# AVALON CITY COUNCIL MEETING WILL ALSO INCLUDE A MEETING OF THE CITY COUNCIL ACTING AS THE SUCCESSOR AGENCY TO THE AVALON COMMUNITY IMPROVEMENT AGENCY AND AVALON HOUSING AUTHORITY

## TUESDAY, JANUARY 19, 2016- 6:00 PM
## CITY HALL COUNCIL CHAMBERS
## 410 AVALON CANYON ROAD, AVALON
## A G E N D A

In compliance with the Americans with Disability Act, if you need special assistance to participate in this meeting, please contact Denise Radde, City Clerk (310) 510-0220. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35. 102-35.104 ADA Title II). All public records relating to an agenda item on this agenda are available for the public inspection at the time the records are distributed to all, or a majority of all, members of the City Council. Such records shall be available at City Hall located at 410 Avalon Canyon Rd.

**CALL TO ORDER / ROLL CALL**

**PLEDGE OF ALLEGIANCE / INVOCATION**

**ANNOUNCEMENTS / WRITTEN COMMUNICATIONS**

**PRESENTATION** - None

**CITY MANAGER REPORT / CITY ATTORNEY REPORT**

**COUNCILMEMBER REPORTS**

**MAYOR REPORT**

**ORAL COMMUNICATION**
Members of the public may address the City Council at this time. No action will be taken on non-agenda items at this meeting. Speakers should limit comments to three (3) minutes each.

**CONSENT CALENDAR**

1. Actions
   Although the live recording is the official record of public meetings, actions are prepared for the Council's approval.
   Recommended Action
   Approve actions from the December 1, 2015 and the December 15, 2015 regular City Council meeting.

2. Expenditures Submitted for Approval
   - Warrants in the amount of $877,567.36
   - Electric Fund Transfers in the amount of $55,045.26
   - Four Payrolls in the amount of $841,844.50

   Recommended Action
   Approve the total expenditure amount of $1,774,457.12.

3. Adoption of a Resolution Accepting the Treasurer's Report for Fiscal Year 2015-2016 Second Quarter
   At the conclusion of each quarter throughout the fiscal year, the Treasurer is to submit to the City Council a Treasurer's report summarizing the balances in the bank and investment accounts, maintained by the City, under the Treasurer's control in accordance with State statute and the City's Municipal Code.
   Recommended Action
   Adopt resolution accepting the Treasurer's report for FY15-16 for the Second Quarter ending December 30, 2015.

4. Approval to Rescind the Full-Time Employee Hiring Freeze
   In March 2014, the City Manager was directed by the City Council to implement a full-time employee hiring freeze. This was implemented due to City Council concerns about the City's budget deficit. Staff is requesting that the City Council formally rescind the hiring freeze so that open full-time positions may be filled as per previous direction by this City Council.
   Recommended Action
   Discuss and make the determination to rescind the full-time hiring freeze.

5. Request for Encroachment Permit at 119 Sumner Avenue for Outdoor Dining
   The owner of the Avocado Café, located at 119 Sumner Avenue, has applied for an Encroachment Permit to allow the café to offer outdoor dining. The City Council has approved outdoor dining within the public right-of-way at a number of locations in the City's Commercial zone. The requested encroachment will not create a substantial adverse impact on persons or property and could be beneficial by offering the option of outdoor dining to the patrons of the Avocado Café.
   Recommended Action
   Approve the Encroachment Permit for outdoor dining consisting of two tables and two chairs per table.

6. Authorize to Send a Letter of Support of the Los Angeles County's Pharmaceuticals and Sharps Collection and Disposal Stewardship Ordinance.
   The City of Avalon has received a request from the Los Angeles County Division of the League of California Cities to send a letter of support to the Los Angeles County Board of Supervisors regarding their consideration of drafting and adopting the Los Angeles

County's Pharmaceuticals and Sharps Collection and Disposal Stewardship Ordinance. The passage of this ordinance would ensure that manufacturers and producers of prescription and nonprescription drugs and sharps share in the responsibility of proper disposal of their products. Once passed by the Board of Supervisors, the City could adopt the County's Ordinance by passing a resolution supporting the Ordinance in order to utilize this program.

Recommended Action

Review and consider sending a letter to the Los Angeles County Board of Supervisors in support of their drafting and adopting a Los Angeles County's Pharmaceuticals and Sharps Collection and Disposal Stewardship Ordinance.

7. Approve the Agreement with John Minch and Associates, Inc. (JMA) for On-Call Archaeological Consulting Services

As the need arises, the City has called upon professional archaeologists and tribal representatives to monitor and report on excavation activities within the City on a case-by-case basis. However, this has been done without the benefit of a comprehensive, systematic program for managing the cultural resources that exist within the community. Therefore, in order to remedy this situation in moving forward, City staff has undertaken the establishment of a formal Cultural Resources Management Program (CRMP). The final and missing component of the CRMP is an agreement for the on-call archaeological consulting services required for the monitoring of excavations.

Recommended Action

Approve agreement with John Minch and Associates, Inc. (JMA) to provide on-call archaeological consulting services.

8. Adopt the Drug Free Workplace Act & Department of Transportation (DOT) Drug and Alcohol Testing Policy, Policy P-1, and Resolution

The City's current Policy only provides for pre-employment, post-accident, and reasonable suspicion testing. Most importantly, the policy does not align with the Federal Drug Free Workplace Act & Department of Transportation Drug and Alcohol Testing Policy. The updated Policy will require every employee to be tested: pre-employment, post-accident, reasonable suspicion and return-to-duty testing, as set forth in the policy. It also provides for random drug testing of DOT covered employees and other safety sensitive personnel.

Recommended Action

Adopt the resolution and Policy to replace and update the City's current drug and alcohol policy, so the City may comply with the Federal Drug Free Workplace Act & Department of Transportation Drug and Alcohol Testing Policy.

9. Amend Avalon Municipal Code Chapter 5-20 to Limit Cultivation of Medical Marijuana in the City

After passage of the Medical Marijuana Regulation and Safety Act to comprehensively regulate medical marijuana, the City Attorney prepared a memo regarding recommended alterations to the Avalon Municipal Code. As of March 1, 2016, state law will govern cultivation unless the City has an ordinance in place. At the December 15, 2015 City Council meeting, the City Council introduced an ordinance allowing limited cultivation of medical marijuana in the City, and directed the City Attorney to obtain examples of what other cities are doing to limit or regulate cultivation. The attached Ordinance amends the AMC to prohibit cultivation in all instances except for a specific exemption allowing for the cultivation of up to three (3) mature and six (6) immature plants and the possession of a maximum of eight (8) ounces of processed marijuana for personal use, provided the individual does not sell, distribute, donate, or provide marijuana to any other person or entity. It also adds a definition of "cultivation" and "qualified patient" to the AMC. Additionally, four California cities' ordinances are attached as reference.

Recommended Action

That the City Council adopt an ordinance amending the Municipal Code to limit cultivation of medical marijuana in the City.

## GENERAL BUSINESS

10. Approve the City of Avalon and Los Angeles County MTA Audited Financial Statements for Fiscal Year 2014-2015

The audits were completed and concluded that the City's financial statements fairly present, in all material respects, the City's financial position and the change in financial position for the year ending June 30, 2015 and the City was in compliance with MTA programs.

Recommended Action

Receive and approve the audited financial statements for the fiscal year ending June 30, 2015 and accompanying reports comprised of the City's financial audit, communication, and GANN limit testing, as well as an audited report issued by the Los Angeles County Metropolitan Transportation Authority.

11. Assessment of the Avalon Transit Procurement Response and Determination of the Next Steps

On October 7, 2015, the City of Avalon released an RFP for the Management and Operation of the Avalon Transit System. The deadline for submission of the proposals was November 20, 2015, at 3:00 p.m. in the City Clerk's Office. One proposal was received prior to the deadline. A second proposal was received after the deadline at 3:06 p.m., and, in accordance with the terms of the RFP, this proposal was rejected and returned to the firm unopened. The one proposal that was received was not responsive to the City's request because it did not propose to provide the requested transportation

services specified in the RFP. Council will review and discuss the options available to the City.

Recommended Action

- Review the options outlined in the Staff Report and provide direction to Staff regarding the City's public transportation procurement process and operation of the City's transit system.
- Direct release of the revised Request for Proposals (RFP) for the Management and Operation of the Avalon Transit System, as further detailed in this Staff Report.

12. Request for Approval to Purchase Two (2) Low-Floor Minivan's from Creative Bus Sales for the City's Dial-a-Ride and Paratransit System

The City is in the process of procuring an operator for the Avalon Transportation Program which includes three new, 22-foot electric buses. The first solicitation offered two alternatives for the operation of the complementary paratransit service which is a Federal requirement. Through the City's membership in the California Association for Coordinated Transportation (CalACT) we are able to purchase these vehicles through the MBTA/CalACT Purchasing Cooperative, which has already complied with Federal and state competitive procurement requirements.

Recommended Action

Authorize staff to acquire approval from MBTA/CalACT Cooperative Bid Program to purchase two (2) Braun Corporation-Entervan, Class D: Low Floor Minivans from Creative Bus Sales in an amount not-to-exceed $91,723.26.

13. Shore Boat Service

Island Enterprises, formerly known as Island Navigation, has been providing shore boat service in Avalon since 1975. In 1977, the City granted Island Navigation an exclusive franchise agreement for providing shore boat service in City waters. On July 29, 2015, Island Enterprises delivered a letter to the City Manager stating they will no longer be able to provide the harbor shore boat services at its current hours and levels of service due to a $600,000 shortfall. On November 16, 2015, Island Enterprises amended their schedule and stopped operating shore boat service starting on Mondays at noon until Fridays at 4:00pm.

Recommended Action

Authorize the Harbor Master to issue a Request for Proposal for shore boat services.

14. Review of the Waterside Permit and Encroachment Permit Conditions ~ David Lieberman/Catalina Snorkel & Scuba Adventures

This matter was before the Council on October 20, 2015, and certain criteria was established on a trial basis. Staff from the City's Harbor Department have been monitoring the Applicant to ensure compliance with the terms and conditions set forth by the City Council.

Recommended Action
Review Applicant's compliance with the Conditions of Approval for the Waterside Permit Project Application and Encroachment Permit and make no changes to the existing conditions of approval, including those described in detail on the Staff Report.

15. Amendment of Avalon Municipal Code Chapter 6-6 and Section 8-5.05 Relating to Public and Private Salt Water Systems
Avalon owns and maintains a salt water distribution system which provides salt water to private salt water lines. The Municipal Code requires structures within the City that have toilets to be equipped with a separate salt water plumbing system piped to the toilets and connected to the City's salt water system through "private salt water lines." The terms "private salt water lines" and "City salt water system" are not defined in the Municipal Code, which has allowed some confusion as to ownership and maintenance responsibilities.
Recommended Action
Introduce and waive all readings of an ordinance amending Title 6, Chapter 6 and Section 8-5.05 of the Avalon Municipal Code relating to public and private salt water systems.

******The next two items in General Business is the "City of Avalon acting for itself and as the Successor Agency to the Avalon Community Improvement Agency".**

16. Recognized Obligation Payment Schedule (ROPS) 16-17 and Successor Agency Administrative Budget for Fiscal Year 2016-17
On September 22, 2015, Governor Brown signed Senate Bill 107 ("SB 107"), which went into effect immediately. SB 107 made several key changes to the Health and Safety Code sections that establish the ROPS process. These changes are: Annual Submission Beginning for Fiscal Year 2016/17, Bifurcation of ROPS and Prior Period Adjustment Processes, Administrative Cost Allowance, and Last and Final ROPS.
Recommended Action
Adopt resolution of the City of Avalon as Successor Agency to the Avalon Community Improvement Agency Approving a Recognized Obligation Payment Schedule 16-17 and Successor Agency Administrative Budget for Fiscal Year 2016-17".

17. Approving an Agreement Between the Successor Agency and the City for Repayment of a loan from the City for unfunded Successor Agency Expenditures for the ROPS 15-16B
The Successor Agency to the Avalon Community Improvement Agency is required to prepare a Recognized Obligation Payment Schedule (ROPS) in order to request Redevelopment Property Tax Trust Funds to fund enforceable obligations. The ROPS includes a Report of Cash Balances documenting the Successor Agency's cash balances from various funding sources. Beginning in 2016, ROPS will be due to DOF annually by February 1st, instead of biannually as in previous years.

Recommended Action
That the Successor Agency to the Avalon Community Improvement Agency and the City Council of the City of Avalon approve the agreement authorizing the repayment of a loan from the City of Avalon for the ROPS 15-16B.

******The next item in General Business is the "City of Avalon acting for itself and the Avalon Housing Authority".**

18. Item of Discussion- Down Payment Assistance Program
Power point presentation will be provided. Discuss and give direction to Staff on any possible changes.

**CLOSED SESSION**

1. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Property: One City leased property – Casino Dock Cafe
Agency Negotiators: City Council, Interim City Manager Denise Radde and City Attorney Scott Campbell
Negotiating Parties: Russ and Jenny Armstrong
Under Negotiation: Price and terms of payment

2. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: Interim City Manager

**NOTICE OF POSTING**

I, Denise Radde, declare that the City Council Agenda January 19, 2016 was posted on Thursday, January 14, 2016, on the City's website www.cityofavalon.com and at City Hall, 410 Avalon Canyon Road. Copies of agendas and staff reports are available at City Hall and on the City website.

Denise A. Radde, City Clerk / Interim City Manager

# CITY OF AVALON CITY COUNCIL

**MEETING DATE:** January 19, 2016 **AGENDA ITEM:** 1

**ORIGINATING DEP:** City Clerk **CITY MANAGER:** DR

**PREPARED BY:** Denise Radde, City Clerk

**SUBJECT:** City Council Actions

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**RECOMMENDED ACTION(S):** Approve actions from the December 1, 2015 and December 15, 2015 regular City Council meetings.

**REPORT SUMMARY:** Although the live recording is the official record of public meetings, actions are prepared for the Council's approval.

**FISCAL IMPACTS:** N/A

**GOAL ALIGNMENT:** Not aligned,

**CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION:** N/A

**FOLLOW UP ACTION:** File Actions in the City Clerk's office.

**ADVERTISING, NOTICE AND PUBLIC CONTACT:** This item was properly listed on the posted agenda pursuant to the Brown Act.

**ATTACHMENTS:** City Council Actions.

# CITY OF AVALON CITY COUNCIL
# TUESDAY, DECEMBER 1, 2015
# ACTIONS

**CITY COUNCIL CALL TO ORDER** 5:05 p.m.

**ROLL CALL** - Mayor Anni Marshall, Mayor Pro Tem Oley Olsen, Councilmembers Cinde Cassidy, Richard Hernandez, and Joe Sampson. Also present Interim City Manager/City Clerk Denise Radde and City Attorney Scott Campbell. Outside counsel was also present during Item 3 of General Business.

## CLOSED SESSION

1. PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE

2. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION
   Significant Exposure to Litigation pursuant to paragraph 2) of subdivision (d) of Section 54956.9: One case

## GENERAL BUSINESS

PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE
Attorney Mark Meyerhoff of Liebert, Whitmore and Cassidy explained the options for the appeal hearing requested by Amanda Cook. Many comments were received from the audience. Motion by Anni Marshall, seconded by Joe Sampson to have the City Council hear the appeal in a public forum and to streamline the process. (All Ayes)

Break: 6:53 -7:00 p.m.

## CONSENT CALENDAR

There were six items on the Consent Calendar. Councilmember Sampson removed Items 2 and 6 for clarification.

1. Actions
   Approved actions from the November 10, 2015 Special City Council meeting and the November 17, 2015 regular City Council meeting.

3. EZ-Loader Boat Trailer
   Authorized the Harbor Master to purchase one 2016 Triple Axle Roller Trailer from EZ-Load Boat Trailer Company in the amount of $12,158.00, making the finding that the purchase could not be made more economically or efficiently.

4. Maintenance Equipment Purchase
   Authorized the Harbor Master to purchase the following maintenance equipment from Infexport in the amount of $16,758.56.
   (A) Miller Trailer Blazer 302 Air Pac $10,762.00.
   (B) Miller Spectrum 875 60A 208/230 1PH W/50' XT 60 Plasma Cutter $2,402.00.
   (C) Miller XR-D Control Push-Pull Wire Feeder $ 2,255.43.
   (D) Miller XR-30A W/ Quick Disconnect $ 1,339.13.

5. Avalon City Park Equipment and Surfacing Expenditure
Approved the expenditure for new play elements and surfacing, including shipping and installation, for Avalon City Park for a not to exceed $50,000.00.

Pulled Items:

2. Authorization to Award "Interim K Rail Debris Barrier – Pebbly Beach & Casino Way"
Councilmember Sampson inquired of the Public Works Director if the fencing was damaged from a falling rock how would it be repaired. Dennis Jaich responded that the barriers come in panels and the damaged panel would be replaced. The City was ordering extra panels for this reason.
    1. Authorized the award of a contract to the lowest responsive & responsible bidder, Jordahl Construction, Inc., for the "Interim K-Rail Debris Barrier – Pebbly Beach Road & Casino Way" Project.
    2. Authorized additional expenditures in the amount of 15% of the total contract price as a contingency for unforeseen and additional costs on the Project.
    3. Authorized the City Manager, or the designee, to approve change orders on the Project up to the contingency amount.

6. Consideration to Award Pebbly Beach Engineering and Cost Survey and Report RFP to ESG Engineering
Motion to allow City Staff to enter into a contract with ESG Engineering to conduct the Pebbly Beach Engineering Cost Survey and Report for a not to exceed amount of $35,000.00 by Joe Sampson, seconded by Oley Olsen. (All Ayes)

**GENERAL BUSINESS**

7. Discussion Regarding Recreation versus Community Services Department
After discussion and comments, City Council directed the Interim City Manager to implement department structure changes and return to City Council for budget amendment if required.
    A. Move forward with a full time hire in the director position.
    B. Get information from City Fabrick and RGS to conduct a Needs Assessment.
    C. After the assessment is complete hire additional personnel for that department.

8. Item of Discussion- Avalon Medical Marijuana Regulations
City Attorney Scott Campbell explained why this item was before the Council. The City has multiple options for banning or regulating medical marijuana cultivation. If the City does wish to regulate cultivation it would need to do so by March 1, 2016 when State regulations would become controlling. It is a policy issue not a legal issue. Comments were received from the audience. Staff was directed to come back at the next meeting with an ordinance change that would allow medical marijuana cultivation, allowing three mature plants and six immature plants.

**CLOSED SESSION** 9:36 – 10:47 p.m.

Following the appropriate announcement of the Closed Session items the City Council went into Closed Session to discuss the following:

1. PUBLIC EMPLOYEE APPOINTMENT
   Title: City Manager

2. CONFERENCE WITH LABOR NEGOTIATORS
   Agency Designated Representatives: City Council
   Unrepresented Employees: Interim City Manager and City Manager

3. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
   Title: Interim City Manager

4. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
   Property: One City leased property – Casino Dock Cafe
   Agency Negotiators: City Council, Interim City Manager Denise Radde and City Attorney Scott Campbell
   Under Negotiation: Price and terms of payment

Following Closed Session the City Attorney reported that the City will be contacting firms to discuss their proposals for recruitment of the City Manager.

**ADJOURN**
Mayor Marshall adjourned the City Council meeting at 10:48 p.m.

I, Denise Radde, City Clerk of the City of Avalon, do hereby certify that the DVD videotape of the City Council Meeting on December 1, 2015 is the official record of that Council Meeting and is on file and maintained in City Hall.

Denise A. Radde, City Clerk / Interim City Manager

## CITY OF AVALON CITY COUNCIL

**MEETING DATE:** January 19, 2016 **AGENDA ITEM:** 2

**ORIGINATING DEP:** Finance **CITY MANAGER:**

**PREPARED BY:** Robert Mescher, Finance Director

**SUBJECT:** Warrants

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**RECOMMENDED ACTION(S):** Approve the total disbursements from December 8, 2015 through January 8, 2016, totaling $1,774,457.12.

**REPORT SUMMARY:**
These disbursements from December 8, 2015 to January 8, 2016 are comprised of warrants totaling $877,567.36, four payrolls totaling $841,844.50, and two electronic funds transfers totaling $55,045.26.

| |
|---|
| US Bank Warrants #21581-21582 – $2,569.48 – December 7, 2015 |
| US Bank Warrants #21583-21663 - $587,699.34 – December 18, 2015 |
| US Bank Warrants #21664-21706 - $287,298.54 – December 30, 2015 |
| Payroll - $191,932.20 – December 11, 2015 |
| Payroll - $212,379.27 – December 23, 2015 |
| Payroll - $222,539.06 – December 31, 2015 |
| Payroll - $214,993.97 – January 8, 2016 |

Expenses that have been reimbursed through payroll are included in this report as new supplemental information and will be included in subsequent warrant reports.

**GOAL ALIGNMENT:** Ongoing meeting of City obligations.

**FISCAL IMPACTS:** There are sufficient funds available, and the expenditures are included in the adopted 2015-2016 adopted budget.

**CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION**: N/A

**FOLLOW UP ACTION:** N/A

**ADVERTISING, NOTICE AND PUBLIC CONTACT:** Pursuant to the Brown Act.

**ATTACHMENTS**: Audit Certificate and Warrant List

CITY OF AVALON
DISBURSEMENTS FOR MONTH OF DECEMBER 2015 & JANUARY 2016
January 19, 2016

| DESCRIPTION | AMOUNT | DATE |
|---|---|---|
| US BANK WARRANTS CK# 21581-21582 | $ 2,569.48 | 12/7/2015 |
| US BANK WARRANTS CK# 21583-21663 | 587,699.34 | 12/18/2015 |
| US BANK WARRANTS CK #21664-21706 | 287,298.54 | 12/30/2015 |
| PAYROLL | 191,932.20 | 12/11/2015 |
| PAYROLL | 212,379.27 | 12/23/2015 |
| PAYROLL | 222,539.06 | 12/31/2015 |
| PAYROLL | 214,993.97 | 1/8/2016 |
| EFT - CALPERS RETIREMENT | 27,254.60 | 12/14/2015 |
| EFT - CALPERS RETIREMENT | 27,790.66 | 12/16/2015 |
| TOTAL DISBURSEMENTS | **$ 1,774,457.12** | |
| EXPENSES REIMBURSED THROUGH PAYROLL AND INCLUDED IN THE ABOVE TOTAL | $ 3,574.76 | |

CERTIFICATE

IN ACCORDANCE WITH SECTION 32702 OF THE GOVERNMENT CODE, I CERTIFY THAT THE ABOVE DEMANDS ARE ACCURATE AND THAT FUNDS ARE AVAILABLE FOR PAYMENT.

I CERTIFY UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT.

EXECUTED THIS 19TH DAY OF JANUARY 2016

FINANCE DIRECTOR - ROBERT MESCHER

APPROVED AND AUDITED
THIS 19TH DAY OF JANUARY 2016

AUDIT COMMITTEE - RICHARD HERNANDEZ

AUDIT COMMITTEE - CINDE CASSIDY

FY 16

AVALON CITY COUNCIL
MEETING OF JANUARY 19, 2016

| CHECK NUMBER | DATE ISSUED | AMOUNT | PAYEE | DESCRIPTION |
|---|---|---|---|---|
| 21664 | 12/30/15 | $ 48.80 | ART, CAPS N' DESIGN | SUPPLIES - HARBOR |
| 21665 | 12/30/15 | 119,873.65 | AVALON ENVIRONMENTAL | CONTRACT SVC - NOV 15 |
| 21666 | 12/30/15 | 400.00 | CASSIDY, SHANA | SERVICE - ADMIN |
| 21667 | 12/30/15 | 188.50 | CATALINA BEVERAGE | SUPPLIES - ALL DEPTS |
| 21668 | 12/30/15 | 7,585.00 | CATALINA BOATYARD | STORAGE FEES - HARBOR |
| 21669 | 12/30/15 | 548.49 | CATALINA ISLAND PLUMBING | SERVICE - CITY RESTROOMS |
| 21670 | 12/30/15 | 123.75 | CATALINA TRANSPORTATION | SERVICE - ADMIN |
| 21671 | 12/30/15 | 4,860.00 | CONSTRUCTORS PLUS | CONTRACT SVC - ADMIN |
| 21672 | 12/30/15 | 3,780.00 | CONSTRUCTORS PLUS | CONTRACT SVC - ADMIN |
| 21673 | 12/30/15 | 334.13 | ECONOMY 2-WAY DISTRIBUTOR | SUPPLIES - GARAGE |
| 21674 | 12/30/15 | 17,297.70 | EDISON | UTILITIES - ALL DEPTS |
| 21675 | 12/30/15 | 9,750.00 | ENVIRON STRATEGY CONSULTANTS | OT - SEPT/PER. FEES - WWTP |
| 21676 | 12/30/15 | 2,091.80 | ESGIL CORP. | PLAN CK SERVICES - PLANNIN |
| 21677 | 12/30/15 | 767.50 | FINELINE CONSTRUCTION | SUPPLIES - PUBLIC WKS |
| 21678 | 12/30/15 | 232.43 | ARIENS SPECIALTY BRANDS | SUPPLIES - PW |
| 21679 | 12/30/15 | 69,915.75 | HAAKER | SEWER CAMERA PURCHASE |
| 21680 | 12/30/15 | 754.77 | HAMILTON, KATHERINE | CONTRACT SVC - ADMIN |
| 21681 | 12/30/15 | 2,572.50 | HELVETIC CONSULTING | CONTRACT SVC - PLANNING |
| 21682 | 12/30/15 | 45.99 | ISLAND THREADZ | SUPPLIES - CODE |
| 21683 | 12/30/15 | 7,008.32 | JORDAHL CONSTUCTION | SUPPLIES - STORM DAMAGE |
| 21684 | 12/30/15 | 2,613.30 | LOPEZ, LEONARD | SEMI ANNL MEDICAL REIMBUR. |
| 21685 | 12/30/15 | 522.00 | LA COUNTY FIRE DEPT. | PERMIT FEES - FIRE |
| 21686 | 12/30/15 | 208.79 | MED-TECH RESOURCE | SUPPLIES - FIRE |
| 21687 | 12/30/15 | 270.48 | MEYERS FOZI, LLP | LITIGATION FEES - ADMIN |
| 21688 | 12/30/15 | 4,684.82 | NAPA AUTO PARTS | SOFTWARE PURCHASE |
| 21689 | 12/30/15 | 1,028.20 | NEOFUNDS BY NEOPOST | POSTAGE METER REFILL |
| 21690 | 12/30/15 | 271.28 | PHILLIPS STEEL COMPANY | SUPPLIES - GARAGE |
| 21691 | 12/30/15 | 2,684.00 | POST, ROCKY | CONTRACT SVC - ADMIN |
| 21692 | 12/30/15 | 744.36 | QUILL CORP | SUPPLIES - ALL DEPTS |
| 21693 | 12/30/15 | 6,200.00 | MICHAEL BAKER INTERNATIONAL | CONTRACT SVCS - ADMIN |
| 21694 | 12/30/15 | 2,027.50 | RICHARD MAINTENANCE | SERVICE - FUEL DOCK |
| 21695 | 12/30/15 | 904.75 | RICOH AMERICAS CORP. | COPIER LEASE - PLANNING |
| 21696 | 12/30/15 | 663.91 | RICOH AMERICAS CORP. | COPIER LEASE - PLANNING |
| 21697 | 12/30/15 | 122.31 | ALBERTSONS SAFEWAY | SUPPLIES - ALL DEPTS |
| 21698 | 12/30/15 | 2,484.00 | SANDTRAP | SENIOR MEALS SEPT-NOV 15 |
| 21699 | 12/30/15 | 1,020.98 | SEAWAY CO. OF CATALINA | RESALE FUEL - FUEL DOCK |
| 21700 | 12/30/15 | 650.00 | SIMPLEX GRINNELL | SERVICE - FIRE |
| 21701 | 12/30/15 | 8,340.00 | SIRIA'S CLEANING SERVICE | CONTRACT SVC - DEC 15 |
| 21702 | 12/30/15 | 217.00 | SYNDER, MONTY | REFUND - PLANNING |
| 21703 | 12/30/15 | 2,191.35 | SUNGARD PUBLIC SECTOR | SOFTWARE LEASE - FINANCE |
| 21704 | 12/30/15 | 261.63 | ULINE | SUPPLIES - GARAGE |
| 21705 | 12/30/15 | 855.82 | VERIZON WIRELESS | COMMUNICATIONS - ALL DEPTS |
| 21706 | 12/30/15 | 152.98 | WITMER PUBLIC SAFETY | SUPPLIES - FIRE |

**$ 287,298.54**

FY16

AVALON CITY COUNCIL
MEETING OF JANUARY 19, 2016

| CHECK NUMBER | DATE ISSUED | AMOUNT | PAYEE | DESCRIPTION |
|---|---|---|---|---|
| 21581 | 12/07/15 | $ 596.88 | ANTHEM BLUE CROSS | COBRA - DEC 2015 |
| 21582 | 12/07/15 | 1,972.60 | KICK IT UP KIDZ, LLC | 1ST SESSION DANCE CLASS |
| 21583 | 12/18/15 | 67.70 | AIR SOURCE INDUSTRIES | SUPPLIES - FIRE |
| 21584 | 12/18/15 | 449.07 | ALEGRIA, VALENTE | QTRLY RETIREMENT MED. REIMB. |
| 21585 | 12/18/15 | 6,835.83 | AMERICAN EXPRESS | CREDIT CARD CHGS - ALL DEPTS |
| 21586 | 12/18/15 | 203.00 | AMERIFLEX | FSA ADMIN FEES - DEC 2015 |
| 21587 | 12/18/15 | 1,062.00 | ANTONIO'S | SENIOR MEALS - 11/15 |
| 21588 | 12/18/15 | 1,750.00 | ARBOR WORKS | SERVICE - PUBLIC WKS |
| 21589 | 12/18/15 | 103.86 | ART, CAPS N' DESIGN | SUPPLIES - HARBOR |
| 21590 | 12/18/15 | 19.27 | AT & T LONG DISTANCE | LONG DISTANCE - ALL DEPTS |
| 21591 | 12/18/15 | 249.00 | ATT MOBILITY | COMMUNICATIONS - HARBOR |
| 21592 | 12/18/15 | 793.36 | AVALON BOAT STAND | SUPPLIES - GARAGE |
| 21593 | 12/18/15 | - | VOID - MULTI STUB CHECK | VOID - MULTI STUB CHECK |
| 21594 | 12/18/15 | 90,011.51 | BEST, BEST & KRIEGER, LLP | CONTRACT SVC - OCT/NOV 15 |
| 21595 | 12/18/15 | 3,073.30 | BEYOND SOFTWARE SOLUTIONS | CONTRACT SVC - ADMIN |
| 21596 | 12/18/15 | 108.59 | BLUE TARP FINANCIAL | SUPPLIES - GARAGE |
| 21597 | 12/18/15 | 3,162.81 | BORDIN MARTORELL, LLP | LITIGATION SVCS - ADMIN |
| 21598 | 12/18/15 | 435.00 | CALACT | MEMBERSHIP FEES - PLANNING |
| 21599 | 12/18/15 | 27,903.43 | CALPERS | 11/11-11/24/15 RETIREMENT |
| 21600 | 12/18/15 | 1,572.12 | CATALINA BEVERAGE CO | SUPPLIES - ALL DEPTS |
| 21601 | 12/18/15 | 13.94 | CATALINA BROADBANK SOLUTION | SERVICE - ADMIN |
| 21602 | 12/18/15 | 30,639.90 | CATALINA EXPRESS | SUBSIDY - 2ND HLF 11/15 |
| 21603 | 12/18/15 | 119.83 | CATALINA ISLAND PLUMBING | SERVICE - CITY RESTROOMS |
| 21604 | 12/18/15 | 27.20 | CATALINA LAUNDRY | SERVICE - RECREATION |
| 21605 | 12/18/15 | 325.00 | CATALINA STEAM CLEANING | SERVICE - HARBOR |
| 21606 | 12/18/15 | 364.40 | CHALLENGER TEAWEAR | SUPPLIES - RECREATION |
| 21607 | 12/18/15 | - | VOID - MULTI STUB CHECK | VOID - MULTI STUB CHECK |
| 21608 | 12/18/15 | - | VOID - MULTI STUB CHECK | VOID - MULTI STUB CHECK |
| 21609 | 12/18/15 | - | VOID - MULTI STUB CHECK | VOID - MULTI STUB CHECK |
| 21310 | 12/18/15 | 2,405.53 | CHET'S HARDWARE | SUPPLIES - ALL DEPTS |
| 21311 | 12/18/15 | 2,653.14 | CLINE, KEN | SEMI ANNL RETIREMENT MED.REI |
| 21612 | 12/18/15 | 5,947.12 | CONNOLLY PACIFIC CO. | SERVICE - STORM DAMAGE |
| 21613 | 12/18/15 | 177,310.00 | CO. OF LA FIRE DEPARTMENT | QTRLY PARAMEDIC CONTRACT |
| 21614 | 12/18/15 | 3,152.22 | DAWES, BRIAN | SEMI ANNL RETIREMENT MED.REI |
| 21615 | 12/18/15 | 3,960.00 | CONSTRUCTORS PLUS | CONTRACT SVC - ADMIN |
| 21616 | 12/18/15 | 6,030.00 | CONSTRUCTORS PLUS | CONTRACT SVC - ADMIN |
| 21617 | 12/18/15 | 220.00 | DEWEY PEST CONTROL | SERVICE - ADMIN |
| 21618 | 12/18/15 | 183.28 | ECONOMY 2-WAY DISTRIBUTOR | SUPPLIES - GARAGE |
| 21619 | 12/18/15 | 3,080.95 | EDISON | UTILITIES - ALL DEPTS |
| 21620 | 12/18/15 | 75.15 | EDISON | PROPANE - PUBLIC WKS |
| 21621 | 12/18/15 | 1,571.13 | EPIC SPORTS, INC. | SUPPLIES - RECREATION |
| 21622 | 12/18/15 | 2,275.00 | FINELINE CONSTRUCTION | SUPPLIES - STORM DAMAGE |
| 21623 | 12/18/15 | 1,905.02 | ARIENS SPECIALTY BRANDS | SUPPLIES - PUBLIC WKS |
| 21624 | 12/18/15 | 2,300.00 | GEOGRAPHIC DATA & MANAGEMENT | CONTRACT SVCS - ADMIN |
| 21625 | 12/18/15 | 863.46 | GRAINGER | SUPPLIES - FUEL DOCK |
| 21626 | 12/18/15 | 1,785.00 | HELVETIC CONSULTING | CONTRACT SVC - PLANNING |
| 21627 | 12/18/15 | 16,758.56 | IFEXPORT | TRAILER PURCHASE - HBR |
| 21628 | 12/18/15 | 654.00 | INDUSTRIAL METAL SUPPLY | SUPPLIES - PUBLIC WKS |
| 21629 | 12/18/15 | 13,050.50 | JMA | SERVICE - PLANNING |
| 21630 | 12/18/15 | 690.00 | KATIES | SENIOR MEALS - NOV 15 |

FY16

AVALON CITY COUNCIL
MEETING OF JANUARY 19, 2016

| CHECK NUMBER | DATE ISSUED | AMOUNT | PAYEE | DESCRIPTION |
|---|---|---|---|---|
| 21631 | 12/18/15 | 216.00 | KOFF & ASSOCIATES | SERVICE - ADMIN |
| 21632 | 12/18/15 | 1,950.62 | LICARI, TONY | CONTRACT SVC - JAN 16 |
| 21633 | 12/18/15 | 3,478.00 | LA COUNTY FIRE DEPT. | PERMIT FEES - ALL DEPTS |
| 21634 | 12/18/15 | 477.76 | MAILFINANCE | MAIL MACHINE LEASE PYMT |
| 21635 | 12/18/15 | 1,428.59 | MCMASTER-CARR | SUPPLIES - FUEL DOCK/HBR |
| 21636 | 12/18/15 | 580.83 | MED-TECH RESOURCE, INC. | SUPPLIES - FIRE |
| 21637 | 12/18/15 | 690.00 | MR. NING'S | SENIOR MEALS - NOV 15 |
| 21638 | 12/18/15 | 16,645.72 | NIELSEN BEAUMONT MARINE | BARGE DEMO - HARBOR |
| 21639 | 12/18/15 | 1,025.82 | PEBBLY BEACH BUILDING SUPPLY | SUPPLIES - ALL DEPTS |
| 21640 | 12/18/15 | 619.87 | PORT SUPPLY | SUPPLIES - HARBOR |
| 21641 | 12/18/15 | 66.26 | PRAXAIR | SUPPLIES - GARAGE |
| 21642 | 12/18/15 | 8,085.00 | REGIONAL GOVERNMENT SERVICES | SERVICE - ADMIN |
| 21643 | 12/18/15 | 1,818.00 | ROMO, JOHN | SEMI ANNL RETIREMENT MED.REI |
| 21644 | 12/18/15 | 2,625.00 | ROSENOW SPEVACEK GRP, INC | CONTRACT SVC - SA/HA |
| 21645 | 12/18/15 | 1,474.91 | SC SUPPLY COMPANY | SUPPLIES - HARBOR |
| 21646 | 12/18/15 | 1,426.13 | SEAWAY CO. OF CATALINA | RESALE FUEL - FD |
| 21647 | 12/18/15 | 2,296.34 | SGT. LOY LUNA | REIMB O/P COSTS |
| 21648 | 12/18/15 | 1,432.00 | SINGING WATERS CHURCH | XMAS BOXES DONATION |
| 21649 | 12/18/15 | 2,175.00 | SIRIA'S CLEANING SERVICE | CONTRACT SVC - JMF/TREMONT |
| 21650 | 12/18/15 | 374.00 | SO. CALIF ASSOC. OF GOVT | YRLY DUES - ADMIN |
| 21651 | 12/18/15 | 110.00 | SPORTS TURF MANAGERS ASSOC. | YRLY DUES - RECREATION |
| 21652 | 12/18/15 | 2,191.35 | SUNGARD PUBLIC SECTOR | SOFTWARE LEASE - FINANCE |
| 21653 | 12/18/15 | 4,579.00 | SWRCB | PERMIT FEES - WWTP |
| 21654 | 12/18/15 | 4.50 | UNDERGROUND SVC ALERT | SERVICE - PW |
| 21655 | 12/18/15 | 9,525.00 | VEGA, EDMUNDO | CONTRACT SVC - JAN 16 |
| 21656 | 12/18/15 | 2,288.75 | WAROT, AL | REIMB O/P COSTS |
| 21657 | 12/18/15 | 4,000.00 | WEST COAST ARBORISTS, INC | SERVICE - PUBLIC WKS |
| 21658 | 12/18/15 | 80.36 | WITMER PUBLIC SAFETY GROUP | SUPPLIES - FIRE |
| 21659 | 12/18/15 | 49,055.25 | CATALINA TRANSPORTATION | SERVICE - NOV/DEC 2015 |
| 21660 | 12/18/15 | 13,222.00 | JMA | SERVICE - PLANNING |
| 21661 | 12/18/15 | 6,517.50 | LICARI, TONY | CPI ADJ. 8/09-CURRENT |
| 21662 | 12/18/15 | 27,112.00 | PARSAC | ADDL. PREMIUM ADJUSTMENT |
| 21663 | 12/18/15 | 3,967.60 | ZEST CATERING & EVENTS | HOLIDAY PARTY 2015 |

**$ 590,268.82**

AVALON CITY COUNCIL
MEETING OF JANUARY 19, 2016

**FY16**

| CHECK NUMBER | DATE ISSUED | AMOUNT | PAYEE | DESCRIPTION |
|---|---|---|---|---|
| 16794 | 12/11/2015 | $ 522.86 | ROBERT MESCHER | TRAINING / TRAVEL GENERAL |
| 16797 | 12/11/2015 | $ 72.65 | DENISE RADDE | SPECIAL DEPT. EXPENSE |
| 16748 | 12/11/2015 | $ 670.25 | MARTY SALDANA | TRAINING / TRAVEL GENERAL |
| 16800 | 12/11/2015 | $ 11.99 | JORDAN MONROE | HOLIDAY DECORATIONS |
| 53298 | 12/11/2015 | $ 160.24 | DEREK GEORGE | TRAINING / TRAVEL GENERAL |
| 53299 | 12/11/2015 | $ 128.00 | MATTHEW DELEHANT | TRAINING / TRAVEL GENERAL |
| 16824 | 12/23/2015 | $ 33.82 | JJ POINDEXTER | TRAINING / TRAVEL GENERAL |
| 16859 | 12/23/2015 | $ 24.84 | AUDRA MCDONALD | TRAINING / TRAVEL GENERAL |
| 16880 | 12/23/2015 | $ 382.50 | CHRIS WOIDZIK | TRAINING / TRAVEL GENERAL |
| 16882 | 12/23/2015 | $ 648.13 | ROBERT MESCHER | TRAINING / TRAVEL GENERAL |
| 16884 | 12/23/2015 | $ 37.20 | DENISE RADDE | TRAINING / TRAVEL GENERAL |
| 16884 | 12/23/2015 | $ 21.32 | DENISE RADDE | SPECIAL DEPT. EXPENSE |
| 16894 | 12/23/2015 | $ 167.35 | W.F. OLSEN | TRAVEL - COUNCILMEMBER |
| 53337 | 12/23/2015 | $ 640.61 | ANN MARSHALL | TRAVEL - COUNCILMEMBER |
| 53337 | 12/23/2015 | $ 53.00 | ANN MARSHALL | TRAVEL - COUNCILMEMBER |
| | | **$ 3,574.76** | | |

## CITY OF AVALON CITY COUNCIL

**MEETING DATE:** January 19, 2016 **AGENDA ITEM:** 3

**ORIGINATING DEP:** Finance **CITY MANAGER:** DR

**PREPARED BY:** Christy Lins, Treasurer
Robert Mescher, Finance Director

**SUBJECT:** Fiscal Year 2015-16 Second Quarter Treasurer's Report

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**RECOMMENDED ACTION(S):** Adopt the resolution accepting the Treasurer's report for FY15-16 for the Second Quarter ending December 30, 2015.

**REPORT SUMMARY:** At the conclusion of each quarter throughout the fiscal year, the Treasurer is to submit to the City Council a Treasurer's report summarizing the balances in the bank and investment accounts maintained by the City under the Treasurer's control in accordance with State statute and the City's Municipal Code.

Accordingly, attached is the Second Quarter Treasurer's report for FY15-16.

The purpose of the report is to inform you on a quarterly basis, the City's cash and investment balances, the investment types, yields, and market values, and to ensure you that the City's investments are in compliance with the City's adopted Investment Policy.

The report shows that all of the City's funds are in compliance with its investment policy. Generally, operating cash is held in US Bank checking accounts and the excess cash is invested in California's Local Agency Investment Fund (LAIF) and earn about 0.3%. The City Treasurer and Finance Director will be working together in the coming months to explore other investment opportunities that may provide higher yield than LAIF.

**GOAL ALIGNMENT:** Meeting required disclosures.

**FISCAL IMPACTS:** N/A

**CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION:** Non-compliance with State statute and City Municipal Code.

**FOLLOW UP ACTION:** Fully accept the FY15-16 Second Quarter Treasurer's Report and Resolution.

**ADVERTISING, NOTICE AND PUBLIC CONTACT:** Pursuant to the Brown Act.

**ATTACHMENTS:**
1. FY15-16 Second Quarter Treasurer's Report
2. Resolution to Accept the Report

**CITY OF AVALON**
**QUARTERLY TREASURER'S REPORT**
**FIRST QUARTER ENDED SEPTEMBER 30, 2015**

| NAME OF ISSUER/TYPE OF INVESTMENT | BALANCE | Annual Yield | MATURITY | MARKET VALUE |
|---|---|---|---|---|
| **CITY CASH AND INVESTMENTS** | | | | |
| US BANK - GENERAL CHECKING ACCOUNT | $ 2,103,710.75 | - | On demand | $ 2,103,710.75 |
| US BANK - PAYROLL ACCOUNT | 98,041.22 | - | On demand | 98,041.22 |
| US BANK - FLEX BENEFITS ACCOUNT | 9,264.57 | - | On demand | 9,264.57 |
| PETTY CASH | 500.00 | - | On demand | 500.00 |
| LAIF - GENERAL ACCOUNT (CA LOCAL AGENCY INVESTMENT FUND) | 9,866,571.09 | 0.3% | On demand | 9,872,438.21 |
| **TOTAL CITY CASH AND INVESTMENTS** | $ 12,078,087.63 | | | $ 12,083,954.75 |
| **OTHER ACCOUNTS:** | | | | |
| US BANK - FLEX BENEFITS ACCOUNT | $ 30,392.55 | - | On demand | $ 30,392.55 |
| US BANK - HOUSING AUTHORITY (LOW MODERATE INCOME HOUSING) | 465,135.96 | - | On demand | 465,135.96 |
| US BANK - SUCCESSOR AGENCY TO ACIA | 21,274.23 | - | On demand | 21,274.23 |
| LAIF - SUCCESSOR AGENCY TO ACIA | 4,999,559.97 | 0.3% | On demand | 5,002,532.94 |
| US BANK (AS TRTUSTEE) - ACIA AVALON COMMUNITY IMPROVEMENT AGENCY 2003 TAX ALLOCATION BONDS - SERIES A | 156,764.82 | 0.3% | On demand | 156,764.82 |
| **TOTAL OTHER ACCOUNTS** | $ 5,673,127.53 | | | $ 5,676,100.50 |
| **TOTAL BALANCE OF ALL ACCOUNTS** | $ 17,751,215.16 | | | $ 17,760,055.25 |

(1) Note: The 2003 Tax Allocation Bonds - Series B were refunded and the $4,070,000 reserve was temporarily transferred to LAIF - Successor Agency. A new and separate LAIF account for the reserve will be established in the second quarter. This quarterly report will be the last reporting of the Series B Account since the balance is $0.

Under the provision of Section 53646 of the California Government Code, the Treasurer or Chief Fiscal Officer shall render a report to the City Council and City Manager, at least quarterly, detailing information on all securities, investments and moneys of the City. This quarterly report complies with the current Investment Policy adopted by the City Council on January 20, 2015.

Christy Lins - Treasurer  Date

Robert Mescher - Finance Director  Date

# CITY OF AVALON CITY COUNCIL

**MEETING DATE:** January 19, 2016 **AGENDA ITEM:** 4

**ORIGINATING DEP:** Administration **CITY MANAGER:** DR

**PREPARED BY:** Interim City Manager Denise Radde

**SUBJECT:** Rescinding of Full-Time Employee Hiring Freeze

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**RECOMMENDED ACTION(S):** Discuss and make the determination to rescind the full-time hiring freeze.

**REPORT SUMMARY:** In March, 2014 the City Manager was directed by the City Council to implement a full-time employee hiring freeze. This was implemented due to City Council concerns about the City's budget deficit.

Since the time of the implementation of the full-time employee hiring freeze, a review of full-time staffing needs has been undertaken with consideration for the impact to the City budget. This review yielded the determination that it would be in the City's best interest to rescind the full-time hiring freeze, in that it would not increase the budget deficit at the time, and would allow for the continuation and/or enhancement of existing service delivery levels. Rescinding of the full-time employee hiring freeze was requested at the May 6, 2014 City Council Meeting in order to complete the hiring process of the vacant positions of Recreation Assistant, Harbor Administrative Assistant and Firefighter. The City Council voted at that meeting to fill the three vacant full time budgeted positions but to maintain the full-time hiring freeze until after the upcoming budget was passed for FY 2014-2015.

Staff is requesting that the City Council formally rescind the hiring freeze so that open full-time positions may be filled as per previous direction by this City Council.

**GOAL ALIGNMENT:** Not aligned.

**FISCAL IMPACTS:** The current and proposed recruitments/subsequent placements are for positions that were both budgeted and not budgeted within the Fiscal Year 15-16 budget. (Unbudgeted new position: Community Services Director-$122,741-$149,373 and existing position: City Manager)

**CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION:** The City Manager will not be able to extend an offer of employment to the successful top-placing candidate for the Community Services Director position currently being advertised, nor will recruitments/subsequent placements be possible for additional open positions such as City Manager.

**FOLLOW UP ACTION:** Continue Community Services Director recruitment/selection/placement process. Continue selection of a firm for recruitment of the City Manager position. Continue recruitment/selection/placement process for additional full time positions currently budgeted and not budgeted for.

**ADVERTISING, NOTICE AND PUBLIC CONTACT:** Pursuant to the Brown Act.

**ATTACHMENTS:** Agenda page, Staff Report, and Actions from the May 6, 2014 City Council Meeting.

## CITY OF AVALON CITY COUNCIL

**MEETING DATE:** January 19, 2016 **AGENDA ITEM:** 5

**ORIGINATING DEP:** Planning **CITY MANAGER:**

**PREPARED BY:** Al Warot, Planning Consultant

**SUBJECT:** Request for Encroachment Permit at 119 Sumner Avenue for Outdoor Dining

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**RECOMMENDED ACTION(S):** Approve the Encroachment Permit for outdoor dining consisting of two tables and two chairs per table.

**REPORT SUMMARY:** The owner of the Avocado Café, which is located at 119 Sumner Avenue, has applied for an Encroachment Permit to allow the café to offer outdoor dining. The City Council has approved outdoor dining within the public right-of-way at a number of locations in the City's Commercial zone. Focusing on the immediate vicinity of the property in question, Original Antonio's, which is located just to the northeast of the Avocado Café, has outdoor seating. Outdoor seating in the Sumner Avenue right-of-way also exists adjacent to Lloyd's of Avalon.

The applicant has requested permission to place two tables, with two chairs per table, in the public right-of-way immediately adjacent to the front of the café. The tables and chairs would be placed between the two entrances to the café (see attached photograph). The furnishings would extend approximately two feet from the building façade into the right-of-way, similar to the outdoor seating at Original Antonio's (see attached photograph). Given the width of the sidewalk at this location, the outdoor seating could be accommodated without obstructing pedestrian traffic on Sumner Avenue. The Fire Department is not opposed to the requested encroachment provided that if the furniture is taken indoors after business hours, that it be stored at a location that does not impede Fire Department access to the business in case of an emergency.

Section 4-9.106 of the Avalon Municipal Code indicates that Encroachment Permits may be granted if each of the following criteria are met:

(a) The encroachment use is necessary or desirable;

(b) The encroachment use does not create a substantial adverse impact on persons or property; and

(c) The encroachment use does not adversely affect the public health, welfare and safety.

As stated above, the City Council has approved outdoor dining for a number of restaurants in the City, including the adjacent Original Antonio's. Given the area's Mediterranean climate, Avalon is an ideal location for outdoor dining during much of the year. The width of the sidewalk in front of the Avocado Café will accommodate outdoor seating while still allowing adequate space for pedestrians walking on Sumner Avenue. The requested encroachment will not create a substantial adverse impact on persons or property and could be beneficial by offering the option of outdoor dining to the patrons of the Avocado Café. Provided that any indoor storage of the tables and chairs does not impeded emergency access to the café after business hours, as recommended by the Fire Department, the encroachment

will not adversely affect the public health, welfare and safety. Therefore, staff is recommending that the Encroachment Permit be approved subject to the conditions that:

1. The outdoor seating at the Avocado Café is limited to two tables, with two chairs per table.
2. The tables and chairs be placed and maintained adjacent to the front of the building between the two entrances to the business.
3. If the furniture is taken indoors after business hours, that it be stored in a manner that does not impeded Fire Department access to the business in case of an emergency.
4. A lease agreement be executed with the City of Avalon for the use of the public right-of-way involved.

**GOAL ALIGNMENT:** City Policy – Avalon 2030 Vision

**FISCAL IMPACTS:** The City will receive income from the leasing of public right-of-way should the City Council approve the permit.

**CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION:** Outdoor dining would not be allowed at the subject location.

**FOLLOW UP ACTION:** Monitor adherence to conditions imposed on Encroachment Permit.

**ADVERTISING, NOTICE AND PUBLIC CONTACT:** Pursuant to the Brown Act.

**ATTACHMENTS:**

1. Application for Encroachment Permit.
2. Photographs depicting proposed outdoor seating at Avocado Café and existing outdoor seating at Original Antonio's.

## CITY COUNCIL

**MEETING DATE:** January 19, 2016 **ADENDA ITEM:** 6

**ORIGINATING DEP:** Administration **CITY MANAGER:** DR

**PREPARED BY:** Denise Radde, Interim City Manager

**SUBJECT:** Letter of Support - Los Angeles County Pharmaceuticals and Sharps Collection and Disposal Stewardship Ordinance

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**RECOMMENDED ACTION(S):** Review and consider sending a letter to the Los Angeles County Board of Supervisors in support of their drafting and adopting a Los Angeles County's Pharmaceuticals and Sharps Collection and Disposal Stewardship Ordinance.

**REPORT SUMMARY:** The City of Avalon has received a request from the Los Angeles County Division of the League of California Cities to send a letter of support to the Los Angeles County Board of Supervisors regarding their consideration of drafting and adopting the Los Angeles County's Pharmaceuticals and Sharps Collection and Disposal Stewardship Ordinance.

According to the League's draft letter of support, "the proposed ordinance would require the development of Stewardship Plans to address the collection and disposal of unwanted/unused pharmaceuticals and sharps waste generated by residents. The ordinance establishes a sustainably-financed program that will provide residents with a convenient means to safely dispose of unwanted sharps and pharmaceuticals and help to prevent them from entering the environment, reduce their availability for drug abuse and misuse, and reduce injuries associated with sharps being improperly disposed. With access to safe and convenient disposal options, as well as a robust outreach and education program residents will be more informed of the appropriate collection and disposal methods... The passage of this ordinance would ensure that manufacturers and producers of prescription and nonprescription drugs and sharps share in the responsibility of proper disposal of their products."

The League of California Cities has included in their request for support a draft letter, a Frequently Asked Questions document, and the full draft of the proposed ordinance. These three documents are attached.

The County serves as the City's Health Officer. The City could therefore adopt the County's Ordinance once passed by the Board of Supervisors by passing a resolution supporting the Ordinance in order to utilize this program.

**GOAL ALIGNMENT:** Not aligned.

**FISCAL IMPACTS**: Potential savings to the City of Avalon and their waste management contractor for the cost of properly disposing of unwanted/unused pharmaceuticals and sharps waste generated by residents as the burden of cost would be placed on the companies originally producing the prescription and nonprescription drugs and sharps.

**CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION:** No letter of support will be sent by the City of Avalon to the Los Angeles County Board of Supervisors.

**FOLLOW UP ACTION:** Staff will send the signed letter of support. Staff will also draft and bring back to Council a resolution supporting the Ordinance once passed by Los Angeles County in order to utilize the program if so directed by City Council.

**ADVERTISING, NOTICE AND PUBLIC CONTACT:** This item was properly listed on the posted agenda.

**ATTACHMENTS:**
Draft Letter of Support
Frequently Asked Questions document
Los Angeles County Pharmaceuticals and Sharps Collection and Disposal Stewardship Ordinance

## CITY OF AVALON CITY COUNCIL

| | | | |
|---|---|---|---|
| **MEETING DATE:** | January 19, 2016 | **AGENDA ITEM:** | 7 |
| **ORIGINATING DEP:** | Planning | **CITY MANAGER:** | |
| **PREPARED BY:** | Al Warot, Planning Consultant | | |
| **SUBJECT:** | Cultural Resources Management | | |

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**RECOMMENDED ACTION:** Approve agreement with John Minch and Associates, Inc. (JMA) to provide on-call archaeological consulting services.

**REPORT SUMMARY:** Santa Catalina Island has a rich cultural heritage that spans millennia. The earliest evidence of human habitation on Catalina Island dates to 3,000 to 4,000 BC. The initial inhabitants of the island were likely the Chumash Tribe, succeeded by the Gabrielino/Tongva Tribe. Jointly, these tribes comprised the wealthiest, most populous, and powerful ethnic nation in aboriginal southern California.

By the time that Spanish General Juan Rodriguez Cabrillo, who was the first non-native to visit Santa Catalina Island, arrived in the early 1500's, there appear to have been two major Gabrielino/Tongva population centers on the island – one at the Isthmus (Two Harbors) and one at Avalon. Being located at the mouth of a hospitable canyon opening on to the naturally protected environment of Avalon Bay, Avalon was the site of a large prehistoric village and cemetery. Hence, it is not surprising that utility and other excavations in the City's downtown area have unearthed significant archaeological resources and Native American remains and will continue to do so in the future.

The City has demonstrated good stewardship in the management of the community's cultural resources, albeit on a case-by-case basis. As the need arises, the City has called upon professional archaeologists and tribal representatives to monitor and report on excavation activities within the City. However, this has been done without the benefit of a comprehensive, systematic program for managing the cultural resources that exist within the community. Therefore, in order to remedy this situation in moving forward, City staff has undertaken the establishment of a formal Cultural Resources Management Program. To date, a Cultural Resources Management Plan (CRMP) has been prepared and the City's Excavation Permit application has been revised to serve as a mechanism for implementing the plan.

The CRMP, which was prepared by John Minch and Associates, Inc. (JMA), sets forth the City's intent with regard to the management of local cultural resources. It also identifies the field protocols to be followed in monitoring excavations in areas of cultural

resource sensitivity. The City's Excavation Permit application, in turn, has been revised to address the excavation monitoring requirements of the CRMP.
The application form now explains that when a permit is issued for excavation being undertaken within an "Area of Archaeological Sensitivity," the City's consulting professional archaeologist and Tribal Monitor/Representative shall be present on-site to monitor activities for the duration of the excavation. A map depicting these areas has been prepared and attached to the application form to assist in readily determining if the excavation will require monitoring. If the excavation is being undertaken outside of the archaeologically sensitive areas shown on map, the excavation may proceed without on-site monitoring or further consultation. However, if cultural resources are encountered during excavation, all work must halt until the City's consulting professional archaeologist and Tribal Monitor/Representative are notified and able to determine the significance of the cultural resource that was encountered.

The cost for any required monitoring will be borne by the applicant for the excavation permit. The City Council has already established Archaeological Monitoring Fees as part of the City's Miscellaneous Fee Schedule and these fees are clearly identified on the Excavation Permit application. In the case of excavations related to City-initiated projects, the City would bear the cost for any required monitoring and such cost should be included in the approved budget for the project, to the extent that it could be anticipated.

The final and missing component of the CRMP is an agreement for the on-call archaeological consulting services required for the monitoring of excavations. In this regard, Staff is recommending that the City Council approve the attached agreement with JMA. The firm, which is based in Mission Viejo, prepared the plan that is the underpinning of the CRMP and has performed all of the required monitoring to date. The firm's key personnel are quite familiar with Avalon and its cultural resources and include a Tribal Monitor/Representative of Gabrielino/Tongva descent who is a resident of Avalon. This will allow for quick response when the unanticipated need for monitoring arises.

To date, the City has paid JMA $26,272.50 for professional archaeological consulting services provided for local projects. Theses costs can be broken down as follows:

| **Project** | **Amount** | **Responsible Party** |
|---|---|---|
| Preparation of Cultural Resources Management Plan | $2,000.00 | City of Avalon |
| Monitoring of Pleasure Pier Generator Gas Line Excavation | $11,050.50 | City of Avalon |
| Monitoring of Metropole Avenue Sewer Lateral Excavation | $13,222.00 | Private property owners |
| **Total** | $26,272.50 | |

These costs were incurred on an emergency basis and without the benefit of an executed agreement with JMA and, in the case of the Metropole Avenue excavation, without funds being deposited by the excavation permit applicant. Fortunately, the City is being reimbursed for the Metropole Avenue excavation monitoring costs. However, excavations along Crescent Avenue over the past several weeks have once again necessitated monitoring to be performed by JMA. While this time the associated costs will be paid from the funds deposited by the excavation permit applicants, this serves as further evidence of the need to have a formal, executed agreement with JMA for on-call archaeological services.

**GOAL ALIGNMENT:** City Policy – Avalon 2030 Vision

**FISCAL IMPACTS:** Incur possible and sometimes indeterminable monitoring costs for excavations associated with City public works projects, while monitoring costs for other projects will paid from excavation permit applicant deposits.

**CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION:** Continue to utilize the services of JMA on an as-needed basis without the benefit of a formal, executed agreement for their services.

**FOLLOW UP ACTION:** Coordinate execution of agreement and monitor JMA invoices for services rendered for compliance with provisions of agreement.

**ADVERTISING, NOTICE AND PUBLIC CONTACT:** Pursuant to the Brown Act.

**ATTACHMENT:**

1. Agreement for On-Call Archaeological Services with JMA

# CITY OF AVALON CITY COUNCIL

**MEETING DATE:** January 19, 2016 **AGENDA ITEM:** 8

**ORIGINATING DEP:** Administration **CITY MANAGER:** DR

**PREPARED BY:** Tiffany Bose, Human Resources Advisor

**SUBJECT:** Adopt the Drug Free Workplace Act & Department of Transportation Drug and Alcohol Testing Policy, Policy P-1, and Resolution

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**RECOMMENDED ACTION(S):** The City Council is requested to adopt the resolution and Policy to replace and update the City's current drug and alcohol policy, so the City may comply with the Federal Drug Free Workplace Act & Department of Transportation Drug and Alcohol Testing Policy.

**REPORT SUMMARY:** The **current** City of Avalon Personnel Rules and Regulations address drugs and alcohol abuse under Chapter 17: Drug and Alcohol Abuse Polices, sections 1 through 15. Amongst several stated objectives, the Policy expresses the City's desire to maintain an alcohol and drug free, safe, secure and healthy working environment for all employees; to protect the citizens of Avalon; to reduce the frequency of alcohol or drug related injuries to persons or damage to property; to reduce alcohol or drug related absenteeism, tardiness, and substandard job performance; and to provide guidelines for the rehabilitation of employees who seek the City's help in overcoming addiction to, dependence upon, or problems associated with the use of alcohol or drugs.

The current Policy **only** provides for pre-employment, post-accident, and reasonable suspicion testing. Furthermore, while a violation of the current policy does allow for disciplinary action, there are severe limitations placed on the City. For example, if an employee refuses to comply with a drug or alcohol test, the City is limited to imposing a suspension on that employee, and that employee may not access his/her rehabilitation benefits. Meanwhile, if an employee consents to being tested, and the test result is positive, he/she may be subject to termination, but only if the employee violates the Policy three (3) times within one (1) year. Furthermore, even after the employee is terminated, if he/she can demonstrate that he/she completed a rehabilitation program then the City is obligated to reinstate him/her. The current Policy does not align with the City's stated objectives, in that it is overly broad, and does not mitigate risk to the City and its employees. Furthermore, the City's only path to action is to contact law enforcement when the City believes alcohol or a drug is present in a work area.

In addition, as a condition of continued employment, the current Policy states the City may require the employee to participate in a counseling program when an employee engages in off-duty conduct. However, there is a serious doubt if we can legally govern off-duty behavior. With the exception of Firefighters that are held to a unique code of conduct, the City can only concern itself with behavior as it relates to one's job, fitness for duty, and the performance of such duties.

**The Updated Policy:**

The updated Policy requires every employee to be subjected to pre-employment, post-accident, reasonable suspicion and return-to-duty, testing, as set forth in the policy. It also provides for random drug testing of DOT covered employees and other safety sensitive personnel. In order to promote public safety and a drug-free workplace, the U.S. Department of Transportation's (DOT) Federal Motor Carrier Safety Administration (FMCSA) requires employers to have a drug and alcohol testing program that includes random testing for employees working in safety-sensitive positions. The California State Constitution prohibits employers from invading an employee's right to privacy by mandating that all employees be subjected to random testing, as it is illegal to do so. Therefore, the reach of random testing must be limited to those areas where allowable under the law.

An employee will be considered a safety sensitive employee during any period in which that employee is actually performing, ready to perform (i.e. On Call or Standby), or immediately available to perform any safety-sensitive functions. **Safety-sensitive functions are those that are potentially dangerous, where the discharge of those duties contains inherent risks of injury to self or others.**

Typical examples of positions that are subject to random drug testing involve:

- Any Class "A or B" commercial driver's license holder
- Designated Safety-Sensitive Personnel
- Anytime an employee is controlling dispatch or movement of a commercial vehicle or equipment used in a commercial vehicle
- Anytime an employee maintains (including repairs, overhaul and rebuilding) a commercial vehicle or equipment used in a commercial vehicle

**Exemption of Fire Personnel** - Under the Code of Federal Regulations (CFR 382.103(d)(3)(ii)) it states that the FMSCA does not apply to "Firefighters or other persons who operate commercial motor vehicles which are necessary for the preservation of life or property or the execution of emergency governmental functions." The state of California has also elected to exempt them from the commercial license requirements set forth in part 383. Although Fire Personnel could be considered as "safety-sensitive" and therefore be subject to random drug testing, in this instance random drug testing will not apply to Fire personnel, as **the Fire Union objects to the participation in random drug testing for any of their members**.

Under the updated Policy an employee who tests positively for alcohol, between .02 and .039 (under the State of California's legal limit), will be afforded an opportunity for referral to a substance abuse professional to be evaluated and treated. (A test over BAC .04 will result in automatic termination.) An employee who fails to complete the program will be subject to termination from employment. The City also recognizes an employee may need to participate in a program more than once. An employee completing a rehabilitation program must agree to and sign a Last Chance Agreement, pass a return-to-duty controlled substance and/or alcohol test and be subject to unannounced follow-up testing for 36 months following return to duty. A positive result on the return-to-duty test or on the unannounced follow-up tests within a 36 month period will result in termination from employment. An employee who feels he/she has a problem with illegal drugs and/or alcohol may also request voluntary admission to a rehabilitation program. An employee may use accumulated sick leave, vacation and floating holidays, if any, to participate in a prescribed rehabilitation program.

**Note: As long as an employee complies with this Policy, is seeking treatment, and actively works a program under the guidance of a substance abuse professional, the City will view this as favorable progress toward recovery as a mitigating factor when making a determination to separate an employee from employment.**

Over several months the City has met with all three (3) of our Unions who have whole heartedly agreed to support a drug free workplace, comply with all health and safety regulations of the City, and to work with the Human Resources Department to identify safety-sensitive positions in each department. In the Memorandum's of Understandings (MOUs) for the AMEA and AHEA Unions, we have agreed that all employees of the City are subject to pre-employment, random, reasonable suspicion/cause, post-accident, return-to-duty and follow-up controlled substance and/or alcohol testing in accordance with the Federal DOT regulations and that employees may be subject to disciplinary action for cause in accordance with this Policy. However, the **IAFF Union has not agreed to subject their employees to random drug testing** but has agreed to reconvene for further discussions regarding the implementation of the City's Drug and Alcohol Policy. As such, the City will meet with its Unions to discuss the implementation of the City's drug and alcohol testing procedures.

With the changes in law, the need to update our policy on Drug and Alcohol testing is imperative. With an up-to-date policy the City has recommitted to its employees by promoting a healthy and safe workplace, responsibility and accountability for each employee. This reduces the City's liability and greatly reduces our risk.

**GOAL ALIGNMENT:** City Policy.

**FISCAL IMPACTS:** The recently adopted fiscal year 2015/2016 budget already includes money set aside for drug testing under the recruitment and drug-free workplace categories.

**CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION:** The City will be out of compliance with the Federal regulations and may lose funding for Federal and State contracts and grants, and may also incur civil penalty actions for non-compliance under 49 CFR Part 40. Further, the City may be subjected to Federal complaint investigations, compliance and enforcement reviews, for its failure or refusal to provide drug or alcohol testing consistent with the requirements the Department of Transportation agency drug and alcohol regulations.

The City will also be unable to operate, and must suspend, the Shoreboat operations in the Avalon Harbor as it is a Federal requirement for anyone who transports people by vessel to participate in a random drug testing program (U.S. Coast Guard regulations).

Finally, if any City employee causes injury or death to another person, or harm to a person's property, while under the influence at work, the City is liable. It is a fact that compensatory damages awarded to a defendant, increase dramatically, when the employer has been found to be negligent and out of compliance with State and/or Federal laws.

**FOLLOW UP ACTION:** To be administered by the Human Resources Department and the Policy disseminated to all employees, and added to the City's intranet website. All supervisors and managers are to receive drug and alcohol training.

**ADVERTISING, NOTICE AND PUBLIC CONTACT:** This item was properly listed on the posted agenda pursuant to the Brown Act.

**ATTACHMENTS:**

- Resolution adopting policy
- Drug Free Workplace Act & Department of Transportation Drug and Alcohol Testing Policy, Policy P-1

## CITY OF AVALON CITY COUNCIL

**MEETING DATE:** January 19, 2016 **AGENDA ITEM:** 9

**ORIGINATING DEPT:** City Attorney **CITY MANAGER:** DR

**PREPARED BY:** City Attorney Scott Campbell

**SUBJECT:** Amendment of Avalon Municipal Code Chapter 5-20 to limit cultivation of medical marijuana in the City

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**RECOMMENDED ACTION(S):** That the City Council adopt an ordinance amending the Municipal Code to limit cultivation of medical marijuana in the City

**REPORT SUMMARY:** After passage of the Medical Marijuana Regulation and Safety Act ("MMRSA") to comprehensively regulate medical marijuana, staff requested a memo from the City Attorney regarding recommended alterations to the Avalon Municipal Code ("AMC"). At the December 15, 2015 City Council meeting, the City Council introduced an ordinance allowing limited cultivation of medical marijuana in the City, and directed the City Attorney to obtain examples of what other cities are doing to limit or regulate cultivation.

The attached Ordinance amends the AMC to prohibit cultivation in all instances except for a specific exemption allowing for the cultivation of up to three (3) mature) and six (6) immature plant and the possession of a maximum of eight (8) ounces of processed marijuana for personal use, provided the individual does not sell, distribute, donate, or provide marijuana to any other person or entity. It also adds a definition of "cultivation" to the AMC which will make clear what activities are being regulated and which fully comports with the language of the MMRSA. It further specifically defines "qualified patient" to limit the cultivation exemption to individuals who are entitled to the protections of Health and Safety Code Section 11362.5. This will ensure that only patients with an actual, verified medical need are permitted to cultivate within the City.

In addition, the attached examples from Santa Cruz, Oakland, Berkeley, and Arcata provide examples of four different cities that allow cultivation without creating a separate permitting or licensing scheme. While each of these cities differ in their approach, all four allow cultivation without creating an extensive burden of overseeing a complex licensing scheme.

The Santa Cruz provisions recognize growing certificates provided by marijuana provider associations for personal cultivation. Santa Cruz explicitly allows for any cultivation by a person in possession of a growing certificate, as well as for the delivery of medical marijuana by qualified patients, primary caregivers, or cultivators.

The City of Oakland requires a cultivation permit to engage in industrial cultivation. The provisions include industrial cultivation permits if more than 96 square feet of cultivation area

are in use. Oakland also allows permitted cultivation only in "light manufacturing industrial" zones. Oakland allows for residential cultivation if it is in an area less than 32 square feet, or residential cultivation by a collective if it includes a maximum of 216 plants with a maximum growing area of 96 square feet indoor or 60 outdoor. Collectives are limited to groups of no more than three people.

The City of Berkeley has extensive regulations, but limits all cultivation to less than 200 square feet or 25% of the building square footage. However, within that square footage, collectives may possess a "reasonable quantity" of medical marijuana to meet the needs of their patient members. Berkeley also does not cap membership in a collective.

The City of Arcata allows individual qualified patients or primary caregivers to cultivate at the residence of the patient, so long as the cultivation area does not exceed 50 square feet. It also allows for individual cultivation that violates that requirement with a "Zoning Administrator Interpretation" of the need for additional cultivation area. Arcata allows up to four medical marijuana cooperatives or collectives, which must be permitted (and if any current cooperative closes, the number allowed shall decrease until only two are allowed).

If the City does not pass the current ordinance, it risks losing the authority to regulate. As of March 1, 2016, state law will govern cultivation unless the City has an ordinance in place. AB 21, currently before the State Assembly, would remove this deadline, but passage is not guaranteed. Assuming the City takes action before the State imposed deadline, it can always alter its regulatory scheme, or remove it entirely, after the deadline. The City could decide to create a system similar to one of the examples attached, or to regulate in an entirely different way. So long as the City steps into the field by enacting an ordinance prior to March 1, 2016, it can alter its regulations at a later date without ceding authority to the State.

**FISCAL IMPACTS:** No financial impact is anticipated for the adoption of the proposed Ordinance.

**CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION:** The Municipal Code will not address cultivation of marijuana. As of March 1, 2016, state law will govern in Avalon, and will allow for various types and amounts of cultivation based on application for one of a regime of state licenses that will become available to cultivators within the City.

**FOLLOW UP ACTION:** Adopt ordinance and publish in newspaper.

**ADVERTISING, NOTICE AND PUBLIC CONTACT:** Pursuant to the Brown Act.

**ATTACHMENTS:** Proposed Ordinance
Santa Cruz Medical Marijuana Provisions
Oakland Medical Marijuana Provisions
Berkeley Medical Marijuana Provisions
Arcata Medical Marijuana Provisions

# CITY OF AVALON CITY COUNCIL

**MEETING DATE:** January 19, 2016 **AGENDA ITEM:** 10

**ORIGINATING DEP:** Finance **CITY MANAGER:** DR

**PREPARED BY:** Robert Mescher, Finance Director

**SUBJECT:** City of Avalon and Los Angeles County MTA Audited Financial Statements for FY14-15

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**RECOMMENDED ACTION(S):** Receive and approve the audited financial statements for the fiscal year ending June 30, 2015 and accompanying reports comprised of the City's financial audit, communication, and GANN limit testing, as well as an audited report issued by the Los Angeles County Metropolitan Transportation Authority.

**REPORT SUMMARY:** The audits concluded that the City's financial statements fairly present, in all material respects, the City's financial position and the change in financial position for the year ending June 30, 2015 and the City was in compliance with MTA programs.

City of Avalon Financial Audit

Jennifer Farr, a partner of the City's audit firm, DavisFarr LLP will present the following reports and will be available to respond to any questions:

1. FY14-15 Audited Financial Statements
2. SAS 114 Letter - Auditor's Communication to those Charged with Governance
3. SAS 115 Letter - Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards
4. GANN Limit Letter

Los Angeles County Metropolitan Transportation Authority

1. FY14-15 Annual Financial Report covering the Proposition A, Proposition C, Measure R, Transportation Development Act Artice 3, and Transportation Development Act Article 8 programs.

**GOAL ALIGNMENT:** Compliance with required disclosures and reporting

**FISCAL IMPACTS:** There is no direct fiscal impact associated with presenting these reports.

**CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION:** The City would not be in compliance with Federal and State mandates and debt reporting requirements..

**FOLLOW UP ACTION:** File the reports with appropriate authorities and publish them on the City's web site.

**ADVERTISING, NOTICE AND PUBLIC CONTACT:** Pursuant to the Brown Act.

**ATTACHMENTS:**

1. FY14-15 Audited Financial Statements (available upon request)
2. SAS 114 Letter - Auditor's Communication with Those Charged with Governance
3. SAS 115 Letter - Communication of Internal Control Related Matters Identified in the Audit
4. GANN Limit Letter
5. MTA FY14-15 Annual Financial Report covering the Proposition A, Proposition C, Measure R, Transportation Development Act Article 3, and Transportation Development Act Article 8 programs.

# CITY OF AVALON CITY COUNCIL

**MEETING DATE:** January 19, 2016 **AGENDA ITEM:** 11

**ORIGINATING DEP:** Planning **CITY MANAGER:** AR

**PREPARED BY:** Audra McDonald, Administrative Analyst

**SUBJECT:** Assessment of the Avalon Transit Procurement Response and Determination of the Next Steps.

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**RECOMMENDED ACTION(S):**

- Review the options outlined in the Staff Report and provide direction to Staff regarding the City's public transportation procurement process and operation of the City's transit system.

- Direct release of the revised Request for Proposals (RFP) for the Management and Operation of the Avalon Transit System, as further detailed in this Staff Report.

**REPORT SUMMARY:** On October 7, 2015, the City of Avalon released an RFP for the Management and Operation of the Avalon Transit System. This RFP was emailed to 17 firms known to manage or operate similar transit and paratransit services or which had expressed interest in the project. Five of the firms are located in Avalon. Additionally, the RFP was published on the California Association for Coordinated Transportation Website.

A Mandatory Pre-Proposal meeting was held in the City Council Chambers to review the RFP and highlight unique aspects of the requirements and the business environment on Catalina. Four firms attended the Pre-Proposal Conference and, therefore, were qualified to submit a proposal.

The deadline for submission of the proposals in response to the City's RFP was November 20, 2015, at 3:00 p.m. in the City Clerk's Office. One proposal was received prior to the 3:00 p.m. deadline. A second proposal was received after the deadline at 3:06 p.m., and, in accordance with the terms of the RFP, this proposal was rejected and returned to the firm unopened. A formal protest was submitted by this firm and denied by the City.

The one proposal that was received was submitted by Catalina Transportation Services, Inc. (CTS), the City's incumbent transit services management firm. The CTS proposal, however, was not responsive to the City's request because it did not propose to provide the requested transportation services specified in the RFP. Instead, CTS submitted an "Alternate Proposal" to operate only the Avalon Access and Avalon Dial-a-Ride services. In format and content, the Alternate Proposal did not comply with the requirements of the City's RFP and provided only limited information on how these two services would be managed, administered and operated.

Importantly, the CTS proposal failed to describe how CTS would become adequately versed in the operation of Americans with Disabilities Act (ADA) paratransit services to ensure that the City is fully compliant with the law.

**Understanding the Inadequate RFP Response**

In order to understand more clearly why the City received no compliant proposals, telephone calls were placed to seven firms who either attended the Mandatory Pre-Proposal Conference or expressed a strong interest in the project. The common themes among the firms were:

- Timing conflicts with proposal due date.
- Did not have qualified management candidate per the RFP requirement.
- Not adequately familiar with Avalon and local business environment.
- Unavailability of firm-provided office space per the RFP requirement.

The firms were also asked if the City could have done anything differently that would have allowed them to submit a proposal. Some of the responses included:

- City could provide the Dial-a-Ride (DAR) vehicles in addition to those for the fixed route service, including maintenance, fuel and parking.
- City could provide office space.
- City could make the Pre-Proposal Meeting optional rather than mandatory.

Finally, at least three of the firms indicated that they would reconsider the City's project if given the opportunity.

**Options Available to the City**

The following is a list of options, including some pros and/or cons of each, for the continued operation of the City's transit system.

1. Extend Existing Contract with Catalina Transportation Services Without Changing Services
   Extending the current agreement with CTS or entering into a new agreement with CTS under the current terms would be contrary to the City Council directive to competitively solicit proposals. Continuing the existing service program would also not comply with ADA requirements. Additionally, the new Ebus vehicles need to be incorporated into the system, and CTS has indicated that they are not willing to operate these vehicles. Finally, extending the current agreement or entering into a new agreement with CTS under the current circumstances would amount to a non-competitive procurement, and make these transit services ineligible for Federal Transit Administration (FTA) funding, should the City be able to obtain such funding.

2. Accept Alternate Proposal Submitted by CTS
   Accepting CTS' Alternate Proposal would effectively amount to a sole source procurement as no other firms were solicited to provide the package of services proposed by CTS in its Alternate Proposal. Accepting CTS' Alternate Proposal would leave the City without needed fixed route services. This would also place the City in the

position of having to solicit proposals for only the fixed route service, which is too small a prospective contract to attract competitive proposals. The resulting service program would not correspond with the City's adopted service structure. Additionally, CTS has not demonstrated the capacity, through experience or management training, to operate ADA paratransit services in compliance with legal requirements. Finally, proceeding with a sole source procurement under these circumstances would make the transit services ineligible for FTA funding, should the City be able to obtain such funding.

3. Cancel Present Procurement, Modify RFP and Solicit New Proposals
   - Proposed revisions have been made to the RFP document in response to the feedback from the follow-up calls in order to increase the likelihood of receiving compliant and cost-effective proposals. As revised, the RFP would commit the City to purchase, maintain, store and fuel the DAR vehicles (a separate agenda item tonight is requesting approval to purchase the vehicles), and to provide office space for the successful firm as necessary and outlined in the Request for Proposals. Staff is requesting Council approval to release the revised RFP.
   - A second, revised procurement process would likely require an extension of the current CTS contract beyond March 31, 2016, and would incur additional staff and consultants costs. If release of a revised RFP is directed by Council, staff will bring back a CTS contract amendment for a term extension for Council consideration.
   - Additionally, staff would like Council to consider obtaining liability insurance through California Transit Indemnity Pool (CalTIP). Insuring the transit system through CalTIP would provide additional coverage to the City (the City's PARSAC membership excludes transit operations) and may allow a potential operator to carry a smaller liability policy (the insurance requirements in the modified RFP remain at $10,000,000). Staff will provide additional information to the Council regarding such insurance.

4. Operate Fixed Route with City Staff, Contract Demand Response Services to Catalina Transportation Services
   Contracting with CTS for the demand response services would effectively be a sole source procurement as no other firms were solicited to provide this package of services. CTS has not demonstrated the capacity, through experience or management training, to operate ADA paratransit service in compliance with legal requirements. This alternative would require the addition of 3-4 new City employees to operate the fixed route services. Further, proceeding with a sole source procurement under these circumstances would make the transit services contracted to CTS ineligible for FTA funding, should the City be able to obtain such funding.

5. Operate All Avalon Transit Services with City Staff
   This alternative would give the City direct control of the delivery of fixed route and dial-a-ride services and consolidate operations and maintenance functions under the City. The City can operate public transit as a necessary public service without competitive procurement. The City could potentially meet the scheduled start of service date of April 1, 2016. The alternative would require the addition of 12-13 new employees to operate both the fixed route and dial-a-ride services.

**GOAL ALIGNMENT:** Goal 6 – Comprehensive Transportation Review

**FISCAL IMPACTS:** Unknown at this time.

**CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION:** Dependent upon City Council Direction.

**FOLLOW UP ACTION:** Implement the City Council's decision based on the alternatives listed above.

**ADVERTISING, NOTICE AND PUBLIC CONTACT:** Pursuant to the Brown Act.

**ATTACHMENTS:**

1. Revised Request for Proposals (available upon request)
2. Cost Analysis for Options 3, 4 and 5.

## Avalon Transit Cost Analysis
## Option 3: Contracted Operations with City Providing Vehicle Maintenance

**City Administration/Management**

| Classification | FTE | Hourly Wage | Benefits | Hourly with Benefits | Annual Cost Per Employee | Total Annual Cost |
|---|---|---|---|---|---|---|
| Analyst | 0.33 | $33.00 | $13.20 | $46.20 | $96,096.00 | $31,711.68 |
| Office Assistant | 0.5 | $15.00 | $6.00 | $21.00 | $43,680.00 | $21,840.00 |
| **Totals** | **0.83** | | | | | **$53,551.68** |

**Avalon Transit Labor Costs**

| Classification | FTE | Hourly Wage | Benefits | Hourly with Benefits | Annual Cost Per Employee | Total Annual Cost |
|---|---|---|---|---|---|---|
| Mechanic | 1 | $30.00 | $12.00 | $42.00 | $87,360.00 | $87,360.00 |
| **Totals** | 1 | | | | | **$87,360.00** |

| Non-Labor Direct Operating Costs | | | Amount | |
|---|---|---|---|---|
| Maintenance Parts & Supplies | ($1.00/VRH) | | $9,155.00 | |
| Fuel -- Electricity | | | $36,000.00 | |
| Fuel -- Gasoline, Regular grade | | | $10,000.00 | |
| Insurance | | (Estimate) | $30,000.00 | |
| | **Total Direct Costs** | | **$85,155.00** | **$85,155.00** |

| Capital Costs | | Amount | |
|---|---|---|---|
| Bus Stop Signs/Poles and Installation | (25 signs@$200 each) | $5,000.00 | |
| Schedule Holders at Selected Stops | (8 stops @$400) | $3,200.00 | |
| | **Total Capital Costs** | **$8,200.00** | **$8,200.00** |

| | |
|---|---|
| **Total Estimated Annual Cost** | **$234,266.68** |

## Avalon Transit Cost Analysis
## Option 4: Cost to City Operating Fixed Route

### City Administration/Management

| Classification | FTE | Hourly Wage | Benefits | Hourly with Benefits | Annual Cost Per Employee | Total Annual Cost | |
|---|---|---|---|---|---|---|---|
| Analyst | 0.5 | $33.00 | $13.20 | $46.20 | $96,096.00 | $48,048.00 | |
| Office Assistant | 0.5 | $15.00 | $6.00 | $21.00 | $43,680.00 | $21,840.00 | |
| Totals | 1 | | | | | | $69,888.00 |

### Avalon Transit Labor Costs

| Classification | FTE | Hourly Wage | Benefits | Hourly with Benefits | Annual Cost Per Employee | Total Annual Cost | |
|---|---|---|---|---|---|---|---|
| Lead Driver | 1 | $18.00 | $7.20 | $25.20 | $52,416.00 | $52,416.00 | |
| Driver | 3.5 | $15.00 | $6.00 | $21.00 | $43,680.00 | $152,880.00 | |
| Mechanic | 1 | $30.00 | $12.00 | $42.00 | $87,360.00 | $87,360.00 | |
| Cleaner/Svc Worker | 0.3 | $13.00 | $5.20 | $18.20 | $37,856.00 | $11,356.80 | |
| Totals | 5.8 | | | | | | $304,012.80 |

| Non-Labor Direct Operating Costs | | Amount | |
|---|---|---|---|
| Hiring/Training | | $25,000.00 | |
| Uniforms | ($125/employee x 5 employees) | $625.00 | |
| Maintenance Parts & Supplies | ($1.00/VRH) | $4,735.00 | |
| Fuel – Electricity | | $36,000.00 | |
| Insurance | (Estimate) | $30,000.00 | |
| Driver Licenses, Drug Testing, Pull Notices | | $700.00 | |
| Vehicle Cleaning Supplies | ($0.25/VRH) | $1,200.00 | |
| | Total Direct Costs | $98,260.00 | $98,260.00 |

## Avalon Transit Cost Analysis
## Option 4: Cost to City Operating Fixed Route

| Capital Costs | | Amount | |
|---|---|---|---|
| Fareboxes/vaults | ($1,040 per vehicle x 3buses) | $3,120.00 | |
| Radio System | | $5,000.00 | |
| Bus Stop Signs/Poles and Installation (25 signs@$200 each) | | $5,000.00 | |
| Schedule Holders at Selected Stops (8 stops @$400) | | $3,200.00 | |
| | **Total Capital Costs** | **$16,320.00** | **$16,320.00** |
| **Total Estimated Annual Cost** | | | **$488,480.80** |

## Avalon Transit Cost Analysis
## Option 5: Cost of the City to Directly Operation the Transit System

### City Administration/Management

| Classification | FTE | Hourly Wage | Benefits | Hourly with Benefits | Annual Cost Per Employee | Total Annual Cost | |
|---|---|---|---|---|---|---|---|
| Analyst | 0.33 | $33.00 | $13.20 | $46.20 | $96,096.00 | $31,711.68 | |
| Office Assistant | 1 | $15.00 | $6.00 | $21.00 | $43,680.00 | $43,680.00 | |
| Totals | 1.33 | | | | | | $75,391.68 |

### Avalon Transit Labor Costs

| Classification | FTE | Hourly Wage | Benefits | Hourly with Benefits | Annual Cost Per Employee | Total Annual Cost | |
|---|---|---|---|---|---|---|---|
| Manager | 1 | $25.00 | $10.00 | $35.00 | $72,800.00 | $72,800.00 | |
| Driver | 8 | $15.00 | $6.00 | $21.00 | $43,680.00 | $349,440.00 | |
| Dispatcher | 2 | $15.00 | $6.00 | $21.00 | $43,680.00 | $87,360.00 | |
| Mechanic | 1 | $30.00 | $12.00 | $42.00 | $87,360.00 | $87,360.00 | |
| Cleaner/Svc Worker | 0.5 | $13.00 | $5.20 | $18.20 | $37,856.00 | $18,928.00 | |
| Totals | 12.5 | | | | | | $615,888.00 |

| Non-Labor Direct Operating Costs | | | Amount |
|---|---|---|---|
| Hiring/Training | | | $25,000.00 |
| Uniforms | ($125/employee x 10 employees) | | $1,250.00 |
| Maintenance Parts & Supplies | ($1.00/VRH) | | $9,155.00 |
| Fuel -- Electricity | | | $36,000.00 |
| Fuel -- Gasoline, Regular grade | | | $10,000.00 |
| Insurance | | (Estimate) | $30,000.00 |
| Computer h/w, s/w | | | $10,000.00 |
| Driver Licenses, Drug Testing, Pull Notices | | | $1,000.00 |
| Vehicle Cleaning Supplies | ($0.25/VRH) | | $2,289.00 |

## Avalon Transit Cost Analysis
## Option 5: Cost of the City to Directly Operation the Transit System

| | | | |
|---|---|---|---|
| | **Total Direct Costs** | **$124,694.00** | **$124,694.00** |
| **Capital Costs** | | **Amount** | |
| Fareboxes/vaults | ($1,040 per vehicle x 5 buses) | $5,200.00 | |
| Radio System | | $10,000.00 | |
| Bus Stop Signs/Poles and Installation (25 signs@$200 each) | | $5,000.00 | |
| Schedule Holders at Selected Stops (8 stops @$400) | | $3,200.00 | |
| | **Total Capital Costs** | **$23,400.00** | **$23,400.00** |
| **Total Estimated Annual Cost** | | | **$839,373.68** |

# CITY OF AVALON CITY COUNCIL

**MEETING DATE:** January 19, 2016 **AGENDA ITEM:** 12

**ORIGINATING DEP:** Planning **CITY MANAGER:** DR

**PREPARED BY:** Audra McDonald, Administrative Analyst

**SUBJECT:** Request for Approval to Purchase two (2) Low-Floor Minivan's from Creative Bus Sales for the City's Dial-a-Ride and Paratransit System.

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**RECOMMENDED ACTION(S):** Authorize staff to acquire approval from MBTA/CalACT Cooperative Bid Program to purchase two (2) Braun Corporation-Entervan, Class D: Low Floor Minivans from Creative Bus Sales in an amount not-to-exceed $91,723.26.

**REPORT SUMMARY:** The City of Avalon is in the process of procuring an operator for the Avalon Transportation Program which includes three new, 22-foot electric buses. The first solicitation offered two alternatives for the operation of the complementary paratransit service which is a Federal requirement. One alternative was for the bidder to supply the paratransit vehicles. The second option was for the City purchase the vehicles for operation by the bidder. It was decided to include the purchase of the vehicles in the Fiscal Year 15/16 Budget Amendment (November 3, 2015) in the event bids received were beyond the transportation budget.

The deadline for receipt of proposals was November 20, 2015. Only one proposal was received and was deemed unresponsive. Firms that had expressed an interest in the process were contacted to gather feedback on the solicitation, and one concern expressed was the bid option to purchase the vehicles. It is the opinion of staff that if the Council chooses to re-bid the project, having the paratransit vehicles provided may entice more firms to participate. Conversely, should the Council determine that the City should operate the transportation system, the vehicles would still need to be purchased.

Through the City's membership in the California Association for Coordinated Transportation (CalACT) we are able to purchase these vehicles through the MBTA/CalACT Purchasing Cooperative, which has already complied with Federal and state competitive procurement requirements.

**GOAL ALIGNMENT:** Goal 6 – Comprehensive Transportation Review

**FISCAL IMPACTS:** $91,723.26 will be spent for the purchase of the vehicles. The purchase is budgeted in the Fiscal Year 15/16 Budget Amendment approved November 3, 2016.

**CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION:** The City would need to find an alternative to purchasing paratransit vehicles.

**FOLLOW UP ACTION:** Contact CalACT for approval of the purchasing contract through the MBTA/CalACT cooperative.

**ADVERTISING, NOTICE AND PUBLIC CONTACT:** Pursuant to the Brown Act.

**ATTACHMENTS:**

1. Creative Bus Sales Proposal

# CITY OF AVALON CITY COUNCIL

**MEETING DATE:** January 19, 2016 **AGENDA ITEM:** 13

**ORIGINATING DEP:** Harbor **CITY MANAGER:** DR

**PREPARED BY:** Harbor Master

**SUBJECT:** Shore Boat Service

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**RECOMMENDED ACTION(S):**
Authorize the Harbor Master to issue a Request for Proposal for shore boat services.

**REPORT SUMMARY:**
Island Enterprises, formerly known as Island Navigation, has been providing shore boat service in Avalon since 1975. In 1977, the City granted Island Navigation an exclusive franchise agreement for providing shore boat service in City waters. In 1983, Island Navigation built a float which was added to the end of the Green Pier for use of their shore boat and glass bottom boat operations during the summer months.
The franchise renewal agreement for shore boat services executed in 1994 following a formal bid process was extended multiple times and has since expired. During the 1994 formal bid process, only Island Navigation Inc. submitted a bid.

On July 29, 2015, Island Enterprises delivered a letter to the City Manager stating they will no longer be able to provide the harbor shore boat services at its current hours and levels of service due to a $600,000 shortfall.

On November 16, 2015, Island Enterprises amended their schedule and stopped operating shore boat service starting on Monday at noon until Friday at 4:00pm. When Island Navigation is closed, the Harbor Department has been transporting passengers to and from moored and anchored vessels in the Harbor Patrol Boats.

If the City Council would like the Harbor Patrol to continue providing transportation for passengers when the shore boat is closed, it is recommended for safety reasons that a specific type vessel made for the purpose solely of transporting passengers is obtained, and more personnel be scheduled from time to time to operate the service.

Island Enterprises suggested three options:

1. City purchase shore boats and provide shore boat services

In order for the City to operate a shore boat service, the City would need to purchase four Coast Guard certified passenger carrying vessels with an initial cost of approximately

$600,000-$1,000,000 in addition to the on-going employee labor and benefit costs associated with the shore boat operating year around.

It is my opinion that the City does not have sufficient resources to purchase and operate shore boats.

2. Island Enterprise continues to operate the existing shore boat service with a $600,000 subsidy

In order to provide a $600,000 subsidy to Island Enterprises, daily mooring rentals would need to be raised by 45% which equates to a vessel which currently paying $31 a day would have to pay $45 a day and still need to pay for a shore boat fare. Shoreboat rates are set by a tariff issued by the Public Utilities Commission which is currently $4.75 per person, each way.

It is my opinion the boaters and mooring owners would be against an increase in mooring rates to subsidize a shore boat service they may not use, as boaters are accustomed to having their own dinghy for immediate transportation.

3. Another option suggested by Island Enterprises would be to issue a Request for Proposal to see if there is interest in operating a shore boat service in City waters.

The prospective bidder would need to provide the certified passenger carrying vessels and the summer float infrastructure needed to operate from the end of the Pier. A prospective bidder would also need to adhere to the State of California PUC code provisions applicable to certificate of public convenience and necessity regarding water taxis.

Since Option 1 would require a substantial capital outlay and Option 2 would require a 45% increase in mooring fees to meet the subsidy request, it is my opinion that the third option of issuing an RFP is the most viable for the City.

**GOAL ALIGNMENT:** Not aligned

**FISCAL IMPACTS:** Substantial capital outlay and operational costs would be incurred if the City were to operate the shore boat service and a significant increase in mooring fees (45%) would have to be imposed on the mooring users to raise $600,000 in requested subsidies.

**CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION:** The City of Avalon would not have shore boat service which is considered to be a vital necessity in the harbor.

**FOLLOW UP ACTION**: Staff to act on City Council directions.

**ADVERTISING, NOTICE AND PUBLIC CONTACT:** Pursuant to the Brown Act.

**ATTACHMENTS:** None

## CITY OF AVALON CITY COUNCIL

**MEETING DATE:** January 19, 2016 **AGENDA ITEM:** 14

**ORIGINATING DEPT:** Harbor **CITY MANAGER:** DR

**PREPARED BY:** Assistant Harbor Master JJ Poindexter

**SUBJECT:** Review of the Waterside Permit and Encroachment Permit Conditions ~ David Lieberman/Catalina Snorkel & Scuba Adventures (collectively, "Applicant")

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**RECOMMENDED ACTION(S):** Review Applicant's compliance with the Conditions of Approval for the **Waterside Permit Project Application** and Encroachment Permit and make no changes to the existing conditions of approval, including those described below:

**Certain Conditions of Approval of Waterside Permit**:

1. All snorkeling tours limited to no more than twelve (12) persons per certified guide;
2. All snorkeling tours be conducted away from the glass-bottom boat fairway;
3. Use the location identified by the City for cruise ship tour operators, including Applicant, to meet their guests and sign waivers near the harbor on days that a contracted cruise ship is in port;
4. Abide by the standard list of conditions relating to Waterside Permit Applications, to the satisfaction of the Harbor Master.

**Certain Conditions of Approval of Encroachment Permit[1]:**

1. Applicant is permitted to park his commercial vehicle at Lover's Cove, limited to the following time periods: 30 minutes before, 45 minutes during and 30 minutes after each scheduled tour at Lover's Cove;
2. Applicant agrees to provide the City's Harbor Department a list of scheduled tours at Lovers Cove;
3. Applicant will pay a fee for the Encroachment Permit of $25.00 per day to park.
4. Applicant agrees that parking at Lover's Cove will be limited to no more than (9) tours per week.

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[1] Avalon Municipal Code ("AMC") section 4-9.101 provides for the issuance of an encroachment permit to allow for the parking on public property. AMC section 4-9.106 sets forth the criteria an applicant must meet for the granting of an encroachment permit as follows: (1) the encroachment use is necessary or desirable; (b) the encroachment use does not create a substantial adverse impact on persons or property; and (c) the encroachment use does not adversely affect the public health, welfare and safety. AMC section 4-9.109 provides Council the authority to set conditions on an encroachment permit as deemed necessary to protect the City, persons, property, or the public health, safety and welfare. Finally, AMC section 4-9.103(c) requires an applicant to pay a fee prescribed by City Council resolution.

## FINDINGS DURING TEMPORARY PERIOD (10-20-15 THROUGH 1-19-16)

Since this matter was before the Council on October 20, 2015, Staff from the City's Harbor Department have been monitoring the Applicant to ensure compliance with the terms and conditions set forth above. Staff is pleased to report that the Applicant has complied with all of the terms and conditions as set forth below and is not making any recommended changes to the conditions of approval:

**Waterside Permit**

1. Applicant remitted payment to the City in the amount of $7,500;
2. Applicant has limited all snorkeling tours limited to no more than twelve (12) persons per certified guide;
3. Applicant has used the location identified by the City for cruise ship tour operators and has met his guests and signed waiver near the harbor on days that contracted cruise ships have been in port;
4. Applicant has complied with the standard conditions relating to Waterside Permit Applications to the satisfaction of the Harbor Master.

**Encroachment Permit**

1. Applicant has parked his commercial vehicle within the time parameters set by Council and has limited his parking at Lover's Cove to 30 minutes before, 45 minutes during and 30 minutes after each of his scheduled tours at Lover's Cove;
2. Applicant has provided the City's Harbor Department a list of scheduled tours at Lovers Cove;
3. Applicant has paid all encroachment fees due and payable.
4. Applicant has not exceeded the maximum number of tours per week (9 tours) and is in compliance with this condition;
5. During the interim period, there was some question whether Applicant was required to cover the entire sign on his commercial truck or just the side of the truck facing the road. Applicant has taken all measures to cover the sign on the side of the truck facing the road. Council requested that all logos/signs on the Applicant's truck that can be seen from the street be covered. Staff concurs with this request.

**Indirect Wastewater Discharge Permit**

Applicant must remit $400 fee for yearly Indirect Wastewater Discharge Permit.

**FISCAL IMPACTS:** The Avalon Municipal Code requires commercial enterprises emanating from outside Avalon Harbor to pay 4% of their gross as an Admission Tax and enterprises emanating from inside Avalon Harbor to pay 7% of their gross as a Harbor Use Fee. The City will also continue to collect the encroachment permit fee.

**ATTACHMENTS:**

1. Waterside Permit
2. Encroachment Permit
3. Waterside Permit Standard List of Conditions

# CITY OF AVALON CITY COUNCIL

**MEETING DATE:** January 19, 2016 **AGENDA ITEM:** 15

**ORIGINATING DEPT:** Public Works **CITY MANAGER:** DR

**PREPARED BY:** City Attorney Scott Campbell

**SUBJECT:** Amendment of Avalon Municipal Code Chapter 6-6 and Section 8-5.05 relating to public and private salt water systems

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**RECOMMENDED ACTION(S):** That the City Council introduce and waive all readings of an ordinance amending Title 6, Chapter 6 and Section 8-5.05 of the Avalon Municipal Code relating to public and private salt water systems.

**REPORT SUMMARY:** Avalon owns and maintains a salt water distribution system which provides salt water to private salt water lines. The Municipal Code requires structures within the City that have toilets to be equipped with a separate salt water plumbing system piped to the toilets and connected to the City's salt water system through "private salt water lines." The terms "private salt water lines" and "City salt water system" are not defined in the Municipal Code, which has allowed some confusion as to ownership and maintenance responsibilities. The proposed ordinance adds definitions of these terms but does not change the private nature of the private salt water lines or incorporate them into the City salt water system. Consistent with the definition of "private sewer lateral," in Chapter 7, "Sewers," private salt water lines are those lines that connect a structure or structures to the City-owned distribution system, including the "wye" or saddle at the public supply line.

The proposed ordinance also clarifies the maintenance responsibilities for the private salt water lines and City salt water system consistent with the maintenance responsibilities in Chapter 7, "Sewers." Specifically, each property owner is required to inspect, maintain and repair the property owner's private salt water lines in such a manner as to prevent corrosion, clogging, or failure of the lines. Finally, the proposed ordinance authorizes the City Manager to establish a program for the effective administration of the salt water system in accordance with the Municipal Code.

**GOAL ALIGNMENT:** Infrastructure

**FISCAL IMPACTS:** No financial impact is anticipated for the adoption of the proposed Ordinance.

**ATTACHMENTS:** Proposed Ordinance

**ORDINANCE NO. ___**

**AN ORDINANCE AMENDING CHAPTER 6-6 AND SECTION 8-5.05 OF THE AVALON MUNICIPAL CODE RELATING TO PUBLIC AND PRIVATE SALT WATER SYSTEMS**

**WHEREAS**, the City of Avalon owns and maintains a salt water distribution system which provides salt water to private salt water lines;

**WHEREAS**, structures within the City that have toilets are required to be equipped with a separate salt water plumbing system piped to the toilets and connected to the City's salt water system; and

**WHEREAS**, the City wishes to clarify the ownership and maintenance responsibilities for the private salt water lines and City salt water system and provide the City Manager with authority to establish a program for the effective administration of the salt water system in accordance with the Municipal Code.

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

**SECTION 1**. Section 6-6.01 of the Avalon Municipal Code MC is hereby amended to add the following definitions in the appropriate alphabetical order, to be re-numbered as appropriate:

"City salt water system" shall mean the publicly owned property involved in the distribution of salt water within the city, including intake piping, pumps, reservoir, land, supply lines (main lines), fittings, and equipment related to such elements.

"Private salt water lines" shall mean the privately owned piping or line connecting a building, collection of buildings such as a common interest development, or other structure or structures to the City salt water system, and includes the service connection "wye" or saddle at the supply line.

**SECTION 2**. Section Sec. 6-6.09 of the Avalon Municipal Code is hereby amended to change the heading and add subdivisions (d) and (e) as follows:

Sec. 6-6.09 Salt Water Service: Installation and Maintenance Required.

(d) Property Owner's Obligation. Each property owner shall, at the property owner's expense, inspect, maintain in good working order, repair, rehabilitate and replace, as necessary, the property owner's private salt water lines in such a manner as to prevent corrosion, clogging, or failure of the lines.

(e) Private Salt Water Lines Not Part of City Salt Water System. The private salt water lines are the property of the property owner and are not part of the City salt water system. Nothing in this chapter shall be interpreted as changing the private nature of the private salt water lines or incorporating them into the City salt water system.

**SECTION 3.** Section 6-6.14 of the Avalon Municipal Code is hereby added as follows:

Sec. 6-6.14 Salt Water System Program

The City Manager may prepare and administratively adopt a salt water system program to provide administrative guidance on the implementation and enforcement of this chapter. The City Manager may update the salt water program administratively as needed to achieve the applicable performance standards for the City salt water system.

**SECTION 4.** Section 8-5.05 of the Avalon Municipal Code is hereby amended to change the heading and add subdivisions (d) and (e) as follows:

Sec. 8-5.05 Salt Water Service: Installation and Maintenance Required.

(d) Property Owner's Obligation. Each property owner shall, at the property owner's expense, inspect, maintain in good working order, repair, rehabilitate and replace, as necessary, the private salt water lines so that they do not become corroded, clogged, or inoperable.

(e) Private Salt Water Lines Not Part of City Salt Water System. The private salt water lines are the property of the property owner and are not part of the City salt water system. Nothing in this chapter shall be interpreted as changing the private nature of the private salt water lines or incorporating them into the City salt water system.

**SECTION 5.** Severability.

If any section, subsection, subdivision, sentence, clause or phrase of this Ordinance, or any part thereof is for any reason held to be unconstitutional, such decisions shall not affect the validity of the remaining portion of this Ordinance or any part thereof. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase thereof, irrespective of the fact that any one or more section, subsection, subdivision, paragraph, sentence, clause or phrase be declared unconstitutional.

**SECTION 7.** Certification and Effective Date.

The City Clerk of the City of Avalon shall certify the passage and adoption of this Ordinance and shall cause the same, or a summary thereof, to be published and/or posted in the manner required by law. This Ordinance shall take effect thirty (30) days after its adoption.

**INTRODUCED** at a regular meeting of the City Council of the City of Avalon on the 19th day of January, 2016 by the following vote:

Ayes:
Noes:
Absent:
Abstain:

**PASSED, APPROVED AND ADOPTED** at a regular meeting of the City Council of the City of Avalon on this _____ day of _____, 2016, by the following vote:

Ayes:
Noes:
Absent:
Abstain:

_____
Ann H. Marshall, Mayor

**ATTEST:**

_____

Denise A. Radde, City Clerk

**APPROVED AS TO FORM:**

_____

Scott Campbell, City Attorney
Best Best & Krieger, LLP

**CITY OF AVALON SUCCESSOR AGENCY TO THE AVALON COMMUNITY IMPROVEMENT AGENCY**

**MEETING DATE:** January 19, 2016 **ADENDA ITEM:** 16

**ORIGINATING DEP:** Successor Agency **CITY MANAGER:** DR

**PREPARED BY:** Suzy Kim, Consultant, RSG Inc.
Ya-yin Isle, Consultant, RSG Inc.

**SUBJECT:** Recognized Obligation Payment Schedule (ROPS) 16-17 and Successor Agency Administrative Budget for Fiscal Year 2016-17

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**RECOMMENDED ACTION(S):** Adopt "A Resolution of the City of Avalon as Successor Agency to the Avalon Community Improvement Agency Approving a Recognized Obligation Payment Schedule 16-17 and Successor Agency Administrative Budget for Fiscal Year 2016-17"

**REPORT SUMMARY:**

DISCUSSION OF LEGISLATIVE CHANGES TO ROPS PROCESS

On September 22, 2015, Governor Brown signed Senate Bill 107 ("SB 107"), which went into effect immediately. SB 107 made several key changes to the Health and Safety Code sections that establish the ROPS process. These changes are summarized below:

*Annual Submission Beginning for Fiscal Year 2016-17*

Beginning in 2016, ROPS will be due to the Department of Finance ("DOF") annually by February 1st, instead of biannually as in previous years. ROPS periods will cover July 1st to June 30th. Once per ROPS period, but not later than October 1st, successor agencies may submit to their oversight board and DOF one amendment to the DOF-approved ROPS if the oversight board makes a finding that the revision is necessary for the payment of approved enforceable obligations during the second half of the ROPS period.

*Bifurcation of ROPS and Prior Period Adjustment Processes*

Previously on ROPS, successor agencies provided both an itemized list of payments of enforceable obligations for the upcoming ROPS period and an itemized list of differences between actual payments and past estimated obligations for the preceding ROPS period ("Prior Period Adjustment"). SB 107 specifies that, beginning in 2018, the Prior Period Adjustment process will be handled separately from the ROPS by county auditor-controllers and on an annual basis, instead of biannually as in previous years. Successor agencies will provide information regarding their Prior Period Adjustment to county auditor-controllers on October 1, 2018, and each October 1st thereafter. DOF has indicated that they are working on a new annual Prior Period Adjustment form to be introduced during the ROPS 17-18 period. ROPS 16-17 does not include the Prior Period Adjustment tab.

*Administrative Cost Allowance*

Previously, the administrative cost allowance for each fiscal year was the greater of $250,000 or three percent of the RPTTF funding that the successor agency received during the fiscal year. Beginning in Fiscal Year 2016-17, the administrative cost allowance for each fiscal year is the greater of $250,000 or three percent of the RPTTF funding that the successor agency received during the *prior* fiscal year; however, it cannot exceed 50 percent of the total RPTTF

funding distributed to pay enforceable obligations in the preceding fiscal year, less the administrative cost allowance and any loan repayments to the city or county.
SB 107 also specifies that while administrative budgets still require Oversight Board approval, they are no longer required to be submitted to DOF for approval.

*Last and Final ROPS*

Beginning January 1, 2016, successor agencies may submit a Last and Final ROPS for approval by the oversight board and DOF if all of the following conditions are met:

1. Remaining debt includes only administrative costs and enforceable obligations with set payment schedules, such as debt service, loan agreements, and contracts;
2. All remaining obligations have been previously listed on a ROPS and approved by DOF; and
3. The successor agency has no outstanding or unresolved litigation.

Once DOF approves a successor agency's Last and Final ROPS, the successor agency may submit up to two requests to amend it.

AVALON ROPS 16-17

ROPS 16-17, covering the period of July 1, 2016 to June 30, 2017, is required to be submitted to the Oversight Board, County Auditor-Controller, State Controller's Office ("SCO"), and DOF for review and approval. The Oversight Board must approve the ROPS and submit it to DOF by no later than February 1, 2016. If the ROPS is not submitted by that deadline, the City of Avalon (as the City and not as the Successor Agency) will be subject to a civil penalty of $10,000 per day for each day it is late. These requirements for the ROPS took effect in 2012 as a result of AB 1484 (Chapter 26, Statutes of 2012), and subsequently modified by SB107 (Chapter 325, Statutes of 2015).

*Enforceable Obligations*

The majority of the enforceable obligations on the ROPS remain unchanged from prior periods. ROPS 16-17 items requiring funding are as follows:

- Bond fiscal agent fees;
- Contract for Local Coastal Plan;
- Bond disclosure and arbitrage;
- Administrative cost allowance;
- Debt service payments on the 2015 Tax Allocation Refunding Bonds, Series 2015 A and 2015B;
- Catalina Island Museum Society reimbursement payment; and
- City loan to Successor Agency to cover a ROPS shortfall from the ROPS 15-16B.

Prior ROPS items Audit and Accounting Services, and Legal Services were reclassified by DOF to administrative cost allowance in ROPS 15-16B, and therefore are not requested separately on ROPS 16-17.

For the ROPS 15-16B time period, DOF approved $1,765,518 in RPTTF for distribution for authorized obligations by the County Auditor-Controller. However, the available RPTTF balance to fund obligations for the 15-16B time period was $1,269,705, and the Successor Agency only received that amount, leaving a shortfall of $495,813 to pay enforceable obligations. The Successor Agency is requesting a loan from the City to cover the ROPS

shortfall, and that item has been included on ROPS 16-17. A separate agenda item requesting approval of the loan agreement is also on the meeting agenda.

*Bond Projects*

All projects proposed to be funded with bond proceeds have been funded and approved on prior ROPS. ROPS 15-16B included the final project to be funded with bond proceeds, which was $156,517 for the Pebbly Beach Road Construction Project.

*SERAF Loan Repayment*

The Successor Agency received a Finding of Completion (aka the "Golden Ticket") on July 16, 2013. This enables the Successor Agency to repay monies loaned or advanced to the former ACIA from its Low and Moderate Income Housing Fund ("LMIHF") to make payments to the State's Supplemental Educational Revenue Augmentation Fund ("SERAF") required in fiscal years 2009-10 and/or 2010-11. In fiscal year 2009-10, the ACIA suspended a $1,000,000 deposit of tax increment to its LMIHF, creating a $1,000,000 debt to the LMIHF. The Successor Agency can now repay that $1,000,000 loan to the Housing Authority's Low and Moderate Income Housing Asset Fund through the ROPS based on a prescribed calculation formula. A payment was made in FY 2015-16 in the amount of $248,607.

The formula allows the repayment amount to be equal to one-half of the increase between the ROPS residual pass-through distributed to the taxing entities in that fiscal year and the ROPS residual pass-through distributed to taxing entities in the fiscal year 2012-13 base year. Because the ROPS residual pass-through amount for fiscal year 2015-16 is less than the 2012-13 base year residual amount, no SERAF loan repayments can be requested on ROPS 16-17. However, staff anticipates that SERAF loan repayments may resume on ROPS 17-18, and the full SERAF loan amount is anticipated to be paid off with ROPS 19-20.

*DOF Review*

Upon submittal of an Oversight Board-approved ROPS (due to DOF by February 1, 2016), DOF has until April 15, 2016 to make its determination on enforceable obligations, including amounts and funding sources. Meet and Confers are still available with the exception of items that are the subject of litigation disputing DOF's previous or related determination. The RPTTF distribution dates for ROPS 16-17 are June 1, 2016 and January 2, 2017.

## SUCCESSOR AGENCY ADMINISTRATIVE BUDGET (FISCAL YEAR 16-17)

HSC Section 34177(j) requires the Successor Agency to prepare a proposed administrative budget for each six-month fiscal period and submit it to the Oversight Board for approval. As previously mentioned, in Fiscal Year 2016-17, the administrative cost allowance is $250,000.

In addition to the Administrative Cost Allowance, a preexisting 2003 tax sharing agreement between the City, ACIA, and County of Los Angeles provides for a Permitted Administrative Expense ("PAE") to the Successor Agency to fund additional administrative and operational costs. The annual PAE amount increases each year to adjust for inflation. For fiscal year 2016-17, the PAE may provide up to $519,505 in funding for administrative and operational costs. These costs can include, but are not limited to: personnel, supplies/travel, noticing,

professional services, legal services, financial services, and overhead, including property-related fees. Both the Administrative Cost Allowance ($250,000) and PAE ($519,505) are not 100% guaranteed funding levels since distributions of those funds are based on the sufficiency and availability of property tax revenues during each ROPS period.

Staff is recommending that the Successor Agency approve an annual administrative budget of $769,505 for fiscal year 2016-17, which is split evenly between the two six-month ROPS periods, and direct staff to submit the budget to the Oversight Board for approval.

**ENVIRONMENTAL REVIEW:** The action taken by the Successor Agency to approve ROPS 16-17 and the Successor Agency Administrative Budget does not commit the Successor Agency to any actions that may have a significant effect on the environment. As a result, such actions do not constitute projects subject to the requirements of the California Environmental Quality Act.

**FISCAL IMPACTS**: Approval of the ROPS and Administrative Budget is necessary for the Successor Agency to continue administrative operations and make payments for debt service, contracts, and other enforceable obligations. By not adopting the ROPS and Administrative Budget, the Successor Agency would risk defaulting on loans and other debt agreements, and not being able to fund certain expenses and operations, which would also impact the City's General Fund. Failure to submit an Oversight Board-approved ROPS to DOF by February 1, 2016 will also result in a $10,000 per day penalty assessed against the City for each day the ROPS is late.

**ADVERTISING, NOTICE AND PUBLIC CONTACT:** This item was properly listed on the posted agenda.

**ATTACHMENTS:**
Successor Agency Resolution Approving the ROPS 16-17
FY 2016-17 Successor Agency Administrative Budget

**CITY OF AVALON SUCCESSOR AGENCY TO THE AVALON COMMUNITY IMPROVEMENT AGENCY**

**MEETING DATE:** January 19, 2016 **ADENDA ITEM:** 17

**ORIGINATING DEP:** Successor Agency **CITY MANAGER:** [illegible]

**PREPARED BY:** Suzy Kim, Consultant, RSG Inc.
Ya-yin Isle, Consultant, RSG Inc.

**SUBJECT:** Approving an Agreement Between the Successor Agency and the City for Repayment of a loan from the City for unfunded Successor Agency Expenditures for the ROPS 15-16B

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**RECOMMENDED ACTION(S):** That the Successor Agency to the Avalon Community Improvement Agency and the City Council of the City of Avalon approve the agreement authorizing the repayment of a loan from the City of Avalon for the ROPS 15-16B.

**REPORT SUMMARY:** The Successor Agency to the Avalon Community Improvement Agency ("Successor Agency") is required to prepare a Recognized Obligation Payment Schedule ("ROPS") in order to request Redevelopment Property Tax Trust Funds ("RPTTF") to fund enforceable obligations. The ROPS is submitted to and reviewed by the California Department of Finance ("DOF"). The ROPS includes a Report of Cash Balances documenting the Successor Agency's cash balances from various funding sources. Beginning in 2016, ROPS will be due to DOF annually by February 1st, instead of biannually as in previous years. ROPS periods will cover a full fiscal year, July 1st to June 30th.

For the ROPS 15-16B time period, DOF approved $1,765,518 in RPTTF for distribution to fund authorized enforceable obligations by the County Auditor-Controller. However, the available RPTTF balance for the 15-16B time period was $1,269,705, and the Successor Agency only received that amount, leaving a shortfall of $495,813 to pay enforceable obligations.
The City of Avalon and the Successor Agency desire to enter into a loan agreement for $495,813 and place it on the ROPS for repayment. The loan amount would cover the shortfall needed to pay enforceable obligations. The City may loan funds to the Successor Agency as authorized by Health and Safety Code Section 34173(h). The City loan will be placed on the ROPS 16-17 and subsequent ROPS as necessary until it is fully repaid.

**FISCAL IMPACTS**: Approval of the City Loan is necessary to repay the City for Successor Agency expenditures that should have been funded by RPTTF through the ROPS.

**ADVERTISING, NOTICE AND PUBLIC CONTACT:** This item was properly listed on the posted agenda.

**ATTACHMENTS:**
City Council Resolution No. _____
Successor Agency Resolution No. _____
Agreement to Repay Loan from the City of Avalon for the ROPS 15-16B