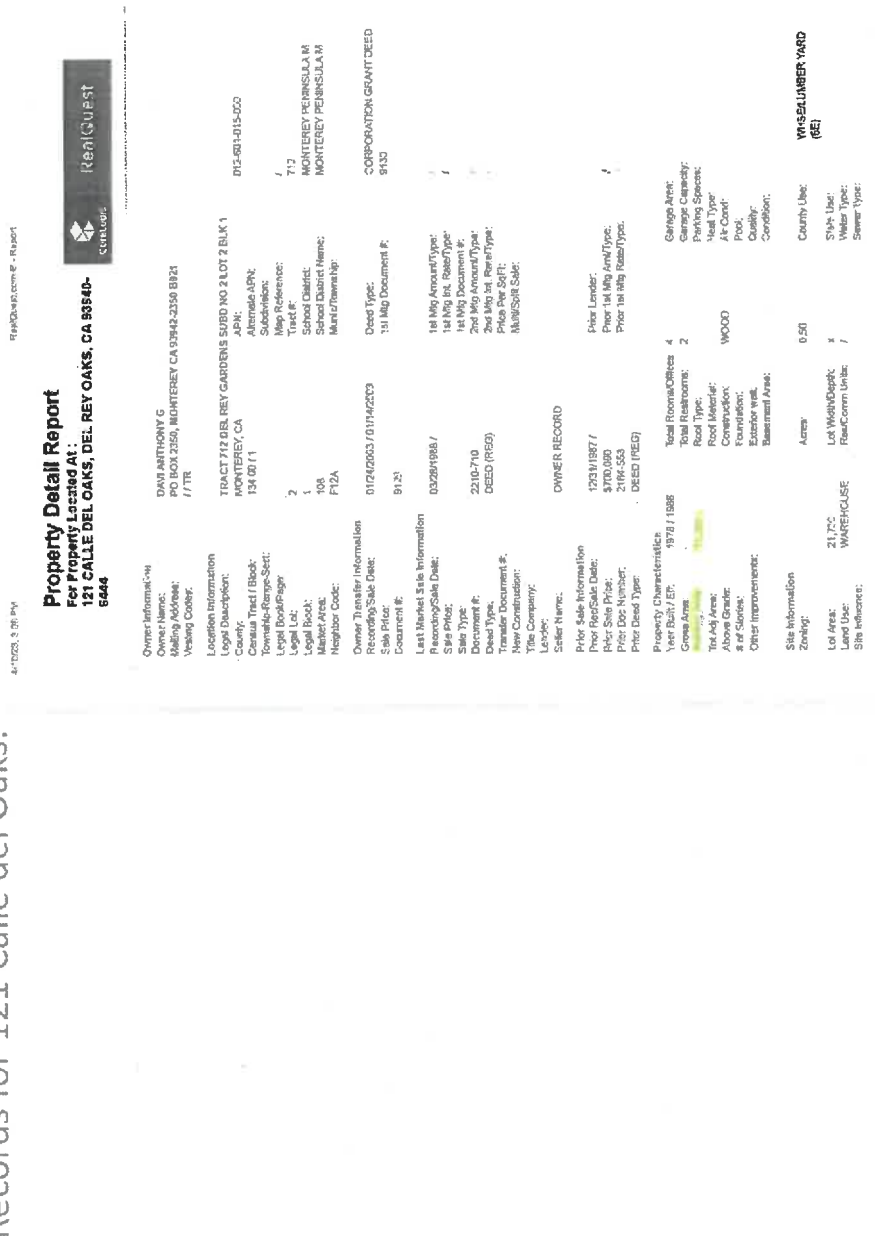
From: Carrie Osborn <carrie@penwa.com>  
Sent: Monday, April 10, 2023 2:40 PM  
To: Stephanie Kister <skister@penwa.com>  
Subject: FW: 121 Calle Del Oaks

Carrie Osborn  
Conservation Technician  
Office: 831.658.5601

carrie@peninsula  
MONTERRERA PENINSULA  
WATER  
Monterey District

# 121 CALLE DEL OAKS

-Monterey Peninsula Water Management District Records for 121 Calle del Oaks.



4/1/2023, 3:39:19 PM  
 Rep: 04/01/2023 08:00:00 - Report

## Property Detail Report

For Property Located At:  
**121 CALLE DEL OAKS, DEL REY OAKS, CA 93940-6444**



**Owner Information:**  
 Owner Name: DAN J ANTHONY G  
 Mailing Address: PO BOX 2350, MONTEREY CA 93942-2350 B921  
 Viewing Code: / / TR

**Location Information:**  
 Legal Description: TRACT 712 DEL REY GARDENS SUBD NO 2 LOT 2 BLK 1  
 County: MONTEREY, CA  
 Assessor's APN: 015-001-015-020  
 Parcel Number: 134 00 / 1  
 Assessor's Map Reference: 7 12  
 Tract #: 1  
 School District: MONTEREY PENINSULA  
 Market Area: MONTEREY PENINSULA  
 Neighbor Code: F12A

**Owner Transfer Information:**  
 Recording/Sale Date: 01/24/2003 / 01/14/2003  
 Document #: 9123  
 Deed Type: 191 Map Document F  
 Document #: 9123

**Last Marketed Sale Information:**  
 Recording/Sale Date: 03/28/1988 /  
 Sale Price:  
 Sale Type:  
 Document #: 2210-710  
 Deed Type: DEED (REG)  
 Transfer Document #: 2210-710  
 Buyer/Company:  
 Title Company:  
 Levee:  
 Seller Name:  
 Pkty Sale Information:  
 Prior Ref/Sale Date:  
 Pkty Sale Price:  
 Prior Doc Number:  
 Prior Deed Type:  
 Priority Characteristic:  
 Year Built / E/F:  
 Gross Area:  
 Total Adj Area:  
 Above Grade:  
 Below Grade:  
 Other Improvements:

**Owner Record:**  
 12/31/1987 /  
 \$170,090  
 2194-553  
 DEED (REG)

**Property Characteristics:**  
 1978 / 1 SBR8  
 Total Rooms/Offices: 4  
 Total Restrooms: 2  
 Roof Type:  
 Roof Material: WOOD  
 Construction:  
 Foundation:  
 Basement Area:  
 Garage Annex:  
 Garage Capacity:  
 Parking Spaces:  
 Heat Type:  
 Fuel Type:  
 Pool:  
 Quality:  
 Condition:  
 County Use:  
 State Use:  
 Water Type:  
 Sewer Type:

**Site Information:**  
 Zoning:  
 Lot Area: 21,722  
 Land Use: WAREHOUSE  
 Lot Width/Depth: X  
 Raw Comm Units: 7  
 Acres: 0.50  
 County Use:  
 State Use:  
 Water Type:  
 Sewer Type:



# 121 CALLE DEL OAKS

-Above office mezzanine,  
looking to street.

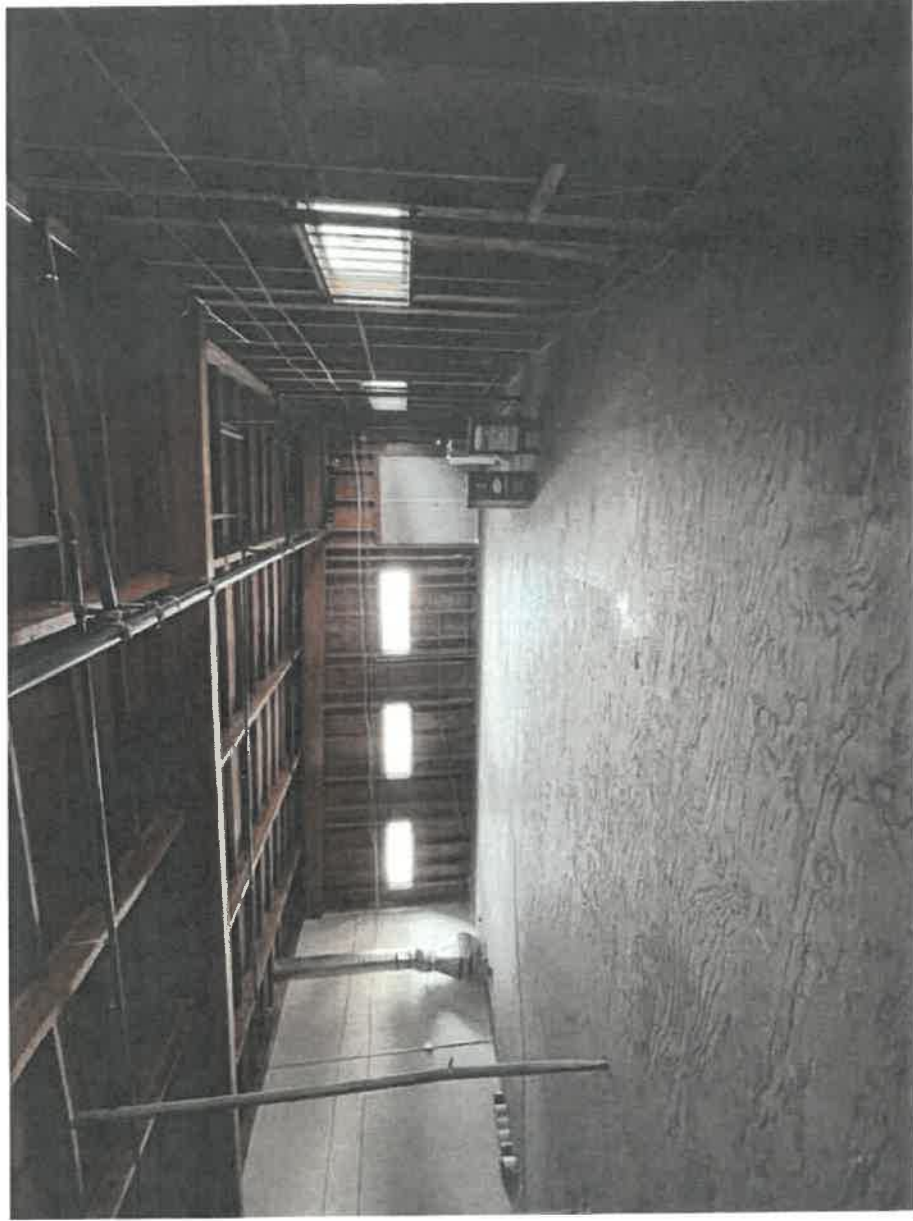
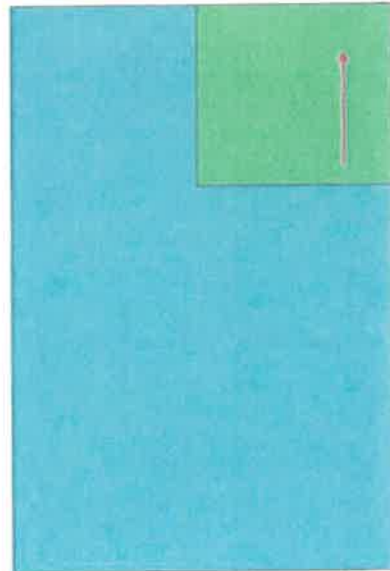
Direction photo taken



# 121 CALLE DEL OAKS

-Floor joists are 2 x 12 construction with plywood.

Direction photo taken

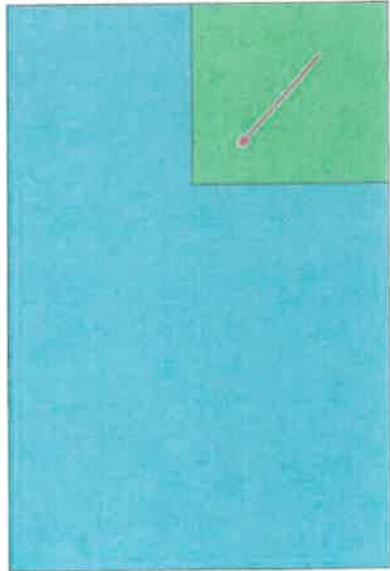




# 121 CALLE DEL OAKS

-It was purpose-built as a mezzanine usable space.

Direction photo taken



# 121 CALLE DEL OAKS

-The plywood, windows, framing are all original construction.

Direction photo taken



# 121 CALLE DEL OAKS

-Above office mezzanine.  
 -We learned that there once were stairs used to access this area. Apparently Mr. Headley ordered them to be removed several years ago.

Direction photo taken



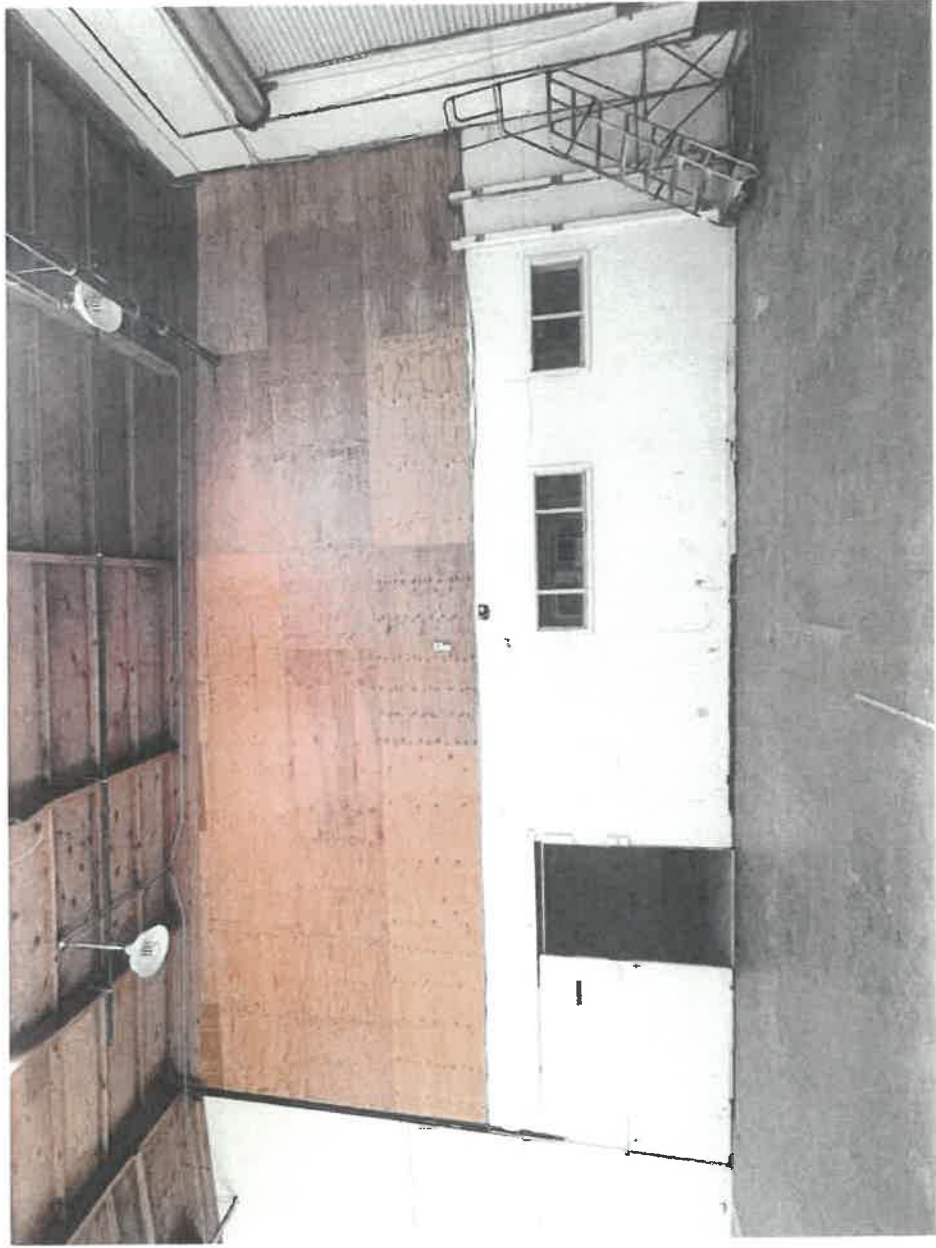
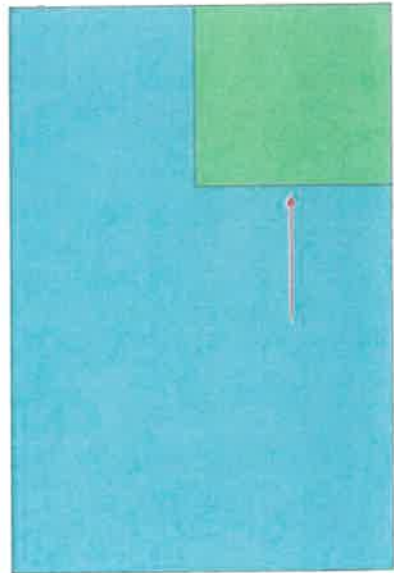
# 121 CALLE DEL OAKS

-Above office mezzanine.

-Stairs removed.

-Bare plywood added later.

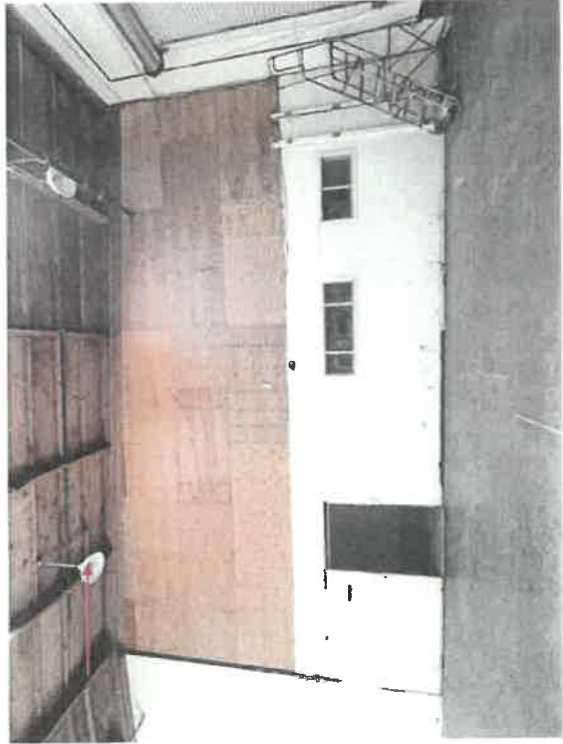
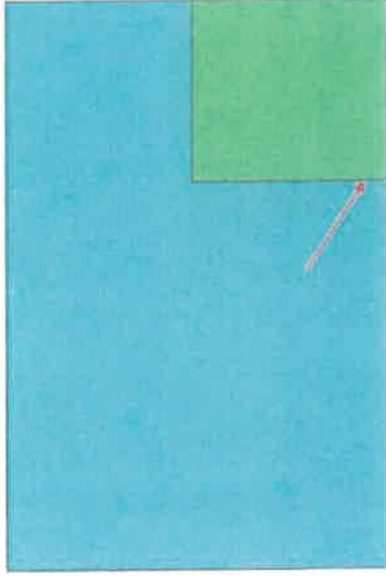
→ Direction photo taken





# 121 CALLE DEL OAKS

- Historical photo shows a window in the mezzanine area.
- Declaration from Robert Alexander, McDonald owner and employee since 1978, confirms windows and doors are original.
- Declaration from Brad Alexander, owner's son and current co-owner, states mezzanine was used to store supplies and perform service, repair and technician work. He performed such work there in 1990 as a technician for the company. He accessed the area from stairs with a handrail.



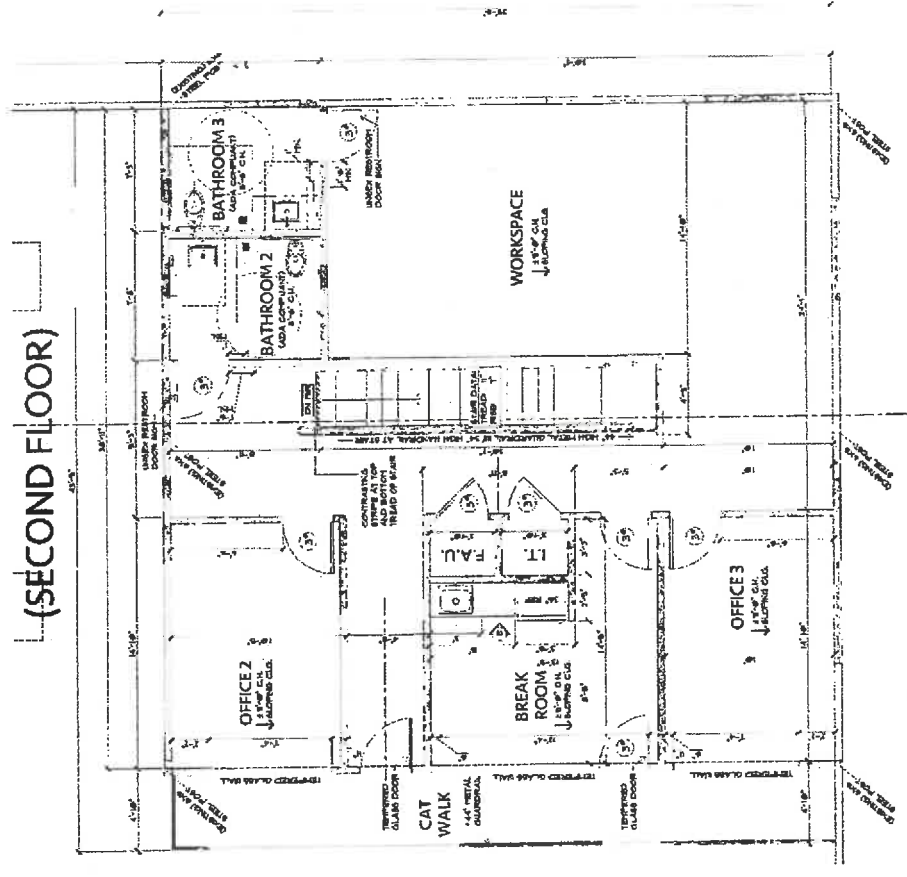
# 121 CALLE DEL OAKS

## The Mezzanine has been in Continual Use for 45 Years

- The plywood floors in the mezzanine are worn from over 43 years of continual use.
- The floor of the mezzanine was constructed using 12 x 2 joists, purposely to hold large loads.
- Mr. Headley states the flooring was placed to access mechanical and HVAC, but as you can see from the photos, there is no HVAC in the building nor has there ever been. And this would not explain why windows and a door were placed on the second floor mezzanine.



# 121 CALLE DEL OAKS



**Proposed Mezzanine**  
**Buildout**

- ADA-compliant restrooms.
- 2 offices.
- Small break room with mechanical closets.
- Open workspace for storage.

# 121 CALLE DEL OAKS



## Compliance

- Buildout of the mezzanine will comply with all State, Federal and local ordinances and regulations regarding ADA compliance, setback, parking, capacity and water.
- Usage of the mezzanine for storage or for office/restroom is the same under the building code—usable square footage is usable square footage.



# 121 CALLE DEL OAKS

## Response to Points Made by Mr. Headley

-Mr. Headley points to the fact that old lease flyers from the Davi Group state 9,600 sq. ft. are available for lease.

-Yes, because Davi Group used the mezzanine for storage of its business records and did not offer the mezzanine for lease.

-Mr. Headley states the mezzanine flooring was there to access mechanical and HVAC.

-Not true. There is no HVAC in the building nor has there ever been. And, this would also not explain why windows and a door were placed on the second floor or why the joists are so large (12 x 2).

-Mr. Headley points to plans and water inspections from cannabis facility buildout stating building is 9,600 sq. ft.

-This is because Mr. Headley restricted them to 9,600 sq. ft. at the time. So, of course that would be the listed size there.

-Not a single historical document or record stating it is 9,600 sq. ft. There are no original plans and we are only left with the records of other entities and the historical record of the building itself.



# 121 CALLE DEL OAKS

## Benefits to Del Rey Oaks from Approving this Request

- Allows a world-class business to come to the community, bringing tax revenue and goodwill.
- Enhances the beauty of the city by allowing renovation of an unattractive building that has fallen into disrepair and last served as a non-performing cannabis facility.
- Allows offices and a restroom to be built on the mezzanine, leaving precious floor space open to store cars and equipment so we will not have to store them outside.

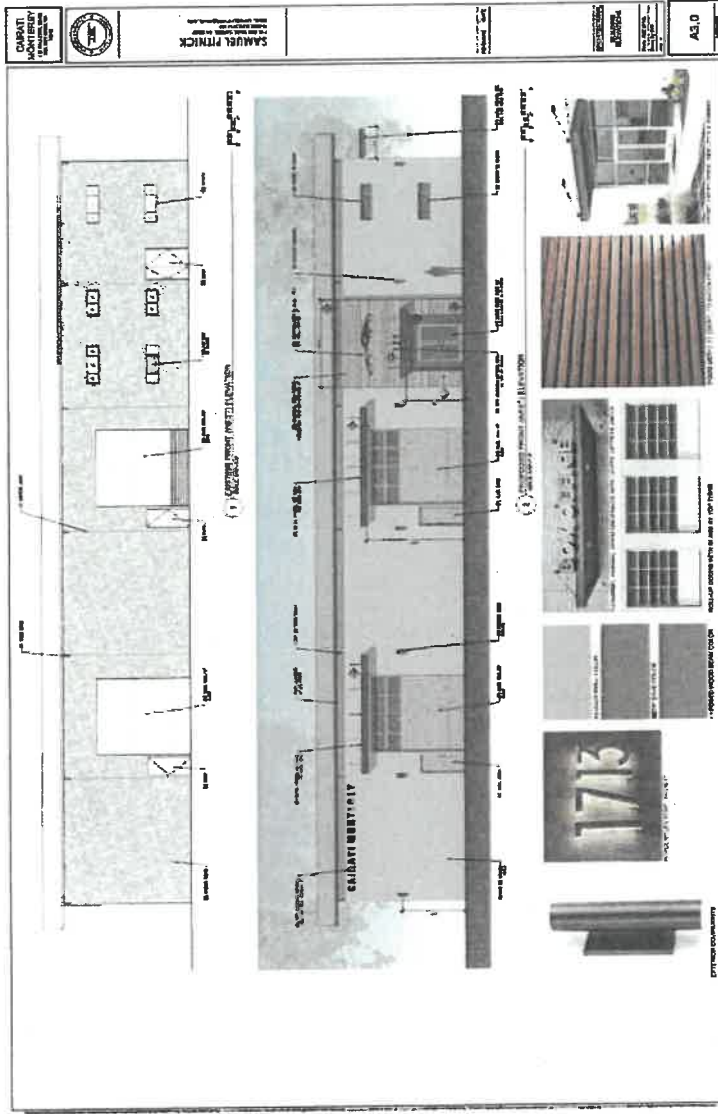
## Deficits to Del Rey Oaks

- There are none!
- Approving this **will not cost the City a dime.**
- Approving this **will create zero liability.**
- Approving this will only allow the building to be used as it was **always** intended— including the mezzanine space.

# 121 CALLE DEL OAKS

## Concluding Comments

- We began this process by first speaking with Mr. Headley in February of 2023.
- After several submittals, **over 7 months**, we still do not have a building permit for **any** part of this project.
- These delays are beginning to cost our company significant time and money.
- Please approve the requested tenant improvements on the mezzanine of 121 Calle del Oaks.
- Questions or comments?



**DECLARATION OF ROBERT DAVID ALEXANDER**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

I, David Alexander, hereby declare:

1. I was born on June 8, 1944. I am personally familiar with the facts and contents of this Declaration, and if called upon, could and would competently testify as to its contents from my own personal knowledge.

2. This Declaration is made regarding the commercial building located at 121 Calle del Oaks, Del Rey Oaks, California, 93940 ("The Property").

3. McDonald Refrigeration, Inc. ("McDonald") was established in 1938, near Cannery Row, in Monterey, California, as a commercial and industrial refrigeration contractor. I worked as a technician for the company from 1978 until 1988, and in 1988 I purchased the company from the owners Bob McDonald and Henry Lopez. Both Bob McDonald and Henry Lopez are now deceased. I still own the company, which is now based out of Sand City, California. My son Brad Alexander works for and runs the company now, and is an officer of the corporation who manages the official corporate records.

4. In 1977, McDonald purchased land located at 121 Calle del Oaks, Del Rey Oaks, California, 93940 (The Property). In 1978, McDonald constructed a commercial building on the land for the purpose of being the main corporate headquarters. McDonald used the building for fabrication of refrigeration panels. I worked at that building as a technician for the company from 1978 through 1990.


5. I specifically remember The Property having offices below, in the southwest corner of the building, as well as windows above. The offices below had 8 foot ceilings. We sometimes parked our trucks in the building.

6. Attached hereto collectively as Exhibit "A" are true and correct copies of five (5) photographs taken of The Property in 1981, after construction was complete. These photos depict the southwest front facade of the building, which has always contained windows below for the offices and above for the mezzanine area, and depict the building as I remember it. These photographs are part of the official business records of McDonald, and have continuously been

///

1 kept as such in the ordinary course of business.

2 I hereby declare under penalty of perjury under the laws of the State of California that the  
3 foregoing is true and correct. Executed this 27<sup>th</sup> day of July, 2023, in Sand City, California.

4   
5 Robert David Alexander  
6 McDonald Refrigeration, Inc.

7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**DECLARATION OF BRAD ALEXANDER**

I, Brad Alexander, hereby declare:

1. I was born on June 12, 1976. I am personally familiar with the facts and contents of this Declaration, and if called upon, could and would competently testify as to its contents from my own personal knowledge.

2. This Declaration is made regarding the commercial building located at 121 Calle del Oaks, Del Rey Oaks, California, 93940 ("The Property").

3. McDonald Refrigeration, Inc. ("McDonald"), was established in 1938, near Cannery Row, in Monterey, California, as a commercial and industrial refrigeration contractor. In 1988 my father, Robert David Alexander, who worked at McDonald Refrigeration as a technician from 1978 until 1988, purchased the company from owners Bob McDonald and Henry Lopez. Bob McDonald and Henry Lopez are now deceased. I began working for McDonald in approximately 1994, am still employed with the company, which my father still owns, and I have been an officer in the company for the past 15 years. McDonald is currently based in Sand City, California.

4. In 1977, McDonald purchased land located at 121 Calle del Oaks, Del Rey Oaks, California, 93940, which was at the time known as Del Rey Gardens (The Property). Attached hereto as Exhibit "A" are true and correct copies of the original deed and sale documents for McDonald's purchase of The Property. Attached hereto as Exhibit "B" is a true and correct copy of a business letter from McDonald Refrigeration, Inc., dated February 24, 1978, concerning the purchase of this land and intent to construct a building to become "the permanent home of McDonald Refrigeration, Inc." These documents are part of the official business records of McDonald that I maintain as an officer of the McDonald, and have continuously been kept as such in the ordinary course of business.

5. In 1978, McDonald constructed a commercial building on the land and used the building for fabrication of refrigeration panels.

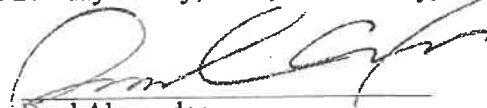
6. Attached hereto collectively as Exhibit "C" are true and correct copies of five (5) photographs taken of The Property in 1981, after construction was complete. These photographs

1 are part of the official business records of McDonald that I maintain as an officer of McDonald,  
2 and have continuously been kept as such in the ordinary course of business. These photos depict  
3 the southwest front façade of the building at The Property, which has always contained windows  
4 below for the offices and above for the mezzanine area. Also, one of the photos depicts the inside  
5 of the building, with a Bekins truck parked partially in the building next to the office and  
6 mezzanine area.

7 7. When I was young, my father worked for McDonald at The Property. I recall  
8 going to The Property on several occasions and I recall the front façade of the building having  
9 windows below by the office and above by the mezzanine area just as they are depicted in the  
10 photographs.

11 8. I recall that the mezzanine area was used to store supplies and perform technician,  
12 service, repair and maintenance work. When I worked for the company in 1990, I remember  
13 going onto that mezzanine to perform technician, service, repair and maintenance work. Access to  
14 this area was by a set of stairs with a handrail that led to the mezzanine area.

15 I hereby declare under penalty of perjury under the laws of the State of California that the  
16 foregoing is true and correct. Executed this 27<sup>th</sup> day of July, 2023, in Sand City, California.

17 

18 Brad Alexander

19 McDonald Refrigeration, Inc.  
20  
21  
22  
23  
24  
25  
26  
27  
28



## McDonald Refrigeration, Inc.

Industrial, Commercial and Marine Equipment - Sales and Service - 850 Cannery Row - Monterey, California 93940 - Phone (408) 372-4032

February 24, 1978

To Whom It May Concern:

McDonald Refrigeration Inc., came into being in December 1938 in the city of Carmel in the areas of Commercial and Domestic refrigeration Sales and Service.

Due to our fast growth and also the fact that we were servicing the entire Central Coast area we had outgrown our quarters and found it necessary to find a new home. Following World War II in 1948 we moved to a new location at 560 Fremont St. in Monterey and soon became the largest Commercial and Industrial Refrigeration Contractor in the Coastal area.

Expansion of our operation into the area of Pre-fabricated Insulated Structures and also custom building of refrigeration equipment found it necessary to look for new quarters. At this point and due to the fact that most of the Canneries on Cannery Row either closed or went out of business we negotiated for and leased two large buildings for our continued operation. Our main plant for service and prefabrication is located at 850 Cannery Row. The move to Cannery Row was made in 1955 and will remain there until moving into our new home.

Our growth has been steady both in Sales and Service during the past twenty years on the Row. We have observed many changes taking place and find now that due to the tremendous expansion of Commercial properties into retail stores, galleries, shops and restaurants it again became necessary to look for other quarters to continue operation.

On July 28, 1977 after much consideration by the Corporate Officers, we decided to purchase a parcel of land in Del Rey Oaks. Our new home is to be located at 121 Calle Del Oaks Place which will become the permanent home of McDonald Refrigeration Inc. We feel this location will be more centrally located and will allow us to better serve the entire Central Coast area.

We have plans for the future, both in our operation by additions to our staff and also service and sales departments. Our primary objective is to be able to better serve the area without jeopardizing the reputation or tradition of McDonald Refrigeration in maintaining high professional standards in our business.

Sincerely,

MCDONALD REFRIGERATION INC.

Robert McDonald,  
President.



## Kim Shirley's Council Report for Tuesday, January 23, 2024

### **Wednesday, December 13th- Seaside Groundwater Basin Watermaster Technical Advisory Committee Mtg-**

This meeting is always one that keeps me on my scientific toes as most of the members are engineers or public works employees of sorts who look at the more technical data that's being prepared to analyze the health of the basin.

One of the topics for our meeting was the sentinel wells which are wells that follow our coastline and will help us determine if there is any seawater intrusion. These wells are regularly looked at by hydrogeologic consultants who determine the conductivity of the water (more salts would mean higher conductivity). Our fall analysis of these wells shows a very small increase in conductivity, but nothing that would warrant greater analysis.

We also had a presentation on the airborne electromagnetic surveys that were completed over portions of the basin. This technology uses an induction coil with electricity which is flown over the basin with a helicopter and looks at electrical resistivity which can help determine if salt water is being detected. There seem to be lots of limitations to this type of data collection, but it does provide some data that can be used in collaboration with ground well data. This data did determine that the top 150' of the entire shoreline is intruded with salt water, but that was not surprising.

Our next topic covered was regarding one of the wells along the coastline which is on land that is currently in litigation. This well had previously showed damage to its casing and although it's not in use, it was discussed that it can still allow seawater to intrude. With this possibility, I moved that we discuss this with our watermaster attorney to see if we would be able to bypass the current legal process, which could take many years to settle, and go in to either fix this well or destroy it sooner rather than later. I'm expecting this topic to be covered in closed session at our February mtg.

Another important topic that we covered was the annual Seawater Intrusion Analysis Report for 2023. This report showed that seawater intrusion is currently not occurring but that it is still likely for our basin.

Lastly, we looked at the draft 2023 Watermaster Annual Report that needs to be submitted to the court. We approved it with no edits and it will now go to the regular board for approval before it gets submitted.

**Wednesday, December 13th- Special Council Meeting-** This had to be on record, the shortest meeting ever! This meeting followed the Planning Commission meeting which reviewed the final draft of our 6th cycle Housing Element. Once the Planning Commission recommended approval, it was the council's turn to review and provide the final approval.

With Mayor Donaldson out of town, as Vice Mayor I ran this meeting, although I certainly got off lucky as it was super straightforward. We've all been discussing the Housing Element so much that there were very few questions and it was easily passed. Many thanks go to Denise Duffy and Associates and our city hall staff who worked so hard to get this document done by the Dec. 15th deadline- great work!

**Tuesday, December 19th- City Council Meeting-** Although this was our last meeting of the year, we had some important decisions to make as we looked towards 2024. The first was looking at regional board and committee assignments. Councilmember Bill Ragsdale-Cronin, who was appointed last March and hadn't received any regional appointments, was requesting to replace Mayor Donaldson on M1Water. The main reason Bill was choosing that regional board appointment was because he actually retired from M1Water after working there for many years, so his knowledge of wastewater is vast. Given his lack of regional appointments, his experience in this field, and his need for a board appointment that would meet at night and fit into his work schedule, I was happy to support this request.

Another topic we covered was the approval for the professional services agreements with Whitson Engineers and Denise Duffy & Associates for engineering and environmental services for the South Boundary Road Realignment and General Jim Moore Blvd. Intersection Project. Now that we've settled our agreement with the California Native Plant Society regarding the plant reserve, we are ready to begin the process of realigning South Boundary Road further north and creating an intersection between South Boundary and General Jim Moore Blvd. that is safer than our current intersection. It has been proposed in the past that this intersection include a roundabout in the area where General Jim Moore Blvd. widens and can accommodate this transition. The new South Boundary road would also include space for bikes and pedestrians while including a swale space for drainage. Ultimately, this decision begins our long road to development on our former Fort Ord property, so I deeply encourage everyone to stay engaged and follow these steps as we begin this exciting process.

Lastly, I'm thrilled to share that we unanimously passed two ordinances that work towards creating a healthier community for us all! Along with councilmember Hallock, we were able to bring the Tobacco Retail License (TRL) Ordinance and the Smoke-Free Public Places ordinance to the council for approval. The TRL ordinance will charge our tobacco retailers an annual fee that will go towards Monterey County Health enforcing signage while investigating and preventing sales towards youth. The Smoke-Free Public Places ordinance eliminates the ability to smoke in public places such as our park, outdoor dining, or in service lines (ex. lines to the ATM or food truck). In addition to the public support we received for these ordinances we also received public comments that support passing a multiunit housing smoke-free policy. Two members of The Oaks condominiums HOA board attended our meeting and offered their support and shared that having the city pass this type of ordinance would financially help them in terms of fire insurance and would be

easier for them to enforce rather than having their own rules against smoking. I look forward to having the multiunit housing smoke-free ordinance back at that council in another month or two. Overall, I'm very pleased with our efforts to limit smoking and make public spaces healthier for our residents and visitors of our community. We will be doing the second reading for these ordinances in January.

**Wednesday, January 3rd- Seaside Groundwater Basin Watermaster Mtg-** We were missing two of our board members in this meeting, so the decision regarding creating a hybrid version of our meetings to increase access to the public and a closed session item was tabled for next time. We did decide on board chair and vice chair appointments, keeping our current configuration of Seaside Mayor Ian Olgesby as our chair and Sand City Mayor Mary Ann Carbone as our vice chair. We did appoint Monterey County Supervisor Wendy Root Askew as our new treasurer.

Also in this meeting we approved the annual Watermaster report that needs to be filed with the court every year. This included approving the final draft of the seawater intrusion report. A request that was brought up during this agenda item was to bring the seawater intrusion presentation that was done for the TAC to the full board for greater discussion. In the interest of having more information that's shared in these meetings, it was also requested that we make more of an effort to have other water agencies present in our meetings. Both of these ideas are good, as I'm always supportive of learning more about what other water agencies are doing and providing this information during a meeting allows our board further opportunities to ask questions and create discussions, which is especially important since there are clear yet amiable factions on our board. We also need to recognize that our aquifers are all connected and therefore we should not silo our efforts since decisions made by one organization will always affect another.

**Saturday, January 6th- Braver Angels Meeting-** This was the second meeting of the non-profit Braver Angels Monterey Alliance that was recently created by our DRO resident Deanna Ross. This alliance brings together a mix of "red" identifying and "blue" identifying individuals to talk and learn about skill building as we work to find commonalities. At our first meeting, we ran a bit heavy on the "blue" side with 63% attendance (17 blues vs. 5 reds and 5 independents). The ideal percentage is a 50/50 split with an upper allowance of 60/40. Given that we're not there yet, we'll be working towards gaining more reds and it looks like we were moving in that direction with this second meeting.

With about 30 people in attendance, we shared one word about how we were feeling about 2024. Next we shared how we were feeling about the election year and an instance where we had a "depolarizing" moment. With these moments of sharing, in terms of 2024 and this being an election year there were varying amounts of hope, excitement, and downright fear as people shared their feelings and approach for the year. Many talked about altering their exposure to cortisol inducing news, while others talked about moving towards being kind to one another and creating a community where we all felt more gracious towards

each other. Overall, it was so nice to take part in something where we'll be able to break down barriers and remind each other that assumptions often get in the way of making positive connections with others. I look forward to continuing with these monthly meetings and would strongly encourage others to join (especially if you're "red" leaning!).

**Monday, January 8th- Monterey-Salinas Transit Board Mtg-** Please see the MST board highlights in our agenda packet. One thing you won't see in those board highlights is that after the board meeting...I got to drive a bus! Ok, so it wasn't on city streets, but several staff and board members were able to check out portions of the coach operator training course in a parking lot near CSUMB. MST is currently in need of 19 coach operators to round out our Better Bus Network. They are offering signing bonuses and are looking at convenient and efficient ways of getting people trained and able to pass the DMV driving test by simulating the course on our own property. For us, this entailed driving the bus in an elongated oval, which included driving the bus through a narrow lane of cones to simulate a construction site. I only knocked down one cone (better than most!) and ok, I ran a curb, but other than that, it was thrilling! If you're interested in applying, please go to the MST website and download the application (<https://mst.org/about-mst/employment/>).

**Friday, January 12th- City Finance Mtg-** Good news at the finance meeting! We received our 2022/23 financial audit and there were no findings, which means our financial status can be trusted and is in good standing. Several years ago, that was not the case for the city, but thanks to the work of our staff and our contracted financial employees, they have worked diligently to make sure our methods of accounting are cleaned up and accurately reflects our financial status. I'm grateful for their work! Additionally, we will be talking soon about mid-year budget adjustments. There shouldn't be too many, but we will need to talk about how we'd like to move forward with some of our capital projects. We unfortunately did hear that FEMA won't be covering the cost of many of our storm damaged areas, so we'll need to prioritize and talk about our next steps. Thanks goes to DRO resident Mike O'Brien who's been attending our meetings. I would encourage others, if you have the time, to drop into our finance meetings. I appreciate the engagement!

**Monday, January 15th- Seaside's Dr. Martin Luther King, Jr. Celebration-** Thank you to the Monterey County Black Caucus, Rosalyn Green, the city of Seaside, and the many other co-sponsors and supporters for putting on such a wonderful event! I walked down to the start of the march and jumped in with Sustainable Seaside as they marched to the Oldemeyer Center. I was happy to see DRO resident, Juan Sánchez, Founder and Executive Director of Palenke Arts who was there marching with his students and also performing during in the program. Dr. PK Diffenbaugh, MPUSD Superintendent was there marching as well. He gave remarks and then at the end of the program it was announced by MPUSD Board Trustee Dr. Bettye Lusk that for the first time ever, MPUSD will have a caravan of HBCU (Historically Black Colleges and Universities) representatives visit Seaside High School. The representatives will be providing seniors across the district with immediate entry and scholarships to their institutions. Love it! Overall, this event is always

inspirational and I appreciated its focus on youth, its acknowledgment of those who have worked so hard to get us where we are today with the knowledge that there is still so much work to do. True to Dr. King's focus, the event honored the pastors in our community that are doing good work while also recognizing our educational institutions that provide the space to grow leaders and advocates in our communities.

## **Council Report from Vice Mayor John Uy January 23, 2024**

### **I. Council Report: Regular Meeting of the DRO City Council on December 19, 2023**

I am thrilled to provide you with an update on the recent regular City Council meeting held on December 19, 2023. This meeting was a testament to our commitment to transparency, collaboration, and progress as we work together to shape the future of our beloved community.

#### **Appointment of Councilmember John Uy as Vice Mayor for the 2024 Calendar Year**

One of the highlights of the meeting was my appointment as Vice Mayor for the 2024 calendar year.

With a heart brimming with gratitude and a deep sense of responsibility, I am incredibly honored to share a momentous announcement with all of you. Following our recent City Council meeting, I am humbled to have been unanimously appointed as the new Vice Mayor of Del Rey Oaks.

This opportunity to serve our remarkable community is both a privilege and a profound responsibility. I extend my heartfelt appreciation to each of you for your unwavering support, encouragement, and belief in our shared vision for Del Rey Oaks.

As I step into this new chapter, I am guided by a profound commitment to serve with humility, integrity, and an unwavering dedication to the betterment of our beloved city. I stand here today not merely as an individual but as a representative of our collective dreams and aspirations.

Together, we have an incredible chance to shape a future that is inclusive, vibrant, and thriving for all. Your voices, perspectives, and ideas are the cornerstone of our progress, and I am committed to fostering an environment where every opinion matters.

I am deeply honored by the trust placed in me and pledge to work tirelessly, collaborating with each of you to create positive change and uphold the values that make Del Rey Oaks, California, an extraordinary place to call home.

Let us embark on this journey together, united in our determination to build a community where everyone feels heard, valued, and empowered.

Thank you so much for your unwavering support, and I am genuinely excited about the possibilities that lie ahead as your Vice Mayor.

# Meet the New Vice Mayor of Del Rey Oaks, California!

Honored and Humbled to Serve as Your New Vice Mayor

*"I am dedicated to serving our community with utmost sincerity, integrity, and passion."*

*-Vice Mayor John Uy*

Thank you for your unwavering support, encouragement, and belief in our shared vision!



### Authorize the Establishment of a Deputy City Clerk/Permit Clerk Position in the Fiscal Year 2023-24 Budget

During the meeting, we also recognized the need to address the increased workload and service demands on the City Administration. To ensure the efficient delivery of services to our residents and businesses, we approved the establishment of a Deputy City Clerk/Permit Clerk position in the Fiscal Year 2023-24 Budget. This addition to our team will help us better meet the needs of our community and provide the level of service our residents deserve.

### Financials November 2023

We also received the November 2023 Financial Reports, which showcased a healthy cash balance and responsible financial management. Thanks to the work and efforts of our City Hall Staff! This demonstrates our commitment to fiscal responsibility and ensures the long-term sustainability of our city. We will continue to monitor our financial situation closely and make informed decisions to support the prosperity of Del Rey Oaks.

### First Reading of Tobacco Retailer License Ordinance and Smoke-Free Public Place Ordinance

Another important topic of discussion was the proposed ordinances related to tobacco control and smoking regulations. As part of our commitment to the Blue Zones Project, we are actively working to create a healthier and more vibrant community. These ordinances will contribute to reducing smoking rates and promoting overall well-being among our residents.

These ordinances represent a significant step forward in our collective efforts to create a healthier, safer, and more vibrant community for all. By adopting these measures, we are taking a stand against the detrimental effects of tobacco use and secondhand smoke, and we are prioritizing the well-being of our residents, particularly our youth and vulnerable populations.

The comprehensive Tobacco Retailer License Ordinance will ensure that tobacco retailers in our city comply with tobacco control laws and adhere to business standards that promote responsible retailing. By implementing this licensing system, we are not only safeguarding the health and welfare of our residents but also sending a clear message that we prioritize the responsible sale and distribution of tobacco products.



Furthermore, the Smoke-Free Public Place Ordinance will create an environment where smoking and the use of nicotine are less desirable, accessible, and acceptable. This ordinance will protect our residents from the harmful effects of secondhand smoke, including aerosol



from e-cigarettes and smoke from marijuana. It will also contribute to the overall reduction in smoking, vaping, and tobacco use, aligning with the goals of the Blue Zones Project and our commitment to promoting a long and healthy life for all.

I am inspired by the collective efforts of our community, the County of Monterey Health Department, and our dedicated city staff in bringing forth these ordinances. Their tireless work and commitment to public health have paved the way for us to take this crucial step forward.

As a councilman, I firmly believe that it is our duty to ensure the well-being of our residents and to create an environment that fosters their growth and prosperity. These ordinances align with our vision for a vibrant and inclusive community, where everyone can thrive and enjoy the benefits of a healthy lifestyle.

## **II. Council Report: My Appointment to the Revenue and Taxation Policy Committee of the League of California Cities**

It is with immense honor and heartfelt enthusiasm that I share with you my appointment to the Revenue and Taxation Policy Committee by the Monterey Bay Division president to the League of California Cities. This prestigious one-year term stands as a testament to my exemplary leadership and commitment to advancing the interests of our community.



My appointment is not merely a recognition of my capabilities but a call to serve at the forefront of policy shaping and advocacy efforts. My participation throughout the year will provide a unique platform to effectively represent our division and contribute to the greater good.

As a committee member, my role is paramount to the success of Cal Cities' advocacy endeavors. My commitment to keeping the division president informed, and the possibility of

providing periodic updates on committee activities showcase my dedication to transparent and informed governance. My active engagement will undoubtedly play a pivotal role in shaping policies that resonate with the needs of our community.

The committee is set to convene at least three times this year, combining virtual and in-person sessions, commencing with a virtual orientation meeting on January 4th. This not only promises a dynamic exchange of ideas but also signifies the beginning of a journey marked by collaboration, innovation, and meaningful contributions.

It is noteworthy that my one-year appointment is slated to culminate with the conclusion of the 2024 League of California Cities Annual Conference, underscoring the significance of my role in shaping the future of our community.

My appointment adds a distinguished chapter to my service to our entire community, and I am honored to represent you on such a grand platform.

### **III. Council Report: Message of Vice Mayor John Uy for the New Year (January 1, 2024)**

Dearest Residents of Del Rey Oaks and City Hall Staff,

As we stand at the threshold of a brand-new year, I am filled with gratitude and excitement to extend my warmest New Year's greetings to each and every one of you. I am honored to serve as your newly appointed Vice Mayor and embark on this journey together as we navigate the promise and potential that 2024 holds for our beloved Del Rey Oaks.

The start of a new year is a moment of reflection, hope, and fresh beginnings. It's an opportunity for us to look back at the milestones we've achieved, the challenges we've overcome, and the lessons we've learned. Together, we form the heartbeat of this vibrant community, and it is our collective spirit that makes Del Rey Oaks truly special.

As we usher in 2024, let us carry forward the warmth of community, the strength of unity, and the power of shared dreams. Each one of you plays an integral role in the tapestry of our town, and I am committed to working hand in hand with you to build upon our successes and face the opportunities and challenges that lie ahead.

Del Rey Oaks is not just a place on the map; it's a community of diverse individuals, each with unique stories, aspirations, and contributions. Let us celebrate this diversity and find strength in our shared values. In the coming year, my focus as your Vice Mayor will be to foster open communication, encourage community engagement, and ensure that the voices of each resident are heard and valued.

GREETINGS FROM VICE MAYOR JOHN UY



## Wishing You A Happy New Year!

As your new Vice Mayor, I am excited to be part of this community and to work together toward a better future.

Let's continue to make Del Rey Oaks a great place to live and thrive.  
#HappyNewYear #CommunityLove #DelReyOaks

May the canvas of the New Year be painted with moments of joy, kindness, and shared accomplishments. Together, let's continue to make Del Rey Oaks a place we are proud to call home and an excellent place to work.

Wishing you and your loved ones a New Year filled with peace, prosperity, and the warmth of community.

Warm Regards,

Vice Mayor John Uy  
Del Rey Oaks

### **IV. Council Report: Seaside County Sanitation District Board of Directors Meeting – January 9, 2024**

I am writing to provide you with an update on the recent Seaside County Sanitation District (SCSD) regular meeting that took place on January 9, 2024. As a member of the board of directors, I am pleased to share the highlights of the meeting and the positive outcomes that were achieved.

First and foremost, I am thrilled to announce that I have been elected as the 1st Vice Chair of the SCSD Board of Directors. This is a great honor for me, and I am excited to take on this new role and contribute to the continued success of the district. Additionally, Mr. Jerry Blackwelder was elected as the Chair, and Mayor Ian Oglesby was appointed as the Second Vice Chair.

Together, we form a strong leadership team that is committed to serving the community and ensuring the efficient operation of the sanitation district.

During the meeting, several important agenda items were discussed and acted upon. One of the key items was the approval of the minutes from the previous special meeting held on December 5, 2023. The minutes were reviewed and unanimously approved by the board, ensuring accurate documentation of the district's activities.



Another significant agenda item was the approval of the Seaside County Sanitation District Operations Report for November and December 2023. This report provides valuable insights into the district's operations and maintenance activities during that period. It is crucial for us to stay informed about the district's performance and address any issues promptly to ensure the smooth functioning of our sanitation services.

Furthermore, the board approved the November and December 2023 expenditure report for the Seaside County Sanitation District. This report outlines the district's

financial activities and ensures transparency and accountability in our financial management. The board also approved a drawdown request of \$272,446.08 to cover the expenses incurred during that period. This financial decision was made with careful consideration and in line with the district's budgetary constraints.

Lastly, the board received staff reports, which included updates on various ongoing projects and initiatives. Staff also provided updates about the sewer capacity fee assessment of the Marriott Dual Brand Hotel Project (a Residence Inn and a Courtyard Inn) located at 880 Tioga Avenue in Sand City. The project will feature a Residence Inn, a Courtyard Inn, associated office space, one bistro kitchen and seating area, one restaurant kitchen and seating area, a gym, and a conference space. The Residence Inn portion of the project contains 88 rooms, with a kitchenette and bathroom in each room. The kitchenettes contain a sink, refrigerator, stove top burners, dishwasher, and microwave, while the bathrooms contain a toilet, a combination shower bathtub, and a sink. The Courtyard Inn contains 127 standard hotel rooms, with only one bathroom in each room.

These reports provide valuable information to the board and help us make informed decisions regarding the district's operations and future plans. We appreciate the dedication and hard work of our district staff in ensuring the smooth functioning of the sanitation district.

In conclusion, the Seaside County Sanitation District regular meeting was a productive and successful gathering. The board of directors remains committed to serving the community and ensuring the efficient and effective operation of the district. We are confident that our collective efforts will continue to enhance the sanitation services provided to the residents of Del Rey Oaks and the surrounding areas.

#### **V. Council Report: AMBAG Board of Directors Meeting – January 10, 2024**

I am pleased to present this council report on behalf of the Association of Monterey Bay Area Governments (AMBAG), summarizing our regular meeting held on January 10, 2024. It was an inspiring and productive session, and I am excited to share the highlights with you.



## **ASSOCIATION OF MONTEREY BAY AREA GOVERNMENTS**

During the meeting, we discussed a range of important topics that are of great significance to the City of Del Rey Oaks and the entire Monterey Bay Area. Our primary focus was on advancing regional cooperation and addressing the pressing challenges that our communities face. I am proud to report that the meeting was marked by a spirit of collaboration and a shared commitment to creating a sustainable and prosperous future for all.

One of the key items on the agenda was the AMBAG Regional Growth Forecast. This forecast plays a crucial role in guiding our regional planning efforts, and it was heartening to see the dedication and enthusiasm with which our board members approached this topic. We recognize the importance of accurate and informed projections in shaping our policies and initiatives, and we are confident that the Regional Growth Forecast will provide a solid foundation for our future endeavors.

Additionally, we had the opportunity to discuss the AMBAG Sustainability Program, which aims to promote energy efficiency and sustainable practices in our communities. We firmly believe that by working together, we can make a significant impact on reducing our carbon footprint and preserving our natural resources. The City of Del Rey Oaks has always been a leader in environmental stewardship, and we are grateful for your continued support and partnership in advancing our sustainability goals.

Furthermore, we explored the concept of complete streets policies, which prioritize the safety and accessibility of all users of our transportation system. We understand the importance of creating streets that are not only efficient but also safe and inclusive for pedestrians, bicyclists, and motorists alike. By implementing complete streets policies, we can enhance the quality of life in our communities and foster a more connected and vibrant region. We were encouraged by the positive response from our board members and their commitment to working towards this shared vision.

However, I must also share some challenging news that was presented by AMBAG staff during the meeting. The Governor's proposed 2024/25 budget includes a \$300 million cut to the REAP 2.0 funding. This represents a significant 50% reduction in the REAP 2.0 Program and will result in a corresponding 50% cut to all REAP 2.0 awards. While this is the Governor's proposed budget and discussions will continue over the next few months, it is important for us to be aware of this potential impact.

In light of this development, AMBAG staff recommends that REAP 2.0 Local Suballocation Grant Program (LSGP) and Regional Suballocation Grant Program (RSGP) awardees do not spend more than 50% of their REAP 2.0 awards. Additionally, it is advised that awardees refrain from initiating any projects that cannot be completed with only 50% of the awarded funding. AMBAG staff will continue to participate in budget discussions and advocate for REAP 2.0 funding. We will keep you informed as we receive more information and direction.

In conclusion, the AMBAG Board of Directors meeting held on January 10, 2024, was a resounding success. The spirit of collaboration and shared commitment to regional cooperation was evident throughout our discussions. I am inspired by the dedication and passion of our board members and their unwavering commitment to serving our communities. Together, we can make a positive impact and create a better future for all.

## **VI. Council Report: Message of Councilmember John Uy on MLK Day (January 15, 2024)**

🌟 Honoring Martin Luther King, Jr. Day 🌟

As we come together to celebrate Martin Luther King, Jr. Day, let us reflect on the profound impact of a man who dreamt of a world where equality and justice prevailed. Today, we pay tribute to Dr. King's legacy and the timeless values he stood for.

🌈 "Darkness cannot drive out darkness; only light can do that. Hate cannot drive out hate; only love can do that." 🌈

These powerful words by Martin Luther King, Jr. remind us that even in the face of adversity, unity and love have the strength to overcome. Let us embrace these words as a guiding light for our community, fostering compassion, understanding, and respect.



On this special day, let's commit ourselves to building bridges, breaking down barriers, and creating a community where every voice is heard and every person is valued. Dr. King's dream was not just for his time but for all times, and it lives on through each one of us.

Together, we can continue the journey towards a more just, inclusive, and harmonious society. Happy Martin Luther King, Jr. Day! 🌟

[#MLKDay](#) [#UnityInCommunity](#) [#DelReyOaksStrong](#)



**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF HOUSING POLICY DEVELOPMENT**

2020 W. El Camino Avenue, Suite 500  
Sacramento, CA 95833  
(916) 263-2911 / FAX (916) 263-7453  
[www.hcd.ca.gov](http://www.hcd.ca.gov)



December 21, 2023

John Guertin, City Manager  
City of Del Rey Oaks  
650 Canyon Del Rey Blvd  
Del Rey Oaks, CA 93940

Dear John Guertin:

**RE: City of Del Rey Oaks 5<sup>th</sup> Cycle (2015-2023) Adopted Housing Element and  
Housing Element Rezones**

Thank you for submitting the City of Del Rey Oaks (City) 5<sup>th</sup> cycle housing element adopted on October 18, 2023 and received for review on October 23, 2023. Additionally, HCD received correspondence and documentation regarding the completion of Program A.1 (Accommodate the City's Regional Housing Needs Allocation (RHNA)). This included Resolution No. 2023-19 adopting the 5<sup>th</sup> cycle housing element dated October 18, 2023 and Resolution No. 2023-20 and Ordinance No. 315 dated October 24, 2023. Pursuant to Government Code section 65585, the California Department of Housing and Community Development (HCD) is reporting the results of its review. Our review was facilitated by a conversation on December 20, 2023 with yourself and the City's consultants, Denise Duffy.

Through the amendments of the City Municipal Code Chapter 17.90 and the adoption of the Affordable Housing Overlay zone (Ordinance No. 315), the City verifies actions to rezone sufficient sites to accommodate the identified capacity shortfall of 70 units for lower and moderate-income households from the 4<sup>th</sup> and 5<sup>th</sup> cycle planning period, pursuant Government Code section 65583, subdivision (c).

The adopted rezones included minimum densities of 20 units per acre, a minimum site capacity of 16 units, a minimum of 25 percent of the total units to be made affordable to lower-income households and will be implementing by-right approval processes consistent with Government Code section 65583.2, subdivisions (h) and (i). Specifically, the ordinance notes that projects on these sites will require design review permit approvals and that all procedures, approvals and decisions will be consistent with the Housing Accountability Act (HAA) pursuant to Government Code section 65589.5. Specifically, by requiring consistency with the HAA, the City is committing to ensure all standards are objective. However, please note that all approvals must be in a manner consistent with the definition of by-right pursuant to Government Code section 65583.2 (h) and (i) (e.g., no discretionary actions).

RECEIVED

JAN 02 2024

CITY OF DEL REY OAKS  
CITY CLERK



John Guertin, City Manager  
Page 2

HCD is pleased to find the City has completed actions to address requirements described in HCD's June 20, 2023 review. As a result, the 5<sup>th</sup> cycle adopted element now substantially complies with State Housing element law (Gov. Code, § 65580 et seq.).

The City must monitor and report on the results of programs through the annual progress report, required pursuant to Government Code section 65400. Please be aware, Government Code section 65585, subdivision (i) grants HCD authority to review any action or failure to act by a local government that it determines is inconsistent with an adopted housing element or housing element law. This includes failure to implement program actions included in the housing element. HCD may revoke housing element compliance if the local government's actions do not comply with state law.

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant, the Strategic Growth Council and HCD's Affordable Housing and Sustainable Communities program, and HCD's Permanent Local Housing Allocation consider housing element compliance and/or annual reporting requirements pursuant to Government Code section 65400. With a compliant housing element, the City now meets housing element requirements for these and other funding sources.

HCD appreciates the hard work, dedication and cooperation of you and your team throughout both the Housing element update and ordinance adoption processes. HCD wishes City success in implementing its Housing element and looks forward to following its progress through the General plan annual progress reports required pursuant to Government Code section 65400. If HCD can provide assistance in implementing the Housing element, please contact Clare Blackwell, of our staff, at [clare.blackwell@hcd.ca.gov](mailto:clare.blackwell@hcd.ca.gov).

Sincerely,



Paul McDougall  
Senior Program Manager



**MST HIGHLIGHTS**  
**Board of Directors Meeting**  
**January 8, 2024**

**RECOGNIZED JANUARY EMPLOYEE OF THE MONTH**

The MST Board adopted Resolution 2024-12 recognizing Federick Campa, Coach Operator, as the January 2024 Employee of the Month for his outstanding contribution to MST and the entire community.

**RECOGNIZED 2023 EMPLOYEES OF THE YEAR**

The MST Board adopted Resolutions 2024-13 and 2024-14 recognizing Jacob Newman, Communications Specialist, and Omarr Wilson, Coach Operator, as the 2023 Employees of the Year for their outstanding contribution to MST and to the entire community.

**RECOGNIZED 2023 MANAGEMENT EXCELLENCE AWARD WINNER**

The MST Board recognized Marzette Henderson, as the 2023 recipient of the Manager Excellence Award for his outstanding contribution to MST and the entire community.

**RECEIVED MST's AUDITED FY 2022 ANNUAL COMPREHENSIVE FINANCIAL REPORT**

The MST Board received MST's audited FY 2022 Annual Comprehensive Financial Report provided by EideBailly LLP.

**APPROVED MOBILITY ADVISORY COMMITTEE MEMBER REAPPOINTMENT**

The MST Board reappointed Jessica McKillip, Executive Director for ITN Monterey, as a member of the Mobility Advisory Committee.

**CONDUCTED STRATEGIC PLANNING WORKSHOP**

The MST Board conducted its annual strategic planning workshop; reviewed strategic progress to date and emerging issues; received the FY2023-2025 Strategic Plan and 2-year action plan update from staff; and received the MST year-to-date financial update. The Board and staff also reviewed and discussed three Board Performance items; 1) MST Board meeting productivity; 2) communications from the Board Chair; and 3) Paperless MST Board Meeting Agenda.

**NEXT MST BOARD MEETING**

The next regular MST Board meeting is scheduled for February 12, 2024.



TRANSPORTATION AGENCY FOR MONTEREY COUNTY

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

## HIGHLIGHTS

### December 6, 2023

#### **TAMC Board Approves Allocating 50/50 Split of Senate Bill 125 Transit and Intercity Rail and Zero Emission Funding Between Bus and Rail Transit Projects**

After a comprehensive and candid Board discussion, which Supervisor Lopez said was a rare opportunity to fund transformative investments that would bring long-term change for the region’s low-income communities and communities of color, the TAMC Board of Directors approved a 50/50 split of Senate Bill 125 transit and intercity rail and zero emission funding between bus and rail transit projects. The vote came after a staff presentation on project candidates for state transit and intercity rail and zero emission funding and the intent of Senate Bill 125. The Board directed staff to annually evaluate and recommend any changes to SB 125 programming when updating the Integrated Funding Strategy. The Board also approved increasing Measure X funding allocation to the SURF! Busway and Bus Rapid Transit project by \$9.2 million to fully fund construction.

On July 10, 2023, Governor Newsom signed Senate Bill (SB) 125 into law, which included new formula funding through the Transit and Intercity Rail Capital Program (TIRCP) and created a new Zero-Emission Transit Capital Program (ZETCP). TAMC is slated to receive \$44.5 million over two years in TIRCP formula funds and \$8 million over four years for the ZETCP.

The legislative intent of the funding via SB 125 and its precursor legislation, SB 198 (2022) and Assembly Bill (AB) 180 (2021), covers a range of goals including: funding high-priority bus and rail transit capital projects, providing transit operations bridge funding for transit operators to address operational costs until long-term transit sustainability solutions are identified, assisting transit operators in preventing service cuts and increasing ridership, prioritizing the availability of transit for riders who are transit dependent, and prioritizing transit agencies representing a significant percentage of the region’s ridership.

As approved by the TAMC Executive Committee on November 1 and supported by the Transportation Agency’s Rail Policy Committee on November 6, the proposed funding distribution would take 1% off the top for administration expenses and allocate 50% of the remaining funds to MST bus projects and

50% to TAMC rail projects, with additional Measure X funding covering the current estimate for SURF! Busway and Bus Rapid Transit project construction costs. This Measure X augmentation effectively increases MST's funding allocation to 67% of their funding request; and provides the opportunity to leverage the Measure X and SB 125 funds to fund important regional rail projects. The regional rail projects are the Pajaro/Watsonville Multimodal Station project design; the Monterey County Rail Extension Project construction, including Positive Train Control; and the King City Station construction.

The preliminary project list with narrative explanations and a short-range transit plan is due to the California State Transportation Agency by December 31, 2023.

### **TAMC Staff Selects the “Participatory Budgeting” Team as the Agency’s Employees of the Quarter**

TAMC selected the Participatory Budgeting team as Employees of the Quarter for July 1 – September 30, 2023. The team comprised of Aaron Hernandez, Ariadne Sambrano, Ariana Green, and Janneke Strause were recognized for their exemplary service in developing the Salinas Valley Safe Routes to School Plan for 22 schools in the Cities of Greenfield, Soledad, Gonzales, and King City.

Their work included developing community steering committees and gathering input from parents, teachers, students, and school administrators to develop projects that would make it safer and more comfortable for children to get to and from schools in each city.

### **About the Salinas Valley Safe Routes to School Plan & Participatory Budgeting**

The Salinas Valley Safe Routes to School Plan, developed by the Transportation Agency, Monterey County Health Department, Ecology Action, and the cities in South County, will identify barriers to safe access to all K-12 public schools in South County cities and recommend infrastructure and non-infrastructure improvements.

An important component of the Plan is the participatory budgeting process that is designed to fast-track funding and implementation of safe routes to school projects that are meaningful to community members. Through this participatory budgeting process, the community helped determine how to spend \$250,000 allocated for program safety improvements through the Transportation Agency’s Safe Routes to School Program.

The Salinas Valley Safe Routes to School Plan was funded through a Caltrans Sustainable Transportation Planning Grant (\$64,127) and Measure X Safe Routes to School fund (\$126,501).